

CHRISTCHURCH CITY COUNCIL AGENDA

THURSDAY 25 OCTOBER 2012

9.30AM

COUNCIL CHAMBER, CIVIC OFFICES, 53 HEREFORD STREET

AGENDA - OPEN



CHRISTCHURCH CITY COUNCIL

Thursday 25 October 2012 at 9.30am in the Council Chamber, Civic Offices, 53 Hereford Street

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Council:	i ne iviavor.	Bob Parker	(Chairperson)	۱

Councillors Peter Beck, Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen, Barry Corbett, Jamie Gough, Yani Johanson, Aaron Keown, Glenn Livingstone, Claudia Reid and Sue Wells.

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1. APOLOGIES

Councillor Claudia Reid.

2. CONFIRMATION OF MINUTES - COUNCIL MEETINGS OF 27 SEPTEMBER 2012 AND 11 OCTOBER 2012

Attached.

3. DEPUTATIONS BY APPOINTMENT

- **3.1** Colin Stokes regarding item 6.2.
- **3.2** The Lyttelton/Mt Herbert Community Board regarding item 6.5.

4. PRESENTATION OF PETITIONS

Nil.

MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL HELD AT 9.30AM ON THURSDAY 27 SEPTEMBER 2012

PRESENT: The Mayor, Bob Parker (Chairperson).

Councillors Peter Beck, Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen, Barry Corbett, Jamie Gough, Aaron Keown, Glenn Livingstone, Yani Johanson

and Sue Wells.

At the outset of the meeting the Mayor welcomed the Lord Mayor of Adelaide, Mr Stephen Yarwood, to the meeting, who addressed councillors and staff in the Chamber.

1. APOLOGIES

An apology for absence was received from Councillor Claudia Reid.

An apology was received from the Mayor, who was absent for clauses 1-7.

An apology was received from Councillor Sue Wells from 11.45am onward.

An apology was received from Councillor Aaron Keown from 2.58pm onward.

An apology was received from Councillor Barry Corbett from 3.50pm onward.

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Wells, that the apologies be accepted.

2. DEPUTATIONS BY APPOINTMENT

- 2.1 The Opawa Voluntary Library Committee addressed the Council regarding the Facilities Rebuild Plan (item 4.2). The Committee asked that volunteer libraries be included on the Council's list of prioritised significant projects.
- 2.2 Anna Crighton addressed the Council regarding heritage incentive grant transfer options (item 4.5). Ms Crighton spoke about her role on the Canterbury Earthquake Heritage Building Fund Trust and asked the Council to support the Community, Recreation and Culture Committee's recommendation to the Council on fund transfers as set out on page 107 of the agenda.

3. CONFIRMATION OF MINUTES

COUNCIL MEETINGS OF 21 JUNE 2012, 23 AUGUST 2012, 13 SEPTEMBER 2012 AND 20 SEPTEMBER 2012

It was **resolved** on the motion of Councillor Beck, seconded by Councillor Livingstone, that the open minutes of the Council meeting held on Thursday 21 June 2012 be confirmed.

It was **resolved** on the motion of Councillor Corbett, seconded by Councillor Buck, that the open meetings of 23 August 2012 be confirmed.

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Chen, that the open minutes of 13 September 2012 be confirmed.

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Wells, that the open minutes of Wednesday 20 September 2012 be confirmed.

4. REPORT OF A MEETING OF THE COMMUNITY, RECREATION AND CULTURE COMMITTEE: MEETING OF 4 SEPTEMBER 2012

(5.) HERITAGE INCENTIVE GRANT FUNDS TRANSFER OPTIONS

This item was taken at this stage of the meeting.

Councillor Broughton withdrew from discussion and voting on this item.

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Corbett, that the Council:

- (a) Confirm the carry forward of the 2011/12 unspent Heritage Incentive Grants monies of \$505,499.00 into the 2012/13 Heritage Incentive Grants budgets.
- (b) Approve that \$300,000 from the 2012/13 Heritage Incentive Grant fund pool be transferred to the Canterbury Earthquake Heritage Building Fund Trust for distribution within the Christchurch city area.

(1.) COMMUNICATIONS AUDIT REVIEW

Councillor Johanson moved that the Council:

- Request that staff arrange a facilitated workshop for the Council to agree on a new vision and recovery priorities for the city. Request staff to work on a draft Communications strategy to inform residents about how the vision for the city and its recovery from the earthquake is to be implemented, and that this draft strategy be brought back to the Community, Recreation and Culture Committee.
- 2. Note that the General Manager Public Affairs will review the operation of the shared service in discussion with the Executive Team.
- 3. Note that staff will continue to roll out the customer service excellence training to all staff and ensure it reflects the findings of this audit.
- 4. Note the new committee structure gives Chairpersons responsibility to speak formally on portfolio matters and engage with staff on these matters, and that the Charter be amended to allow them to speak on issues relevant to their Committee's terms of reference.
- 5. Request staff to initiate a process for monitoring requests for information to ensure they are responded to in a timely manner.
- 6. Note that staff have actioned the recommendation to combine all marketing and communications plans into a single plan and ensure all plans have measurable objectives that can be reported on.
- 7. Request staff to produce a documented process for streamlining media inquiry response time by September 2012.
- 8. Agree that the Committee set up a working party to review the current Communications Policy, the Your Council Your Voice resource and the Civics Education Resource with a view to these documents helping to explain the council's decision making process and rationale behind decisions.

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- 9. Request staff to arrange a meeting with key stakeholders in Christchurch's earthquake recovery including Canterbury Earthquake Recovery Authority (CERA), Christchurch Central Development Unit (CCDU), Stronger Christchurch Infrastructure Rebuild Team (SCIRT), Urban Development Strategy (UDS) partners, Canterbury Communities' Earthquake Recovery Network (Cancern), Earthquake Commission (EQC) and Community Boards, to produce a combined action plan of how governance and communications can work effectively and coherently between these organisations.
- 10. Request staff to prepare a draft engagement strategy with input from community boards, by 30 October 2012, for discussion with the Community, Recreation and Culture Committee. Note that this should include a schedule of regular forums between Mayor and Councillors and key stakeholders such as developers, investors, government departments, business sector, community groups, sports groups, ethnic communities and media. Note that these be an opportunity for two way dialogue, and that the Chief Executive Officer and Executive Team be encouraged to attend when possible.
- 11. Note that the No Surprises Policy was formally adopted by Council on 23 August 2012 and has been added as an appendix to the Charter.
- 12. Agree that the Committee set up a working party to look at online communication tools, including more localised information for Community Boards. Request staff to bring a recommendation to the 2 October 2012 meeting of the Community, Recreation and Culture Committee for web-streaming council meetings and options for these.
- 13. Request staff to set up a regular schedule of meetings for the Council with Canterbury Earthquake Recovery Authority (CERA), Christchurch Central Development Unit (CCDU), Earthquake Commission (EQC), Environment Canterbury (Ecan) and local Members of Parliament (MPs).
- 14. Request staff to set up fortnightly meetings with the Minister and Associate Minister of Earthquake Recovery as a matter of urgency.
- 15. Request the Chief Executive Officer to establish a Councillors' office to provide administrative support and assistance to Councillors.
- 16. Request the CEO Subcommittee to urgently work with the Council to review the Chief Executive Officer's performance agreement and set key performance indicators (KPIs) on improving delivery of communications and public engagement. Note that these should include timely response to requests, media response times, customer service excellence training and no surprises for elected members and that there is an expectation of performance monitoring and reporting on these issues.
- 17. Agree that Council workshops are 'open to the public' as a default setting and only be held in public excluded where good justification exists.
- 18. Agree that Committee workshops are 'open to the public' as a default setting and only be held in public excluded where good justification exists.

Councillor Carter seconded the motion.

Clauses 1-3 were put together and declared carried.

Clause 4 was declared **carried** on electronic vote number 1 by 7 votes to 5, the voting being as follows:

For (7): Councillors Beck, Broughton, Buck, Carter, Chen, Johanson and

Livingstone.

Against (5): Councillors Button, Corbett, Gough, Keown, and Wells.

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Clauses 5-8 were put together and declared carried.

Clause 9 was declared **carried** on electronic vote number 2 by 7 votes to 5, the voting being as follows:

For (7): Councillors Beck, Broughton, Carter, Chen, Corbett, Johanson and

Livingstone.

Against (5): Councillors Buck, Button, Gough, Keown and Wells.

Clauses 10, 11 and 12 were put together and were declared carried.

Clause 13 was declared **carried** on electronic vote number 3 by 10 votes to 2, the voting being as follows:

For (10): Councillors Beck, Broughton, Buck, Carter, Chen, Corbett, Gough,

Livingstone, Johanson and Wells.

Against (2): Councillors Button and Keown.

Clause 14 was declared **carried** on electronic vote number 4 by 10 votes to 1 with 1 abstention, the voting being as follows:

For (10): Councillors Beck, Broughton, Buck, Carter, Chen, Corbett, Gough,

Johanson, Livingstone and Wells.

Against (1): Councillor Button.

Abstention (1): Councillor Keown.

Clause 15 was declared **carried** on electronic vote number 5 by 7 votes to 5, the voting being as follows:

For (7): Councillors Beck, Broughton, Carter, Chen, Gough, Johanson and

Livingstone.

Against (5): Councillors Button, Buck, Corbett, Keown and Wells.

Clause 16 was declared **carried** unanimously on electronic vote number 6.

Clause 17 was declared **carried** on electronic vote number 7 by 11 votes to 1, the voting being as follows:

For (11): Councillors Beck, Broughton, Buck, Carter, Chen, Corbett, Gough, Keown,

Johanson, Livingstone and Wells.

Against (1): Councillor Button.

Clause 18 was declared **carried** on electronic vote number 8 by 9 votes to 3, the voting being as follows:

For (9): Councillors Beck, Button, Buck, Carter, Chen, Gough, Johanson, Keown

and Livingstone.

Against (3): Councillors Broughton, Corbett and Wells.

The meeting adjourned at 11am and resumed at 11.15am.

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(9.) **DEPUTATIONS**

This item was taken at this stage of the meeting.

9.1 W. A. SUTTON HOUSE, 20 TEMPLAR STREET, RICHMOND

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Corbett, that the Council contacts the Canterbury Earthquake Recovery Authority (CERA) to discuss the possibility of the house remaining on the site with a preference for an artists-in-residence programme.

9.2 CENTRAL CITY ARTS PROJECT

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Carter, that the deputation be received.

5. REPORT OF A MEETING OF THE PLANNING COMMITTEE: MEETING OF 5 SEPTEMBER 2012

This item was taken at this stage of the meeting.

(1.) CONSENTING REBUILD MONTHLY REPORT

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Beck, that the Council receive the Consenting Rebuild Monthly Report, noting that the non-consented building works relates to commercial and not residential works.

(2.) MINOR ALTERATIONS TO PROPOSED BANKS PENINSULA DISTRICT PLAN

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Beck, that the Council make alterations to the proposed Banks Peninsula District Plan in accordance with clause 16(2) of Schedule 1 to the Resource Management Act 1991 by removing from Appendices IV and V, and from the planning maps, reference to the buildings listed in Attachment 1 to the report.

(4.) MODIFICATION TO WORKING PARTY TERMS OF REFERENCE

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Beck, that the Council modify the terms of reference of the Riccarton Ilam Community Safety Joint Working Party to allow for three community representatives.

(5.) DEVELOPMENT OF A LOCAL ALCOHOL POLICY FOR CHRISTCHURCH CITY

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Beck, that the Council:

- (a) Commence preliminary work to develop a Local Alcohol Policy, including a review of the Council's Alcohol Policy (2004), following enactment of the Alcohol Reform Bill and in accordance with the provisions of the new Act noting that the final timetable for the preparation of the policy will be determined by the Council.
- (b) Engage with stakeholders and the community, as part of this process, to ascertain their views on alcohol-related issues in the community with a view to developing a strategic approach to supporting the reduction of alcohol-related harm in the community.

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(c) Note that staff will be gathering relevant background information in advance of the enactment of the legislation.

(6.) PROPOSED PLAN CHANGE 52 - RUAPUNA MOTORSPORTS PARK

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Beck, that the Council:

- (a) Adopt the attached proposed plan change and assessment under Section 32 of the Resource Management Act.
- (b) Proceed to publicly notify proposed Plan Change 52 to the City Plan pursuant to the provisions of the First Schedule of the Resource Management Act 1991.

(7.) KING'S EDUCATION MEMORIAL REQUEST

It was resolved on the motion of Councillor Wells, seconded by Councillor Beck, that the Council:

- (a) Approve the planting of a memorial tree with a remembrance plaque at the base, in Latimer Square, to recognise King's Education staff and students who died in the 22 February 2011 earthquake.
- (b) Meet the cost of any resource consent fee for the King's Education plaque should a resource consent be required.
- (c) Approve the following principles to support an appropriate and consistent response to any memorial requests noting that the national Earthquake Memorial is now being progressed:
 - (i) The dedicated Avonhead Park Cemetery interment site is the location to be used where the Council receives a request for recognition of an individual's loss of life. This would include a plaque bearing an individual's name.
 - (ii) In other locations, memorial trees and/or remembrance plaques may be considered where a local or international group approaches the Council seeking collective recognition of a group of deaths. Recognition at the exact location of a death will not generally be possible unless this is considered a suitable location for a memorial tree or remembrance plaque.
 - (iii) Remembrance plaques are to employ generic wording and not list individual names, and recognise the wider loss of life and trauma of the event. The Avonhead Park Cemetery interment site is the location where individual names appear. The design of the national Earthquake Memorial will also consider appropriate recognition. This approach enables those two memorials to have primacy in the city.
 - (iv) The location of memorial trees and/or remembrance plaques will be tracked by means of the Council's memorial assets register and Council's memorial trees register.

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Beck, that the report as a whole be adopted.

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10. MAKING THE PROPOSED BANKS PENINSULA DISTRICT PLAN OPERATIVE

This item was taken at this stage of the meeting.

It was resolved on the motion of Councillor Wells, seconded by Councillor Buck, that the Council:

- (a) Approve, pursuant to Clause 17(1) of Schedule 1 Resource Management Act 1991, the Banks Peninsula District Plan.
- (b) Authorise the Group Manager, Strategy and Planning to set and publicly notify the date on which the District Plan shall become operative.

Councillor Wells left the meeting at 11.45am.

4. REPORT OF A MEETING OF THE COMMUNITY, RECREATION AND CULTURE COMMITTEE: MEETING OF 4 SEPTEMBER 2012 (CONTINUED)

This item was taken at this stage of the meeting.

(2.) FACILITIES REBUILD PLAN: DECISION MAKING CRITERIA AND DRAFT PRIORITISATION PROGRAMME, INCLUDING PRIORITY PROJECTS

It was resolved on the motion of Councillor Johanson, seconded by Councillor Corbett, that:

- (a) The Council confirm the criteria used to prioritise the Facilities Rebuild Plan, subject to the amendments in 1 and 2 below:
 - 1) That the Asset Revenue criteria is removed from future prioritisation decisions for the rebuilding of facilities.
 - 2) That the text describing the criteria is amended as follows:
 - i. reference to recovery benefits is included in the text describing the Community Impact criteria
 - ii. reference to Master Plans is included in the text describing the Strategic Value criteria.
- (b) The Council approve the Prioritised Significant Projects List, subject to the following projects being added to the Prioritised Significant Projects List:
 - i. the Riccarton Community Centre
 - ii. the volunteer libraries
 - iii. South New Brighton Community Centre
 - iv. the Scarborough (Sumner) Jetboat Shed
 - v. the Scarborough (Sumner) Lifeboat Shed.
- (c) The Council approve the DRAFT Facilities Rebuild Plan (FRP) prioritised programme.
- (d) The Council issue the DRAFT prioritised programme to Community Boards for further input before bringing the programme back to Council for final approval.
- (e) The status of all projects on the Prioritised Significant Projects List be reported back to the Council in or before December 2012.
- (g) The Prioritised Significant Projects List be circulated to Community Boards prior to the report going to the Council.

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(3.) FACILITIES REBUILD PLAN MONTHLY STATUS UPDATE INCLUDING SOCIAL HOUSING DETAILED ENGINEERING EVALUATION PROGRAMME

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Gough, that the Council:

- (a) Receive the information in the report.
- (b) Confirm the criteria used to prioritise the Social Housing Detailed Engineering Evaluation (DEE) assessments.
- (c) Approve the Social Housing Detailed Engineering Evaluation (DEE) prioritised programme.

In addition, the Committee requested a workshop on the Social Housing Strategy, and the Council's earthquake housing response and current capacity of Council's social housing stock.

(4.) OFFICER COMMENTS ON THE DRAFT SCOPE OF WORK FOR THE RECOVERY PROGRAMME FOR HERITAGE BUILDINGS AND CULTURAL HERITAGE PLACES

Councillor Johanson moved that the Council:

- (a) Adopt staff recommendations (a), (c) and (d), as set out below:
 - (a) Christchurch City Council's current heritage work programme is fundamentally supportive of the issues and actions for the retention of heritage buildings. Therefore work programme, its timing, resourcing and leadership, does not require any significant change to the scope in this regard other than to identify areas where potentially there is overlap with other partner agencies to avoid duplication and support each others respective programmes where they are compatible.
 - (c) The 2012/13 Christchurch City Council heritage work programme includes a project that identifies the need to develop a future strategic policy direction for heritage protection which integrates with the Council's wider strategic directions; fulfils legislative requirements and responds to international best practice. The project will also scope the work required to identify and protect a broadened extent of the city's heritage (i.e., built, natural and cultural heritage) and to draft the future work programme and resources required to inform any future District Plan review of the City Plan Heritage Chapter.
 - (d) The summary of key comments on the scoping paper and Officer conclusions (as set out under paragraphs 6-9 of the report) are provided to the Ministry as Council feedback on the scoping document with any identified changes or additions.
- (b) Agree that there is an urgent need to review district plan provisions to ensure that remaining important historic and cultural value is protected where possible for future generations.

Councillor Broughton seconded the motion, and on being put to the being put to the meeting it was declared **carried** on electronic vote number 9 by 6 votes to 5, the voting being as follows:

For (6): Councillors Broughton, Carter, Chen, Corbett, Johanson and Livingstone.

Against (5): Councillors Beck, Buck, Button, Gough and Keown.

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(6.) HERITAGE GRANT APPROVAL - MCKENZIE AND WILLIS, 236 TUAM STREET, CHRISTCHURCH

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Corbett, that the Council approve:

- (a) A Heritage Incentive Grant of up to \$240,000 for conservation and maintenance work for the protected heritage building at 236 Tuam Street subject to certification of compliance with the above scope of works.
- (b) That payment of this grant is subject to the applicant entering a Full Conservation Covenant with the signed covenant having the Council seal affixed prior to registration against the property title.

(7.) HERITAGE INCENTIVE GRANTS SIX MONTHLY REPORT

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Corbett, that the Council receive the report.

(8.) TSUNAMI SIRENS AND CIVIL DEFENCE

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Corbett, that the Council:

- (a) Receive the report.
- (b) Defer its decision on staff recommendation (b) until elected member workshops on this topic have taken place.

Note: staff recommendation (b) is set out below:

Consider as part of its 2013/22 Long Term Plan deliberations, funding for additional tsunami sirens at:

- Brooklands
- Spencerville
- Waimairi Beach to Taylors Mistake.

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Carter, that the report as a whole be adopted.

6. REPORT OF A MEETING OF THE ENVIRONMENT AND INFRASTRUCTURE COMMITTEE: MEETING OF 6 SEPTEMBER 2012

(1.) KRUSE'S STREAM LANDSCAPING PROPOSAL

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Buck, that the Council approve the Board recommendation and that the name of the Reserve at 5 Vagues Road be Withers Family Park.

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(2.) PAPANUI ROAD RIGHT TURN SIGNAL REQUEST AT BEALEY AVENUE/PAPANUI ROAD/VICTORIA STREET INTERSECTION

It was **resolved** on the motion of Councillor Buck, seconded by Councillor Keown, that the Council approve:

- (a) That the pedestrian crossing facilities across Bealey Avenue at the intersection of Papanui Road and Victoria Street are realigned (refer Attachment 2 of the report).
- (b) That the U-turning of vehicles travelling east or west on Bealey Avenue at its intersection with Papanui Road and Victoria Street, be banned.

Both of these recommendations are required to ensure the green arrows for Papanui Road can be safely installed.

(3.) DRAFT WASTEWATER STRATEGY

Refer to item 7.2 of these minutes.

(4.) INFRASTRUCTURE REBUILD MONTHLY REPORT

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Buck, that the Council receive the Infrastructure Rebuild Monthly Report for August 2012.

7. REPORT OF A MEETING OF THE ENVIRONMENT AND INFRASTRUCTURE COMMITTEE: MEETING OF 17 SEPTEMBER 2012

(1.) NO.2 SUMNER ROAD LYTTELTON – BOUNDARY ROAD ADJUSTMENT/REALIGNMENT

It was resolved on the motion of Councillor Keown, seconded by Councillor Corbett, that

- the Council approve the sale of land shown marked "A" and the purchase of land shown marked "B" on Attachment 1 by way of a boundary alignment/adjustment subject to definition by survey between Lot 1 DP 51886 and Lot 2 DP 307398 delineated as a straight red line on Attachment 1 subject to:
 - (a) The owner of Lot 1 DP 51886 taking ownership and responsibility for all structures and retaining walls on the north and eastern boundaries of Lot 1 DP 51886.
 - (b) Any demolition and construction of retaining walls next to the boundary not adversely compromising the support of the ground and buildings in Lot 2 DP 307398.
 - (c) The applicant obtaining all consents and approvals required including an for work on or associated with the retaining walls and construction on the area proposed for disposal.
 - (d) All costs in implementing the realignment be the responsibility of the applicant.
 - (e) The Corporate Support Manager being given a delegation to further negotiate the terms and conditions including the consideration between the parties, to conclude a contract that gives effect to the proposed boundary adjustment/realignment on terms and conditions acceptable to her.
- 2. Given the situation as discussed in paragraphs 11 and 17, that no further consultation in terms of Section 138 of the Local Government Act 2002, be required.

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3. Pursuant to Section 40 (4) of the Public Works Act 1981 the Council determine that the Councils land may be sold to the owner of the adjacent land (Lot 1 DP 51886).

(2.) DRAFT WASTEWATER STRATEGY

It was **resolved** on the motion of Councillor Corbett, seconded by Councillor Keown, that the Council approve:

- (a) That the Draft Wastewater Strategy is released for public consultation.
- (b) That a public consultation period is over 30 calendar days starting no later than four weeks after the Council's approval. Indicative dates are 8 October through 4 November 2012. This will be a non-statutory process and not a special consultative procedure.
- (c) That a Hearings Panel is formed no earlier than two weeks following the close of the submission period to hear oral submissions and consider written submissions.

(3.) HIGH ST/TUAM ST TRIANGLE APPLICATION BY C1 EXPRESSO FOR TABLE AND CHAIR LICENCE

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Corbett, that the Council approve the granting of the following licences pursuant to section 61(2) of the Reserves Act 1977 for a period of up to five years over the approximately shown areas on the plan attached the (refer **Attachment 1**):

- (a) A licence of approximately 72 square metres of the paved area between the raised triangle garden area and the former post office building for tables and chairs as shown in the (refer **Attachment 1**) to be administered in accordance with the requirements of the 'Public Streets Enclosure Policy' subject to the following conditions:
 - (i) The tables, chairs and fences being stored within the adjacent restaurant building at the end of business each day.
 - (ii) Any planters which are left out at the end of each business each day are not to impede free public access into the licensed area(s) when the restaurant is closed for business.
 - (iii) The licence is to be conditioned that the area licensed is be re-evaluated when work resumes on construction in the easement corridor over the paved area between Tuam and High Streets. This evaluation is required to ensure that there are safe clearances from the licensed area for both tram construction and subsequent operation, including the tram stop shelter, whilst ensuring that pedestrian use of the area is maintained.
 - (iv) That contact is made with the Council's Contract's Manager Greenspace to ascertain the Council's requirements before the anchor bolts are inserted into the pavement.
 - (v) The applicant is to ensure that he keeps his infrastructure within the licensed area at all times.
- (b) A licence of approximately 95 square metres being the raised triangle plot for a produce garden for the growing of vegetables and other garden produce to supply the restaurant as shown on the plan (refer **Attachment 1**) subject to the following conditions:
 - (i) A landscape plan is to be prepared by the Council in which ornamental plantings are to be present as well as vegetables to ensure that the purpose the reserve is held for, that being for lawns, ornamental gardens, and ornamental buildings is maintained.

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7 Cont'd

- (ii) The overseeing of the preparation of the plans and ongoing management of the area is to be undertaken by the Senior Contracts Manager (Greenspace) and his staff to ensure that the purpose for which the reserve is held is maintained.
- (c) That a clause be inserted in both licence documents which enables the Council to terminate the licences upon giving the licensee one months notice of such termination to ensure that any changes not yet decided upon for this area, as part of the rebuild of the central city area, are not unreasonably held up from being implemented.
- (d) That the Corporate Support Unit Manager in consultation with the Transport and Greenspace Unit Manager, be delegated authority to negotiate and enter into such deeds of licence implementing the above on such terms and conditions as they shall consider appropriate.

It was **resolved** on the motion of Councillor Keown, seconded by Councillor Corbett, that the reports of the Environment and Infrastructure Committee of 6 and 17 September as a whole be adopted.

The meeting adjourned at 12.30pm and resumed at 1pm.

8. REPORT OF A MEETING OF THE CORPORATE AND FINANCIAL COMMITTEE: MEETING OF 14 SEPTEMBER 2012

(1.) CHRISTCHURCH CITY HOLDINGS LIMITED - INCREASE IN UNCALLED CAPITAL

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Button, that the Council:

- (a) Increase its shareholding in Christchurch City Holdings Ltd by taking up the issue of further redeemable preference shares in the company to a value of \$300 million, to be uncalled.
- (b) Acquire the shares to enable Christchurch City Holdings Ltd to borrow to meet its commitment to Enable Networks Ltd and the construction of ultra fast broadband services by that company, in partnership with the NZ Government.
- (c) Authorises the General Manager Corporate Services to execute the necessary documentation to give effect to recommendations (a) and (b) above.

Councillors Carter, Corbett and the Mayor withdrew from discussion and voting on this item.

(2.) CAPITAL ENDOWMENT FUND - FUNDS FOR SPECIAL ONE-OFF OPPORTUNITIES

Councillor Broughton moved that the Council:

- (a) Resolve that the status quo remains.
- (b) Note that, if there is to be a change, legal advice is that based on previous Council resolutions, staff recommendation (b) should be passed with an 80 per cent majority.
- (c) Request that staff report back on options for a new annual contestable process (that involves community boards) for distribution of the unallocated capital endowment fund.

Councillor Carter seconded recommendation (c), and Councillor Gough seconded recommendations (a) and (b).

Councillor Carter did not participate in voting on recommendations (a) and (b) as he considered that he had insufficient information to make a decision.

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8 Cont'd

The clauses were put separately. Councillor Carter requested it be noted in the minutes that he did not take part in the voting on clause (a) as he considered he had insufficient information to make a decision.

Clause (a) was declared **carried** on electronic vote number 13 by 9 votes to 2, the voting being as follows:

For (9): Councillors Beck, Broughton, Buck, Button, Chen, Corbett, Johanson, Keown and the Mayor.

Against (2): Councillors Gough and Livingstone.

Clause (b) was declared **carried** on electronic vote number 14 by 10 votes to 2, the voting being as follows:

For (10): Councillors Beck, Broughton, Buck, Button, Carter, Chen, Corbett, Johanson, Keown and the Mayor.

Against (2): Councillors Gough and Livingstone.

Clause (c) was declared **carried** on electronic vote number 15 by 8 votes to 4, the voting being as follows:

For (8): Councillors Beck, Broughton, Buck, Button, Carter, Corbett, Keown and the

Mayor.

Against (4): Councillors Chen, Gough, Johanson, Livingstone.

Clause (d) was declared carried unanimously on electronic vote number 16.

Clause (e) was declared **carried** on electronic vote number 17 by 11 votes to 1, the voting being as follows:

For (11): Councillors Beck, Broughton, Buck, Carter, Chen, Corbett, Gough,

Johanson, Keown, Livingstone and the Mayor.

Against (1): Councillor Button.

Clause (f) was declared carried.

(3.) PERFORMANCE REPORT FOR THE 12 MONTHS TO 30 JUNE 2012

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Carter, that the Council:

- (a) Receive the report.
- (b) Approve operational carry forward requests from 2011/12 of \$5.3 million (as detailed in Appendix 5), to enable completion of projects in 2012/13, \$4.9 million of which will be funded from borrowing in 2012/13.
- (c) Approve capital works programme carry forward requests of \$66.9 million together with associated NZTA subsidy of \$1.2 million, and earthquake rebuild carry forward requests of \$22.2 million together with associated recoveries of \$10.3 million (as detailed in Appendix 6), to enable completion of capital projects in 2012/13 or later as indicated.

8 Cont'd

- (d) Note the better than budget operating result which results in \$17.3 million less borrowing in 2011/12 than estimated in the financial strategy. This is partly offset by \$4.9 million of additional borrowing in 2012/13 to fund operational carry forwards. The balance of \$12.4 million may be required in later years if revenues do not recover as originally forecast.
- (e) Note the additional borrowing for earthquake emergency and response costs of \$61.7 million which was \$58.5 million higher than budgeted in 2011/12.

(4.) EARTHQUAKE FINANCIAL REPORT FOR JUNE 2012

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Carter, that the Council receive the report.

(5.) PROPOSED DEED OF ASSIGNMENT OF LEASE - 62 WORCESTER BOULEVARD

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Carter, that the Council:

- (a) Grant delegated authority to the Corporate Support Unit Manager to negotiate and conclude a Deed of Assignment of Lease for Levels 4 and 5 of HSBC Tower with the Canterbury Earthquake Recovery Authority on terms and conditions that are consistent with those in the current lease Council holds; and
- (b) Grant delegated authority to the Corporate Support Unit Manager to terminate the existing Deed of Sublease for Level 4 of HSBC Tower with the Canterbury Earthquake Recovery Authority as soon as a Deed of Assignment of Lease for Level 4 and 5 is entered into.

(7.) DRAFT STATEMENTS OF INTENT FOR CIVIC BUILDING LIMITED, WORLD BUSKERS FESTIVAL TRUST, TUAM LIMITED, CHRISTCHURCH AGENCY FOR ENERGY TRUST, ROD DONALD BANKS PENINSULA TRUST, RICCARTON BUSH TRUST AND NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED, FOR THE YEAR ENDED 30 JUNE 2013

This item was taken at this stage of the meeting.

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Carter, that the Council:

- (a) Accept the draft Statements of Intent for the following organisations:
 - Civic Building Limited
 - World Buskers Festival Trust
 - Tuam Limited
 - Christchurch Agency For Energy Trust
 - New Zealand Local Government Funding Agency Ltd.
- (c) Accept the Statement of Intent for the Rod Donald Banks Peninsula Trust, noting that its investment policy is outside the Council policy.
- (d) Request the World Buskers Festival Trust to consider including further detail on the financial and operational performance targets to demonstrate how these meet the objectives as stated in the Trust deed.

Councillors Button, Gough and the Mayor did not participate in discussion and voting on the acceptance of the Civic Building Limited or the Tuam Limited Statement of Intent.

8 Cont'd

Councillor Johanson requested that it be noted in the minutes that the Mayor did not seek clarification on the legal advice noted in recommendation (b) above.

The Mayor requested that it be noted in the minutes that legal advice was not sought in the meeting as an extra clause would be added into Councillor Corbett's foreshadowed motion (as set out below) that noted that if the Council agreed to recommendations (a) and (b) below this was subject to an 80 per cent majority.

The recommendations were put separately.

Clause (a) was declared **lost** on electronic vote number 10 by 2 votes to 9, the voting being as follows:

For (2): Councillors Gough and Livingstone

Against (9): Councillors Beck, Broughton, Button, Buck, Chen, Corbett, Johanson, Keown and the Mayor.

Clause (b) was declared **lost** on electronic vote number 11 by 4 votes to 7, the voting being as follows:

For (4): Councillors Chen, Gough, Johanson and Livingstone.

Against (7): Councillors Beck, Broughton, Button, Buck, Corbett, Keown and the Mayor.

Clause (c) was declared **carried** on electronic vote number 12 by 7 votes to 5, the voting being as follows:

For (7): Councillors Broughton, Carter, Chen, Corbett, Gough, Johanson and Livingstone.

Against (5): Councillors Beck, Buck, Button, Keown and the Mayor.

Clause (c) was then renamed clause (e) and formed part of the motion set out below.

Councillor Corbett moved that the Council:

- (a) Agree to suspend inflation-proofing of the Capital Endowment Fund for 2012/13 and 2013/14 in order to make funds available for special one-off recovery / transitional projects or events.
- (b) Agree to allocate \$2.802 million in 2012/13 and \$2.470 million in 2013/14 of the earnings of the Capital Endowment Fund to special one-off recovery / transitional projects or events.
- (c) Rescind its June 2007 resolution to commit \$850,000 annually for the advancement of capital projects.
- (d) Agree that staff call for applications and/or nominations for funding from Community Boards for special one-off recovery / transitional projects or events and bring recommendations to the Council's Metropolitan Funding Committee for approval.
- (e) Request that staff report back on options for a new annual contestable process (that involves community boards) for distribution of the unallocated capital endowment fund.
- (f) Note that recommendations (a) and (b) were carried by a greater than 80 per cent majority.

Councillor Buck seconded the motion.

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8 Cont'd

Councillor Buck and the Mayor did not participate in discussion and voting on the acceptance of the Christchurch Agency for Energy Trust Statement of Intent.

It was **resolved** on the motion of Councillor Carter, seconded by Councillor Johanson, that the Statement of Intent from the Riccarton Bush Trust be accepted.

Councillors Chen and Broughton did not participate in discussion and voting on the motion relating to the Riccarton Bush Trust statement of intent.

(6.) TEMPORARY WALK-IN CUSTOMER SERVICE FACILITIES

Councillor Broughton moved that the Council agree to set up a suitable building facility for walkin customer services in the Hornby area.

The motion was seconded by Councillor Chen, and when put to the meeting was declared **tied** on electronic vote 18. The motion was then put again and was declared **tied** on electronic vote number 19.

Councillor Buck moved that the Committee recommend that the Council do nothing further until the new south-west area library and service centre has been built. The motion was seconded by Councillor Corbett and was declared **tied** on electronic vote number 20.

The Mayor moved that the report be referred back to the Corporate and Financial Committee for further consideration. The motion was seconded by Councillor Button and when put to the meeting was declared **carried**.

11. NOTICES OF MOTION

This item was taken at this stage of the meeting.

11.1 It was **resolved** on the motion of Councillor Keown, seconded by Councillor Corbett, that the Council ask staff to prepare a report on the introduction of a public displayed rating system based on a building's current per cent of new build code.

Councillor Keown left the meeting at 2.58pm.

8. REPORT OF A MEETING OF THE CORPORATE AND FINANCIAL COMMITTEE: MEETING OF 14 SEPTEMBER 2012 (CONTINUED)

This item was taken at this stage of the meeting.

(8.) REVIEW OF CONSENTS AFFECTED BY THE CENTRAL CITY RECOVERY PLAN

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Carter, that the Council:

- (a) Receive the report.
- (b) Note that Council Officers are checking the Central City Recovery Plan and where relevant, contacting the applicants before proceeding with the processing of resource or building consents.
- (c) Note that Council Officers will continue to monitor the implementation of the Central City Recovery Plan and report further, should the situation change.

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Corbett, that the report as a whole be adopted.

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9. PLAN CHANGE 19: ISLINGTON PARK LTD - FINAL APPROVAL

It was **resolved** on the motion of Councillor Chen, seconded by Councillor Broughton, that the Council:

- (a) Make alterations to the Christchurch City District Plan in accordance with Clause 16(2) of Schedule 1 of the Resource Management Act 1991 by amending provisions in the manner shown in the table above.
- (b) Approve, pursuant to clause 17(2) of the Resource Management Act 1991, the changes to the District Plan introduced by its decision on Plan Change 19 Islington Park.
- (c) Authorise the General Manager, Strategy and Planning to determine the date on which the changes introduced by Plan Change 19 become operative.

11. NOTICES OF MOTION (CONTINUED)

This item was taken at this stage of the meeting.

11.2 Councillor Broughton moved that:

The Christchurch City Council has a strong commitment to democracy in Christchurch/Canterbury. We request an urgent meeting with the Minister of Local Government to seek clarification of the rationale for the postponement of the 2013 ECan elections and the proposed structure for local government going forward.

Note: The Minister and Associate Minister of Earthquake Recovery are also to be invited.

Councillor Gough seconded the motion. When put to the meeting the motion was declared carried unanimously on electronic vote number 21.

11.3 Councillor Livingstone moved that, seconded by Councillor Chen, that

That Christchurch City Council records its strong disappointment at the Government's decision to cancel the ECan Elections in 2013 and agrees to:

- Write to the Minister of Local Government and local MPs expressing a desire for a return to an elected ECan as a matter of urgency.
- Requests LGNZ Zone representatives to convey concern to LGNZ over the loss of local democracy and lack of engagement with local Councils over this decision.
- Requests that the Triennial Agreement be amended to establish better and more regular reporting mechanisms in regards to Canterbury Mayoral Forum and request that the minutes from this forum be made public.

Councillor Chen seconded the motion. When put to the meeting the motion was declared carried on electronic vote number 22 by 9 votes to 2, the voting being as follows:

For (9): Councillors Beck, Broughton, Buck, Button, Carter, Chen, Johanson,

Livingstone and the Mayor.

Against (2): Councillors Gough and Corbett.

12. RESOLUTION TO EXCLUDE THE PUBLIC

At 3.15pm it was **resolved** on the motion of Councillor Corbett, seconded by Councillor Button, that the resolution to exclude the public as set out on pages 767 and 768 of the agenda be adopted.

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19. CONCLUSION

The meeting concluded at 3.52pm.

CONFIRMED THIS 25TH DAY OF OCTOBER 2012

MAYOR

MINUTES

MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL HELD AT 9.30AM ON THURSDAY 11 OCTOBER 2012

PRESENT: The Mayor, Bob Parker (Chairperson).

Councillors Helen Broughton, Sally Buck, Ngaire Button, Tim Carter, Jimmy Chen,

Barry Corbett, Jamie Gough and Sue Wells.

1. APOLOGIES

Apologies for absence were received from Councillors Beck, Johanson, Keown, Livingstone and Reid.

It was **resolved** on the motion of The Mayor, seconded by Councillor Button, that the apologies be accepted.

2. DEPUTATIONS BY APPOINTMENT

Dr Ian Lochhead and Lorraine North addressed the Council regarding item 23, the Notice of Motion on Cranmer Courts. The presenters requested that the Council purchase this property should all other avenues to preserve the buildings fail.

3. PETITIONS

Nil

4. REPORT OF A MEETING OF THE AKAROA/WAIREWA COMMUNITY BOARD: MEETING OF 15 AUGUST 2012

Pam Richardson, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Corbett, seconded by Councillor Buck, that the report be received.

5. REPORT OF THE CHAIRPERSON OF AKAROA/WAIREWA COMMUNITY BOARD: MEETING OF 19 SEPTEMBER 2012

It was resolved on the motion of Councillor Wells, seconded by Councillor Corbett, that the Council:

- (a) Note that Council officers will apply for a new resource consent for the current discharge for up to seven years while the new application is being prepared.
- (b) Authorise the new long term resource consent applications for the new site being for discharge being located in the mid harbour and to include provision for land irrigation trials in accordance with the 8 December 2011 Council resolutions.
- (c) Request Council officers to continue to discuss with the Rūnanga the possible future servicing options for the Ōnuku Marae.

6. REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD: MEETING OF 3 SEPTEMBER 2012

Linda Stewart, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of The Mayor, seconded by Councillor Button, that the report be received.

7. REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD:

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MEETING OF 17 SEPTEMBER 2012

BLIGH'S GARDEN - SURRENDER OF DEED OF LEASE BY SOUTH BRIGHTON CROQUET CLUB

It was **resolved** on the motion of Councillor Broughton, seconded by Councillor Gough that the Council:

- (a) That the lease to the South Brighton Croquet Club for approximately 2,897 square metres of Part Reserve 1579, known as Bligh's Garden is surrendered.
- (b) That the Corporate Support Unit Manager is delegated authority to negotiate and conclude a Deed of Surrender of lease, including transfer of the South Brighton Croquet Club's assets to the Council.
- (c) That in the review of the South New Brighton Reserves Management Plan consideration be given to future community use of the former Croquet Club's building and surrounds.

It was **resolved** on the motion of The Mayor, seconded by Councillor Button, that the report as a whole be received.

8. REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD: MEETING OF 3 SEPTEMBER 2012

Val Carter, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Buck, seconded by Councillor Gough, that the report be received.

9. REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD: MEETING OF 5 SEPTEMBER 2012

Bob Todd, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Carter, seconded by Councillor Button, that the report be received.

10. REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD: MEETING OF 19 SEPTEMBER 2012

1. WALTHAM ROAD - SHAKESPEARE TO BROUGHAM STREET INTERSECTION - PROPOSED CYCLE LANE AND NO STOPPING RESTRICTION

Bob Todd, Chairperson, joined the table for discussion of this item.

It was resolved on the motion of Councillor Carter, seconded by Councillor Wells that the Council:

Revoke the following on Waltham Road:

(a) That the current restrictions on the east side of Waltham Road commencing from its intersection with Brougham Street and extending in a northerly direction to its intersection of Shakespeare Road be revoked.

Approve the following on Waltham Road:

10 Cont'd

- (b) That the stopping of vehicles be prohibited at any time on the east side of Waltham Road, commencing at its intersection with Brougham Street and extending in a northerly direction for a distance of 115 metres.
- (c) That the stopping of vehicles be prohibited at any time on the east side of Waltham Road, commencing at its intersection with Shakespeare Road and extending in a southerly direction for a distance of 14 metres.
- (d) That the parking of vehicles be restricted to a maximum period of 10 minutes on the east side of Waltham Road, commencing at a point 14 metres south of its intersection with Shakespeare Road, and extending in a southerly direction for a distance of 31 metres. This restriction is to apply at any time.
- (e) That a bus stop be installed on the east side of Waltham Road, commencing at a point 60 metres south of its intersection with Shakespeare Road, and extending in a southerly direction for a distance of 14 metres
- (f) That the stopping of vehicles be prohibited at any time on the east side of Waltham Road, commencing at its point 74 metres south of its intersection with Shakespeare Road and extending in a southerly direction for a distance of 4 metres.
- (g) That a cycle lane be installed on the east side of Waltham Road commencing from its intersection with Shakespeare Road and extending in a southerly direction to it intersection with Brougham Street.

It was **resolved** on the motion of Councillor Carter, seconded by Councillor Wells, that the report as a whole be received.

11. REPORT OF THE CHAIRPERSON OF HAGLEY/FERRYMEAD COMMUNITY BOARD: MEETING OF 3 OCTOBER 2012

1. DRAFT SUMNER VILLAGE CENTRE MASTER PLAN

Bob Todd, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Carter, seconded by Councillor Corbett, that the Council:

- (a) Endorse the content of the draft Sumner Village Centre Master Plan (Attachment 1 of the report) and approve it for public consultation.
- (b) In 2013, receive a consultation report on submissions and consider and recommend to the Community Board whether to conduct hearings prior to adopting the final version of the Plan.

12. REPORT OF THE HAGLEY/FERRYMEAD SMALL GRANTS FUND ASSESSMENT COMMITTEE: MEETING OF 22 AUGUST 2012

Bob Todd, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Carter, seconded by Councillor Button that the report be received.

13. REPORT OF THE LYTTELTON/MT HERBERT COMMUNITY BOARD: MEETING OF 14 AUGUST 2012

Paula Smith, Chairperson, joined the table for discussion of this item.

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13 Cont'd

It was **resolved** on the motion of The Mayor, seconded by Councillor Button, that the report be received.

14. REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD: MEETING OF 4 SEPTEMBER 2012

Mike Mora, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Chen, seconded by Councillor Broughton, that the report be received.

Note: staff were requested to provide the Community Board with a copy of the traffic engineer report for the Resource Consent for the pre-school on Curletts Road.

15. REPORT OF THE RICCARTON/WIGRAM COMMUNITY BOARD: MEETING OF 18 SEPTEMBER 2012

1. NOTICE OF MOTION

Mike Mora, Chairperson, and Chris Mene joined the table for discussion of this item.

It was **resolved** that this item lie on the table pending further information from the General Manager Community Services on the matter.

16. REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD: MEETING OF 5 SEPTEMBER 2012

Chris Mene, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Button, seconded by Councillor Buck, that the report be received.

17. REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD: MEETING OF 19 SEPTEMBER 2012

Chris Mene, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Button, seconded by Councillor Buck, that the report be received.

18. REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD: MEETING OF 3 SEPTEMBER 2012

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Corbett, that the report be received.

19. REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD: MEETING OF 21 SEPTEMBER 2012

1. NOTICE OF MOTION

It was **resolved** on the motion of Councillor Wells, seconded by Councillor Corbett, that the Christchurch City Council provide urgent support for not for profit agencies in engaging with the DEE

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19 Cont'd

(Detailed Engineering Evaluation) and consent processes (Facilities Rebuild, Temporary Accommodation Approvals, Building Consents etc) of the Council.

2. BARRINGTON STREET PROPOSED SIGNALISED PEDESTRIAN CROSSING AT CASHMERE HIGH SCHOOL

It was **resolved** on the motion of Councillor Corbett, seconded by Councillor Wells, that the Council approve that a pedestrian crossing, controlled by traffic signals be installed on Barrington Street located at a point 66 metres northwest of its intersection with Moana Street.

20. REPORT OF A COMBINED MEETING OF THE SPREYDON/HEATHCOTE AND RICCARTON/WIGRAM COMMUNITY BOARDS: MEETING OF 11 SEPTEMBER 2012

NGA PUNA WAI AND CANTERBURY AGRICULTURAL PARK ACCESS IMPROVEMENTS – HALSWELL ROAD / TEMPLETONS ROAD

Mike Mora, Chairperson for the Riccarton/Wigram Community Board, joined the table for discussion of this item.

It was resolved on the motion of Councillor Chen, seconded by Councillor Corbett, that the Council:

Pursuant to Section 114 of the Public Works Act 1981, declare as road, subject to consent by the Minister of Conservation, that area comprising 380 square metres (subject to survey) shown as Section 1 in the attached scheme plan being part of LOT 154 DP 303385 a Local Purpose (Utility) Reserve (refer **Attachment 2 of the report**).

21. REPORT OF A MEETING OF THE METROPOLITAN SMALL GRANTS FUND SUBCOMMITTEE: MEETING OF 24 AUGUST 2012

Mike Mora, Chairperson, joined the table for discussion of this item.

It was **resolved** on the motion of Councillor Corbett, seconded by Councillor Button, that the report be received.

The meeting adjourned at 10.40am and commenced at 10.55am

23. NOTICES OF MOTION

This item was taken at this stage of the meeting.

Councillor Helen Broughton moved the following Notice of Motion pursuant to Standing Order 3.10:

That Council urgently request CERA place a month's moratorium on the demolition of Cranmer Courts, recognising this is a Group One Heritage Building and within an important heritage precinct.

With the consent of the meeting, the Notice of Motion was altered to read:

That the Council urgently request Canterbury Earthquake Recovery Authority place a month's moratorium on the demolition of Cranmer Courts, recognising this is a Group One listing for Historic Places Trust, and Group 2 in the Christchurch City Plan, and within an important heritage precinct.

The Notice of Motion was seconded by Councillor Chen.

When put to the meeting, the altered Notice of Motion was declared **carried** on electronic vote 1 by 5 votes to 4, the voting being as follows:

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23 Cont'd

For (5): Councillors Broughton, Buck, Button, Carter and Chen.

Against (4): The Mayor and Councillors Corbett, Gough and Wells.

22. REQUESTS ARISING FROM PREVIOUS PUBLIC FORUM

It was **resolved** on the motion of The Mayor, seconded by Councillor Button, that the Council note the information contained in attachment one on responses to issues that have been raised during the public forum agenda item of the 20 September 2012 Earthquake Forum.

24. RESOLUTION TO EXCLUDE THE PUBLIC

At 11.45 am it was **resolved** on the motion of The Mayor, seconded by Councillor Button, that the resolution to exclude the public as set out on pages 179 and 180 of the agenda be adopted.

25. CONCLUSION

The public were readmitted at 12.20 pm at which time the meeting concluded.

CONFIRMED THIS 25th DAY OF OCTOBER 2012

MAYOR

COUNCIL 25, 10, 2012

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

A meeting of the Community, Recreation and Culture Committee was held in the No. 1 Committee Room on Tuesday 2 October 2012 at 9am.

PRESENT: Councillor Yani Johanson (Chairperson),

Councillors Peter Beck, Helen Broughton, Tim Carter, Barry Corbett, Jimmy Chen, Jamie

Gough, and Glenn Livingstone (Deputy Chairperson).

APOLOGIES: Nil.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. CREATIVE INDUSTRIES SUPPORT GRANTS AND TRANSITIONAL CITY PROJECTS PROPOSED TERMS OF REFERENCE FUND DELEGATIONS

General Manager responsible:	General Manager Strategy and Planning, DDI 941- 8281	
Officer responsible:	Urban Design and Regeneration Unit Manager	
Author:	Carolyn Ingles, Programme Manager Liveable Cities	

PURPOSE OF REPORT

1. The purpose of this report is to consider and adopt Terms of Reference (TOR) for the Creative Industries Support Grants and the Transitional City Projects Fund and to establish an operational delegation for staff to administer those funds (up to a threshold of \$15,000).

EXECUTIVE SUMMARY

- 2. In response to the 2010 and 2011 earthquake and as set out in the draft Central City Recovery Plan, the 2012/13 annual plan funding was established for two funds:
 - (a) Creative Industries Support and Grants to support the establishment of affordable studio, exhibition and retail solutions for the creative sector to help stem the loss of the sector in the city; and
 - (b) Transitional City Projects Fund provide support to the community and private sector seeking to implement temporary projects which support Transitional City Objectives, in particular the types of projects that would activate vacant sites in the central city.
- 3. A responsive process is needed to ensure the funding is provided in a timely way and to continue to support groups in their own earthquake response. It is proposed to use the system and process set in place for the discretionary response funding, which is part of the community funding programme, although a more frequent application process is proposed to provide the responsiveness needed.
- 4. The two funds were anticipated in the Draft Central City Plan, and while not adopted by the government as part of its Recovery Plan, the continued significance of a transitional programme has been recognised. These two strands, which were funded as part of the 2012/13 Annual Plan provides a modest but significant funding pool that allows the Council to support creative activity within the Central City. However unlike most funds the needs of the Central City means that annual contestable processes are not the best way to make use of the innovative and creative opportunities that can do emerge regularly. It is therefore anticipated that the two funds will be available, and that their TOR allows for the funds to be accessed on an as needed basis.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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1 Cont'd

5. The report also proposes that for smaller amounts of funding (<\$15,000) delegations be established for staff to approve these. The delegation and size is consistent with the delegation in place for the Community Support Manager to make grants under the Discretionary Response Fund. The delegation also enables the Council to be responsive to good recovery initiatives as they emerge.

FINANCIAL IMPLICATIONS

See below.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

- 7. The recommendations align with budgets provided in the 2012/13 annual plan.
- 8. The Creative Industries Support fund is \$520,000; \$30,000 of this fund has been recommended to the Council in a report for allocation to the Art Box initiative. It is proposed for the remaining \$490,000 that grants of up to \$15,000 would be available to the creative industries sector. Where applications are for projects in excess of \$15,000 this would be reported to the Council.
- 9. The Transitional City Projects Fund is \$145,000. It is proposed that this fund has two streams: \$45,000 to support a small number of moderate-sized events utilising vacant spaces and streets; and a \$100,000 fund for small projects for vacant spaces.

LEGAL CONSIDERATIONS

10. See below.

Have you considered the legal implications of the issue under consideration?

11. Clause 32 Schedule 7 of the Local Government Act 2002 enables the Council to delegate to officers any of its responsibilities, duties or powers except in respect of certain powers that are set out in that Clause. None of the exceptions are relevant to the delegations being discussed in this report.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. See below.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

13. The Creative Industries Support and the Transitional City Projects Funds have been established as a result of the earthquakes of 2010 and 2011. The LTCCP and Activity Management Plans were prepared prior to the earthquakes and did not anticipate the need for such funds.

ALIGNMENT WITH STRATEGIES

14. See below.

Do the recommendations align with the Council's strategies?

15. The recommendations in the report align with the Christchurch Central Recovery Plan, the Central City Revitalisation Strategy and the Arts Policy and Strategy.

CONSULTATION FULFILMENT

16. Not required.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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1 Cont'd

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Adopt the **attached** Terms of Reference for the Creative Industries Support Fund, and the Transitional City Projects Fund (as **attached**).
- (b) Delegate to the Urban Design and Regeneration Manager the authority to approve grants for the:
 - (i) Creative Industries Support Fund up to \$15,000 (ex GST);
 - (ii) Transitional City Projects Fund up to \$15,000 (ex GST).
- (c) Agree that any proposals for grants from these funds exceeding \$15,000 (ex GST) be reported to Council for approval;
- (d) Agree that any projects funded under the delegation be reported through the regular Central City Plan Quarterly Report.

COMMITTEE RECOMMENDATION

It is recommended that the Council:

- (a) Adopt the **attached** Terms of Reference for the Creative Industries Support Fund, and the Transitional City Projects Fund (as **attached**).
- (b) Delegate to the Urban Design and Regeneration Manager the authority to approve grants for the:
 - (i) Creative Industries Support Fund up to \$15,000 (ex GST);
 - (ii) Transitional City Projects Fund up to \$15,000 (ex GST).
- (c) Approve that any applications that are unsuccessful under (b), and on the request of the applicant, have the ability to be put in front of the Committee with the Chairperson's approval.
- (d) Approve that any proposals for grants from these funds exceeding \$15,000 (ex GST) be reported to the Committee for approval, and that the Committee be delegated the authority from the Council for this to occur;
- (e) Approve that any projects funded under the delegation be reported through the regular Central City Plan Quarterly Report.

(Note: Councillor Gough requested that his vote against Recommendation (c) be recorded).

2. SUPPORT FOR ART BOX

General Manager responsible:	General Manager Strategy and Planning, DDI: 941-8281	
Officer responsible:	Unit Manager Urban Design and Regeneration	
Author:	Eve Barlow (Strategic Arts Advisor) and Michael Fisher (Senior Planner Urban Regeneration)	

PURPOSE OF REPORT

1. To seek approval to fund the operating cost shortfall of ArtBox which is a project providing temporary space for artists in the Central City.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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EXECUTIVE SUMMARY

- As a direct result of the February earthquake, approximately 100 Christchurch artists lost showrooms and workspace, two essential components for them to operate and generate income.
- 3. To help counter this loss of space and to retain creative people in the City, Christchurch Polytechnic Institute of Technology (CPIT) and F3 Design have designed mobile, modular, steel-framed structures called ArtBoxes. They provide flexible studio, retail and exhibition spaces for artists that will allow them to work and generate income and add vibrancy to the Central City.
- 4. The Art Boxes are 5.8m x 2.9m x 2.9m in dimension and the ArtBox complex consist of four pavilions made up of up to 18 ArtBoxes. Three pavilions are being built this financial year. The site for the ArtBox complex is 270 St Asaph Street which is the corner of St Asaph Street and Madras Street. In relation to the Christchurch Central Recovery Plan and the Blueprint, this location is south of the southern Frame, opposite CPIT and would reinforce both the innovation precinct and the urban gateway proposed for High Street.
- 5. At present the development is planned to remain on the site for five years and CPIT have, through numerous channels, raised \$525,000 for the capital costs of the project. The Christchurch Mayoral Relief Fund has given \$80,000 towards the capital costs of the project and CPIT have now begun to manufacture the ArtBoxes.
- 6. The overall intent of the project is to provide space for artists at affordable rates. To do this CPIT are seeking to only recover a portion of the total operating expenses from the tenants to ensure they are able to access the space and get back up and running in the Central City. This leaves a shortfall after a contribution from CPIT is taken into account which is set out in Table 1.

Table 1 - Project Shortfall

Table 1 110jour officiali			
Total operating expenses		\$95,422	
Income from tenants	\$45,433		
CPIT Contribution	\$20,000		
Total Income		\$65,433	
Total Shortfall			\$29,989

- 7. CPIT have approached Council to seek funding for the shortfall in the operational costs of the development. They are seeking that the Council contributes \$30,000 for this financial year and \$15,000 for the subsequent four years; the other \$15,000 over those four years would be provided by Creative New Zealand (CNZ). CNZ is unable to fund any portion of the costs this year due to budget constraints.
- 8. The Council has set aside money in the 2012/13 Annual Plan to support the reestablishment of creative industries in the Central City. The Creative Industries Support Package is intended to help retain creative industries particularly as they make the Central City a more vibrant place. Art Box has already proved a valuable tool in this respect with significant private investment planned on surrounding sites because of the amount of people and activity it is likely to attract.
- 9. In order to meet the shortfall within the project budget, CPIT could consider increasing the rental and operating expenses (such as power and security etc) recovered from tenants. This however is not ideal as it introduces significant uncertainty into the project in terms of the tenant's ability to pay the increased costs.
- 10. CPIT has begun to explore funding avenues for the shortfall but at present there is no certainty that alternative funding sources would be available in this financial year to enable the project to get up and running.

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COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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FINANCIAL CONSIDERATIONS

11. The funding for Art Box would come from the Creative Industries Support Package. A budget of \$520,000 has been allocated for Creative Industries support in the 2012/13 Annual Plan. This package is part of the overall Council funding for Central City recovery which aims to encourage people back into the Central City and make it a more attractive and vibrant place to visit and establish businesses.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

12. The recommendations in the report align with the 2012/13 annual plan budgets.

LEGAL CONSIDERATIONS

13. If funding is approved the Council would enter into an agreement with CPIT to ensure the money is allocated specifically into the operating cost budget for the project and that they provide an accountability report at the end of financial year.

Have you considered the legal implications of the issue under consideration?

14. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

15. The recommendation aligns with community outcome we value leisure time and recognise that the arts, sports and other recreational activities contribute to our economy, identity, health and wellbeing in the 2009-2019 LTCCP.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

16. The recommendations do not directly align with a level of service or project in the LTCCP as the ArtBox project is related specifically to earthquake recovery and was not provided for in the LTCCP.

ALIGNMENT WITH STRATEGIES

- 17. The recommendation aligns with the Christchurch Central Recovery Plan which includes ArtBox as one of the transitional arts and culture recovery projects that will contribute to the recovery of the City.
- 18. The recommendation aligns Arts Policy and Strategy in which the Council is committed to achieving an enlivened and creative city in which the arts are widely recognised as being essential.

Do the recommendations align with the Council's strategies?

19. Yes.

CONSULTATION FULFILMENT

20. Not applicable.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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STAFF RECOMMENDATION

That the Council fund the ArtBox project operating cost shortfall of \$30,000 from the Creative Industries Support Package for the current financial year.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

3. EVENTS VENUE HUB TO TEMPORARILY PROVIDE SPACE FOR EVENTS AND PERFORMING ARTS

General Manager responsible:	General Manager Public Affairs, DDI 941 8982	
Officer responsible:	Marketing Unit Manager	
Author:	Richard Stokes, Marketing Unit Manager	

PURPOSE OF REPORT

1. The purpose of this report is to seek approval for a further extension for the two Geo-Domes, that have been part of the Christchurch Events Village in Hagley Park, to remain in place and operational through to 30 June, 2013, or until the Geo-Dome structures are required by Arts Circus.

EXECUTIVE SUMMARY

- 2. The location of temporary venues on Hagley Park for the Christchurch Events Village, through to 31 March 2012, was approved by the Council on 26 May 2011, culminating in a warrant being drafted and signed by the Chief Executive Officer under section 5(c) of the "Canterbury Earthquake (Reserves Legislation) Order 2011".
- In March 2012 the Council approved, pursuant to section 5(c) of the Canterbury Earthquake (Reserves Legislation) Order No. 2 2012, that a 'reduced-size' Christchurch Events Village with two Geo-Domes, be sited in the Events Triangle area of North Hagley Park, through to 31 October 2012.
- 4. At that time, the 31 October 2012 end-date lined up with planning for the Arts Circus proposal, with the Geo Domes to be made available to the Arts Circus venue in the central city. With release of the CCDU Christchurch Central Recovery Plan, the location for Arts Circus is uncertain and 31 October 2012 is no longer a viable date for moving the Geo Domes to an Arts Circus venue.
- The continuation of the Geo-Domes in their current location will greatly assist many events through the spring summer months. Events such as the World Buskers Festival, Summertimes, Ellerslie International Flower Show, New Zealand International Jazz and Blues Festival and Speights Coast to Coast will utilise the Geo Domes if they are still available. Outside of these events, the venues will be available for other event and performing arts activity.
- 6. The continuation of the Geo-Domes would provide a venue that is central, safe and accessible. With access to Cathedral Square, Victoria Square and other event spaces still unlikely for some time, the Geo-Domes would continue to provide a base for important events.

FINANCIAL IMPLICATIONS

7. The budget for the initial extension for the Geo-Domes through to 31 October 2013 was included in the Annual plan.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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8. Budget for this proposal, for two Geo-Domes to remain in place through to 30 April 2013, is not in Annual Plan budgets. The unbudgeted cost for operation of the Geo-Domes is projected to be \$232,000 for the period 1 November 2012 to 30 June 2013. Main costs are security, electricity, drape hire, portacom and toilets hire. Revenue from venue hire will cover costs of maintenance and keeping the site clean and tidy.

DO THE RECOMMENDATIONS OF THIS REPORT ALIGN WITH 2009-19 LTCCPP BUDGETS?

9. Yes.

LEGAL CONSIDERATIONS

The Council is able under section 5(c) of the Canterbury Earthquake (Reserves Legislation)
 Order No. 2 2011:

Use a reserve or erect a structure on a reserve for any purpose not described in paragraphs (a) and (b), if the use or structure is necessary in the opinion of the council or the chief executive of the council to respond in a timely manner to any circumstances resulting from the Canterbury Earthquake.

- 11. The Council granted permission for the village through until 31 October 2012. The Council by resolution under the Order can extend this permission until the requested date 30 April 2013, if it considers this is necessary to continue to respond to circumstances resulting from the earthquake.
- 12. Under section 7 (3) of the Order, before the Council exercises it's powers under the Order it must make reasonable endeavours to give notice to a person or body whose rights and obligations in respect of the reserve will be affected or overridden by the council's exercise of it's powers under the order.

Subsection (1) In this clause, **rights and obligations** (under the above clause), means rights and obligations under or in relation to an easement, a lease, a licence, a covenant, or other legal permission.

- 13. There is no such person or body whose rights are going to be overridden by the granting this extension to the time that the reduced entertainment village can remain on North Hagley Park
- 14. The Council by virtue of sections 6 (1)(a) and (b) of the Order is not required to undertake any public consultation about it's intention to extend the occupation under the order, although this occupation is in alignment with the purpose for which this area of North Hagley Park is set aside for under the Hagley Park Management Plan 2008, that being an entertainment zone.
- 15. The Council must however take all reasonable steps to protect the integrity of the park, (section 6(2) (a) of the Order), and reinstate the reserve as closely as possible to its prior condition after the occupation under the Order has finished. This is a requirement that is set out in the warrant of occupation.
- 16. Under the Order in Council (OiC) (Canterbury Earthquake (Resource Management Act Permitted Activities) Order 2011, there is a new streamlined process for temporary "accommodation" as a result of earthquake displacement. The events hub is to provide space for event activity that would have used central city locations if they were available.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

17. Aligns with page 52, 53 of the LTCCP, Events and Festivals levels of service to provide a year round programme of events and to support festivals run by other organisations.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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Alignment with Strategies

18. Events Strategy 2007-17

Goal 1 – A vibrant calendar of events that enhance Christchurch as a place to live and visit.

Goal 5 – Strong partnerships drive increasing investment in Christchurch events. Within Christchurch there is opportunity for a more coordinated events response to event opportunities. Council is in a position to provide leadership across venues, support services, marketing and funding agencies so that we have a collective city response to event opportunities.

CONSULTATION FULFILMENT

19. Key stakeholders within the events and performing arts industries were consulted in the original proposal for the Christchurch Events Village. There has been continuing demand for the use of the venues. The period from 1 November 2012 to 30 April 2013 is contingent on funding being obtained to cover operating costs.

BACKGROUND (THE ISSUES)

- 20. A temporary events and performing arts space with marquee structures has been operational in the events space of Hagley Park since May 2011. Promoted as the Christchurch Events Village, it has been a venue for event activity, including Canterbury Celebration Theatre, Rugby World Cup 2011 Fan Zone, World Buskers Festival, Fly My Pretties, Comedy Convoy, Christchurch Arts Festival, Coast to Coast registration, KidsFest, New Zealand Ice Fest, corporate and community groups and displays.
- 21. For the operation of the Events Village from May 2011- March 2012, we hired the Geo-Domes from Event Base, the New Zealand based partner for Pacific Domes, Oregon, USA. At the completion of that hire period, Pacific Domes gifted the two Geo-Domes to Christchurch so they could remain in the city and be used through the transitional phase of the Central City rebuild.
- 22. From March 2012 the Christchurch Events Village was reduced in size. The two Geo-Domes which have remained in place are located on the southern side of the cycle path and continue to provide a venue for events and performing arts. With access to Cathedral Square, Victoria Square and other event spaces still unlikely for some time, there continues to be demand for these venues and the Hagley Park events area.
- 23. An estimated 800,000 people visits to the 'Christchurch Events Village' area have occurred since set up of the venue in May 2011. Under this proposal, with major events programmed over the summer months, this will increase to over 1 million visits.

STAFF RECOMMENDATION

That the Committee recommend that the Council:

- (a) Approve pursuant to section 5(c) of the Canterbury Earthquake (Reserves Legislation) Order No. 2 2012 that the two Geo-Domes, be sited in the Events Triangle area of North Hagley Park, through to 30 June 2013, or until required by Arts Circus.
- (b) Alter the appropriate sections of the warrant of occupation accordingly.

COMMITTEE RECOMMENDATION

That the Council adopt the staff recommendations, subject to the following addition:

(c) Note that this amount is currently unbudgeted.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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PART B - REPORTS FOR INFORMATION

4. DEPUTATIONS BY APPOINTMENT

4.1 JULIE DEVLIN

The Committee received a deputation from the following representatives of the Textile and Fibre Arts Network:

- Julie Devlin
- Rose Phillips
- Roz McCarthy
- Rosemary Phillips
- Sue Russell

The representatives informed the Committee about the work of collective of guilds and sough assistance from the Committee in establishing a site for the network to base. The Committee was advised that the group had applied for Strengthening Communities funding this year, but had been unsuccessful in their application.

The Committee **decided** to ask that staff to report back to the Committee on the issues raised in the deputation, including temporary and long term options for a premises to operate from, and options available to the group for funding.

The Committee **decided** to request that staff invite the Arts Centre to make a deputation to the Committee in order to advise of their future plans

4.2 MARK GERRARD

Mark Gerrard, Chairperson of the Historic Places Canterbury addressed the Committee in relation to heritage within the Council's new committee structure.

The Committee **decided** to request that a copy of Mark Gerrard's written submission be forwarded to staff for a response back to the Committee.

4.3 PETER TAYLOR, HABITAT FOR HUMANITY

Peter Taylor, Habitat for Humanity, informed the Committee on the ongoing work of Habitat for Humanity within the region. The Committee was advised that an application for funding to the Mayoral Earthquake Relief Fund had been made in September 2011, with no response received to date.

The Committee **decided** to ask that staff respond to the deputation as part of a the report on housing that is intended to come before the Committee, noting any support available for Habitat for Humanity.

The Committee **decided** to seek clarification over the process for applications to the Mayoral Earthquake Relief Fund to be determined and a timeline for existing applications to come before the Council.

4.4 DAVID LYNCH

David Lynch addressed the Committee in relation to Clause 5, Work Programme – Communications Audit Review, offering a response to each of the recommendations approved by the Council at its meeting on 27 September 2012.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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5. WORK PROGRAMME - COMMUNICATIONS AUDIT REVIEW

Lydia Aydon, General Manager Public Affairs discussed with the Committee the decisions made by the Council on 27 September 2012 in relation to the Communications Audit Review.

The Committee indicated the following timeframes for response to the resolutions:

	Council Decision	Committee Timeframe:
1	Recommend staff arrange a facilitated workshop for Council to agree a new vision and recovery priorities for the city. Recommend staff work on a draft Communications strategy to inform residents about how the vision for the city and its recovery from the earthquake is to be implemented, and that this draft strategy be brought back to the Community, Recreation & Culture Committee.	That this be arranged as soon as possible.
8	That the Committee set up a working party to review the current Communications Policy, the Your Council Your Voice resource and the Civics Education Resource with a view to these documents helping to explain the council's decision making process and rationale behind decisions.	The Committee decided to delegate authority to the Chairperson to establish the working parties outlined within the Council recommendations on the Communications Audit Review.
12	Recommend the Committee set up a working party to look at online communication tools, including more localised information for Community Boards.	
9	That staff arrange a meeting with key stakeholders in Christchurch's earthquake recovery including CERA, CCDU, SCIRT, UDS partners, Cancern, EQC and Community Boards to produce a combined action plan of how governance and communications can work effectively and coherently between these organisations.	That the General Manager Public Affairs initially meets with relevant senior staff from these organisations and reports back to the Committee at its meeting on 30 October 2012 with options for a way forward.
10	Recommend staff prepare a draft engagement strategy with input from community boards, by 30 October 2012, for discussion with the Community, Recreation & Culture Committee. Note that this should include a schedule of regular forums between Mayor & Councillors and key stakeholders such as developers, investors, government departments, business sector, community groups, sports groups, ethnic communities and media. Note that these be an opportunity for two way dialogue, and that the CEO and Executive Team be encouraged to attend when possible.	That staff present a draft engagement strategy to the Committee at its meeting on 30 October meeting, and that feedback be sought from Community Boards.
12	Recommend staff bring a recommendation to the 2 October 2012 meeting of the Community, Recreation and Culture Committee for web-streaming council meetings and options for these.	That staff bring the report to the Committee meeting on 30 October 2012.

PART C - DELEGATED DECISIONS

6. RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORT

The Committee were asked to consider the approval of the a supplementary report on the Heritage Grant Approval – Pomeroy's, 284-294, Kilmore Street, Christchurch, to the meeting.

The Committee **resolved** that the report be received and considered at the meeting of the Community, Recreation and Culture Committee on 2 October 2012.

COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

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7. HERITAGE GRANT APPROVAL – POMEROY'S, 284-294, KILMORE STREET, CHRISTCHURCH

The Committee considered a report seeking approval for a Heritage Incentive Grant (HIG) for 'Pomeroy's' 284–294 Kilmore Street, (Wards Brewery) Christchurch.

The Committee **resolved** to approve a Heritage Incentive Grant of up to \$48,924 (with limited conservation covenant) for conservation and maintenance, fire sprinklers and alarms, and electrical upgrade work for the protected heritage building at 284-294 Kilmore Street subject to certification of compliance with the above scope of works outlined in paragraph 7 of this report.

The meeting concluded at 12.01pm.

CONSIDERED THIS 25TH DAY OF OCTOBER 2012

MAYOR

Christchurch City Council - Creative Industries Support Fund

Purpose and Objectives

The purpose of the Fund is to enable the swift dispensing of funds to ensure that Creative Industries are re-established in the Central City to support the rebuild.

The Central City should provide a platform for students of the arts and qualified arts practitioners, innovators and facilitators in Christchurch. This fund is intended to support the establishment of affordable studio, exhibition and retail solutions and projects that will help stem the loss of the Creative Sector in the city. This will provide the people of Christchurch with access to interesting and progressive arts experiences that will contribute to the enlivening of the Central City and be of benefit to the wider business community.

The Fund is applicable only to the Central City.

Fund Criteria

To be eligible for this fund, projects that are proposed will need to demonstrate how they meet the below criteria:

- Attract residents and visitors to the Central City, supporting the return of businesses and recovery of the Central City.
- Support activities and art which reflect Christchurch's unique identity creating a point of difference from other cities and creating a vibrant Central City.
- Improve the amenity/environment of the Central City for residents, visitors and businesses operating the Central City.
- Help residents and visitors connect with recovery of the Central City.
- Must support the long-term recovery of Creative Industries.
- Must encourage the general public to engage with arts practice and outcomes.
- Must take place, or begin, within 4 months of grant approval.
- Must achieve a creative, high quality outcome.

Funding available

\$520,000 is available for allocation through the Creative Industries Support Fund in 2012/13.

Process

Applications for grants can be made throughout the year until the funds are exhausted.

Applications will be processed by the Urban Design & Regeneration Unit at Christchurch City Council.

Evaluation of applications will be undertaken by an interdisciplinary panel who make recommendations. Applications for small grants of up to \$15,000 may be approved through a delegation to the Unit Manager Urban Design & Regeneration. Where grants are over \$15,000 a report will be provided to Council for grant approval.

ATTACHMENT 1 TO CLAUSE 1 COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

Applicants will be required to submit applications that provide the required level of detail including but not limited to; a description of the concept, how the proposal meets the criteria, the total budget for the project, resources and personnel available to support the project, and the proposed delivery and timing.

Successful Proposals will be confirmed and funded promptly, with the expectation that they will be delivered within 4 months of grant approval.

Eligible, but unsuccessful, project proposals will be provided feedback.

Applicants proposing ineligible projects will be notified and the proposals discarded. Feedback will be provided on why the projects were ineligible.

Conditions

As far as possible standardised funding agreements will be developed to facilitate timely payment of grants. Payment of grants will be made following signing of a funding agreement by both parties.

Funding agreements will state clear expectations for both parties. In particular, funds are to be used as set out in the Funding Agreement and applicants are expected to provide information regarding other funding applied for or received.

Grantees will be expected to provide a brief report detailing the success of their project, including a description of the outcomes achieved against the criteria and a financial summary.

Successful projects will be required to comply with relevant regulations and consents.

The following will not generally be funded

- Retrospective costs or project or purchase costs incurred or settled before the agree commencement date of the funding agreement
- Debt servicing or re-financing costs
- Stock or capital market investment
- Gambling or prize money
- Entertainment costs (except for costs directly linked to volunteer recognition)
- Funding of individuals (only non-profit organisations)
- Payment of any legal expenditure, including costs or expenditures related to mediation disputes or ACC, Employment Tribunal, Small Claims Tribunal, Professional or Disciplinary Body hearings
- Purchase of land and buildings
- Building maintenance or facility design, development and renovation costs
- Activities or initiatives where the primary purpose is to promote religious ministry, political objectives, commercial or profit-oriented interests
- Fundraising
- Medical or healthcare costs including treatment and insurance fees
- Money which will be re-distributed as grant funding, sponsorship, donations, bequests, aid funding or aid to other recipients
- Payment of fines, court costs, mediation costs, IRD penalties or retrospective tax payments
- Costs to remedy, rectify, upgrade, retrofit or replace equipment, vehicles or premises as a result of action by central or local government departments or other agencies who hold regulatory or enforcement powers

ATTACHMENT 1 TO CLAUSE 1 COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

- Purchase of vehicles and any related ongoing maintenance, repair, overhead costs or road user charges
- Social functions
- Air travel, accommodation, hotel / motel expenses
- Conference fees and costs
- Projects which have received other Council funding in the same financial year
- Projects that are considered to be the primary responsibility of:
 - o Central government
 - o Some other funding body
 - o A Council Unit (where funding should come from an internal budget)

Christchurch City Council – Transitional City Projects Fund

Purpose and Objectives

The purpose of the fund is to encourage and enable the use of vacant privately-owned space in ways which improve and enrich the community's experience of the Central City environment.

In establishing this fund, Council is enabling others to embrace the interim 'Transitional' period of the Central City rebuild, with support to create and deliver temporary projects which productively and/or creatively use vacant space while longer-term uses or tenancies are being determined, or site works yet to commence.

This is a quick-response, small grant fund that will create many opportunities for people to participate in the journey of Central City recovery, temporarily turning vacant spaces and places — whether land, buildings or walls — into sites which are instead vibrant, enlivened, greened or otherwise publicly activated. Diverse, innovative, and amenity-enriching projects are possible, which will create a buzz for the immediate recovery, provide a much-needed point of difference for the Central City, and help to make the developing Transitional City a place for people, as well as a place in which businesses can more easily re-establish.

The Fund is applicable only to the Central City.

Fund Criteria

To be eligible for this fund, projects that are proposed will need to demonstrate how they meet the below criteria:

- Attract residents and visitors to the Central City, supporting the return of businesses and recovery of the Central City. (must reasonably expect to attract at least 500 people to the Central City during the project)
- Support activities and art which reflect Christchurch's unique identity creating a point of difference from other cities and creating a vibrant Central City.
- Improve the amenity/environment of the Central City for residents, visitors and businesses operating the Central City.
- Help residents and visitors connect with recovery of the Central City.
- Will "activate" privately-owned vacant Central City space (whether land, buildings or walls) for primarily public benefit.
- Support existing or emerging recovery area clusters.
- Offer added value: such as potential for extended duration, innovation, diversity and significant private partnership.
- Deliverability projects that are ready to be implemented immediately following grant approval and the project will be delivered within 4 months of grant approval.
- Must achieve a creative, high quality outcome.

Funding available

\$145,000 is available for allocation of through the Transitional City Projects Fund in 2012/13.

Projects will normally be considered for a maximum of \$5,000, with larger projects demonstrating exceptional added value through extended duration, significant visitation or public interest to be considered for a maximum of \$15,000. Where any proposal seeks a grant greater than \$15,000 this shall be considered and determined by Council.

Process

Applications for grants can be made throughout the year until the funds are exhausted.

Applications will be processed by the Urban Design & Regeneration Unit at Christchurch City Council.

Evaluation of applications will be undertaken by an interdisciplinary panel who make recommendations. Applications may be approved through a delegation to the Unit Manager Urban Design & Regeneration.

Applicants will be required to submit applications that provided the required level of detail including but not limited to; a description of the concept, how the proposal meets the criteria, the total budget for the project, resources and personnel available to support the project, and the proposed delivery and timing.

Successful Proposals will be confirmed and funded promptly, with the expectation that they will be delivered within 4 months grant approval.

Eligible, but unsuccessful, project proposals will be provided feedback.

Applicants proposing ineligible projects will be notified and the proposals discarded. Feedback will be provided on why the projects were ineligible.

Conditions

As far as possible standardised funding agreements will be developed to facilitate timely payment of grants. Payment of grants will be made following signing of a funding agreement by both parties.

Funding agreements will state clear expectations for both parties. In particular, funds are to be used as set out in the Funding Agreement and applicants are expected to provide information regarding other funding applied for or received.

Grantees will be expected to provide a brief report detailing the success of their project, including a description of the outcomes achieved against the criteria and a financial summary.

Successful projects will be required to hold Public Liability Insurance, a Health & Safety Management Plan, and comply with relevant regulations and consents.

The following will not generally be funded

- Retrospective costs or project or purchase costs incurred or settled before the agree commencement date of the funding agreement
- Debt servicing or re-financing costs
- Stock or capital market investment
- Gambling or prize money
- Entertainment costs (except for costs directly linked to volunteer recognition)
- Funding of individuals (only non-profit organisations)
- Payment of any legal expenditure, including costs or expenditures related to mediation disputes or ACC, Employment Tribunal, Small Claims Tribunal, Professional or Disciplinary Body hearings
- Purchase of land and buildings
- Building maintenance or facility design, development and renovation costs
- Activities or initiatives where the primary purpose is to promote religious ministry, political objectives, commercial or profit-oriented interests
- Fundraising
- Medical or healthcare costs including treatment and insurance fees

ATTACHMENT 2 TO CLAUSE 1 COMMUNITY, RECREATION AND CULTURE COMMITTEE 2. 10. 2012

- Money which will be re-distributed as grant funding, sponsorship, donations, bequests, aid funding or aid to other recipients
- Payment of fines, court costs, mediation costs, IRD penalties or retrospective tax payments
- Costs to remedy, rectify, upgrade, retrofit or replace equipment, vehicles or premises as a result of action by central or local government departments or other agencies who hold regulatory or enforcement powers
- Purchase of vehicles and any related ongoing maintenance, repair, overhead costs or road user charges
- Social functions
- Air travel, accommodation, hotel / motel expenses
- Conference fees and costs
- Projects which have received other Council funding in the same financial year
- Projects that are considered to be the primary responsibility of:
 - o Central government
 - Some other funding body
 - o A Council Unit (where funding should come from an internal budget)

Support for projects

Vacant sites will be identified by, and brokered through, Life in Vacant Spaces Charitable Trust, with the support of Council, CERA and CCDU staff. Legal access agreements and access to public liability insurance are also available through Life in Vacant Spaces.

ATTACHMENT 1 – ARTBOX SITE LAYOUT GRAPHIC



PLANNING COMMITTEE 3 OCTOBER 2012

A meeting of the Planning Committee was held in the No. 1 Committee Room on Wednesday 3 October 2012 at 9.15am.

PRESENT: Councillor Sue Wells (Chairperson),

Councillors Peter Beck, Sally Buck, Jimmy Chen, and Glenn Livingstone.

IN ATTENDANCE: Councillors Helen Broughton and Yani Johanson.

APOLOGIES: Councillors Aaron Keown and Claudia Reid.

Councillor Sally Buck left the meeting at 12.20pm and took no part in items 5, 6, 9

and 10.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. CENTRAL CITY LIVING ZONE REVIEW REQUIRED BY CERA STATUTORY DIRECTION

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281
Officer responsible:	Carolyn Ingles, Unit Manager Urban Design and Regeneration
Author:	Adam Fort, Senior Planner

PURPOSE OF REPORT

1. To recommend to the Council the scope of the review of the Living zones and Special Amenity Areas within the Central City, and for the Council to approve the attached Terms of Reference (refer **Attachment 1**).

EXECUTIVE SUMMARY

- 2. The Christchurch Central Recovery Plan sets out two Statutory Directions. The first one has already been complied with that is to amend the Operative District Plan in accordance with the changes set out in Appendix 1 of the Recovery Plan. The second Statutory Direction uses powers under section 24 of the CER Act to require the Council to propose further changes to its Operative District Plan for the Living Zones within the Central City as necessary in order to give effect to the Recovery Plan. The review is currently being undertaken by staff, and is required to be delivered to the Minister for Canterbury Earthquake Recovery by 1 March 2013.
- 3. The background discussion below supports a staff recommendation that the review is completed in accordance with the attached terms of reference, with an opportunity for Council input prior to delivery of the final document to the Minister. This is discussed as option (a) below. The review will investigate the regulatory planning framework across the Living 4 and 5 zones within the Central City to ensure that it is still appropriate in order to achieve the aspirations of the Recovery Plan for a high-quality inner city living environment that will complement the regenerated business areas.
- 4. An alternative option (b) is to seek deletion or an amendment to the Statutory Declaration. The Council considered the issue of residential development within the four avenues as part of the Central City Plan. At that stage there was significant interest by a number of communities within the four avenues to review their residential future, and to create more distinctive outcomes. The Council at that stage considered that the matters raised were relevant but not matters of urgency, that needed to be rushed through. The Council at that stage indicated that

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it wished to have an extended conversation with its residential communities, possibly through the more extensive process of the District Plan Review. The timeframe contained in the Statutory Direction, and the expectations of such a review from discussions with CERA staff suggest that it is unlikely to resolve the differing objectives that exist, or provide the type of space for a dialogue that would result in a credible outcome. There is also ongoing concern that these communities have been badly impacted by the earthquake, and that further discussion at this stage would be unproductive for them. Given that the Statutory Direction is contained in the Recovery Plan and uses Section 24 powers under the CER Act 2011, only the Minister can cancel or amend it through an amendment pursuant to section 22 of the Act. If this option were adopted Council would need to be clear about whether it was seeking a deferral of the Statutory Direction (based on the matters raised above), or whether it was seeking a withdrawal of the direction by the Minister.

FINANCIAL IMPLICATIONS

See below.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

The project has commenced under urgency and is being covered by existing budgets.

LEGAL CONSIDERATIONS

7. The review is required by a Statutory Direction from the Christchurch Central Recovery Plan, pursuant to section 24 of the CER Act 2011.

Have you considered the legal implications of the issue under consideration?

8. There are no legal implications of approving the attached Terms of Reference. If alternative option (b) is pursued, then until such time as the Minister removes it from the Recovery Plan by way of an amendment Council action would be inconsistent with the Christchurch Central Recovery Plan.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

9. See below.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

10. The requirement for a review of Central City Living Zones was not anticipated by the LTCCP, being an outcome of the Christchurch Central Recovery Plan.

ALIGNMENT WITH STRATEGIES

11. In undertaking the review, regard will be had to the Recovery Strategy, the Christchurch Central Recovery Plan, the Greater Christchurch Urban Development Strategy, and the Healthy Environment Strategies.

Do the recommendations align with the Council's strategies?

12. See above.

CONSULTATION FULFILMENT

13. Public Consultation is not required by the Statutory Direction. Given the compressed timeframe available to complete the review, proposed targeted stakeholder consultation is discussed in

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the attached Terms of Reference. This will have regard to the outcomes of the extensive consultation undertaken by Council during the preparation of the Draft Central City Plan in 2011 and by the Minister in early 2012, following receipt of the draft Central City Recovery Plan.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approve the attached Terms of Reference, or,
- (b) Urgently approach the Minister for Canterbury Earthquake Recovery to seek a deferral of the Statutory Direction, and an amendment to the direction to direct the Council to discuss future residential options with the community within the four avenues, as part of the upcoming review of the City Plan.

COMMITTEE CONSIDERATION

During the course of the meeting, staff met with those in attendance from the residents' groups and went through the Terms of Reference in detail. Staff then presented back to the Committee amended Terms of Reference (as attached). The Committee **noted** it had the unanimous agreement of the seven groups represented for the Terms of Reference as amended.

COMMITTEE RECOMMENDATION

That the Council approve the amended Terms of Reference as shown in Attachment 1.

BACKGROUND (THE ISSUES)

- 14. The review is currently being undertaken by staff, and is required to be delivered to the Minister for Canterbury Earthquake Recovery by 1 March 2013. The review will investigate the regulatory planning framework across the Living 4 and 5 zones within the Central City to ensure that it is still appropriate in order to achieve the aspirations of the Recovery Plan for a high-quality inner city living environment that will complement the regenerated business areas.
- 15. A map of the relevant zones and the Special Amenity Areas overlays is attached (refer **Attachment 2**). Currently there is a Living 5 zone in two specific locations, a Living 4 zoning that is split into three sub-zones of 4A, 4B and 4C, as well as 11 Special Amenity Areas.
- 16. The direction from the Recovery Plan has no expectation that changes will or will not be recommended by Council to the residential zone, and given the timeframe provided it is doubtful whether a comprehensive series of changes could be worked through. In considering the Draft Central City Plan the City Council decided not to pursue any "tinkering" with the residential zones pending a comprehensive review of them. In giving effect to the "direction" offered by the Recovery Plan Council will need to consider the need for, extent of and wisdom of trying to make such changes through a very short window, in a part of the city that remains largely functional and effective. It is also relevant to consider that a comprehensive review of the District Plan is due to commence in 2014. The Terms of Reference (attached) reflect this.
- 17. In discussions with CERA advisers their focus was on using the exercise to potentially reduce what they saw as complexity in the zoning provisions, which may be at odds with the local community aspirations. It is intended that any changes recommended by Council would be enacted by way of a Ministerial direction to amend the plan.
- 18. In directing this review to be undertaken, CERA recognises that a vibrant city centre requires a larger resident population to sustain a diverse range of activity. Separate from this review, a residential demonstration project is planned to showcase the opportunities for high-quality, medium density residential development.

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19. Prior to the meeting of the Planning Committee, the proposed Terms of Reference will have been discussed with the Hagley-Ferrymead Community Board, and at a Council Workshop. It is anticipated that the draft recommendations of the review will be presented back to Council in early 2013 in order to meet the timeframe for delivery to the Minister for Canterbury Earthquake Recovery by 1 March 2013.

2. NOBLE SUBDIVISION – JUDICIAL REVIEW OF DECISION MAKING PROCESS

General Manager responsible:	General Manager Regulation and Democracy Services, DDI 941-8462
Officer responsible:	Chris Gilbert Manager Legal Services Unit
Author:	Brent Pizzey, Solicitor

PURPOSE OF REPORT

1. For the Council to decide whether to revisit or revoke a previous resolution that it not seek judicial review of decisions granting resource consent to Noble Investments Ltd.

EXECUTIVE SUMMARY

- 2. Mr Colin Stokes wants the Council to seek a judicial review of its decisions granting resource consent to Noble Investments Ltd. The Council has previously resolved to not do so. The Council relied in that resolution on advice from Simpson Grierson. Mr Stokes has, in various emails, raised concerns that Simpson Grierson did not possess the relevant Council files when Simpson Grierson assessed the merits of judicial review.
- 3. Mr Stokes made a deputation to the Council's Planning Committee on 25 July 2012. He presented to the Committee documents (Attachment 1) and a letter to him from Duncan Cotterill (Attachment 2).
- 4. The Duncan Cotterill letter states the following conclusions:
 - (a) That as the application was not decided in 10 working days there is "jurisdiction for the Court to consider a judicial review on the ground of a failure to comply with the statutory time limit. Whether this would be successful would come down to the Court's assessment of the circumstances of the case" (paragraph 4).
 - (b) That the Council requested further information from the applicant and set a timetable within which the information was to be provided. The information was not provided within that time, and the Act provides that an application must be publicly notified in those circumstances. The Duncan Cotterill letter states that this is ground for judicial review (paragraph 11).
 - (c) That the Simpson Grierson letter of 15 March shows that Simpson Grierson did not possess or review the file relating to the "December 2009 variation".
- 5. The Committee resolved:

The Committee recommend to the Council that in response to the deputation from Mr Stokes, it review the documents provided to Simpson Grierson for the Noble Subdivision judicial review, particularly with regard to whether Simpson Grierson was in possession of all relevant information and reviewed it (refer attached 2009 December variation application).

- 6. Simpson Grierson have responded to those matters (Attachment 3). Simpson Grierson confirm:
 - (a) They did possess and did review the information that Mr Stokes calls the "2009 Variation" when they provided their earlier advice to the Council (paragraphs 5-12).

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- (b) A judicial review based on the ground of not deciding the application within 10 working days would have little prospect of success (paragraphs 14-17).
- (c) The contentions on the Duncan Cotterill letter concerning requests for further information provide no basis for a successful judicial review, particularly as the matter was considered by the Independent Commissioner in his second notification decision (paragraphs 18-20).
- 7. Simpson Grierson conclude that none of the information provided by Mr Stokes to the Planning Committee change their legal advice or conclusions of 15 March 2012.

FINANCIAL IMPLICATIONS

8. None.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

9. Yes.

LEGAL CONSIDERATIONS

10. The legal considerations are set out in the Simpson Grierson advice.

Have you considered the legal implications of the issue under consideration?

11. Yes.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

12. Yes.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

13. Yes.

ALIGNMENT WITH STRATEGIES

14. Yes.

Do the recommendations align with the Council's strategies?

15. Yes.

CONSULTATION FULFILMENT

16. No consultation is required.

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STAFF RECOMMENDATION

That the Council confirm its previous resolution to not seek judicial review of its own decision on resource consents for Noble Investments Limited.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

When put to the meeting, the motion was declared **carried** by division 1 as follows:

For (2): Councillors Beck and Wells. Against (1): Councillor Livingstone.

Councillors Buck and Chen abstained.

The meeting adjourned at 11.28am and resumed at 11.35am.

3. ADOPTION OF REPORT ON DOG CONTROL POLICY AND PRACTICES 2011/12

General Manager responsible:	General Manager Regulatory and Democracy Group, DDI 941 8462
Officer responsible:	Inspections and Enforcement Unit Manager
Author:	Mark Vincent, Animal Control Team Leader

PURPOSE OF REPORT

1. The Dog Control Act 1996 ("the Act"), section 10A requires all territorial authorities to report on the administration of its dog control policy and practices annually. Once the Council has adopted the report, a public notice must be given of the report and a copy sent to the Secretary for Local Government. This provision in the Act was introduced by the Dog Control Amendment Act 2003. The Act lists the information required in the report.

EXECUTIVE SUMMARY

- 2. The Dog Control Act 1996 was amended by the Dog Control Amendment Act 2003 with a focus on increasing public safety. As part of the amendments Central Government has introduced the requirement for Territorial Authorities to report annually with certain information.
- 3. The annual report requires Territorial Authorities to provide details in relation to such matters as: dog exercise and leash control; dog prohibited areas; impounded animals; education programmes and initiatives and a range of specific annual statistics including aggressive/dangerous dogs, number of dogs classified as dangerous or menacing dog, the number of registered dogs, number of infringement notices issued, and the number of prosecutions etc.

FINANCIAL IMPLICATIONS

- 4. There are no direct financial implications in relation to the preparation of the annual report nor any financial implications should Council adopt the recommendation contained in the report.
- Covered by existing unit budgets.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

6. Yes.

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LEGAL CONSIDERATIONS

- 7. Section 10A of the Dog Control Act requires that a Territorial Authority must report on Dog Control Policy and Practices:
 - (1) In respect of each financial year, report on the administration of:
 - (a) Its Dog Control Policy adopted under section 10; and
 - (b) Its Dog Control Practices.
 - (2) The report must include, information relating to:
 - (a) The number of registered dogs
 - (b) The number of probationary and disqualified owners
 - (c) The number of dogs classified as dangerous and the relevant provision under which the classification was made.
 - (d) The number of dogs classified as menacing under section 33A
 - (e) The number of dogs classified as menacing under section 33C
 - (f) The number of infringement notices issued
 - (g) The number of prosecutions taken.
 - (3) The Territorial Authority must give public notice of the report:
 - (a) by publishing the report in:
 - (i) One or more daily newspapers circulating in the district
 - (ii) One or more other newspapers that have at least an equivalent circulation in the district to the daily newspapers circulating in that district.
 - (b) by any means that the territorial authority thinks desirable in the circumstances.
 - (4) The territorial authority must also, within one month after adopting the report, send a copy of it to the Secretary for Local Government.

Have you considered the legal implications of the issue under consideration?

8. As per above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

9. The annual report and recommendation contained in this report aligns with the LTCCP level of services for Animal Control as the levels of service detailed in the LTCCP require complaints in regards to aggressive behaviour by dogs to be responded to within stipulated timeframes (page 90 of the 2009-19 LTCCP, under "Regulatory Services".

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

10. Not applicable.

CONSULTATION FULFILMENT

11. There is no requirement for consultation in relation to the preparation of the annual report. There is a statutory requirement (section 10A of the Dog Control Act 1996) for the report to be publicly notified once adopted by Council.

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STAFF RECOMMENDATION

That the Council adopt the attached Christchurch City Council Report on Dog Control Policy and Practice for 2011/12, pursuant to Section 10A of the Dog Control Act 1996.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

4. ADOPTION OF ANNUAL REPORT TO THE LIQUOR LICENSING AUTHORITY FOR THE PERIOD ENDING 30 JUNE 2012

General Manager responsible:	General Manager Regulatory and Democracy Group, DDI 941-8462	
Officer responsible:	Inspections and Enforcement Unit Manager	
Author:	Paul Rogers, Liquor Licensing Team Leader	

PURPOSE OF REPORT

- 1. The Sale of Liquor Act 1989 ("the Act"), section 105, requires every District Licensing Agency (DLA) to prepare and send to the Liquor Licensing Authority (LLA) a report of the District Licensing Agency's proceedings and operations during the year no later than three months after the end of every financial year.
- 2. The LLA advises the DLA of the annual report format and the information required in the report. The annual report attached and marked **Appendix 1** has followed the required report format.

EXECUTIVE SUMMARY

3. This report is required to be submitted to cover the year July 2011 to June 2012. This year has of course been dominated by the earthquakes and while a large number of Central Business District licensed premises have been lost or closed due to being in the red zone the public are still looking for entertainment and hospitality.

FINANCIAL IMPLICATIONS

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

4. There are no financial implications arising out of this report.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

- 5. Yes. Pursuant to the Sale of Liquor Act 1989 ("the Act"), section 105 (1), requires every District Licensing Agency (DLA) to prepare and send to the Liquor Licensing Authority (LLA) a report of the District Licensing Agency's proceedings and operations during the year no later than three months after the end of every financial year.
- 6. Subsection (2) of section 105 requires the DLA to supply a copy of each such report to any person who requests it on payment of such reasonable fee as the Authority or Agency may prescribe.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

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Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

Yes. The Annual Report supports the Council's Regulatory Services activities, which includes
the protection of public health and safety (page 94 of the LTCCP, level of service under
Regulatory Services).

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

8. Yes the recommendations links to the Council's Safer Christchurch Strategy's aim of alcohol becoming a less significant cause of crime and injury.

CONSULTATION FULFILMENT

9. No external consultation has been carried out, but internal consultation between the Inspections and Enforcement Unit, Strategy and Planning Unit, Legal Services and the Alcohol Policy and Liquor Control Bylaw Sub-Committee, has taken place.

STAFF RECOMMENDATION

That the Council adopt the attached 2011/12 Annual Report to the Liquor Licensing Authority pursuant to Section 105 of the Sale of Liquor Act 1989.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

The meeting adjourned at 12.30pm and resumed at 12.39pm.

5. URBAN DESIGN PANEL REVIEW

General Manager responsible:	Mike Theelen, General Manager, Strategy and Planning DDI 941-8281
Officer responsible:	Carolyn Ingles, Urban Design & Regeneration Unit Manager
Author:	Josie Schroder, Principal Advisor Urban Design

PURPOSE OF REPORT

- The purpose of this report is to:
 - (a) Provide a summary of the recent review of the Christchurch Urban Design Panel (the Panel).
 - (b) Recommend that the Council continue the operation and funding of the Panel.
 - (c) Recommend that the Council approve the revised Terms of Reference (**Attachment 1**).
 - (d) Outline the options that have been considered for greater community involvement in urban design review and recommend to the Committee they recommend that the Council approve the preferred option.

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EXECUTIVE SUMMARY

- 2. The Panel was established in 2008, formed from nominated representatives from the New Zealand Institute of Architects, New Zealand Institute of Landscape Architects, New Zealand Planning Institute and the Property Council of New Zealand. The Panel is funded by the Council and its advice is provided free of charge to applicants. Now at the end of its three year trial period, the Panel has been a positive influence in promoting high quality urban design outcomes in Christchurch, particularly for pre-application proposals. To date the Panel has met more than 100 times and reviewed over 150 proposals, including both Council and Developer-led proposals.
- 3. With experience operating the Panel since 2008 and given the scale of the rebuilding following the earthquakes, it is timely to review the scope, criteria, and budget of the Panel to ensure this supports the recovery and operates efficiently and effectively.
- 4. With the Christchurch recovery underway there have been calls to review the breadth of expertise of panellists to meet the anticipated increase in number and complexity of proposals for review. Furthermore, in response to requests from the Community Boards and through the Suburban Centres Master Plan Programme, consideration has also been given to the ways in which community involvement could be facilitated to influence urban design outcomes.

THE CURRENT CONTEXT OF THE PANEL

- 5. Two years on from the first of the earthquakes there is a greater community realisation of the importance of re-establishing a high quality environment for the City's residents, visitors and as a place to do business. This message was articulated throughout the development of the Central City Plan, and also recognised in the government's Christchurch Central Recovery Plan
- 6. In the 2011/2012 financial year, the Panel reviewed in total 57 proposals. Of these 39 were located within the 4 Avenues, and of these 39, 11 were located in what is now defined as the Central City core. The remaining 18 proposals were for rebuilds across the city. The number of redevelopment proposals for earthquake affected sites within both the Central City and beyond is expected to increase as the Christchurch recovery gathers momentum. It is anticipated that in excess of 1000 new buildings will be developed over the next decade in the Central City alone. In addition many of the suburban centres have sustained significant amounts of earthquake damage. As such it is important that any Panel going forward, has sufficient resources to be able to react to the number of likely applications in a timely manner.
- 7. In addition, through the Suburban Centres Programme and the draft Central City Plan consultation process, there were calls for community representation in the redevelopment process with respect to urban design.

REVIEW OF PANEL EFFECTIVENESS

- 8. The Panel was due to be fully reviewed in 2010; however, the process was started but interrupted by the earthquakes and has only recently been completed. This review included: discussions with the Panel stakeholders including staff managing and providing assistance to the Panel, panellists, applicant representatives and the applicants themselves; a desktop review of development schemes that have gone to the Panel, both pre and post land use consent application, and the degree to which the comments of the Panel had been taken into account in any amendments to the schemes.
- 9. The outcomes of this review are summarised in the Background of this report.
- 10. Overall the Panel is seen as a valuable tool in increasing the quality of urban design in Christchurch, in conjunction with a range of other tools including District Plan urban design

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assessment matters, guidelines and Council staff advice. There is a notable and visible improvement in the urban design quality of the proposals that have addressed the advice of the Panel, particularly when the proposals were presented to the Panel for pre-application advice.

FUTURE ROLE OF THE PANEL

- 11. As the Regional, City and District Plans are amended to better reflect the importance of high quality urban design in our towns and cities, and given the impact of the earthquakes on the urban environment, it is appropriate to assess how the Panel could further influence and improve the design process to achieve good design outcomes.
- 12. **Urban Growth Areas -** Chapter 12A of the Canterbury Regional Policy Statement recognises the importance of Outline Development Plans in the delivery of high quality urban design, particularly in urban growth areas. Ensuring that the Outline Development Plans incorporate good urban design practice is essential to the delivery of good future urban form. In addition, Chapter 12A increases the required development yields across greenfields areas, culminating in medium density residential development proposals, equivalent to the Living 3 zone residential densities. In order to ensure the success of the Greenfield medium density areas, as with the Living 3 zones, the addition of the Panel expertise, particularly pre application, would be beneficial to the overall success of the development.
- 13. **Central City** Given the unprecedented number of new buildings and the adverse circumstances, such as time pressure and insurance, the risk of poorly designed post-earthquake developments is considered to be significant .The Central City Recovery Plan has been adopted and incorporates urban design assessment matters. The Plan also establishes a Joint Design Approvals Board (JDAB) for the Central City core to make resource consent decisions on urban design matters within a 5 day timeframe. However the Panel still has a valuable role to play in the pre-application process and for proposals outside of the core. In discussions with Christchurch Central Development Unit (CCDU) officials, the role of the Council's Urban Design Panel is recognised as continuing to play a significant role. The JDAB is subject to very strict timeframes, and it is anticipated that applicants may still use any Urban Design Panel to explore design options and outcomes before proceeding to the JDAB approval process. Pre-application advice will support quick decision making by the Board as many of the urban design matters will have been raised and addressed.
- 14. Suburban Centres Proposed Plan Change 56, an urban design plan change for suburban Business zones (Business 1 and 2 and Business 2 Parking) is currently being drafted. The intent of the draft Plan Change is to facilitate a higher standard of urban design in these zones. The sheer number of rebuilds in the suburban centres has the potential to significantly impact on the look, feel and function of the centres. Currently Business 2 proposals are reviewed by the Panel, but given the extent of earthquake damage and its impacts, the Panel could also consider applications within Business 1 zones. The proposed plan change (PC 56) would provide the framework for assessment and robustness to the process, in conjunction with urban design guidance.

CRITERIA

15. During the three years of the Panel trial period the scope of proposals for assessment, which is provided in the *Urban Design Panel Terms of Reference* (Appendix 1 to this report), was limited to ensure that the Panel's effectiveness was able to be measured at the end of the trial period. The Panel review and consideration of the future role of the Panel culminates in the recommendation to expand the criteria that trigger the requirement for a proposal to be assessed. These proposed changes to the criteria, in bold, are incorporated into Attachment 1.

PANEL MEMBERSHIP

16. The Panel currently comprises urban designers, architects, landscape architects and a member of the New Zealand Property Council. Requests have been received for additional areas of

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expertise on the Panel including transport, heritage, arts, Ngai Tahu and Crime Prevention through Environmental Design (CPTED). The requirement for additional areas of expertise has been measured against the contribution that would be made specifically to the urban design review, given that the focus of the Panel is on urban design. It is considered that the additional requests can be met by a combination of staff expertise, consultant advice to the Panel and the specialist expertise of existing Panel members.

17. Currently the panellists have no set length of tenure. However it is recognised that there should be some ability to ensure that the panellists remain fresh in their views and role with the Panel, not withstanding the importance of experience and expertise of the panellist, and that the balance of professions remain appropriate. Panellist tenure is proposed to be two years, but with the option to extend this to a maximum of four years with the approval of the Mayor and the Chief Executive. It should be noted that new panellists are currently appointed by the Mayor and Chief Executive, on recommendation from staff. Panellists are nominated to the Council from their respective professional bodies, to ensure that only respected professional individuals are recommended.

OPTIONS FOR COMMUNITY PANELS

- 18. Requests have been made by a number of Community Boards and from the community, resulting from consultation and discussion on the Suburban Centres Master Plans, for a greater degree of community involvement in the design process for commercial centres to ensure that local area design matters are taken into account. More specifically, in September 2011 the Spreydon/Heathcote Community Board resolved to "request the Council to approve one member to attend the Urban Design Panel meetings in response to earthquake rebuild design applications in the ward, and in particular, that the member present the view of the local community and the Board."
- 19. Furthermore in December 2011 the Lyttelton/Mt Herbert Community Board resolved "to proceed with establishing the Lyttelton Urban Design Advisory Committee as soon as practicable, and to then review its value and operations at the time of the report to the Council on the review of the number, scope and need for urban design panels, which is expected in June 2012". The Board further resolved to seek registrations of interest for the community and consultant members of the Lyttelton Urban Design Advisory Committee. This latter action was not completed as the Board requested further clarification from Council as to the required process to establish an urban design committee for Lyttelton. The Board was advised that this matter would be discussed further in this report.
- 20. The proposal for the Lyttelton Design Advisory Board was modelled on the Akaroa Design and Appearance Advisory Committee. This is a sub committee of the Akaroa/Wairewa Community Board, subject to LGOIMA requirements, including notification of meetings, which are public. The need for Committee involvement in a proposal is triggered by a rule in the Banks Peninsula District Plan, applicable to Akaroa only. In addition to the lack of such a rule for Lyttelton, the structure of the subcommittee and associated legal requirements would place a severe time burden on the resource consent process that is unlikely to meet the needs of the applicant both pre and post application. Alternatives to the Committee approach are outlined below.
- 21. There are four options proposed for discussion regarding community input:
- 22. Option 1 Status quo plus design guidance

A high level of community involvement in the development of design guidance for the key commercial centres, as well as continuing to use the established Panel to provide review. The design guidance would establish the design parameters and expectations of the community for their centre(s) in a holistic way, rather than site by site, and provide a tool for assessment by the Panel.

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23. Option 2 – Community Board response

This option focuses on the provision of a brief by the Community Board to the Panel, in much the same way that other design advice is provided, to highlight local area urban design considerations. It would require resourcing and the provision of the brief in a very short timeframe to ensure that the Panel timeframes are met.

24. Option 3 – Community input through representation

The addition of a community representative to the current Panel for each ward. The representative and alternate would be nominated from each Community Board ward area, based on the following criteria: have required urban design expertise as per current panellists; require ward expertise and knowledge; are approved by Council.

25. Option 4 – Community-based Panel.

The Community Panel would be administered by the Council in the same way as the current Panel is or by the Community Board. Design representatives would be nominated by the Community Board and/or Council.

- 26. The cost of community involvement could be up to \$95,000 per annum per ward depending on the scale of rebuild, and the payment and funding structure for the panel. The RMA and Council levels of service regarding consent processing set out strict timeframes. Including a community process within the timeframe would require significant management and non-negotiable timeframes.
- 27. The addition of a Community Board member, and/or other non professional members, has the benefit of adding greater local input, but also fundamentally changes the dynamics and role of any panel. At present an applicant may use the panel, in confidence, to obtain feedback on a design, based on technical expertise, and the panel's professional advice is available to consent officers, and where necessary Hearings Panels. The addition of community representatives begins to blur the lines between professional urban design outcomes and community opinion, which is not the purpose of the process.
- 28. In that regard Option 1 provides a mechanism for Community Boards to develop expressions of outcomes they would like to see for local development. Such design guidance (which would have no statutory purpose) could be provided to panels as a context document to inform their evaluation. This is a positive way in which the Panel could develop an awareness and have regard to Community aspirations in their deliberation and discussion with applicants. Option 1, status quo plus design guidance is the preferred option.

See Table over...

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Figure 1: Community Panel options pros and cons

Option	Pros	Cons
1: Status Quo Plus	 No addition \$\$ or admin. Sound debate of design elements Inclusive of community objectives 	 May not meet desired level of involvement No ongoing involvement in applications
2: Community Board Response	Highlights community design issuesFits with existing Panel structure	 May not fully meet Community Board desires Requires timely brief to be provided Requires resource to prepare brief
3: Community Representation	 Provides some community representation Representation of local voice 	 May not fully meet community desires Potential additional \$\$ Identification of representatives
4: Community- based Panel	 Provides desired level of community representation Potentially greater interest in good community outcome Continuity in design 	 Ability to obtain level of design expertise Conflicts of interest (small communities) & creates conflict Additional \$\$ and admin

FINANCIAL IMPLICATIONS

29. The annual budget allocated for the Panel for the three year trial period was as follows. Administration costs covered panellist attendance fees, catering and travel for members who attended from outside Christchurch. Urban Design staff costs were not itemised as part of the Panel costs.

\$ 102,101.30
\$ 111,853.20
\$ 92,127.00
\$190, 737.00

- 30. Between July 2008 and July 2011, the Panel on average reviewed 29 applications per annum. Following the February 22nd 2011 earthquake Panel reviews were more intermittent, however in comparison to the first three years of the Panel, just for the period from July 2011 to June 2012 there were a total of 57 applications reviewed.
- 31. Provision has been made in the annual plan for funding at a higher rate than previously, recognising the impact of earthquakes and the estimated 1000 or more commercial rebuilds in the Central City alone. In addition, the proposed expansion to the Terms of Reference criteria for proposals will increase the number of applications going to the Panel. Panellists are paid only for their time sitting on the Panel, for formal seminars and training, with the exception of out-of-town panellists who are paid for travel time. The panellists consider that part of their role is a community service and as such preparation time and site visits are at their own expense. Following the earthquakes and the associated increased travel time and costs, the panellists' hourly rate was increased to \$180/hr, as agreed by Council last year.
- 32. Therefore, continuing with the current Panel approach, with amended criteria and anticipating a significant increase in the number of applications as a result of the rebuild, the cost of the Panel is anticipated to increase from previous annual costs. This increased cost has been anticipated in the Annual Plan 2012/13 and will inform budgeting for the Long Term Plan.

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OPTIONS FOR CONTINUING THE PANEL

33. Option 1 - Status Quo.

The UDP continues to operate, but with changed scope and increased frequency of meetings. It is still fully funded by Council, with increased budget. It is suggested that this situation would be reviewed in the 2015 LTCCP review.

Total approximate based 180 applications

\$ 404k

34. Option 2 - Part User Pays.

The Panel continues to operate, with changed scope and increased frequency of meetings, but as a part 'user pays' service. This would consist of the Resource Consents Team charging their time related to the Panel to the applicants, with the rest of the costs being funded by Council. The likely level of applications that would be resolved from a design perspective pre application would be reduced, which would impact upon effective consent processing and good design outcomes.

Total approximate based 180 applications

\$ 373k

35. Option 3 – Discontinue panel.

The significant role that the Panel plays in providing independent advice to the Council and the development community would no longer be available. Given the extent of the rebuild the community's expectations in regard to achieving good urban design outcomes may not be met to the same extent.

36. The budget for funding the Urban Design Panel would be included as part of the 2013-2022 LTP funding.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

37. Yes. Additional funding has been allocated to meet the needs of the Panel in the basis of the number of applications per annum stated above.

LEGAL CONSIDERATIONS

38. No legal considerations have arisen in connection with the Panel since the review undertaken in 2010.

Have you considered the legal implications of the issue under consideration?

See above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

- 40. As discussed in previous reports to Council, the Panel aligns with a number of community outcomes including:
 - An attractive and well designed city
 - A safe city
 - A prosperous city
 - A healthy city
 - A city for recreation, fun and creativity and
 - A well governed city.

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Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

41. Yes. The proposal is part of the district planning levels of service in the LTCCP (pages 94 and 200).

ALIGNMENT WITH STRATEGIES

- 42. Established in 2008 in response to public concern over the quality of design in new developments, the Panel aligns with:
 - Greater Christchurch Urban Development Strategy
 - Christchurch City Plan
 - Central City Recovery Plan
 - Suburban Centres Masterplans
 - And from a national perspective the New Zealand Urban Design Protocol

Do the recommendations align with the Council's strategies?

43. See above.

CONSULTATION FULFILMENT

44. Consultation has been undertaken with the Panel panellists, Resource Consents Team, Urban Design Team, Central City Plan Team, Strategy and Planning, property owners, developers, design professionals and planners.

STAFF RECOMMENDATION

That the Council:

- (a) Approve the permanent establishment of the Urban Design Panel.
- (b) Approve the amended Urban Design Panel Terms of Reference (attachment 1) dated October 2012
- (c) Approve that local community input into the urban design panel process will be provided via commercial centres design guides.
- (d) Decline to support the establishment of a Lyttelton Urban Design Panel.
- (e) Approve fully funding the Panel for the next three years, subject to deliberations for the 2012-2022 Long Term Plan.
- (f) Retain the current breadth of Panel expertise.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

BACKGROUND - URBAN DESIGN PANEL REVIEW

- 45. The outcomes of the Panel review are summarised as follows:
 - Applicants were generally very positive about the Panel and found it productive because it turned the discussion from two-way (council-applicant) into three-way discussion, with the benefit of the third party being a panel of independent experts.

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- The Panel recommendations provided Council staff with a clear outline of matters requiring further design discussion and resolution with the applicant, and negated the situation where applicants considered Council staff were simply being dogmatic towards their proposal.
- Generally applicants who were not in favour of the Panel did not want any advice or interference and presented proposals which had a predetermined outcome, having come to the Panel under duress following the lodgement of an application. These applications were largely multi-unit residential development in the Living 3 and 4 zones where the designer had a formula for development that they had been undertaking for some time and were not fully cognisant of the implications of Plan Change 53. With Plan Change 53 and the associated urban design, appearance an amenity assessment matters, we have seen a gradual change in approach.
- In a few cases the applicants have failed to front up to the Panel. This is very rare, normally when applications are referred to the Panel the applicant is happy to appear or be represented by an agent. However even when applicants have not shown up recommendations were still provided by the Panel to the Council and the applicant, informing further discussion between Council staff and the applicant and informing staff reporting.
- The Panel has been well supported by the relevant professional bodies, and the desire to be
 on the Panel reinforces the high regard in which the Panel is held. The Panel has an
 educational and support role with respect to the panellists' professional peers, both by
 raising the bar and through the dissemination of information provided through Council
 updates to the Panel on design matters.
- Consistency in advice has been very important, particularly when a proposal was bought back to the Panel after amendment. To ensure consistency every attempt has and is made to have the same panellists assess a development pre and post application, or when a modified design is returned to the Panel. In conjunction with this, every attempt is also made to ensure that it is the same Council planner and urban designer handling each stage of the application process.
- In addition to the high quality of advice to development applications provided by the Panel, they also provide Council with an independent resource when assessing the implications of Council policy and plan changes relating to urban design. This has provided Council officers with a 'sounding board' for issues that they may not have considered or that require additional input to resolve.
- Generally suggested changes are incorporated into proposals. However the Panel does not guarantee a better outcome in all cases, particularly if the regulatory tools are not provided, such as urban design assessment matters, which assist in establishing the design standard and give the Panel teeth to support their review. Where the Panel does not have this assistance, their opinions may be in conflict with the resolution of the Council officer or Hearings Panel on the basis that the Panel review recommendations sit outside the scope of matters which the officers are able to be considered as part of the legislative framework in processing the application.
- One of the main advantages of the Panel is to signal to the community, particularly to private developers, that the Council on the mandate of its constituents has a clear commitment to achieving high quality urban outcomes.
- The composition of each panel is decided by Council staff on the basis of the type of application and the areas of expertise or specialism required to properly review it, while recognising the value of a multidisciplinary design approach.
- The Panel is by far the most effective when the proposal is received pre application and the
 designs are still relatively conceptual. It is considered that it would be highly beneficial to
 more widely promote the advantages of the pre-application Panel process and potentially
 provide incentives to encourage this, particularly as we move into rebuilding Christchurch.

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6. NORTH WEST REVIEW AREA

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281
Officer responsible:	City Planning Unit Manager
Author:	Mark Stevenson, Senior Planner

PURPOSE OF REPORT

1. This report seeks the adoption of recommendations which propose that the North West Review Area, defined in **Attachment 1**, is rezoned as part of the District Plan review to a special 'Rural-Urban Fringe' zone or similar. The intention is to provide for the ongoing use of the area for rural activities and to maintain the natural and physical resources of the NWRA while enabling certain compatible activities to establish. The recommendations also propose that staff be directed to prepare a plan change for rezoning specific areas for industrial business activities within the NWRA to enable development to proceed ahead of the rezoning of the balance of the North West Review Area. It is also recommended that a separate parallel plan change is prepared to provide a framework of objectives and policies for the Special Purpose (Airport) zone (SPAZ) in the City Plan and a review is undertaken of the rules including activities permitted within the SPAZ. In doing so, consideration will be given to the appropriateness of enabling a wider range of industrial activities in Dakota Park, which forms part of the airport zone.

EXECUTIVE SUMMARY

- 2. The North West Review Area (NWRA) is an area of approximately 860 ha situated between the airport and the City's western urban edge as shown on Attachment 1. The area currently provides for rural activities and acts as a buffer between the airport and residential areas. The NWRA comprises natural and physical resources of significance to the City including groundwater aquifers that provide water supply to the City, and high quality soils.
- 3. A review of the area's function and future land uses arose from the Commissioners recommendations and the Regional Council's decisions on Proposed Change 1 (PC1) to the Regional Policy Statement, which concluded that it was not an "appropriate resource management treatment to leave this (defined in Attachment 1) land exclusively as rural land over the next 35 years". The decisions on PC1 were on the basis that the economic use of the soils in the NWRA is compromised. The area was therefore identified as a 'Special Treatment Area' ('STA1') within the urban limits in PC1 with a requirement for specific analysis to be undertaken to determine the appropriate land uses for the area. The Council lodged an appeal on this aspect of PC1 and sought that it be identified outside the urban limits, with provision for up to 100ha of business land. The area was subsequently described as the 'North West Review Area' and defined outside the urban limits in Chapter 12A of the Regional Policy Statement, made operative the Minister of Earthquake Recovery in October 2011. Chapter 12A also identified scope for up to 100 ha to be identified for business use in the NWRA, following a review of the area. Under Chapter 12A, the 100 ha would be deemed to be within urban limits upon the completion of a review of the area without a change to the Regional Policy Statement.
- 4. While the outcomes of the appeals to the Environment Court on PC1 and Court of Appeal on Chapter 12A will determine whether the NWRA is within or outside the urban limits, both documents require a review of the area to be undertaken. It is considered necessary to review the area's function and appropriate land uses given its strategic location between the airport and urban area, the natural and physical resources in the area, and the need for business land in this part of the City.
- 5. The majority of the NWRA is currently zoned Rural 5 (Airport Influences Zone) and Rural 3 (Styx-Marshland Rural zone) in the City Plan. These zones provide for productive uses such as intensive horticulture that utilises the highly productive soils in the area. The PC1 decision signalled that the current zoning provisions may no longer be appropriate.

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- 6. Having regard to the natural resources and the location of the NWRA, its role is considered to be as an 'Rural-Urban Fringe', which the rezoning should reflect. An 'Rural-Urban Fringe' zone is usually regarded as the transition zone between urban and rural areas that provides for activities typically associated with an peri-urban area while retaining open space and trees. Activities that are considered appropriate within the NWRA include non noise-sensitive "urban" activities e.g. industrial business activities, formal and informal open spaces, sporting and recreational facilities, in addition to the ongoing use of the area for rural activities and associated dwellings. Residential subdivision, education and health facilities (noise sensitive activities) are not considered to be appropriate in the NWRA, which is within the 50 dBA Ldn airport noise contour that noise sensitive activities are to be avoided in.
- 7. A report (Attachment 3) on the NWRA that considers the appropriateness of different land uses concludes that 100 hectares of industrial business land should be identified in the area. This is based on a review of the supply of industrial land and take up of land across the City, which highlights a potential shortfall in supply in the north west of Christchurch. There are also indications of increased demand for industrial land as businesses relocate from other parts of the City, as well as demand for land associated with the rebuild. The location of the NWRA in close proximity to Christchurch International Airport also makes the NWRA attractive for businesses that use air freight and/or have clients/ staff who frequently travel by air. The airport is a significant node of economic activity that will also generate demand for business land in the surrounding area including the NWRA.
- 8. The NWRA study has identified areas within the NWRA to meet future demand for industrial land including land between Russley Road and Hawthornden Road, north of Avonhead Park; land north of Wairakei Road between Woolridge Road and Russley Road and north of Waimakariri Road (see **Attachment 2**). The identification of these areas is on the basis of a number of criteria, which are consistent with promoting sustainable management including urban form, accessibility, the availability of infrastructure, continuity with existing business areas and environmental values amongst other matters. Since a workshop with the Planning Committee held on 21 August, two additional areas have been identified north of Wairakei Road and north of Waimakariri Road, between Harewood Road and Sawyers Arms Road. There has been demand for industrial land associated with the rebuild and relocation of businesses since the earthquakes; and it is necessary to provide sufficient capacity for growth over the next 25 years with certainty.
- 9. Given the physical proximity of the NWRA to the airport, the assessment of business land issues, and some identified deficiencies with the existing Special Purposes (Airport) zone framework, it is appropriate to consider possible changes to the Special Purposes (Airport) zone in parallel so as to ensure an integrated resource management approach. The review of the NWRA and airport need to be dealt with in a comprehensive way given the potential for each area to support similar business activities in the future and the issues that need to be considered in planning each area, for example, groundwater and noise. The airport is part of the same geographic context as the NWRA, with a road being the only boundary between the two areas, and is part of the same local economy. The airport is a significant hub of economic activity that generates demand for land in the North West. The potential for Dakota Park (Attachment 4), an existing 'Cargo and Freight' zone within the Special Purpose (Airport) zone, to provide for a wider range of industrial business activities has also been considered as part of the report (Attachment 3).
- 10. Rules in the City Plan currently restrict activities permitted within the Special Purpose (Airport) Zone to those that are airport related. Since 2009, there have been a number of resource consents granted for non-airport related development within Dakota Park. The Commissioner in the most recent decision on a non-airport related activity in the Special Purpose (Airport) zone has recommended that Council gives some consideration to the cumulative effects of non-airport development on the integrity of the City Plan. In the decisions to date, it has also been highlighted that there are no specific objectives and policies for the Special Purpose (Airport) zone to support the anticipated outcomes for the zone. A letter from CIAL dated 18 September 2012 (Attachment 5) highlights the issues that have emerged and the uncertainty created for CIAL due to the absence of a clear policy framework for the SPAZ.

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- 11. Having regard to the decisions on resource consents for development in Dakota Park, the precedent these have set and the inappropriateness of an ad-hoc approach to further non-airport related development within the airport zone, staff consider that a plan change is necessary to provide a clear policy framework for managing development in the Special Purpose (Airport) zone. The purpose of the plan change would be to clarify the objectives and policies to ensure that CIAL is not put through consent processes with unnecessary cost and uncertainty.
- 12. A plan change would also consider the need to amend the rules prescribing the activities permitted within the SPAZ. Particular consideration would be given to the activities permitted within Dakota Park having regard to decisions on resource consents in this area amongst other matters. As a part of the plan change process, there is a need to consider alternatives and the costs/ benefits of each option. For example, enabling a wide range of non-airport uses in the wider Special Purpose (Airport) zone could significantly reduce capacity in the long term for airport activities that may put development pressure on surrounding rural areas, compromising their productive potential. In the opinion of officers, it would not be sound resource management practice for this matter not to be considered given the investigations into business land and the proximity of the airport to the NWRA.

FINANCIAL IMPLICATIONS

13. Provision has been made in the 2012/13 Annual Plan (District Plan Activity) for funding that will enable the Council to implement the recommendations of the report on the North West Review Area

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

14. The recommendations align with the 2009-19 LTCCP budgets and other subsequent funding allocations by the Council.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

- 15. The North West Area Review is necessary in light of decisions and appeals on Proposed Change 1 and therefore it is appropriate that the Council consider the appropriate use of the NWRA for the next 35 years. While the review is a precursor to a statutory process under the Resource Management Act, the recommendations are consistent with achieving the sustainable management of natural and physical resources while providing for the social and economic wellbeing of people and communities (purpose of the Resource Management Act).
- 16. The review of the area has included consideration to promoting the social, economic, environmental, and cultural well-being of communities and applying consultation principles in accordance with the Local Government Act and purpose of the Resource Management Act.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

17. The recommendations directly align with the LTCCP and Activity Management Plan levels of service. The relevant performance standard in the Activity Management Plan is the development of policy and plans to implement the Council's component of the Greater Christchurch Urban Development Strategy Action Plan. The relevant priority actions of the UDS Action Plan are to "Undertake strategic land use studies to clarify the potential for business land use in identified parts of Greater Christchurch" and "Make Operative and then give effect to RPS PC1".

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ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

18. The review of the NWRA gives effect to Policy 12 in Proposed Change 1 of the Regional Policy Statement, which identifies the area as a Special Treatment Area that necessitates specific analysis and planning to achieve the sustainable management of natural and physical resources. The recommendations are consistent with the City Plan objectives and policies and other Council strategies and plans by seeking to retain the rural amenity of the NWRA, protect groundwater recharge areas and versatile soils and manage urban growth to avoid adverse effects on these natural resources while ensuring sufficient business land is provided to enable the economic recovery of the City.

CONSULTATION FULFILMENT

- 19. The Council undertook consultation with land owners, occupiers and interest groups in the North West Review Area at an initial stage in 2011. Views were sought on the future development potential and types of land use activities sought in this rural-urban fringe location, which have informed the recommendations in the report. There have also been meetings and discussions with stakeholders including the CIAL, New Zealand Transport Agency and landowners.
- 20. Landowners, whose properties are identified as being appropriate for industrial business use have recently been consulted and are generally supportive of the proposal. At the time of preparing a plan change, further consultation will be undertaken with landowners and other affected parties in the surrounding area.
- 21. The land identified for industrial business use between Hawthornden Road and Russley Road includes an area identified by Council's Greenspace team for future extension of the Avonhead Cemetery. The Team Leader Asset Network Planning Greenspace has advised that funding has been allocated for future purchase of the land, which will be subject to negotiations with the landowner in the future. At the time of staff preparing a plan change, consideration will be given to the future use of land and it may be necessary for Council to purchase the land to safeguard its potential for use as a cemetery.
- 22. Land at 711 Johns Road, north of Waimakariri Road, is currently owned by Council as a reserve for gravel extraction. Part of this site is proposed for an electrical substation under an exchange agreement with Orion. The balance of approximately 14 hectares is to be returned to the Crown in the future, reflecting a previous Council decision. The Property unit has been consulted on the proposed identification of the land for business, which does not affect the exchange processes currently in progress under the Reserves Act.
- 23. In respect of the Special Purpose (Airport) zone, CIAL support a plan change being prepared to provide a clearer policy framework for the zone. A letter from CIAL dated 18 September 2012 (Attachment 5) describes the reasons for this position including the uncertainty created by the current provisions for the SPAZ.
- 24. There has also been a workshop with the Planning Committee, held on the 21st August, to brief Councillors on the review and the work undertaken to date. Since the workshop, additional areas have been identified for industrial business activities to the north of Wairakei Road and north of Waimakariri Road, between Harewood Road and Sawyers Arms Road. There has been demand for industrial land associated with the rebuild and relocation of businesses since the earthquakes; and it is necessary to provide sufficient capacity for growth over the next 25 years with certainty.

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25. Workshops with the Fendalton Waimairi Community Board and Shirley Papanui Community Board were also held on 18 and 19 September respectively. Both Community Boards have indicated their general support to the review of the NWRA. Further input will be sought from the Boards at the time of preparing a plan change for the areas identified for business and as part of the District Plan Review.

STAFF RECOMMENDATION

That the Council resolve to:

- (a) Adopt the 'North West Review Area Report' dated September 2012 (Attachment 3) and the recommendations in the report.
- (b) Direct staff to rezone the North West Review Area to a special 'Rural-Urban Fringe' zone as a part of the District Plan review, with the exception of the those areas subject to recommendation (c).
- (c) Direct staff to prepare a Council led plan change to rezone 100 ha for industrial business purposes in the following areas (refer to Attachment 3):
 - approximately 15 ha for industrial business purposes at 711 Johns Road, north of Waimakariri Road (Area 1);
 - approximately 50 ha for industrial business purposes, north of Wairakei Road between Woolridge Road and Russley Road (Area 2) and
 - approximately 35 ha for industrial business purposes, between Hawthornden Road and Russley Road (Area 3).
- (d) Prepare individual Outline Development Plans for the whole of each area identified for business in Recommendation (c) as a plan change. The Outline Development Plans shall be prepared in accordance with the decisions version of Proposed Change 1 (or Chapter 12A should it be reinstated).
- (e) Direct staff to prepare a Council led plan change to provide a clearer policy framework in the City Plan for the Special Purpose (Airport) zone and to review the rules prescribing activities permitted within the SPAZ with consideration given to enabling a wider range of business activities in Dakota Park (80 ha) (Attachment 4).

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

Note: Councillor Wells is a Director on CCHL and as such was concerned she may have a conflict of interest and took no part in this item.

BACKGROUND (THE ISSUES)

Overview of North West Review Area

26. The North West Review Area is located on the north-west edge of Christchurch City. Extending for approximately 10 km along State Highway 1 between Yaldhurst Road in the south and Johns Road adjacent to the Groynes/ Clearwater Resort in the north. The area is a long and relatively narrow strip of land of approximately 860 hectares (See Attachment 1). The location of the NWRA parallel to State Highway 1 and adjacent to Christchurch International Airport contributes to the area's role as a strategic corridor and gateway to the City.

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- 27. The NWRA is currently used for agriculture, intensive horticulture and rural lifestyle living, an outcome sought for the area in the City Plan, which zones the majority of the NWRA as Rural 5 (Airport Influences Zone) and Rural 3 (Styx-Marshland Rural zone). These zones provide for productive uses such as intensive horticulture that utilise the highly productive soils in the area. There are also community facilities including a church and school, and clusters of residential properties (approx. 1,000 m² sections) established through historical subdivision. The City Plan establishes a minimum lot size for subdivision of 4 ha in the Rural 3 and Rural 5 zones, which prevents the creation of additional residential sections in the NWRA.
- 28. The NWRA contains highly versatile soils, which have inherently high productive values. The majority of the NWRA has well drained soils and gravels/ hard soils tend to be at a deep level (45 cm or deeper), enabling digging and ploughing for agricultural/ horticultural activities. Some parts of the NWRA continue to support rural activities that utilise the high quality soils, while other areas have reduced capacity given the subdivision that has occurred. The pattern of subdivision has a strong influence on the ability for the natural resource of soils to be utilised and as allotment sizes have reduced, the range of options for productive use of the soils has also reduced.
- 29. The natural resources of the area are significant in a strategic context. The groundwater resource beneath the NWRA comprise the most vulnerable parts of the groundwater system due to the unconfined nature of the aquifers. The groundwater resource is the principal source of drinking water for Christchurch City and therefore objectives and policies in the Natural Resources Regional Plan emphasise the importance of protecting this resource. The area also has a number of surface waterways including the Styx River, Smacks Creek and Waimairi Stream, which are vulnerable to contamination from land use changes.
- 30. The area also provides a buffer between residential areas and Christchurch International Airport. The area is within the 50 dBA Ldn airport noise contour as defined by Proposed Change 1 to the Regional Policy Statement, within which noise sensitive activities including residential, education and health facilities are to be avoided. This minimises the potential for curfews or other restrictions on the operation and development of the airport while protecting residents from a noisy environment.
- 31. There has been a history of pressure for rural subdivision and the development of urban activities in the NWRA. The zoning of the NWRA for urban activities has historically been resisted in planning documents, reflecting the natural and physical resources in the area, proximity to Christchurch International Airport, which is identified in PC1 as "Strategic Infrastructure", and policies directed towards urban containment and consolidation.

Policy Framework

- 32. Proposed Change 1 (PC1) of the Regional Policy Statement as recommended by Commissioners and adopted by the Council in December 2009, provides strategic direction for managing long term growth across Greater Christchurch. It identifies the area now known as the North West Review Area as Special Treatment Area 1, an area requiring investigation and planning to determine its medium to long term role in meeting the Objectives of Proposed Change 1.
- 33. Decisions on Proposed Change 1 (PC1) concluded that it was not appropriate to leave the area in exclusively rural use in the long term. This was in recognition of the limitations to economic rural activity in the area including:
 - the pattern of subdivision being too small to provide a productive base for farming;
 - closure of the produce markets and the inability for rural production in the NWRA to meet significant demands of supermarkets for example;
 - inability to move heavy farm vehicles and machinery on roads with high traffic volumes; and
 - Reverse sensitivity impacts arising from proximity between rural and urban activities.

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- 34. It was determined that 'specific analysis and testing should be undertaken to determine the medium and long-term sustainable future of the area'. The long term future of the area was considered to be in some form of urban activity and was therefore included within the urban limits.
- 35. Proposed Change 1 was subject to appeals to the Environment Court. An appeal by the Council related specifically to the NWRA and sought that it be identified outside urban limits with provision for up to 100 ha of business land. The 100 ha would be deemed to be within urban limits following a review. The Regional Council accepted this relief and formally changed its position on this matter from what was set out in the decisions version of PC1. This position continued until the Minister of Earthquake Recovery revoked PC1 and inserted Chapters 12A and 22 into the Operative Regional Policy Statement in October 2011. In Chapter 12A, STA1 was renamed the North West Review Area and was annotated on Map 1 as a Policy 15(f) area. Unlike PC1, the NWRA was outside the urban limits in Chapter 12A, which also identified scope for up to 100 ha to be identified in the NWRA for business use, dependent on the outcome of a review (this Review). A note below Table 3 of Policy 6 in Chapter 12A stated that the area identified for business in the NWRA as a part of the review would be deemed to be within the urban limits.
- 36. An application for judicial review of the Minister's decision to revoke PC1 and insert Chapters 12A and 22 into the RPS was lodged and subsequently granted on 24 July 2012. The effect of this ruling was for the Minister's decision to be set aside and PC1 to be reinstated in the Environment Court meaning all appeals on PC1 continue at this stage.
- 37. While the High Court's decision has subsequently been appealed to the Court of Appeal and there is therefore the possibility of Chapters 12A and 22 being reinstated, the current policy document for managing the future growth of Greater Christchurch and of relevance to the NWRA at the time of preparing this report is the decisions version of Proposed Change 1 December 2009 (It is noted however that this is not the version supported by Environment Canterbury and the UDS Partners as part of the Environment Court proceedings on PC1). This effectively means that the area known as the NWRA is a Special Treatment Area and inside the urban limits. Further, a request to develop a Land Use Recovery Plan has been sent on behalf of all of the UDS Partners to the Minister of Earthquake Recovery. Aspects of that Recovery Plan may involve the NWRA and its implementation, however this is yet to be confirmed.
- 38. The outcomes of the Courts' decisions on PC1 and Chapter 12A will determine whether the NWRA area is within or outside the urban limits and whether the area is a 'Special Treatment Area'. Regardless, there is a need to review the area's function and appropriate land uses given its location between the airport and urban area, and the strategically important natural and physical resources in the area including the groundwater aquifers and soils.
- 39. In establishing the appropriate function of the NWRA and land use activities to be provided for, an assessment has been undertaken of the existing policy framework. The key points emerging from the review of plans and strategies are as follows:
 - Development should support the objective of urban consolidation by being contiguous with existing or proposed residential and business areas
 - Groundwater and surface water quality is to be maintained or enhanced by avoiding adverse effects of land use changes
 - The natural character of rivers and their margins is to be maintained and enhanced through the identification and acquisition of land
 - Versatile soils are retained for their productive potential where appropriate
 - Development does not compromise the safe, efficient and effective operation of the strategic road network
 - Land use activities do not have an adverse effect on the operation and development of Christchurch International Airport.

COUNCIL 25. 10. 2012

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Consultation

- 40. The Council undertook consultation with land owners, occupiers and interest groups in the North West Review Area at an initial stage in the review to inform the analysis of issues and planning of the area's long term future. Views were sought on the future development potential and types of land use activities sought in this rural-urban fringe location.
- 41. The key findings from community and stakeholder feedback indicated a desire to retain the areas' rural character and amenity, respondents valuing the sense of openness and spaciousness. There was also support for the retention of a buffer between rural/urban activities and residential areas/airport.
- 42. There was also support for change over the next 30 years with an increase in development including business activities. The locations considered most appropriate for business were alongside or as an extension of existing business/commercial areas on Wairakei Road or to compliment the existing developments on the Airport land near Russley and Johns Road.
- 43. While there was recognition of the airport noise contour acting as a constraint to residential activities, submitters sought a change from the 50 dBA Ldn airport noise contour to a reduced 55 dBA Ldn contour to enable residential development. If the airport noise contour were to change in the future, the appropriateness of the NWRA for residential activities would need to be revisited. However, there is considered to be sufficient land identified in PC1/ Chapter 12A to accommodate long term residential growth.
- 44. Landowners, whose properties are identified as being appropriate for industrial business use have recently been consulted and are generally supportive of the proposal. Two properties have been excluded from consideration for this purpose, as the landowners were opposed to the identification of their properties for industrial business use. The two owners are also concerned about the effects on amenity of a business development adjacent to their properties. At the time of preparing a plan change to rezone the surrounding land, there will be further consultation with these landowners. There will also be a need to consider the potential effects of business development on residents and how these effects will be mitigated. This may include requirements for development to be set back a suitable distance from adjoining properties and landscaping.
- 45. Land identified for industrial business use between Hawthornden Road and Russley Road includes land to the immediate west of Avonhead Cemetery, which has been identified as a future extension of the cemetery. The Team Leader Asset Network Planning Greenspace has advised that funding has been allocated for future purchase of the land, which will be subject to negotiations with the landowner in the future. At the time of staff preparing a plan change, consideration will be given to the future use of land and it may be necessary for Council to purchase the land to safeguard its potential for use as a cemetery.
- 46. Consultation is proposed with affected persons in the surrounding area at an early stage in preparation of a plan change in accordance with the Resource Management Act.
- 47. It is also considered appropriate to review the existing Special Purposes (Airport) zone framework given the investigations into business land and the proximity of the airport to the NWRA. It is apparent from a number of resource consent decisions in this zone that the current plan provisions are deficient and do not enable the zone to achieve its intended purpose. In respect of the Special Purpose (Airport) zone, CIAL has indicated support to a plan change to provide a policy framework for the zone.

Function in the NWRA

48. In recognition of the NWRA's location between residential areas and the airport, the area continues to act as a buffer within which noise sensitive activities are to be avoided. This limits the potential for urban activities in the area. Its position between the urban area and airport also makes the NWRA unique relative to other areas on the fringe of the City.

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- 49. As discussed, the NWRA has natural and physical resources of strategic importance including the groundwater resource, soils and natural features such as the Styx River that originate in the area. The historical use of the area for agricultural and horticultural activities has also given the NWRA a different character to other parts of the City. These values need to be recognised in the development of the NWRA.
- 50. Having regard to the values of the area and the conclusions on Proposed Change 1, the function of the NWRA is considered to be as a 'Rural Urban Fringe', which should be reflected in the zoning of the NWRA. A rural-urban fringe location is often characterised by certain land uses which have either purposely moved away from the urban area, or require much larger tracts of land for example:
 - Utilities and public facilities e.g. waste transfer stations and recycling facilities
 - recreation and tourism facilities and activities.
 - industries associated with rural produce
 - lifestyle blocks.
- 51. Despite the presence of these land uses, a rural-urban fringe location remains largely open with the majority of the land in agricultural or other rural use. The proposed zoning would enable activities typically found in a peri-urban area including passive and active open space, and sport and recreational facilities while supporting its ongoing use for rural activities and retaining its openess. Except in locations where business land is proposed, it is not expected that the area will undergo significant change. While the Commissioners on PC1 concluded that its long term use was not exclusively in rural use, there are parts of the NWRA that continue to support rural activities that utilise the high quality soils and continuation of these activities should be provided for. This is reflected in submissions from landowners who sought the continuation of agricultural and horticultural activities in the area.

Assessment of industrial business land to determine the quantum required in the NWRA

- 52. An assessment has been undertaken of the need for industrial business land in the NWRA. Chapter 12A as inserted into the Regional Policy Statement by the Minister of Earthquake Recovery identified scope for up to 100 hectares to be identified in the NWRA for business use, which provides a starting point. A review has therefore been undertaken of industrial land supply and demand across the City to determine whether there is a need for additional industrial land.
- 53. In terms of supply, there was 271 ha of 'vacant' (defined as unoccupied by buildings or designated as road or reserve) zoned land in industrial business zones as at June 2011 (including greenfield areas identified in Chapter 12A that had been rezoned). An additional 164 ha has been rezoned for industrial business purposes since then (Total 435 ha of vacant zone land including areas rezoned up to August 2012).
- 54. Further analysis of the data indicates that a proportion of vacant land is occupied for storage and other activities, the actual amount of unutilised land being closer to 300 ha. An additional 285 hectares is identified in chapter 12A of for greenfield business activities in Christchurch City to 2041 including the 'MAIL' site at the corner of Russley Road and Memorial Ave (19 ha), which is outside the NWRA. While this indicates a significant supply of industrial business land, there is potential for a shortfall in supply in some parts of the City including the Business 4 zone, a suburban industrial zone intended for light industrial and servicing activities (not heavy industry), and higher amenity Business 4T zone, the technology park off Sir William Pickering Drive, Russley.
- 55. It is also evident from an assessment of existing and future industrial land supply that some industrial areas are not suitable for industrial activities that discharge large volumes of wastewater, particularly the south west of Christchurch. There are limitations on the discharge of wastewater in the South West due to the presence of the unconfined aquifer, the need to maintain surface waterways and the distance and associated cost of transporting wastewater to the treatment plant at Bromley, which are also applicable to the NWRA. Demand for land in

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areas such as the eastern suburbs that enables large volumes of wastewater to be discharged may result in increased costs for land, forcing dry industries that currently occupy these areas to relocate to areas such as the North West Review Area.

- 56. There is anecdotal evidence of increased demand for land in the west of the City as businesses relocate due to earthquake damage. There is also displaced demand expected from the inner suburbs as they reach capacity and undergo change to a mix of uses envisaged in the Central City Plan. It is expected that the rebuild of Christchurch will result in increased demand for land and in the long term, growth is anticipated in the machinery and equipment manufacturing sector. This is demonstrated by Tait Electronics, who already have a strong presence on the edge of the NWRA at Wairakei Road and who propose a plan change to rezone land within the North West Review Area for industrial business purposes. Having regard to the limited quantum of vacant industrial land in the north west and potential demand, there is considered to be a need for additional industrial business land, particularly in the short term. In the longer term, the amount of land provided for needs to be considered within the context of the recovery of the Central City, and the eastern suburbs.
- 57. A technical report on business land identifies a number of strengths that make the NWRA attractive for industrial business activities including its location adjacent to and accessible to the strategic road network (SH1 and SH73) and in close proximity to the airport for international markets and airport related business. The airport in particular is a significant node of economic activity that will generate demand for business land in the surrounding area including the NWRA.
- 58. Other strengths of the NWRA for industrial business activities include:
 - A number of east west routes providing access to the Central City, suburban centres and other parts of the City;
 - Existing industrial areas and a Technology Park on Wairakei Road, which could be extended;
 - Proximity to rural areas with potential demand from industries that depend on rural activities;
 - Bus routes that can be extended;
 - · High levels of amenity for business; and
 - Ability to operate within the airport noise contour which constrains a number of other activities.

Identified areas to accommodate future demand for industrial business land

- 59. To address the need for additional industrial land, three areas that total 100 ha are identified within the NWRA as being appropriate for industrial business purposes (see Attachment 1):
 - Land at 711 Johns Road, north of Waimakariri Road (15 ha);
 - Land north of Wairakei Road between Woolridge Road and Russley Road (50 ha); and
 - Land between Russley Road and Hawthornden Road, north of Avonhead Park (35 ha).
- 60. The types of activities that are considered to be appropriate in these areas are light industrial activities providing for high value manufacturing companies (such as Tait Electronics) while retaining open space and trees. This can be achieved through rezoning the identified areas with provisions that retain a sense of openness.
- 61. There is also a need to avoid activities that may have an adverse effect on groundwater, such as heavy industrial activities that may use and store a large volume of hazardous substances, while also ensuring adverse effects on the surrounding environment are avoided.

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- 62. The identification of the three areas is on the basis of a number of criteria, which are consistent with the purpose of sustainable management including urban form, accessibility, the availability of infrastructure, continuity with existing business areas and environmental values amongst other matters.
- 63. There are changes occurring within and in the vicinity of the NWRA that have also been considered in assessment of parts of the NWRA. In particular, the New Zealand Transport Agency's Western Corridor proposals involving the 4 laning of Masham Road, Russley Road and Johns Road will affect access to the NWRA.
- 64. There are also changes in the policy context at a strategic level. At the time of writing, Proposed Change 1 to the Regional Policy Statement as decided by the Canterbury Regional Council is the relevant document guiding the future management of growth in Greater Christchurch, notwithstanding the appeals on PC1 in the Environment Court. Should the airport noise contour change as a result of appeals, there would be a need to review the appropriateness of the NWRA for residential activities. However, there is considered to be sufficient land identified in PC1/ Chapter 12A to accommodate long term household growth.

Consideration of effectiveness of Special Purposes (Airport) zone

- 65. Given the physical proximity of the NWRA to the airport, the assessment of business land issues, and some identified deficiencies with the existing Special Purposes (Airport) zone framework (described below), it is also appropriate to consider possible changes to the Special Purposes (Airport) zone in parallel so as to ensure an integrated resource management approach. The review of the NWRA and airport need to be dealt with in a comprehensive way given the potential for each area to support similar business activities in the future and the issues that need to be considered in planning each area, for example, groundwater and noise. The airport is part of the same geographic context as the NWRA, with a road being the only boundary between the two areas, and is part of the same local economy. The airport is a significant hub of economic activity that generates demand for land in the North West.
- 66. The airport land is currently zoned Special Purpose (Airport) Zone (SP zone), which provides for airport related activities, the zone's purpose being for "activities clearly associated with operations and associated functions of the airport and aviation" (Section 1.3, Part 8 City Plan). Reasons for rules limiting the scope of activities is to avoid the potential for pressure on the limited land resources available for airport activities within the zone and resultant pressure for expansion of the zone into the surrounding rural area.
- 67. In the Christchurch International Airport Master Plan 2006 (which is an external document, not incorporated into the City Plan), two areas are identified in the SP zone for cargo and freight handling related activities (114 ha). One of these areas, Dakota Park (80 ha), south of Avonhead Road, and to the immediate north and west of the NWRA, is undergoing development as a 'Cargo and Freight zone' (Attachment 4) intended for airport related activities including freight and logistics activities.
- 68. Since 2009, four applications for non-airport related activities have been granted in Dakota Park. A Commissioner's decision on the first of these applications stated that the zone's purpose was not supported by 'any clear objectives and policies for the zone' and 'if the Council wishes to ... prevent a wide range of activities ... having little or no relationship to the airport, becoming established' ... (and) it needs to amend its plan to include such a policy and to more clearly set out the objectives for the zone". Similar conclusions have been reached in subsequent decisions on resource consent applications in the "Cargo and Freight zone" at Dakota Park, which have all highlighted "the absence of a policy framework to justify the activities approach adopted for the airport".
- 69. A letter from CIAL dated 18 September 2012 (Attachment 5) emphasises the uncertainty created for CIAL due to the absence of a clear policy framework for the SPAZ. CIAL indicate in the letter that legal advice has been received to suggest that "most applications for resource"

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consent for any activity should continue to be granted until a point is reached sometime in the future where the amount of land used for development begins to raise the possibility that there may be insufficient land available for core aeronautical activities". As highlighted by Commissioners in resource consent decisions for non-airport related uses, a precedent has been established by the RECALL development (subject of the first resource consent granted for a non-airport related use within Dakota Park), notwithstanding further applications for non-airport related activities at the airport needing to be assessed on their own particular merits.

- 70. While there is a significant quantum of land zoned for airport purposes, there is a need to ensure certainty in the policy framework. Otherwise, further development unrelated to the airport will continue to take place and the supply of land for aeronautical purposes will potentially become an issue.
- 71. Having regard to the consents granted for non-airport related development within the Special Purpose (Airport) zone, the absence of a policy framework to support the purpose of the zone, and the need to avoid an ad-hoc approach to non-airport related development, staff consider that a plan change is necessary to provide a clear policy framework for managing development in the Special Purpose (Airport) zone. It would be artificial not to consider this in parallel to the NWRA work, given the relationships described earlier.
- 72. There is also the need for a plan change to review the rules prescribing activities permitted within the SPAZ with particular consideration given to the range of activities provided for in Dakota Park having regard to decisions on resource consents in this area amongst other matters. As a part of the plan change process, there is a need to consider alternatives and the costs/ benefits of each option. For example, enabling a range of non-airport uses in the wider Special Purpose (Airport) zone could significantly reduce capacity in the long term for airport activities that may put pressure on rural areas, compromising their productive potential.

PART B - REPORTS FOR INFORMATION

7. DEPUTATIONS BY APPOINTMENT

7.1 Mr Colin Stokes and Mr Mike Mora

The Committee received a deputation from Mr Colin Stokes and Mr Mike Mora on the Noble Subdivision – judicial review of decision making process item.

Mr Stokes raised a concern that not all relevant material was taken into account when the report in the agenda was written. Mr Mora raised a concern of the Riccarton/Wigram Community Board regarding cycle lanes in this area and noted that he has an interest to meet with both cycle and pedestrian advocates regarding road standards.

Both Mr Stokes and Mr Mora requested that the Committee request the Council to undertake a judicial review on the Nobel Subdivision issue.

Refer to item 2 for the Committee's recommendation on this matter.

7.2 Ms Di Lucas and Mr Peter Dyhrberg, representatives of the Combined Inner City Residents' Group

The Committee received a deputation from Ms Di Lucas and Mr Peter Dyhrberg on the central city living zone review required by CERA statutory direction item.

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Ms Lucas and Mr Dyhrberg represented seven interested parties:

- Avon Loop Planning Association Incorporated Society (ALPA)
- Chester Street East Residents Association (CSERA)
- Inner City East Neighbourhood Group Incorporated Society (ICENG)
- Inner City West Neighbourhood Association (ICON)
- MOA Neighbourhood Group
- Victoria Neighbourhood Association (VNA)
- Peterborough Village Incorporated Society (Pita Kaik).

The representatives stated the importance of residents' groups in the recovery of the central city and the need to protect and support these communities. The representatives voiced their support for Staff Recommendation (a) in item 1 of the agenda and requested that they be meaningfully engaged during the review process.

Refer to item 1 for the Committee's recommendation on this matter.

8. INSPECTIONS AND ENFORCEMENT UNIT ANNUAL PERFORMANCE REPORT 2011/12

The Committee received the 2011/12 Inspections and Enforcement Unit Annual Performance Report and **decided** to note and acknowledge this report.

The Committee requested, for a future meeting, more general information on dog control issues and the potential cost associated with providing all new registered dog owners with the Dog Smart DVD.

9. CONSENTING REBUILD MONTHLY REPORT

The Committee decided to receive the Consenting Rebuild Monthly Report.

10. CENTRAL CITY RECOVERY PLAN QUARTERLY REPORT - OCTOBER 2012

The Committee **decided** to receive this report.

PART C - DELEGATED DECISIONS

11. APOLOGIES

It was resolved that apologies from Councillors Aaron Keown and Claudia Reid be accepted.

The meeting concluded at 1.23pm.

CONSIDERED THIS 25TH DAY OF OCTOBER 2012

Terms of Reference for Review of Living Zones within the Central City

Purpose of Project:

To deliver a robust review with clear recommendations for the Living Zones and Special Amenity Area overlays within the Central City as defined by the CER Act. The project is directed to be delivered in accordance with the timeframe (1 March 2013) and scope described in the Statutory Direction from CERA on page 108 of the Central City Recovery Plan, and the statements in the Recovery Plan seeking high quality inner city living (e.g. page 107).

Specific Issues within Scope:

District Plan Objectives and Policies

Covers the wording of objectives and policies in Volume 2 of the Operative District Plan, but only insofar as they relate to the Living 4 and 5 zones within the Central City. With regard to the high-level objectives and policies that apply city-wide, it is noted that a review of the whole District Plan is due to commence in the 2014-2015 financial year.

Split zoning into Living 4A, 4B and 4C sub-zones

Appendix 1 of the Recovery Plan strengthened the rules that control non-residential activities in the Living 4 zones. As a result, the differences between the planning frameworks of the A, B and C sub-zones have lessened. A review of the need for three different sub-zones within Living 4 is required.

Built Form and Amenity Standards

These include Development Standards 4.2.1 – 4.2.14 and their assessment matters, plus Critical Standards 4.4.1, 4.4.3 and 4.4.4. These include the controls on:

- Building Height limits, including the allowance for additional height for roofs as provided in the definition of 'height' for Living 4 zones.
- Density
- Sunlight and Outlook
- Street Scene
- Separation from Neighbours
- Continuous Building Length
- · Building Overhangs
- Outdoor Living Space
- Urban Design Appearance and Amenity
- Fences and Screening Structures
- Minimum Unit Size
- Ground Floor Habitable Room
- Service and Storage Spaces
- · Landscaping and Tree Planting
- Screening of Parking
- Open Space rule for Living 4C (Avon Loop) zone

The Review may identify the need for additional standards.

Special Amenity Areas

There are 11 Special Amenity Areas (SAms) within the Central City, all of which are zoned Living 4 or 5 except for some sites within a Cultural zone. The review must investigate whether these planning overlays are still an effective and appropriate method to deliver the outcomes sought by the aspirations of the Recovery Plan, given changes in context throughout the Living 4 zones since 1998 when the Council determined the final locations and rules pertaining to the SAms. Given that there are also 35 SAms outside of the Central City, any recommended changes must allow for the continuation of those SAms. Tecognising that they have different underlying zonings that provide for a lower density of residential development.

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Living 5 zones

Consideration of whether the use of a special Living 5 zone 'spot' zone is still an appropriate method to apply to its two locations within the Central City known as Peterborough and Avon.

Consequential Changes

Consequential changes may be required throughout Volume 3 of the Operative District Plan in the event of, for example, a change in the exact name of a Living zone within the Central City.

Out of Scope:

- In the Introduction to Appendix 1, the legal advice states that "Section 24 (of the CER Act) does not entitle a Recovery Plan to direct amendments of descriptions, explanatory guidance and statements, reasons, anticipated outcomes, implementation and/or monitoring provisions." As such these specific parts of the operative District Plan are considered out of scope.
- Recommendations for non-statutory methods and actions. However staff
 working on this Living Zone review will need to be cognisant of other work
 programmes under CCC or CERA. For example, those projects that are
 investigating barriers to residential intensification throughout the Central City
 and the use of incentives.
- Changes to the Recovery Plan (i.e. other than the scope explicitly provided by the statutory direction), however it is noted that CERA retain the option to prepare an addendum to the Recovery Plan.
- Transport Those Development, Community and Critical Standards which
 have been specifically amended through Appendix 1 changes and those
 matters currently being reviewed by CERA as part of the transport review. all
 Development, Community and Critical Standards relating to Parking, Loading
 and Access for the living zones, plus parking space dimensions. These
 matters have been specifically amended through Appendix 1 changes and
 further changes to the District Plan transport provisions are currently being
 worked on by CERA.

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Recently amended by CCDU through the Recovery Plan, and therefore unlikely to be reviewed in detail:

 Zone Boundaries - In creating the Planning Maps for Appendix 1 to the Recovery Plan, CCDU made many changes to living zone boundaries, such as Living 4A rezoned to Mixed Use, Cultural 1 rezoned to Living 4C, Living 4C rezoned to Cultural 3, Business 3B rezoned to Living 4C, Living 4C rezoned to Business 1, and others. Given that this comprehensive review of zone boundaries has just taken place, it is unlikely that any further material changes to locations of living zones will be recommended through this review.

- Non-residential Activities The Recovery Plan contained several specific changes to the Community Standards that control non-residential activities in the Living 4 zones, which were based on the recommendations in the Draft Central City Plan. On this basis, it is unlikely that further analysis of these provisions will be undertaken.
- Acoustic attenuation The Recovery Plan confirmed the Noise and Entertainment Provisions for all zones in the Central City. They include specific acoustic attenuation standards for noise sensitive activities within the Living 4 and 5 zones, based on the proximity of buildings to certain classifications of roads. Whilst the overall Noise and Entertainment framework will not be investigated again, the road classifications may change following the outcome of further transport studies by CCDU, and hence some consequential changes may be needed in due course.

Resourcing

Council will work in conjunction with CERA staff as needed, but will undertake all the written and graphics work. CERA staff will only be available in an advisory and review role during the course of the project, and also to assist with targeted stakeholder discussions.

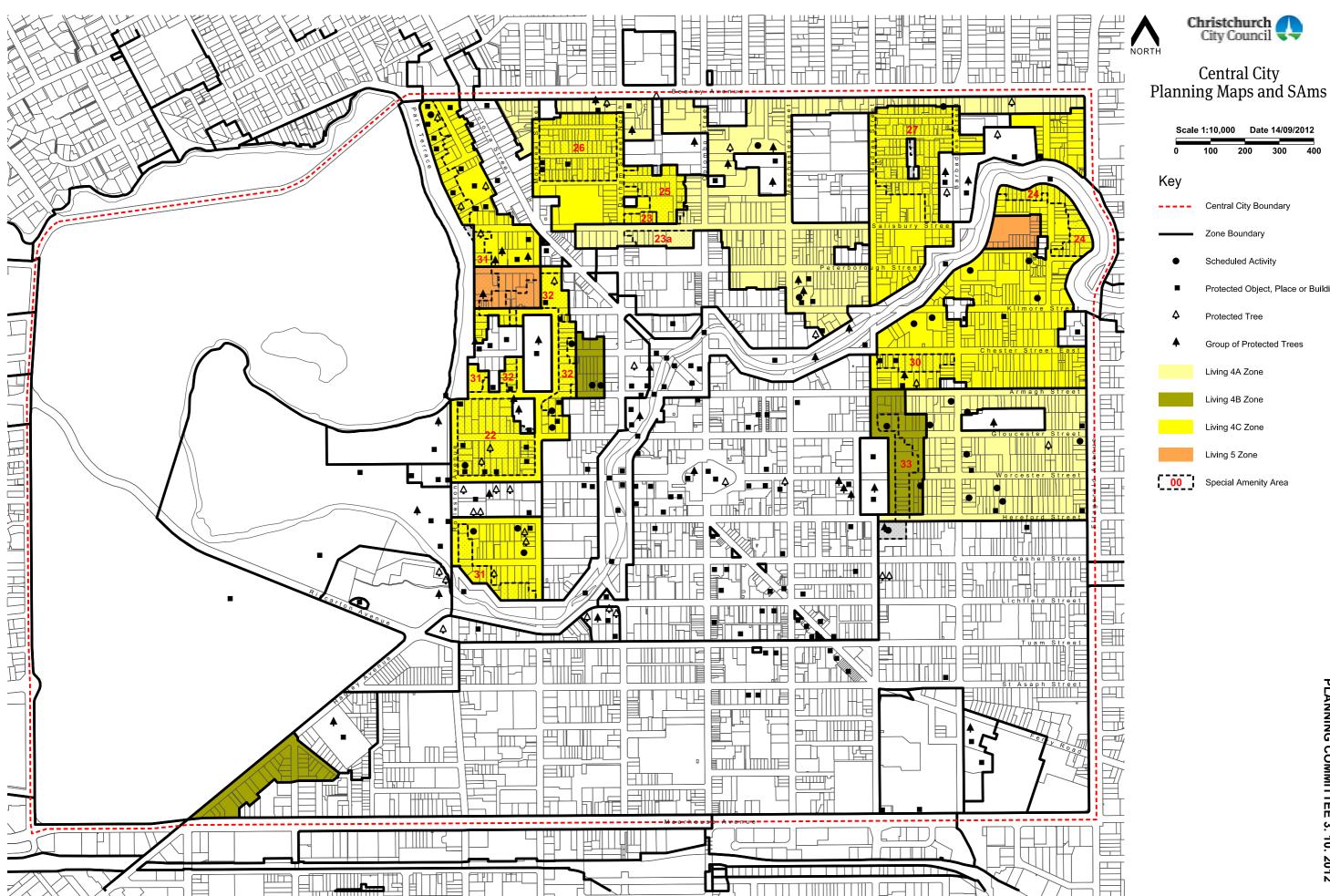
Consultation

Public Consultation is not required by the Statutory Direction, however there is a need for some targeted stakeholder input and this is acknowledged by CERA. A Consultation Plan is being prepared in conjunction with Consultation Team staff from the Communications Unit and the relevant Strengthening Community Advisers for the Central City.

Following discussions with there is recommended to be:

- Confirmation of the scope of the review through a briefing to the Hagley-Ferrymead Community Board, a workshop with Council, and a report to a Planning Committee meeting.
- Input sought from external parties such as a mix of residents groups, architects/designers, residential developers, and planning consultants that lodge applications for residential developers. In selecting stakeholders, there is a need to take particular account of submitters to the August and December 2011 versions of the Draft Central City Plan.
- Advice sought from staff across the Strategy and Planning Group, particularly those previously involved with the preparation of Plan Change 53 and investigations into the effectiveness of the Special Amenity Area provisions.
- Advice sought from Council staff in the Resource Consents and Building Policy Unit involved in the assessment of Central City development proposals against the planning framework before and after the Plan Change 53 changes.

Significant changes may require public notification by CERA following their receipt of the recommendations from Council. That process sits with the Minister pursuant to s.22 of the CER $\!$ Act which deals with amendments to Recovery Plans that constitute more than corrections of minor errors.





Scale 1:	10,000	Date 14	/09/2012

---- Central City Boundary Zone Boundary Scheduled Activity Protected Object, Place or Building Protected Tree Group of Protected Trees Living 4A Zone Living 4B Zone Living 4C Zone



Information provided by CCC staff to Simpson Grierson to review

PROVIDED BY CCC STAFF

COUNCIL FILE PROVIDED BY CCC STAFF

APPLICATIONS

ORIGINAL APPLICATION

COMPLYING ROADS median, cycle lanes, safety buildouts

YES

YES | "ENTIRE COUNCIL FILE"

2009 "1st" VARIATION APPLICATION

a typo correction Aug 2009
IDENTICAL TO THE ORIGINAL ABOVE

YES

YES | "ENTIRE COUNCIL FILE"

2009 Dec VARIATION APPLICATION

Non-complying Narrow Roads median eliminated, cycle lanes eliminated, safety buildouts eliminated cyclists merge into traffic lane sites reduced min 250m2 down to 85m2

NO

NO

after 17 months, & CCC staff permitting illegal, unconsented and non-complying roads and subdivision works, (pre-earthquakes) further information was provided late

2011 May FURTHER INFORMATION

refered as 2nd VARIATION APPLICATION identical to above with further information median eliminated, cycle lanes eliminated, safety buildouts eliminated cyclists merge into traffic lane sites reduced min 250m2 down to 85m2

YES

NO

Colin Stokes

From: Camilla Owen [C.Owen@DuncanCotterill.com]

Sent: Tuesday, 24 July 2012 4:57 p.m.

To: Colin Stokes (stokesy@xtra.co.nz)

Subject: Can Council's judicially review themselves?

Hello Colin,

Our apologies, we put this heading in the letter but did not address it. I can advise that the case cited by Simpson Grierson was one where I was counsel for the Department of Corrections. We did not wish the council to review its grant of consent to the Department of Corrections but the Council went ahead and filed for judicial review. The review was abandoned because we agreed to seek a declaratory judgment from the Environment Court, which later was appealed to the High Court. The best we can say is that as Councils have a variety of 'hats' that they wear it is far more likely that the court would accept it was not an abuse of process for a council to review itself than if it were a body other than a council. The correct analogy we consider is with the Council being able to prosecute itself under the RMA – again, unusual, but allowed because it is in the public interest to have the Council hold itself accountable. Thus we consider the analogy would hold for review as well. However we accept here is no case law on it. As far as the argument that there is no two sides and the Council would have to face off against itself we do not consider that is correct. Like the Department of Corrections case there would be a party defending the decision to grant consent – in this case it would be Noble Investments Limited. Also note that on appeals of a consent the Council can alter its opinion eg to no longer defend its grant of consent, so that this also points to the ability of a council in rare cases to have the freedom to alter its position regarding the grant of a resource consent.

Regards,

Camilla

Camilla C M Owen

Partner

DuncanCotterill

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- For the council to commission a report (they commissioned two) <u>all</u> the above needed to apply in (a),(b)&(c). Therefore, as per (a), the council had to have the "<u>opinion</u> the activity for which the resource consent was sought may, have a <u>significant</u> adverse environmental effect;" (traffic experts both prior and post the decision confirm it does).
- As the council had this opinion that the activity may have a *significant adverse affect*, they must certainly have considered that the activity is "*likely to have*" "*more than minor*" adverse effects. "*More then minor*" is the threshold under *section 95A* whereby the council <u>must publicly notify the application</u>. The council therefore should have publicly notified the application.
- The threshold for *limited notification* is an even lower bar to cross, whereby the council <u>must</u> give limited notification if the adverse effects on the person are "minor". Locals who have to use these roads would certainly be affected in at least a "minor" way, whether by congestion in cars or buses, or by being "squeezed" if cycling (them or their children).
- The Simpson Grierson legal review at 72 (e) agrees with the above as to the requirement of public notification when further information has not been provided as requested; and I would also suggest 92(2)(a) adds considerable weight in relation to the commissioned reports for grounds for Judicial Review.
 - Simpson Grierson
 - 72. In summary, public notification is required when:
 - (e) further information has been requested or the applicant has been advised that the consent authority wishes to commission a report, and the applicant does not respond before the deadline or refuses to provide the information or agree to the commissioning of a report (section 95C(1)).
 - Simpson Grierson
- Effectively, council staff agreed behind doors to permit the developer to "radically" depart from the provisions of the City Plan and to start and continue the illegal construction of it without a consent and engineering approval ("at the developers risk") with the mindset to retrospectively consenting it when the developer was ready in his own time to provide the radical final design of it (It took 17 months for the developer to belatedly produce the further information for it).
- It is essential that the retrospective "not an orthodox process" ["55. of the legal review"] conjured by the council staff and legal unit is judicially reviewed to prevent this abuse of power escalating.
- 46 Grounds for Judicial Review based on "unreasonableness":
 - Simpson Grierson
 Test for unreasonableness
 - The well accepted test for judicial review of local authority decisions on the basis of unreasonableness was set out by the Court of Appeal in Wellington City Council v Woolworths New Zealand Limited (No 2) [1996] 2 NZLR 537, at 545:

Even though the decision maker has seemingly considered all of the relevant factors and closed its mind to the irrelevant, if the outcome of the exercise of the discretion is irrational or such that no reasonable body of persons could have arrived at the decision, the only proper inference is that the power itself has been misused.

- Simpson Grierson
- 47 Applying the test for unreasonableness as per Simpson Grierson 22, above:-

- 48 <u>Could</u> a "reasonable body of persons have arrived at the decision" to narrow a main collector status road by 6.2m, plus a main secondary road, that forms part of and integrates an entire community within a new Living G zone that:-
 - does NOT safely integrate existing roads (dangerous bottlenecks, dead end cycle lanes),
 - does NOT provide required cycle lanes for "safe & efficient" sustainable travel modes,
 - does NOT comply with the requirement to "ensure efficient bus movement with minimal impact on traffic and cyclist flows",
 - does NOT comply with New Zealand Standards (NZS4404) for road design,
 - does NOT comply with New Zealand LTSA (Land Transport Safety Authority) Guidelines,
 - does NOT comply with Austroads Standards,
 - does NOT comply with the Statutory City Plan zone rules or lesser general rules,
 - does NOT comply with the Council's own Infrastructure Design Standards (IDS),
 - eliminates the central median required for cars to wait safely on the busy road prior to turning right, and to provide planting;
 - has insufficient width requiring "yielding/squeezing" as accepted by supporting evidence;
 - requires remediation to improve safety after the decision would be made,
 - has no future proofing ability for future generations and growth,
 - encumbers future ratepayers with remedying the traffic environment,
 - will put the safety and welfare of the public at risk,
 - will cause liability risks to Council due to preventable injury and death,
 - will cause costs to public, business, due to congestion, delays, fuel, pollution, accidents, <u>over</u> road designs that *DO* comply with all of these standards, provides all of these things, and provides them all to the Council and to the ratepayers at no cost???
- 49 Surely the answer is NO! "No reasonable body of persons could have arrived at the decision" for congested non-complying unsafe roads as above over complying roads. This would be completely "irrational" and "defy logic". Why would they?

 Surely the "test" for "unreasonableness" has been met.
- The "notification" decision "unreasonableness" test: would have a lower bar to cross.
 "No reasonable body of persons could have arrived at the decision" to not at least allow those affected by roads that don't meet safety standards their legal right to make submissions against them. There is no "just" or "rational" reason not to.
 - Simpson Grierson

Test for unreasonableness

- That test has been adopted in the context of notification in Fullers Group Ltd v Auckland Regional Council [1999] NZRMA 439 (CA).
- 24. The Court in Woolworths further accepted that to prove a case of unreasonableness requires "something overwhelming" (Associated Provincial Picture Houses Ltd v Wednesbury Corporation [1948] 1 KB 223, 230 per Lord Greene MR). For an ultimate decision to be invalidated as "unreasonable", the Court held that it must be so "perverse", "absurd" or "outrageous in defiance of logic" that Parliament could not have contemplated such decisions being made by an elected council.
- Simpson Grierson
- 51 Applying the test's for unreasonableness as per Simpson Grierson 24. above:-
 - "something overwhelming":-
- To decide upon a busy collector road that is to accommodate buses, trucks, vehicles and cyclists that is so grossly non-complying and that it will require, as per the "accepted supporting traffic evidence", that "...it is expected that at least one direction of traffic / cycle movement will yield to oncoming traffic as required rather than be squeezed", IS "overwhelming":- this is dangerous! Why would someone chose this?
- The accepted "material of fact" to "yield" to "oncoming traffic" is explained elsewhere in the evidence that would be before an "elected council" in completing this test; in that cars and buses need to "cross the centreline" of the collector road and secondary loop road to pass cyclists when cyclists are passing parked cars.

DuncanCotterill

24 July 2012

Mr C P Stokes 475C Yaldhurst Road RD 6 Christchurch 7676 Nelson

197 Bridge Street

PO Box 827 Nelson 7040

Telephone +64 3 546 6223 Facsimile +64 3 546 6033

New Zealand

www.DuncanCotterill.com

Via e-mail: stokes@xtra.co.nz

Dear Mr Stokes

Judicial Review of subdivision and land use consents RMA92009135

1. You have advised that you are appearing before the Christchurch City Council on Wednesday 25th July 2012 in respect of the non-notification of applications/variations of resource consents by Noble Investments Limited in respect of a subdivision at 473 Yaldhurst Road. You have provided us with a copy of the Simpson Grierson opinion dated 15 March 2012 and a copy of your review dated 16 April 2012. Whilst we have examined some of the background documentation supporting these two reviews we have not had time to exhaustively peruse all relevant documentation. We therefore confine our comments below to major points.

Allegation that failure to decide the application in 10 working days is a ground of review

- 2. The RMA does not expressly provide that a failure to comply with the time limit to determine an application can be the basis for judicial review. Nor does it expressly provide that if a decision is not made within the timeframe an application must be notified.
- 3. There is however case law which has held that a breach of the statutory time frame for notification can be judicially reviewed: North Holdings Ltd v Rodney DC [2004] NZRMA 76 (HC). We note that since this decision the RMA has been amended so that the default provision has been reversed the presumption now is that notification is not required. However the case is important in indicating that judicial review can arise due to non-compliance with the Council's statutory time frame for deciding whether or not to notify.
- 4. Based on this case we consider there would be jurisdiction for the Court to consider a judicial review on the ground of a failure to comply with the statutory time limit. Whether this would be successful would come down to the Court's assessment of the circumstances of the case.

Allegation that failure to comply with the RFI in the timeframe is a ground of judicial review

- Section 95A provides (in summary) that a consent authority <u>must</u> publicly notify an application for a resource consent if:
 - (a) It has not already decided whether to give public or limited notification of the application;
 and

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- (b) It requests further information on an application under section 92(1), but the applicant does not provide the information before the deadline (or refuses to supply the information).
- 6. Therefore for this section to apply it must be established that:
 - 6.1 There was one or more Requests for Further Information (RFI's) issued to the applicant; and
 - 6.2 The applicant did not respond by the statutory deadline/s.
- 7. The required timeframe is set out in section 92A of the RMA which provides that:
 - (1) An applicant who receives a request under section 92(1) must, within 15 working days of the date of the request, take 1 of the following options:
 - (a) Provide the information; or
 - (b) Tell the consent authority in a written notice that the applicant agrees to provide the information; or
 - (c) Tell the consent authority in a written notice that the applicant refuses to provide the information.
 - (2) A consent authority that receives a written notice under subsection (1)(b) must -
 - (a) Set a reasonable time within which the applicant must provide the information; and
 - (b) <u>Tell the applicant in a written notice the date by which the applicant must</u> provide the information.

(emphasis added)

- 8. Based on the information supplied to us we understand that there were RFIs made. For example the Cardno letter encloses further information; and in addition an email from Sean Ward (Christchurch City Council) refers to:
 - ... long running requests for changes and plan information to make clear how the proposal will work. As I noted I still don't have all the information that has been asked for ...
- 9. In addition in your email to us you refer to further information being provided late around 27 May 2011. You advise that you had been asking for this "further information" regarding the combined land use breaches as evidenced in your email to CCC's Sean Ward since 13 September 2010. You have advised that this has been due since December 2009 and was requested by Graham Taylor in processing the December 2009 variation as seen in the invoice (dated May 2011).
- 10. We specifically note that although the time limit of 15 working days in section 92A(1) is precise, the section then descends into a more fluid timeline, with the concept being that the applicant will have time to provide certain information, as long as the Council knows when that information is to be provided. In fact, it is the Council's statutory duty to specify the time by which the information must be provided. Questions of what is a reasonable time given the size and complexity of the application will arise, as will whether the Council ever gave written notice of a time or times by which the information was to be provided. We understand it did, and that the deadlines were not met over a period of some 17 months.

11. We consider this is a ground for judicial review.

The Simpson Grierson opinion of 15 March 2012

12. Simpson Grierson states that:

We note that we have only taken the Council's 2009 file into consideration in our review of the first notification, original and first variation decisions.

- 13. The first notification and the original decision are in relation to the application dated 2007, and the first variation is in relation to an application to amend condition 26 of the original consent. That variation was dated August 2009. We pause to note that the Simpson Grierson opinion is respectfully not as clear as it might be regarding the dates of the various applications and how they relate to the descriptors (eg 'first variation') used in its opinion.
- 14. What Simpson Grierson describe as the 'second variation' is:
 - "... the substantive decisions (second variation decision) on Noble Investments application for a variation of land use and subdivision consents in 2011."
- 15. However chronologically this was not the second variation, and the true second variation, dated December 2009, appears to have been omitted in the review that Simpson Grierson undertook. The second variation application was dated December 2009, and sought a change to the subdivision consent, particularly with regard to the spine and loop road construction standards. Simpson Grierson has apparently not received this file and thus its review does not assess the procedure followed by the Council in respect of this variation.
- 16. We have considered whether this apparent omission has been 'solved' by Simpson Grierson having seen the May 2011 application/variation. Ie: could this be seen as a replacement for the earlier December 2009 variation? We have concluded it quite clearly cannot be considered to be a duplicate or outdated variation later replaced by the May 2011 application. Whereas the May 2011 variation seeks changes to the land use consent, the December 2009 variation sought changes to the subdivision consent. The 2009 December contains relevant assessment of effects which was not contained in the May 2011 application. Most relevantly the 2009 application contains a section on 'road layout amendments' which details the specific amendments proposed, and a section on traffic effects which assesses the proposed reduction in the width of the spine road. These sections are not contained in the later 2011 application. In addition the 2011 application (Appendix D) assesses the relevant residential standards in the Plan (contained in part 2 of the Plan). In comparison the 2009 application assesses the rules relating to subdivisions in part 14 of the Plan, including traffic.
- We are supported in this conclusion by the Council staff, who have clearly treated the December 2009 and May 2011 variations as two separate documents that stand side by side. See for example the notification decision, which lists the "Application dated December 2009" and the "Amended application dated May 2011" as being documents received and perused.
- 18. See further the section 42A report, which stated:

The application for change of conditions of the subdivision consent was lodged in December 2009. Since then it has been subject to a number of amendments relating to the proposed lot sizes and layout and spine road width. The latest subdivision plans on which this application has been assessed were received on 27 May 2011.

A <u>separate</u> application for change of conditions for the land use consent was applied for on 27 May 2011.

The application to change the subdivision consent condition was lodged in December 2009 ... It was subsequently deemed that these lot layout and area amendments would necessitate further changes to the approved land use which had not been sought. A <u>separate application</u> to change the land use consent was lodged on 27 May 2011, along with further amended subdivision scheme plans. (emphasis added)

- 19. The fact that Simpson Grierson was not provided with any information relating to the December 2009 variation is a matter of concern. Their advice appears to be based solely on a review of expert evidence before the Commissioner, but does not appear to consider the processing of the December 2009 variation, which we understand to be of critical concern to you.
- 20. As Simpson Grierson did not review the file relating to the December 2009 variation, they would not be aware of any breach/es of the timeframes for responding to Requests for Further Information which should have triggered mandatory notification. Their advice in respect of the risk of judicial review has therefore not addressed this issue.

Yours sincerely

Camilla Owen/Shoshona Goodall
Partner/Associate

s.goodall@duncancotterill.com



15 August 2012

Partner Reference James Winchester - Wellington

Christchurch City Council PO Box 73013 CHRISTCHURCH 8154 Writer's Details
Direct Dial: +64-9-977 5162
Email: sarah.scott@simpsongrierson.com

SENT BY EMAIL

For: Brent Pizzey

Judical Review of Decision Making Processes - Noble Investments Limited

- Mr Colin Stokes made a deputation to the Council's Planning Committee on 25 July 2012, in relation to the non-notification of applications for, and variations of resource consents sought by Noble Investments Limited. Documents were presented to the Committee by Mr Stokes, including a letter by Duncan Cotterill Lawyers dated 24 July 2012.
- The Committee resolved:

The Committee recommend to the Council that in response to the deputation from Mr Stokes, it review the documents provided to Simpson Grierson for the Noble Subdivision judicial review, particularly with regard to whether or not Simpson Grierson was in possession of all relevant information and reviewed it (refer attached 2009 December variation application).

- 3. The reference in the resolution to Simpson Grierson's review, is to our advice dated 15 March 2012.
- 4. You have asked us to respond to the Committee's resolution, and also the points raised in Duncan Cotterill's letter.

Information considered by Simpson Grierson

- The Committee's resolution raises concerns about the material which was provided to and considered by us in the context of our advice on possible judicial review of the applications made by Noble Investments Limited under section 127 of the Resource Management Act 1991 (RMA).
- 6. In particular, the Committee's resolution suggests, based on our advice dated 15 March 2012, that we had not been provided with nor reviewed all of the relevant information relating to a section 127 application made in December 2009.
- 7. We have reconsidered our advice and also checked the information that was provided to us. In paragraph 4 of our 15 March 2012 advice, we list the information that we were provided with before we:
 - (a) reviewed the decision making process for, and the notification (first notification decision), original (original decision) and variation (first variation decision) decisions on Noble Investment Limited's original land use

- and subdivision consents, which were granted by the Council on a non-notified basis in 2009; and
- (b) reviewed the decision making process for, and the notification (second notification decision) and substantive (second variation decision) decisions on Noble Investment Limited's December 2009 application (subsequently amended in May 2011) for a variation of land use and subdivision consents, which were made by an Independent Commissioner in July 2011.
- 8. It appears that confusion has resulted from our reference at paragraph 4(b) of our advice to the "section 127 variation application by Noble Investments Limited, dated May 2011" (our emphasis). In fact, this application is an amendment to the second variation application dated December 2009 and therefore involves the same application. It was this application, originally lodged in December 2009 and amended in May 2011, which was considered by an Independent Commissioner appointed by the Council.
- 9. Accordingly, the absence of an explicit reference in paragraph 4(b) of our 15 March 2012 advice to the December 2009 section 127 application should not be read as meaning that we did not consider it, nor that we were not provided with all relevant information relating to that application. No substantive decision nor a decision on notification as such was made on the section 127 application lodged in December 2009, which is why that application was not given a specific "decision" name or reference in our 15 March 2012 advice.
- 10. Indeed, the information provided to us should be clear from reading other parts of our advice. Paragraph 4(g) of our letter states that we have been provided with "the Independent Commissioner's entire file". We confirm that this file included both the second variation application dated December 2009 and the amended second variation application dated May 2011, as well as all of the information that was before the Independent Commissioner when he made his decisions.
- 11. For completeness, we note that the Independent Commissioner's decisions provide a summary of the evidence that he had before him, and that both the process and relevant information relating to the second notification and variation decisions are clearly outlined in the section 42A officer's report which was relied upon and referred to by the Commissioner. It also included the information that the Commissioner was presented with at a meeting involving the interested parties, as referred to at paragraphs 54 -56 of our advice.
- 12. All of this information and evidence was provided to and reviewed by us before we reached the conclusions recorded in our 15 March 2012 advice.

Duncan Cotterill's letter

13. Duncan Cotterill's letter raises three points in relation to potential judicial review of the various decisions made by the Council on Noble Investment's various land use and subdivision consent and section 127 applications.

Allegation that failure to decide the application in 10 working days is a ground of review

14. The letter states that based on *North Holdings Limited v Rodney District Council* [2004] NZRMA 76 (HC):

[T]here would be jurisdiction for the Court to consider a judicial review on the ground of a failure to comply with the statutory time limit. Whether this would be successful would come down to the Court's assessment of the circumstances of the case.

- 15. We agree that a breach of the statutory time frame for notification is amenable to judicial review, based on the *North Holdings Limited* case. However, we note that the High Court in *North Holdings Ltd* then concluded that the breach was *not* such as to invalidate the decision to require notification, having regard to the statutory framework of the Act, the public interest in achieving sound resource management decisions, and the default provision that notification is required.
- 16. The latter factor may no longer be relevant in light of the 2009 amendments to the notification provisions and the change in presumption away from notification.
- 17. In our view, a review based on this ground would have little prospect of success.

Allegation that failure to comply with the RFI in the timeframe is a ground of judicial review

- 18. Duncan Cotterill's second point is that a failure of the Council to comply with timeframes relating to a request for further information (RFI) is a ground for judicial review.
- 19. We note that the second notification decision, at page 9, addresses the alleged failure of the Council to comply with timeframes for RFIs, and subsequent mandatory notification in terms of section 95C(1) of the RMA, stating:

Section 95C provides for notification where a request for further information has not been met or where an applicant has not responded to a proposal by the consent authority to commission a report. Neither of those circumstances [are] applicable here and so I do not need to consider s95C.

20. Our understanding is that the applicant never *refused* to provide the further information requested, and although it appears that the timeframes for receiving the requested information continued to be extended, we do not consider that such a procedure would provide a basis for a successful review. We therefore do not change our legal advice nor conclusions based on the allegation that the applicant failed to comply with the RFI in the stipulated timeframe and, more importantly, the relevance of section 95C was recognised and addressed by the Independent Commissioner in his second notification decision.

The Simpson Grierson opinion of 15 March 2012

21. This point relates to the information that we were provided and then considered as part of our advice provided on 15 March 2012 advice. Paragraphs 5 to 12 above explain what information we considered as part of our review, and we consider that it is clear from this explanation that Duncan Cotterill has made an incorrect assumption that we did not review the file relating to the December 2009 variation.

Summary

22. We confirm that none of the additional information provided by Mr Stokes to the Committee changes our legal advice nor conclusions of 15 March 2012. We also consider it necessary to repeat our earlier advice that *even if* an error could be shown in any of the decisions made, in our view it would not be practical nor appropriate for

the Council to seek a judicial review of its own decision for the various reasons set out in our 15 March 2012 advice at paragraphs 124 to 143.

Yours faithfully SIMPSON GRIERSON

James Winchester/Sarah Scott Partner/Associate Report on the Administration of Christchurch City Council's Policy and Practices in relation to the Control of Dogs for the year

1 July 2011 to 30 June 2012 (Section 10A of the Dog Control Act 1996)

Mark Vincent Team Leader Animal Control Inspections & Enforcement Unit Christchurch City Council Report on the administration of Christchurch City Council's Policy and Practices in relation to the control of dogs for the year 1 July 2011 to 30 June 2012 (Section 10A of the Dog Control Act 1996)

BACKGROUND

Council adopted the "Control of Dogs" Policy ("the policy") in September 2008. The Policy has provisions relating to the control of dogs in public places, which are enforceable under the Christchurch City Council Dog Control Bylaw 2008.

The objectives of the policy are to:

- Set the framework for Dog Registration Fees and Classification of Owners;
- Identify mechanisms for promoting responsible dog ownership and interaction with dogs;
- Set the framework for Issuing of Infringement notices and Impounding of Dogs;
- Specify the requirement for neutering of dogs classified as dangerous or menacing; (sections 32 (1)(c) and 33E (b));
- Provide adequate opportunities to fulfil the exercise and recreational needs of dogs and their owners;
- Set the framework for categories of Dog Control;
- Notify areas where specific dog control status has been designated for reasons such as public health, safety and hygiene and protection of wildlife, animals and stock;
- Identify the matters to be covered by bylaws.

In adopting a policy under section 10A Dog Control Act 1996, the territorial authority must have regard to:

- (a) the need to minimise danger, distress and nuisance to the community generally; and
- (b) the need to avoid the inherent danger in allowing dogs to have uncontrolled access to public places that are frequented by children, whether or not the children are accompanied by adults; and
- (c) the importance of enabling, to the extent that is practicable, the public (including families) to use streets and public amenities without fear of attack or intimidation by dogs; and
- (d) the exercise and recreational needs of dogs and their owners.

DOG REGISTRATION FEES

- Dog registration fees are set by Council resolution.
- Dog registration fees have been held at current levels for the last six years, however, a slight increase in this years fee reflects the increase in the GST component of the fee.
- Dog registration fees, infringement fines and dog impound fees are used to fund dog control.
 - A contribution of 8% funding from rates (as recognition the service provides "community good") is provided as per the funding policy.
- Discounted dog registration fees are offered to owners who register their dogs before 1 August.

Comment

Over this period, dog registration numbers have increased from 33,741 to 33,951 an increase of 210 dogs. This is partly due to field officers identifying previously unknown unregistered dogs and enforcing dog registration compliance.

CLASSIFICATION OF OWNERS - RESPONSIBLE DOG OWNERSHIP

- Responsible Dog Owner classification was set by Council resolution in the Dog Control Policy 2008.
- The Council continues to promote responsible dog ownership to the wider community.
- Currently the Council has 15,737 dog owners who are registered as holding the 'Responsible Dog Owner" classification. There 19,352 dogs registered to those 15,737 owners with some owners having more than one dog.
- Currently the Council has 13,235 dog owners who are registered as standard dog ownership. There are 14,599 dogs registered to those 13,235 dog owners.

Comment

Responsible Dog Owners receive a reduced registration fee annually (for prompt registration) as reward for continued compliance of the Responsible Dog Owner status criteria.

Owners who don't hold this status pay a higher dog registration fee. These fees are set out in the standard fee schedule.

CLASSIFICATION OF OWNERS - DANGEROUS AND MENACING DOGS

- Prior to this period, the Council had 56 dogs classified as dangerous, 20 dogs have been classified in the period, making the total number of dogs classified as dangerous, at 76.
- The Council currently has 831 dogs classified as menacing with 133 classified as menacing over this period. 504 dogs in total have been classified based on the breed of the dog, and 327 dogs have been classified based on the actual "deed" or offending committed by the dog.

Comment

All dogs classified as menacing or dangerous are required to be neutered, in accordance with section 33E of the Dog Control Act 1996. Council assist dog owners to comply with these requirements by providing a free muzzle, microchip and neutering discount voucher.

All dog owners properties are checked annually to ensure compliance of the legislation is met.

EDUCATION PROGRAMME

This programme was designed to make owners more aware of the potential behaviours of their dogs and assist dog owners to reduce or prevent nuisance situations occurring.

The education programme includes:

- A comprehensive dog education programme delivered to school children, focusing on the "bite prevention and safety awareness" campaign as well as responsible dog ownership, pet care and welfare.
- The team's mascot "Angus" continues to be popular at dog promotions, Santa Parades, "Dogs day out" and many more events.
- The Council produced a DVD, promoting responsible dog ownership and the "bite prevention" programme in schools. The material illustrates safe dog practises which is supported by a catchy jingle "If a dogs on its own leave it alone" which sends a positive message to young people.
- The team has delivered this programme to 20 schools this year, in addition to 11 adults presentations to Court bailiffs' and New Zealand postal workers groups.

FEAR OF ATTACK AND INTIMIDATION

- The Council investigated 1141 complaints (compared with 1031 last year) relating to dogs attacking, or acting aggressive or demonstrating aggressive behaviour.
- The Council investigated 5172 complaints (compared with 6151 last year) about dogs barking, dogs wandering and fouling in public places, dogs in prohibited areas and other bylaw offences.

Comment

Figures show an increase (110) in the number of dog's attacks, or dogs acting or demonstrating aggressive behaviour. This mainly appears to be due to an increase in rental accommodation due to earthquake displacement, with some rental properties not being securely fenced to contain dogs. Council is working closely with landlords and dog owners to ensure compliance is met.

Officers conduct other investigations relating to dog permit applications, patrols of beaches etc.

The LTCCP Levels of Service requires complaints involving serious injury to be referred to Police within 10 minutes and aggressive behaviour by dogs or stray stock on roads, requiring officers to be dispatched within 30 minutes (urban) and 1 hour (rural).

Officers thoroughly investigate complaints about dog attacks on people, stock, poultry, domestic animals and protected wildlife and where necessary take prosecution action.



OFFENCES AND PENALTIES

- Over the period, Council took 7 summary prosecutions against dog owners for offences against section 57 of the Dog Control Act 1996. All 7 prosecutions resulted in convictions, and in 5 cases, reparation was ordered to be paid to victims.
- 5 of these convictions resulted in the dog owners being disqualified from owning dogs (in accordance with section 25 of the Act); these owners were disqualified for periods of 2-3 years.
- 1062 Infringement notices were issued in respect of breaches against the Council's Dog Control bylaw or the Dog Control Act. Compared with 1103 issued last year.

DOG EXERCISE AND LEASH CONTROL AREAS

As previously reported the Christchurch City Council established a number of dog parks and dog exercise areas within the city. Presently there are seven designated dog parks situated at:

- Groynes reserve Dog Park, at the Groynes, Belfast
- Styx Mill reserve dog park, off Husseys Road, Northwood
- Horseshoe Lake reserve Dog Park, off Horseshoe Lake Road, Shirley
- Victoria Park reserve dog park, within the Elizabeth Park reserve, Cashmere
- Radley reserve dog park, at Cumnor Terrace, Woolston
- Bexley reserve dog park, on Pages Road, Bexley
- Rawhiti dog park, within the Rawhiti Domain, New Brighton.

Comment

All of these areas above (with the exception of Radley Park) are fully fenced to contain the dogs, allowing dogs to run freely off leash in a controlled environment.

The development of dog parks have proven to be extremely popular throughout the city, these parks appear to be a focal point for owners.

Earthquake damage has been minor and affected Horseshoe Lake, Bexley and Rawhiti reserve dog parks. These parks are still being used by dog owners, which are now fully operational.

The Christchurch City Council Dog Control Bylaw 2008 requires all dogs to be leashed while exercised on roads.

DOG PROHIBITED AREAS

Dogs are prohibited from certain specified areas within the city. The following criteria was used in assessing dog-prohibited areas:

- Children's playgrounds safety and hygiene
- Areas of intense public use sports grounds
- Areas of ecological sensitivity wildlife significance
- Any other areas as resolved by Council as specified in the dog control policy.

Comment

The dog population in the city is currently 33,951. Considering the large number of dogs, the Council receives very few complaints about dogs wandering uncontrolled on city streets, or dogs causing annoyance at local beaches. There is however, always a small group who will not comply with Council's Bylaw and the Animal Control team continues to use enforcement action to seek compliance.

Regular patrols are programmed to coincide with peak seasonal times at high profile prohibited dog areas. These areas are prohibited primarily due to health, hygiene and child safety concerns including some wildlife and environmental reasons.

IMPOUNDMENT OF DOGS

Over the period a total of 1815 (1966) dogs were impounded. The Council disposed of 335 (370) dogs, there were 299 (293) dogs adopted back into the community, 1181 (1302) dogs were returned home to their owners. (figures in brackets refer to the previous years)

Comment

Figures show a decrease in the number of dogs impounded, this is a direct result of more dogs being returned back to their owners where the dog is micro-chipped..

Dogs that are found with a micro-chip implant or a registration tag are generally returned home, as opposed to being impounded, this action is consistent with the teams approach to managing stray and roaming dogs, which is:

"To return the dog back to its owner, as quickly as possible, without penalty"

This approach provides a "win – win" situation for the dog, the dog owner, the Council in terms of reduced cost and the wider community.

STATISTICS

Total number of registered dogs	33,951	
Total number of probationary owners	0	
Total number of disqualified owners	5	
Total number of dogs classified as dangerous (live records only)		
 S.31 (1)(a) Section 57A conviction 	7	
S.31 (1)(b) Sworn evidence	10	
 S.31 (1)(c) Owner admits in writing 	3	
Total number of dogs classified as menacing (live records only)		
 S.33A Observed or reported behaviour 	60	
 S.33A Characteristics associated with breed 	34	
 S.33C Dogs listed in schedule four 	39	

Number of infringement notices issued (not waived or cancelled)	1062
Number of dog related complaints	
 Dog attacks on people 	245
 Dog attacks on domestic animals 	424
Dog rushed at people	472
Dog barking	2266

Dogs roaming (covers bylaw, roaming and miscellaneous)	2906
Number of prosecutions	7

Secretary for Local Government Department of Internal Affairs PO Box 805 Send to:

Wellington



28 August 2012

Liquor Licensing Authority Private Bag 32-001 Panama Street Wellington 6146

Attention: Mr. B Holmes

Christchurch City Council District Licensing Agency Annual Report to the Liquor Licensing Authority for Period Ending 30 June 2011

Report prepared by **Paul Rogers**, Team Leader Liquor Licensing Christchurch City Council District Licensing Agency

1. Christchurch City Council District Licensing Agency Overview

Agency Structure and Personnel Changes

The Liquor Licensing team consists of the names below, there having been no changes in the last 12 months:

Paul Rogers	Team Leader	Ph: 03 941 8909
Martin Ferguson	Senior Inspector	Ph: 03 941 8956
Paul Spang	Inspector	Ph: 03 941 8826
Fiona Proudfoot	Inspector	Ph: 03 941 5064
Natashia Lafituanai	Technical Assistant	Ph: 03 941 8827
Maria White	Technical Assistant	Ph: 03 941 8821
Michele Vincent	Technical Assistant	Ph: 03 941 8068

Fiona Proudfoot is currently on long term leave and due to return mid December 2012, during her absence her position is has been filled by the following person who has been warranted as an Inspector:

Jenn Davison Inspector Ph: 03 941 2504

Fax number: 03 941 5033.

Email: liquor.licensing@ccc.govt.nz Web Site: www.ccc.govt.nz/liquor

> Civic Offices, 53 Hereford Street, Christchurch, 8011 PO Box 73013, Christchurch, 8154 Phone: 03 941 8909, Facsimile: 03 941 5033 Email: paul.rogers@ccc.govt.nz

TRIM: 12/529135 www.ccc.govt.nz

Sale of Liquor Act 1989 Staff Training

The Inspectors and the Liquor Licensing Team Leader attended the New Zealand Institute of Liquor Licensing Inspectors Conference in August 2011.

Martin Ferguson and Fiona Proudfoot have almost completed the new course for Liquor Licensing Inspectors provided by Learning State. When qualified, this will mean all three of the permanent inspectors will have formal qualification in Liquor Licensing. Previously Paul Spang was the only inspector in the country to hold the qualification.

Agency Business Increases or Decreases

The series of earthquakes that have hit Christchurch since September 2010 have had an effect on the licensing industry in Christchurch.

Application Trends

Table 1 and Figure 1 below shows the total number of applications received over the last 3 years with a marked decrease in 2009-10 from 2700 total applications to 2156 total applications in 2010-11 (20% decrease), and then a continuing trend of less applications through to 2011-12 with a total of 1798 (17%).

Category	2010	2011	2012
On/Off/Club			
Licences	580	438	460
Managers			
Certificate	2120	1718	1338
Total	2700	2156	1798

Table 1: Christchurch District Licensing Agency Annual Return Application Totals 2008-2012

Earthquake reasons are behind the 29% decrease in applications for Manager's Certificates down from 1718 in 2010-11 to 1338 applications this year – purely through less premises operating providing employment opportunities.

On/Off/Club applications have marginally increased up approximately 5% on figures from 2010-11, moving from 438 applications to 460. It must be noted though, that on/off/club licenses have been in slow decline since 2008 as can be seen in Figure 1 showing these licences decreasing from 600 per annum to below 500 per annum.

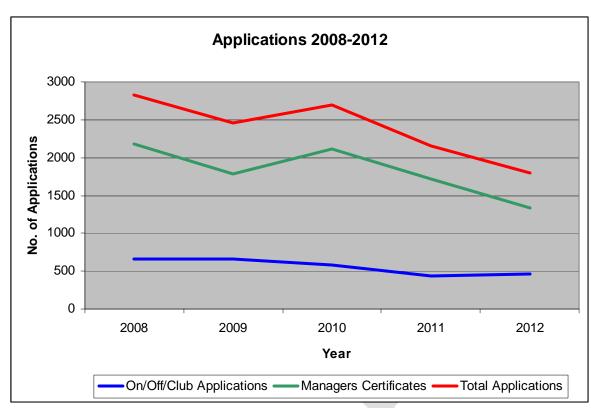


Figure 1: Christchurch District Licensing Agency Annual Return Application Totals 2008-2012

However, there has been a 19% increase in the number of Special License applications over the past year - up from 828 applications in 2010-11 to 1022 this year. This reflects an increase in a number of events being held in premises other than On-licence premises. This increase can also be attributed to the loss of licensed premises due to earthquake damage.

Whilst an increase in the number of applications for licensed premises and Managers certificates could be expected in the future as the Central City Rebuild – the effect of the new proposed Sale and Supply of Alcohol Act will have some bearing on business decisions related to licensing fees and/or market space availability to re-establish certain types of licensed premises within the CBD. It may well be that this encourages more restaurant/café-type premises to return to the CBD area as opposed to late night economy venues.

Licensed Premise trends

The location of licensed premises is still very fluid as building owners receive more detailed engineering evaluations (DEE's) leading to decisions to close premises due structural concerns/issues – including those that had since reopened following the major seismic events.

The loss of some premises due to damage or closure, has meant a proportion of those licensed premises have chosen to apply for a Section 228 transfer under the Sale of Liquor Act 1989. Others have chosen to apply for a new licence at a different location.

Prior to the September earthquake there were approximately 1120 licensed premises throughout the Council's territorial area at any one time. Figures to 2012 year-end indicate that there are now approximately 1010 licensed

premises. The 110 premise difference is explainable due to some premises letting their licence expire.

Prior to the Canterbury Earthquakes there were 335 licensed premises operating within the CBD area. In the suburban areas 30 premises have been affected by damage or closure with 685 suburban licensed premises currently able to operate.

Agency Meetings and Hearings

The Agency Officer Panel appointed under delegated authority meets every Wednesday to consider all unopposed applications. In the 2011/12 financial year the Agency Officer Panel met 50 times. The DLA Hearing Panel convened on two occasions (see attached annual return for details).

Agency Trends or Issues

There has been a noticeable increase in licenses being issued for businesses that have not previously been licensed. The Canterbury Earthquake (Resource Management Act Permitted Activities) Order 2011 provided some leniency around City Plan rules for displaced earthquake businesses to facilitate recovery. In effect a displaced business is able to locate out of usual planning zones for a maximum of five years without the need for a resource consent if it meets criteria established by the Council. In some instances under a Temporary Accommodation Permit, premises have appeared in locations where the residents never imagined there would be licensed premises.

In addition, the demolition or removal of a large commercial buildings has removed the barrier to noise and general disorder in/around residential areas, for example, Victoria Street, and Lincoln Road, Addington – both areas have morphed into late night entertainment destinations when previously these areas had more of a suburban/restaurant feel. General disorder of urination in public places, side-loading, yelling and swearing, and sex/drug taking in public places has caused significant concern for nearby business and residents in both areas.

The Christchurch City Plan has restrictions for On-licence hours in the suburbs. There has been a noticeable trend in such premises attempting to lengthen their hours to support the lack of late night entertainment venues in Christchurch generally. However, the requirements for obtaining a resource consent have meant business owners have not pursued this avenue.

2. Agency Initiatives

There were six Controlled Purchase Operations (CPO) carried out during the year resulting in 73 premises being visited. Three premises sold to a minor in breach of the Act resulting in those premises being referred to the Authority where they typically received penalties of a 1 day's closure of their On-licence premises and 6 weeks suspension of the Manager's Certificate. The typical penalty for Off-licence premises has been 2 days of operational suspension and 30 days suspension for duty managers.

The successful litigation taken by the Christchurch DLA in 2010-11 against Party Buses has seen a dramatic improvement in the way in which these buses operate. These charter buses still continue to operate under the provisions of a special licence but they are not operating as licensed pub crawls. As a general rule the special is only provided for the sale ad supply of alcohol for the outward journey only.

3. Sale of Liquor Policy

The Christchurch City Council has a current Alcohol Policy, which was last reviewed in 2004. A working Party has been formed to work on an Alcohol Strategy and part of that work will be to have an Alcohol Policy in place that will comply with the provisions of the Alcohol Reform Bill to be known as the Sale and Supply of Alcohol Act.

4. Enforcement & Inspection

Alcohol-related Bylaws

As reported last year, the Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2009 came into force on the 1 July 2009. A temporary ban for a week was instigated covering the University Orientation week in February 2012.

A permanent 24/7 ban has been established in the Riccarton/llam area due to patron migration patterns to suburban areas as a result of the earthquake/s. Another permanent ban has been established at the holiday spot of Okains Bay but only over New Years Eve.

There is now a permanent alcohol ban in place in the Papanui and Merivale areas.

Summary of Inspections Undertaken of Licensed Premises

Inspection notes are now recorded by all the members of the Tri-Agency Group within the shared website. As reported below there are now over 1800 monitoring/inspections notes on the shared website.

5. Liaison with Other Agency Groups

The Christchurch DLA, NZ Police, and Community and Public Health have maintained a close working relationship as the Tri-Agency Group. This includes weekly meetings and interagency monitoring teams.

The Tri-Agency Group continues to use the Licensed Premises Risk Matrix. This is maintained by the Liquor Licensing Team and is shared electronically with the other agency groups, via a shared workspace. It is kept up-to-date in a collaborative manner. All licensed premises are now on the website and there are over 1,800 monitoring notes. The Police are using this as their database to

-6-

store their visits to licensed premises. The relationship and co-operation between the three agencies is strong.

The Christchurch DLA has also had regular contact with the Department of Internal Affairs, Alcohol Advisor Council of NZ, Hospitality Standard Institute, and Hotel Association of NZ.

6. Other Matters

The Liquor Licensing Team identified an inconsistency in the transistionary process in the new Bill at clause 389. In bringing this to the attention of the Ministry of Justice a Supplementary Order Paper (SOP) was introduced to resolve this issue. On acceptance of this SOP the effect will be six months from Royal Assent, Inspectors, DLA's and the LLA will have to consider an application in light of the newly established criteria under section 100. This will require a higher level of decision making around the granting of any licence particularly around 'the amenity and good order of the locality'. Initially DLA's will have to be guided by the definition in the Bill and their interpretation as to how to apply these criteria.

Concern exists over the likely impact of the proposed new legislation in terms of licensing fee amounts for both applications and licenses to facilitate licensing functions in a full cost recovery environment. The impact on Territorial Authorities budgets is unknown as the these provisions do not come into force until twelve months from Royal Assent .

There will also be unknown costs to Territorial Authorities associated with IT systems to handle the new procedures under the new Act. It is also unclear at this juncture the level of staff resources required to administer and monitor the proposed new legislative requirements, although Christchurch City Council have approved two additional Liquor Licensing staff to support the new legislation through the 2012-22 Long Term Plan.

7. Statistical Information

Please see attached.

Paul Rogers

Team Leader Liquor Licensing Inspections & Enforcement

On behalf of the Christchurch City Council District Licensing Agency

CHRISTCHURCH CITY COUNCIL DISTRICT LICENSING AGENCIES ANNUAL RETURN FOR YEAR ENDING 30 JUNE 2012

Category	Number of applications received	Number of applications determined	Number of new licensed premises	DLA revenue (gross)
On-licence				
new/renew/variation	279	257*	42	\$207,446.10
Off-licence				
new/renew/variation	114	105*	5	\$83,285.00
Club licence				
new/renew/variation	67	61		\$52,351.20
GM certificate				
new/renew	1278	1902		\$171933.39
CM certificate				
new/renew	60	86		\$8094.00
Subtotal to LLA				\$523,109.69
Special Licence	1022	983	n/a	\$65,107.00
Temporary				
Authority	77	73	n/a	\$6475.20
Total				\$594,691.89

DLA HEARINGS PANEL YEAR ENDING 30 JUNE 20121

Date	Premises	Reason and Result
19/08/2011	For Seasons Korean Restaurant	Temporary Authority application –
		Granted with conditions.
15/03/2012	Carlton Country Club	Special Licence objection to hours –
		application granted with reduced
		hours.

[&]quot;*" Notes: The difference between applications received and those determined is caused by some applications being received which have yet to be determined having been received close to the end of the reporting period. The other reason is there are a number of mainly inner city premises which has chosen to pay a "holding renewal" to keep the licence live will the await the opening of the city centre and outcomes relating to the rebuild/damage to their building. This means their licence is unable to determine until we are in a position to inspect their rebuilt/repaired building.



URBAN DESIGN PANEL – Terms of Reference

Updated October 2012

1 Background

International experience has demonstrated that the use of Urban Design Panels to review and advise on proposed developments is a valuable tool to promote the development of a high-quality urban environment.

The Christchurch Urban Design Panel was established in 2008 as a result of public concern proposal to establish an urban design panel was discussed at a Council seminar on 22 August 2006, and approved at a Council meeting on 4 October 2007 for a three year trial period. The establishment of a Panel reflects growing public concerns over the quality of the design of new developments in Christchurch and their effects on the urban environment.

The Urban Design Panel must retain the confidence of developers and designers working in the city, while demonstrating better urban design outcomes to Council and the wider community. To this end a pool of twelve potential thirty Panel members will be drawn from nominations from professional institutes including the Property Council of New Zealand. The views of both the panellists and the professional institutes will be canvassed as part of the review of the panel's operations after three years.

'Making Christchurch a world class boutique city' is the vision of the Christchurch City Council. The Council is a **foundation** signatory of the New Zealand Urban Design Protocol launched in 2005 by the Ministry for the Environment. As a signatory the Council is committed to making Christchurch 'more successful through quality urban design'.

The importance of high quality urban design has been reinforced by the Greater Christchurch Urban Development Strategy (UDS) which includes the following strategic directions:

- a. Promoting good urban design to make our communities more liveable and attractive with good connectivity
- b. Recognising and protecting cultural identity and sense of place
- c. Ensuring the connection between homes, jobs, recreation and environment through mixed land uses and integrated transportation modes

In addition to an Urban Design Panel a range of other initiatives are being undertaken to promote higher quality urban development in the City including urban design plan changes, design guidelines. central city revitalisation and capital projects such as the upgrade of City Mall and the development of a new bus exchange.

This Terms of Reference outlines the role, membership, and process for the Urban Design Panel, and identifies the scope of their activities.

2 Role of the Urban Design Panel

The function of Christchurch's Urban Design Panel is to:

- Provide independent urban design advice to promote good design and a quality urban environment
- Provide pre-application advice to developers on significant developments in the Central City (within the four avenues), Lyttelton Town Centre zone, Living 3 zone, and Business 1 and 2 zones and Living G- Density A zones
- Provide urban design advice to the Council on significant resource consent applications in the Central City (within the four avenues), Lyttelton Town Centre zone, Living 3 zone, Business 1 and 2 zones and Living G- Density A zones
- Provide urban design advice to the Council on appropriate urban design controls, and on both Council and privately initiated plan changes, or outline development plans
- Provide urban design advice to developers and the Council on large scale Greenfield development in areas of sensitivity
- Provide urban design advice to the Council on significant Council projects

The Urban Design Panel has an advisory role to the Council rather than statutory decision making powers. The Panel's recommendations will be incorporated into officers' planning reports and referred to the appropriate decision making body. While the Council officers are required to pay heed to the Panel's advice, the requirements of the City **or District** Plan or established Council policy should take precedence over the Panel's recommendations where there are any differences.

It is anticipated that the Council urban designers and landscape architects will advise the urban design panel of relevant issues that the Panel might wish to consider. The Panel does not have a mandate to represent the public, or to represent the Council, and it should have cognisance of the provisions of the Christchurch City Plan.

3 Membership of Urban Design Panel

The membership of the Panel is made up of professionals with specialist skills in the fields of urban design, architecture, landscape architecture, development and property.

A pool of twelve thirty panellists will be drawn from nominations by the New Zealand Institute of Architects, New Zealand Property Council, NZ Institute of Landscape Architects, Lincoln University and New Zealand Planning Institute and appointed by the Council as members of the Panel. Additional members may be recruited and appointed by the Council through the respective professional institutes as required to ensure a sufficient pool of skills as noted above and to provide a quorum for all meetings. Individuals recognised as being skilled in urban design from outside these professional institutions may also be appointed members of the Panel.

The Council will appoint a Panel convenor (and an alternate) from the pool of panellists to chair Panel meetings. Each Panel will include at least one expert in each of urban design, architecture and development. A quorum of four three members is required for a Panel meeting. For some applications, additional specialists with expertise in landscape architecture heritage, iwi issues, surveying, ecology or the arts may be co-opted to sit on the Panel as required.

It is anticipated that a core of panel members will hear most applications, but it may be necessary to substitute members from the wider pool of members for some applications. This "pool" process will ensure that there is no conflict of interest between members of the Panel and the application being considered, and also that the skill mix of panellists is appropriate for the application and its context. Every endeavour will also be made to ensure that there is continuity of panellists when an application is being re-presented to the panel.

Council officers will also attend meetings of the Panel, providing secretariat support, advice on regulatory matters and a communication channel to those involved in the subsequent decision making process.

Panellists will be appointed for a trial period of three years for two years, with the option to extend this period if approved by the Mayor and Chief Executive, to maximum of four years and panellists are:

- Required to declare if they have a conflict of interest and may not take part in any Panel meeting for which they have declared a conflict of interest
- □ Subject to confidentially requirements, in the same manner as Council staff and consultants
- Required to agree to these terms of reference as part of their contract with Council for specific services and terms

Panel members will be paid a fee of \$150 \$180 per hour for attendance at meetings for an agreed number of hours depending on the complexity of the application (minimum 1 hour payment). Time spent on additional site visits and research will not be reimbursed. These costs will not be recovered through the resource consent process for the three year trial period.

4 Urban Design Panel Reviews

The Panel will focus on how the building or development relates to the surrounding public space and will be especially concerned with how the proposal fits into and improves the existing environment.

Design assessment criteria and / or design guidelines in the City Plan, or developed in conjunction with the community, will form the basis for an Urban Design Panel review. where these are expressed in the Plan. In the absence of criteria or design guidelines the Panel may look at the following matters:

- a. Quality of the architecture and its relationship to Christchurch
- b. General design principles including scale and composition, architectural details, articulation of facades and the treatment of rooftops
- c. The relationship of the building to the street, public spaces and adjacent buildings, and to the character of surrounding areas
- d. The location of activities and their relationship with the street and public spaces particularly on the ground floor
- e. The design of pedestrian and vehicle entrances, and access to and around buildings
- f. The relationship with existing heritage buildings and significant open spaces in the vicinity
- g. The amenity and quality of outdoor spaces associated with the development
- h. The integration of artworks into the development
- i. Circulation and servicing
- j. Safety for users and passers-by
- k. The level of amenity for residential accommodation including outlook, sunlight access, visual and acoustic privacy, ventilation, size and design
- I. The design of buildings to maximise sustainability, for example in water heating, lighting, heating, natural ventilation, and stormwater reduction, treatment or re-use
- m. To minimise energy use both within the buildings and in relation to the entire development.
- n. Ensure protection of listed heritage buildings and sites.

The Panel shall consider only those proposals that meet the following criteria:

- (i) Proposals that require a resource consent from the Christchurch City Council under the City or **Banks Peninsula District** Plan and which are located within any site within the **following zones and locations:** four Avenues (all zones) and or any land zoned L3 or Business 2 (suburban Malls) in the City Plan. The trigger points for review by the panel within these areas/zones are:
 - Four Avenues (all zones), and/or
 - any land zoned L3, L4, or
 - Business 2 (District Centre Core),
 - Business 1 (District Centre Fringe/Local Centres),
 - Lyttelton Town Centre Zone,

and fall into one or more of the following criteria:

- Multi unit residential development of 5 units or more.
- Multi unit commercial development of 3 units or more.

- Mixed use commercial/residential development of more than 3 units combined.
- Any building with a gross floor area (GFA) of 1500m²-750m² or greater.
- Any building adjoining any item contained in the 'List of Protected Buildings, Places and Objects' in the District or City Plan.
- Any building adjoining a Conservation or Open Space Zoned land in the District or City Plan.
- Any new building or external modification to an existing building in the Lyttelton Town Centre Zone which requires resource consent for external appearance.
- (ii) Any Christchurch City Council capital project with a value of \$5million or greater, and/or any major infrastructure project which is intended for public use, or to which the public have regular access.
- (iii) Any proposal within the Living G Density A Zone.
- (iv) Subdivision or land use consent for 50 or more allotments where areas of sensitivity are identified by the Planning Team Leader, Principal Urban Design Advisor or Subdivisions Manager.
- (v) Any proposal, including draft plan change or outline development plan, on the advice of a Principal Advisor Urban Design or the Planning Team Leader based upon one or more f the following:
 - Scale of the proposal
 - Profile and visibility within the context
 - Sensitivity of the location and/or activity.

Where significant buildings or developments fall outside these criteria they may be submitted to the panel voluntarily by the owner/developer. The Panel shall have the right to refuse to consider any proposal if it considers that the proposal will have a minor urban design impact.

Council projects and resource consents will be reviewed by the Panel to ensure Christchurch City Council demonstrates best practice in its own development projects. The Panel's advice will also be sought on policy and strategy work such as plan changes, design guides or structure plans, to ensure the professional opinions of the design and development communities are taken into account.

5 Process

The Panel process provides the added value of peer review and advice to the applicants and their consultants, while promoting the best outcome for the urban environment. In order to maintain the confidence of developers, meetings of the Panel will be closed to all but the applicant's nominated representatives, the Panel and Council representatives.

It is proposed that when a developer makes an initial approach to Council to discuss an application, a pre-application meeting with the Urban Design Panel should be offered. To encourage developers to consult the Urban Design Panel early in the process, it is proposed that the Council meets the costs of the Panel. This process minimises delays to applications and provides the benefit to applicants of "no surprises" once the proposal reaches the formal hearing and decision-making stage.

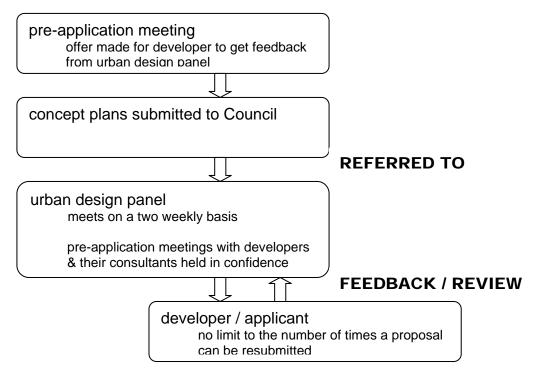
The advice of the Panel, as a team of experts advising their peers in the design and development industry, may need to be supplemented by an urban design assessment as part of the processing of resource consents.

With a proposed schedule of two weekly meetings, the applicant and Council can agree the most suitable upcoming meeting, in order for the applicant to prepare an appropriate level of material for the printed agenda. Applicant's teams are invited to present to the Panel and answer questions on their proposal. The Panel will compose its recommendations in committee.

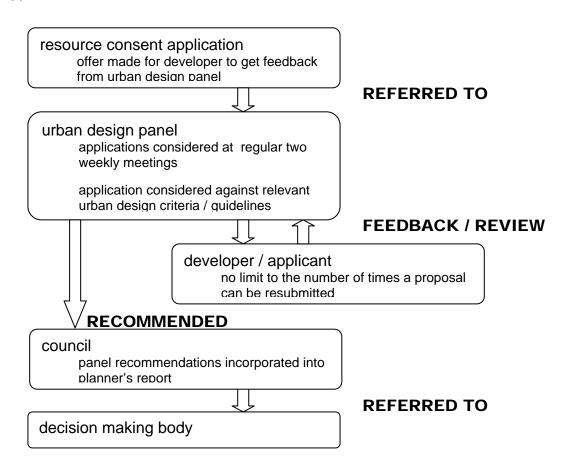
Once an application has been formally lodged, the final development proposal may be re-considered by the full Panel at an agreed meeting. Recommendations from the Urban Design Panel will be incorporated into the planners' reports to the delegated decision-making authority.

The diagrams below outline the process for pre-application and post-application advice from the Panel:

Pre-Application Review:

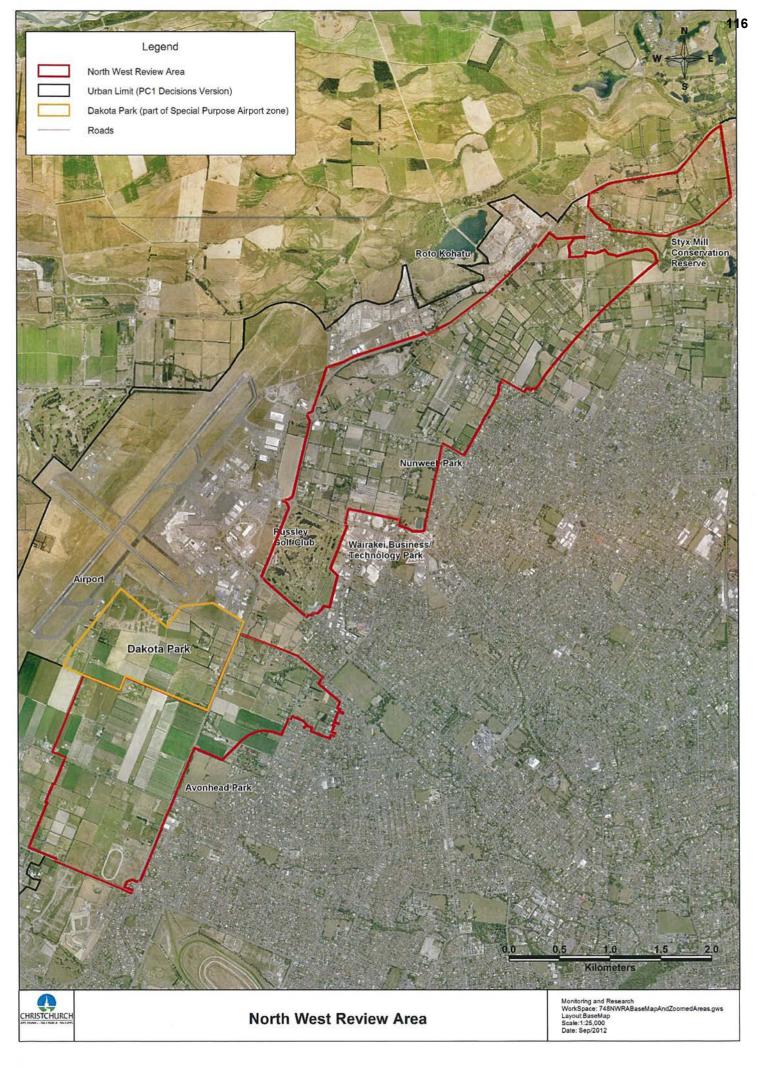


Post-Application Review:

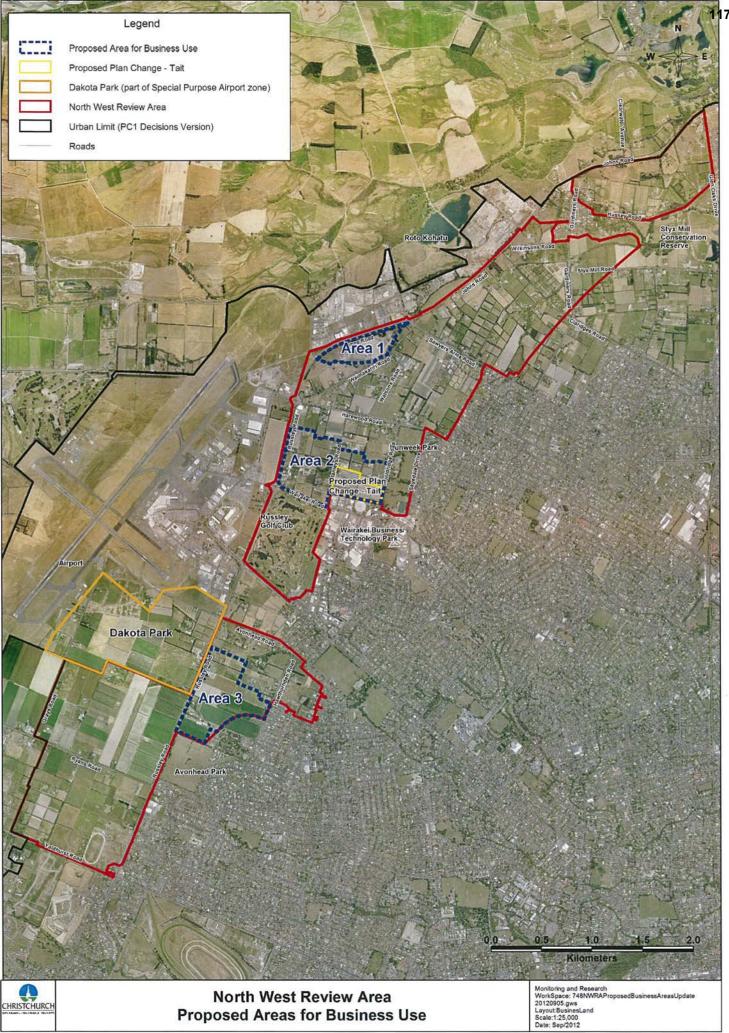


6 Administration

- Democracy Services will manage the two weekly schedule of meetings for the Urban Design Panel and the appropriate officers. In order to minimise delays to applicants, meetings will take place with a minimum of four three panellists as a quorum or be rescheduled within three working days.
- Meetings will not be publicly advertised or held in public, but will occur on a regular schedule (subject to the availability of the Panel). The applicant or their nominated person (e.g. the manager or designer of the project) is expected to attend to present necessary information.
- Reports for the meetings will be submitted to Democracy Services by the reporting planner and agendas, including copies of the development application(s), will be circulated to Panel members as early as possible before a meeting.
- Meetings will be scheduled for a minimum of one hour per applicant. Panel members will be reimbursed for the one-hour minimum meeting, plus additional hours spent at scheduled meetings. It is not proposed to reimburse Members are not reimbursed for any preparation time outside of scheduled meetings.
- Decisions (in terms of what recommendations the Panel will make to the Council) will be made by panellist consensus, whereby discussion will result in a set of recommendations and reasons for them which all Panel members are in general agreement with.
- Members of the Panel will bound by the Council's Code of Conduct for elected members, specifically in relation to Part 1: General Principles of Public Life, and Part 2: Disclosure of Pecuniary and Other Interests, Contact with the Media regarding Council and Committee Decisions, and Confidential Information.
- Minutes will be prepared by the Democracy Services officers present and reviewed by the Convenor to ensure a true and correct record of appropriate recommendations made at the meeting. The Panel's recommendations will be circulated to the applicant and reporting planner within a week of the meeting.
- Urgent or special meetings of the Urban Design Panel may be called with three working days notice, with agendas and reports circulated prior to the meeting as above.
- If any applicant requests confidentiality for their proposal this should be supported by the planning officer, and the reasons for public exclusion given.
- Applicants will be advised that they cannot make any reference to the Panel or its recommendations in any media without the express permission of Council.



ATTACHMENT 2 TO CLAUSE 6 PLANNING COMMITTEE 3. 10. 2012



North West Review Area (NWRA) Report

Final

September 2012

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Executive Summary

The North West Review Area (NWRA) comprises an area of approximately 860 hectares situated broadly between the airport/ State Highway 1 (SH1) and the City's urban edge. Its location, adjacent to residential and business areas, and accessibility have led to on-going pressure for rural subdivision and the development of urban activities including residential and business uses. These activities has been resisted in planning documents, which have provided for agricultural and horticultural activities to act as a buffer between residential areas and Christchurch International Airport. This is due to the area's location within the 50 dBA Ldn airport noise contour extending from the airport, which noise sensitive activities (residential, education and health facilities) are to be avoided within.

The planning framework has also sought the protection of natural resources in the NWRA, which are significant in a strategic context. The groundwater resource beneath the NWRA is a source of drinking water for Christchurch and the area has highly versatile and productive soils, which continue to be utilised for small scale agricultural and horticultural activities.

In decisions on Proposed Change 1 (PC1) to the Regional Policy Statement (RPS), it was concluded that it was inappropriate to leave the area in exclusively rural use in the long term and a review was required to determine its medium to long term use. The area was therefore referred to in PC1 as a 'Special Treatment Area'. The long term future of the area was determined by the Regional Council to be in some form of urban activity and it was therefore included within the urban limits. The area was subsequently referred to as the 'North West Review Area' in Chapter 12A, made operative by the Minister of Earthquake Recovery in October 2011 and was defined outside the urban limits.

Uncertainty surrounds the policy context at a strategic level with PC1 and Chapter 12a being the subject of appeals to Environment Court and Court of Appeal. However, there is a need for review of the NWRA regardless of the Courts decisions. It is an important area in the context of Greater Christchurch due to its location and the natural and physical resources in the area that requires a strategic approach to planning its future use.

Having regard to the resource values and the location of the NWRA, its role is considered to be as an 'Rural-Urban Fringe' that provides for activities typically associated with a peri-urban area while retaining the openness and vegetation as a transition between urban and rural areas. Activities identified as appropriate within the NWRA include rural activities such as horticulture, agriculture and associated dwellings; non noise sensitive 'urban' activities for example industrial business activities; formal and informal open spaces; and sporting and recreational, and community facilities. It is therefore being recommended that the area is rezoned to a special 'Rural-Urban Fringe' zone or similar to reflect this.

The report also recommends the identification of areas for industrial business development within the NWRA on the basis that a need exists for an additional 100 hectares of industrial land in this part of the City. While an assessment of industrial land supply¹ at a City wide level indicates there is currently sufficient land (approximately 600 hectares) to accommodate demand for the next 30 years to 2041, (based on take up rates from 2004 – 2011), there is a potential shortage of industrial land over the next 5 years in some parts of the City including the north-west. There are also indications of increased demand in this area for industrial land including businesses seeking to relocate from the east due to earthquake damage and growth generated by the rebuild. The location of the NWRA in close proximity to the Airport also makes the NWRA attractive for business, the airport being a significant node of economic activity that will also generate demand for business land. It is therefore necessary to provide sufficient capacity for growth over the long term.

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¹ North West Review Area Business Land Report September 2012

Three areas are identified within the NWRA to accommodate anticipated industrial business demand, including (refer to Map 1 which shows these areas)

- Approximately 15 ha at 711 Johns Road, north of Waimakariri Road (Area 1)
- Approximately 50 ha north of Wairakei Road between Wooldridge Road and Russley Road (Area
 2)
- Approximately 35 ha between Russley Road and Hawthornden Road, north of Avonhead Park (Area 3)

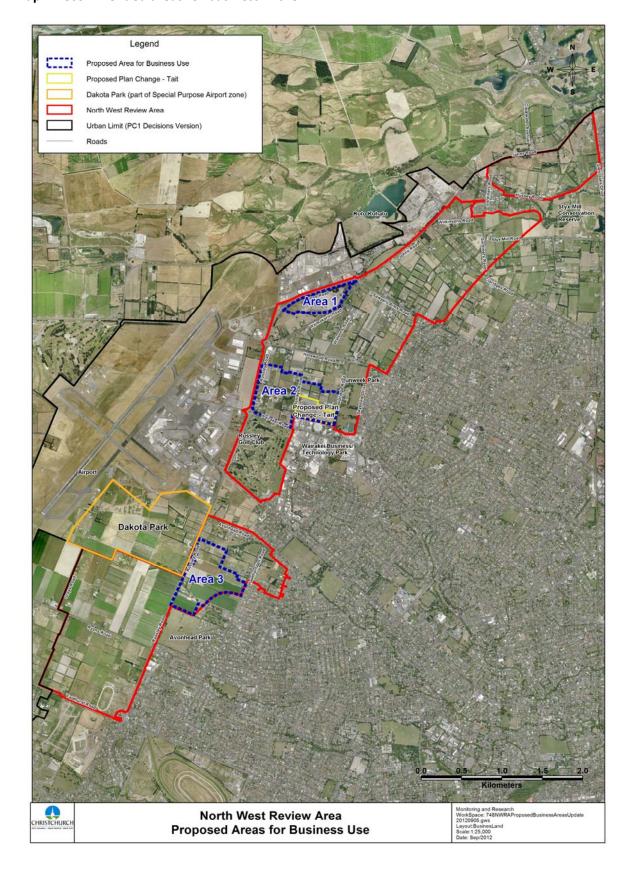
The identification of these areas is on the basis of a number of criteria, which are consistent sustainable management, including urban form, accessibility, the availability of infrastructure, continuity with existing business areas and environmental values, amongst other matters. There are changes occurring within and in the vicinity of the NWRA that have also been considered in the assessment including the New Zealand Transport Agency's Western Corridor proposals involving the 4 laning of Masham Road, Russley Road and Johns Road.

Given the physical proximity of the NWRA to the airport , the assessment of business land issues, and identified deficiencies within the existing Special Purpose (Airport) zone (SPAZ), it has also been appropriate to consider possible changes to the SPAZ in parallel so as to ensure an integrated approach. The review of the NWRA and airport need to be dealt with in a comprehensive way given the potential for each area to support similar business activities in the future and the issues that need to be considered in planning each area, for example, groundwater and noise. The airport is part of the same geographic context as the NWRA, with a road being the only boundary between the two areas, and is part of the same local economy.

Rules in the City Plan currently restrict activities permitted within SPAZ to those that are airport related. There have been four resource consents granted for non-airport activities in Dakota Park (80 ha), which has set a precedent for similar activities in the future. In the absence of a clear policy framework to support the zone's purpose, there is potential for an ad-hoc approach to further non-airport related development. Having regard to this, it is recommended that a Council led Plan Change is prepared to provide a clear policy framework for managing development in the SPAZ and a review is undertaken of the rules prescribing the activities permitted within the SPAZ, with consideration given to a wider range of activities in Dakota Park.

In summary, it is recommended that Council staff rezone the NWRA to a special 'Rural Urban Fringe' zone or similar as a part of the next District Plan Review in recognition of the location of the area and its natural and physical resources. It is also recommended that the areas identified on Map 1 are subject to a Council led plan change for rezoning for industrial purposes, and a separate plan change is prepared in parallel to review the policy framework for the SPAZ.

Map 1 Recommended areas for business in the NWRA



1.0 Introduction

1.1 Location

The North West Review Area (NWRA) is located on the north-west edge of Christchurch City. Extending for approximately 10 km along State Highway 1 (SH1) between Yaldhurst Road in the south and Johns Road adjacent to the Groynes/ Clearwater Resort in the north (See Map 2), the area is a long and relatively narrow strip of land of approximately 860 hectares. The land is primarily zoned Rural 5 in the Christchurch City Plan, with a smaller area in the north zoned Rural 3. The purpose of these zones is for the continuation of primary production while managing land use activities to avoid compromising airport operations and development.

Its location parallel to SH1 and adjacent to Christchurch International Airport contributes to the area's role as a strategic corridor and gateway to the City. The review of the area and assessment of future land uses therefore needs to consider, amongst other things, how the area is perceived by those travelling through or adjacent to the NWRA.

There has been a history of pressure for the development of urban activities and rural subdivision. The zoning of the NWRA for urban activities has historically been resisted in planning documents, reflecting the environmental constraints and values associated with the area.

1.2 Purpose

The purpose of this report is to evaluate the NWRA to determine its long term role, and the suitability of a range of potential land uses. Given its proximity to the NWRA and the focus of investigations on business land, it is also appropriate to consider the effectiveness of the existing Special Purpose (Airport) zone (SPAZ) framework and the scope of activities provided for in Dakota Park, a cargo and freight zone (marked on Maps 1 and 2) within the SPAZ, having regard to recent decisions on development in this area.

The need for a review of the NWRA arose in part from decisions on Proposed Change 1 (PC1) to the Regional Policy Statement (RPS) that stated it was not an appropriate 'resource management treatment to leave the area exclusively as rural land over the next 35 years'. The Regional Council's decisions on PC1 identified the area as 'Special Treatment Area 1' (STA) that required analysis and planning to consider the suitability of the area for different land uses.

The area was subsequently referred to as the 'North West Review Area' in Chapter 12A of the Operative RPS, as determined by the Minister of Earthquake Recovery in October 2011, and was shown outside the urban limits. Chapter 12A as made operative by the Minister of Earthquake Recovery replaced PC1 until the High Court's ruling in July 2012 that determined that the Minister had acted unlawfully. While PC1 and Chapter 12A are the subject of appeals to Environment Court and Court of Appeal, there is a need for review of the NWRA regardless of the Courts decisions. It is an important area in the context of Greater Christchurch due to its location and the natural and physical resources in the area that requires a strategic approach to planning its future use.

The review of the area's future role and potential land uses that the NWRA should provide for was also considered appropriate for the following reasons –

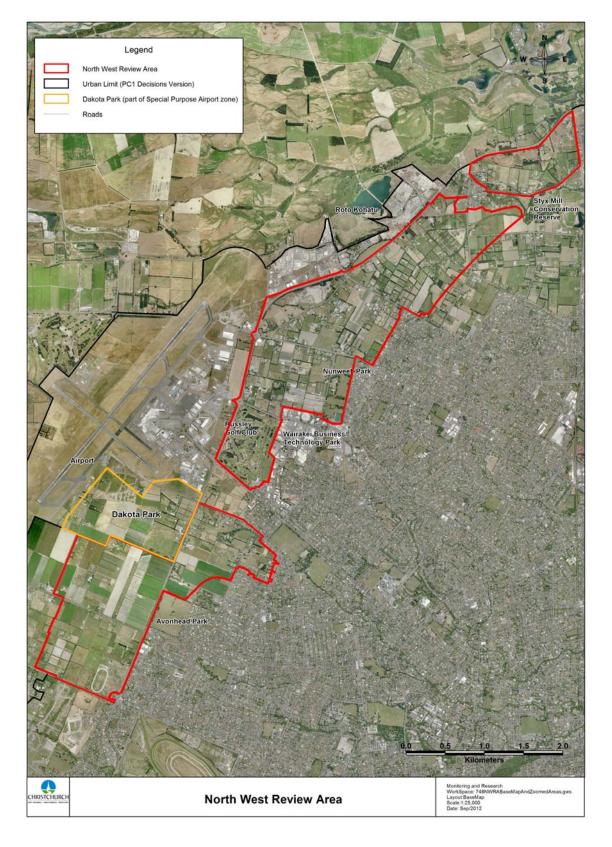
- Work on three area plans² covering different parts of the NWRA highlighted the need for a comprehensive approach to how these areas develop
- Pressure for subdivision and development in the NWRA
- Need for a managed approach given the role of the area as a gateway to the City and strategic corridor

² Belfast Area Plan, adopted by Council 2010; Memorial/Russley/Hawthornden Area Plan (Deferred 2005); Upper Styx Harewood Area Plan (Deferred 2005)

• Demand for industrial business land

This report draws on information and analysis from a number of background reports and makes several recommendations on both the appropriate function of the NWRA, and potential land uses within the study area including business activities. It takes particular account of the impacts of development on natural and physical resources including the groundwater resources, highly versatile/ productive soils and the influence of the 50 dBA airport noise contour, which limits noise sensitive activities.

Map 2 Boundaries of the NWRA and Dakota Park (within Special Purpose Airport zone)



2.0 Overview of the North West Review Area

2.1 Description of the North West Review Area

The NWRA is situated between SH1 (Russley Road/ Johns Road) and existing residential and business areas to the east with the exception of an area west of Russley Road and north of Yaldhurst Road. The location of the NWRA parallel with the State Highway contributes to its role as a corridor while also acting as a gateway to the City. A number of arterial roads dissect the NWRA and provide strategic routes between the Central Business District, suburban centres, the International airport and the State highway network.

The NWRA is currently used for agriculture, intensive horticulture and other related activities, an outcome sought for the area in the City Plan, which zones the majority of the NWRA as Rural 5 and Rural 3. Reflecting the subdivision that has occurred in the area, there are a large number of small land parcels in the NWRA divided by shelter belts and interspersed with prominent trees or groups of trees. These features, together with the current land use activities, contribute to the NWRA's semi-rural character.

The proximity of the NWRA to the existing urban area and its semi rural character has attracted people to reside in the area on small rural lots for lifestyle or as hobby farms. There are also activities in the NWRA typically found in the urban area including function venues, community activities (including a primary school, church), and recreational facilities e.g. Nunweek Park

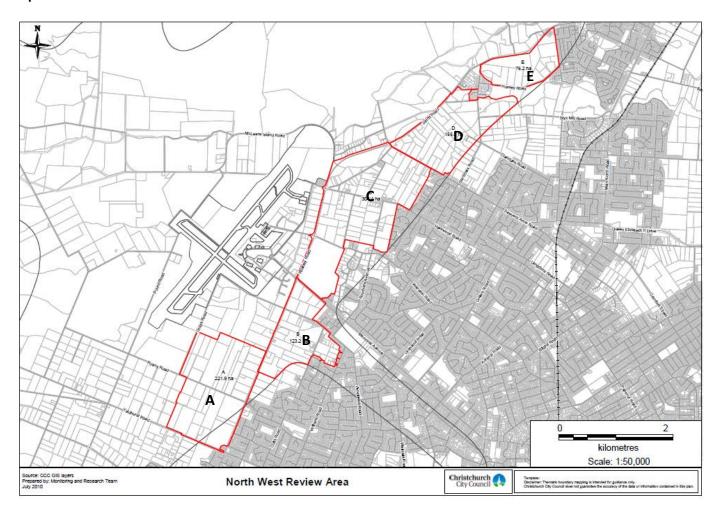
Christchurch International Airport and SH1 to the immediate west of the NWRA provide a clearly defined boundary to the NWRA. The airport is designated for Airport purposes and is zoned Special Purpose (Airport) within the City Plan. The zone provides for the future development of the airport and related business activities necessary or related to the airport's operation.

To enable more localised evaluation of the NWRA, the area has been divided into five sub areas (blocks) as shown on Map 3. A description of each block and its size is presented in Table 1 below

Table 1 Subareas of the NWRA

Block	Sub Areas of the	Description	Area (ha)
	NWRA		
Α	Yaldhurst Road	Land west of Russley Road to Grays Road, and between	221.9
		Yaldhurst Road and the SPAZ	
В	Avonhead Road	Land between Russley Road and Hawthornden Road, south	104.2
		of Avonhead Road to Avonhead Park, and land east of	
		Hawthornden Road adjacent to the existing residential area	
С	Harewood	Land east of Russley/ Johns Road between Memorial	304.4
		Avenue and Sawyers Arms Road,	
D	Johns Road	Land east of Johns Road between Sawyers Arms Road and	155
		residential area to the north of Wilkinsons Road	
Е	Hussey Road	Land east of Gardiners Road between Johns Road and	76.2
		Hussey Road	
Total	NWRA		861.7

Map 3 Subareas of the NWRA



The reasons for defining each block as is shown in Map 3 are as follows –

- Block A is distinct from the rest of the NWRA as it is the only area on the west side of Russley Road. The block and land to the west is zoned Rural 5 with a dominance of agricultural/ horticultural activities. This contributes to its open character.
- Block B is to the east of Russley Road and physically separated from the NWRA to the north by
 an area identified for business in PC1/ Chapter 12A as CB8 (Memorial Avenue). Area B exhibits a
 different character to Area A in that it is more enclosed by existing urban activities, which will be
 strengthened with the development of a residential greenfield area to the immediate south east
 (CW1 Russley). The area comprises a mix of rural lifestyle blocks and agricultural activities,
 which also distinguishes it from Area A.
- Block C between Memorial Ave and Sawyers Arms Road is bounded to the west by Russley Road/ Johns Road and urban activities to the east including residential subdivisions, business development and recreational space.
- Block D has a different character to Area C reflecting Area D's interface with current rural
 activities to the east as opposed to urban activities. The area to the east of Area D is however
 identified as a residential greenfield area (CN3 Upper Styx) in PC1/ Chapter 12A (refer to Map
 12), for which a plan change and preparation of an Outline Development Plan are at an early
 stage in the process. Given the change in land uses proposed for this area, there is a need to
 consider the effects of development in the NWRA on CN3 and the reverse, and it is therefore
 appropriate that Area D is treated separately

 Block E is physically separated from the rest of the NWRA and is surrounded to the immediate south west and east by residential activities, unlike Areas C and D which are bordered to the west by the airport.

The next section describes each block in more detail including the land use activities within and surrounding each block, and the zoning.

2.2 Description of the subareas within the NWRA

Block A Yaldhurst Road

Block A borders Yaldhurst Road to the south, Russley Road to the east, Grays Road to the west and Christchurch international Airport to the north as shown on Map 4. The area continues to support agricultural and horticultural activities including vegetable crops reflecting the high quality soils. The open character of Block A reflects the land use activities and limited tree cover relative to other blocks in the NWRA. The openness of the area provides views west to the Southern Alps and south east to the Port Hills.

Block A has generally larger allotments than the rest of the NWRA, with lots up to 24 hectares and an average lot size of 4.7 ha. The larger size of allotments in this block supports the ongoing use of land for productive rural activities. Around the periphery of Block A there are a number of 4 hectare lots, which reflects the minimum lots size for the Rural 5 zone.

To the south west of Block A, across Yaldhurst Road is a residential greenfield area known as Masham, identified in PC1/ Chapter 12A which is subject to subdivision and development with potential for up to 1,100 sections. There is a primary school on the south side of Yaldhurst Road (McKenzie Residential School) to the immediate west of the Masham subdivision.

As shown on Map 5, Block A is zoned Rural 5. The area to the east of Block A across Russley Road is primarily zoned Living 1 with an small area zoned Business 4 south east of the intersection of Russley Road and Ryans Road. The Business 4 zone is a suburban industrial zone, the area fronting Russley Road comprising a mix of office and warehouse activities. To the north of Block A is land designated for Airport purposes, which is also zoned Special Purpose (Airport). The area of the Special Purpose zone adjoining Block A is under development as a business park known as Dakota Park (80 ha) (Refer to Map 2 showing the location of Dakota Park and Map 15 for a subdivision plan of Dakota Park). While it is intended as a Cargo and Freight zone for airport related activities, resource consents have been granted for a number of non-airport related developments. This is described further in Section 6.

The area to the west of Block is zoned Rural 5. Further west of Block A, an area extending south west to the intersection of Ryans Road and Pound Road is zoned Special Purpose (Airport), as a narrow extension into the Rural 5 zone. Block A acts as a gateway to rural areas west of the airport, the zoning of this area continuing west to the wider plains. This is distinct from the rest of the NWRA which is bordered to the west by SH1 and the airport.

Other points to note are

- The majority of Block A lies within the 50dBA L_{dn} airport noise contour, defined through Variation 4 to PC1/ Chapter 22. An exception is the south east corner of Block A.
- A waterway passes through the northern part of this block continuing beneath Russley Road into Block B of the NWRA.
- Overhead 66kv transmission power lines cross the south eastern part of Block A, south of Ryans Road, continuing east through Avonhead Park on the opposite side of Russley Road to Block B, east of Hawthornden Road.

The ongoing use of Block A for agriculture/ horticultural activities is supported by the large lot sizes in and the separation from urban activities to the south and east. The location of the block, west of the State Highway, contributes to a more rural character and open landscape that extends westward to the wider Canterbury Plains. To retain these values and to support rural production on the fringe of the City, the most appropriate use of Block A in the future may be a continuation of existing rural activities. This is considered further in Section 7.

Map 4 Block A of NWRA



Map 5 Zoning map of Blocks A and B



Block B Avonhead Road

Block B is located on the east side of Russley Road and is divided by Hawthornden Road. Block B is bound to the north by Avonhead Road and to the south and south east by Avonhead Park, Avonhead Cemetery and 50dBA L_{dn} airport noise contour as shown on Map 6.

The land use activities in Block B comprise a mix of agriculture, residential and rural lifestyle living, reflecting the variation in lot sizes. The average lot size across all of Block B is 1.4 ha with section sizes ranging from 1,000 m2 on Avonhead Road to 8 ha in the lower part of the block bound by Hawthornden Road and Russley Road.

The northern part of the block between Hawthornden Road and Russley Road, comprises residential properties and lifestyle blocks with well established trees. Several properties have large homes that are positioned in the centre or towards the rear boundary. Also notable is Hawthornden House at 2 Hawthornden Road that is listed as a heritage item in the City Plan. The southern part of this block comprises larger parcels used for agricultural activities.

To the immediate south east of Block B, fronting Hawthornden Road is a small greenfield residential (CW1 Russley), identified in PC1/ Chapter 12A, which is yet to be rezoned. To the north of Avonhead Road is a Greenfield business area (CB8 Memorial Ave) known as the MAIL site, which separates Block B from Block C of the NWRA. The area is subject to a plan change for rezoning for business activities.

The land within this block is zoned Rural 5 as shown on Map 5. East of Hawthornden Road, the area within the NWRA is surrounded on three sides by residential properties zoned Living 1. At any point within this area all land is less than 200 metres from the boundaries of residential properties fronting Avonhead Road, Hawthornden Road, Withells Road or Westgrove Avenue. There are also a number of residential properties (1,000 m2 sections) fronting the east and west sides of Hawthornden Road.

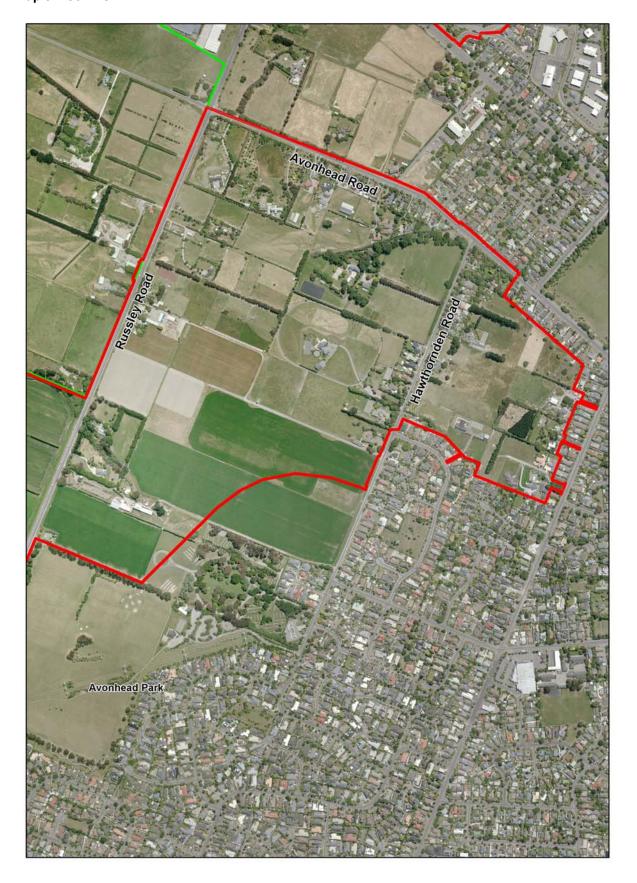
The area within the NWRA to the west of Hawthornden Road is zoned Rural 5, which adjoins a Living 1 zone to the immediate south east and north east as shown on Map 5. Avonhead Park to the south of Block B is zoned Open Space 2 and Avonhead Cemetery adjoining the Park and NWRA is zoned Conservation 4. To the west of Block B on the west side of Russley Road is zoned Special Purpose (Airport) in the City Plan. As described in the previous section, the area is subject to development as a business area known as Dakota Park. Access to Dakota Park is proposed directly from Russley Road (SH1) for north and south bound traffic. The New Zealand Transport Agency (NZTA) propose a grade separated intersection that will connect Capital A and B roads (roads within Dakota Park) with Russley Road via an underpass beneath Russley Road. This requires land on the east side of Russley Road within Block B, which is subject to further investigations and planning processes under the Resource Management Act.

The entire block lies within the 50dBA L_{dn} airport noise contour, defined through Variation 4 to PC1 and in Chapter 22. The north eastern part of Block B straddling east and west of Hawthornden Road is located within the 55 dBA L_{dn} airport noise contour, and the northern part of the land between Russley and Hawthornden is also within the horizontal protection surface identified in the City Plan.

A waterway passes through the south western corner of this block although it stops short of Avonhead Cemetery. 66kv transmission lines also cross through Avonhead Park from Block A and continue through the eastern part of Block B.

In summary, the characteristics of Block B vary east and west of Hawthornden Road. The land to the east of Hawthornden Road is surrounded by residential properties in close proximity, which makes it less suitable for some land uses due to potential reverse sensitivity effects. The land west of Hawthornden Road close to Avonhead Road is characterised by residential properties, and a heritage building at 2 Hawthornden Road. This limits the potential for further development in the northern part of the block without potential effects on residential amenity and character. The southern part of the block between Hawthornden Road and Russley Road is different again with a more open character and fewer buildings that provides greater opportunities for development. Given its location between SH1 and Hawthornden Road, the ongoing rural use of this block is questionable and there is a need for consideration of other land uses.

Map 6 Block B of NWRA



Block C Harewood

Block C extends north from Memorial Avenue to Sawyers Arms Road, and is bound to the west by Russley Road and Johns Road. This area is intersected in an east west direction by Wairakei and Harewood Roads and is the largest of the five blocks making up the NWRA at just over 300 hectares. This block has the greatest variety of activities relative to other blocks in the NWRA and comprises agriculture, viticulture, recreation, landfill and community facilities.

Between Memorial Ave and Wairakei Road

The southern part of Block C between Memorial Ave and Wairakei Road is occupied by Russley Golf Course, a private recreational facility. With frontage to Russley Road and Memorial Ave, the site is prominent as a gateway to the City. Refer to Map 7 for an aerial photo of the site. Its zoning as Rural 5 is consistent with the surrounding area within the NWRA as shown on Map 8. Russley Golf Course is currently bordered by shelterbelts on three of its boundaries and is interspersed with a large number of exotic coniferous tree species. To the immediate east of the golf course and outside the NWRA is the Wairakei Business Park accessed off Sir William Pickering Drive and Sheffield Crescent. The business park is zoned Business 4T (Suburban Industrial Technology Park) in the City Plan providing for a high level of amenity. To the north of the Technology Park is an area zoned Business 4 in the City Plan, which fronts Sheffield Crescent and Wairakei Road.

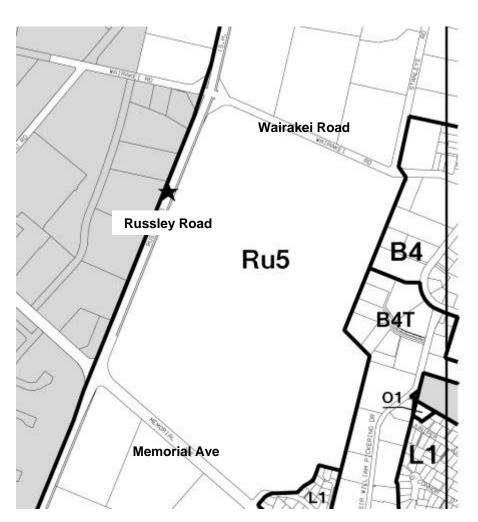
To the west of Russley Golf Course across Russley Road is the airport, which is designated and within the SPAZ.

The upgrade of the Memorial Ave/ Russley Road intersection and Russley Road as a part of NZTA's Western Corridor project will necessitate the acquisition and development of a portion of the golf course. From discussions with NZTA, it is understood that their plans will not compromise the current use of the site as a golf course.

The ongoing use of the land as a golf course limits its potential for other land uses and it is unlikely that the site will become available for development in the short to medium term given the proposed reconfiguration of the golf course.

Map 7 Aerial photograph of Block C between Memorial Ave and Wairakei Road





Map 8 Zoning map of Block C between Memorial Ave and Wairakei Road

Wairakei Road to Harewood Road

The area between Wairakei Road and Harewood Road is divided by Stanleys Road and Wooldridge Road (See Map 9). Between Wairakei Road and Harewood Road, the predominant land uses include market gardening, nurseries and rural lifestyle activities. There is also a function centre/venue fronting Wairakei Road, adjacent to the intersection of Russley Road and a group of residential properties to the immediate west of the intersection of Harewood Road and Wooldridge Road.

The area is zoned Rural 5 with the exception of Nunweek Park, which is zoned Open Space 2 and Harewood Primary School on Harewood Road, which is Zoned Cultural 3 (See Map 10).

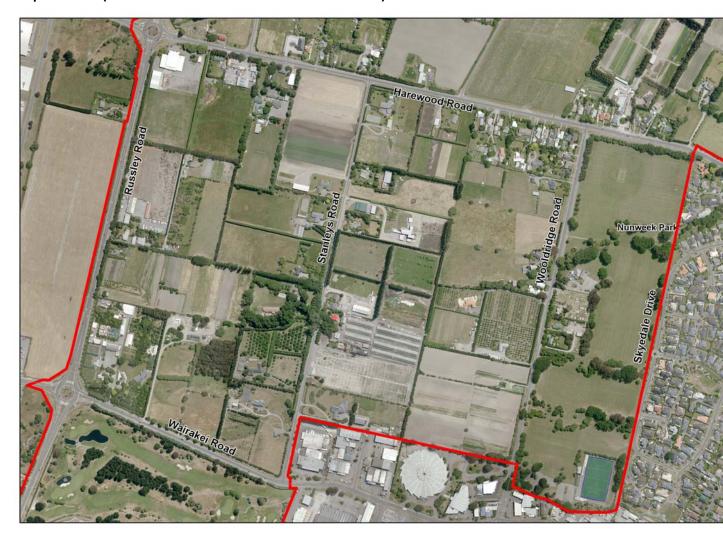
Nunweek park provides for community, sport and recreation activities, the southern part of Nunweek Park being occupied by two hockey turfs, which meet the strategic needs of Canterbury Hockey. To the immediate east of Nunweek Park is a residential area zoned Living 1A in the City Plan.

To the south of this part of the NWRA is a Business 4 zone, which fronts Wairakei Road. Tait Electronics's a prominent company in the manufacturing sector occupies sites within this zone and have lodged a draft plan change for rezoning approximately 10 ha within the NWRA between Wooldridge and Stanleys Roads to Business 4T. This indicates demand for business land in the area.

The origin of the Styx River is between Wooldridge and Stanleys Road, the former riverbed running east through Nunweek Park. This is a prominent natural feature in this area that should be recognised in any development.

Having regard to the current use of Nunweek Park, it is not considered suitable for other activities and should continue to provide a green space for sport and recreation. Land between Wooldridge Road and Stanleys Road is immediately adjacent to the Business 4 zone on Wairakei Road and the area could therefore provide a logical extension of the business area, reflected in Tait's proposal for rezoning approximately 10 ha. The extent of any development for urban activities in this area would be dependent on land becoming available while managing effects on residential properties to the north at the junction of Harewood Road/ Wooldridge Road. There is also the need to avoid effects on the natural and physical resources in this area including the origins of the Styx River, which is reflected by a swale between Wooldridge Road and Stanleys Road.

Map 9 Block C (between Wairakei Road and Harewood Road) of NWRA



Sawyers Arms Road Ru₅ **Harewood Road** 02 Nunweek Park L1A CU₃ Wairakei Road **B**1 В4

Map 10 Zoning map of Block C between Wairakei Road and Sawyers Arms Road

Harewood Road to Sawyers Arms Road

The area of Block C between Harewood Road and Sawyers Arms Road is divided by Waimakariri Road and Watsons Road as shown on Map 11. Like the area to the immediate south, the predominant land uses include market gardening, nurseries and rural lifestyle activities. There is also a viticultural activity known as 'Omarino Wine Park' fronting Harewood Road and a group of residential properties at the intersection of Waimakariri Road and Watsons Road.

Waimairi Pit, a former gravel extraction pit which has largely been filled occupies a site between Waimakariri Road and Johns Road. The site is gazetted as reserve for gravel extraction. The land is to be returned to the Crown, following which the reserve status will be reviewed.

The block is zoned Rural 5 as shown on Map 10 with land to the immediate east zoned Living 1A. To the north across Johns Road is a Business 6 zone, which is intended for "dry" industries and to the west is the airport, zoned SPAZ in the City Plan.

The land between Harewood Road and Sawyers Arms Road comprises a mix of activities, particularly rural lifestyle sections and horticultural activities. The land use activities and subdivision pattern makes this part of block C less suitable for development. The exception is a large block of land on the western edge of Johns Road that has historically been used as a gravel pit but is no longer required for this purpose. It may be suitable for development and could provide a link with the Business 6 zone to the immediate north of Johns Road.

Map 11 Block C (between Harewood Road and Sawyers Arms Road) of NWRA



Block D Johns Road

Block D is bound by Johns Road to the north west and Sawyers Arms Road to the south (See map 12). The eastern boundary reflects the 50 dBA Ldn airport noise contour, while the northern boundary runs along cadastral boundaries adjacent to a residential area. The area is divided by Gardiners Road, Styx Mill Road and Wilkinsons Road.

Block D is dominated by larger lifestyle blocks and horticultural activities. Other activities include a Christchurch City Council nursery that occupies approximately 11 ha between Gardiners Road Wilkinsons Road (Zoned Open Space 2), and a crematorium to the immediate north of Wilkinsons Road (Zoned Conservation 4).

To the east of Block D is currently semi-rural with lifestyle blocks and small rural landholdings and is identified in PC1/ Chapter 12A as a residential greenfield area, which could accommodate up to 2,000

households. The Council is currently preparing an Outline Development Plan for this area and a number of landowners are proposing to lodge a request for rezoning their land.

To the north of the area, across Wilkinsons Road is a small residential area which fronts Wilkinsons, Gardiners and Hussey Roads that is zoned Living 1E (See Map 13).

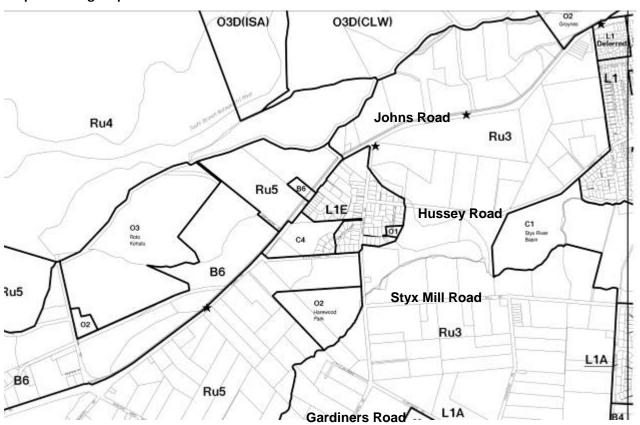
The Styx River runs in a north east direction through Block D before continuing east through Styx Conservation Reserve (outside the NWRA). The Styx River also forms a boundary between the Rural 3 and 5 zones to the east and west of the waterway respectively. The purpose of both zones is to provide for rural production. Smacks Creek, a tributary of the Styx River originates in Block D south of Wilkinsons Road and runs north east across Wilkinsons Road and Gardiners Road.

The use of the northern part of Block D for residential activities, a crematorium and Council nursery restricts the potential for development of some land uses that may have reverse sensitivity effects. Like the area south of Sawyers Arms Road, the land in this block is used for a mix of activities, particularly rural lifestyle sections and agricultural/ horticultural activities. The existing land use activities and subdivision pattern constrains its potential for urban development.

Map 12 Block D of NWRA



Map 13 Zoning map of Blocks D and E



Block E Hussey Road

Block E is bound by Hussey Road in the south, Gardiners Road and Smacks Creek in the west, Johns Road in the north and the residential area of Northwood in the east (See Map 14). The area is characterised by rural lifestyle blocks with small scale paddocks contained in managed shelter belts. Unlike the rest of the NWRA, this block has a more undulating topography. Property sizes range from 3-15 hectares, with the majority over 4 hectares. The larger lots are used for activities such as horse grazing, but there is also a motel and a holiday park. A gun club and former saw mill are known to have existed within the western portion of the block.

All of Block E is zoned Rural 3 in the Christchurch City Plan (see Map 13). The Block borders residential areas zoned Living 1 (Northwood) and Living 1 (Deferred) on the eastern boundary and Living 1E in the vicinity of Hussey and Gardiners on the south west boundary. To the north across Johns Road is the entrance to Clearwater Resort and to the east of this is the Groynes, zoned Open Space 2.

South of Hussey Road and outside of Block E is the Styx Mill Reserve (zoned Conservation 1) and the Willowbank Wildlife Park, zoned Rural 3. These two areas of open space comprise approximately 60ha between the Living 1 Zone at Northwood and the Living 1E zone around Gardiners Road.

Block E was identified in the notified version of PC1 as a residential greenfield area CN2. This was subsequently removed as a future growth area in variation 4 to PC1, which proposed a revised airport noise contour. In the subsequent decisions on PC1 it was shown within Special Treatment Area 1, while in Chapter 12A it formed part of the Policy 15F area identified for review.

Access to the area is through a residential subdivision at either end of Hussey Road. Reduced access from Gardiners Road and Wilkinsons Road to the State Highway further reduces the accessibility between this block and the surrounding area and which constrains its potential for urban activities. This is considered further in Section 7.

Map 14 Block E of NWRA



3.0 Policy Context

3.1 Introduction

The review of the NWRA is required by Policy 12 (Special Treatment Areas) of PC1, which states "specific analysis and planning shall be undertaken to achieve the sustainable management of the natural and physical resources of ... (a) Northwest Christchurch (STA1) to determine the medium and long-term sustainable future of the area affected by airport noise." This reflects the decision on PC1 that "to leave this land unable to be developed for any urban purposes over the next 35 years is illogical, and not an appropriately long-term resource management planning approach to the use of the land."

The statutory framework at a national, regional and local level provides direction for planning the future role of the NWRA and land uses appropriate in the area. Before consideration of the current policy framework, an overview is provided of the historical planning context that has informed the zoning and land use activities in the area.

The consideration of specific land uses and the appropriateness of those land use activities in the context of current policy is considered in Section 6.

3.2 Historical Policy Context to NWRA

Regional Context

The NWRA has historically been identified as a rural area in Regional Planning Schemes prepared by the Christchurch Regional Planning Authority, and subsequently the Canterbury United Council. Provisions sought to restrict urban development to avoid the loss of rural resources, the key issue being the potential for urban sprawl. The 2nd review of the Regional Planning Scheme prepared under the Town and Country Planning Act 1977 referred to a 'green belt' that had provisions limiting the potential for subdivision, residential and non-rural activities.

While the reference to a 'green belt' has disappeared, the Regional Policy Statement (1998) prepared under the Resource Management Act continues to have objectives focussed around urban consolidation, the protection of versatile soils and groundwater resources.

PC1 to the Operative Regional Policy Statement as notified in 2007 identified the majority of the area known as the NWRA outside the urban limits, the exception being Block E which was identified as a residential greenfield area. Decisions on PC1 subsequently identified the subject land as a Special Treatment Area within the City's urban limits/boundary with an assessment required to determine its long term use.

- Local context

The majority of the North West Review Area was within the jurisdiction of Waimairi County Council, the exception being land west of Russley Road (Block A) that was in Paparua County up until amalgamation in 1989. The first Waimairi District Scheme (operative 1965) and Paparua District Scheme (operative 1974), prepared under the Town and Country Planning Act 1953 zoned the NWRA as Rural, which provided for farming and associated rural activities. This was carried forward in the first review of the Waimairi District Scheme (Operative 1974). The first review of the Paparua District Scheme (Operative 1985) zoned the area west of Russley Road (within the NWRA) as Rural 3, which continued to provide for farming and other rural activities.

The first Waimairi District Scheme introduced the concept of an 'Economic unit' which enabled subdivision less than 5 acres (or 2 ha) if it could be demonstrated that an allotment could be used as an "independent economic farming unit". This has contributed to the current subdivision pattern in the majority of the NWRA with a large number of small allotments.

The 2nd review of the Waimairi District Scheme (made Operative in 1989), prepared under the Town and Country Planning Act 1977, identified the area as largely within a Rural Horticultural (H) zone the purpose of which was to promote land use activities that utilise the Class I and II soils for sustained and

intensive food production. It also identified the majority of the Rural H zone within a Noise Exposure Line. The controls associated with the noise exposure line were intended to protect residents living in the vicinity of the airport from airport related noise and to protect the airport from reverse sensitivity effects.

The historical zoning of the NWRA for rural activities has been carried through into the Christchurch City Plan (2005), which zones the majority of the NWRA as Rural 5 (Airport Influences Zone) and Rural 3 (Styx-Marshland zone).

The purpose of the Rural 5 zone is primarily intended for the continuation of primary production while managing land use activities to avoid compromising Airport operations and development. Collectively, the policies in the Plan support the retention of rural activities and a level of amenity that does not impinge on the Airport's operation and reinforces the consolidation of growth within existing living and business areas. Provisions in the City Plan abandoned the 'economic unit' criteria in favour of a 4 ha minimum lot size for subdivision.

3.3 Current Policy Context to NWRA

The current policy context comprises legislation, strategies and plans that inform the future role of the NWRA and appropriate land uses in the area. A background document has been prepared on the policy framework. Those documents of particular significance include -

National

- Resource Management Act
- National policy and standards
- Local Government Act

Regional

- Operative and Proposed Regional Policy Statement
- PC1, Chapters 12A and 22 of the RPS
- Canterbury Natural Resources Regional Plan (Operative)
- Recovery Strategy for Greater Christchurch

Local

- Christchurch City Plan
- Belfast Area Plan

Each of these documents is considered in more detail below

National

- Resource Management Act (RMA)

In review of the NWRA there is a need to ensure consistency with the RMA's purpose of promoting the sustainable of natural and physical resources and enabling people and communities to provide for their social, economic and cultural wellbeing and for their health and safety.

In promoting the sustainable management of the NWRA, the function of the area and land uses identified should support people's social and economic wellbeing while sustaining the potential of natural and physical resources. This includes the groundwater resource and versatile/ productive soils to meet the reasonably foreseeable needs of future generations.

The land uses identified as appropriate through the review should also support the health and safety of the population by avoiding the development of activities in the NWRA that are sensitive to noise. The 50

dBA Ldn airport noise contour defines the boundary within which noise sensitive activities including residential should be avoided.

The other elements to consider in ensuring the sustainable management of the NWRA include the need to

- preserve the natural character of rivers and their margins, which should be reflected in the planning of development adjacent to waterways such as the Styx River.
- protect historic heritage, including buildings that reflect the history of the area as is evident in Blocks B and C
- Recognise the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu (sacred places) and taonga (cultural treasures)

- Local Government Act

The Local Government Act provides for local authorities to play a role in promoting the social, economic, environmental, and cultural well-being of their communities, taking a sustainable development approach. In providing for the social and economic wellbeing of the community, Council will provide essential services to enable further development.

The existing and future provision of infrastructure needs to be considered in review of the NWRA, having regard to the efficiencies of servicing areas, the timing of infrastructure upgrades and the funding implications.

Council also has a responsibility to apply consultation principles under the Local Government Act and in doing so, it needs to ensure it understands the views of the community, consider these views and decides how the matters raised can be addressed. Consultation with the public on the NWRA has provided a range of views, which are being considered in determining the appropriate land use activities in the NWRA.

- National Policy and Standards

National Policy Statements (NPS) and National Environmental Standards (NES) provide direction at a national level on a range of environmental matters. The following are of relevance to the NWRA -

Freshwater management (NPS)

The recommendations on the NWRA should be consistent with the NPS's objectives of maintaining or improving the overall quality of water and safeguarding the life-supporting capacity of freshwater. In achieving this, adverse effects on surface waterways and groundwater resources beneath the NWRA should be avoided or otherwise mitigated. Effects of development within the NWRA can have downstream effects if not appropriately managed through the use of buffers and treatment of stormwater as part of a catchment wide approach.

Electricity transmission (NPS and NES)

The NPS on Electricity Transmission requires the Council to manage adverse effects caused by development near high-voltage transmission lines. Transmission lines run across Blocks A and B and therefore development in these blocks would need to be set back an appropriate distance to avoid effects on the operation, maintenance and upgrade of the lines.

Assessing and Managing Contaminants in Soil (NES)

The NES requires the identification and assessment of contaminated land to ensure remediation and management is undertaken before development. There are a number of known or potentially contaminated sites in the NWRA. Any area identified for development will require further investigation and if appropriate remediation to enable its development.

Sources of Human Drinking Water (NES)

The NES requires consideration of the effects of land use activities on drinking water supplies and the risk of contamination, which is particularly important in the NWRA. Beneath the NWRA are groundwater resources that provide drinking water to Christchurch residents. There is a need to avoid activities that may compromise groundwater quality including the storage and use of hazardous substances.

Regional

- Operative and Proposed Regional Policy Statements (RPS)

The Canterbury Regional Policy Statement (RPS) was made operative in June 1998. The RPS provides an overview of the resource management issues of the Canterbury region and sets out the objectives, policies and methods to address those issues. The Proposed Regional Policy Statement has been subject to hearings with decisions released on the 21st July 2012. With appeals limited to points of law, significant weight can be given to the Proposed RPS.

The following objectives from the decisions version of the Proposed RPS are particularly relevant to the NWRA

- Development is to be located and designed to achieve a consolidated, well designed and sustainable growth in and around existing urban areas (Objective 5.3.1). In the context of the NWRA, development should be adjacent to the existing or proposed urban activities, encouraging consolidation
- Development is to be compatible with and result in the continued safe, efficient and
 effective use of regionally significant infrastructure while also avoiding, or otherwise
 remedying or mitigating effects (Objective 5.3.1). It is therefore necessary for development
 in the NWRA to not compromise the function and operation of SH1 and Christchurch
 International Airport.
- Development should also avoid adverse effects on natural and physical resources, or where
 avoidance is impracticable, remedy or mitigate effects. The explanation describes such
 effects as a change from rural to urban activities leading to the loss of a resource. In the
 context of the NWRA, the loss of highly versatile/ productive soils as a result of
 development is an issue and there is a need to consider alternative locations that urban
 activities could occur in the NWRA to avoid adverse effects.
- The region's freshwater resources are to be sustainably managed to enable people and communities to provide for their economic and social well-being while ensuring the lifesupporting capacity of freshwater is safeguarded (Objective 7.2.1). In the context of the NWRA, there is a need to ensure adverse effects on the groundwater aquifers are avoided through controlling the activities that are provided for in the area.
- The natural character values of rivers and their margins are to be preserved and these areas
 protected from inappropriate subdivision, use and development and restored or enhanced
 where appropriate (Objective 7.2.1). As discussed earlier, a number of waterways including
 the Styx River run through the NWRA and there is a need to protect and where possible,
 restore the riparian areas

- Proposed Change 1 and Chapter 12A of the RPS

On 28 July 2007, PC1 to the RPS was publicly notified. PC1 gives effect to the Greater Christchurch Urban Development Strategy and provides a strategic approach to managing growth across Greater Christchurch. PC1 defines urban limits for Christchurch City and surrounding townships and within the

urban limits identifies areas for future residential and business growth. In respect of the area referred to as the NWRA, the notified version of PC1 identified

- all of Block A outside the urban limits;
- most of Block B outside the urban limits, except for a small area in the south of the block which
 was included in the residential greenfield area CW1 Russley. CW1 had a total household
 allocation of 360;
- Block C outside the urban limits;
- a part of the eastern area of Block D within the residential greenfield area CN3 Upper Styx (CN3 had a total household allocation of 2470 under Policy 6);
- all of Block E of the NWRA within the residential greenfield area CN2 West Belfast.

Subsequently, Variation 4 to PC1 was notified, which proposed a revised airport noise contour, removal of the residential greenfield area, CN2 (Block E) and a change to the Urban Limit, putting the majority of the NWRA outside the urban limits.

In December 2009, after hearings on submissions, the decisions on PC1 were notified. Those decisions identify the NWRA as a Special Treatment Area 1 (STA1) within the urban limits. The Council had lodged an appeal on this aspect of PC1 and sought that it be identified outside the urban limits with provision for 100 ha of business land. The 100 ha would be deemed to be within the urban limits upon the completion of this review.

Land between Memorial Ave and Avonhead Road (Known as the MAIL site) was excluded from the STA1 and identified as a greenfield area for business (CB8 comprising 19 hectares).

STA's are subject to Policy 12: Special Treatment Areas in PC1, which requires the Christchurch City Council to undertake specific analysis and planning of the STA1 area to determine the medium and long-term sustainable future of the area affected by airport noise and then to provide appropriate zoning or other provisions for the area.

PC1 was subject to appeals to the Environment Court up til October 2011 when PC1 was revoked and Chapter 12A and Chapter 22 were inserted into the Operative RPS by the Minister of Earthquake Recovery under Section 27 of the Canterbury Earthquake Recovery Act.

Chapter 12A closely resembled the decisions (December 2009) version of PC1. In respect of the NWRA, STA1 was renamed the 'North West Review Area' and was annotated on Map 1 of Chapter 12A as a Policy 15(f) area.

The geographic boundary of the NWRA reflected the boundary of STA1 but unlike the STA, the NWRA was outside the urban limits. Chapter 12A also included the NWRA in Table 3: *Business Land Areas for Greater Christchurch 2007-2041*, with a total maximum area of 100 hectares for business, dependent on the outcome of a review (this Review). A note below Table 3 of Policy 6 in Chapter 12A stated that the area identified for business in the NWRA as a part of the review would be deemed to be within the urban limits.

An application for judicial review of the Minister's decision to revoke PC1 and insert Chapters 12A and 22 into the RPS was lodged and subsequently granted on 24 July 2012. The effect of this ruling was for the Minister's decision to be set aside and for outstanding appeals on PC1 to the Environment Court to be reinstated.

While the High Court's decision has subsequently been appealed to the Court of Appeal and there is therefore the possibility of Chapters 12A and 22 being reinstated, the current policy document for managing the future growth of Greater Christchurch and of relevance to the NWRA at the time of preparing this report is the decisions version of PC1 December 2009. This effectively means that the area known as the NWRA is a Special Treatment Area and lies inside the urban limits.

While PC1 and Chapter 12A are the subject of appeals to Environment Court and Court of Appeal respectively, there is considered to be a need to review the NWRA regardless of the Courts decisions. It

is an important area in the context of Greater Christchurch due to its location and the natural and physical resources in the area that requires a strategic approach to planning its future use.

Chapter 22

As stated above, the Minister of Earthquake Recovery inserted Chapter 22 into the RPS in October 2011. Policy 2 of that chapter sought to avoid noise sensitive activities within the 50 dBA Ldn airport noise contour to avoid effects on the operation of Christchurch International Airport. Noise sensitive activities were defined as:

- Residential activities other than those in conjunction with rural activities that comply with the rules in the relevant district plan as at 23 August 2008;
- Education activities including pre-school places or premises, but not including flight training, trade training or other industry related training facilities located within the Special Purpose (Airport) Zone in the Christchurch District Plan or on other land used or available for business activities;
- Travellers accommodation except that which is designed, constructed and operated to a standard that mitigates the effects of noise on occupants;
- Hospitals, healthcare facilities and any elderly persons housing or complex.

The same definition is in PC1. In the wider context of a review of land for development (Policy 16(e) of PC1), "Noise Sensitive Activities" within the 50 dBA Ldn noise contour should be managed so as to not compromise the operation of Christchurch International Airport.

Canterbury Natural Resources Regional Plan

The Canterbury Natural Resources Regional Plan (NRRP) became operative in June 2011. The Water Quality and Water Quantity chapters of the NRRP are of particular relevance to the NWRA as the area is underlain by unconfined and semi-confined aquifers. The objectives and policies in the NRRP emphasise the importance of ensuring the continued supply of water to the aquifers as well as protection of Canterbury's groundwater and surface water resources.

The principle objective guiding the management of groundwater is WQL4(1), which states 'the quality of Christchurch groundwater is maintained or enhanced as far as practicable in its overall high quality state in the long term'. The explanation to this objective describes the potential for intensification of land use activities over the recharge area to give rise to adverse effects if not appropriately managed.

The NRRP identifies 'Christchurch Groundwater Protection Zones', the most vulnerable parts of the groundwater system which are a principal source of drinking water for Christchurch City. The explanation to policies on the Groundwater Protection Zone describe Zone 1, which the majority of the NWRA is within, as being particularly vulnerable to potential adverse effects arising from land use activities.

The explanation notes that uncontrolled land use intensification *may* increase the likelihood of adverse effects from contaminants entering groundwater. The types of land use activities that are noted as having potential to adversely effect groundwater include inappropriate waste disposal practices, accidental spillage and increased amounts of wastes such as sewage and stormwater. The explanation does not state that urban growth not involving hazardous substances etc. is to be avoided, rather that it should be properly managed.

Territorial authorities are directed to prevent, avoid or mitigate adverse effects on groundwater quality as appropriate to the circumstances, managing any potential adverse effects from land uses that may be established.

The most challenging rule for urban development in the NWRA is Rule WQL36, which limits the amount of excavation that can occur if excavation is over 5 metres in depth or goes into groundwater in Protection Zones 1, 1A, 1C, 1D or 2. However urban development in the NWRA is only likely to contravene this rule if deep excavation involving volumes in excess of 100m^3 were necessary. These depths and volumes are considered unlikely through much of the study area for a wide range of activities under consideration.

A further issue for consideration is the potential for increased urbanisation of the NWRA to reduce the amount of recharge percolating to the aquifers through an increase in impermeable site coverage. However, no assessment has been made on the contribution of the NWRA to recharge quantities. Best practice stormwater management would have a large influence on the amount of stormwater able to be returned to the aquifer as a result of any specific development in the NWRA.

As part of a plan change, there is scope for further consideration of an impermeable surfaces rule in the City Plan in conjunction with rules in the NRRP which already adequately address stormwater management specifically for this area.

Recovery Strategy for Greater Christchurch

The Recovery Strategy, prepared under the Canterbury Earthquake Recovery Act 2011, came into effect on 1 June 2012. The Recovery Strategy has statutory effect and sits alongside other statutory documents such as the City Plan. There is a need to ensure consistency with the Recovery Strategy. The review of the NWRA while not directly related to recovery, will support the achievement of goals in the strategy including —

• Revitalise greater Christchurch as the heart of a prosperous region for business, work, education and increased investment (Economic Recovery)

While the review of the NWRA commenced before the earthquakes, the identification of areas for industrial business development will assist with the recovery of Christchurch. There are indications of demand for land in the western part of the City as businesses look to relocate due to damage to land and/or buildings in the east. There is also potential demand for land associated with the rebuild of Christchurch, particularly from the construction and manufacturing sectors. The identification of land for business will assist in meeting this demand, providing capacity for growth and investment.

• Develop resilient, cost effective, accessible and integrated infrastructure, building, housing and transport networks (Built Environment Recovery)

The goals of this programme include zoning sufficient land for recovery needs and coordinating and prioritising infrastructure investment.

The review of the NWRA will provide the opportunity for the identification of land for business development including companies displaced due to the earthquake and other activities, while protecting natural and physical resources for future generations.

Christchurch

Christchurch City Plan

The Christchurch City Plan's (2005) overall objective is the sustainable management of natural and physical resources of the Christchurch environment. The relevant outcomes sought by the City Plan include

- Adequate provision of a quality water supply
- Protection and enhancement of the diversity and integrity of ecosystems, and important heritage buildings, places and objects

- Avoiding, remedying and mitigating adverse environment effects of resource use and activities upon valuable resources
- Enabling opportunities for environmentally sound growth and development
- Fostering and promoting amenity values which contribute to the City's pleasantness and aesthetic coherence
- Encouraging diversified economic activity to reduce economic vulnerability
- Encouraging more efficient use of resources, notably land and existing structures in the City.

Objectives in the City Plan seek a form of development that maintains and enhances natural and physical features and characteristics. The relationship between the natural and physical features is described as creating the form of the City, which is to be achieved through encouraging diversity and maintaining the form, character and coherence of each area.

In ensuring consistency with objectives and policies in the City Plan, there is a need to retain the rural amenity of the NWRA, protect groundwater recharge areas and versatile soils and manage urban growth to avoid adverse effects on these natural resources. Growth is to be managed through consolidation of urban areas, which in the context of the NWRA is a pattern of development that avoids isolated and dispersed patterns of urban growth. There is also a need to ensure the airport's operation is not impeded by development in the NWRA.

While the area is subject to review, the current zoning of the NWRA is a starting point for planning the area. The majority of the NWRA is zoned Rural 5 (Airport Influences) or Rural 3, the latter extending over the eastern part of Block D and all of Block E. The purpose of the Rural 3 and Rural 5 Zones is to provide for the continuation of primary production, reflecting its historical use. The Rural 5 zone is also intended as a buffer where land use activities are to be managed to avoid compromising Airport operations and development.

The zone standards for the NWRA generally permit residential dwellings on sites no less than 4ha in area, which constrains the number of dwellings that can locate in the NWRA, thereby minimising potential for reverse sensitivity effects on the airport's operation and protecting the amenity of residents.

The standards restrict site coverage and require large setbacks from allotment boundaries to encourage the sense of spaciousness and visual amenity levels that are consistent with promoting the maintenance and enhancement of rural amenity and character. These standards also support the objectives and policies of the City Plan in regards to protecting versatile soils and the groundwater recharge area.

Belfast Area Plan

The Belfast Area Plan, adopted by Council in 2010 provides direction for managing growth in the Belfast area while maintaining and enhancing natural and physical resources. The area plan covers the entirety of Block E and a part of Block D of the NWRA, and refers to the status of both Blocks as a Special Treatment Area consistent with PC1. The Area Plan identifies the need for a buffer along the Styx River, consistent with other plans and strategies.

Styx River - relevant policies

- Styx Vision 2000 - 2040

The Styx Vision 2000 – 2040, adopted by Christchurch City Council in July 2001, provides visions for the future management of the Styx catchment, which a large area of the NWRA is within. A vision is for a 'Source to Sea experience' of reserves, which can be supported through the identification of land as esplanade reserve to protect riparian areas, and subject to funding, enhance the ecological, landscape and Tangata Whenua values.

- Styx River Stormwater Management Plan

A Stormwater Management Plan has been prepared to enable an integrated approach to the management and treatment of stormwater from the Styx catchment. The plan forms part of an application for resource consent to be submitted to the Regional Council in September 2012 to enable the discharge of stormwater from the NWRA to be approved under Council's application, pursuant to Rule WQL7 of the Natural Resources Regional Plan.

3.4 Summary

This section has provided an overview of the policy framework to inform recommendations on the function of the NWRA and land uses appropriate in the NWRA. Key points emerging from the policy framework include -

- Development should support the objective of urban consolidation by being contiguous with existing or proposed residential and business areas
- Groundwater and surface water quality is to be maintained or enhanced by avoiding adverse effects of land use changes
- o The natural character of rivers and their margins is to be maintained and enhanced through the identification and acquisition of land
- Versatile soils are to be protected where appropriate for future generations
- Development should not compromise the safe, efficient and effective operation of the strategic road network
- o Adequate provision is to be made for sewage disposal from new development while maintaining public health and minimising adverse effects on the environment
- There is a need for the adequate provision of a water supply to new developments that is reliable and safe for human consumption
- Land use activities do not have an adverse effect on the operation and development of Christchurch International Airport

Further analysis of the policy framework is provided in Section 6, which considers the appropriate of different land use activities.

4.0 Consultation

4.1 Introduction

The Council is to undertake "specific planning investigations in relation to the three Special Treatment Areas (including the NWRA) in conjunction with landowners within the areas and other stakeholders" (Policy 12, PC1).

The Christchurch City Council undertook consultation with land owners, occupiers and interest groups in the NWRA at an initial stage in the review. Views were sought on the future development potential and types of land use activities sought in this fringe location.

The following section describes the process and key findings from the consultation.

4.2 Consultation Process

The community had the opportunity to provide their feedback and input by attending drop-in sessions, sending in feedback and contacting project staff directly.

Consultation with the community comprised the following:

- Presentations to Community Board(s) and meetings with other stakeholders including NZTA,
 Christchurch International Airport Limited (CIAL) and Tait Electronics from early 2011.
- An information pamphlet was sent to landowners and key stakeholders for input/submissions on the 4th July 2011.
- A 'Drop In' session was held at the Harewood Community Hall on the 13th July 2011.
- Input/submissions on the NWRA closed on the 5th August 2011.

There were three aspects of the "review" that the public were asked for their feedback on including

- What would people like to see retained or changed in the North-West Review Area over the next 30 years?
- What level of development should take place?
- Where should development be located?

4.3 Summary of Key Findings

General findings

A total of 87 submissions were received within the submission period. Of the 87 submissions, 64 submissions came from individuals or couples. This was followed by Corporations and Organisations with 8 and 5 responses respectively. Of those who responded, 71 out of the 87 submitters (82%) were residents in the area.

Feedback from the consultation is summarised below

What to Retain?

The key findings from community and stakeholder feedback indicate a desire to retain the areas' rural character and amenity, respondents valuing the sense of openness and spaciousness. There was also support for the retention of a buffer between rural/urban and residential/airport.

Change

There was also support for change over the next 30 years with an increase in development. While there was recognition of the airport noise contour acting as a constraint to residential activities, submitters sought a change from the 50 dBA Ldn airport noise contour to the 55 dBA Ldn noise contour to enable residential development. There was also a desire for the minimum net area for a residential unit to be reduced. However, there was little consensus on what the minimum lot size should be.

There was support for land to be identified for business. It was suggested that business development was most appropriate alongside or as an extension of existing business/commercial areas on Wairakei Road or to compliment the existing developments on the Airport land near Russley and Johns Road.

There was also support for the intersection of Memorial Ave/Russley Road to be a prominent gateway, reflecting the 'Garden City' theme. Improvements were also sought to the Johns Road /Russley Road corridor with planting on the roadside to enhance the visual amenity and to provide a visual buffer between the City and the airport. Other points raised included the need for traffic effects to be managed and support for pedestrian and cycle facilities.

4.4 Summary

The results from Council's consultation process indicate that the community want to protect and retain the rural character of the area and for it to act as a buffer between residential areas and the airport. There was also support for change and development within the area. While the airport noise contour was recognised as a constraint to development, there was support for a reduction in section sizes to enable residential development. Business development was also supported as an extension of existing areas.

5.0 Function of the North West Review Area

The majority of the NWRA currently serves a purpose of providing for ongoing primary production while ensuring land use activities are managed to avoid compromising airport operations and development. The long term role of the NWRA for rural activities was questioned in hearings on PC1, the commissioners recommendations (and Regional Council's decisions) stating that it was not an "appropriate resource management treatment to leave this land exclusively as rural land over the next 35 years". Having regard to this decision, which has necessitated a review, it is not appropriate for the current zoning to be retained.

The NWRA continues to be an area where activities need to be managed to avoid compromising airport operations and development, reflecting PC1 and Chapter 12A that identify the area within the airport noise contour. In this context, the NWRA will continue to serve as a buffer to support the long term operation and development of the airport while protecting people from adverse effects.

Its location on the fringe of the City and surrounded to the west by the airport warrants a different approach relative to other areas on the edge of Christchurch. Its location parallel with SH1 the NWRA a role as a part of a strategic corridor while also being a gateway to and from Christchurch, whether it be for travellers bypassing Christchurch or those arriving or departing Christchurch from the International Airport.

As an area on the fringe of Christchurch, the NWRA also benefits from close proximity to established residential and business areas and could serve a function of providing for land use activities that serve these areas i.e. open space, community facilities.

The natural resources in the NWRA are also a factor in determining its function. While the decisions on PC1 stated that it is not appropriate to leave the land exclusively in rural use, it remains an area of highly versatile and productive soils beneath of which is the groundwater resource serving the water supply needs of Christchurch and land uses above.

The historical use of the area for agricultural and horticultural activities has given the NWRA a different character relative to other parts of the City with open areas interspersed with shelterbelts and trees that provide prominent features on the landscape. These values need to be recognised in the development of the NWRA.

Having regard to the values of the area, its location and the conclusions on PC1, the function of the NWRA is considered to be as a 'Rural Urban Fringe'. An rural-urban fringe location is regarded as the transition between urban and rural areas that provides for activities typically associated with an periurban area while retaining its openness and vegetation. A rural-urban fringe area is characterised by certain land uses, which have either purposely moved away from the urban area, or require much larger tracts of land for example:

- Utilities and public facilities e.g. waste transfer stations and recycling facilities
- Recreation and tourism facilities and activities,
- Industries associated with rural produce
- Lifestyle blocks

The types of activities that are considered most appropriate in the NWRA are assessed in the next section. However, it is not expected that the area will undergo significant change with the exception of areas identified for industrial business use. While the Commissioners on PC1 concluded that its long term use was not exclusively in rural use, there are parts of the NWRA that continue to support rural activities that utilise the high quality soils and continuation of these activities should be provided for. This is reflected in submissions from landowners who sought the continuation of agricultural and horticultural activities in the area.

6.0 Land Use options for the North West Review Area

The decisions on PC1 state that "the area (NWRA) has been included in the Urban Limits to enable a consideration of the future of the area for <u>urban-related</u>, <u>predominantly non-noise sensitive activities</u>"</u> (Para. 10). The decision goes on to state in paragraph 401 "That might range from the type of rural-residential or large lot activity envisaged in the Robinsons Bay Trust decision as not affecting the ongoing protection of the Airport because of its relatively low level of residential households, through to large recreational sportsfields or the more business-related type of activities which have increased over recent years in that area between the airport and the urban fringe area".

The following section considers the range of land uses including

- Business (including industrial, retail, offices)
- Noise sensitive activities including Residential, Education, Health facilities
- Travellers/ visitor accommodation
- Rural residential

- Community facility/ meeting venue
 Open Space
- Sport/Recreation
 - o Aquatic facility
- Gravel Extraction

6.1 Business

PC1/ Chapter 12A of the RPS identifies greenfield areas for business to meet future long term needs across the City and Greater Christchurch. Chapter 12A as inserted into the RPS by the Minister of Earthquake Recovery identified a maxima of 100 ha for the NWRA, which provided a starting point to the review of business land.

In terms of the types of business uses appropriate in the NWRA, the Commissioners in their recommendations (and the Regional Council's decisions) on PC1 determined that there was not sufficient information for conclusions to be reached on the preferable long-term uses of the NWRA and it was the Council's role. However, suggestions were made in PC1 decisions of what types of industries may be appropriate —

We anticipate there will be parts of the area, probably more particularly to the north, where heavier industries have developed adjacent, which may be considered suitable for dry heavier industries, limited to those which do not pose a risk to the aquifers in the area. There will be other parts closer to the airport itself which may be suitable for some light industries including storage.

Chapter 12A/ PC1 defined 'Business' or 'Business activities' as "Retail, office, industrial and other commercial and any ancillary activity". A range of potential business activities have therefore been identified for the purpose of this assessment, which are considered below -

- Industrial
- Retail
- Office
- Rural business activities

Industrial

The City Plan currently has an objective for a wide range of industrial areas across the City, accommodating "a diversity of appropriate business activities, where adverse effects are avoided, remedied or mitigated".

The industrial business zones (Business 3 to Business 8) enable the establishment of industrial activities across the City, with provisions for each zone recognising the constraints specific to each area, for example, the use and storage of hazardous substances in the Business 8 zone. There are also limitations on offices and retailing in some industrial zones for a number of reasons including -

- The primary role of industrial zones is to provide for industrial businesses, some of which are only appropriate in industrial areas due to the actual or potential effects on other land uses and the amenity sought in other areas
- The location of industrial zones in areas that are less accessible by public transport makes them less appropriate for activities generating a significant number of trips
- The Central City and other suburban centres are focal points for activities and where retail and office activities are encouraged

A technical paper has been prepared by the Council³, which concludes that the appropriate quantum of land that should be provided for industrial business activities is 100 ha. The findings are based on an assessment of vacant industrial land (unoccupied by buildings) across the City, which identified 271 ha of vacant zoned land in the industrial business zones as at June 2011 (including greenfield areas identified in Chapter 12A that have been rezoned in the City Plan). An additional 164 ha has been rezoned for industrial business purposes up to August 2012. This indicates a significant quantum of supply across Christchurch City.

Further analysis of the data indicates that a proportion of vacant land is occupied for storage and other activities, the actual amount of unutilised land being closer to 300 ha. An additional 285 hectares is identified in PC1/ Chapter 12A of for greenfield business activities in Christchurch City to 2041. However, damage to land as a result of the earthquakes, particularly in the eastern suburbs may mean that some vacant business zoned land is unsuitable to build on in the future, necessitating additional land to be provided for industrial activities.

A reconciliation of supply with take up rates by zone and geographic area identifies the potential for a shortfall in supply in some parts of the City including the Business 4 and higher amenity Business 4T zone at Russley. A summary of the supply in years is presented in Table 2 below.

Table 2 Number of years supply of industrial land by zone and geographic area

	- Vacant Utilised ⁴	- Vacant Un-utilised	Take up per year	Years supply - Vacant Utilised	Year supply - Vacant Un-utilised
Business 3	4.57	1.43	0.08	57	18
Business 3B	2.33	1.04	0.11	21	9
Business 4					
East	2.23	0.25	0.09	25	3
South East	23.33	17.07	1.82	13	9
South West	16.76	4.15	1.03	16	4

³ North West Review Area Business Land Report August 2012

⁴ "Vacant – utilised" is land that is unoccupied by buildings or designated as road or reserve, and may be developed in the future. It may currently be used for storage or other purposes., and may be developed in the future. It may currently be used for storage or other purposes. "Vacant Un-utilised" is land that is not used for any purpose.

North	4.78	3.72	0.62	8	6
North west	2.18	2.18	1.32	2	2
West	51.6	47.89	2.11	24	23
Inner suburbs	0.31	0	0.12	3	0
B4 Subtotal	101.19	75.27	7.12	14	11
Business 4P	5.33	3.76	0.14	38	27
Business 4T	0.76	0.76	0.49	2	2
Business 5					
East	13.88	4.88	1.08	13	5
South East	10.18	4.8	0.6	17	8
South West	102.12	58.98	3.87	26	15
South	4.56	4.56			
North	6.86	6.86	0.47	15	15
West	17.97	9.96	3.17	6	3
Inner					
suburbs	0.25	0.07			
B5 Subtotal	155.8	90.1	9.71	16	9
Business 6	57.45	53.18	2.16	27	25
Business 7	28.24	7.12	0.64	44	11
Business 8*	80	80			
Total (ha)	435.67	312.64			

^{*} Historical take up rates for Business 8 zoned land are not available as it is a new zone

As discussed above, areas identified as vacant may not be suitable for development; attractive to business; or available to the market. This may be for a number of reasons including but not limited to –

- the availability of allotments of a suitable size
- the availability of infrastructure
- current activities on zoned land or in the vicinity
- land banking of properties by a single or multiple landowners

The availability of infrastructure is a key constraint to industrial activities in some zones including the Business 6 zoned areas at Chaneys and north of Johns Road, between Sawyers Arms Road and Greywacke Road, and Business 7 zone at Wilmers Road all of which have no reticulated wastewater infrastructure. This limits the types of activities provided for in these areas to dry industry that has no discharge of wastewater (or trade waste).

It is also evident from an assessment of industrial land supply that some areas are not suitable for industrial activities that discharge large volumes of wastewater, particularly the south west of Christchurch. There are limitations on the discharge of wastewater from areas rezoned in Islington (80 ha) and South Hornby (42 ha) due to the presence of the unconfined aquifer, the need to maintain and enhance surface waterways, and the distance and associated cost of transporting wastewater to the treatment plant at Bromley. These factors are also applicable to areas identified for future business growth in the south west that are yet to be rezoned and the NWRA.

Demand for land in areas such as the eastern suburbs that enables large volumes of wastewater to be discharged may result in increased costs for land, forcing dry industries that currently occupy these areas to relocate to areas such as the NWRA.

There is anecdotal evidence of increased demand for land in the west of the City as businesses need to relocate from eastern areas due to earthquake damage to land and/or buildings. There is also displaced demand expected from the inner suburbs as they reach capacity and undergo change to a mix of uses envisaged in the Central City Plan.

It is expected that the rebuild of Christchurch will result in demand from construction and manufacturing sectors for land. In the longer term growth is also anticipated in the machinery and equipment manufacturing sector, with specialised manufacturing firms such as Tait Electronics already exhibiting a strong presence on the edge of the NWRA at Wairakei Road. The greatest potential for growth can be achieved through the integration of agriculture, specialised engineering and ICT sectors according to a recent report on 'Employment Opportunities in Canterbury' (2011).

The airport is a significant node of economic activity directly adjacent to the NWRA that will generate demand for business land in the surrounding area including the NWRA, which is discussed below.

Having regard to the shortage of vacant industrial land in some areas and potential demand for industrial land, it is considered necessary to provide sufficient capacity for business growth in the North West.

The background report on business land identifies a number of strengths that make the NWRA appropriate for industrial business activities including its location adjacent to and accessible to the strategic road network (SH1 and SH73) and in close proximity to the airport for international markets and airport related business. This is reflected in the strong presence of transport, postal and warehousing, manufacturing, administrative and support services, and rental, hiring and real estate services in the surrounding area.

Other strengths of the NWRA for industrial business activities include -

- A number of east west routes providing access to the Central City, suburban centres and other parts of the City
- Existing industrial areas and a Technology Park on Wairakei Road, which could be extended and provide for efficiencies
- Proximity to rural areas with potential demand from industries that depend on rural activities;
- Bus routes that can be extended;
- High levels of amenity for business
- Ability to operate within the airport noise contour which constrains a number of other activities.

The suitability of different parts of the NWRA for industrial business activities is considered in Section 7.0.

- Christchurch International Airport

Christchurch International Airport is a significant node of economic activity. Future growth in passenger numbers and freight volumes, both domestic and international, will inevitably result in increased demand for land in the airport and in the surrounding area for airport related activities including cargo and freight, airline and airport related services e.g. car rental.

There will also be secondary benefits of growth in passenger and freight volumes for other industries that makes a location in close proximity to the airport attractive. Likewise, business development in close proximity to the airport will result in increased growth of the airport e.g. companies whose staff and/or customers are frequent travellers will contribute to growth in passenger numbers that has spin-off effects for airport related activities.

The following provides an overview of the zoning of the airport as a Special Purpose zone and the role of Dakota Park in accommodating demand from airport and non-airport related businesses.

- Special Purpose (Airport) zone

The airport land (approximately 720 ha) is currently zoned Special Purpose (Airport) Zone (SPAZ), which provides for airport related activities, the zone's purpose being for "activities clearly associated with operations and associated functions of the airport and aviation" (Section 1.3, Part 8 City Plan). There is a large quantum of vacant land in the Special Purpose Zone, which supports cargo and freight companies that would otherwise locate in industrial business areas of the City.

Reasons for rules limiting the scope of activities is to avoid the potential for pressure on the limited land resources available for airport activities within the zone and resultant pressure for expansion of the zone into the surrounding rural area.

In the *Christchurch International Airport Master Plan 2006* (which is an external document, not incorporated into the City Plan), two areas are identified in the SPAZ for cargo and freight handling related activities (114 ha). One of these areas, Dakota Park (80 ha or 11% of the total area within the SPAZ), is undergoing development as a 'Cargo and Freight zone' (refer to Map 15). Access to Dakota Park is proposed direct from Russley Road (SH1), reflecting an agreement between Christchurch International Airport Limited and the NZTA.

Since July 2009, four applications for non-airport related development in the SPAZ at Dakota Park have been granted, which reflects the demand from non-airport related companies for a location close to the airport.

The most recent decision issued in August 2012 for a data storage facility in the SPAZ highlights the issue that has emerged of a range of business activities being sought within the airport that are not consistent with the purpose of the airport zone. The Commissioner stated that

"I note that almost all businesses probably make some use of the airport from time to time and this is not enough to bring them within the purpose and meaning of this zone. I have approved this application only because the area known as Dakota Park is such a small part of the airport itself, and an even smaller part of the business areas of Christchurch that it cannot possibly have a significant effect upon the integrity of the City Plan's Business Objectives and Policies"

The Commissioner's decision on the first application for two warehouses and ancillary offices (for RECALL) reached similar conclusions in stating that

"Effects on the environment will be minor... the proposal is not contrary to the objectives and policies of the plan viewed overall, the proposal has some synergy with (a) location near an airport and... involves only a small part of the overall zone"

The Commissioner noted that the zone's purpose was not supported by 'any clear objectives and policies for the zone' and "if the Council wishes to "... prevent a wide range of activities ... having little or no relationship to the airport, becoming established" in the SPAZ then it needs to amend its plan to include such a policy and to more clearly set out the objectives for the zone. It is not sufficient to rely on non zone policies to achieve that outcome". Similar conclusions have been reached in subsequent decisions on resource consent applications in the "Cargo and Freight zone" at Dakota Park, which have all stated "The absence of a policy framework to justify the activities approach adopted for the airport provides no legal framework which would lead me (the Commissioner) to consider that it will undermine the integrity of the City Plan".

Decisions have also indicated that a precedent has been established by the RECALL development, notwithstanding further applications for non-airport related activities at the airport needing to be assessed on their own particular merits.

The most recent decision on an non-airport activity in the SPAZ included an addendum from the Commissioner, which stated as follows -

"...At some point cumulative effects are going to become apparent. In my judgement that point has not been reached yet. It may well start to occur if CIAL starts to develop more of its site for business activities. I recommend that Council gives some consideration to this issue, and that these comments be forwarded to the Strategy and Planning Department of Council."

There is a need for a planned approach to the development of activities in the airport zone and need to avoid an ad-hoc approach to non-airport related development, particularly given the consents granted to date. These factors and the absence of a policy framework to support the purpose of the zone demonstrates that need for Council led plan change, particularly in light of the parallel NWRA investigations. A plan change could enable a clearer policy framework to be provided for the SPAZ, which could also include a review of the rules prescribing activities permitted within the SPAZ.

The review of the NWRA and airport need to be dealt with in a comprehensive way given the potential for each area to support similar business activities in the future and the issues that need to be considered in planning each area, for example, groundwater and noise. The airport is part of the same geographic context as the NWRA, with a road being the only boundary between the two areas, and is part of the same local economy.

The assessment of industrial land highlights demand for industrial land associated with the rebuild and relocation of businesses since the earthquakes; and it is necessary to provide sufficient capacity for growth over the next 25 years with certainty. Consideration should therefore be given to the role of Dakota Park in providing for a wider range of industrial activities including airport related activities, the logistics sector and other activities seeking a location in proximity to the airport.

The NWRA to the immediate east of the airport could provide capacity to accommodate some of the development growth generated by the airport. The location of the NWRA a short distance from airport facilities including cargo and freight areas as well as other airport related businesses gives the area a distinctive role relative to other parts of the City.

HUTURE ROAD

SALESTEE

CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

Map 15 Subdivision Plan of Dakota Park within the SPAZ

Retail

The policy context of PC1 to the RPS (and Chapter 12A) and the City Plan provide a clear direction on the location of retail activities. PC1 identifies Key Activity Centres as the focal point for economic investment, business activities and the intensification of residential activities. Policy 5 of PC1 states that Council is to "ensure that commercial activity outside of the Key Activity Centres, other than local service activities, including local retailing, does not adversely affect the function, vitality or amenity of the Key Activity Centres ...".

A goal of the Recovery Strategy is to revitalise Greater Christchurch ...by "planning for a well-functioning Christchurch central City, thriving suburban centres ...", which is consistent with PC1/ Chapter 12A. The goal for economic recovery is supported by the vision of the Christchurch Central Recovery Plan that "Central Christchurch will become the thriving heart of an international city..."

The Central City is given primacy in the City Plan as the "principal focus for a diversity of business, accommodation, community and cultural activities" (Objective 12.2 Role of Central City). This is to encourage the consolidation of CBD activities including retail uses in the Central City to support its recovery.

The policy framework in the City Plan supports a centres based approach, objectives and policies encouraging consolidation in existing commercial centres while ensuring that the vitality and amenity of existing centres is not adversely affected by new retail activities in other locations (Objective 12.1 and policy 12.1.2 Distribution of Commercial Activity). The explanation to Policy 12.1.2 indicates that commercial activity outside of identified commercial centres has the potential to create adverse effects of both local and strategic (or wider) significance.

Objectives and policies on urban form (Section 4, Part 2) also support a pattern of land use that 'promote and reinforce a close proximity and good accessibility between living, business and other employment areas' through promoting the central city as a principal focus and larger district centres as a focal point for the consolidation of activities serving the needs of their surrounding communities.

There are a number of large centres serving the north west Christchurch including Riccarton, Papanui (Northlands) and Belfast (Northwood Supacentre). Due to the proximity of these centres, there is unlikely to be a need for a large quantum of retail activity in the NWRA. This is supported by an assessment of retail and commercial needs in Northern Christchurch for Plan Change 71 (Upper Styx residential greenfield area), which concludes that "Any new centre is most likely to serve a local/neighbourhood centre function" (Market Economics 2012).

There are also a number of smaller centres including Avonhead Mall, Church Corner, Fendalton Mall; Ilam/Clyde shops; Wairakei Road shops and Bishopdale Mall. The background report on business land provides indicative catchments for these centres (See Map 16 on next page), which shows there is a sufficient distribution of retail centres across the north west.

The explanation to Objective 12.1 of the City Plan states "The function and amenity of the central city and district centres can be put at risk through the establishment of new retail activity which is similar in nature to that of the central city and district centres, and/or of significant individual or cumulative scale". Using the Council's retail gravity model, an assessment has concluded that a retail development in the NWRA would have an adverse effect on existing centres and therefore puts at risk the amenity of existing centres.

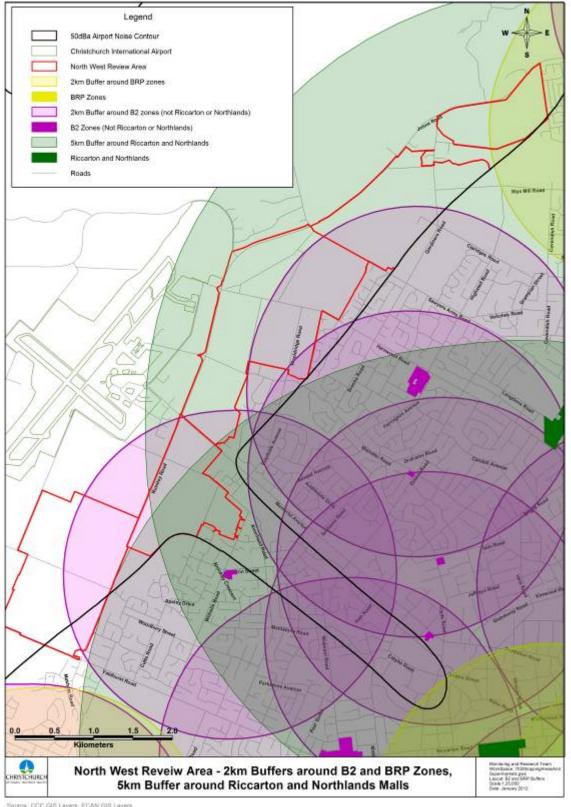
While growth areas are identified in the north west including Upper Styx and Masham areas, there is provision made or proposed for a local centre serving the needs of residents in these areas.

Therefore, it is not proposed to allow for retail activities in the NWRA or Dakota Park, unless it is ancillary to another activity e.g. café for workers in an industrial area.

-

⁵ Large format retail store of 2,000 m2 or supermarket and retail units of 2,800 m2

Map 16 Large retail centres and indicative catchments across the north west of Christchurch



Source: DCC GIS Layers, ECAN GIS Layers

Office

The policy framework of PC1/ Chapter 12A and the City Plan identifies Key Activity Centres as the focus of 'business and service activity' and investment (Objective 5, PC1). A goal of the Recovery Strategy is to revitalise Greater Christchurch ...by "planning for a well-functioning Christchurch central City, thriving suburban centres ...", which is consistent with PC1/ Chapter 12A. The goal for economic recovery is supported by the vision of the Christchurch Central Recovery Plan that "Central Christchurch will become the thriving heart of an international city..."

The Central City is given primacy in the City Plan as the "principal focus for a diversity of business, accommodation, community and cultural activities" (Objective 12.2 Role of Central City) and it is envisaged that the Central City will be the principal area for employment in Greater Christchurch in the future.

Rules provide for offices in the Central City Business zone and place limitations on the scale of office development in the surrounding Mixed Use zone (City Plan as amended by the Christchurch Central Recovery Plan). This is to encourage the consolidation of CBD activities including offices in the Central City Business zone.

The City Plan also seeks the consolidation of commercial activities in existing commercial centres, 'Commercial activity' in this context including offices (Policy 12.1.2). Larger district centres also provide for a range of activities including offices, consistent with the centres based policy framework at a regional level.

While some industrial zones provide for a range of activities including offices, regard is to be had to the "impacts on the continuing ability of the Central City and District centres to provide for the community's social and economic well being" (City Plan, Section 12, Policy 12.10.1). In giving effect to this, the scale of offices is restricted in the heavier industrial zones i.e. offices are limited to an ancillary role in all industrial zones with the exception of the Business 3B, 4 and 4T zones.

There has been an increase in the use of industrial business areas for office space since the Christchurch earthquakes. Under the provisions of the Canterbury Earthquake (Resource Management Act Permitted Activities) Order 2011, offices can be established in industrial business zones until 2016. However, a number of office based companies will continue to locate in the Business 3B, 4 and 4T zones. A review of the policy framework for offices in the post-earthquake environment may be appropriate, particularly given the potential for a shortage of supply in industrial zones. This may be due in part to a significant amount of land being occupied by offices.

In summary, it is not considered appropriate for offices to be located within the NWRA or Dakota Park in recognition of the role of the Central City and suburban centres as the focus of business development and investment. The development of offices in the NWRA could otherwise compromise the recovery of these centres.

Rural business activities

The City Plan does not currently distinguish between businesses that benefit from a rural location (but are not defined as a 'rural activity' in the City Plan) and business activities in an urban context.

The NWRA could provide for business activities in the rural zones of the NWRA that support agricultural and horticultural activities in a similar manner to the notified version of Proposed Plan Change 66, which includes the following definition of 'rural activity' -

"...businesses, research facilities and laboratories that support agriculture and horticulture activities through processing, producing, or providing goods or services directly necessary to agriculture and horticulture"

This could lead to unplanned and potentially fragmented development across the NWRA, a much larger area than the Templeton Special Purpose zone. It is considered more appropriate that 'rural business activities' are directed to areas identified for business in the NWRA. This supports the consolidation of

business activities as well as providing benefits in terms of servicing and may lead to economies of agglomeration.

6.2 Noise sensitive activities

Policy 12 of PC1 in making reference to STA1 refers to the 'area affected by airport noise'. In the wider context of a review of land for development (Policy 16(e) of PC1), noise sensitive activities within the 50 dBA Ldn noise contour are to be managed so as to not compromise the operation of Christchurch International Airport. PC1 defines noise sensitive activities as

- Residential activities other than those in conjunction with rural activities that comply with the rules in the relevant district plan as at 23 August 2008;
- Education activities including pre-school places or premises, but not including flight training, trade training or other industry related training facilities located within the Special Purpose (Airport) Zone in the Christchurch District Plan or on other land used or available for business activities;
- Travellers accommodation except that which is designed, constructed and operated to a standard that mitigates the effects of noise on occupants;
- Hospitals, healthcare facilities and any elderly persons housing or complex.

The definition was carried through into Chapter 22 inserted into the Operative RPS by the Minister of Earthquake Recovery. Policy 2 of that document sought "to avoid noise sensitive activities within the 50 dBA Ldn air noise contour around Christchurch International Airport except as provided for by Policy 1: Kaiapoi".

The City Plan seeks to 'discourage noise-sensitive activities within the 50 dBA L_{dn} noise contour around Christchurch International Airport' (Policy 6.3A.7). The explanation to the policy states that 'in general, the 50 dBA L_{dn} contour should mark the limit of noise sensitive activities in the direction of Christchurch International Airport. Between 50 dBA L_{dn} and the Air Noise Boundary the establishment of residential activities and the establishment and/or extension of other noise-sensitive activities will be discouraged'. The explanation goes on to note that 'In the Christchurch context it is not necessary to permit urban residential development to occur on land within the 50 dBA L_{dn} contour as sufficient land for residential expansion can be provided at other locations'.

To support this policy, the minimum allotment size for subdivision and residential density purposes is 4 ha, which effectively limits residential development to a scale typical of the current environment.

Having regard to the policy context, residential, education and health facilities are not considered to be appropriate in the NWRA. If there was a change to the airport noise contour, there would be a need to review the appropriateness of the NWRA for residential activities. However, there is considered to be sufficient land identified in PC1/ Chapter 12A to accommodate long term household growth.

6.3 Travellers/ visitor accommodation

As stated earlier, travellers accommodation falls within the definition of a 'Noise Sensitive Activities' in PC1, which are to be avoided in the area referred to as the North West Review Area. An exception is made if Travellers accommodation is "designed, constructed and operated to a standard that mitigates the effects of noise on occupant". In the absence of a definition in PC1, the City Plan defines 'Travellers Accommodation' as "transient residential accommodation offered for a daily tariff (and) ... includes motels, holiday flats, motor and tourist lodges and hostels".

The Recovery Strategy seeks to revitalise Greater Christchurch ...by "planning for a well-functioning Christchurch central City (and) thriving suburban centres ...". This goal for economic recovery is supported by the vision of the Christchurch Central Recovery Plan that "Central Christchurch will become the thriving heart of an international city...". To support these goals, the Central City is considered to be the "principal focus for a diversity of business, accommodation, community and cultural activities" (Objective 12.2 Role of Central City, City Plan). The scale of activities envisaged through the Central City Plan and the development potential of larger sites makes the central city more suitable for hotels.

While the Central City is the focal point for visitor accommodation, the City Plan also enables travellers accommodation in specific locations adjacent to arterial or collector roads that are accessible to the Central City or sites where travellers accommodation has previously been established.

Although the NWRA is adjacent to a number of arterial roads and there is currently travellers accommodation in the vicinity of NWRA, it is not considered to be an appropriate location having regard to the policy context which encourages visitor accommodation in the City Centre or in locations easily accessible to the City. To allow travellers/ visitors accommodation in the NWRA could potentially compromise the recovery of the Central City and suburban centres. Notwithstanding the current policy framework, the airport may be suitable for small scale visitor accommodation that needs to be on airport land. However, this requires further consideration in conjunction with review of the SPAZ.

6.4 Rural residential

PC1/ Chapter 12A of the RPS provides for rural residential development to a limited extent in Selwyn and Waimakariri Districts with no provision for Christchurch City. The same approach was taken in Chapter 12A as inserted into the Operative RPS by the Minister of Earthquake Recovery.

'Rural Residential' is defined as "Residential units outside the Urban Limits at an average density of no less than one per hectare" (PC1/ Chapter 12A). The NWRA is within the urban limits in PC1 and outside the urban limits in Chapter 12A should the latter be reinstated.

Irrespective of the outcome of appeals, the development of residential activities at a higher density could compromise the operation of the airport having regard to the 50 dBA Ldn airport noise contour.

Rural residential activities are required to be serviced by reticulated infrastructure in accordance with PC1. The potential cost of servicing large areas of the NWRA and efficiency of servicing this form of development over a large area means it is not considered appropriate to enable rural residential development.

Notwithstanding the points above, the NWRA currently provides for rural lifestyle development with a range of lots sizes, from less than 1 ha up to 20 ha. This enables people to live in a rural environment while being in close proximity to the City and achieves a more appropriate outcome, consistent with the RMA's purpose of managing natural and physical resources. For these reasons, rural residential is not considered appropriate in the NWRA.

6.5 Community facility/ meeting venue

There are a number of community facilities in the NWRA serving the population in the wider north west of the City. This includes a primary school and church on Harewood Road close to the intersection with Johns Road.

Chapter 12A seeks to ensure community facilities are accessible, both to areas of residential intensification and Greenfield development. Blocks B and D of the NWRA adjoin areas identified for greenfield residential development, and intensification may occur in areas adjoining other parts of the NWRA. Consequently the provision of community facilities and open space in the NWRA to serve these populations may be appropriate.

6.6 Open Space

There is a variety of existing open spaces within or in close proximity to the NWRA, the majority of which is in neighbouring residential areas to the east. The existing open spaces are typical of metropolitan Christchurch with numerous small neighbourhood parks for recreation, access, aesthetic values, and stormwater management.

Within the NWRA there are three large areas of open space held by the Council as reserve, being Nunweek Park (Block C, 19.6ha), Harewood Park (Council nursery, Block D, 11.2ha) and Smacks Creek Riverbank Reserve (Block D, 1.1ha). Waimairi Pit is also currently gazetted as Christchurch City Council reserve, but is to be returned to the Crown and its future use is not known.

The Council is currently undertaking a review of sports land or playing fields. The draft Outdoor Sports Land Plan proposes the creation of additional large parks around the city for sport and recreation. The plan notes Burnside Park as an existing large hub park serving the west of the city and may identify the need for an additional large hub park in the north west of the city. Areas within the NWRA could assist in meeting these open space requirements.

Outline development plans for new development areas should also identify opportunities for new open space in accordance with the Council's Public Open Space Strategy, which should link where possible with riparian areas, particularly adjacent to the Styx River. The Public Open Space Strategy (POSS) identifies an area of open space deficiency between Avonhead Road, Memorial Ave and Wairakei Roads, which could benefit from open space provision in conjunction with development.

The POSS also identifies Russley/ Johns Road, Memorial Ave, Harewood Road and Sawyers Arms Road as road corridors for possible streetscape enhancement and planting. This would be appropriate in maintaining the character of the NWRA while also enhancing the area as viewed from the road. The role of the NWRA as a gateway is also recognised in the POSS, which identifies the intersection of Russley Road and Memorial Ave as having the potential to be designed to provide greater prominence to one of the City's entry points.

6.7 Sport/Recreation

The current sport and recreational facilities in or in proximity to the NWRA include Nunweek Park, which currently serves as a hub for hockey, Avonhead Park, Burnside Park and Tullet Park.

A 'Spaces and Places Plan for Sport and Recreation in Greater Christchurch' (2012) has been prepared for Greater Christchurch that identifies the need for sport and recreational facilities and provides strategic direction for Christchurch City Council and other local authorities by identifying strategic hubs for sport and projects for the short, medium and long term.

The projects identified in the plan include an all-weather athletics track and a Class 2 athletics venue in the north west Christchurch. The report also indicates that a replacement Christchurch School of Gymnastics gym sports Centre could be located in the north west.

Aquatic facilities

An Aquatic Facilities Plan aims to provide a strategic direction for the maintenance, management and enhancement of Aquatic Facilities within Christchurch. This is currently subject to review in recognition of the changes to demographics and infrastructure since the earthquakes. It will identify facilities that need to be upgraded and where new facilities are required to meet future needs.

While subject to a review, the NWRA may be an appropriate location for aquatic facilities to serve the future needs of North West Christchurch.

6.8 Gravel Extraction

The NRRP seeks to avoid adverse effects on groundwater resources by limiting the amount of excavation that can occur if excavation is over 5 metres in depth or goes into groundwater in Protection Zones 1, 1A, 1C, 1D or 2. Given that Groundwater Protection Zones 1 and 2 extend over the majority of the NWRA, gravel extraction is not considered appropriate in the NWRA. Furthermore, provision is made for extraction in a specific area zoned for quarrying outside the NWRA.

6.9 Summary

Having regard to the preceding evaluation of land uses, the NWRA is considered most appropriate for peri-urban activities including active and passive open space, sport and recreational, and community facilities that serve the urban area.

There is considered to be a need to identify up to 100 ha for industrial business purposes in the NWRA, which the most appropriate locations for are considered in the next section. Given the physical proximity of the NWRA to the airport and the consideration of business land issues, it is also appropriate to consider possible changes to the Special Purposes (Airport) zone in parallel so as to ensure an integrated resource management approach.

In assessment of a range of land use activities, regard has been given the policy context, particularly for offices and retail, neither of which suitable in this location. Residential development would also not be compatible with the environment as the NWRA is within the 50 dBA Ldn airport noise contour within which noise sensitive activities are to be avoided. To allow residential activities could compromise the operation and development of the airport and may not support the retention of the character and amenity of the NWRA.

7.0 Evaluation of the North West Review Area for Industrial Business activities

7.1 Introduction

This section considers the appropriateness of areas within the NWRA for industrial business activities having assessed the suitability of a range of land uses in the NWRA. For the purposes of evaluating the areas that make up the NWRA, 17 criteria have been identified, which are consistent with achieving a sustainable outcome for the NWRA.

7.2 Evaluation scores

Table 3 provide an assessment of each block and specific areas within each block against the criteria. Scoring is limited to a scale of 1 to 3,

- 0 indicating that an area does not meet the criteria,
- 1 indicating that an area meets the criteria in part, or a part of an area meets the criteria
- 2 indicating that an area meets the criteria

The second table (Table 4) that follows Table 3 assigns weighting to each score to reflect the relative importance of each criteria. A qualitative assessment of the different parts within the NWRA then follows, which provides the reasons for the scoring.

The weighting assigned to the criteria reflects the relative importance of one criterion to another, with 3 being the highest and 1 the lowest. It should be noted that a criterion with a weighting of 1 does not mean it is not important in itself but relative to other criteria it is of lesser importance.

The criteria given the highest weighting of 3 include the following, which reflects the strategic importance of the NWRA and the natural and physical resources in the area.

- Contributes to consolidated urban form
 This reflects a key objective of the City Plan and in the context of the NWRA, there is a need to avoid sporadic development that could otherwise lead to inefficiencies in terms of servicing.
- Compatible with maintaining the efficient operation of CIAL
 The location of the NWRA between the airport and urban area makes it strategically important in providing a buffer. It is important that the area facilitates the ongoing operation of the airport while protecting residents to the east.
- Consistent with achieving protection of groundwater quality
 The groundwater resource is of strategic importance as it provides Christchurch with its drinking water. The protection of the aquifers is therefore of high importance in planning of the NWRA.
- Ability to be serviced wastewater/ water, and ability to manage stormwater
 The appropriateness of development in different parts of the NWRA is dependent on the feasibility of servicing that area, having regard to the potential constraints to infrastructure being extended. It is also important in the context of the NWRA as the ability to manage wastewater and stormwater enables protection of the groundwater resource.

While not considered to be of highest importance, a number of criteria are given a weighting of 2 or 1.5 to reflect their importance relative to other criteria. These include (weighting in brackets)

Absence of versatile soils/ limited potential for productive uses (2)
 The soils in the NWRA are highly versatile and productive, which are a significant resource in the context of Christchurch City. In considering areas for development, it is considered appropriate to retain soils where practicable. However, decisions on PC1 concluded it was not appropriate to

leave the area exclusively in rural use having regard to constraints in the area and the criteria is therefore not given a higher weighting.

- Location unlikely to give rise to reverse sensitivity effects (2)
 While business development in close proximity to residential areas enables walking and cycling, it can also give rise to reverse sensitivity effects if there is not separation or other appropriate treatment. Likewise, the same applies between rural and urban activities. In planning the future of the NWRA, there is a need to avoid locations that may otherwise compromise a business activity.
- Absence of geotechnical constraints or other hazards including soil contamination, flooding (2)
 Having regard to hazards including liquefaction and flooding, there is a need to avoid
 development in areas that may otherwise be subject to adverse effects, ahead of mitigating any
 effects. The earthquakes of 2010 and 2011 have demonstrated the importance of considering
 hazards in the planning of development and that needs to be considered in the NWRA.
- Ease of access to the strategic road network/impact on the local road network (2)
 SH1 forms a boundary to the NWRA and the area is traversed by a number of radial routes that provides the NWRA with good access to the road network. This is beneficial for some businesses and is therefore a consideration in identifying the appropriate locations for developments.
- Consistency with landscape, character and amenity values (1.5), ecological values (1.5), Tangata Whenua values (1.5) and heritage values (1.5)

 The natural and physical resources including the Styx River and character/ amenity of the area are important in the context of Christchurch City. The values (ecological, Tangata Whenua and amenity) of the Styx River and other waterways should therefore be retained. This is reflected in the weighting of these criteria that also recognises the area is not an 'Outstanding Natural Landscape' and does not have 'Ecological Heritage Sites'.

The remaining criteria are factors to consider in assessing different areas but are not significant in determining the appropriateness of an area for industrial business activities. They include –

- Close proximity to existing/ proposed residential areas This enables walking and cycling due to close proximity between home and work.
- Continuity with existing business zone(s) Continuity with existing business areas is beneficial for business and the planning of infrastructure by supporting efficiencies.
- Public Transport accessibility/ encourages walking and cycling This is important to encouraging sustainable travel.

The qualitative assessment against each criteria that follows the Tables below provides more detail on how each area has been scored and considers the matters discussed above.

Table 3 Evaluation of areas for industrial business activities in the NWRA

Criteria	Block A South of Ryans	Block A North of Ryans	Block B West of Hawthornden	Block B East of Hawthornden	Block C Russley Golf Course	Block C Wairakei to Harewood	Block C Harewood to Sawyers Arms	Block D North of Sawyers Arms	Block E North of Hussey
Planning									
Contributes to consolidated urban form	1	1	2	2	2	2	2	2	2
Compatible with maintaining the efficient operation of CIAL	2	2	2	2	2	2	2	2	2
Close proximity to existing/ proposed residential areas	1	0	2	2	2	2	2	2	2
Location is unlikely to give rise to reverse sensitivity effects	1	1	1	0	1	1	1	1	1
Continuity with an existing business zone(s)	0	2	1	0	2	2	1	0	0
Environmental									
Consistent with achieving protection of groundwater quality	1	1	1	1	0	1	1	1	1
Absence of versatile soils/ Limited potential for productive uses	0	0	1	1	2	1	1	1	1
Consistency with landscape, character and amenity values;	0	0	1	1	1	1	1	1	1
Consistency with ecological values	2	2	2	2	2	2	2	1	1
Absence of geotechnical constraints or other hazards, including soil contamination, flooding	2	2	2	2	1	1	1	1	1
Cultural									
Consistency with Tangata Whenua values;	2	2	2	2	2	2	2	2	2
Consistency with heritage values	2	2	1	2	2	2	1	2	2
Infrastructure									
Ease of access to the strategic road network/ impact on the local road network	2	2	1	1	2	1	2	1	0
Public Transport accessibility	1	0	1	2	2	2	1	1	1
Encourages walking and cycling	0	0	2	2	2	2	2	2	2
Ability to be adequately serviced – water/ wastewater	0	0	1	1	1	1	1	1	1
Ability to manage stormwater	1	1	1	1	1	1	1	1	1
Total	18	18	24	24	27	26	24	22	21

Table 4 Evaluation of areas for industrial business activities in the NWRA with weighting

Criteria	Weighting	Block A South of Ryans	Block A North of Ryans	Block B West of Hawthornden	Block B East of Hawthornden	Block C Russley Golf Course	Block C Wairakei to Harewood	Block C Harewood to Sawyers Arms	Block D North of Sawyers Arms Rd	Block E North of Hussey Rd
Planning										
Contributes to consolidated urban form	3	3	3	6	6	6	6	6	6	6
Compatible with maintaining the efficient operation of CIAL	3	6	6	6	6	6	6	6	6	6
Close proximity to existing/ proposed residential areas	1	1	0	2	2	2	2	2	2	2
Location is unlikely to give rise to reverse sensitivity effects	2	2	2	2	0	2	2	2	2	2
Continuity with an existing business zone(s)	1	0	2	1	0	2	2	1	0	0
Environmental		0	0	0	0	0	0	0	0	0
Consistent with achieving protection of groundwater quality	3	3	3	3	3	0	3	3	3	3
Absence of versatile soils/ Limited potential for productive uses	2	0	0	2	2	4	2	2	2	2
Consistency with landscape, character and amenity values;	1.5	0	0	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Consistency with ecological values	1.5	3	3	3	3	3	3	3	1.5	1.5
Absence of geotechnical constraints or other hazards, including soil contamination, flooding	2	4	4	4	4	2	2	2	2	2
Cultural		0	0	0	0	0	0	0	0	0
Consistency with Tangata Whenua values;	1.5	3	3	3	3	3	3	3	3	3
Consistency with heritage values	1.5	3	3	1.5	3	3	3	1.5	3	3
Infrastructure		0	0	0	0	0	0	0	0	0
Ease of access to the strategic road network/ impact on the local road network	2	4	4	2	2	4	2	4	2	0
Public Transport accessibility	1	1	0	1	2	2	2	1	1	1
Encourages walking and cycling	1	0	0	2	2	2	2	2	2	2
Ability to be adequately serviced – water/ wastewater	3	0	0	3	3	3	3	3	3	3
Ability to manage stormwater	3	3	3	3	3	3	3	3	3	3
Total		36	36	46	45.5	48.5	47.5	46	43	41

7.3 Discussion

The following section provides an assessment of the blocks that make up the NWRA by criteria presented in the evaluative tables. This informs a quantitative assessment towards the end of this section that provides an overview of each area's suitability for industrial business activities.

Planning

1. Contributes to consolidated urban form (contiguous with existing or proposed urban activities)

Objective 6.1 in the City Plan seeks the consolidation of the urban area, the explanation stating that "consolidation does not necessarily entail containment of the City within its present urban boundaries, but does emphasise a compact pattern of development, in contrast to isolated and dispersed patterns of urban growth into what are currently rural areas".

While the NWRA is defined within the urban limit in PC1 and the NWRA is bordered by urban activities, development should not compromise the objective of a consolidated urban form, therefore maintaining the contrast between the edge of urban activities and semi-rural character of large parts of the NWRA consistent with Objective 4.1 (Form) of the City Plan. The development of activities adjacent to existing urban activities also provides for the more efficient provision of infrastructure. This is consistent with the outcome sought in the City Plan of "a productive city that provides for a wide range of business and employment opportunities and promotes the efficient use of the City's service and infrastructure".

Block A while bound to the north by the SPAZ and south by the residential greenfield area, Masham, is to the west of Russley Road and is primarily rural in character with a dominance of agricultural and horticultural activities. While the airport and Business 6 zone contribute to an urban character west of Russley Road, Russley Road forms the western boundary to urban activities between Yaldhurst Road and Avonhead Park, supporting the consolidation of urban activities east of the State Highway.

Blocks B to E are all east of Russley Road/ Johns Road. The NWRA's linear shape and proximity to the existing urban edge means that development in these blocks is less likely to compromise the objective of urban consolidation.

Having regard to the assessment, Block A is least preferred as an area for business or other urban activities. In other areas, development should be contiguous with existing or proposed urban activities, notwithstanding the assessment of the NWRA against other criteria.

Dakota Park, which forms part of the Special Purpose Zone, is under development as a business park and consideration should be given to a wider range of industrial activities as discussed in Section 6. Provision for non-airport related business activities would be consistent with the objective of urban consolidation being adjacent to an existing developed area. The area already provides for industrial business activities similar in scale and nature to activities in existing industrial areas of the City and can meet short term demand for industrial land.

2. Compatible with maintaining the efficient operation of CIAL

Noise arising from the operation of Christchurch International Airport is a significant issue in identifying areas for future development within the NWRA. As discussed earlier, the function of the NWRA will continue to be as a buffer to avoid compromising the airport's operation and future development. This is consistent with the decisions version of PC1 which uses the 50dBA L_{dn} airport noise contour as the appropriate boundary for restricting the location of noise sensitive activities.

With the exception of a small area (17 ha) at the intersection of Russley Road and Yaldhurst Road, the NWRA is within an area that lies within the $50dBA L_{dn}$ airport noise contour. Having regard to this, the

subareas that make up the NWRA cannot be distinguished in terms of their compatibility with the airport's ongoing operation and development.

3. Close proximity to existing and proposed residential areas

The explanation to Policy 3 (Business Land) of PC 1 states that "Locating appropriate business land close to existing and future residential development helps to achieve a greater range of travel options as well as reducing energy usage. Greater self-sufficiency of employment within districts, suburbs and settlements is also desirable in terms of community development and social sustainability".

Business activities in proximity to residential areas in the NWRA are beneficial for encouraging fewer vehicle trips. However, there is a need for the interface between business and residential areas to be carefully managed to avoid adverse effects including reverse sensitivity.

The adjoining land uses and zoning in the NWRA are described for each of the blocks in Section 2 of this report. As the NWRA adjoins the edge of the Christchurch urban area, all blocks are in the vicinity of existing or proposed residential areas. While facilities for cycling and walking are limited, the distance between the NWRA and adjoining urban areas encourages walking and cycling.

Although Block A is in proximity to residential areas, namely Masham (south of Yaldhurst Road) and Avonhead (east of Russley Road), it is bordered to the east and south by State Highways 1 and 73. This limits the opportunities for walking and cycling to Block A making it the least preferred location for business and other activities relative to other blocks in the NWRA.

4. Location is unlikely to give rise to reverse sensitivity effects

In considering suitable areas for business activities, there should be a sufficient area for development while providing separation from residential areas and rural activities. Although proximity to residential areas is beneficial in encouraging sustainable travel between home and work, if located too close, there can be adverse effects including reverse sensitivity. Likewise, development in close proximity to rural activities can lead to reverse sensitivity effects that compromise the ongoing operation of agricultural and horticultural land uses.

Block B east of Hawthornden Road is surrounded on three sides by residential properties and is a small area. Therefore a greater potential exists for conflict between business and residential activities.

Other areas while not constrained to the same extent, are interspersed by dwellings or clusters of residential properties (Corner of Wooldridge and Harewood Roads; Corner of Watsons Road and Waimakariri Road; Corner of Avonhead Road and Hawthornden Road). It is therefore important to carefully manage the interface between these areas. Other parts of the NWRA are in close proximity to rural activities given the predominant uses of the area at the current time are agricultural and horticultural activities. Block A, in particular, continues to support these activities given the larger lot sizes in this area.

5. Continuity with an existing business zone(s)

As discussed in the previous section, continuity with an existing or proposed business area can enable the interface with a new business zone to be more easily managed than a more sensitive land use activity such as residential.

There are also other benefits of existing and new businesses clustering together including 'economies of agglomeration', which is where costs of production may decline as a result of efficiencies, for example the use of the same suppliers. A number of businesses in the same industry operating close together can also attract more suppliers and customers than a single business.

There are a number of existing business areas adjoining or in close proximity to the NWRA, which are considered as follows -

To the immediate north of Block A is 'Dakota Park' cargo and freight area, which is currently under development. There is the potential for a business area in the northern part of Block A to be contiguous with Dakota Park, notwithstanding the assessment of block A against other criteria.

Block B to the east of Russley Road is directly opposite Dakota Park, part of the SPAZ. There are no proposals for a road between Dakota Park and the area east of Russley Road so potential benefits are limited.

There is also a greenfield business area identified in PC1/ Chapter 12A between Avonhead Road and Memorial Ave (referred to as CB8 (Memorial Ave), which is subject to a plan change for rezoning. The Outline Development Plan submitted to the Council proposes access from Avonhead Road, which could provide benefits for a proposed business area in Block B.

Block C between Memorial Ave and Wairakei Road adjoins the Wairakei Technology Park accessed off Sir William Pickering Drive and Sheffield Crescent, which is zoned Business 4T in the City Plan. Land to the north of Wairakei Road between Wooldridge Road and Stanleys Road adjoins the existing Business 4 zone. Land adjoining these areas could therefore provide benefits for business while also supporting efficiencies in terms of servicing.

A draft plan change has been received by Council for rezoning land north of the existing Business 4 zone between Wooldridge Road and Stanleys Road to Business 4T. This is being led by Tait Electronics who propose a campus for consolidation of their business activities adjacent to their existing site at 558 Wairakei Road. This indicates a demand for additional business land in the area.

Blocks A – C are in close to Christchurch International Airport and accessible to the airport. As discussed earlier, the airport is a significant hub of economic activity, attracting businesses reliant on the Airport, that use air freight or have customers/ staff that frequently travel by air. This makes these parts of the NWRA attractive for business..

To the north west of Block C on the northern side of Johns Road is an area zoned Business 6. A business area between Harewood Road and Sawyers Arms Road within the NWRA could benefit from close proximity to this business area and the airport with access across Johns Road via Harewood Road and Sawyers Arms Road.

Environmental

6. Consistent with achieving protection of groundwater quality

As discussed in Section 3.3, the NRRP identifies 'Christchurch Groundwater Protection Zones', the most vulnerable parts of the groundwater system which are a principal source of drinking water for Christchurch City. The NWRA largely falls within Christchurch Groundwater Protection Zones 1 and 2. Table 5 below summarises the extent of the groundwater protection zones in each Block, which are shown on Map 17 on the next page.

Table 5 Proportion (%) of Groundwater Protection Zones in each block

Block	% of Groundwater Protection Zones in each Block					
Α	82% of block in Zone 1; 18% of block in Zone 2					
В	76% of block in Zone 1; 24% of block in Zone 2					
С	65% of block in Zone 1; 35% of block in Zone 2					
D	38% of block in Zone 1; 62% of block in Zone 2					
E	46% of block in Zone 1); 45% of block in Zone 2; 9% of block in Zone 3.					

Map 17 Groundwater Protection Zones across the NWRA



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Zone 1 is an area of high intrinsic value and is particularly vulnerable due to the unconfined nature of underlying soils (permeable). Within Groundwater Protection Zone 1 a number of subzones are identified to facilitate the establishment and continuation of appropriate activities. As shown on Map 17, parts of the NWRA are within Groundwater Protection Zone 1A, which recognises that parts of Zone 1 are currently or planned to be used for urban purposes. This includes the southern part of Block B, northern part of Block D and western part of Block E.

Zone 2 is where the aquifer transitions from unconfined to confined. Confining layers are typically shallow in depth or aquifer pressure is uncertain. Groundwater Protection Zone 2 provides greater flexibility than Zone 1 if adequate protection of the aquifer is provided, as a result of permanent upward pressure and a confining layer of at least 3 metres. The NRRP therefore has 'reduced control' on development in Zone 2 relative to Zone 1.

It is noted that only a small amount of the NWRA falls within Zone 3, which is the Groundwater Protection Zone with the least vulnerability due to the presence of confining layers between 3-45 m thick.

Areas that are not within Groundwater Protection Zones 1 or 2 would be preferred locations for development. However, a small proportion of the NWRA falls within the less sensitive Groundwater Protection Zone 3.

Given the variation within individual blocks and the nature of the boundaries between one protection zone and another, it is difficult to suggest that one area is more favourable than another. It is on this basis that all areas are given the same score with the exception of Russley Golf Course, which is entirely within Groundwater Protection Zone 1.

It is clear that the Groundwater Protection Zones/recharge areas are an important consideration for proposed future development in the NWRA and that some types of activities (hazardous substance use and storage) will be inappropriate unless restrictions are imposed through the plan change process.

In summary the policy framework does not provide a significant constraint on development provided appropriate mitigation/avoidance of adverse effects and best practice management is implemented for any proposed development.

7. Versatile soils and potential for productive uses

The NWRA contains highly versatile soils, which have inherently high productive values. The majority of the NWRA has well drained soils and gravels/ hard soils tend to be at a deep level (45 cm or deeper), enabling digging and ploughing for agricultural/ horticultural activities. As shown on Map 18, the majority (86%) of the NWRA including all of Blocks A and B have moderate to highly versatile and productive soils.

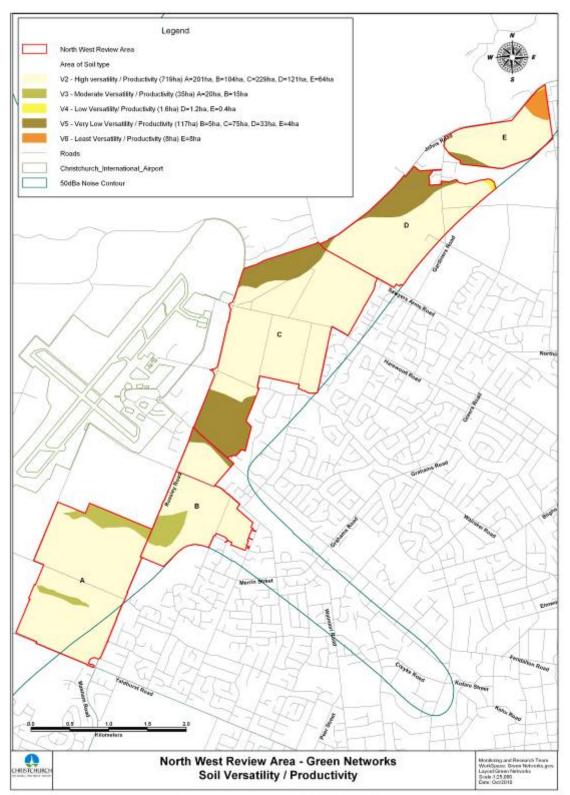
Those areas with low versatility and productivity (approximately 120 ha) include

- Block C (75ha)
 - Land between Memorial Ave and Wairakei Road (Russley Golf course)
 - Site of a former gravel pit north of Waimakariri Road
- Block D (Johns Road) (34ha) north and south west of Waimakariri Road

While recognising that the long term use of the NWRA for ongoing rural activities is not an 'appropriate resource management treatment' (Decision on PC1), the soils in the NWRA are a natural resource that are to be sustainably managed in accordance with the Resource Management Act. As stated earlier, an objective of the Proposed Regional Policy Statement (Objective 5.2.1) is for development to avoid adverse effects on significant natural and physical resources, the supporting explanation recognising the significance of primary production to the economic and social well being of people and communities and the need to maintain the primary production resource.

Some parts of the NWRA continue to support rural activities, particularly Block A while other areas have reduced capacity to support primary production given the subdivision that has occurred. The pattern of subdivision has a strong influence on the ability for the natural resource of soils to be utilised and as allotment sizes have reduced, the range of options for productive use of the soils has also reduced.

Map 18 Soil versatility/ productivity across the NWRA



Source: CCC GIS Layers, ECAN GIS Layers, Landoure Research - Manager Wittenus: Canterbury Plains and Downs Boll Database

An assessment of the different areas across the NWRA in terms of soil versatility would suggest that the areas identified above with low versatility/ productivity would be most appropriate for development. While this is a factor to consider in comparing different areas, it is appropriate to also determine which areas are not appropriate for development having regard to the high versatility/ productivity of soils and that continue to provide large allotments for primary production. On this basis, Block A would be least appropriate as a location for development given its role in continuing to support rural activities, reflecting the soil quality and large allotments up to 24 ha with an average lot size of 4.7 ha.

Block E also continues to support rural activities and has larger lots up to 15 ha. While this is relatively small in the context of farms across the Canterbury Plains, these areas continue to support rural activities.

In respect of the other blocks within the NWRA, Block B comprises high quality soils, which support some agricultural activities between Russley Road and Hawthornden Road. However, its ongoing use for rural based activities is constrained by its location between the SH and Hawthornden Road. As discussed, increased urban activities in close proximity (CB8) greenfield business area north of Avonhead Road and CW1 Russley greenfield residential area west of Hawthornden Road) will limit the potential options for rural activities within this block in the long term.

Block D also has soils of high versatility/ productivity. However, the subdivision that has occurred within this block constrains the potential options for rural use, notwithstanding the current activities continuing in the future. The same comments apply to Area C with the exception of Russley Golf Course and Waimairi Pit north of Waimakariri Road, which comprise low quality soils.

8. Consistency with landscape, character and amenity values

The landscape of the NWRA reflects the land uses in the area with smaller allotments bordered by linear shelterbelts in areas used for agricultural and horticultural activities, and small random woodlots and groupings of exotic trees within the golf course and rural lifestyle blocks. However, some parts of the NWRA are more distinct from others as described below.

Block A has large open paddocks supporting pasture and crops. The tree cover in this area is less than other areas giving the area a more open character, which links well to the pastoral character of the Canterbury Plains landscape towards the west. While overhead transmission lines that cross Block A create an intrusion in the landscape, there are distant views across to the Southern Alps to the west and the Port Hills to the south west, which contributes to the landscape values of Block A. In recognition of this, it is considered less appropriate for business or other development than other areas.

Block B varies in terms of its character reflecting the land use activities and surroundings. Land to the east of Hawthornden Road is surrounded by residential properties which creates an enclosed area that presents a constraint to non-residential activities. The overhead transmission lines also cross through the eastern part of Block B, which creates a physical corridor through this area.

Land to the south of Avonhead Road between Russley Road and Hawthornden Road comprises lifestyle blocks up to 8 ha in size, with large homes positioned in the centre or towards the rear of sites. In contrast, the southern part of this block between Russley Road and Hawthornden Road has larger rectangular paddocks used for grazing which is reflected in a more rural character.

In Block C between Memorial Ave and Wairakei Road the tree cover reflects the layout of the golf course, which is surrounded by shelterbelts along three boundaries which effectively creates a green corridor along Russley Road and east along Memorial Ave.

North of Wairakei Road to Gardiners Road (Blocks C and D), small scale horticultural activities and lifestyle properties are heavily vegetated with shelter belts/ hedgerows creating a patchwork. Block E comprises a mix of activities including small rural lots and lifestyle blocks but unlike the majority of the NWRA, the topography of Block E is undulating.

While the landscape of the NWRA is not outstanding, it has an open semi-rural character with a dominance of trees and shelterbelts in the landscape. This character should be recognised in the development of the NWRA for urban activities.

The tree cover contributes to the character of the NWRA. There are a number of options available for protecting significant trees or groups of trees in the City Plan including scheduling, their identification on an Outline Development Plan with rules specific to an area, or a policy that recognises the importance of trees and shelterbelts to the area's character. A combination of these methods may be appropriate.

The Styx River and a tributary, Smacks Creek, originate in the NWRA and flow through Blocks D and E respectively. To the south Ilam Stream and an unnamed waterway flow from Block A, the latter stopping in Block B close to Avonhead Cemetery. These waterways are important landscape features within the NWRA, which should be protected through the identification and acquisition of land as esplanade reserve and/or as included on Outline development plans with rules to support their retention in order to maintain the character of the NWRA.

9. Consistency with ecological values

The Styx river has in-stream ecological values as well as botanical values in riparian areas. The upper reaches of the Styx in particular has high aquatic invertebrate values compared to other waterways in Christchurch. This is generally an indicator of good water quality.

The presence of the Styx River and other waterways does not remove the ability for areas to be developed but there is a need to ensure that land use changes in the NWRA do not have adverse effects on the ecological values of these waterways. This can be achieved by avoiding the discharge of contaminants and sediment into these waterways. The methods required to support this include the management and treatment of stormwater, and the identification and acquisition of land as esplanade reserve through the plan change and subdivision process. This would also support implementation of the Styx Vision 2000 – 2040 which seeks the provision of a green corridor adjacent to the Styx.

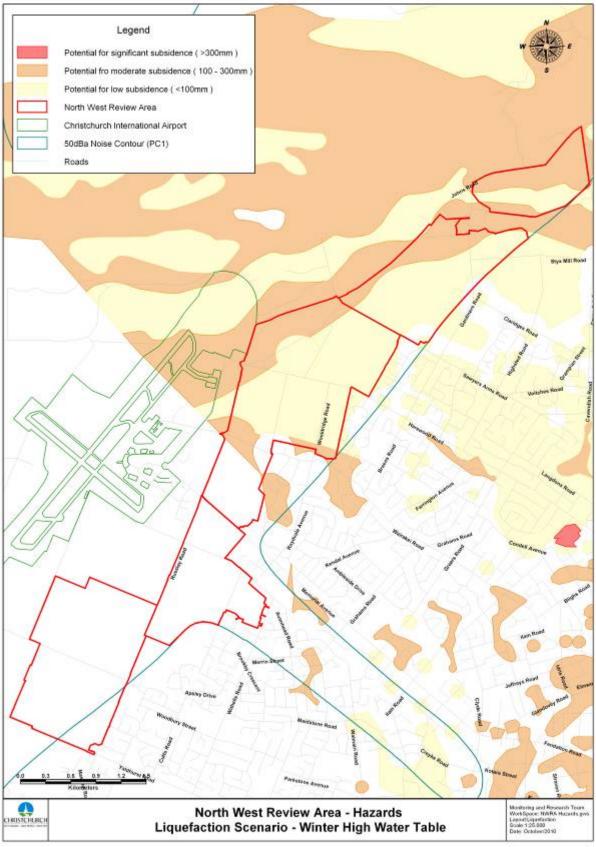
Some areas particularly to the east of Gardiners Road provide existing habitats for birds. While the creation of new habitats can also benefit ecology in the NWRA, there is a need to consider how they are designed to avoid birds being attracted that can increase the risk of bird strike at the airport.

10. Geotechnical Constraints and other Hazards including Contamination

- Geotechnical

There are currently no known active faults through or close to this area. The known risk of earthquake hazards in the NWRA are lower than the eastern parts of Christchurch and while liquefaction is possible, it is likely to be localised. Map 19 shows the risk of liquefaction across the NWRA, which has informed the scoring of each area. However, further investigations are required to better understand the subsurface geology in this area and how soils will behave during earthquakes. At the plan change and subdivision stage, more detailed assessments would be required in accordance with DBH guidelines.

Map 19 Potential risk of Liquefaction in the NWRA



Source: CCC GIS Layers, ECAN GIS Layers.

- Flooding

The main source of potential flooding is the Waimakariri River. Existing flood mitigation works provide for protection up to a 1:2,000 year event. Secondary stop banks are being completed which will provide protection up to about a 1:10,000 year event. Consequently, it is considered that any risk of flooding, while an important consideration, is small in respect to development within the NWRA.

- Contaminated Sites

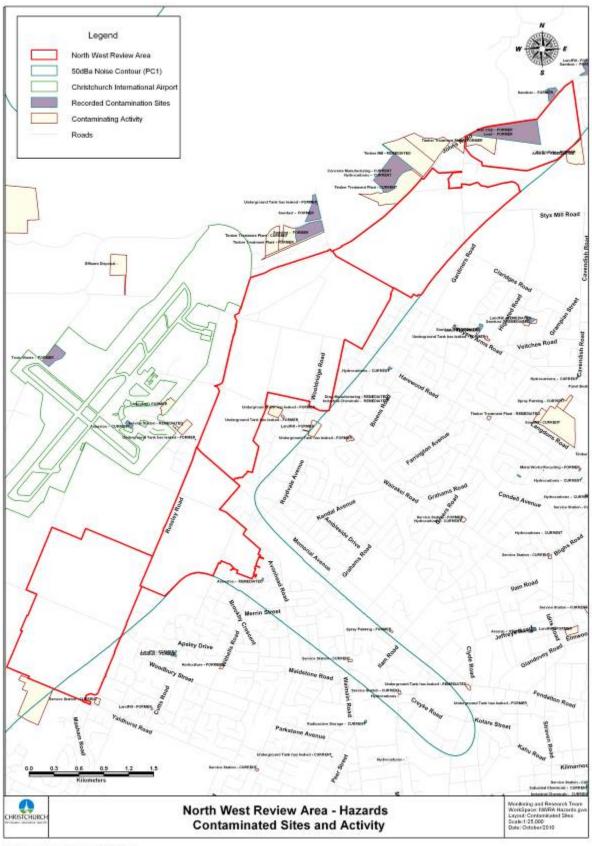
Information on contamination or potential contamination within the NWRA is limited. However, map 20 identifies the location of a number of existing or former activities, which are potentially contaminated sites. Activities that are known to have existed or continue in the NWRA include -

- petrol and diesel tanks (Block C);
- hard fill areas (Block C);
- gravel deposits (Block D, though unlikely to be a source of contamination);
- former gun club (Block E, potential lead contamination);
- former timber treatment plant (Block E, organochlorine, arsenic salts, boron etc.);
- septic tanks (all Blocks).

In addition, the following activities are or have been undertaken within or near the NWRA.

- horticulture;
- sawdust deposits;
- remediated timber mill site;
- concrete manufacturing plant.

Map 20 Contaminated sites and activities in the NWRA



Source: CCC GIS Layers, ECAN GIS Layers.

All of the above listed activities, with the exception of septic tanks are on the Regional Council's Hazardous Activities and Industries List (HAIL). Under the NES for Assessing and Managing Contaminants in Soils to Protect Human Health (2011), all of these sites (other than septic tanks) will require at least a preliminary investigation before any change of land use or subdivision can occur.

It should be noted that any site that has been, or could have been, subject to the migration of hazardous substances present in soil or water, is also considered a HAIL site. Contaminated sites adjacent to the NWRA are therefore a relevant consideration for future development.

Detailed investigations will need to be carried out at the plan change stage to determine the level of contamination on sites identified for development and the remediation/ management required.

Cultural

11. Consistency with Tangata Whenua values

There are no Ngai Tahu statutory acknowledgement areas. There are also no known silent files in the NWRA nor any archaeological sites based on Te Whakatau Kaupapa (1990). Similarly, the City Plan does not identify any archaeological sites or waahi tapu in the NWRA. However, there may be an archaeological site at the edge of the study area, near Gardiners Road (site M35/649) (ArchSite, New Zealand Archaeological Association database website).

While there are not known to be any specific sites of significant cultural value Ngäi Tahu may still have a historical or cultural relationship with the area. Key waterways including the Styx River may have been a source of mahinga kai, flax cultivation and harvest. Upstream wetlands of the Styx may have also been important for embalming.

The importance of maintaining and enhancing freshwater quality, the mauri and spiritual values of water and the maintenance and enhancement of wetlands need to be recognised in planning the future of the NWRA, and through the plan change process these values can be given recognition.

12. Consistency with heritage values

The City Plan identifies a number of buildings/sites of heritage value in the NWRA including

Block B

- a large working barn off Russley Road (Group 3 protection status)
- Hawthornden House at 2 Hawthornden Road (Group 3 protection status)

Block C

• St James Church and graveyard at the intersection of Harewood and Waimakariri Roads (Group 3 protection status).

The City Plan provides protection for these buildings/ sites by requiring resource consent for any alterations, removal or demolition. The erection of a bulding on the site of a Group 3 heritage building also requires resource consent. Having regard to the potential effects that development may have on the setting of a site/ building, it is appropriate that areas identified for business are a sufficient distance from buildings/ sites of heritage value.

Infrastructure

13. Ease of access to the strategic road network and impact on the local road network

SH1 (Masham Road/ Russley Road/ Johns Road) forms the western boundary of the NWRA with the exception of Block A, which is to the west of the State Highway. SH1 is dissected by a series of radial

roads that run in an east west direction towards the City Centre, suburban centres and the wider road network (including Memorial Avenue, Wairakei Road, Harewood Road and Sawyers Arms Road).

Other roads in the NWRA serve a local function and provide access to properties and access between arterial and collector roads. They include Ryans Road, Hawthornden Road, Stanleys Road, Wooldridge Road, Wilsons Road, Waimakariri Road, Wilkinsons Road and Hussey Road. All of these roads are sealed, but some are not formed to urban standards, which limits their ability to accommodate significant volumes of traffic unless they are upgraded.

The Western Corridor is one of a number of projects forming part of NZTA's Roads of National Significant Programme, which involves the 4 laning of Masham Road/ Russley Road/ Johns Road and changes to intersections along Russley/ Johns Roads. Construction is in progress on upgrading the southern part of Russley Road, adjacent to Block A, and Masham Road. The upgrade of Russley Road between Harewood Road and Avonhead Park will be subject to a planning process under the Resource Management Act, which is expected to start in 2013. NZTA estimates that it may take 2 years to work through the process before construction, which would take a further 2 – 3 years.

Having regard to the closure or reduction in access between the State Highway and Avonhead Road, Wairakei Road, Gardiners Road and Wilkinsons Road, the RONS project influences the suitability of different parts of the NWRA for business. Existing access to properties directly from the State Highway or arterial roads may not be suitable if intensification or land use changes are proposed that increases the volume of traffic using that access. Access to local roads as an alternative to access from the State Highway or an arterial road may therefore be appropriate.

The constraints in terms of accessibility and potential impacts on the local road network of additional trips arising from a new business area are considered below but would be subject to modelling at the plan change stage to determine the effects of development and the upgrades required to the road network. In assessing the effects, there is recognition of the increased traffic volumes in the north west of Christchurch associated with business activities that have relocated since the earthquakes and the impact of the RoNS proposals that result in increased volumes of traffic on local roads.

Block A (West of Russley Road)

This area has frontage to Russley Road (SH1) and Yaldhurst Road (SH73), both of which are Limited Access Roads. Consequently the most viable access to land within this block is from Ryans Road or via Grays Road.

As a part of the Western Corridor upgrade, access from Ryans Road will be reduced, removing the ability to turn right from Ryans Road onto Russley Road, southbound. For traffic wishing to travel south, there will be a need to use Pound Road via Ryans Road. State Highway 73 is also accessible via Pound Road to the west of Block A. Improvements to Pound Road will enable bypass traffic to more easily use this route between SH1 north of the airport and Templeton.

Grays Road, to the west of Block A is proposed to be connected to roads through Dakota Park, the airport's business park to the immediate north of this block. This will enable vehicles to access SH1 via a proposed intersection. The NZTA propose a grade separated intersection that will connect Capital A and B roads (roads within Dakota Park) with Russley Road (SH1) via an underpass beneath Russley Road. This is subject to further investigations and planning processes under the Resource Management Act.

Having regard to these matters, Block A benefits from good access to the strategic road network at the current time and in the future, notwithstanding some access constraints.

Block B (South of Memorial Ave)

The area has frontage to Russley Road (SH1) and access is currently available from Block B to the State Highway via Avonhead Road. Avonhead Road is proposed to be closed as a part of the Western Corridor project, which will require vehicles from properties accessed off Hawthornden Road to travel via

Avonhead Road and Roydvale Avenue onto Memorial Avenue or alternatively travel south on Withells or Avonhead Roads to access the State Highway network.

Dakota Park, the airport's business park, is directly to the west of Block B. Access to Dakota Park is proposed directly from Russley Road (SH1) for north and south bound traffic. The NZTA propose a grade separated intersection that will connect Capital A and B roads (roads within Dakota Park) with Russley Road via an underpass beneath Russley Road. This requires land on the east side of Russley Road within Block B, which is subject to further investigations and planning processes under the Resource Management Act.

There is potential for access from a business area (in Block B) to the State Highway via the proposed intersection of Capital A and B roads and Russley Road. However, this would be subject to discussions with the NZTA

To the north of Block B, the greenfield business area CB1 between Avonhead Road and Memorial Ave is subject to a plan change for rezoning. An Outline Development Plan indicates access through this block, which could also provide access to Block B as an alternative to travel via Roydvale Ave.

Having regard to the reduced access between Avonhead Road and SH1, a limited quantum of development may be appropriate ahead of upgrades to the local road network and intersections, necessitating a staged approach to development within this block. This could be dealt with through the plan change process.

Block C (Memorial Ave to Sawyers Arms Road)

Russley Golf Course between Memorial Ave and Wairakei Road currently has access from Memorial Ave via Stableford Green. This could continue to be the main entry to a future business area, subject to a more detailed assessment of the effects on properties fronting Stableford Green as part of a plan change. Alternative access could be provided to the site from Wairakei Road or a new connection to Sir William Pickering Drive in the adjoining Business 4T zone. Any proposal for the development of Russley Golf Course is likely to require upgrades to the local road network and intersections.

The area north of Wairakei Road has access to the State Highway via Wairakei Road and Harewood Road at the current time. Stanleys Road and Wooldridge Road both provide local access from Block C to Wairakei Road/ Harewood Road, which a new business area could gain access to.

Access is to be reduced from Wairakei Road to Russley Road. However, it will still provide good access between Block C and the State Highway in proximity to the Memorial Ave/ Russley Road interchange and airport. Harewood Road could also provide a suitable alternative for northbound access to the State Highway.

Reduced access at the intersection of Wairakei Road and Russley is likely to result in more vehicles using local roads between Memorial, Wairakei and Harewood Roads including Roydvale Ave and Wooldridge Road and/ or Stanleys Road. This is additional to increases in traffic volumes experienced since the earthquake with a number of businesses relocating to the north west around Wairakei Road, putting pressure on road capacity and car parking.

Local road improvements will be required to address changes in traffic movements, including the intersection of Wooldridge Road/ Harewood Road. The identification of an area for business north of Wairakei Road is likely to necessitate this and other improvements to the road network including Wooldridge and Stanleys Roads, subject to modelling of traffic effects at the plan change stage.

Between Harewood Road and Sawyers Arms, an area for business would be accessible to SH1 via either of these arterial routes as a part of current proposals for the Western Corridor. The Draft Christchurch Transport Plan proposes a new roading hierarchy, which identifies Sawyers Arms Road as a strategic route (known as 'District Arterial Routes").

Waimakariri Road, which runs through this area, will have reduced access onto Sawyers Arms Road (left in/ left out) to minimise safety issues. However, access will continue to be available to the State Highway via Harewood or Sawyers Arms Road.

In summary, Block C currently has good access to the strategic road network. With the upgrade of the Western Corridor this will affect access between parts of this area and the State Highway. The effects of business development within this area would need to be modelled at the plan change stage to determine the improvements required to the road network and local intersections.

Block D (North of Sawyers Arms Road)

Block D has access to Gardiners Road, Sawyers Arms Road and Wilkinsons Road. Changes proposed as part of the Western Corridor upgrade will result in reduced access at the intersections of Johns Road/Gardiners Road (limited to left entry into Gardiners from SH1, and left exit from Gardiners Road onto a lane parallel with SH1 to Wilkinsons Road) and Johns Road/Wilkinsons Road (Left entry out of Wilkinsons onto Johns Road). This will lead to increased vehicle movements on Gardiners Road additional to traffic generated by the residential development of CN3, which is currently subject to a draft plan change for rezoning.

Having regard to the changes and subsequent effects on Gardiners Road in particular, the most appropriate location for business activities would be off Sawyers Arms Road. However, its elevation in the hierarchy may result in limitations on access including increased separation distances between access points.

Block E (Hussey Road)

Block E is accessed off Hussey Road and Gardiners Road. Reduced access at Gardiners Road/SH1 and Wilkinsons Road/SH1 will require traffic generated by development within this area to travel south via Gardiners Road and west along Sawyers Arms Road, or alternatively to take a route through the residential area of Northwood in order to travel north. Neither route is short or direct, and therefore any intensification of land use activities in this area will result in some adverse effects on the local road network and surrounding environment, unless appropriately mitigated. This would necessitate upgrades to intersections including the junctions of Hussey/Gardiners Roads and the upgrade of Hussey Road.

A roundabout or grade separation is proposed at the junction of Clearwater Drive and Johns Road, however no new access is proposed immediately south through Block E. Having regard to proposed changes to the Western Corridor, this area is less accessible to the strategic road network.

Summary

The changes to the road network, particularly the RONS projects, will have significant implications for traffic movements and accessibility in the NWRA. Therefore, the upgrade of roads and intersections and planning of these improvements in conjunction with development in the north west is an important. Transport modelling at the plan change stage will enable the identification of works required to provide sufficient transport infrastructure capacity and ensure that the adverse effects of traffic can be mitigated, remedied or avoided.

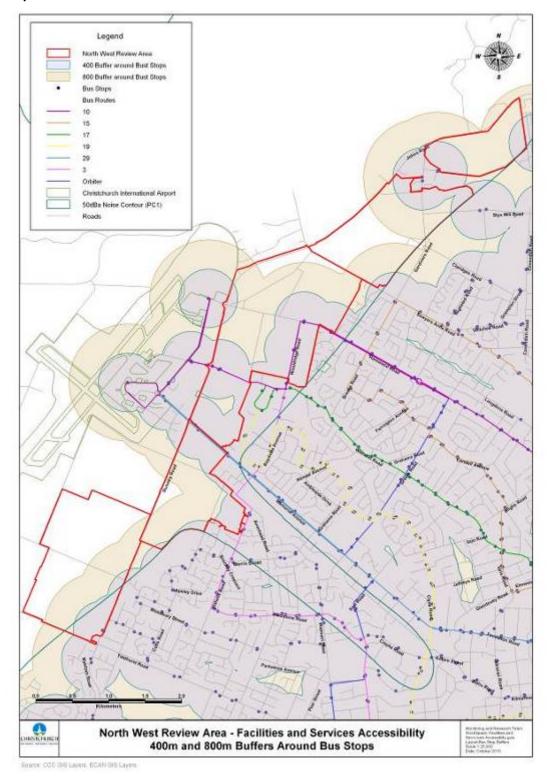
14. Public Transport accessibility

A number of bus routes serve parts of the NWRA. Map 21 below shows the existing routes with buffers of 400 metres and 800 metres around each bus stop to indicate the areas that are within 5 – 10 minutes walking distance of a bus stop.

The Council's 'Bus Stop Location Policy' states "people will only walk around 400 metres or 5 minutes to a bus stop and that the distance they will walk depends on factors such as carrying bags, age, weather, topography, etc. The key is to try to have most households within 5 minutes walk of a bus stop". Most areas of the NWRA are not within walking distance of a bus stop with the exception of the block between Memorial and Wairakei Roads, and an area to the immediate north of Wairakei and either side of Wooldridge Road. These locations are therefore more favourable for business activities as alternative transport options are available from residential areas.

Changes to the public transport network are proposed by ECAN as published in the Draft Regional Public Transport Plan. This proposes a 'hub and spoke' network that will provide improved connections to suburban centres while also maintaining access to the central city. The effect of these changes on the assessment of areas for business is not significant.

Map 21 Public Transport accessibility within the NWRA – Buffers of 400 m and 800 m around bus stops



15. Walking/ cycling

There are currently limited opportunities for walking and cycling routes within the NWRA and between the area and the surrounding environment. This reflects the severance of land to the west by SH1, and the limited provision made for pedestrians and cyclists given the semi-rural environment and formation of roads in the area.

The planning of areas for development provides an opportunity for the identification and development of routes for walking and cycling, enabling the greater use of these modes in the longer term. This can be achieved through the identification of walking and cycling routes on Outline Development Plans for areas identified for business.

The Draft Christchurch Transport Plan also proposes a cycle network for Christchurch, which identifies a major cycle route to the airport and local routes in the north west to encourage cycling. A walking network is also proposed that will encourage walking to/ from and within commercial centres and other areas of the City. The implementation of the plan will provide improved opportunities for these modes.

SH1 acts as barrier to cycling and walking between the NWRA and areas west of the State Highway. The NZTA is investigating cycle and pedestrian connections as part of the Western corridor project which may address this. However, decisions on these plans are yet to be made and therefore cannot inform the assessment of the suitability of areas in the NWRA for business activities.

Having regard to the severance of Block A on the west side of Russley Road it is given a lower score than other areas within the NWRA. Access to other areas can be enhanced as a part of development and due to the proximity of Blocks B, C, D and E to adjoining residential areas, people will be more willing to walk or cycle.

16. Ability to be adequately serviced

- Water Supply

The NWRA is located along the northern fringe of CCC's north west water supply zone. There are currently issues in maintaining water supply pressure in some parts of the NWRA.

The infrastructure required to service a business development within the NWRA will depend on the nature of development and its location. Industrial business activities potentially have greater demands for water, which together with fire fighting requirements is likely to necessitate upgrades and new pump stations/ wells.

Having regard to the existing infrastructure provision, Block A to the north of Ryans Road is dependent on the extension of the water supply network from the area east of Russley Road. There are significant costs associated with this work and further investigation is required to determine the viability of extending the network. While the area of Block A south of Ryans Road has an existing connection to the network east of Russley Road, this would need to be upgraded at a significant cost.

If an area was identified within Block A as an extension of Dakota Park, which was led by Christchurch International Airport Limited, then there may be the potential for an extension of the airport's water supply. However, this is not appropriate unless there was limited capacity for development within the airport's land.

Block A is therefore not considered an appropriate area for business development having regard to these constraints. Other areas are more easily serviced given their proximity to the existing water supply network and the associated cost of extending the network. However, upgrades to the local network may still be required.

- Wastewater

The wastewater catchments east of the NWRA areas are gravity catchments that flow east to Pump Station 1 (PS1) on Woodham Rd, from where the flows are pumped to the Bromley Wastewater Treatment Plant (WWTP). There are a number of trunk catchments and associated sub-catchments that flow to PS1 and the relationship of these catchments to the NWRA areas are detailed in Table 6 below.

Table 6 Wastewater catchments for each Block

NWRA Block	Trunk Catchment	Sub-Catchment
Α	Southern Relief	Yaldhurst Rd Sewer
		Maidstone Sewer (Riccarton Interceptor)
В	Southern Relief	Riccarton Interceptor
С	Northern Relief	Wairakei Collector
		Sawyers Arms Collector
D	Northern Relief	Sawyers Arms Collector
E	Northern Relief	Northcote Collector
	Eastern Trunk System	Belfast Sewer System

A Major Sewer Upgrade Programme is currently underway to reduce the number of overflows from the wastewater system into surface-water bodies and to provide for future growth in greenfield areas. The Major Sewer Upgrade Programme incorporates a number of projects that influence the timing and ability for development to proceed in the NWRA.

Block A

This area is adjacent to the greater Southern Relief trunk sewer catchment and can be split into two subcatchments. The lower third of the area generally drains towards the sewer on Yaldhurst Road, which discharges directly into the upper Southern Relief trunk sewer. The upper two thirds of Block A generally drains towards Maidstone Road, part of the Riccarton Interceptor sub-catchment, which in turn connects to the Southern Relief sewer at the Division Street/Blenheim Road junction.

Any development within the lower third of this block is dependent on the completion of the Western Interceptor trunk sewer. Once this is complete, developments in the lower third of Block A could connect into the Yaldhurst Rd sewer. The Yaldhurst sewer itself has available local capacity to convey flows from approximately 80 hectares of "dry industry" or 1000 new residential lots to the Southern Relief. Development of the upper two thirds of the site is reliant on the completion of the Maidstone project in order to create sufficient capacity in the Riccarton Interceptor to convey flow through to the Southern Relief. However, access to the sewer on Maidstone Road from Block A is a significant issue as third party agreement is required.

Block B

This area is entirely dependent on the Riccarton Interceptor to convey flows through to the Southern Relief sewer. Additional capacity in the main trunk system is dependent on completion of the Western Interceptor in 2012 and the Maidstone Project due for completion in 2017. The two local sewers that will convey flows from Block B are Merrin Street and Avonhead Road. Once the Maidstone project is complete, there is sufficient local capacity in these sewers to convey significant flows from Block B to the Riccarton Interceptor.

Block C

This area feeds into the Northern Relief trunk sewer catchment and is generally split in two subcatchments, with the lower half of Block C contributing to the Wairakei Collector sewer and the upper half of Block C contributing to the Sawyers Arms Collector sewer.

The Northern Relief trunk sewer is undergoing a significant upgrade as part of the Major Sewer Upgrade Programme. This upgrade is still in the planning stage, and there still exists the possibility to take flows from the NWRA areas into account during design.

There is not sufficient capacity in the Wairakei Collector sewer to take significant additional flow from the NWRA block. A project known as the Wairakei Diversion will divert flows from the Northern Relief Trunk sewer catchment into the Western Interceptor. This will provide some additional capacity, but further work is required to establish what upgrades would be required.

There is no capacity available in the upper half of Block C on the assumption that the existing capacity in the Sawyers Arms Collector is taken up by connection of the "Upper Styx CN3". Therefore additional upgrades would be required in order to convey flows from development in the upper half of Block C.

Block D

Block D is also served by the Sawyers Arms Collector and therefore any development in Area D would require upgrades to convey flows from this part of the NWRA.

Block E

Of all of the blocks, Block E is least able to be easily serviced and this is reflected in the scoring. Some of the eastern portion of the area may be able to be serviced via the Belfast wastewater system, but capacity is very limited due to the proposed residential development in the Belfast area. The balance of Block E could potentially be served by the Sawyers Arms Collector, but again this will also require upgrades to enable any development in this area.

Summary

Block B can be most readily serviced for wastewater discharge, but modelling will be required to determine the impacts of development on wastewater infrastructure at the plan change stage. Blocks C and D could be incorporated into the upgrades to the Northern Relief and further upgrades would need to be carried out to the local sewers in order to convey the wastewater flows from the development. Block E is the most challenging of the blocks to service from a wastewater perspective.

The scores for infrastructure serviceability in the evaluative tables largely reflect the extent to which the various blocks in the NWRA can be easily serviced with essential wastewater infrastructure upgrades.

17. Stormwater management

Soils in the bulk of the NWRA are suitable for stormwater soakage. However, as a large portion of the NWRA is located above the unconfined aquifer and the aquifer recharge area, extreme care must be taken to ensure that stormwater runoff is treated before infiltrating into the soil.

The NWRA is bordered in part to the west by Christchurch International Airport and the design of stormwater facilities therefore needs to recognise the potential attractiveness to birds, which could increase the risk of bird strike.

Under the Natural Resources Regional Plan (NRRP) (Rule WQL8) a resource consent is required for the discharge of stormwater onto or into land or into a river, lake or artifical watercourse under a Stormwater Management Plan (SMP). The purpose of SMPs is to state how a surface water catchment will be managed, protected, and if possible enhanced in the face of land use change. At the time of writing, Council was finalising an application to Canterbury Regional Council for resource consent for the discharge of stormwater from the Styx catchment. The Stormwater Management Plan forming part of this application has the objective of managing stormwater run-off from rural and urban areas within the catchment by providing facilities to trap sediment and contaminants, and control the release of all stormwater into the river.

If a site(s) are identified in the Styx catchment for development, the stormwater from this may be accepted under Council's application for resource consent to discharge stormwater from the Styx catchment or a new application to discharge stormwater will be required.

In the future, an application will also be prepared for the discharge of stormwater from the Avon catchment. Therefore, any development within this catchment would require the approval of Council under an interim consent or a new consent would be required.

7.4 Appropriateness of areas within North West Review Area for Industrial business activities

The evaluation above has identified a number of areas that are more favourable for industrial business activities. The following provides a summary of each area, bringing together the preceding assessment against all criteria.

Block A Yaldhurst

The location of Block A west of Russley Road makes it less suitable in achieving the objective of urban consolidation. While north of Block A is the SPAZ and south is the Masham subdivision, Russley Road provides a clearly defined edge to the City.

The character of the area is unlike the rest of the NWRA with an open flat landscape and less tree cover, therefore providing views to the Southern Alps and Port Hills. The maintenance of character and amenity was a key message that came through in the consultation and therefore the openness of this block should be retained if there are more suitable locations elsewhere for business activities.

The area supports agricultural and horticultural activities on larger lots, the size and number of larger lots in Block A making it distinct from other areas. The decisions on Propose Change 1 concluded that subdivision had eroded the potential options for utilising the highly versatile soils, which is not considered to be applicable to this area.

In assessing the areas for business activities, the continuity with existing business areas was identified as a significant benefit in terms of infrastructure, urban form, and efficiency for business. To the north of Block A is an area under development as a business park, known as Dakota Park. A possibility would be an extension of the business area into Block A. However, there is considered to be a significant quantum of land available within the SPAZ to support future growth in airport related activities.

A constraint to the development of business in Block A is the need to extend water supply infrastructure from the east side of Russley Road and/or to undertake a major upgrade to an existing pipe serving the lower part of Block A. There would be a significant cost associated with this, making it less attractive as a location for development. The ability for a connection between Block A and the Maidstone sewer is also an issue given the need for third party agreement, which may constrain the potential development of this block.

Reflecting PC1, proximity to residential areas can be benefit in encouraging sustainable travel between home and the workplace. While there is a residential area to the south, Block A fronts two State Highways, therefore being less favourable in encouraging walking or cycling. However, its separation means there is less likelihood of reverse sensitivity effects.

Having regard to the matters above, Block A is not considered appropriate for industrial business activities. Its location west of the State Highway and as a gateway to the Canterbury Plains suggests that its ongoing use for rural activities is appropriate.

Block B Hawthornden

Block B east of Russley and either side of Hawthornden benefits from a location adjacent to the existing urban area. The development of business activities within this block would therefore be consistent with achieving a consolidated urban form.

While largely within the 55 dBA Ldn noise contour, the land to the east of Hawthornden Road is less suitable for business activities as it is surrounded by residential properties on three sides which may give rise to reverse sensitivity effects. The area of land available is small and is in multiple titles, so while a small area could be identified for business, it is limited and buffers/landscaping required would constrain the quantum of land available.

The land to the west of Hawthornden Road can be separated into two parts. The north, closest to Avonhead Road comprises residential and lifestyle properties fronting Avonhead Road up to 8 hectares in size. Several properties have large homes positioned either in the centre or towards the rear limiting opportunities for subdivision and that may give rise to reverse sensitivity effects. There is also a heritage item, Hawthornden House at 2 Hawthornden Road.

The pattern of existing development differs in the central and southern portion of Block B west of Hawthornden Road. It comprises larger lots, which provides greater potential for development relative to the multiple ownership of an area with a large number of small lots. However, unlike Block A, options for ongoing rural production are constrained by its location.

The south western part of Block B is within Groundwater Protection Zone 2, which provides greater flexibility than Zone 1. However, the southern part of Block B is within Zone 1A which recognises a part of Zone 1 is currently or planned to be used for urban purposes. Having regard to this and the factors above, the lower half of Block B is considered appropriate for business development.

While access from Avonhead Road to Russley Road is to be closed as a part of NZTA's plans for 4 laning Russley Road, there is existing access from Block B to Memorial Ave via Avonhead Road and Roydvale Ave. There is also potential for access in the future from Avonhead Road to Memorial Ave through the MAIL site (Corner Russley Road and Memorial Ave) identified for business activities in PC1, which could provide alternative access to Memorial Ave from this block. However, modelling results at the plan change stage will identify the upgrades required to the local road network and intersections and the quantum of business development that could occur ahead of these upgrades.

As discussed earlier, access is proposed to Dakota Park directly from Russley Road (SH1) for north and south bound traffic via a grade separated intersection This requires land on the east side of Russley Road within Block B, which is subject to further investigations and planning processes under the Resource Management Act. There is potential for access from a business area (in Block B) to the State Highway via the proposed intersection of Capital A and B roads and Russley Road. However, this would be subject to discussions with the NZTA.

The area west of Hawthornden Road is in close proximity to a residential area, supporting opportunities for walking and cycling between home and work, while also being adjacent to a greenfield business area between Avonhead Road and Memorial Ave. The size of the area is considered to be sufficient to provide a buffer and enable the mitigation of effects on adjoining residential areas.

In summary, Block B is considered to be a suitable location for industrial development. An area north of Avonhead Cemetery between Hawthornden Road and Russley Road is considered most suitable. It could enable links to open space (Avonhead Park) for amenity and recreation, and the land concerned is largely open pasture and there are therefore few buildings that act as a constraint to business development in this area.

The northern part of the block between Russley and Hawthornden Road has not been identified for business use on the basis that it includes number of residential properties that front Avonhead Road. The northern part of the block, closest to Avonhead Road is also within the air noise boundary, defined as the in the City Plan where noise levels are expected to be most intrusive. The area is within an area defined as an 'Airport Protection Surface' within which a height limit on buildings applies, and is to the

immediate south west of the Runway End Protection Area (REPA). While these factors do not remove the potential for business development, it makes this area less favourable for development than the land further to the south.

Block C - Russley Golf Course

The land between Memorial Ave and Wairakei Road has the highest score amongst the areas evaluated for industrial business activities. This reflects its location contiguous with the existing urban area, therefore supporting a consolidated urban form.

It adjoins the existing Business 4T zone, which has been identified through the review of supply as having a shortage of vacant land. This site could provide a natural extension of the zone and contribute towards addressing the need for additional land. The benefits associated with extending an existing business zone were discussed earlier but include potential 'economics of agglomeration', efficiencies in terms of servicing, and the interface between business zones being easier to manage than the boundary with a residential environment.

The land between Wairakei Road and Memorial Ave also benefits from proximity to residential areas, supporting opportunities for walking and cycling. In terms of access, there are a number of options including existing access to Memorial Ave or alternative access via the existing Business 4T zone or off Wairakei Road. The area also benefits from good access to public transport routes making it more favourable as a location for development.

In terms of natural and physical resources, the area has lower quality soils relative to the rest of the NWRA. However, it continues to be used as a golf course and is therefore unavailable for the foreseeable future. It is a not considered to be a suitable location for development unless its current use as a golf course ceased.

Block C - Wairakei to Harewood Road

The land north of Wairakei Road is split by Stanleys Road and Wooldridge Road. The land east of Wooldridge Road, Nunweek Park, is not considered appropriate for development, given its current use and the need for open space in the area (having regard to the deficiency of open space to the south of Wairakei Road).

The land between Wairakei Road and Harewood Road is partly within Groundwater Protection Zones 1 and 2. The Styx River also originates in the block west of Wooldridge Road, between Wairakei and Harewood Roads. Therefore adverse effects from development should be avoided to maintain the water quality of these natural resources and land identified as esplanade reserve adjacent to the Styx River, as appropriate, to retain/enhance the natural character of the waterway.

The area benefits from access to the SH1 via Wairakei Road and Harewood Road. While access is to be reduced from Wairakei Road to Russley Road, it will still provide good access to the State Highway in proximity to the Memorial Ave/ Russley Road interchange and airport. Harewood Road could also provide a suitable alternative for northbound access to the State Highway. Traffic volumes have increased in the area with the relocation of businesses since the earthquakes. Modelling at the plan change stage will enable the identification of upgrades required to the local road network and intersections to enable additional business development in this area.

The land north of Wairakei Road is in proximity to residential areas, therefore supporting walking and cycling as well as having good public transport access relative to other areas in the NWRA with two bus routes along Wairakei Road.

This block is also in the immediate proximity of the airport, attracting business that has air freight requirements and staff/ customers who travel by air, notwithstanding the reduced access from Wairakei Road to SH1. There is also demand for business land north of Wairakei Road from Tait Electronics who are seeking to consolidate their business on a single site between Wooldridge Road and Stanleys Road

to the north of their existing building while also providing for future growth. This is consistent with forecasts of significant growth in the electronic engineering sector.

The area identified by Tait is approximately 10 ha. Having regard to the potential demand for additional land as businesses in the supply chain or same industry as Tait seek a location in proximity, it is recommended that a larger area of approximately 50 ha is identified, extending north of the land proposed by Tait for rezoning and west to Russley Road. The appropriate boundary to development is considered to be the swale between Wooldridge Road and Stanleys Road that the Styx River originates from. This provides a natural boundary to the area in an otherwise modified environment. It also provides a buffer with residential units within the block and at the intersection of Wooldridge Road and Harewood Road. The extent of the area defined west of Stanleys is based on cadastral boundaries while aligning where possible with the former channel of the Styx River.

Block C – Harewood to Sawyers Arms Road

The land comprises a large number of small properties used for market gardening, nurseries and rural lifestyle activities. The multitude of property owners constrains the development of an area for business as does proximity to residential properties. While this is possibly true of land south of Harewood Road, there is an active party pursuing the development of business activities (Tait) in that area and landowners who have sought the identification of their land for business activities.

The block between Harewood and Sawyers Arms Road scored highly for similar reasons to the land between Wairakei Road and Harewood Road.

The western part of the block, north of Waimakariri Road has soils of very low versatility/ productivity, which reflects the former use of this land as a gravel pit, currently gazetted for this purpose. Part of this site is proposed for an electrical substation under an exchange agreement between Christchurch City Council and Orion. The balance some 13.9 hectares is to be returned to the Crown in the future, reflecting a previous Council decision. The size of the block and its access to Sawyers Arms Road and Harewood Road via Waimakariri Road would support a comprehensive business development. It is also adjacent to a Business 6 zone on the north side of Johns Road, which is accessible via Sawyers Arms Road.

With regard to the balance of the land between Harewood Road and Sawyers Arms Road, the subdivision pattern and activities including lifestyle sections makes this area less suitable and it is therefore not recommended as a business location.

Block D Johns Road

Block D north of Sawyers Arms Road is bordered to the east by rural properties, which in time will be developed as part of a wider greenfield residential area identified in PC1/ Chapter 12A. However, the identification of land for business activities in Block D would not support the objective of urban consolidation until such time that land to the east is developed.

While the area to the immediate north and south of Wilkinsons Road has soils of low versatility/ productivity and the area north of Wilkinsons Road is within Groundwater Protection Zone 1A (which provides for existing or proposed urban activities), the development of business activities in the northern part of Block D is constrained by existing land uses including Harewood Park, Christchurch City Council's nursery, which takes up a large portion of the land to the immediate south of Wilkinsons Road and Harewood Crematorium

Like the area between Harewood Road and Sawyers Arms Road, there is a mix of horticultural activities and lifestyle blocks in the southern and western parts of Block D. The multitude of owners potentially constrains the ability for a comprehensive business development and there is potential for reverse sensitivity effects due to lifestyle properties in the area.

The Styx River flows through Block D to the north east across Gardiners Road. Any land use changes or development in proximity of the Styx would need to be carefully managed to avoid adverse effects on water quality, the natural character of this area, ecological and Tangata Whenua values.

The western and southern parts of the Block are within Groundwater Protection Zone 1, the balance being in Zone 2. Like other areas in the NWRA, development would need to be managed to avoid adverse effects on the groundwater resource.

As a part of the upgrade of the Western Corridor, access will be reduced at the intersections of Gardiners Road and Wilkinsons Road, which makes the northern part of the block less favourable. In addition, it is expected that Styx Mill Road and Gardiners Road will come under increased pressure from traffic associated with the greenfield residential area to the east of Gardiners Road.

The area does not adjoin an existing business zone and is also not served as well as other areas by public transport. While the development of other areas requires upgrades to the local sewer network, additional capacity is required to service Block D, which diminishes the potential for development until the medium term. Having regard to these factors, it is not recommended for business.

Block E Hussey Road

Block E is occupied by rural lifestyle blocks and is surrounded to the east and south west by residential properties. While there is sufficient separation from residential properties, the potential for reverse sensitivity effects exists.

Access from Block E to the strategic road network via Gardiners Road and Wilkinsons Road is to be reduced, which will necessitate travel south via Gardiners Road/ Sawyers Arms Road to SH1 or alternatively through Northwood.

While the area has lower quality soils to the north east and an area in Groundwater Protection Zone 3, there is a higher risk of liquefaction in Block E than other areas. Block E is also the most difficult to service in terms of wastewater infrastructure and is not in proximity to a business zone. It is therefore not a favourable location relative to other Blocks.

Summary

From the assessment, it is recommended that three areas are identified for the development of business activities

- Land at 711 Johns Road, north of Waimakariri Road (Area 1) comprising approximately 15 ha;
- Land north of Wairakei Road, between Wooldridge Road and Russley Road (Area 2), comprising approximately 50 ha;
- Land between Hawthornden Road and Russley Road (Area 3), comprising approximately 35 ha.

These areas are shown on Map 1.

7.5 Types of business activity

The evaluation indicates a number of areas suitable for business, which could support a range of industries. The area north of Wairakei Road has been identified in part because it adjoins an existing Business 4 and 4T zones and could provide an extension to these areas.

The Business 4 (Suburban Industrial) provides principally for light industry, warehousing and service industries and some commercial activities such as offices and limited retailing. The Business 4T zone provides for a similar range of activities although its intended purpose is as a technology park with an emphasis on maintaining a higher standard of amenity than in other business zones.

Given the residential environment in close proximity to Block B, the types of industrial activities anticipated in the Business 4 or 4T zone would be most appropriate in this location as well.

Having regard to the natural resources of the NWRA including the majority of the NWRA being within Groundwater Protection Zone 1, only "dry" industrial activities are considered to be suitable, being those that do not involve the use or storage of large volumes of hazardous substances or generate large volumes of trade waste. This would be consistent with the purpose of the Business 4/4T zones, notwithstanding the need for specific standards to control the use or storage of hazardous substances and discharges.

8.0 Conclusions

The purpose of this report has been to determine the appropriate function of the NWRA and land use activities that would be consistent with this function. In doing so, consideration has been given to the policy context including the RMA's purpose of the sustainable management of natural and physical resources while providing for the social and economic wellbeing of people and communities.

The objectives of statutory documents including the Regional Policy Statement, Natural Resources Regional Plan and City Plan recognise the importance of protecting natural and physical resources including the versatile soils, groundwater resource, surface waterways and airport as a strategic resource. This is to be achieved through urban consolidation, avoiding noise sensitive activities in the NWRA, retaining areas of highly versatile and productive soils, avoiding or mitigating the effects of activities on groundwater (e.g. use and storage of hazardous substances), and managing and treating stormwater before discharge to surface waterways such as the Styx amongst a range of methods.

In recognition of the natural and physical resources of the area, it's location bordered to the immediate west by the airport and east by the urban area, and as a strategic corridor and gateway to the City, it's function is considered to be as a 'Rural-Urban Fringe' that provides for activities typically associated with a peri-urban area while retaining openness and vegetation.

This is consistent with feedback received through the consultation on the NWRA, key messages including the desire to retain the area's rural character and amenity, and for its' role as a buffer between urban activities and the airport to be recognised. There was also a call for change with opportunities sought for development in the NWRA. This has been reflected in the identification of areas for industrial business activities.

In assessment of a range of land use activities, regard has been given the policy context, particularly for offices and retail, neither of which suitable in this location. Other land uses including community activities, open space and sport and recreation have also been considered with the conclusion that any need for these activities in the north west could be met in the NWRA.

Residential development would not be compatible with the environment as the NWRA is within the 50 dBA Ldn airport noise contour within which noise sensitive activities are to be avoided. To allow residential activities could compromise the operation and development of the airport and may not support the retention of the character and amenity of the NWRA. Should the airport noise contour change as a result of appeals, there would be a need to review the appropriateness of the NWRA for residential activities. However, there is considered to be sufficient land identified in PC1/ Chapter 12A to accommodate long term household growth.

Notwithstanding the points above, the NWRA currently provides for rural lifestyle development with a range of lots sizes, from less than 1 ha up to 20 ha. This enables people to live in a rural environment while being in close proximity to the City and achieves a more appropriate outcome, consistent with the RMA's purpose of managing natural and physical resources.

With regard to industrial business land, a review has been undertaken of the supply of industrial vacant land, which has identified a potential shortage of land in some areas, particularly the north west. There has also been consideration given to the potential demand for land including the take up of land associated with the rebuild, displacement of companies from the eastern suburbs due to earthquake damage, demand from businesses relocating from areas such as the inner suburbs, and forecast growth in the long term. The location of the NWRA immediately adjacent to the airport also makes the NWRA attractive as a location for business, with the need for a sufficient supply of land to accommodate economic activity associated with the airport. On this basis 100 ha is considered an appropriate quantum of land to identify in the NWRA for industrial business purposes.

The areas that make up the NWRA have been assessed against a number of criteria, which recognise the natural and physical resources as well as having regard to future changes in the area. Criteria includes (but is not limited to) the contribution an area makes to good urban form; continuity with an existing

business area; consistency with environmental values; infrastructure availability and access. A significant change is the proposed Western Corridor upgrade, which will affect access to/ from different parts of the NWRA. This has therefore been considered in the assessment.

As a result of the evaluation, the most appropriate locations to accommodate development are considered to be

- Land north of Wairakei Road between Wooldridge Road and Russley Road
- Land between Hawthornden Road and Russley Road
- Land at 711 Johns Road, north of Waimakariri Road

A review of industrial land supply has identified the need for additional land to be identified to meet demand, which could be met in these areas.

The implementation of the recommendations will necessitate changes to the City Plan. For each greenfield area, Outline Development Plans should be prepared for the whole of each area identified for business that addresses the values of the area and to provide a comprehensive approach to the development of each area.

The recommendations are based on the decisions version of PC1/ Chapter 12A, which identifies the NWRA within the 50 dBA Ldn airport noise contour, within which noise sensitive activities are to be avoided. Should the airport noise contour change as a result of appeals, there would be a need to review the appropriateness of the NWRA for residential activities. However, there is considered to be sufficient land identified in PC1/ Chapter 12A to accommodate long term household growth.

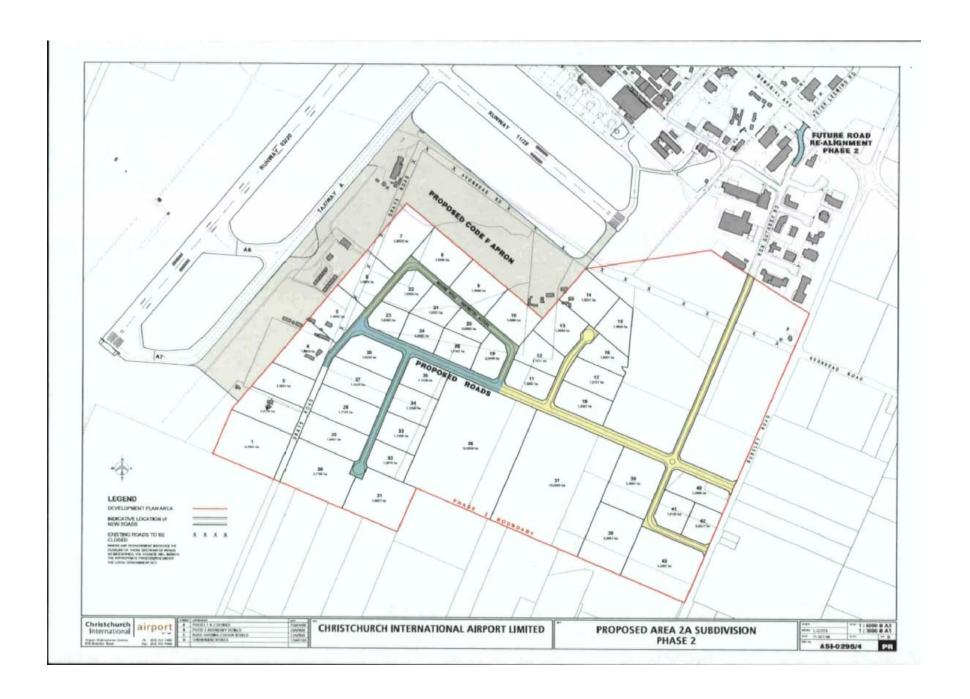
As discussed in the report, it is necessary and appropriate to consider the need for changes to the SPAZ in parallel with the NWRA work, given the relationship between both the land and issues being considered and potential for each area to support similar business activities in the future. The airport is part of the same geographic context as the NWRA, with a road being the only boundary between the two areas, and is part of the same local economy.

Having regard to the decisions on resource consents for development in Dakota Park, the precedent these have set and the inappropriateness of an ad-hoc approach to further non-airport related development within the airport zone, a plan change is considered necessary to provide a clearer policy framework for managing development in the SPAZ. There is also a need for the plan change to review the rules that prescribe the permitted activities in the SPAZ and for consideration to be given to the scope of activities allowed within Dakota Park, having regard to decisions in this area and the contribution that it would make to the supply of industrial land.

9.0 Recommendations

Based on the preceding evaluation, the following recommendations are made to Council -

- (a) To adopt the 'North West Review Area Report' dated October 2012 (This report)
- (b) To direct staff to rezone the North West Review Area to a special 'Rural-Urban Fringe' zone as a part of the District Plan review, with the exception of the those areas subject to recommendation (c)
- (c) To direct staff to prepare a Council led plan change to rezone 100 ha for industrial business purposes in the following areas (refer to Attachment 3)
 - approximately 15 ha for industrial purpose purposes at 711 Johns Road, north of Waimakariri Road (Area 1)
 - approximately 50 ha for industrial business purposes, north of Wairakei Road between Woolridge Road and Russley Road (Area 2), and
 - approximately 35 ha for industrial business purposes, between Hawthornden Road and Russley Road (Area 3)
- (d) That individual Outline Development Plans shall be prepared for the whole of each area identified for business in Recommendation (c) as a plan change. The Outline Development Plans shall be prepared in accordance with the decisions version of Proposed Change 1 (or Chapter 12A should it be reinstated)
- (e) To direct staff to prepare a Council led plan change to provide a clearer policy framework in the City Plan for the Special Purpose (Airport) zone and for consideration to be given to enabling a wider range of industrial business activities in Dakota Park



18 September 2012

Christchurch City Council Planning Department/Legal Section Christchurch City Council PO Box 73013 Christchurch 8154

For: Brigitte de Ronde

Dear Brigitte

PO Box 14 001 Christchurch 8544, New Zealand Telephone (+64 3) 358 5029 Facsimile (+64 3) 353 7730 christchurchairport.co.nz

Potential plan change - special purpose (airport) zone

- As discussed on 24 August 2102 circumstances have recently arisen which indicate that it is timely for Christchurch City Council (*CCC*) to consider a review of the current provisions of the Special Purpose (Airport) zone (*the SPAZ*).
- As you are the aware the City Plan currently provides for the SPAZ to enable the continued operation of Christchurch International Airport Limited (CIAL). We consider the concept of a special zone relating to activities which can occur on the airport and the outcomes that are anticipated from that special zoning is appropriate.
- The practical difficulty is that the SPAZ as currently drafted is uncertain. There are no stated objectives, policies or environmental outcomes set out and there is simply a list of activities provided which do not reflect the activities which are carried out at a modern airport. Because of this CIAL can make an application for any non-complying activity, which has exactly the same effects as any of the matters set out in the list of activities and can expect to have that application granted non-notified.
- At one level it is in CIAL's interest to allow the situation to continue as our legal and planning advice is that most applications for resource consent for any activity should continue to be granted until a point is reached sometime in the future where the amount of land used for development begins to raise the possibility that there may be insufficient land available for core aeronautical activities. In the context of CIAL's total landholdings of **996** hectares that point is obviously well into the future (833Ha freehold, 163Ha leasehold).
- The flipside, however, is that CIAL is currently faced with the uncertainty of not knowing the point at which that threshold will be reached, it is difficult to engage in discussions with prospective tenants when the planning framework is uncertain and there are inefficiencies and delays in successive applications for resource consent applications.
- In the most recent resource consent decision relating to a data storage facility Commissioner Mountfort noted in an addendum:



"It is becoming apparent to me that CIAL is treating the part of the Special Purpose Airport Zone as just another Business Zone and is prepared to allow a range of business activities to locate there which have no particular relationship with the airport greater than similar activities located elsewhere. In doing this it is ignoring the clearly expressed description of what the zone is for, as set out in provisions such as the rules, the zone description and reasons for rules. I note that almost all businesses probably make some use of the airport from time to time and this is not enough to bring them within the purpose and meaning of this zone. I have approved this application only because the area known as Dakota Park is such a small part of the airport itself, and an even smaller part of the business areas of Christchurch that it cannot possibly have a significant effect upon the integrity of the City Plan's Business Objectives and Policies. It is also relevant that there are no objectives and policies that directly relate to expectations for the zone. However at some point cumulative effects are going to become apparent. In my judgement that point has not been reached yet. It may well start to occur if CIAL starts to develop more of its site for business activities. I recommend that Council gives some consideration to this issue, and that these comments be forwarded to the Strategy and Planning Department of Council."

- We therefore consider that the time has come for the issue to be squarely addressed and the SPAZ provisions to be redrafted to reflect a proper objective and policy framework and rules reflecting the range of activities which are enabled by a modern airport, so that there is certainty around activities that can and cannot take place on CIAL land and acknowledgment of the airport's critical role in the regional economy (particularly post earthquake) and its role in providing a part of the region's strategic transport infrastructure.
- In parallel with the above CIAL is aware that CCC is progressing with its northwest area review. We understand that approximately 50 hectares of the 100 hectares which is subject to the Commissioner's PC1 decision is likely to be land zoned for business uses in the future and is shortly to be the subject of CCC initiated plan changes.
- 9 CIAL is naturally concerned that whilst it is in a situation where its own zoning is unsatisfactory in terms of its drafting CCC is promulgating a plan change to allow business activities to locate on or close to the airport boundary in Christchurch's northwest.
- 10 CIAL does not have any difficulty with business zoning in northwest Christchurch but it would be concerned if at the same time it is left with a quasi business zone, with uncertain provisions where any particular development needs to go through a non-complying resource consent process. This would create an unlevel playing field.
- 11 CIAL does not consider that CCC could, or should, proceed with zoning new business land in the northwest without at the same time properly considering a tidy up of the provisions of the existing SPAZ which is also a business zone in the northwest of Christchurch.
- Accordingly we consider that prior to, or at the same time, as progressing the zoning of business land in the northwest area review process that it is appropriate for CCC to consider a review of the current provisions of the SPAZ to ensure that they are properly reflective of enabling the airport (in the modern sense of activities carried

- out by other modern airports around the world), to function, grow and assist in the economic recovery of Canterbury.
- As discussed if the CCC is prepared to consider this process ahead of, or in parallel with, the northwest area review CIAL is happy to assist the initial phases of this process by providing a first draft of updated SPAZ provisions for consideration by CCC officers.
- 14 We would welcome the opportunity to discuss further.

Yours sincerely

Rhys Boswell

GENERAL MANAGER PLANNING & ENVIROMENT

COUNCIL 25, 10, 2012

ENVIRONMENT AND INFRASTRUCTURE COMMITTEE 4. 10. 2012

A meeting of the Environment and Infrastructure Committee was held in the No. 1 Committee Room on Thursday 4 October 2012 at 9am.

PRESENT: Councillor Sue Wells (Acting Chair)

Councillors Sally Buck, Jimmy Chen, Barry Corbett.

APOLOGIES: Councillors Claudia Reid and Aaron Keown.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. INFRASTRUCTURE REBUILD MONTHLY REPORT

General Manager responsible:	General Manager Capital Programme, DDI: 941-8235
Officer responsible:	Infrastructure Rebuild Client Manager
Author:	Will Doughty

PURPOSE OF REPORT

1. To provide the Council with a monthly update on the infrastructure rebuild.

EXECUTIVE SUMMARY

- 2. At its April 2011 meeting, the Council gave approval for an Alliance to be formed to deliver the reinstatement of the City's damaged infrastructure. It was also agreed that the Chief Executive would report regularly to the Council on progress with regard to the reinstatement work.
- 3. The report (**Attachment A**) is the eleventh of what will be a regular monthly report that is provided to the Environment and Infrastructure Committee, Council and the Canterbury Earthquake Recovery Authority (CERA).

STAFF RECOMMENDATION

It is recommended that the Council receives the Infrastructure Rebuild Monthly Report for September 2012.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

COUNCIL 25. 10. 2012

ENVIRONMENT AND INFRASTRUCTURE COMMITTEE 4. 10. 2012

- 2 -

PART B - REPORTS FOR INFORMATION

2. DEPUTATIONS BY APPOINTMENT

Nil.

PART C - REPORTS FOR INFORMATION

3. RESOLUTION TO APPOINT A CHAIRPERSON

As both the Chairperson and the Deputy Chairperson were absent the Committee **resolved** to appoint Councillor Sue Wells as the Acting Chairperson for this meeting.

The meeting concluded at 9.10am.

CONSIDERED THIS 25TH DAY OF OCTOBER 2012

MAYOR



INFRASTRUCTURE REBUILD PROGRESS REPORT SEPTEMBER 2012

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1. INTRODUCTION

The purpose of this report is to provide Council, CERA and NZTA an update on the horizontal infrastructure rebuild. For this month, and going forward, progress on all horizontal infrastructure rebuild work is reported. This includes the work activity being delivered by SCIRT (section 5) and work being delivered under business as usual (BAU) mechanisms (section 6).

2. ACTIVITIES FOR THE MONTH

On Friday 7th September the Infrastructure Rebuild Forward Programme of Works was officially launched by the Mayor and Minister at Pages Road pump station. The launch received a significant amount of publicity and overall was well received. This will now be followed up with a series of community board meetings to explain the programme and what it means for each ward. The public are being encouraged to visit the Stronger Christchurch website (www.strongerchristchurch.govt.nz) for further information.

The ramp up of work is continuing with SCIRT increasing the amount of work in the field. The total claim for SCIRT related infrastructure rebuild works in August was approximately \$33 million. Overall there has been an increase in the value of work delivered in the field of \$2.9m compared to July. It was good to see that one of the key messages for the public around the Infrastructure Rebuild Programme launch was that around increased congestion and disruption on the roads being a sign of progress. Although every opportunity is being taken to minimize impacts it will be a reality as activities continue to increase.

The overall programme estimate for the Horizontal Rebuild is on track to be complete in November. The certainty and confidence around the updated estimate will be significantly higher than the previous estimate in September 2011. However, asset investigation is not anticipated to be complete until September 2013 at which time a further programme estimate update will be required.

In anticipation of the continued ramp up of work, SCIRT are looking to start "Train.Work.Earn.FOR REAL!" a recruitment and training campaign to attract locals to the construction industry. In addition, SCIRT's internal training continues to expand, with the SCIRT Safety Passport being endorsed by Site

Safe and the Construction Safety Council (CSC), and development of an environmental training programme with Environment Canterbury. As well as working closely with organisations, such as Canterbury Earthquake Temporary Accommodation Services (CETAS), creating greater understanding which in turn enables SCIRT teams to refer people, which need support, to CETAS as they encounter them in the community.

3. COMMUNICATION AND COMMUNITY ENGAGEMENT

The forward programme of works for the rebuild was officially launched by the Mayor and Minister on 7 September. Information about the schedule, including a visualisation tool, map outlining the broad construction timeline for the next four years and a detailed six month schedule of upcoming projects are available online at www.strongerchristchurch.govt.nz. Another series of Community Board meetings are also starting now to outline the details of the schedule in their area.

There was significant media coverage of the launch and details of the schedule received a lot of publicity. Ongoing communication activity is now planned to highlight progress and keep residents informed about work that is underway. Opportunities to work with CERA community engagement team are also being looked at to hold community meetings around the Infrastructure Rebuild. Care is required to ensure any meetings are coordinated with other organisations/subjects areas to avoid information overload for people.

In August, the SCIRT communications team continued to keep residents informed of rebuild progress. During the month the team delivered 67 start work notices to more than 17,565 houses and carried out 578 face-to-face communications, largely through door-knocking. There were 73 web updates and four e-newsletters were distributed. SCIRT also attended CERA-organised TC3 meetings to address any infrastructure rebuild matters and made three school visits in areas where construction is underway.

4. FINANCIALS

Below is a summary of the financials for the horizontal infrastructure rebuild.

These have been separated into rebuild activities being carried out by SCIRT (including NZTA State Highway rebuild work) and Council infrastructure rebuild activities being undertaken through Council business as usual mechanisms.

The reporting includes a breakdown for the current financial year as per the agreed SCIRT annual budget and the Council Annual Plan in section 4.1 and actual costs to date against the overall infrastructure rebuild estimate (plus additional projects) in section 4.2. For the purpose of this report all indirect costs have been allocated based on portion of the programme estimate per activity.

Table 1.1 summarises the year to date and life to date of the horizontal infrastructure rebuild activities performed by SCIRT, rebuild activities performed by others and other CCC renewal projects performed by SCIRT.

Table 1.1: Year to date and life to date of the horizontal infrastructure rebuild activities

FINANCE AS AT 31 AUGUST 2012						
Activity	Year to date Budget	201	2/2013 Actual	Life to Estimate	date	e Actual
Rebuild activities performed by SCIRT	\$ 440,000,000	\$	63,496,553	\$ 1,751,095,238		333,718,068
Rebuild activities performed by others	\$ 115,546,187	\$	3,415,113	\$ 307,306,057		65,855,694
Other activites performed by SCIRT	\$ 55,224,492	\$	6,454,952	\$ 55,224,492		17,812,902
GRAND TOTAL	\$ 610,770,680	\$	73,366,618	\$ 2,113,625,787	\$	417,386,664

4.1 Annual Plan 2012/13 - Actual year to date cost against budget

The Council 2012/13 Annual Plan includes a budget for the infrastructure rebuild of \$544.6m. This relates to Council infrastructure rebuild activities being delivered by both SCIRT and Council business as usual mechanisms.

In addition to the Council infrastructure rebuild Annual Plan, the SCIRT budget for the year also includes NZTA Highway rebuild budget of \$10.9m. For the purpose of this monthly progress report, the total budget reported against for the year is therefore \$555.5m as outlined in Table 1.4.

4.1.2 SCIRT actual year to date costs

The approved annual budget for SCIRT rebuild activities is \$440m. This includes NZTA State Highway rebuild activities. Table 1.2 below presents the actual costs for each activity for the year to date reported against the agreed annual budget for SCIRT. These costs are up to the end of August 2012.

Table 1.2 Actual costs for year to date of rebuild works by SCIRT

SCIRT									
		2012/13 SCIRT				-	orecast Total		Year End
Activity	Description		Budget	Act	tual Cost YTD	Sp	end This Year		Variance
Road Network	Roading	\$	132,295,812	\$	14,538,725	\$	119,661,934	\$	12,633,878
Wastewater Collection		\$	230,200,000	\$	41,477,034	\$	266,012,797	-\$	35,812,797
Water Supply	Water Supply	\$	38,100,000	\$	5,803,145	\$	27,037,078	\$	11,062,922
Waterways & Land Drainage	Stormwater	\$	28,490,297	\$	1,232,578	\$	22,666,890	\$	5,823,407
NZTA Highways		\$	10,913,892	\$	445,072	\$	11,121,502	-\$	207,610
TOTAL SCIRT INFRASTRUCTUR			440,000,000	\$	63,496,553	\$	446,500,200	-\$	6,500,200

4.1.3 Non-SCIRT actual year to date costs

The balance of the annual plan budget for the infrastructure rebuild (\$115.5m) is being delivered by Council business as usual mechanisms. Table 1.3 below presents the actual costs for the year to date of the infrastructure rebuild performed by Council for each activity against the 2012/13 Annual Plan budget. These costs are up to the end of August 2012.

Table 1.3 Actual costs for year to date of non-SCIRT rebuild works

FINANCE AS AT 31 AUGUST 2012										
Non SCIRT										
Activity	Description	Approved Budget			ctual Cost YTD	Year End Forecast		Year End Variance		
Road Network	Roading	\$	16,541,503	\$	32,341	\$ 16,541,904 -	-	401		
Wastewater Collection		\$	0	\$	2,979	\$ 2,979 -	-	2,978		
Parks & Open Spaces	Greenspace	\$	13,554,101	\$	51,594	\$ 13,554,101	-	0		
Refuse Minimisation & Disposal	Solid Waste	\$	5,105,263	\$	852,390	\$ 5,105,263		0		
Wastewater Treatment & Disposal	WW Treatment Plan	\$	29,020,147	\$	367,161	\$ 29,020,147	-	0		
Water Supply	Water Supply	\$	51,325,173	\$	1,195,734	\$ 32,498,294		18,826,879		
Waterways & Land Drainage	Stormwater	\$	0	\$	912,914	\$ 12,530,914 -	-	12,530,914		
TOTAL NON-SCIRT INFRASTRUCTUR	RE REBUILD PROGRA	\$	115,546,187	\$	3,415,113	\$ 109,253,602	\$	6,292,585		

4.2 Overall Infrastructure Rebuild estimate - actual life to date costs against current infrastructure rebuild estimate.

The current estimate for the overall rebuild of the City's horizontal infrastructure is \$2.015 billion (including contingency and excluding escalation), plus \$18.163m project budget not included in the horizontal infrastructure cost estimate. In addition to the above there is an estimate of \$25m for NZTA State Highways rebuild. For the purpose of this monthly progress report the current overall estimate reported against is therefore \$2.058 billion as outlined in Table 2.3.

It is anticipated that a revised programme estimate will be completed in Q4 of calendar year 2012 to help inform the long term planning process.

4.2.1 SCIRT actual life to date against estimate

Table 2.1 includes the overall life to date costs against the current estimate for the SCIRT performed rebuild of the City's infrastructure. SCIRT is performing \$1.7b of Council infrastructure rebuild, plus \$25m NZTA Highways rebuild.

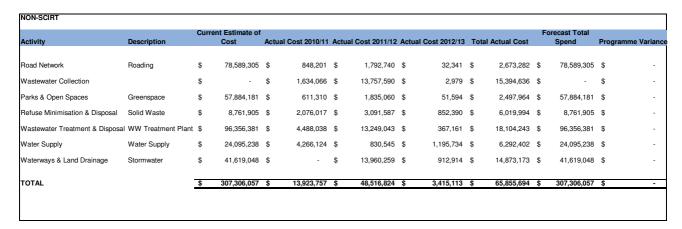
Table 2.1 SCIRT Actual life to date costs against estimate

Activity	Description	Curr	ent Estimate of Cost	I Cost 2010/11	Actua	al Cost 2011/12	Actu	ual Cost 2012/13	To	tal Actual Cost	F	orecast Total Spend	Programm	e Varianc
Road Network	Roading	\$	814,857,143	\$ 11,812,105	\$	71,701,403	\$	14,538,725	\$	98,052,233	\$	814,857,143	\$	-
Wastewater Collection		\$	714,095,238	\$ 10,376,296	\$	129,473,139	\$	41,477,034	\$	181,326,469	\$	714,095,238	\$	-
Water Supply	Water Supply	\$	128,142,857	\$ 1,857,860	\$	35,347,203	\$	5,803,145	\$	43,008,208	\$	128,142,857	\$	-
Waterways & Land Drainage	Stormwater	\$	69,000,000	\$ 999,542	\$	6,485,377	\$	1,232,578	\$	8,717,497	\$	69,000,000	\$	-
NZTA Highways Rebuild		\$	25,000,000		\$	2,168,590	\$	445,072	\$	2,613,662	\$	25,000,000		
TOTAL		\$	1,751,095,238	\$ 25,045,803	\$	245,175,712	\$	63,496,553	\$	333,718,068	\$	1,751,095,238	\$	-

4.2.2 Non-SCIRT actual life to date against estimate

Table 2.2 includes the overall life to date costs against the current estimate for infrastructure rebuild activities being delivered by Council business as usual mechanisms. The table also includes three projects and their budgets, not included in the current cost estimate, totalling of \$18.163m.

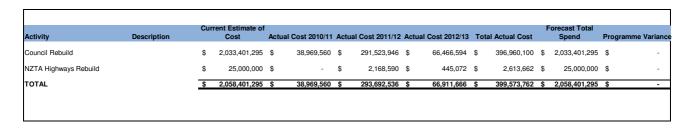
Table 2.2 Non-SCIRT actual life to date costs against estimate



4.2.3 Horizontal Infrastructure – SCIRT and Non-SCIRT actual life to date against estimate

Table 2.3 presents the reconciliation of the budgets. \$2.015b horizontal infrastructure cost estimate, the 18.163m of other Council budgets and SCIRT performed NZTA Highways (\$25 million).

Table 2.3 SCIRT and Non-SCIRT actual life to date against estimate



5. SCIRT WORK ACTIVITY

5.1 Achievement Report

The progress report for this month includes an achievement report which outlines progress made by the construction projects against key metrics for each asset type.

The information collection process and the key metrics are still being developed in conjunction with SCIRT and the three client organisations and so will continue to be refined.

Asset Type	Asset Sub-Type	Unit	July	August	Life To Date
Storm Water Pump Stations	Pump Station	#	0	0	0
Storm Water Reticulation	Drainage	m	1,280	675	3,353
Transport - Roading	Bridges	%	0.75	0.2	95
	Pavement	m2	11,617	11,809	76,486
	Retaining Walls	#	188	59	293
Waste Water Pump Stations	Pump Station	%	247	97	886
Waste Water Reticulation	Reticulation	m	12,057	9,811	48,240
	Manhole/chamber	#	55	46	112
Water Supply Pump & Reservoir Stations	Pump Station	%	82	142	349
	Reservoir	%	0	0	283
Water Supply Reticulation	Reticulation	m	1,870	1,505	18,108
	House connections	#	134	3	137

5.2 Number of Ongoing SCIRT Projects

The following table is a summary of the programme pipeline as at August 31^{st} 2012. It shows how many projects and the total value at each stage of the project lifecycle.

Project Lifecycle Stage	July Estimate	August Estimate	July Estimated Construction Cost	August Estimated Construction Cost
Investigation (Asset Assessment)	40	53	\$21.7m	\$44.2m
Concept Design	63	76	\$532.3m	\$703.9m
Detailed Design	80	94	\$365.8m	\$429.1m
Construction	83	87	\$185.4m	\$207.6m
Handover	195	202	\$75.3m	\$76.0m
Grand Total	511	512	\$1,219.7m	\$1,460.8m

In the table above, the previous monthly report totals have also been included to show the change in activity.

5.3 Ongoing Projects by Ward

5.3.1 Introduction

The progress report this month includes a summary of all SCIRT projects that are currently either in detailed design or construction separated on a Ward basis. A separate table has been included specifically for projects either in detailed design or construction within the central city (within the four avenues). This has been created to assist in the coordination with the Central City Recovery Plan and vertical infrastructure rebuild going forward.

For projects in construction – estimated construction cost (Target Outturn Cost) has been included together with actual Life to Date Costs as at the end of August 2012.

5.3.2 Burwood / Pegasus

	DETAILED DESIGN					
Reference	Project	Project Description				
10415	Pump Station PS63 (PS)	New replacement PS63 at Beach Road. This project is linked to 10926 for the approximately 4Km long 700mm pressure main.				
10585	PS25 - Catchment Vacuum Solution (WW)	Wastewater design for Pumping station 25 Catchment. This area includes sections of Banks Ave and Achillies Street that will be diverted into PS 108. This area also includes the Strathmore Gardens area. The majority of the catchment requires replacement of WW lines.				
10620	Pages Rd Bridge	Repair to Pages Rd Bridge, including road network connecting to roundabout on North end of bridge.				
10694	PS36 Renewal (WW)	New PS36 to replace existing PS36. New station capacity approximately 900 L/S. This project covers all design for the project and construction for above ground activities. A related project covers 2M of below ground construction works required.				
10796	NZTA Anzac Bridge Repairs	Ground improvements, removal of landward bridge spans, demolish and rebuild abutments, repair piers, approaches and underpasses				
10809	PS28 Catchment RD SW and WS Repairs	Design for repair (some full reconstruction) of minor to severe earthquake damage to carriageways, kerbs and channels, and footpaths with some associated stormwater and water supply works in streets situated in the area from Woodham Rd/Pages Rd north to Wainoni Rd/Breezes Rd. This work will follow construction of wastewater repairs/replacement.				
10819	Keyes Road Catchment (RD,SW)	Repair and reinstatement of roads and underground services (excluding wastewater).				
10840	PS37 Catchment RD SW WS	Linked to Project 10318 WW for the RD WS and SW elements				
10861	New Brighton, South New Brighton & Southshore NE1, NE2 & NE3 Area Rebuild (WW)	Overall Catchment scope to link multiple projects and release projects on hold for a full one pass rebuild of the above area. Includes WW elements. Projects for construction to the value of \$15M are expected from this concept study.				
10900	New Brighton NE6&NE7 Catchment Rebuild (WW)	Full, one pass rebuild of the New Brighton Catchment Area (Waste Water Element)				
10926	PM63 (WW)	The 700mm pressure main 63 will run for 4km generally following the route of Anzac Drive from Parklands to Bexley. It will connect to pump station 63 which is being designed and				

	DETAILED DESIGN					
Reference	Project	Project Description				
		constructed under the project number 10415.				
10946	PS25 Replacement VS5001 (WW, PS)	Replacement of the existing wet well pump station that is fed by the existing gravity sewer network with a vacuum pump station that will be fed by the new vacuum sewer network.				
10959	Aranui Catchment NE4 Vacuum Pump Station, Pages Road (WW)	Construction of a vacuum pump station to service the Aranui catchment including an above ground, architecturally designed pump station building, biological filter bed, shared generator building with PS36 and an access road. This pump station is located at the same site as PS36 and has some shared facilities.				
10960	Aranui Catchment NE4 Vacuum Arm 1: Rowses Road Subcatchment (WW)	Construction of vacuum sewerage pipes, pits, and laterals (in road reserve only) and connecting up to the new vacuum pump station in Bexley Reserve.				
10961	Aranui Catchment NE4 Vacuum Arm 2: Pages Rd West Subcatchment (WW)	Construction of vacuum sewerage pipes, pits, and laterals (in road reserve only) and connecting up to the new vacuum pump station in Bexley Reserve.				
10962	Aranui Catchment NE4 Vacuum Arm 3: Shortland Street Subcatchment (WW)	Construction of vacuum sewerage pipes, pits, and laterals (in road reserve only) and connecting up to the new vacuum pump station in Bexley Reserve.				
10963	Aranui Catchment NE4 Vacuum Arm 4: Marlow Road Subcatchment (WW)	Construction of vacuum sewerage pipes, pits, and laterals (in road reserve only) and connecting up to the new vacuum pump station in Bexley Reserve.				
10964	Aranui Catchment NE4 Vacuum Arm 5: Portchester Street Subcatchment (WW)	Construction of vacuum sewerage pipes, pits, and laterals (in road reserve only) and connecting up to the new vacuum pump station in Bexley Reserve.				
10965	Aranui Catchment NE4 Pressure Sewerage System - East Avondale centred on Cowes Street (WW)	Construction of a pressure sewerage system including individual pump station units in private property, laterals, boundary kits and pressure mains. The pressure main from the catchment then runs along Anzac Drive and discharges to a new inlet manhole (by others) near the junction of Anzac Drive and Bexley Road.				
10973	Water Supply - Lamorna Road Renewal (WS)	325m of Water main renewal. Existing pipe currently overland as a temporary measure.				
10975	NE12 - North New Brighton Wastewater Catchment Repairs (WW)	Repair of the Wastewater network within the North New Brighton area.				

	DETAILED DESIGN						
Reference	Project	Project Description					
10976	NE13 - Beach Road & Bower Ave Wastewater Catchment Repairs (WW)	Wastewater replacement in the Beach and Bower Ave Catchment within Parklands East.					
10977	NE13 - Parklands East Wastewater Catchment Repairs (WW)	Replacement of the Wastewater system in the Parklands East area.					
10978	NE13 - Parklands West Wastewater Catchment Repairs (WW)	Wastewater repairs to the Parklands West catchment area.					

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
10314	Keyes Road Catchment (WW, WS)	Repair and/or reinstatement of wastewater system.	5/03/12	29/11/12	\$5,243,792	\$4,251,823		
10318	PS37 North Catchment (WW)	Wastewater repairs and renewal for northern half of PS37 catchment. Includes one new pump station and approximately 100 pressure sewer pumps.	3/05/12	21/03/13	\$4,289,815	\$1,675,222		
10335	PS54 - Catchment	A large waste water catchment of approx 12 streets which all drain to Pump Station 54 in Avondale.	2/11/11	13/10/12	\$10,893,000	\$6,604,413		
10359	PS54 - Niven St (WW)	Minor works on pump station 54 as described in an IRMO report from	25/10/11	24/10/12	\$22,100	\$62,282		
10363	PS108 Catchment (old PS39 Catchment)	A large waste water catchment of approx 12 streets which all drain to Pump Station 54 in Avondale.	11/11/11	13/09/12	\$5,306,865	\$4,346,290		
10416	PS37	Repairs to existing PS37, including new pump intakes and repairs to yards.	30/11/12	5/02/13	\$247,891	\$681,824		
10421	Estuary Rd Carriageway, PS37 to Bridge Street Catchment (WW)	Estuary Road from Beatty Street to Bridge Street is undergoing the installation of a new deep gravity sewer main. Installation is required as a result of extensive earthquake damage on the existing main, allowing infiltration.	16/09/11	10/09/12	\$2,110,000	\$2,403,436		

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
10430	PS28 - Catchment	PS 28 catchment services residential and industrial land loosely bounded by Pages Rd, Cuffs Rd, Wainoni Rd and Shortland St in the suburb of Wainoni. Other pockets of land are also serviced including 650 m of Wainoni Rd north of Shortland St and 240 m of Breezes Rd, an area west of Wainoni Rd including a portion of Avonside Dr, Newport St, Tenby Pl and Emlyn Pl, 350 m of Wainoni Rd south of Cuffs Rd and an area south of Pages Rd including Price Pl, 180 m of Kearneys Rd and Mecca Pl.	23/07/12	25/07/13	\$15,841,952	\$153,702		
10532	Cnr Pages & Cuff - Emergency Repair	A large waste water renewal to a section of gravity pipe in Pages Rd.	30/01/12	28/09/12	\$945,238	\$2,102,461		
10557	Gayhurst Road Roading (RD)	Design for road reconstruction to repair moderate to severe earthquake damage to carriageway, kerb and channel, and footpaths from Dallington Bridge northwards to Mundys Road. This project will become part of PS108 Catchment Phase 1 Roading, Storm Water and Water Supply. This work follows wastewater repairs/replacement.	16/07/12	15/05/13	\$2,747,247	\$384,215		
10577	PS106 - Woolley	Minor new pump station.	2/07/12	28/11/12	\$428,800	\$174,886		
10651	Keyes Rd Watermain (WS)	Watermain renewal in Keyes Road between Pratt Street and Hawke Street.	30/03/12	13/09/12	\$168,994	\$192,237		
10681	Bower Avenue Watermain & Submains (WS)		27/02/12	13/09/12	\$553,869	\$458,760		
10765	PS 108 New Pump Station	Minor new pump station.	15/11/12	27/03/13	\$1,056,159	\$10,427		
10769	CCC - Keyes Pumping Station (WS)	CCC capital works programme rebuilding project for the Keyes Water Pumping Station. Initial design was carried out by CPG, and URS are also involved with the geotechnical investigation and report.	25/06/12	21/11/12	\$2,915,195	\$1,047,973		

		CONSTRUCTION				
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10786	PS108 Catchment Stormwater, Water Supply and Roading Renewals (SW,WS,RD)	Design for repair (some full reconstruction) of minor to severe earthquake damage to carriageways, kerbs and channels, and footpaths with associated storm water and water supply works in 11 streets situated immediately to the east and west of Gayhurst Rd from McBratneys Rd northwards to Mundys Rd. This work will follow construction of wastewater repairs/replacement.	2/07/12	15/05/13	\$1,915,621	\$135,387
10802	PS54 Stage 1 - Northern Roading Renewals Incl Breezes Road	Road design for 8 roads in Avondale. New pipe sysytems are needed in multiple roads requiring asset managers understanding and buy-in. Includes stormwater full dynamic modelling with probable need to restore capacity by optioneering new components (new basin and/or pump ugrading).	10/09/12	23/04/13	\$3,782,598	\$35,527
10803	PS54 Stage 1 Southern Roading Renewals (South of Breezes Road)	Road design for Pembroke St and Horton Place in Avondale. A new pipe sysytem is needed on Horton St requiring asset managers understanding and buy-in.	2/07/12	21/02/13	\$900,394	\$549,753
10806	Pages & Cuffs Emergency Repair Roading (RD)	Road design for short section of dual carriageway on Pages Road. Rectification involves re-surfacing with new asphalt and minor adjustments to vertical profile and also a short stormwater pipe to connect to new low point in kerb.	7/05/12	29/10/12	\$433,037	\$269,656
10846	Water Main Replacement Projects - Feb 2012	Water Main replacement projects for: Vivian St, Admirals Way, Pine Ave. Other streets have been moved to other projects: Port Hills Rd and Flavell St to 10681. Keyes Road to 10314. All others removed.	28/05/12	28/09/12	\$705,367	\$691,809
10859	CCC - Private Laterals Keyes Road (WW)	Investigation and repair of private laterals to valid EQC claimants (pilot project). There is no design work associated with this project and TOC allocated. All costs are directly returned to CCC with no Limb 3 allocation. Therefore project is grouped with other	18/06/12	1/10/12	\$100,000	\$39,352

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
		CCC BAU capital projects.						
10882	Emergency Work - Beatty Street	Emergency relay of a collapsed sewer on Beatty Street	13/08/12	10/09/12	\$161,561	\$2,223		
10896	Minor Works - Demolition of Porrit Park and Snells Footbridges, PS26 and PS27 Pump Stations	Demolition and make safe work for Porrit Park Footbridge, Snells Footbridge, PS26 and PS27. Rebuild of the bridges to be undertaken in separate standard projects.	14/08/12	31/10/12	\$223,084	\$18,339		
10898	Minor Works - Medway Footbridge Removal	Removal and make safe of the footbridge. Store off site until a decision is made regarding the structure	1/10/12	12/10/12	\$82,348	\$5,047		

5.3.3 Fendalton / Waimairi

	DETAILED DESIGN						
Reference	Project	Project Description					
10894	Bridge Repair Package (Minor Repairs)	Repair of 14, moderately damaged bridges within the western quarter of the city. Package 1 of 4					

		CONSTRUCTION				
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10425	Glandovey/Bryndw r Cluster	Design for repair to severe earthquake damage to wastewater and minor damage to carriageways, kerbs and channels, and footpaths (severity yet to be confirmed) storm water and water supply. This cluster incorporates the 9 streets immediately adjacent to and including Glandovey Road between the Wairarapa Stream and Strowan Road	5/11/12	3/09/13	\$2,817,756	\$59,340
10485	Merivale WW	Approximately 9km of WW gravity system, one new pump station.	14/05/12	30/08/13	\$14,263,822	\$2,575,517
10575	Papanui Rd - Knowles to May (WW)	The area has been broken into wastewater subcatchments in order to determine the best catchment wide solution. 10575 therefore includes Browns Rd north of Mansfield Ave, McDougal Ave east of Murray Pl, Murray Pl, Innes Rd between Papanui Rd and Browns Rd, Heaton St east of Circuit St, Papanui Rd between Innes Rd and Mays Rd, approximately 230 m of the eastern end of Knowles St, Weston Rd and Chapter St, Approximately 280 m of the western end of Normans Rd and 150 m of the eastern end of Mays Rd.	15/05/12	3/07/13	\$4,795,898	\$1,313,665
10595	Wairakei Road (WW)	Replacement of the deep 225 mm sewer main and the construction of new 150 mm sewer rider mains	2/08/12	25/01/13	\$1,004,979	\$10,991

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
		over the deep main. The wastewater works are from Aorangi Street to Idris Road.						
10852	Minor Works - Casebrook Block	Minor footpath, ramp and pavement repairs	31/05/12	12/11/12	\$226,107	\$59,763		
10857	Minor Works - Bridge Minor Works Project Package 02	Minor repair works to 55 bridges that suffered low levels of damage during the EQ events. Delivery team led with input from SCIRT Design teams where required.	27/07/12	13/09/12	\$29,231	\$74,977		

5.3.4 Central City

	DETAILED DESIGN			
Reference	Project	Project Description		
10464	F106 Antigua St Footbridge	Replacement of existing structure, or incorporate historical elements into major repair works		
10465	F105 Bridge of Remembrance	Major structural repair works		
10467	R114 Colombo St (North) Bridge	Major structural repair works Northern Colombo St, over the Avon, heritage bridge near intersection of Oxford Tce & Dombo St.		
10468	R115 Armagh St Bridge	Major structural repair works		
10482	Triumphal Arch	All works related to both temporary bracing to arch to support the structure and all permanent repair works. In CBD, Heritage structure.		
10844	Central City Pump Station PS2 Catchment (WW)	Repair/replacement of wastewater system in the north west of the CBD. Excludes WW Brick barrel which is considered under Project 10845.		

	CONSTRUCTION					
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10445	Fitzgerald Ave Wall and Roading	The works include the replacement of a failed retaining wall and carriageway. Ground stabilization is also being installed with stone columns 12 meters deep.	15/06/11	30/01/13	\$3,130,000	\$3,917,309
10506	Hagley Syphon	Open trenching through Avon and sewer works in North Hagley Park.	23/04/12	18/09/12	\$450,006	\$568,843
10867	Fitzgerald Ave Retaining Wall Footpath	Footpath element of the Retaining Wall project. Linked to Project #10445	10/05/12	11/09/12	\$604,414	\$545,735
10893	Minor Works- Bridge Minor Works Project Package 01 Bridging	Minor repairs to bridges requiring little design input. Project to be led by SCIRT Project Manager and Delivery teams	23/07/12	28/09/12	\$221,172	\$33,761

5.3.5 Hagley / Ferrymead (*excludes central city)

	DETAILED DESIGN				
Reference	Project	Project Description			
10347	Gayhurst Rd (Bridge Works - EW)	Retrofit repair to bridge involving new abutments, piles, wingwalls and associated road approaches and services.			
10405	Stadium Package 01	Repair of road and all buried services along a section of Ferry Rd and Moorehouse Ave, nea the AMI stadium			
10449	St Johns (WW)				
10462	Site 228 Rangatira Tce Retaining Wall (RW)				
10584	PS27 Catchment Area (WW)	Assessment and repairs/relay of wastewater services in the catchment of the old pump station 27 on Avonside Drive.			
10795	PS57 McCormacks Bay Rd Pump Station Repairs (PS)	Repairs to building at existing pump station.			
10798	NZTA Port Hills Overpass Bridges	Pier column refinement, subject to ground investigation results			
10824	Beachville Catchment Area including Beachville Road & Celia Street (WW,WS,SW,RD)	Full one pass rebuild of the catchment area. Project Includes PS30, WW, SW, RD and Sea Wall assets. Projects already existing in this area which this catchment study will relate to are: 10600 - PS30, 10619 - Beachville Road Eastern Seawall, 10677 - Beachville Watermain WS.			
10832	PS15 - Alport Place Pump Station Replacement (PS)	Construct a new Pump Station; tie in works, odour control system and demolition of existing PS15.			
10836	PS27 Catchment Area (RD,SW,WS)	Roading, Stormwater and Water Supply for a one pass approach for the PS27 Catchment. Linked to Project 10584.			
10850	Cannon Hill Cres Retaining Walls (RW)	Renewal of 2 collapsed retaining walls on Cannon Hill Road			
10855	PS8 Catchment WS, SW & RD	Water Supply, Storm Water and Roading elements for the one pass rebuild of the PS8 WW Catchment			
10860	PS18 Rebuild SE11 North (WW)	Full area rebuild of the northern area of the PS18 catchment - WW element. Expected projects in the region of \$10M should result.			
10875	Catchment Study - Avonside & Linwood Area CE5,6,7,9,10,11,12 (WW)	Full one pass rebuild of the Avonside and Linwood catchment areas - WW Element			

	DETAILED DESIGN				
Reference	Project	Project Description			
10876	Catchment Study - Avonside & Linwood Area CE5,6,7,9,10,11,12 (RD, SW & WS)	Full one pass rebuild of the Avonside and Linwood catchment areas - RD, SW, WS Elements. Linked to Project #10875			
10895	CCC - PM11 Randolph Phase 5 (WW)	All remaining design works for the design and delivery of the 3.6km, 1.2m waste water pressure main. This is a CCC business as usual project and is the fifth phase. Phases one to four are included under project number 10306.			
10911	Fast Track - Te Awakura Terrace Stormwater Repairs	Investigation of this badly damaged asset for repair or potential relining. Due to the condition, this work needs to be fast tracked through the SCIRT process, requested by the CCC.			
10931	Retaining Wall - Site 182 & 183 - Glenstrae Road (RW)	Repair of the retaining wall			

	CONSTRUCTION					
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10303	Site 229 Mt Pleasant Rd Retaining Wall (RW)	60m replacement retaining wall and road reinstatement, in Mt Pleasant	4/02/13	28/05/13	\$458,381	\$2,475
10306	CCC - PM11 Randolph (WW)	3.6km, 1.2m dia WW pressure main	5/03/12	24/04/13	\$12,831,040	\$7,306,139
10307	173 Maffeys Road retaining wall (RW)	Repair of retaining wall in Maffeys Rd, along with associated buried services	10/09/12	20/12/12	\$1,505,281	\$26,776
10317	Heberden Ave Permanent Solution (WW)	New gravity sewer diversion to replace broken sewer down Scarborough Cliffs.	8/04/13	31/05/13	\$256,733	\$385,988
10356	Woodham Rd (PS5 east of river)	The project scope requires replacement of 960m of damaged waste water from Linwood Ave to Ngarimu St. Road refurbishment will follow sewer works. Traffic diversions are required for this work to be completed safely.	14/11/11	31/10/12	\$3,095,185	\$2,485,045

CONSTRUCTION						
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10388	Richardson Clarendon Syphon	The extent of this work for this work package is the replacement of the 144 Richardson Terrace / 121	1/11/12	7/01/13	\$473,489	\$7,037
10403	Barbour St Water (WS)	Replacement of water mains in two streets to the south and east of AMI Stadium, Waltham.	31/01/13	2/05/13	\$174,742	\$1,325
10459	Lower Richmond- Stanmore to Fitzgerald (WW)	Approximately 5km of WW, gravity system; requiring 2 new pump stations	20/03/12	30/05/13	\$11,833,107	\$5,283,269
10472	Charleston	Approx 2.9km WW enhanced gravity system, 1 new pump station; 0.3km SW; 8600m2 carriageway reconstruction, and 1830m2 localised repairs	7/05/12	1/02/13	\$3,737,683	\$1,465,706
10483	Lower Richmond (Southern Section) WS,SW,RD	Full reconstruction of intersection (80m), and localised repairs on remaining streets; 86m of SW replacement	24/09/12	11/12/12	\$316,261	\$6,719
10541	PS11 - Randolf		5/06/12	27/03/13	\$475,000	\$657,676
10548	Gloucester Street	Design for Wastewater, Stormwater, Water & Stormwater, Water & Stormwa	26/06/12	9/11/12	\$1,078,084	\$813,481
10578	PS107	Minor new pump station.	17/09/12	21/01/13	\$563,749	\$21,708
10634	Main Road (Mt Pleasant - Beachville) Sumner Causeway (RD)	Repairs to main road causeway including replacement of estuary seawall and minor cross culverts and carriageway repairs.	16/10/13	12/12/13	\$1,189,803	\$ -
10679	Moncks Spur No. 3	Repair and retrofit of reservoir.	12/04/12	5/10/12	\$217,591	\$210,869

	CONSTRUCTION					
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10680	Clifton No. 4 Reservoir	Repair and retrofit of reservoir.	21/03/12	11/12/12	\$437,673	\$281,321
10716	PM 34 Sumner - Replacement		5/03/12	13/09/12	\$1,300,000	\$1,510,898
10770	Linwood Ave / Humphrys Dr Retaining Wall Emergency Permanant Repairs (RW)	8m replacement and 8m extension of retaining wall at the City outfall drain to the estuary	14/08/12	30/10/12	\$397,365	\$145,068
10820	McCormacks Bay Reservoir Stages 3,4 and 5	Tank 1 and 2 and access reinstatement.	1/06/12	18/06/13	\$1,106,431	\$325,443
10822	McCormacks Bay Reservoir Stage 2 Walls	Retaining walls and rockfall protection works at reservoir site.	24/11/11	28/05/13	\$1,549,159	\$1,065,034
10841	Charleston Catchment Area (RD,SW,WS)	Linked to Project 10472 WW for the RD SW and WS elements.	26/10/12	24/06/13	\$1,399,044	\$2,385
10843	Lower Richmond Catchment RD SW WS	Linked to #10459 for the RD SW and WS elements of the project	26/10/12	24/06/13	\$1,573,629	\$9,063
10853	McCormacks Bay Reservoirs - Rock Face Protection Work	Rock protection work to facilitate the repairs to the reservoir tanks	29/03/12	31/10/12	\$1,231,910	\$926,330
10863	Charleston Waste Water Pump Station	Pumps Station Construction	3/09/12	20/12/12	\$503,092	\$7,526
10864	Woodham Road (SW,RD,WS)	Storm water and water supply elements linked to project 10356 WW & Droject 10356 WW & Dro	29/03/12	26/09/12	\$441,840	\$467,310

5.3.6 Lyttelton / Mt Herbert

	DETAILED DESIGN				
Reference	Project	Project Description			
10818	NZTA Norwich & Gladstone Quay State Highway Repair (RD, WW, SW, WS)	Repairs to state highway adjacent to the Port of Lyttelton			

	CONSTRUCTION					
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10394	RW Package 05 - Canterbury Stone Walls (RW)	Project to design three replacement retaining walls on Canterbury Street and one wall on Ripon Street, Lyttelton. The walls are up to 4.5m high and are of high heritage value.	16/05/12	8/11/12	\$1,482,372	\$453,474
10400	RW Package 08 - Lyttelton non- stone (RW)	Design five replacement retaining walls on London Street, Canterbury Street, Hawkhurst Road and Ticehurst Road. Sections of these walls are of high heritage value. The walls on London Street and Canterbury Street are located within the white zone	sign five replacement retaining walls on London eet, Canterbury Street, Hawkhurst Road and ehurst Road. Sections of these walls are of high itage value. The walls on London Street and		\$589,801	\$453,002
10424	Sumner Rd Retaining Wall L	Stage one of new 450m long modular block retaining wall.	25/11/11	11/02/13	\$1,658,595	\$832,747
10427	035 Cunningham Tce retaining wall (RW)	Repair of retaining wall in Cunningham Tce, along with associated buried services	4/05/12	29/05/13	\$1,785,393	\$300,076
10475	Site 079 Coleridge/Dublin St Ret. Walls	200m replacement retaining wall and road reinstatement in Lyttelton	4/12/12	23/09/13	\$1,607,135	\$154,092
10905	Sumner Rd Retain Wall L-Stage 2 Wall & Stage 1&2 Rd(RW, RD)	Stage two of new 450m long modular block retaining wall.	5/12/12	18/07/13	\$2,054,487	\$662

5.3.7 Riccarton / Wigram

	DETAILED DESIGN			
Reference	Project	Project Description		
10920	CCC - PS105 Pump Station (WW, PS)	Construction of PS105, a CCC Capital Works Project. Linked to Project #10793 for critical path construction scheduling.		

	CONSTRUCTION					
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date
10383	PS73 Kennedys Bush	Repair of wastewater PS 73	22/05/12	30/09/12	\$86,242	\$97,371
10409	Halswell WW Package 03	Repair wastewater along a section of Halswell Rd, O''Halloran Dr, & within private properties behind Muir Ave.	4/07/12	7/01/13	\$1,516,362	\$751,206
10768	CCC - Wilmers Road Water Pumping Station (WS, PS)	New water source and pumping station to cater for projected growth in the western area of Christchurch.	30/04/12	28/05/13	\$4,524,196	\$782,909
10909	Minor Works - Port Hills Package 01	Minor road repairs within the Port Hills	3/07/12	25/10/12	\$178,770	\$50,605

5.3.8 Shirley / Papanui

	DETAILED DESIGN				
Reference	Project	Project Description			
10858	Minor Works - Pump Station Demolition and Repairs (WW)	Minor repair works to slightly damaged Pump Stations that require no major works during the rebuild programme. Demolition of 3 PS buildings to make safe in Red Zones. Project led by the delivery team with a SCIRT Design input and coordination. Close liaison with CCC Operations team (Graeme Black) required throughout the project.			
10883	Emergency Repair - Northern Relief Sewer Hills & Dudley	Emergency repair to the Northern Relief Sewer			
10944	Edgeware Road (WS, SW, RD)	Road and Storm water repair following WW project 10536			
10974	Pump Station PS121 and Rising Main - Guild Street (PS7 Phase 4 Catchment PS)	New pump station (PS121) and rising main to service the newly formed PS121 catchment formerly part of PS7 catchment. Linked to project 10816.			

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
10344	Edgeware Road - Emergency Works	A large complex repair to a sewer trunk main in Edgeware Rd.	22/09/11	13/09/12	\$1,734,794	\$2,041,234		
10457	Purchas & Madras (Bealey - Edgeware)	WW, SW and roading repairs. Includes traffic calming on Purchas St to conform to IDS and City Plan requirements for Local Road widths.	8/11/11	20/12/12	\$2,962,824	\$3,973,022		
10534	Innes & Knowles - subcatchment	The local wastewater reticulation on Innes Rd and Knowles St between Philpotts Rd and Bretts Rd suffered earthquake induced damage during the recent seismic events. Some liquefaction and land settlement was recorded in the area. Investigations continue however much of the network is made up of Earthenware pipe laid during the 1920?s and 1930?s. This material has not performed well in other areas therefore it is anticipated some form of	26/07/12	17/06/13	\$9,215,965	\$52,946		

	CONSTRUCTION							
Reference	Project	Project Description		Estimated Finish	Estimated Cost	Life To Date		
		repair or replacement will be required for the majority of the network.						
10535	Rutland Rd - subcatchment	Wastewater repair along a single street east of Papanui. This project area is lightly to be revised.	20/04/12	16/11/12	\$1,556,699	\$1,049,373		
10810	PS7 Catchment Phase 1 Waste Water Renewal	Wastewater network remediation in the Pump Station 7 catchment which is situated in Shirley centred upon Stapleton's Road and Shirley Road which bisect the catchment. (Area 1 of 4, south of catchment)	28/05/12	26/04/13	\$4,521,962	\$1,084,100		
10812	PS7 Catchment Phase 2 Waste Water Renewal	Wastewater network remediation in the Pump Station 7 catchment which is situated in Shirley centred upon Stapleton's Road and Shirley Road which bisect the catchment. (Area 2 of 4, eastern quarter of catchment)	18/06/12	5/04/13	\$5,394,690	\$807,606		
10814	PS7 Catchment Phase 3 Waste Water Renewal	Wastewater network remediation in the Pump Station 7 catchment which is situated in Shirley centred upon Stapleton's Road and Shirley Road which bisect the catchment. (Area 3 of 4, north western quarter of catchment)	20/07/12	14/06/13	\$6,094,133	\$235,208		
10856	Minor Works - Northwood Block	Footpath, ramp and pavement repairs.	31/05/12	27/09/12	\$176,033	\$64,310		
10899	Minor Works - Lower Styx Road & Turners Road	Pavement repairs	28/08/12	19/12/12	\$150,763	\$ -		
10930	PS7 Phase 3 Pump Station Shirley Road (PS)	New wastewater Pump Station in the PS7 catchment which is situated in Shirley centred upon Stapletons Road and Shirley Road which bisect the catchment (area 3 of 4, north western quarter of catchment).	31/07/12	3/12/12	\$985,228	\$9,110		

5.3.9 Spreydon / Heathcote

DETAILED DESIGN				
Reference	Project	Project Description		
10871	Opawa, Hillsborough Catchment SE11 (South) (WW)	Full one pass rebuild of the catchment area - WW element		
10872	Opawa, Hillsborough Catchment SE11 (South) (RD,WS,SW)	Full one pass rebuild of the catchment area - RD,WS & amp; SW elements		
10879	Durham Street Overbridge Repairs	Repairs to the Overbridge		

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
10311	Antigua St / Burke St Arterial Roads (WW,WS,SW,RD)	Repair of road and all buried services along Antigua St (between Moorehouse & Brougham) and Burke St (between Selwyn & Brougham) Burke St (between Selwyn & Brougham)	18/04/12	11/06/13	\$3,151,988	\$945,346		
10379	Fisher Ave & Eastern Tce Syphon (WW)	Repair of Syphon near Fisher Ave	4/05/12	1/11/12	\$455,870	\$523,055		
10385	Bewdley Evesham and Dellow	Repair of road and all buried services along Bewdley St, Eversham Cres & Dellow Pl.	20/04/12	5/10/12	\$1,374,176	\$1,434,705		
10404	Hollis Ave Water (WS)	The works consist of the replacement of approximately 330 m of existing 100 mm AC water main in Holliss Avenue with 125 mm PE100 PN16 pipe.	6/07/12	4/09/12	\$135,869	\$152,824		
10407	St Martins Package 02 (WW,WS,SW,RD)	Repair of road and all buried services within the St Martins loop, north of Centraurus Rd.	6/08/12	16/12/13	\$8,385,354	\$14,763		
10410	Hollis Ave WW	Repair of wastewater along a section of Holliss Ave between Gunns Cres & Centaurus Rd.	19/04/12	10/09/12	\$643,868	\$820,135		

	CONSTRUCTION							
Reference	Project	Project Description	Estimated Start	Estimated Finish	Estimated Cost	Life To Date		
10520	Hoon Hay Package 01	Repair of road and all buried services along a section of Hoon Hay Rd (between Halswell & Eamp; Sparks), including Penny In, Weir Pl, McBeath Ave, Muirson Ave & Eamp; Greenpark St.	23/07/12	8/04/13	\$6,767,934	\$386,816		
10785	Holliss Ave / Glamis Place - All Services (WW,WS,SW,RD)	Repair of water mains; roading along a section of Holliss Ave (between Gunns & Entaurus) and all services within Glamis Pl.	3/09/12	28/10/12	\$287,051	\$2,442		
10821	Huntsbury Reservoir Tank No 2 & demolition	New reservoir tank (no.2) constructed in NE corner of old reservoir.	2/02/12	16/01/13	\$3,458,765	\$3,196,248		

5.4 Projects Complete by Ward

The following section outlines the projects within each ward that have been completed since SCIRT was established on 1st September 2011. It includes both a summary of numbers of projects as well as a list of specific projects. It is anticipated that the completed projects for the last quarter will be reported on a monthly basis.

Ward	July Number of Projects	August Number of Projects	July Projects Life To Date Cost	August Projects Life To Date Cost
Burwood-Pegasus	80	82	\$23,235,813	\$23,293,817
Fendalton-Waimari	3	3	\$209,784	\$210,717
Central City	5	6	\$178,156	\$368,266
Hagley-Ferrymead	62	65	\$18,937,501	\$19,356,956
Lyttelton-Mt Herbert	5	5	\$461,668	\$462,580
Riccarton-Wigram	6	6	\$4,808,733	\$4,808,736
Shirley-Papanui	19	21	\$3,914,020	\$6,613,553
Spreydon-Heathcote	16	16	\$6,320,447	\$6,325,170
Total	196	204	\$58,066,121	\$61,439,795

In the table above, the previous monthly report totals have also been included to show the change in activity.

5.4.1 List of Projects Complete by Ward

Ward	Reference	Project	Project Life to Date Cost
Burwood-Pegasus	10312	Rowes/Tomrich Street Watermain	\$264,247
	10321	PM51 Emergency Repair	\$1,510
	10325	Cresswell Avenue - Watermain	\$148,731
	10327	Pembroke Street	\$146,277
	10328	De Ville Place	\$107,535
	10331	PM39 - Gayhurst Rd	\$1,594,111
	10332	PM54 - Niven-Avonside	\$375,476
	10338	Wainoni Road (WW EW - Ottawa to Avonside)	\$908,330
	10339	Woodham Road (Temp Repairs)	\$4,146,744
	10340	Ottawa Road Sewer Emergency Repair	\$517,444
	10342	Avondale Road (Bridge Emergency Works)	\$ -
	10343	PM16 - Oakmont Green	\$4,287
	10346	Fleete Street - Emergency Repair	\$9,243
	10349	PS39 - Birchfield Avenue WW EW	\$218,674
	10351	Ardrossan Street - Temp. Solution	\$347,571
	10355	Landy Street	\$18,738
	10364	Shortland Street	\$343,883
	10366	McBratneys Road - WM	\$348
	10376	PM28	\$1,499,119
	10384	Pacific_Tedder Watermain Replacement	\$528,152
	10440	PS 25C	\$ 702,670
	10443	PM38_Beach Rd	\$596,770
	10484	Pump Station 25 connection repair	\$8,977
	10551	Avondale Rd (Temp Repair)	\$ -
	10576	PM106 - Woolley	\$ 1,466
	10604	PM 45	\$324,122
	10605	Sylvia Street watermain	\$134,293
	10606	Chadlington Street Water Mains	\$35,376
	10607	PM 37 (WW)	\$1,908,421
	10608	PM 35	\$1,087,648
	10614	Aldershot Street watermain (WS)	\$255,436
	10615	Willryan Avenue Watermain	\$237,336
	10616	Flemington and Ascot Ave Watermains	\$525,892

Ward	Reference	Project	Project Life to Date Cost
	10617	PM46	\$5,913
	10621	Chartwell Street Water Mains	\$384,531
	10638	630 Pages Road 450mm (WW)	\$25,397
	10639	23 Leaver Tce WW	\$62,858
	10641	Kirner St WW	\$21,497
	10645	Inwoods Close 450mm WW	\$128,404
	10647	Travis Rd watermains and submains	\$215,845
	10649	Corhampton St watermains and submains	\$261,190
	10650	Water Main on Bridge Street Bridge (WS)	\$207,907
	10664	Saltaire (Bower to Marriots Rd) (WS)	\$69,096
	10665	Sinclair (keyes to Rawson) - WS	\$250,841
	10669	Palmers Rd PS Stabilisation	\$16,065
	10670	Major flooding Pratt St.	\$295,425
	10671	Owles Tce Temp. (WW)	\$113,618
	10676	Marine Parade Watermain	\$153,358
	10682	Briarmont St watermain	\$ 87,815
	10683	Cowes St Watermain and Submains (WS)	\$107,789
	10684	Gresham Terrace Watermain and Submains (WS)	\$161,116
	10685	Inverell Pl Watermain and Submains (WS)	\$63,517
	10686	Orrick St Watermain and Submains (WS)	\$83,284
	10688	Blake St Watermain (WS)	\$343,340
	10689	Pegasus Ave Watermain	\$168,650
	10690	Bassett St Watermain (WS)	\$225,196
	10691	Falcon St Watermain	\$180,732
	10692	Beach Rd Watermain	\$138,143
	10695	Allstone Watermain	\$90,800
	10696	Marriotts Road Watermain	\$36,116
	10700	Hulverstone Drive Emergency Repair	\$22,188
	10702	Rawhiti Water Well Stormwater Outfall	\$147,524
	10706	Bowhill Watermain (WS)	\$149,728
	10708	Rookwood Ave Watermain	\$174,380
	10711	Waitaki St Temp. Sewer	\$ -
	10714	Kate Sheppard Emergency Repair (Barkers Lane Temp Works) (WW)	\$187,534
	10723	Merrington Cres Watermain	\$183,621

Ward	Reference	Project	Project Life to Date Cost
	10728	Rowan Ave Emergency Work WW	\$447,340
	10744	PS 36 Gravity Main (Pages Rd)	\$579
	10749	Beach Rd Gravity Sewer (WW)	\$67,291
	10752	Desal plant long term storage (WS)	\$82,908
	10756	PM39 Temp Overland Pipe (PM)	\$7,828
	10760	Pages Road	\$44,999
	10789	Woodham Road Water Supply Pumping Line Renewal	\$83,862
	10794	Pratt Street (Keyes Road) Water Main from Pumping Station	\$222,864
	10833	Fast Track - PS36 Sewerage Overflow Repairs Pages/Waitaki (WW)	\$20,798
	10834	Minor Works - Stage 1 Schools	\$ 7,185
	10838	Minor Works - Banks Avenue	\$117,445
	10315	Ferner Street - Emergency Works	\$223,901
	10336	Kingsford & Liggins Streets (Projects 10336 & 10885)	\$204,574
	10873	Catchment Study - PS36 Catchment, Area NE4 split into 10959-65 (WW)	\$ -
	10903	Catchment Study - Parklands & North New Brighton split into 10975-78 NE12, NE13 (WW)	\$ -
Fendalton- Waimari	10354	Papanui Road - Emergency Work	\$53,511
	10480	R126 Monavale Footbridge	\$31,575
	10590	Thornycroft Street - Pri4 WM	\$125,632
Central City	10447	Fitzgerald Ave Temp Sewer Replacement (WW)	\$22,117
	10455	Fitzgerald Ave Twin Bridges Temp Repairs	\$ -
	10726	Stormwater Pump Station 203	\$44,715
	10764	PM3 Temporary Repair (Complex Emergency)	\$3,365
	10790	Liverpool Street Water Main (CBD)	\$107,959
	10880	Kilmore St Brick Barrel Repair - Emergency Work (WW)	\$190,110
Hagley-Ferrymead	10301	CCC - Tanner Street Replacement Well (WS)	\$15,792
	10319	St Martins Package 01 (WW) Wilsons Rd South, St Martins Rd and Gamblins Rd	\$1,505,496
	10326	Retreat Road	\$678,774

Ward	Reference	Project	Project Life to Date Cost
	10333	PM57 - Replacement (Stage 2 March)	\$2,075,207
	10337	Avonside - WW Trunk Sewer	\$204,090
	10341	River Road - Siphon (WW)	\$665,921
	10350	Avonside Drive/Retreat - Gravity Sewer Repair	\$93,588
	10352	Avonside Drive/Morris Bowie - Gravity Sewer Temp. Solution	\$86,006
	10353	294 Avonside Drive - Temp. Solution	\$241,562
	10358	PS57 - McCormacks Bay Rd Sewer Overflow Renewal	\$170,231
	10361	PS54 Catchment Temp. Solutions	\$878,397
	10362	PS5 - Glade	\$ -
	10372	Dacre Street	\$125,100
	10386	St Andrews Hill Rd Sewer (Major Hornbrook)	\$70,826
	10391	Stevens St Watermain	\$164,811
	10402	Moorhouse SW BB 02	\$72,671
	10406	226 Main Road SW	\$4,627
	10411	Clifton Reservoir 3	\$360,172
	10417	Upper Balmoral Reservoir	\$407,316
	10422	PM 31 Renewal Works (WW)	\$1,591,347
	10431	PS15 Alport	\$1,282,063
	10434	PS12 Smith	\$545,970
	10441	Ferry Road_873	\$366,749
	10442	PS15 Gould Cres Overflow Structure	\$210,429
	10448	PM 12	\$710
	10451	Manning-Ferry	\$16,641
	10452	WW No Service Grafton	\$134,202
	10454	225 Linwood Ave	\$74,062
	10458	31 Stanmore Road	\$49,088
	10463	Hamner Street - waste water relay	\$72,948
	10471	33 River Terrace	\$38,939
	10473	Wickham St Watermain replacement	\$307,303
	10478	F805 McCormacks Bay 1 Footbridge	\$8,795
	10479	F806 McCormacks Bay 2 Footbridge	\$7,959
	10481	R223 Heathcote Barrage	\$5,703
-	10496	PS13 Tilford	\$10,073
	10497	PS10 Linwood WW	\$13,921
	10499	Saxon Street Waste Water	\$15,687

Ward	Reference	Project	Project Life to Date Cost
	10505	Stanmore Road Lateral	\$ -
	10537	Patten Street	\$633,749
	10539	Brittan Street	\$564,450
	10586	PM107	\$261,078
	10609	PM 47	\$24,815
	10612	McCormacks Bay Reservoir No 2-2	\$692,090
	10613	Mt Pleasant Reservoir 2/2	\$95,660
	10618	Beachville Road Pressure + Gravity Main	\$476,693
	10629	McCormacks Bay Rd WR mains and submains (WS)	\$2,181,377
	10644	55 Clark St WW	\$759
	10666	Head Street - Esplanade to Nayland (WS)	\$78,803
	10677	Beachville Watermain (WS)	\$248,863
	10687	Wakefield Ave Watermain (WS)	\$156,900
	10729	WW, Gravity Bridal Path and Cannon	\$250,799
	10734	WW, 262 Main Road	\$ -
	10739	Heberden Ave Temporary Solution (WW)	\$102,792
	10743	281 River Rd Siphon (WW)	\$ -
	10746	Ruru Ave Repair PM 11	\$42,191
	10747	Bromley Waste Water Treatment	\$23,860
	10753	WW No Service Glendevere (WW)	\$2,081
	10763	Monks Bay Walkway - Temp Repairs	\$45,416
	10779	CCC - Linwood Avenue Water Main	\$453,547
	10782	15 Dunoon Place Emergency Stabilisation / Sewer Repair	\$179,641
	10792	Truro Street Emergency Waste Water Sewer Renewal (Van Asch School)	\$174,220
	10830	Minor Works - Bridge Minor Works Project Package 01 Roading	\$ -
	10835	Minor Works - Avonside Girls High School	\$78,494
	10772	Monks Bay Main Road Emergency Repair (WW)	\$15,503
Lyttelton-Mt Herbert	10382	Lyttelton Treatment Plant Access	\$ -
	10636	Priority Roads - Governors Bay Road Rebuild	\$387,073
	10672	Sutton Quay Retaining wall 441	\$39,384

Ward	Reference	Project	Project Life to Date Cost
		(RW)	
	10878	Minor Works - Cunningham Terrace & Sumner Rd Temp Access Works	\$35,211
	10418	Lyttelton Dyers Road Pump Station (WS, PS)	\$912
Riccarton-Wigram	10309	Halswell Minor Roading Works - All Areas	\$319,312
	10380	Halswell WW Package 02	\$2,031,254
	10387	Townshend Crescent Wastewater	\$46,679
	10389	Sparks Rd Watermain	\$175,935
	10392	Halswell WW Package 1 (WW)	\$2,110,120
	10408	Glovers St water (WS)	\$125,435
Shirley-Papanui	10308	Riselaw Street	\$91,424
	10313	PM6 - Harrison St	\$206,843
	10322	Ranfurly Street	\$118,626
	10323	Chrystal Street	\$83,927
	10329	Hope street	\$145,208
	10330	Orontes Street - WS	\$90,022
	10334	PM7 - Stapletons Rd	\$242,909
	10345	Nancy Ave / Weston Rd	\$16,297
	10348	Shirley Road - Wastewater (Emergency Repair)	\$696
	10369	Orion Street	\$41,881
	10435	Temporary Gravity Sewer Lower Styx Road	\$969,051
	10437	PM 40_Marshlands	\$585,684
	10439	Heyders_29-65_WW	\$320,151
	10446	Brooklands Roading - Temporary Repairs	\$364,289
	10460	449 Durham Street North	\$304,376
	10536	Edgeware Rd - WW	\$1,735,335
	10555	Madras Street / Forfar Wastewater	\$588,121
	10805	Madras Street Road, Storm Water & Water Supply Repairs	\$340,520
	10837	Minor Works - Shirley Boys High School	\$110,055
	10851	Minor Works - Marshland Road & Belfast Road	\$257,041
	10581	Catchment Study - PS7 (10810, 10811, 10812, 10813, 10814, 10815, 10816, 10817)	\$1,098
Spreydon- Heathcote	10320	Murray Aynsley Reservoir 2	\$148,173
	10381	Rydal St (WW)	\$921,753

Ward	Reference	Project	Project Life to Date Cost		
	10390	Centaurus Rd Watermain	\$143,772		
	10393	Smartlea WW Emergency Repair	\$109,991		
	10396	75 Wilsons Emergency Repair	\$825		
	10397	Glenelg Spur 01	\$141,527		
	10432	PS19 Beckford	\$3,201		
	10433	PS20 Locarno	\$19,259		
	10476	F207 Aynsley Tce Footbridge	\$8,319		
	10477	F212 Sloan Tce Footbridge	\$593		
	10545	PS19 - Syphon	\$ -		
	10597	Huntsbury Reservoir	\$4,065,017		
	10717	Colombo St (South) Bridge - Concept only, no construction work undertaken (RD)	\$2,207		
	10745	CCC - Sydenham Stn Replace Wells (WS)	\$236,486		
	10755	PS19 Fifield - 171 Fifield - Sheet piling protection of riverbank	\$114,715		
	10787	Rydal Street Water Supply, Storm Water and Roading Renewals (SW,WS, RD)	\$409,332		
Grand Total			\$61,439,795		

6. NON-SCIRT WORK ACTIVITY

6.1 Introduction

The following section of the report included a progress report against infrastructure and other associated rebuild projects that are not being delivered by SCIRT. It includes a report on progress on Greenspace projects, Christchurch Wastewater Treatment Plant and Organics Processing Plant, Burwood Landfill and Water Supply Wells.

6.2 Greenspace

Ward	Work Package Number	Project	Description	Number of projects in package	Phase	Estimated Construction Start	Estimated Constructi on Finish	Estimat ed Cost
Banks Peninsula Wards	WP0000537	PARKS Marine Structures Repairs	Marine Structures Repairs	13	CONSTRUCTION	01/08/2011	30/06/2013	\$462,000
	WP0000551	PARKS Marine Structures Assessments	Marine Structures Assessments	10	COMPLETE	01/08/2011	30/11/2011	\$60,000
	WP0000783	B/P Retaining Walls	Retaining wall repairs in parks and cemeteries on Banks Peninsula	4	INVESTIGATION	01/07/2012	30/06/2013	\$241,000 m
WP000025 WP000025 WP000028 WP000028	WP0000251	PARKS CEAF 1.1 Sth New Brighton CAPEX	Hard surface and playground under surfacing renewals	4	CONSTRUCTION	01/10/2011	30/06/2013	\$227,000
	WP0000257	PARKS CEAF 1.2 B/P CAPEX	Bexley, Avondale and Burwood Parks hard surfacing renewals	3	COMPLETE	01/09/2011	31/10/2011	\$60,200
	WP0000258	PARKS CEAF 1.2 B/P OPEX	Hard surface repairs	11	COMPLETE	01/10/2011	29/02/2012	\$131,000
	WP0000284	PARKS CEAF 2.6 TRAVIS CAPEX	Hard surface renewals	5	COMPLETE	01/12/2011	29/02/2012	\$175,500
	WP0000285	PARKS CEAF 2.7 AVON PARK CAPEX	Hard surface renewals	3	INVESTIGATION	01/03/2012	30/06/2013	\$290,550
	WP0000286	PARKS CEAF 2.8 ESTUARY CAPEX	Hard surface renewals	1	INVESTIGATION	01/03/2012	30/06/2013	\$300,000
City wide	WP0000177	PARKS Playground Softfall - CAPEX	Replacement of contaminated soft fall to playgrounds	24	COMPLETE	01/08/2011	30/11/2011	\$358,460
	WP0000206	PARKS Playground Softfall - OPEX	Repairs to playground under surfacing	8	COMPLETE	01/08/2011	20/12/2011	\$46,500
	WP0000269	PARKS CEAF 2.2 S/P,F/W,R/W,L/M OPEX	Hard surface and minor structural repairs	11	COMPLETE	01/03/2012	31/05/2012	\$54,500
	WP0000312	PARKS Hard Surface Nthn & Sthn - OPEX	Hard surface repairs	58	CONSTRUCTION	01/03/2012	30/04/2013	\$127,950 }
	WP0000313	PARKS Hard Surfaces Nthn & Sthn CAPEX	Hard surface renewals	14	CONSTRUCTION	01/03/2012	30/04/2013	\$204,600
	WP0000318	PARKS Hard Surfaces	Hard surface renewals	24	CONSTRUCTION	01/03/2012	30/04/2013	\$902,450

Ward	Work Package Number	Project	Description	Number of projects in package	Phase	Estimated Construction Start	Estimated Constructi on Finish	Estimat ed Cost
	WP0000785	Cemeteries - Heritage	Repairs and make safe work to headstones in Heritage cemeteries	3	INVESTIGATION	01/07/2012	30/06/2015	\$250,000
	N/A	On Hold	Projects on hold due to them being in Red Zoned areas, cordons, rock fall risk etc. Depending on land decisions some of these repairs/renewals may become redundant in the future.	141	ON HOLD	xxxx	xxxx	\$6,133,10 0
Hagley Ferrymead	WP0000252	PARKS Victoria Lake CAPEX	Relining Victoria lake	1	COMPLETE	01/07/2011	29/02/2012	\$500,000
-	WP0000253	PARKS CEAF 1.3 Hagley Pk/Bot.Gdns CAPEX	Hard surface and playground undersurfacing renewals	5	COMPLETE	01/09/2011	29/02/2012	\$295,000
	WP0000254	PARKS CEAF 1.4 Hagley Pk North CAPEX	Irrigation and Turf renewals	2	COMPLETE	01/07/2011	31/07/2011	\$90,000
	WP0000263	PARKS CEAF 1.6 H/F CAPEX	Hard surface renewals	5	COMPLETE	01/10/2011	29/02/2012	\$103,500
w w w	WP0000264	PARKS CEAF 1.6 H/F OPEX	Hard surface, track and minor structure repairs	20	COMPLETE	01/10/2011	29/02/2012	\$178,499
	WP0000265	PARKS CEAF 1.8 BOT. GARDENS CAPEX	Playground undersurfacing repairs	1	COMPLETE	01/10/2011	29/02/2012	\$50,000
	WP0000287	PARKS CEAF 2.9 VICTORIA SQUARE CAPEX	Hard surface, track and minor structure renewals	4	INVESTIGATION	01/12/2012	30/06/2013	\$727,000
	WP0000288	PARKS CEAF 2.10 CENTRAL CITY PARKS CAPEX	Hard surface renewals	3	ON HOLD	XXXX	xxxx	\$15,000
	WP0000289	PARKS CEAF 2.10 CENTRAL CITY PARKS OPEX	Hard surface, track and minor structure repairs	10	ON HOLD	XXXX	xxxx	\$14,100
	WP0000767	PARKS Sumner/Scarborough Restoration	Hard surface renewals	9	CONSTRUCTION	01/12/2011	30/04/2013	\$187,000

Ward	Work Package Number	Project	Description	Number of projects in package	Phase	Estimated Construction Start	Estimated Constructi on Finish	Estimat ed Cost
Riccarton Wigram	WP0000280	PARKS CEAF 2.5 MONA VALE CAPEX	Hard surface, bridge and wall renewals	5	INVESTIGATION	01/07/2012	30/06/2013	\$292,000
Shirley Papanui	WP0000255	PARKS CEAF 1.5 Groynes CAPEX	Car Park, Driveway, Turf, Track and Jetty renewals	6	COMPLETE	01/08/2011	30/09/2011	\$106,000
	WP0000256	PARKS CEAF 1.7 Temp Changing Rooms CAPEX	Portable changing facilities for sports parks	2	CONSTRUCTION	01/02/2012	31/12/2012	\$300,000
	WP0000268	PARKS CEAF 2.1 English Park CAPEX	Car Park renewal	1	COMPLETE	01/08/2011	30/10/2011	\$247,500
	WP0000277	PARKS CEAF 2.3 S/P OPEX	Hard surface and track repairs	5	COMPLETE	01/03/2012	31/05/2012	\$20,500
	WP0000278	PARKS CEAF 2.3 S/P CAPEX	Hard surface renewals	3	COMPLETE	01/03/2012	31/05/2012	\$90,000
	WP0000778	Roto Kohatu	Repairs to bankworks at Roto Kohatu Reserve	1	COMPLETE	01/02/2011	30/04/2011	\$200,00 0
Spreydon Heathcote	WP0000279	PARKS CEAF 2.4 S/H OPEX	Hard surface and minor structural repairs	11	COMPLETE	01/11/2011	31/03/2012	\$86,000
		ACC: Auckland City Council grant						
		CEAF: Canterbury Earthqua	ke Appeal fund					
			ke Appeal Fund projects are billed d project manage and supervise these) codes dependin	a on the accet t	\
		ccc laboul costs to design,	project manage and supervise these	projects ar	e charged to 721/120	codes dependin	g on the asset t	уре
				53	Investigation		\$4,287,750	
		Status Summary		318	Construction		\$3,779,200	
				330	Complete		\$4,119,373	
				154	On Hold		\$6,162,200	
							\$18,348,52 3	

6.3 Wastewater Treatment Plant and Organics Processing Plant

Project	Description	Phase	Estimated Construction Start	Estimated Construction End	Estimated Cost	
Clarifiers	C4 - New structural bottom - CIPP repair to influent pipe - Modify Arms to suit new structure.	Complete	Nov 11	3 Feb 12		
	C3 - New structural bottom - CIPP repairs to influent pipe Modify Arms to suit new structure	Complete	24 Jan 12	30 June 12		
	C1 - New structural bottom - CIPP repair to influent pipe	Construction	July 12	21 Dec 12		
	 Modify Arms to suit new Structure C2 - Verify that emergency repairs have returned asset to pre-EQ functionality and asset condition. 	Investigation				
					\$9,432,768	
Civil & Structural	Paving	Construction	Oct 11	Sept 12		
	C2 water	Complete	Oct 11	Feb 12		
	 Crack repairs to structures. 	Construction	April 11	Nov 12		
	Reclad Digester 2	Complete	Sept 11	Dec 11		
	PST/SCT & Grit Tank Repairs	Construction	Aug 12	Jan 13	\$4,514,760	
Oxidation Ponds	Transfer structures 1-4	Complete	Oct 11	Feb 12	\$4,514,760	
Oxidation Fonds	Transfer Structure 4-5.	Complete	Dec 11	Mar 12		
	Pond banks strengthen and reinstate to design levels.	Construction	Jan 12	Nov 12		
	Estuary outfall structure	Construction	July 12	Sept 12		
	Cuthberts Road transfer structure	Design	Sept 12	Dec 12		
		J	·		\$18,122,788	
Galleries	South Gallery – drainage and structural Proposed repair strategy unsuccessful, redesign underway	Design	Sept 12	Dec 12		
	North Gallery – drainage & joints	Construction	June 12	Aug 12		
	Diagonal Gallery – drainage & joints	Design	Aug 12	Sept 12		
	Pump Stn A – drainage & joints	Design	Sept 12	Oct 12		
	Sludge Rm A – drainage & joints	Design	Oct 12	Nov 12		
					\$1,353,550	
CWTP Trickling Filters	Trickling Filter 1	Investigation	Aug 12	Nov 12		
	Trickling Filter 2	Investigation	Nov 12	Mar 13		

Project	Description	Phase	Estimated Construction Start	Estimated Construction End	Estimated Cost
	TF 2Outflow Pipe Repair	Design	Jan 13	May 13	\$1,000,000
Mechanical & General Repairs	 Digesters 2 Digesters 1 Digester 4 Digester 3 Digesters 5 Digester 6 Buffer Tank Primary Sedimentation Tanks Bio- Solids Holding Tank 	Construction Investigation Investigation Investigation Investigation Investigation Complete Construction Design	Oct 11 Sept 12 Sept 12 Nov 12 April 13 July 13 Nov 11 June 11 Jan 13	Sept 12 Nov 12 Jan 13 April 13 July 13 Oct 13 Jan 12 July 12 May 13	\$4,088,195
Organics Processing Plant	 Demolish & Reconstruct Tunnels Repair & Strengthen Process Hall Repair Hard Standing 	Construction	Mar 12	July 13	\$9,518,133
Facilities	 Laboratory Control room Workshops Offices/ Cafeteria/ Mtg room 	Investigation Investigation Investigation Investigation	Feb 13 Feb 13 Feb 13 Feb 13	June 13 June 13 June 13 June 13	\$2,741,000
Outlet Structure	 Replace Broken Outlet Pipes New Outlet Structure Decommission Broken Pipes 	Design	Nov 12	Mar 13	\$2,300,000
	TOTAL				\$51,292,951

In the table above, the bolded text identifies a change in activity since the previous monthly report.

6.4 Burwood Landfill

Project	Description	Material Received (tonnes)	Material Processed (tonnes)	Phase	Estimated Construction Start	Estimated Construction End	Estimated Cost
Burwood Landfill	Prepare areas for disposal	366,660	366,660	Completed	Feb 11	Jan 12	Self Funded
Liquefaction and	Operate and maintain disposal site			Operation	Feb 11	Dec 13	
Infrastructure Rebuild	Restoration and landscaping			Investigation	Jan 12	Dec 13	
Waste Disposal	Resource consent application			Investigation	Jan 12	Aug 12	
	Consultation documents to affected parties			Completed	Apr 12	Jul 12	
	Consultation Feedback documents to affected parties			Investigation	Jun 12	Jul 12	
	Consents granted			Application	July 12		
Burwood Landfill	Design of new cell for residual waste	0	0	Design	Oct 11	Jun 12	To be funded
Residual Demolition	Cell construction			Design	Mar 12	Dec 12	by
Waste Disposal	Operate and maintain disposal site			Design	Sep 12	Dec 17	Transwaste
	Restoration and landscaping			Design	Jul 17	Dec 17	Canterbury
	Resource consent application			Submitted	Oct 11	Aug 12	
	Consultation documents to affected parties			Completed	Apr 12	Jul 12	
	Consultation Feedback documents to affected parties			Completed		Aug 12	
	 Consents granted 			Application			
Burwood Resource Recovery Park	Construct areas for storage of material and associated roading	334,000	0	Complete	Feb 11	Jun 11	To be funded by
Demolition Sorting	Design of sorting plant			Complete	Mar 11	Jun 12	Transwaste
and Processing Facility	Construction of sorting plant			Construction	Jul 12	Dec 12	Canterbury
	Sorting operation			Operation	Dec 12	Dec 17	
	Rehabilitation and landscaping			Design	Jul 17	Dec 17	
	Resource consent application			Submitted	Oct 11	Aug 12	
	Consultation documents to affected parties			Completed	Apr 12	Jul 12	
	Consultation Feedback documents to affected parties			Completed	Jun 12	Jul 12	
	Consents granted			Application	Jul 12		
	TOTAL	700,660	362,850				

In the table above, the bolded text identifies a change in activity since the previous monthly report.

6.5 Wells

The damage to wells has been reported separately from the remainder of the non-SCIRT infrastructure rebuild because much of the wells repair work is reactionary due to the ongoing aftershocks.

Forward programming is limited by the reactionary work and the operational requirements of the water supply network, meaning that each package of work is programmed "on the fly" on a prioritised basis before it is issued.

The programme of work must be kept flexible in order to keep as many damaged wells operational as possible while at the same time moving forward with the repair and replacement programme. Only a limited number of wells can be taken out of service at one time to avoid affecting the demand on water supply network, and to minimise water restrictions.

	July At Ground Level	August At Ground Level	July Below Ground Level	August Below Ground Level	July Totals	August Totals
Total number of active wells					154	154
Wells yet to be repaired**	32	33	43	42	75	75
Cost Estimate all repairs ⁺	\$4,692,000	\$4,692,000	\$17,368,000	\$17,923,000	\$22,060,000	\$22,615,000
Wells repaired to date+*	70	69	90	92	160	161
Cost to date ⁺	\$2,747,585	\$2,778,609	\$5,912,434	\$6,029,818	\$8,660,019	\$8,808,427

⁺ includes replacement wells

^{*} some wells are damaged both at and below ground level

COUNCIL 25, 10, 2012

CORPORATE AND FINANCIAL COMMITTEE 5. 10. 2012

A meeting of the Corporate and Financial Committee was held in the No. 1 Committee Room on Friday 5 October 2012 at 9am.

PRESENT: Councillor Helen Broughton (Chairperson),

Councillors Tim Carter, Jimmy Chen, and Yani Johanson

APOLOGIES: Councillors Ngaire Button and Jamie Gough

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. EARTHQUAKE FINANCIAL REPORT FOR AUGUST 2012

General Manager responsible:	Paul Anderson – General Manager, Corporate Services, DDI: 941-8528
Officer responsible:	Diane Brandish – Corporate Finance Manager
Author:	Bruce Moher - Planning and Reporting Manager

PURPOSE OF REPORT

- 1. The purpose of this report is to provide an update to the Corporate and Financial Committee and the Council on financial matters relating to the earthquakes as at 31 August 2012.
- 2. The report includes an overview on the expected overall financial impact of the earthquakes on the Council.

EXECUTIVE SUMMARY

- 3. Attached are appendices showing summaries of:
 - Costs and recoveries for the two months to 31 Aug and 2012/13 Forecast (Appendix 1)
 - Earthquake life-to-date financial details (Appendix 2)
 - Earthquake total cost forecast (Appendix 3)
 - Recoveries summary at 31 August (Appendix 4).

Summary Table

\$ million	Jul	y/August Act	ual	Forecast 2012/13			
	Cost Recovery		Net Cost	Cost	Recovery	Net Cost	
Rebuild Costs	72.4	47.4	24.9	662.2	405.2	257.0	
Emergency and Response costs	15.7	10.7	4.9	65.2	40.1	25.1	
Total	88.0	58.2	29.9	727.5	445.4	282.1	

Rebuild Costs

4. Costs of \$72.4 million were recorded in the two months to 31 August 2012, of which \$68.6 million relates to work delivered by Stronger Christchurch Infrastructure Rebuild Team (SCIRT). \$8.1 million related to Wastewater and \$1.8 million to Roading with the remaining \$57.5 million of work in progress yet to be allocated.

CORPORATE AND FINANCIAL COMMITTEE 5. 10. 2012

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1 Cont'd

5. Expenditure is currently forecast to be on budget (\$662.2 million). \$435.4 million of the total forecast expenditure relates to SCIRT costs (Wastewater Collection \$266.0 million; Roading \$119.7 million; Water Supply \$27.0 million; and Stormwater \$22.7 million). The balance of the total forecast expenditure relates to non-SCIRT (Council-delivered) works (\$108.1 million) and Facilities (\$118.7 million).

Emergency and Response Costs

- 6. Costs totalling \$15.7 million have been incurred year-to-date. \$7.9 million relates to Wastewater costs from City Care relating to the December event, \$1.9 million to Heritage Properties and a further \$1.1 million to Geotech work.
- 7. Forecast response costs of \$65.2 million are \$14.4 million higher than budget. This variance comprises: Facilities \$8.5 million, Infrastructure (Wastewater, Water Supply etc.) \$3.9 million, Geotech \$1.2 million, and Increased cost of working \$0.8 million.

Recoveries

- 8. Forecast response recoveries are \$15.4 million higher than planned this year, offsetting the overspend detailed in paragraph 7. This largely relates to insurance recoveries for Facilities assessments and repairs.
- 9. During the period the following monies were received:

Settlement for Farmers Carpark Building	\$10.78 million
Reimbursement of demolition costs	\$ 0.46 million
Partial payment Bromley above ground work	\$ 0.47 million
Further receipt re LAPP infrastructure settlement	\$21.99 million.

Building / Infrastructure Improvement Allowance

10. Of the \$175 million Building/Infrastructure improvement allowance provided in the current financial strategy, \$17.96 million has been allocated to date as outlined in the table below.

Description	Meeting Date	Value
Oxidation Ponds Temporary Stadium cost contribution Rugby League Park	25/08/2011 08/09/2011	16,128,000 1,000,000
Fendalton Library and Service Centre	16/02/2012	190,000
Linwood Community Arts Centre	15/03/2012	35,884
Cowles Stadium Pump Station 37	05/04/2012 05/04/2012	480,000 126,000

11. The Major Community Facilities Rebuild Programme contained in the 2012/13 Annual Plan includes a further \$79.3 million to be allocated in future years, per the table below, leaving a balance of \$77.7 million.

Art Gallery repairs Manchester and Lichfield Car Park	2012/14 2013/14	12,400,000 13.000.000
Athletics Track Replacement	2013/14	2,100,000
Town Hall repairs	2014/16	51,300,000
Central Library repairs	2013/14	500,000

CORPORATE AND FINANCIAL COMMITTEE 5. 10. 2012

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1 Cont'd

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

12. Yes – there are none.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

13. Yes – there are none.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

14. Both service delivery and financial results are in direct alignment with the LTCCP as amended by the 2012/13 Annual Plan and Activity Management Plans.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

15. As above.

ALIGNMENT WITH STRATEGIES

16. Not applicable.

CONSULTATION FULFILMENT

Not applicable.

STAFF RECOMMENDATION

That the Council receive the report.

COMMITTEE RECOMMENDATION

That the staff recommendation be adopted.

In addition, the Committee resolved that it request:

- (a) The Council's insurance legal adviser provide an explanation to the Committee on how to ensure timely payment from the Local Authority Protection Programme (LAPP).
- (b) Staff report back to the Committee on the steps and policies in place to ensure there is no conflict between the Chief Executive's dual roles.
- (c) Staff consider how monthly updates can be provided to the Committee regarding progress on Council (non-SCIRT) earthquake-related capital projects.

2. FORESTS AND RURAL FIRE INSURANCE COVER

General Manager responsible:	Paul Anderson, General Manager, Corporate Services, DDI: 941-8528
Officer responsible:	Diane Brandish, Corporate Finance Manager
Author:	Diane Brandish, Corporate Finance Manager

PURPOSE OF REPORT

1. The purpose of this report is to recommend to the Council that Forests and Rural Fire Insurance Cover be placed with Civic Assurance.

CORPORATE AND FINANCIAL COMMITTEE 5. 10. 2012

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2 Cont'd

EXECUTIVE SUMMARY

- 2. Prior to June 2011 Forests and Rural Fire Cover was one of the insurance policies which was renewed annually; however, following the events of 2010 and 2011 it was no longer available. We have been approached by the Manager, Civil Defence and Emergency Management requesting that we contact the markets again.
- 3. This insurance provides the Council with cover for the costs of any fire fighting in the capacity of Fire Authority for a Rural District under the Forests and Rural Fires Act. The most recent example of this was a fire that started in the Bottle Lake plantation in the 1990s, which cost the Council \$800,000 to fight.
- 4. Aon approached NZI, Vero, Dual, Ace, QBE, Lumley and Chartis who all declined to quote as it is not a cover they would normally offer. Civic Assurance provided an option on the following terms:
 - \$2 million any one loss and \$2 million in the aggregate with \$5,000 excess, premium, \$6.575:
 - Previous cover \$2 million any one loss, \$4 million in the aggregate, \$10,000 excess, premium \$6,575.
- 5. Civic Assurance do not meet the credit requirements of the Council which is to deal only with companies with an AM Best rating of A- or better. Civic are rated B++.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

6. Yes – there are none.

FINANCIAL AND LEGAL CONSIDERATIONS

Have you considered the financial and legal implications of the issue under consideration?

7. Yes – there are none other than those mentioned above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

8. Not applicable.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

9. Not applicable.

ALIGNMENT WITH STRATEGIES

10. Not applicable.

CONSULTATION FULFILMENT

Not applicable.

STAFF RECOMMENDATION

That the Council resolve that cover for Forests and Rural Fire Insurance Protection be placed with Civic Assurance.

CORPORATE AND FINANCIAL COMMITTEE 5. 10. 2012

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2 Cont'd

COMMITTEE RECOMMENDATION

It is recommended that the decision be referred to the Council.

The Committee also **requested** that the Council is provided with further information on:

- (a) the ability of Civic Assurance to pay in the event of a claim
- (b) the Aon advice recommending the placement with Civic Assurance
- (c) the Council's responsibilities in the capacity of Fire Authority for a Rural District under the Forests and Rural Fires Act.

PART B - REPORTS FOR INFORMATION

3. DEPUTATIONS BY APPOINTMENT

The Committee heard a deputation from Megan Woods (MP) and James Barber, on behalf of Crossdale Courts' residents, regarding an opportunity for the Council to purchase properties at Crossdale Courts on Curletts Road.

It was noted that the Committee is concerned about the lack of availability of social housing in both the short and medium term.

The Committee **requested** that staff urgently report back to the Community, Recreation and Culture Committee on the opportunity of purchasing Crossdale Courts for social housing, the financial feasibility, and how this could be implemented if the properties are deemed suitable and financially feasible.

4. COUNCIL TREASURY OPERATIONS

The Committee received a report outlining the Council's treasury policies and operations, along with current key issues and risks.

5. CORPORATE FINANCE REPORT FOR PERIOD ENDED 31 AUGUST 2012

The Committee received an update report on key financial and treasury matters for the period ending 31 August 2012.

The Committee **requested** regular updates from the General Manager Corporate Services on progress being made with the Government and insurance payments.

PART C - DELEGATED DECISIONS

1. APOLOGIES

Councillors Ngaire Button and Jamie Gough.

It was **resolved** that the apologies be accepted.

CORPORATE AND FINANCIAL COMMITTEE 5. 10. 2012

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7. RESOLUTION TO EXCLUDE THE PUBLIC

It was **resolved** to let the report in Clause 8, *Earthquake Insurance Claims Update August 2012*, lie on the table pending legal advice on the need for the report and advice from staff on the report to be considered in public excluded.

It was **resolved** to exclude the public for Clause 9, *Overdue Debtors over \$20,000* as at 31 August 2012, on the grounds set out on page 33 of the agenda.

The open part of the meeting concluded at 11.55 am.

CONSIDERED THIS 25TH DAY OF OCTOBER 2012

MAYOR

Appendix 1: Costs and recoveries for Jul-Aug 2012 and 2012/13 Forecast

		Cost	: (\$m)				Recove	ery (\$m)	
	YTD	2012/13 Forecast	2012/13 Plan	Variance		YTD	2012/13 Forecast	2012/13 Plan	Variance
Infrastructure Rebuild:		_		_					
Roading 1	1.8	135.1	147.7	(12.6)		1.4	100.9	103.6	(2.8)
Sewer 1	8.1	241.2	193.1	48.1		8.0	147.9	115.9	32.0
Water 1	.8	43.9	82.1	(38.2)		.5	26.3	52.0	(25.7)
Stormwater	.9	24.4	28.5	(4.1)		.6	7.6	10.9	(3.3)
SCIRT setup and overhead costs unallocated	57.5	.0	-	.0		34.4	(.1)	-	(.1)
Total:	69.2	444.6	451.4	(6.8)		44.8	282.6	282.4	.2
Other Assets and Insured Costs:									
Buildings and Facilities	1.2	123.9	123.9	.0		.3	62.6	61.3	1.3
Sewer above-ground assets	.4	53.8	66.1	(12.3)		.5	40.7	43.1	(2.4)
Water above-ground assets	1.5	15.7	7.3	8.4	2	1.9	15.7	2.7	13.0
Stormwater above-ground assets		.2	_	.2		-	.2	-	.2
Park Facilities		-	_	-		-	-	3.0	(3.0)
Uninsured Assets (Parks, Stormwater) 3	.1	24.2	13.6	10.6		.0	3.5	4.0	(.5)
Insurance Excesses	-	-	-	-		-	-	-	-
Total:	3.2	217.7	210.8	6.8		2.6	122.7	114.1	8.6
Total Infrastructure Rebuild:	72.4	662.2	662.2	.0		47.4	405.2	396.5	8.8
Emergency & Response Costs:									
Roading Emergency Work	.1	(.0)	=	(.0)		1.2	1.2	-	1.2
Welfare and other Emergency Work Other Response Costs	.0	.5	.6	(.1)		.0	.5	.6	(.1)
4	11.9	18.5	3.4	15.1		8.0	13.6	-	13.6
Roading Temp Maintenance Works	.1	9.6	9.6	.0		.0	5.4	5.5	(.1)
Non-Roading Temp Maintenance Works	1.8	30.6	35.4	(4.8)		.4	15.5	17.6	(2.0)
Demolition Costs	-	-	-	-		-	-	-	-
Rockfall	1.3	4.9	1.6	3.3		.6	2.1	.8	1.3
Increased Costs of Working Staff/Other internal costs charged to	.4	1.1	.3	.8		.5	1.8	.3	1.5
Emerg/Resp	-	-	-	-		-	-	-	-
Less costs budgeted in Council activities	45.7	05.0	- -	44.4		40.7	40.4	04.7	45.4
Total Emergency & Response Costs:	15.7	65.2	50.8	14.4		10.7	40.1	24.7	15.4
GRAND TOTAL	88.0	727.5	713.1	14.4		58.2	445.4	421.2	24.1

Notes: The above tables shows YTD as there was no July report to Committee.

- 1) Forecasts based on information from SCIRT
- 2) Recoveries variance reflects WW Treatment Plant recoveries not budgeted
- 3) Forecast cost variance reflects \$10.6 million Stormwater Drainage not budgeted
- 4) The majority of the \$18.5m of forecast costs relate to Facilities (\$9.2 for commercial properties, community centres, heritage properties), with a further \$7.9 million being Wastewater response costs. Facilities assessment and repair costs will be reported on a separate line going forward.

Appendix 2: Life-to-date cost as at 31 August 2012

			Li	fe to Date (\$m))		
	Cost		Acc	rued Recover	ies		Balance
		LAPP (F)	LAPP (I)	DIA/CERA	NZTA	Other	Council
Infrastructure Rebuild:							
Roading	13.0	_	-	_	9.7	.0	3.3
Sewer	98.5	-	140.1	59.1	-	-	(100.7)
Water	22.1	-	28.3	13.0	-	-	(19.1)
Stormwater	16.1	-	13.4	9.6	-	-	(7.0)
SCIRT setup and overhead costs unallocated	218.0	_	_	65.4	65.4	_	87.2
		-					
Total	367.8	-	181.8	147.1	75.1	.0	(36.3)
Other Assets and Insured Costs: Buildings and Facilities							
2	11.2	86.6	-	.0	-	19.8	(95.2)
Sewer above-ground assets	19.1	18.7	-	-	-	-	.4
Water above-ground assets	11.0	11.1	-	-	.0	(.0)	(.1)
Stormwater above-ground assets	.1	.1	-	-	-	-	.0
Park Facilities	-	.8	-	-	-	-	(8.)
Council Buildings / Infrastructure improvement allowance	_	-	_	-	_	_	_
Uninsured Assets (Parks, Stormwater)	2.5	_	-	-	.4	_	2.1
Insurance Excesses	8.0	_	-	_	-	-	8.0
Total	51.9	117.3		.0	.4	19.8	(85.6)
Total Infrastructure Rebuild:	419.6	117.3	181.8	147.1	75.5	19.8	(121.9)
Emergency & Response Costs:							
Roading Emergency Work	94.7	_	-	4.3	65.4	.0	25.0
Welfare and other Emergency Work	67.6	_	1.3	63.9	_	.0	2.4
Other Response Costs	88.4	26.5	.4	26.8	1.8	5.3	27.7
Roading Temp Maintenance Works	31.9	_	.0	.0	21.8	(0.)	10.1
Non-Roading Temp Maintenance Works	155.8	2.4	18.0	101.7	-	.9	32.9
Demolition Costs	10.6	-	-	6.3	-	.1	4.2
Rockfall	21.0	-	-	7.0	4.1	(.0)	10.0
Increased Costs of Working	(1.0)	1.9	-	-	-	6.0	(8.9)
Staff/Other internal costs charged to Emerg/Resp	48.4	-	-	-	-	-	48.4
Less costs budgeted in Council activities	(37.5)	-	-	-	-	-	(37.5)
Total Emergency & Response Costs:	480.0	30.8	19.7	209.8	93.1	12.3	114.3
Grand Total	899.6	148.1	201.5	357.0	168.6	32.0	(7.6)

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Notes:

- 1) SCIRT setup and overhead costs will be allocated over infrastructure assets upon job completion.
- 2) Recoveries reflect LAPP (Facilities) interim building indemnity settlements and EQC payments.
- 3) Reflects LAPP infrastructure settlement. \$18.7 million remains to be received.
- 4) Of the Crown accrued recoveries of \$357 million, \$139.3 million has been paid to date.

Appendix 3: Total cost forecast

	Life forecast (\$m)						
	Cost			Recoveries			Balance
		LAPP (F)	LAPP (I)	DIA/CERA	NZTA	Other	Council
Infrastructure Rebuild							
NZTA-subsidised roading (excl State Highways)	842.4	-	-	-	699.2	-	143.2
Non-subsidised roading (excl State Highways)	164.3	-	-	-	-	-	164.3
Sewer	694.0	-	140.1	416.4	-	-	137.5
Water	140.1	-	28.3	84.1	-	-	27.8
Stormwater	66.5	-	13.4	39.9	-	-	13.2
LAPP liability limitation	-	-	=	-	-	-	-
WIP / Alliance setup costs unallocated	-	-	-	=	-	-	-
Total	1,907.3	-	181.8	540.4	699.2	-	485.9
Other Assets and Insured Costs:							
Buildings and Facilities	463.4	452.8	-	-	-	-	10.6
Sewer above-ground assets	103.1	103.1	-	-	-	-	-
Water above-ground assets	26.6	26.6	=	-	-	-	-
Stormwater above-ground assets	.9	.9	-	-	-	-	-
Park Facilities	4.0	4.0	-	-	-	-	-
Council Buildings / Infrastructure - shortfall	475.0						475.0
allowance	175.0	-	-		-	- 0.0	175.0
Uninsured Assets (Parks, Stormwater)	87.2	-	-		-	8.0	79.2
Insurance Excesses	23.9	507.4	-	-	-	-	23.9
Total	884.1	587.4	-	-	-	8.0	288.8
Emergency & Response Costs:	07.0			0.0	00.0		00.5
Roading Emergency Work	87.8		-	3.3	63.9	.0	20.5
Welfare and other Emergency Work	73.9	-	1.3	55.0	-	.0	17.7
Other Response Costs	51.4	22.4	.4	11.8	-	3.2	13.6
Roading Temp Maintenance Works	65.0	-	.0	-	41.0	.0	24.0
Non-Roading Temp Maintenance Works	220.4	-	18.0	125.4	-	11.4	65.6
Demolition Costs	10.5	-	-	5.9	-	.1	4.5
Rockfall	79.9	-	-	6.6	3.9	-	69.4
Increased Costs of Working	6.0	3.0	-	-	-	-	3.0
Staff/Other internal costs charged to Emerg/Resp	11.7	-	-	-	-	-	11.7
Less costs budgeted in Council activities	-	-	-	-	-	-	-
Total	606.5	25.4	19.7	207.9	108.8	14.7	230.0
Grand Total	3,398.0	612.8	201.5	748.3	808.0	22.7	1,004.7

There are no changes to this table from that presented in the June report. It is intended to update the overall forecast once the next rebuild estimate update is received in October.

Appendix 4: Recoveries Summary

\$(m	Monthly reco			as at	31/08/2012		
Rebuild	Total	Crown	NZTA	LAPP (I)	LAPP (F)	Other	Notes
Cost incurred to date	419.6						
Recoveries accrued	437.0	147.1	75.5	181.8	32.5	0.0	
Recoveries received	234.4	24.3	41.5	163.1	5.5	0.0	
Recoveries claimed but unpaid	18.7	0.0	0.0	18.7	0.0	0.0	
Balance unclaimed to date	183.9	122.8	34.0	0.0	27.0	-0.0	
Significantly Damaged Building	s (Indemnity r	ecovery clair	ned)				
Recoveries accrued	104.6	0.0	0.0	0.0	84.8	19.8	
Recoveries received	65.4	0.0	0.0	0.0	45.7	19.8	
Recoveries claimed but unpaid	39.1	0.0	0.0	0.0	39.1	0.0	
Balance unclaimed to date	-0.0	0.0	0.0	0.0	0.0	-0.0	
Emergency and Response							
Cost incurred to date	518.5						
Recoveries accrued	357.8	209.8	93.1	19.7	28.9	6.3	
Recoveries received	231.8	115.0	90.7	19.7	0.1	6.3	
Recoveries claimed but unpaid	72.8	72.8	0.0	0.0	0.0	0.0	
Balance unclaimed to date	53.2	22.0	2.3	-0.0	28.8	0.0	
Increased Costs of Working							
Cost incurred to date	3.8						Excluding Office Accom due to Civic Building net rebate
Claims to be lodged (estimate)	1.9				1.9		

9. DRAFT ANNUAL REPORT

Report to be separately circulated.

10. PROPOSED DATES FOR CONSIDERATION OF THE 2013/22 LONG TERM PLAN AND THE AUDIT AND RISK MANAGEMENT SUBCOMMITTEE FOR 2013

General Manager responsible:	General Manager Democracy Services, DDI 941-8462			
Officer responsible:	Democracy Services Manager			
Author:	Amanda Wall, Acting Council Secretary			

PURPOSE OF REPORT

1. The purpose of this report is to seek the Council's approval of meeting dates to consider the 2013/22 Long Term Plan, and 2013 meeting dates for the Audit and Risk Management Subcommittee.

EXECUTIVE SUMMARY

- 2. The Council was given the ability in late 2011 to choose whether or not to adopt a 2012/22 Long Term Plan under the Canterbury Earthquake (Local Government Act 2002) Order (No. 2) 2011 (SR 2011/402). The Council chose not to adopt one in 2012, and instead do so in 2013.
- 3. Under section 7(3) of the Order, the Council must now adopt a long term plan before 1 July 2013 for a period of not less than nine years.
- 4. Proposed dates covering the adoption of a draft long term plan, the hearing of submissions, and the adoption of a final long term plan are attached as **Attachment 1**.
- 5. Proposed meeting dates for the Audit and Risk Management Subcommittee for 2013 are also attached as part of Attachment 1. In June of this year meeting dates for the remainder of 2012 were agreed to for this committee; however 2013 dates were not considered.

FINANCIAL IMPLICATIONS

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

4. Yes. Costs associated with holding meetings are provided for in the 2009-19 LTCCP.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

5. Yes. The Council must adopt its Long Term Plan before 1 July 2013 pursuant to the Canterbury Earthquake (Local Government Act 2002) Order (No 2) 2011, as outlined above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

6. Yes. See Democracy and Governance Pages 154 to 159 of the 2009-19 LTCCP.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

Not applicable.

CONSULTATION FULFILMENT

8. Not applicable.

10 Cont'd

STAFF RECOMMENDATION

It is recommended that the Council adopt the following dates as outlined in Attachment 1:

- (a) Meeting dates for consideration of the 2013/22 Long Term Plan (outlined in red).
- (b) Meeting dates for the Audit and Risk Management Subcommittee for 2013 (outlined in blue).

SCHEDULE OF AUDIT AND RISK MANAGEMENT SUBCOMMITTEE MEETINGS AND COUNCIL MEETINGS (INCORPORATING PROPOSED LONG TERM PLAN MEETING DATES)

Meeting	Time/	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
	Day	13	13	13	13	13	13	13	13	13
Council Meetings	Thu		14	14	11	16	13	25	15	12
	9.30am									
			26-27	28	24	30	24-26		29	26
			(LTP)		(Wed)		(LTP)			
			, ,		, ,		, ,			
			28				27			
Earthquake	Thu		21	21	18	23	20	18	22	19
Forum	9.30am									
Council	Tue		12-13	12	9	14	11-12	23	13	10
Workshops	9am		(LTP)				(LTP)			
			, ,				(=== /			
			26	26	23	28	25		27	24
Long Term Plan	9am					13-15,				
hearing of public						17,				
submissions						20-21*				
Audit and Risk	1pm			1		27			28	25
Management	.b								20	25
Subcommittee										
Subcommittee										

^{*}Note: not all days may be required for hearings

11. PRODUCTIVITY COMMISSION ISSUES PAPER – APPROVAL OF COUNCIL STATEMENT BY SUBMISSIONS PANEL

General Manager responsible:	General Manager, Regulation and Democracy Services, DDI: 941-8462
Officer responsible:	Chris Gilbert, Legal Services Manager
Author:	Judith Cheyne, Solicitor, Legal Services Unit

PURPOSE OF REPORT

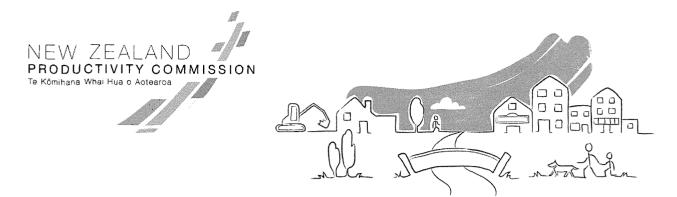
 To report to the Council on the approval by the Submissions Panel of a Statement by the Council on the Productivity Commission's Issues Paper on Local Government Regulatory Performance.

EXECUTIVE SUMMARY

- 2. The Productivity Commission published an Issues Paper on Local Government Regulatory Performance. The summary from the paper is **attached** to this report. There were 65 questions asked in the Issues Paper. The full Issues Paper can be found at:
 - http://www.productivity.govt.nz/sites/default/files/FINAL%20Local%20government%20issues%20paper.pdf.
- 3. The work being done by the Productivity Commission in this area relates to the Government's Better Local Government Reforms. The recent Local Government Act Amendment Bill covered the first four phases of the reform proposals. The purpose of the Commission's inquiry is a focus on:
 - "how best to allocate regulatory functions between central and local government; including a stock-take of what councils are doing, how much of that is driven by central government, and how much is driven locally. The Commission has also been asked to find opportunities for improving local government's regulatory performance and to recommend options for regular assessment of that performance." (from the Commission's media release)
- 4. The timing required for feedback on the Issues Paper was very tight. The initial due date was 31 August 2012, which was then extended to 14 September 2012. The Council staff gave a small presentation on the paper at a Planning Committee workshop, and got feedback from those Councillors present on the content of the Issues Paper statement that should be given by the Council.
- 5. The Commission's draft report, incorporating the response to this first consultation round, will be released in December 2012, and there will be a chance for further submissions by February 2013. The final report is expected to be with the Government by 1 April 2013.
- 6. The Submissions Panel used its delegated authority to approve the statement from the Council on the Issues Paper as there was insufficient time following the workshop and prior to the closing date for feedback to be given to bring it before the Council.
- 7. The Statement from the Council that was sent to the Productivity Commission is attached for the Council's information (although the attachment does not include the 16 previous submissions from Council on various matters that was included as part of the Statement).

STAFF RECOMMENDATION

That the Council note the information in this report.



Local government regulation inquiry - July 2012

The Productivity Commission's inquiry into local government regulation is about three broad areas:

- How could the allocation of regulatory functions between central and local government be improved?
- How can central and local government improve regulatory performance in the local government sector?
- How can the regulatory performance of the local government sector be measured in order to make improvements in the future?

Common local body regulations include: liquor licensing, dog and noise control, planning, resource management, building consents, food safety, pokies, litter and freedom camping.

The Commission's approach

The challenge for both central and local government is to deliver regulation that helps achieve the economic, social and environmental outcomes that underpin community wellbeing, while minimising negative impacts on individuals, business and the wider economy.

In considering where regulatory functions should be located, and looking to opportunities to improve the regulatory performance of the local government sector, the Commission will aim to identify principles that assist in meeting that challenge.

Who should look after what?

The Commission has been asked to develop principles to guide judgements on which regulatory functions are best undertaken at either local or central government levels. For example, applications for liquor licenses and the monitoring of compliance is carried out locally. However, gambling licenses are issued by the Department of Internal Affairs (central government).

Deciding 'who should look after what' often involves a trade-off between the efficiencies and consistency which can come from operating at a larger national level, and the potential loss of flexibility and local 'customisation' and the intimacy and sense of ownership that can come with regulating locally.

Depending on what the regulatory issue is, these trade-offs are more or less important. The Commission would like to hear submitters' views on what considerations are most important when you think about whether a regulatory function should be done by central government or a local body.

Improving regulatory performance in the local government sector

Does variation matter?

The Commission has been asked to assess whether there is significant variation in the way local councils administer regulations. For example, a Wellington architect designing a house will face different planning rules in the Kapiti district compared to the Hutt City council area.

On one hand, variation can be expected due to the different characteristics of local communities around New Zealand. On the other hand, variation might create extra costs, especially for a business operating in different regions across the country. Do you have experience of how different councils administer and enforce regulations around New Zealand?

Quality of design and implementation

Regulation needs to be carefully designed if it is to be implemented successfully and achieve its desired outcome.

Concerns have been raised that in designing regulations central government does not adequately consider the impact on local government; including cost and capability constraints. The Commission is interested in how this process can be improved to take better account of the consequences for local government.

Local governments' administration, monitoring and enforcement of regulation is important because poorly run regulation can lead to poor outcomes and higher costs.

Unnecessary and excessive compliance costs can have very real impacts on productivity and wellbeing. For example, a restaurant owner may face extra cost and time in opening a new outlet due to the need to get their resource, building, health and liquor consents approved (in the right order).

Have you experienced streamlined customer-friendly processes when dealing with a council's regulatory processes? Or have you had the opposite experience? The Commission would like to hear from you about your experience, what your costs were, and how you and your business were affected.

Measuring performance

The Commission has been asked to recommend options for assessing local authorities' regulatory performance. These include whether or not improvements in the current performance monitoring system are required and, if so, the areas where improvements would benefit local authorities, central government agencies, businesses and the community.

This is a complex area and the Commission will be working through a considered process, including: identifying the systems and processes currently used to assess the regulatory performance of local governments; assessing the effectiveness, cost and adequacy of these systems; identifying options or models that could improve the efficiency and effectiveness of assessments; and reviewing the options identified against qualitative criteria in order to identify preferred models or approaches.

To see the full version of the issues paper – including information on how to make a submission – please visit our website www.productivity.govt.nz or call us on 04 903 5150.

The full terms of reference for this inquiry are available at http://www.productivity.govt.nz/inquiry-content/1510

The New Zealand Productivity Commission

The Commission – an independent Crown Entity – completes in-depth inquiry reports on topics selected by the Government, carries out productivity-related research, and promotes understanding of productivity issues.

14 September 2012 Our Ref No: lex11180

Inquiry into Local Government Regulatory Performance New Zealand Productivity Commission PO Box 8036 The Terrace WELLINGTON 6143 By email: info@productivity.govt.nz

STATEMENT OF THE CHRISTCHURCH CITY COUNCIL ON THE ISSUES PAPER ON LOCAL GOVERNMENT REGULATORY PERFORMANCE

Introduction

- 1. The Christchurch City Council (**Council**) would like to make a short statement to the Productivity Commission on the Issues Paper, at this time. It looks forward to providing further information and submissions on regulatory issues at a later stage.
- 2. In the past, the Council has made a large number of submissions to the government on many regulatory issues. The submissions of particular relevance to regulatory issues, some of which are still outstanding, are attached to this submission for the Productivity Commission's information. Those submissions are as follows:
 - The 2010 and 2012 submissions on Local Government Act 2002 Amendment Bills
 - The 2008 submission to the Local Government Commission on the Local Government Act 2002 and the Local Electoral Act 2001
 - Submissions on the Resource Management Amendment Bill (2009), and the Phase II reforms (2010)
 - Building Amendment Bill (no 3) (2011) and (no 4) (2012) submissions (the no 4 Bill submission also includes extracts from the Council's submissions to the Canterbury Earthquakes Royal Commission)
 - The Alcohol Reform Bill (2011)
 - The Food Bill (2010)
 - The Public Health Bill (2008)
 - The 2008 submission on the Fencing of Swimming Pools Act discussion paper
 - The 2009 submission on the Public Works (Offer Back of and Compensation for Acquired Land) Amendment Bill
 - The Gambling Harm Reduction Bill (2012)

- Submission on Dog Control Act discussion paper (2008)
- Prostitution Reform Bill (2001)
- Manukau City Council (Regulation of Prostitution in Specified Places) Bill (2012)
- 3. The Council is concerned that many of the regulatory issues it continually raises in submissions do not get addressed. An example is the infringement offence provisions in the Local Government Act 2002, which have not yet been made operable. This is an enforcement tool that the Council should be able to use to make it easier to enforce a number of its bylaws, as well as offences under the Act . Please refer, in particular, to the 3 submissions on the Local Government Act 2002.
- 4. Council also wastes a lot of time on managing public expectations. There are matters the public think the Council can address but for which no useful regulatory tools are available to the Council. An example is the issue of street prostitutes. Please review the Council's submission on the Manukau City Council (Regulation of Prostitution in Specified Places) Bill.
- 5. The Council considers there can be a lack of understanding at central government on matters of cost versus value and short tem solutions versus long term solutions. An example is the Building Act 2004, which was introduced to rectify the perceived problems of the Building Act 1991, which lead to the leaky homes debacle. The Council's submission on the recent Building Amendment Bills no 3 and no 4 highlight its concerns that the proposed changes will herald a return to another, but different, leaky homes saga.
- 6. The Council would like to bring to the attention of the Productivity Commission, the myriad of legislation that Councils, large or small, must grapple with everyday. Overlaying this legislation is the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987. It can be a bureaucratic minefield that the Council must wade through.
- 7. The Council's simple plea is that the government should not give Councils any more to do and it should try to untangle the current complex regulatory environment. That untangling would include providing Councils with the powers needed to get the job done.
- 8. Another example of insufficient regulatory tools can be found in those Acts which do not provide for Council officers to require names and addresses of offenders, or if the Act does provide for officers to request names and addresses, then there is no easy way to enforce a situation when someone refuses. An example can be found in the Litter Act 1979. Although a refusal can, of itself, sometimes be an offence, how is the Council to enforce such an offence without a name or address?
- 9. With this in mind the Council agrees with the submission from Local Government New Zealand (LGNZ), that the Productivity Commission has an opportunity to identify, through working with local government, those responsibilities or activities that local government undertake which are uniformly applied throughout the country. Together the Commission and LGNZ can look at ways these matters can be more efficiently implemented.

- 10. In tandem with this approach the Commission also needs to identify those activities which the local government sector is not resourced, equipped or funded to deliver.
- 11. If you require clarification of the points raised in this submission, or any additional information, please contact Alan Bywater (Programme Manager, Strong Communities, ph 03 941-6430, email: alan.bywater@ccc.govt.nz) or Ian Thomson (Solicitor, Legal Services Unit, ph 03 941-6343, email: ian.thomson@ccc.govt.nz).

Yours faithfully

Peter Mitchell General Manager

Regulation and Democracy Services

12. PLAN CHANGE 22: CALCO DEVELOPMENTS LTD: STYX CENTRE - FINAL APPROVAL

General Manager responsible:	General Manager Strategy and Planning, DDI 941-8281			
Officer responsible:	City Planning Unit Manager			
Author:	David Punselie, Statutory Administration Officer			

PURPOSE OF REPORT

1. This report seeks the Council's approval to make operative the changes to the City Plan introduced by decisions on Plan Change 22.

EXECUTIVE SUMMARY

- 2. Private Plan Change 22 was initiated by Calco Developments Limited. It proposed a new business district centre that would provide for mixed use development (predominantly retail and office activity) on 9.2 hectares of land bounded by Main North Road (State Highway 74), Radcliffe Road, the Main North Railway and the Styx River. To enable this development the plan change sought a rezoning from Rural 3 to Business 2. The site is included in area CN4 in Proposed Change 1 to the Regional Policy Statement (PC1).
- 3. Public notification of the plan change attracted 100 submissions. Commissioners Rachel Dunningham and David Serjeant conducted a hearing over nine days in July and August 2009. Their recommendation that the plan change be approved with modification was adopted by the Council as its decision on 26 November 2009.
- 4. Six appeals against the decision were received but four were withdrawn or settled either before or at the commencement of the hearing in October 2010. The appeals raised a number of issues including:
 - the effect of the development on existing centres including the central city and townships in Waimakariri District
 - the timing and scale of development
 - transportation, including provision for a public transport interchange
 - staging and capping of retail activity.
- 5. The Environment Court conducted a hearing over 20 days between October 2010 and November 2011. It issued an interim decision in May 2012 and, following a further hearing in August 2012, issued a final decision on 28 August 2012. The Court's decision discourages total development of office and retail activity in excess of the caps imposed through rules in order to protect the Central City's primacy as a commercial centre and the role of other district and commercial centres within the city and in neighbouring towns. It also restricts development until such time as the Northern Arterial is constructed and contains provisions to protect the ecology and amenity of the Styx River corridor. The plan change also includes assessment of buildings (urban design) as a Restricted Discretionary Activity.
- 6. As the matter is now beyond challenge the Council can take the necessary steps to make operative the changes to the City Plan introduced by the decisions of the Council and the Court.

FINANCIAL IMPLICATIONS

7. There are no direct financial implications.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

8. The recommendation will not impose on the LTCCP budget.

LEGAL CONSIDERATIONS

9. The recommendation in this report is for the Council to take the procedural step to make operative the changes introduced by decisions on Plan Change 22. The Resource

12 Cont'd

Management Act 1991 requires that, following the closing of the appeal period and the resolution of any appeals, the Council must formally approve the changes to the plan under clause 17 of Schedule 1 before the plan change becomes operative on a date that is nominated in a public notice. This plan change has reached the stage where it can be made operative.

Have you considered the legal implications of the issue under consideration?

10. As above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

11. Aligns with District Plan Activity Management Plan.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

12. Supports the maintenance and review of the District Plan.

ALIGNMENT WITH STRATEGIES

Do the recommendations align with the Council's strategies?

13. The decisions on the plan change generally support the Greater Christchurch Urban Development Strategy and the Council's position on Proposed Change 1 to the Regional Policy Statement and do not conflict with the Belfast Area Plan nor the Surface Water Strategy.

CONSULTATION FULFILMENT

14. Approving changes to the District Plan under clause 17 of Schedule 1 to the Resource Management Act 1991 is a process that does not require consultation.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Approve, pursuant to clause 17(2) of the Resource Management Act 1991, the changes to the District Plan introduced by decisions on Plan Change 22 Calco Developments Ltd, Styx Centre as **attached**.
- (b) Authorise the General Manager, Strategy and Planning to determine the date on which the changes introduced by Plan Change 22 become operative.

Christchurch City Council Resource Management Act 1991

Christchurch City Plan

Privately Requested
Plan Change as amended by
Council Decision and
Environment Court Decision

22

REZONING OF SITE ON THE CORNER OF MAIN NORTH ROAD AND RADCLIFFE ROAD, BELFAST, FROM RURAL 3 TO BUSINESS 2 ZONE.

Explanation

The purpose of this Plan Change is to rezone the subject site from Rural 3 to Business 2 (District Centre). The site is located to the south of the Main North Road (SH 74) / Radcliffe Road intersection. The District Centre is hereafter referred to as the Styx Centre. This is a privately initiated Plan Change made in accordance with Clause 21 of the First Schedule of the Resource Management Act 1991 (the 'Act').

The Plan Change rezones approximately 9ha of land from Rural 3 to Business 2. The rezoning allows for the establishment of a District Centre and will provide for approximately 20,000m² of retail floor space, as well as other commercial and community facilities floor space. The Plan Change also provides for basement car parking on site.

The Plan Change proposes a minimum building setback from the Styx River and building restriction in proximity to the river. In addition, a walkway along the River and riparian planting is also being proposed. It is intended that, the existing water quality and flows to the river will be maintained as a result of the development.

The applicant considers the proposed zone change will enable the site to be comprehensively developed to create an integrated town centre. Based on a retail analysis undertaken by Marketplace New Zealand the need for a District Centre has been recognised in northern Christchurch.

...Continue

Date Publicly Notified: 11 October 2008

Environment Court Positions, 28 August 2015

Environment Court Decision: 28 August 2012

Plan Details: Planning Map 18A

Council Decision: 26 November 2011

Operative Date: File No: PL/CPO/3/22

Continued · · ·

The analysis has identified a prospective growth in demand for general merchandise (gm) within the northern Christchurch study area to 2016. As a result of household formation and spending increase, the prospective growth in demand for gm supply is anticipated to be between 30-45% by 2016 and 50-75% by 2021. This equates to an increase in supply gains of between 37,000 – 52,000m² of the study area gm trading space.

The analysis also included an assessment of the capacity of the existing Centres and concluded that they are not capable of accommodating the additional demand. This requirement for extra retail space within northern Christchurch therefore needs to be met by way of City Plan provisions in order to enable the community to provide for its own social and economic well-being.

This Plan Change request is therefore consistent with the enabling mandate of the Act and is a necessary response to the findings of the Marketplace New Zealand study.

The proposed Plan Change is necessary as the subject site is currently zoned Rural 3 under the partially Operative City Plan. This reflects the area's historical use for horticultural and market garden activities.

The main purpose of the Rural 3 Zone is the maintenance of primary production. Retail activities in this zone are restricted to "rural selling places of not more than 75m² in area." Furthermore the sale of goods is limited to rural grown produce, or grown and processed on site.

The reason for the Plan Change is that the provision of retail activities in a Rural 3 Zone, which normally implies rural open space and related agricultural activities, is regarded as incongruous. The re-zoning approach seeks to openly and explicitly address the policy/zoning framework for establishing a District Centre. That necessarily entails rezoning of the subject site from Rural 3 to Business 2.

Additionally, if there were no Plan Change request and the non complying resource consent application process were instead attempted to authorise the District Centre, the reality is that it would not be practically possible to provide the amount of detail that would be necessary in a single application. Zoning, on the other hand, establishes development control parameters within which detailed design can follow later at each stage of the development.

The Plan Change adopts the existing Business 2 Zone and seeks to apply it (with some additional controls) to the subject site. No changes or revisions to the existing objectives of the City Plan are necessary or proposed.

City Plan Amendments

Note: For the purposes of this plan change, any text amended as a result of other decisions is shown as "normal text". Any text added by the plan change is shown as **bold underlined** and text to be deleted as **bold strikethrough**. Any text added as a result of Council's decision on this Plan Change is shown as **underlined and shaded** and any text deleted is shown as **strikethrough and shaded**. Text added by the Environment Court decision is shown as bold **double underlined** and text to be deleted as **bold double strikethrough**.

Amend the City Plan as follows:

Amend Volume **2, Section 12 Business, clause 12.1.2** the fifth paragraph of the Explanation and Reasons as follows:

Commercial activity outside of identified commercial centres has the potential to create adverse effects of both local and strategic (or wider) significance. These include effects on the transport network, nearby living environments, economic effects on existing commercial centres (where such effects are of scale that they affect the function and amenity of such centres), and consequential effects on people and communities that rely on these centres for their social and economic wellbeing.

In recognition of the potential for such adverse effects to arise when a new district centre is established, the Business 2 (Styx Centre)

Zone provisions require new retail floorspace to be introduced in stages. Reverse sensitivity effects can also arise where, for example, an agglomeration of retail activity in a heavy industrial zone places pressure upon permitted industrial activities to reduce their level of effects or relocate.

Insert new 12.8.19 Policy: Styx "Mixed Use Centre as follows:

12.8.19 Policy: Styx 'Mixed Use' Centre

- a) To promote a diverse mixed-use district centre at the Styx Centre which involves elements of retailing, entertainment, administration and professional services, and community uses. To also allow for Presidential uses could also be provided should there be a demand for such these uses. This is to be achieved by enabling the provision of greater diversity of activity, and intensity of activities to occur within the district centre.
- <u>b)</u> To enable the development of a range of transport modes within and to the Styx Centre, with opportunities for good connectivity to the surrounding area.
- c) To promote a high quality of urban design and landscaping within the Styx Centre.
- <u>d)</u> To avoid or mitigate adverse effects of development at the Styx Centre on the natural character, ecology and amenity values of the Styx River corridor.
- e) To avoid on-going development within the District Centre that results in volumes of traffic having an adverse effect on the safe, effective and efficient functioning of the roading network, until such time as the Northern Arterial is constructed.
- f) To discourage total development of office and retailing at the Styx Centre in excess of the identified total retailing and office caps so as to ensure:
 - i. That the central city's role as the region's primary commercial area is protected following the Canterbury earthquakes of 2010 and 2011; and

ii) That the role of other district centres within the City and commercial centres in adjoining towns are not significantly adversely affected.

Explanation and reasons

The Styx Centre has been identified as being suitable to establish an integrated mixed-use District Centre. The site will consolidate an established retail node, which includes the Northwood Supa Centa and New World Supermarket. By effectively co-locating a range of activities and encouraging a scale and grain of activity that increases the vibrancy of the area, a diverse, mixed-use town centre rather than a traditional retail mall outcome could be achieved.

In recognition of the District Centre's key strategic location, community linkages will be provided to ensure appropriate levels of connectivity to the surrounding areas. Multiple transport modes will be enabled within the District Centre, to provide opportunities for access by private motor vehicle, walking, cycling, and public transport.

The Styx Centre is intended to provide a high quality built environment, incorporating landscaped public open space that is responsive to the surrounding environment. The southern extent of the zone adjoins the Styx River. The Styx River is highly valued by the community for its natural character, ecological and amenity values and any development at the interface with the Styx River will be set back from the edge of the natural River terrace and should seek to maintain and enhance the values of the River. Pedestrian public access in the vicinity of the River will also be encouraged.

<u>Urban design assessments and landscape plans will be required to demonstrate how a high quality built environment is to be achieved and how the values of the Styx River will be maintained and enhanced.</u>

A Special Provision Plan is provided in Volume 3 of the Plan as a means of outlining in general terms the form of development anticipated for this location.

<u>Limiting the scale of the Styx Centre under part f of the policy 12.8.19 ensures:</u>

- That retail and office activity undertaken in this centre will not impede the recovery of the Central Business District from the Canterbury earthquakes of 2010 and 2011, nor reduce certainty of reinvestment in CBD infrastructure, including commercial building stock; and
- That any adverse effects on the strategic transport network and the amenity of adjoining areas have been considered, and can be appropriately managed; and
- That given the Centre's location at the north west extent of the City, it remains appropriate in relation to the network of commercial centres, the distribution of households, and associated population growth such that the centre would not also compromise the function, vitality and amenity of these centres.

Any application to exceed the total gross leasable floor area and retailing caps would require resource consent as a non-complying activity.

Volume 3, Part 3 – Business Zones

Amend subclause (c) as follows:

1.1 General description and purpose

(...)

The business zones in the city are comprised of the following components.

- (a) The Central City Zone, comprising a large part of the area within the four avenues, and the city's greatest concentration of commercial and cultural infrastructure and investment.
- (b) The Business 1 (Local centre/District Centre Fringe) Zone, consisting of approximately one hundred small local commercial areas in the city, generally located within suburban living areas, and also forming part of a number of the district centres.
- (c) The Business 2 (District centre core) Zone, currently numbering **28 29** located throughout the city. Generally the distribution of these centres, and the range of services provided is good, providing benefits in terms of accessibility, convenience and energy use.
- (d) The Business 2P (Business parking) Zone is a specialist zone associated with district suburban centres, and as well as ensuring parking provision it provides a buffer for adjoining residential areas.
- (e) The Business RP (Retail Park) zone is a variant of traditional commercial centre zonings. It has been established to enable large format retail activities in a limited number of locations. The type of activity and its associated amenity and built form is more akin to the range of effects historically provided for in commercial zones, such as high levels of traffic, moderate levels of advertising and a strong public presence.

(...)

Amend clause 1.3 as follows:

1.3 Business 2 (District Centre Core) Zone

Zone description and purpose

The Business 2 Zone has three main purposes. Firstly, it provides for building development of a significant scale and intensity, appropriate to the function of larger district centres and to the amenities of any living environment adjoining the zone. Secondly, the zone identifies the core of business activity within a district centre, particularly with regard to retailing. Many of these district centres also contain both a Business 2 core and an adjacent (usually older) Business 1 Zone component. Thirdly, these centres usually contain important community facilities, whether in public or private ownership.

(...)

The remaining, larger district centres are significant focal points for business activities and community facilities. They are strategically well distributed on major roads to serve sizeable suburban residential catchments, and generally contain a total floor space in excess of 20,000m². They include an integrated shopping centre with at least one major retail store (a supermarket or variety store). They also usually have a large variety of small shops, a range of professional and commercial activities, offices, community facilities and service activities. In the case of the Ferrymead District Centre, residential activity and public amenities are also envisaged so as to achieve a diverse and vibrant mixed-use outcome. There are also limits on the extent and scale of commercial activities at the Styx Centre so that it supports its residential catchment without undermining the function and roles of District Centres and the central city following the Canterbury earthquakes of 2010 and 2011. Sizeable land areas are required for car parking, and special traffic management methods are often employed to cater for demand. The following are district centres of this type:

Riccarton Hornby Papanui
Church Corner Linwood Barrington
Shirley Merivale New Brighton
Bishopdale Sydenham Ferrymead

Styx

Where development of significant retail space is proposed, an assessment procedure will be required to ensure reasonable co-ordination of development within the zone, and attention to co-ordination of development, landscaping and access matters.

(...)

Amend clause 3.4 as follows:

3.4 Development standards - Business 1 and 2 Zones

Any application arising from non-compliance with Clauses 3.4.3(f), 3.4.5, 3.4.7, 3.4.17, 3.4.18 and 3.4.19 (except as otherwise required under Rules 3.4.18 and 3.4.19) will not require the written consent of other persons for notification, and shall be non-notified.

Amend clause 3.4.4 below by inserting text as shown below:

3.4.4 Building development and redevelopment

Within the Business 1 and 2 Zones except the Business 2 Zone (Styx Centre) any building, extension to building or redevelopment, involving more than 4000m of gross leasable floor area shall be a controlled activity in respect of the proposed layout of buildings, the location of car parking areas and access points, the proposed landscaping and the relationship of the proposed development with other activities within the zone, except that in the case of Ferrymead District Centre where additional relevant matters in clause 6.3.4 shall be considered.

Within the Business 2 Zone (Styx Centre only) the following shall also apply as shown on the Special Provision Plan (Appendix 15):

- the access points and building restriction areas, shall be provided in the indicative location shown on the Special Provision in Part 3 Appendix 15. No buildings shall be located within the building restriction areas.
- a minimum building setback shall be provided from the Styx River as shown on the Special Provision Plan at Part 3 Appendix 15 and planted with natives species.
 For the purpose of this Rule the setback shall be measured from the centreline of the river.
- <u>a minimum 3m wide landscape strip shall be provided along the Main North Road</u> and Radcliffe Road frontages, measured from the road boundary.
- <u>a minimum 16m building setback shall be provided to the Radcliffe Road frontage,</u> measured from the road boundary
- underground parking shall be provided within the indicative area shown and community linkages established.
- the Styx Centre shall include a north/south main street connecting Main North Road and Radcliffe Road through the site.
- within Special Area A a recession plane control shall apply from the Styx River setback and commence at 10m above ground level and at an angle of 20°. No buildings shall be permitted within 5m from the Styx River setback, as shown on Special Provision Plan E. All buildings located in the Special Area A shall be painted in recessive earth tone colours, with less than 30% reflectivity. No signage shall be permitted on the building elevations directly facing the Styx River to the south.
- within Special Area B the maximum building height shall be 5m and total floor area 300m² for any building located within this area. Any building located in the Special Area B shall be painted in recessive earth tone colours, with less than 30% reflectivity. No signage shall be permitted on the building elevations directly facing the Styx River.

Insert new clauses 3.4.17, 3.4.18 and 3.4.19 as shown below

3.4.7 Special Provision - Styx Centre Retail Activity

Within that part of the Business 2 (Styx Centre) a minimum 1,600m² gross floor area of community facilities, either publicly or privately operated, will be provided in convenient locations within the Centre for public access.

For definition purposes community facilities includes a gymnasium, places of entertainment, day care facilities for both the elderly and children and community infrastructure. Activities/facilities not otherwise specifically defined in the City Plan, including a library, premises (with catering facilities) for hire by community organisations and/or for community functions, or other similar facilities such as a police station, will also be classified as community facilities.

(a) Retailing shall be a permitted activity subject to the following:

- (i) Until 1 July 2017 not more than 20.000m² glfa shall be permitted of which:
 - Not more than 30% of the glfa may be retail activity where each store is 2,000m² or less; and
 - Not more than 80% of glfa may be retail activity
- (ii) From 1 July 2017 not more than 45,000m²-glfa shall be permitted of which:
 - Not more than 70% of glfa or 28,000m² (whichever is the less)
 may be retail activity.
- (b) <u>Until 1 July 2021 retail activity exceeding the above thresholds shall be a restricted discretionary activity with the excreise of the Council's discretion limited to retail distribution effects.</u>
- (e) From 1 July 2017 retailing shall be a permitted activity.
- (d) For the purposes of calculating glfa of retail activitiy in this provision, the glfa of food and beverage outlets, food courts, trade suppliers, and yard based suppliers shall be excluded.

3.4.17 Special Provision – Styx Centre Concept Plan

Within the Business 2 Zone (Stvx Centre):

- (a) A concept plan for the entire zone shall be approved prior to development of any part of the site except where consent for development of the whole site has been obtained pursuant to Clause 3.4.18.
- (b) The concept plan (or any variation thereof) shall identify and/or address the following matters:
 - Compliance with the Special Provision (Part 3, Appendix 15A and 15B)
 - **Building footprints**
 - Open space and landscaping areas
 - Location of car parking areas
 - Pedestrian and cycle routes
 - Vehicle circulation
 - Community linkages to the surrounding areas
 - <u>Land or buildings available to accommodate at least 1600m2 gross floor area of community facilities</u>
 - Integration of the public transport interchange with the district centre
 - Staging of development and interim uses
 - Any land or buildings with residential activities
 - Geotechnical assessments of the land and building sites, including where buildings site(s) are to be used for residential activity then any geotechnical assessment prepared in accordance with the Guidelines for the geotechnical investigation and assessment in the Canterbury region (Department of Building and Housing, 14 November 2011).
- (c) The concept plan shall be accompanied by an independent urban design and landscape assessment.

- (d) Application for approval of a concept plan may be accompanied by resource consent application(s) for staged development.
- (e) The concept plan (or any variation thereof) shall be a restricted discretionary activity with the exercise of the Council's discretion limited to matters to be addressed in the concept plan (under sub clause 3.4.17(b)) and urban design concepts.

3.4.18 Special provision – Styx Centre Development and Redevelopment Within the Business 2 Zone (Styx Centre):

- (a) Building development shall be a restricted discretionary activity. Any resource consent application for building development shall either:
 - (i) Relate to the development of the entire site; or
 - (ii) Accord with an approved concept plan. The concept plan (or any variation thereof) will require a restricted discretionary activity consent, with the exercise of the Council's discretion limited to building footprints, location of public open space, vehicle circulation, basement access points, enabling the integration of public transport, eyele and pedestrian routes and overview of urban design and landscape concepts. An application for approval of a concept plan may be accompanied by a resource consent application for a staged development of the site.

In either case the concept plan or resource consent application relating to building development shall be accompanied by an independent urban design and landscape assessment at a level of detail appropriate to the nature of the application.

- The exercise of the Council's discretion in relation to building development, to the extent that the matters have not been addressed under sub clause 3.4.17(b), shall be limited to external design and appearance of buildings, both articulation and activation of building frontages, location of public open space, layout of buildings and car parking, landscaping, identification of land or buildings available to accommodate a minimum of 1600m² gross floor area of community facilities, internal vehicle and pedestrian access and circulation and enabling the integration of the public transport interchange with the District Centre, cycle and pedestrian routes. In respect of buildings within Special Areas A and B of the Special Provision Plan, discretion is extended to the effects of the buildings on the natural character and values of the Styx River and its margins.
- with the Business 2 Zone (Styx Centre) any All development shall accord with the Special Provision Plan (Part 3 Appendix 15A and 15B) and shall comply with the following:
 - (i) All vehicle access points shall be provided only in the indicative locations. The 'mid block' left in / left out vehicle access point shall only be provided following the completion and opening of the Northern Arterial.
 - (ii) The Styx River Riparian setback shall be planted with native species.

 A landscape planting and management plan shall accompany the resource consent application for building development.

- (iii) Prior to any retail activity commencing within the Zone, landscaping shall be undertaken within the Styx River Riparian setback in accordance with the approved landscaping and management plan.
- (iv) There shall be a minimum of 1200m² of land available for external public open space, with at least one such space capable of containing a circle with a minimum diameter of 18m, distributed in convenient publicly accessible locations within the Centre.
- (v) A minimum 3m wide landscape strip shall be provided along the Main North Road frontages, excluding access points and where buildings are directly accessed off Main North Road as provided for under (xvi).
- (vi) A minimum 5m wide landscape strip shall be provided along the eastern boundary, as shown on the Special Provision Plan, incorporating those shelterbelt trees which are identified by an independent arborist to be in a healthy state as at the date of application. the replacement of the existing shelterbelt plantings with evergreen species that can reach a minimum height at maturity of 15m, which are not less than 2m at the time of planting, and which are spaced not more than 3m apart. Any dead, diseased or dying trees to be immediately replaced by an equivalent species. Planting shall be completed within the first planting season (April to September) after the Plan Change becomes operative.
- (vii) Except where used for residential activities, all buildings abutting that part of Radcliffe Road identified as Active Frontage Perimeter on the Special Provision Plan shall provide active ground level facades.

For the purpose of this rule, active ground level façade is the frontage of a building containing ground level retaining that:

- Adjoins a road; and
- <u>Is designed to provide for pedestrian interaction between the activities on the ground floor and the public space in the road;</u> <u>or</u>
- <u>Is designed for the display of goods and services for sale within</u> the building to pedestrians in public space in the road.
- (viii) Where on-site vehicle parking is provided parallel to Radcliffe Road, this area;
 - Shall be landscaped in accordance with clause 3.4.3; and
 - Shall not extend to a depth greater than 21m from Radcliffe Road.
- (ix) A minimum of 3m wide landscape strip shall be provided along the Radcliffe Road frontage, excluding access points and the public transport interchange (if established), and where buildings are directly accessed off Radcliffe Road as provided for under (vii).

- (viii) A minimum 16m setback shall be provided to the Radeliffe Road frontage, measured from the road boundary.
- (x) All walls and roofs facing the eastern boundary of the Zone shall be painted or clad in recessive earth tone colours with less than 30% reflectivity.
- (xi) Any basement or underground parking shall be provided only within the indicative area shown on the Special Provision Plan.
- (xii) The layout of the Styx Centre will provide opportunities within the site for community linkages to be extended beyond the site boundaries to the surrounding areas. Provision for such linkages shall be in the indicative locations identified.
- (xiii) A net area of approximately 4000m² on the north east corner of the site, as shown on the Special Provisions Plan adjacent to the railway line and fronting Radcliff Road and the proposed North/South Main Street provides an opportunity for the development of a public transport interchange. Interim uses at ground level, pending development of the interchange, and development above the space required for the interchange, will be permitted. In the event that the Concept Plan or resource consent for the entire site does not provide such opportunity, and the public notification is not required, limited notification will be required of the Canterbury Regional Council (CRC), unless the written consent of the CRC has been given to the development. If the Christchurch City Council has not taken up the opportunity to establish the interchange by 28 June 2023 this clause and the relevant parts of rules 3.4.17 and 3.4.18 and associated assessment criterion under 6.3.22 shall no longer apply.
 - For the purposes of this rule a public transport interchange means a building and associated facilities to provide for public transport passengers but does not include "Park and Ride" facilities.
- (ix) The layout of the Styx Centre will provide an opportunity within the site for the development of a public transport interchange.

 Service will be required on the Canterbury Regional Council (CRC) for this matter in the event that the written consent of CRC has not been given to the development.
- (xiv) There shall be an open air north / south main street connecting Main North Road and Radcliffe Road..
- (xv) Any buildings located in Special Area A and B shall comply with the following:
 - All buildings located in Special Areas A and B shall be painted in recessive earth tone colours, with less than 30% reflectivity. No

- freestanding signage or signage on building elevations shall be permitted directly facing the Styx River.
- Any building within Special Area B shall not exceed a total floor area of 300m².
- (xvi) Except where used for residential activities all buildings fronting

 Main North Road, identified as 'Active Frontage Perimeter', are to
 provide active ground level facades, and be able to be accessed by
 pedestrians from either: Main North Road; or any service lane
 provided. Parking associated with any service lane parallel to
 Main North Road shall be landscaped in accordance with clause
 3.4.3.
- (d) Any activity that fails to comply with one or more of the above matters in (c) above shall be a restricted discretionary activity, with the exercise of the Council's discretion restricted to the matter(s) subject to that standard.
- (e) Notwithstanding clause 3.1.1(b) building development that does not accord with an approved concept plan or resource consent for the entire shall be a discretionary activity.

3.4.19 Special Provision – Styx Centre Traffic Generation

Within that part of the Business 2 Zone (Styx Centre), until such time as the Northern Arterial road has been constructed and opened to traffic, the maximum permitted total number of vehicles exiting the site is 625 vehicles during the Thursday evening peak hour, or 700 vehicles during the Saturday peak hour.

Any development leading to traffic generation in excess of these limits shall be a restricted discretionary activity.

Service will be required on the New Zealand Transport Authority (NZTA) in the event that the written consent from NZTA has not been given to exceed the above peak traffic levels. No other service or public notification will be required.

Monitoring of traffic generation associated with activities within the Styx Centre site shall be undertaken as set out below, until such time as the Northern Arterial is open to traffic.

The total traffic volume emerging from the site shall be determined through monitoring all intersections providing egress from the site, at intervals of no more than six months. Monitoring shall be undertaken over four consecutive Thursdays and four consecutive Saturdays, between the hours of 1600 and 1800 on Thursday and 1200 to 1400 on Saturday. Traffic volumes shall be recorded in 15-minute intervals with the peak hour being the highest total volume observed in any four consecutive 15-minute periods. For the purposes of applying this rule, the total traffic volume emerging from the site shall be deemed to be the mean of the four Thursday peak hours and the mean of the four Saturday peak hours.

Monitoring shall commence no later than six months following completion of the first building on the site.

This monitoring shall be undertaken by a qualified traffic engineer on behalf of and funded by the applicant and results shall be lodged with the Christchurch City Council within 20 working days of the completion of each six monthly monitoring period. This monitoring shall cease at the opening of the Northern Arterial road.

Amend clause 3.5.1 with the text as shown below:

3.5.1 Height

The maximum height of any building shall be;

Business 1 Zone 8m

Business 2 Zone (Sydenham, Riccarton, New 20m Brighton, Hornby, Linwood and Papanui

district centres)

Business 2 Zone (Shirley district centre) 16m

16m except as otherwise shown on the

Business 2 Zone (Styx Centre) Special Provision Plans (Part 3 Appendix

15A and 15B)

Business 2 Zone (all other centres) 12m

Insert new clause 3.5.7

3.5.7 Special Provision – Styx Centre Retailing and Offices

Retailing and offices shall be permitted activities subject to the following staging rules:

(a) Offices

- i) Up to 1 February 2015 offices shall not exceed 3,000m² GLFA and no single tenancy shall exceed 400m² GLFA
- ii) Between 1 February 2015 and 1 February 2020 offices shall not exceed 8,000m² GLFA
- iii) From 1 February 2020 offices shall not exceed 12,000m² GLFA.

For the purposes of the above, offices shall exclude medical facilities, offices of medical practitioners and other community facilities

(b) Retailing up to 1 July 2017

Subject to (a) above:

- i) Retailing shall not exceed 10,000m² GLFA;
- ii) Retailing tenancies of 2,000m² or less shall not exceed 6,000m² GLFA.

Insert new clauses 3.6.4, 3.6.5 and 3.6.6 after clause 3.6.3 as shown below:

3.6.4 Special Provision – Styx Centre – Styx River Values

There shall be no buildings located within the building restriction areas and Styx River Riparian Setback.

3.6.5 Special provision – Styx Centre Community Facilities

There shall be land and / or buildings available to accommodate a minimum 1,600m² gross floor area of community facilities, either publicly or privately operated, and provided in convenient publicly accessible locations within the Centre. Such land and / or buildings is to be identified within either the initial resource consent application or approved concept plan, as identified in clause 3.4.17(b).

For the purpose of this clause community facilities includes a gymnasium, places of entertainment (excluding cinemas), medical facilities, day care facilities for both the elderly and children and community infrastructure. Activities/facilities not otherwise specifically defined in the City Plan, including a library, premises for hire by community organisations and/or for community functions, or other similar facilities such as a police station, will also be classified as community facilities.

3.6.6 Styx Centre – Total Gross Leasable Floor Areas

- i) The total development on the site shall not exceed 45,000m² of GLFA. For the purpose of this rule GLFA shall not include the floor area for residential activities.
- ii) Retailing on the site shall not exceed 20,000m² of GLFA.

Amend clause 6.3.3 below by inserting new clause (d) as shown below:

6.3.3 Visual amenity

- (a) The extent and quality of any screening proposed for outdoor storage areas and to provide screening for sensitive adjoining activities.
- (b) The type and volume of materials or goods that are stored in any outdoor storage
- (c) The extent to which any site or part of any site that does not contain a building is designed and landscaped to soften the visual appearance of such areas from any public space.
- (e) Within the Business 2 (Styx Centre only) the extent to which the existing tree shelterbelts located along Main North Road and Radcliffe Road can be incorporated into the design of the District Centre, having regard to the health of the trees, site visibility considerations (including providing visual connectivity to the existing Northwood Supa Centa) and/or provision of appropriate alternative landscape concept designs and activation of the road frontages.

Insert New Clauses 6.3.21 – 6.3.24

6.3.21 Special Provision – Styx Centre Concept Plan

The extent to which a concept plan (or variation) addresses the matters identified under Rule 3.4.17 and provides sufficient level of detail to establish an overall vision for the development of the site.

6.5.7 Special Provision - Styx Centre Retail Activity

The extent to which the retail distribution effects of the additional glfa:

- Avoids adverse effects on the function and the efficient use of the central city and district centres;
- Limits adverse effects on people and communities who rely on the central city and district centres for their social and economic wellbeing and require ease of access to such centres by a variety of transport modes; and
- Maintains the amenity values of the central city and district centres.

6.3.22 Special Provision – Styx Centre Building Development and Redevelopment

The extent to which:

- a) the provision of a road and footpath network creates safe and efficient movement within the site and ensures connectivity and convenience for pedestrians and cyclists;
- b) <u>building and landscape design and location of activities maximise public safety, including consideration of Crime Prevention Through Environmental Design principles;</u>
- c) the building frontages located adjacent to Radcliffe Road, North /South Main Street, on corners and public open spaces avoid continuous building lengths and provide active ground level facades and articulation of built form. This includes locating loading spaces and storage areas at the rear or within buildings;
- d) the building facades located adjacent to the Styx River avoid continuous building lengths, provide articulation of built form and visual integration with the Styx River and reflects the natural character and values of the Styx River and its margins.
- e) the building frontages located adjacent to Main North Road avoid continuous building lengths and provide articulation of built form.
- f) buildings relate to and spatially contain the internal streets, accessways and publicly accessible open spaces;
- g) <u>provision of upper storeys along internal streets, on key corners and publicly accessible open spaces, are suitable for non-retail activities.</u>
- h) Buildings are adaptable to changes of use.
- i) Ground level residential activities provide front entrances, habitable rooms and glazing facing the street. This includes recessing car parking and the use of landscaping to provide amenity within the streetscene.

- j) an open air main street is provided within the Styx Centre which establishes
 a link between Main North Road and Radcliffe Road and creates a clear
 principal route through the site and a high quality pedestrian environment;
- k) <u>continuous weather protection is provided on streets with potential high volumes of pedestrian movement and above pedestrian entrances on other streets.</u>
- the community linkages are provided within the site to improve connections to the surrounding areas for pedestrians and cyclists;
- m) the community linkage along the Styx River improves public accessibility along the River;
- n) a public transport interchange and the integration of public transport routes serving the site are integrated with the District Centre is provided
- o) <u>public open spaces are appropriately located and provided to create usable</u> and attractive spaces, which are landscaped to a high standard;
- p) planting of native and other species is provided within the Styx River riparian setback to enhance the ecological values associated with the River and provides visual integration and screening of buildings adjacent to the River. Consideration shall be given to planting tree species capable of reaching a minimum height at maturity of 12m and shall be not less than 1.8m at the time of planting. Consideration shall be given to retaining of existing trees until new planting is sufficiently established to provide some screening.
- q) the trees retained on site provide an obvious legacy of the historical market gardening and horticultural activities previously carried out of the site.
- r) any proposed signage, building colours or fences associated with the Styx Centre will adversely impact on the natural character and values of the Styx River.
- s) any underground or basement car parking structure is integrated into the architectural and landscape treatment of the development to avoid any unattractive exposed parts of the structure.
- t) any variation to the Special Provision Plan avoids, remedies or mitigates any adverse effect on the environment, including ensuring that the height of any building established on land which becomes available due to realignment of the North/South Main Street does not exceed the permitted height of buildings in the immediate vicinity.
- u) <u>any interim development subject to a concept plan is consistent with, and will</u> enable the implementation of, the Special Provision Plan.
- v) <u>Individual ground floor level retailing tenancies provide individual access at the ground floor.</u>

The relevant assessment criteria under 6.3.4 (a) - (g) will also apply to restricted discretionary activities for the erection of buildings.

6.3.23 Special Provision – Styx Centre Traffic Generation

The extent to which any significant adverse effects are created by the additional traffic generated on State Highway 74, as a result of activities within the Styx Centre exceeding the maximum permitted vehicles exiting the Centre, as specified in Rule 3.4.19.

<u>6.3.24 Special Provision – Styx Centre Retailing and Offices</u>

In relation to Rule 3.5.7 the extent to which the effects of the additional GLFA:

- Avoids adverse effects on the function and the efficient use of the central business district, Christchurch City district centres, and Rangiora and Kaiapoi town centres; and
- Avoids adverse effects on the recovery of the central business district, including undermining the recovery following the Canterbury earthquakes of 2010 and 2011; and
- <u>Limits adverse effects on people and communities who rely on the central business district, Christchurch City district centres, and Rangiora and Kaiapoi town centres for their social and economic wellbeing and require ease of access to such centres by a variety of transport modes; and</u>
- <u>Up to 1 February 2015, in respect of single office tenancy size, avoids tenants who, prior to the Canterbury earthquakes of 2010 and 2011 were located in the CBD, proposing to relocate their primary place of business to the Styx Centre.</u>

6.5.15 Special Provision - Styx Centre Styx River Values

The extent to which any building located within the Styx River Riparian setback and building restriction area protect the ecological and landscape values of the Styx River and maintain views of the Styx River from Main North Road.

6.5.16 Special Provision - Styx Centre Community Facilities

a) the extent to which the provision of community facilities, such as libraries, meeting rooms, gym, crèche and child care facilities, to a level that enhances the community role associated with the District Centre.

the extent to which the facilities are located to enable public use and convenience

- (a) The extent to which community facilities are provided to a level that enhances the community role associated with the Styx Centre.
- (b) The extent to which the facilities are located to enable public use and convenience

7.1.2 Business 2 and 2P Zones - Zone rules and city rules

(refer Clause 3.3)

The purpose of the Business 2 and 2P Zones is to allow for any activity permitted in the Living 2 or 3 Zones, and additionally for ground level carparking in association with adjoining commercial centres at Linwood, Merivale, Shirley, New Brighton, Barrington, Fendalton, Wairakei.

The reasons for these rules are twofold. Firstly, it ensures the provision of carparking and open space in association with large centres where the scale of development can have a significant effect on local amenities and on the level of traffic generation on the local street network. Secondly, the parking zone reflects local circumstances in the case of several of these district centres. In Fendalton, Linwood, Barrington, Merivale and Wairakei, the Business 2P Zone is intended to act as a buffer between commercial development and the adjoining residential area. In Merivale, the location of the Business 2P Zone acts as a buffer zone to residential development. In the case of New Brighton, the Business 2P Zone provides for a recognised deficiency of parking in an older district centre.

While residential activities are provided for, little such development is expected. It is however compatible with the surrounding environment of these centres, acknowledging their residential surrounds.

In the case of the Business 2P zones at Fendalton, Linwood, and Shirley, a level of business activity is also provided for. However, that business activity is subject to additional controls to those applying in Business 2 zones. This is intended to ensure that the Business 2P zones buffer nearby living zones to the degree that the residential amenity of those living zones is protected and that the effects of activities in the Business 2P zone reflect those of the living zones. In particular, they recognise the potential that would otherwise exist for business activities to detract from those residential amenities, particularly in respect of the scale, design and colour of buildings and outdoor advertising, and the effects of the scale and intensity of activities in terms of noise, loss of privacy, and other nuisance effects. In some cases individual standards are more restrictive than would occur in the nearby living zones, reflecting the fact that not all the standards that apply to the living zones are applied to the Business 2P zone and the greater probability of larger buildings and signs in business zones.

Amend clause 7.1.5 as follows:

7.1.5 Visual amenity and external appearance

Rules in the Plan address outdoor storage and a buffer for sensitive neighbouring activities in terms of requirements for screening. Where sites or parts of sites are used in a way that creates large open areas, such as carparking, tree planting will soften the visual impact of such areas. The provision of landscaping in Business 2 Zones, is also addressed as part of consent procedures (refer Clause 3.4.4).

The outdoor storage provisions are similar for business zones generally and are incorporated to ensure that any outdoor storage is sufficiently screened so that visual detraction is minimised from adjoining residential properties or from the street.

Only limited provision is made for landscaping in the Business 1 Zone because of the small scale of Business 1 Zone shopping centres which usually intensively occupy small sites, making the provision of more extensive landscaping generally impractical.

In relation to the proposed Business 2 (Styx Centre), the Poplar and Alder trees located along the Main North Road and Radcliffe Road frontages are considered to contribute to the character of the area. Consideration of The retention or partial retention of the trees, subject to the assessment matter, will provide a legacy of the historical market gardening and horticultural activities previously carried out on the site.

Amend clause 7.1.6 as follows:

7.1.6 Building development and redevelopment

The rule applies to large scale development in all suburban centres. It aims to ensure that the best degree of co-ordination is achieved within the centre in respect to key features such as landscaping, access, pedestrian linkages, parking and building layout, whilst recognising the fragmented ownership that may be present. These in turn relate to effects both within the

centre (as a convenient and attractive place to visit) access to public facilities in the centre and the external effects, particularly on the safety and efficiency of the roading network and on adjoining residential amenities.

The intention of the landscaping is to ensure that adequate tree planting is undertaken to soften the effects of greater building scale and extensive carparking provision in this zone.

The rule only applies to larger floorspace developments, as it would be unnecessary and onerous to apply assessments to small developments in centres. The overall aim is to avoid uncoordinated, poorly laid out developments within which access (particularly for pedestrians) is poor, or external amenities are unsatisfactory.

In relation to the proposed Business 2 (Styx Centre) zone it is proposed that the Centre be comprehensively planned, with controls that are designed to ensure that the layout and overall form of the new Centre results in an integrated development. This will be controlled under Clause 3.4.4, which requires resource consent as a controlled activity for the development of the District Centre. An independent urban design assessment will be required to support the future resource consent application needed to establish the Centre.

The key intention is to establish a District Centre with a high standard of amenity that meets the needs of the growing residential communities in the immediate locale and the greater Christchurch area. It will also result in a built environment that is lively and inviting to visitors during both day and night. In order to ensure that a good outcome is achieved on this important site, these provisions require that the development is planned for, and occurs, in an integrated and comprehensive manner.

A setback from the Styx River and Special Areas A and B are required to protect the setting of this important environmental asset. The relevant rules and assessment matters will mitigate the effects of the built form on the setting of the Styx River. Public access to the water's edge and the integration of the Styx River into the overall development will be encouraged. Native planting will be required within the River setback to further contribute to the ecological value of the River.

The purpose of the two building restriction areas is to maintain a view corridor along the Styx River and to prevent a continuous building line from being established along the entire Main North Road. In particular the view towards the Styx River is considered important to the character of the locality and provides a physical separation and sense of arrival into the Belfast/Northwood area.

Underground parking will be provided on the site as this offers planning benefits, such as freeing up space to be used for landscaping, on-site amenity, and innovative building design.

Community linkages will be encouraged to ensure appropriate levels of connectivity are provided to the surrounding commercial, residential and recreation areas.

Amend clause 7.1.9 as follows:

7.1.9 Height

In the Business 1 Zone, the maximum building height of 8m has been set to complement the maximum height provisions for the living zones that usually surround or adjoin the small Business 1 Zones. In the Business 2 Zone the height limit is greater, reflecting the scale of development, the need to use land resources effectively, and generally larger sites. The 20m

height limit in Sydenham reflects its industrial surrounds and traditional "main street" scale of development.

A greater height limit of 20 metres has been set for the larger district centres (Riccarton, New Brighton, Hornby, Linwood and Papanui) reflecting their size and scale of development. An intermediary level of 16 metres has been set at Shirley reflecting the size and scale of the zone, but acknowledging the presence of low scale residential development in close proximity to the centre.

A 20m height limit has also been applied to the Styx Centre to reflect the character of the area and the scale of adjoining activities. The height limit will ensure that an appropriate form of development can be established on the site, while also achieving an efficient use of resources.

In New Brighton the building height anticipated has been graduated from west to east in response to the increase in building height for the residential zone immediately adjacent to the eastern end of the Mall area. The increase in height to 30 metres for a small area of the Business 2 zone enables high rise buildings to form a focal point at the key intersection of the Mall with Marine Parade.

A general 16m height limit has also been applied to the Styx Centre as this is considered appropriate for the establishment of a district centre. In recognition of the proximity to the Styx River and rural land to the east, lower maximum heights, ranging between 5m, 8m and 12m have been provided. Such heights are considered appropriate to address the interface of the development with these sensitive receiving environments. At the intersection between Main North Road and Radcliffe Road, which is considered one of the key corners of the District Centre, the maximum 20m height will enable greater legibility and opportunities to establish a landmark building. The height limits will ensure that an appropriate form of development can be established on the site, while also achieving an efficient use of resources.

Insert New Clauses 7.1.20-7.1.25 as follows:

7.3.9 Special Provision - Styx Centre Retail Activity

Any development beyond the limits specified in Rule 3.4.7 will need to be assessed to determine whether it would result in the type of adverse effects identified in Policy 12.1.2 Distribution of Commercial Activity

7.1.20 Special Provision – Styx Centre Concept Plan

To ensure that the District Centre is established in a comprehensive and integrated manner a concept plan or resource consent for the entire site is required. This is essential to avoid piecemeal development and ensure an overall vision is achieved.

7.1.21 Special Provision – Styx Centre Building Development and Redevelopment

In relation to the proposed Business 2 (Styx Centre) zone it is proposed that the Centre be comprehensively planned, with controls that are designed to ensure that the layout and overall form of the new Centre results in an integrated development. Any staged development will be subject to a concept plan, or a resource consent for the entire site.

The key intention is to establish a District Centre with a high standard of amenity that meets the needs of the growing residential communities in the immediate locale vicinity and the

greater Christchurch area. It will also result in a built environment that is lively and inviting to visitors during both day and night. In order to ensure that a good outcome is achieved on this important site, these provisions require that the development is planned for, and occurs, in an integrated and comprehensive manner.

The key intention is to establish a District Centre with a high standard of amenity that meets the needs of the growing residential communities primarily and around the wider Belfast, Northwoods and Redwood area. It will also result in a built environment that is lively and inviting to visitors during both day and night. In order to ensure that a good outcome is achieved on this important site, these provisions require that the development is planned for, and occurs, in an integrated and comprehensive manner.

High standards of urban design and architecture are needed to ensure that the centre develops as an attractive mixed use District Centre. To this end the rules and assessment matters set out a range of matters that need to be taken into account in the design and layout of the new development. A particular emphasis is placed on the public private interface. Active street frontages are sought, whereby development positively integrates with streets. The proposed District Centre is intended to have a high proportion of its streets lined by active building frontages providing for a vibrant mix of retail, employment and cultural activities to achieve this it is necessary to consider carefully the location of parking, to avoid parked cars impinging on the amenity and usability of street frontages. Together the active street frontages and mix of activities can combine to create a centre of high amenity that is a valued community resource.

A minimum ground floor height of 4.5m is desirable to provide for a diversity of uses and ensure resilience in built form to adapt to a wide range of changing circumstances.

Urban centres consist of a mix of uses, building types and quality, street environments and pedestrian movement patterns that reflect community values. These urban centres provide opportunities for a variety of community services and amenity. Policy 12.8.19 recognises that a range of street environments may exist and performance standards are required within the Concept Plan to provide a commitment to bring into effect a mix use centre. Particular regard will be paid to built form typologies that demonstrate how buildings will enhance the value and attraction of the public realm.

A Styx River riparian setback / esplanade reserve and further building restriction areas have been identified to protect the setting of this important environmental asset. The northern extent of the Styx River riparian setback is determined by the top of the river terrace (RL 18.25 Christchurch Drainage datum). The setback will provide a buffer between the development and the river and will provide an opportunity for riparian planting to be established to enhance the visual and ecological value of the River. Additional controls relating to height, buildings colours and signage will further mitigate the effects of the built form on the setting of the Styx River. Public access to the water's edge and the integration of the Styx River into the overall development will be encouraged.

The Styx River riparian setback / esplanade reserve and building restriction areas will also seek is to maintain a view corridor along the Styx. The view towards the Styx River is

considered important to the character of the locality and provides a physical separation and sense of arrival into the Belfast/Northwood area.

Underground or basement parking may be provided on the site as this offers planning benefits, such as freeing up space to be used for landscaping, on-site amenity, and innovative building design. Any underground or basement parking will be screened to ensure that any adverse visual effects associated with any above ground portion of the structure is avoided, remedied or mitigated.

Convenient and well placed community linkages will be provided both within the District Centre and the surrounding area. The community linkages are required to ensure appropriate connectivity and permeability both within and to the District Centre. In recognition of the District Centre's key strategic location, the Council will promote, in partnership with the relevant stakeholders, external community linkages through both statutory and non statutory processes, including the Belfast Area Plan. Such linkages will provide for a range of transport modes and be designed in accordance with Crime Prevention Through Environmental Design (CPTED).

The layout of the Styx Centre provides an opportunity for the development of a public transport interchange in the area generally identified for this purpose in the Special Provisions Plan. The interchange, if developed, could be by way of a joint venture between the Regional Council, the City Council and the land owner, with support as appropriate from NZTA. It is anticipated that the title to the interchange will be by way of a strata title to a height of 6 metres above ground level with the land owner retaining title and development rights above the space required for the interchange. Pending development of the interchange, interim uses will be permitted.

7.1.22 Special Provision – Styx Centre Traffic Generation

Any development beyond the limited specified under Rule 3.4.19, prior to the Northern Arterial being opened, will need to be assessed to determine whether it would result in significant adverse traffic effects on State Highway 74.

7.1.23 Special Provision – Styx Centre Retailing and Offices

Any development beyond the limits specified in rule 3.5.7 requires assessment against the provision of the City Plan.

In relations to the District Centre is proposed that a mixed use district centre be established. Any development that exceeds the specified thresholds will need to be assessed to determine whether the District Centre will provide an appropriate diversity and mix of activity, which will meet the needs of the local community.

Recognising the District Centre's location at the northwest extent of the City, limits on retail activity are applied so that the scale and function of the District Centre remains appropriate in relation to the network of all of greater Christchurch's commercial centres and associated population growth.

The development of the District Centre recognises the current limitations of the existing transport network.

7.1.24 Special Provision Plan – Styx Centre – Styx River Values

This particular standard recognises the importance of the Styx River and need to establish a suitable buffer to protect the ecological and landscape value of this important environmental asset.

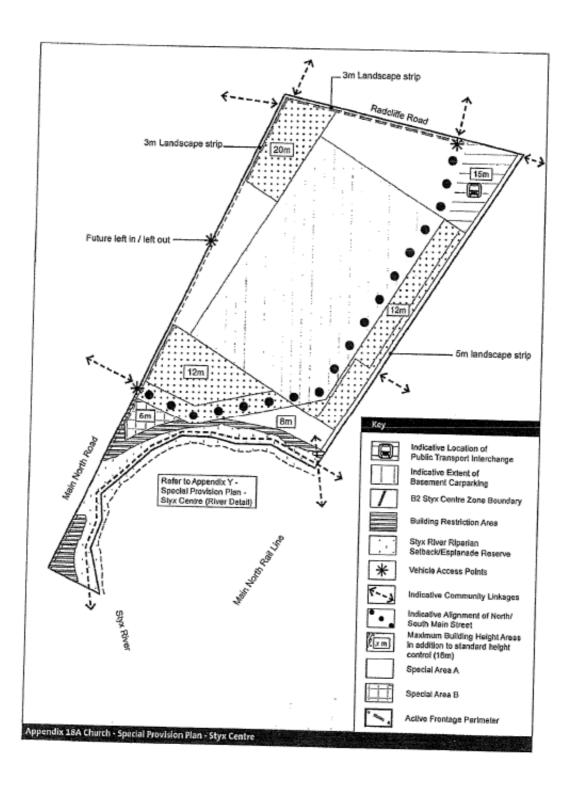
7.1.25 Special Provision – Styx Centre Community Facilities

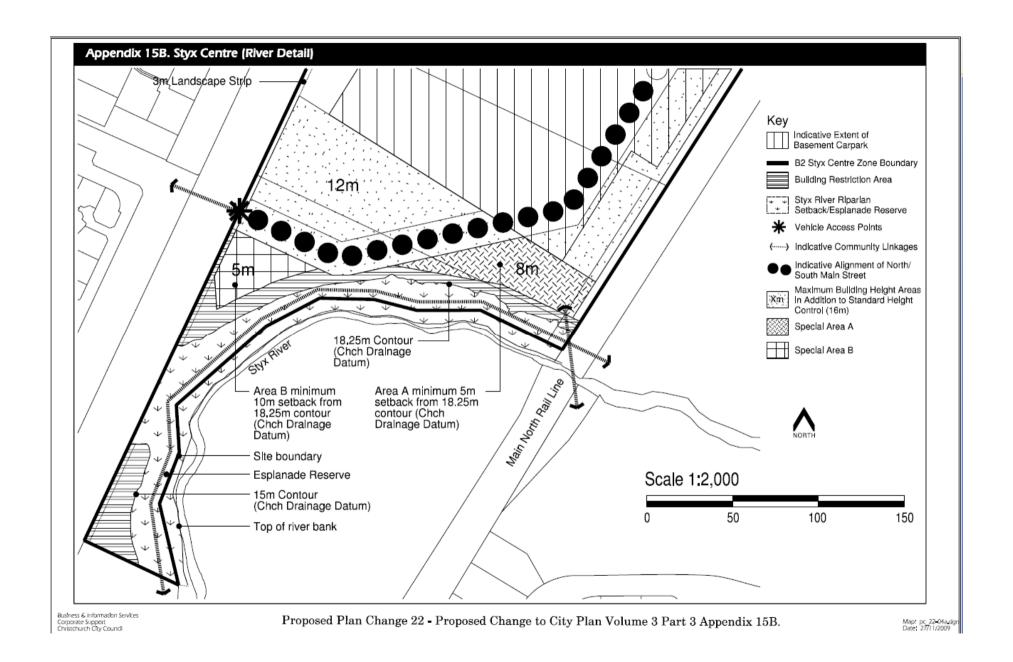
The provision of community facilities within the Styx Centre is essential to enhance the role of the District Centre as a focal point for the community. Such facilities are required within this locality and will contribute to the overall vibrancy of the Centre. The facilities, which can be operated either publicly or privately, should be conveniently located for public access.

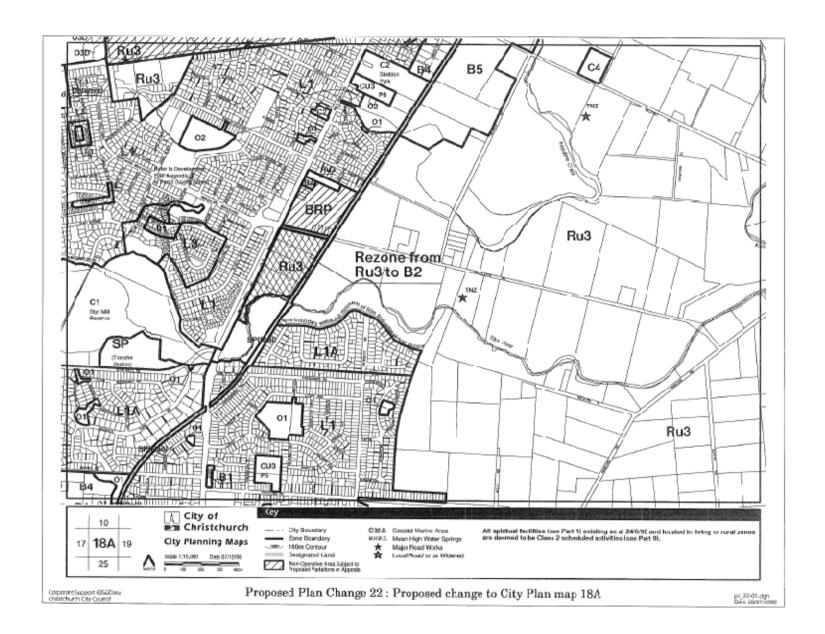
Insert New Appendix 15A – Special Provision Plan – Styx Centre and New Appendix 15B – Special Provision Plan – Styx Centre (River Detail)

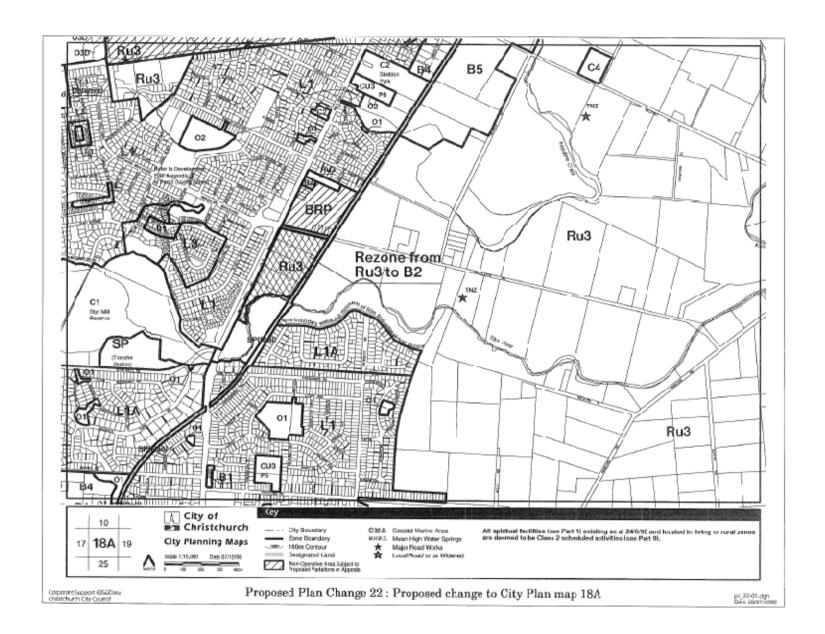
See attached

Amend Planning Map 18A, rezoning of Rural 3 to Business 2 Zone See attached









13. NOTICES OF MOTION

Councillor Aaron Keown has submitted the following Notice of Motion pursuant to Standing Order 3.10.1:

"That the Council write to Minister Brownlee on behalf of all residents who own clear land in the Red Zones asking the government to reconsider the offer of 50 per cent of Government Valuation (GV) in favour of 100 per cent of GV."

14. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

25. 10. 2012

COUNCIL RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 15, 16 and 17.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
15.	CONFIRMATION OF PUBLIC EXCLUDED COUNCIL MINUTES - 21 JUNE 2012, 23 AUGUST 2012, 27 SEPTEMBER 2012, 11 OCTOBER 2012) GOOD REASON TO) WITHHOLD EXISTS)) UNDER SECTION 7))) SECTION 48(1)(a))))))
16.	PUBLIC EXCLUDED REPORT OF A MEETING OF THE CORPORATE AND FINANCIAL COMMITTEE – 5 OCTOBER 2012))))))))
17.	PUBLIC EXCLUDED REPORT OF A MEETING OF THE CHRISTCHURCH CIVIC AWARDS SUBCOMMITTEE – 4 OCTOBER 2012))))))))

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM		REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
15.	Minutes 21 June 2012 – item 15:	Protection of privacy of natural persons	7(2)(a)	Protection of Body Corporate members settlements.	Is not to be
15.		Conduct of Negotiations	7(2)(I)	Settlement of Insurance Claim	released at any future date
15.	Minutes 21 June 2012 – item 16:	Prejudice commercial position	7(2)(b)(ii)	Prejudices commercial position in relation to the Council's insurance cover	without approval of the author
15.	Minutes 23 August 2012 – item 13:	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	7(2)(i)	The report contains financially sensitive information which, if released, can affect the course of negotiations and should remain confidential.	When settlement of the insurance claim is complete
15.		Maintaining legal professional privilege	7(2)(g)	The report contains legal advice which is covered by privilege.	-
15.	Minutes 23 August 2012 – item 13:	Enable any local authority holding the information to carry on, without prejudice or disadvantage (including commercial and industrial negotiations)	7(2)(i)	Conduct of negotiations.	To be decided by the Council

ITEM		REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
15.	Minutes 23 August 2012 – item 14:	Protection of privacy of natural persons	7(2)(a)	Protection of privacy of individuals.	Not to be released.
15. 15.		Prejudice commercial position	7(2)(b)(ii)	Commercially sensitive information. Contains pricing info re Council's insurance.	Not to be released.
15.	Minutes 27 September 2012 - Item 13:	Maintaining legal professional privilege.	7(2)(g)	There is good reason for withholding the information contained in this report as it provides legal advice to the Council so needs to be considered in private.	-
15.	Minutes 27 September 2012 - Item 14:	Commercial activities	7(2)(h)	Withholding the information is necessary to enable the Council to carry out, without prejudice or disadvantage, commercial activities.	Never
15.		Prejudice commercial position	7(2)(b)(ii)	Commercially sensitive information during RFP process	Never
15.		Protection of privacy of natural persons	7(2)(a)	Until the appointments are approved it is reasonable for the name of the proposed person to be kept confidential as it could damage their reputation and personal privacy if the Council chooses to not approve the appointment for some reason.	Full report can be released following advice to the individuals.
15.	Minutes 27 September 2012 – Item 15:	Enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial activities.	7(2)(h)	Commercial activities.	To be decided by the Council.
15.	Minutes 27 September 2012 – Item 16:	Legal professional privilege	7(2)(g)	To keep legal advice confidential from other parties.	When litigation is complete.
15.	Minutes 27 September 2012 – Item 17:	To protect the privacy of a natural person.	7(2)(a)	To protect the privacy of the proposed appointee to the Ethics Subcommittee until the appointment is made formally by the Council.	Once the appointment is made.
15.	Minutes 27 September 2012 – Item 18:	Protection of privacy of natural persons	7(2)(a)	Until the appointments are approved it is reasonable for the name of the proposed person to be kept confidential as it could damage their reputation and personal privacy if the Council chooses to not approve the appointment for some reason.	Full report can be released following advice to the individuals.
15.	Minutes 11 October 2012 - Items 25, 26 and 27:	To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	7(2)(i)	Property is subject to confidential negotiation.	When settlement is concluded.
15.	Minutes 11 October 2012 - Item 28:	To protect the privacy of natural persons.	7(2)(a)	Protects the privacy of individual	-

COUNCIL 25. 10. 2012

ITEM		REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
16.	Report of the Civic Awards Subcommittee – 4 October 2012	Protection of privacy of natural persons	7(2)(a)	To enable the Council to consider nominations in a manner that does not prejudice any party and to ensure applicants are communicated any decision ahead of the public.	Once Nominees have been informed of the outcome
17.	Report of the Corporate and Financial Committee – 5 October 2012	Conduct of negotiations	7(2)(i)	Contains confidential negotiation details.	Never
17.		Protection of privacy of natural persons	7(2)(a)	Contains information that identifies individuals.	Never
17.		Prejudice commercial Position	7(2)(b)(ii)	Contains information that may prejudice Council's position.	Never

Chairperson's

Recommendation: That the foregoing motion be adopted.

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- "(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
 - (a) Shall be available to any member of the public who is present; and
 - (b) Shall form part of the minutes of the local authority."



CHRISTCHURCH CITY COUNCIL CLAUSE 9 REPORT

(SEPARATELY CIRCULATED)

THURSDAY 25 OCTOBER 2012

9.30AM

COUNCIL CHAMBER, CIVIC OFFICES, 53 HEREFORD STREET

9. DRAFT ANNUAL REPORT

General Manager responsible:	Paul Anderson, General Manager, Corporate Services, DDI 941-8528	
Officer responsible:	Diane Brandish, Corporate Finance Manager	
Author:	Patricia Christie, External Reporting and Governance Manager	

PURPOSE OF REPORT

- The purpose of this report is to present the Annual Report of the Christchurch City Council (Council) for the year ended 30 June 2012. The Audit and Risk Management Subcommittee considered the draft Annual Report on 16 October. The Subcommittee's recommendations are provided below.
- 2. Under section 98 of the Local Government Act 2002 a local authority must prepare and adopt an annual report in respect of each financial year. Each annual report must be completed and adopted by resolution within four months after the end of the financial year which it relates to, and within one month after the adoption of its annual report, the local authority must make publicly available:
 - (a) its annual report; and
 - (b) a summary of the information contained in its annual report.

EXECUTIVE SUMMARY

- 3. At the time the report was forwarded to the Subcommittee, Audit New Zealand had examined the financial statements and accompanying reports of the group, but had not finally signed off on the report as they were still to receive clearance from the Auditor- General.
- 4. This has now been received and a copy of the draft audit opinion will be circulated separately to the Council.
- 5. A representative of Audit New Zealand will be in attendance at the Council meeting to answer any questions regarding the accounts.

Operating Results

- 6. This result differs from the result reported in the Performance Report received by the Council on 27 September 2012 as the Draft Annual Report includes year-end adjustments for items such as revaluations, accruals and impairments.
- 7. Total comprehensive income was \$188 million compared to a budget of \$277 million. Without the financial effect of the earthquake, the Council would have had an accounting surplus from its core operations of \$72 million compared to a planned non-earthquake deficit of \$2 million. The major reasons for the \$74 million difference between actual and budgeted accounting surplus were:
 - \$81 million higher than anticipated gain on the revaluation of investments in subsidiaries
 - \$16 million higher than anticipated value of assets vested to the Council
 - \$12 million higher than planned revenue from rates, dividends and rentals
 - \$9 million lower than planned personnel costs.

Offset by:

- \$29 million higher than expected losses from cash flow hedges
- \$16 million higher than planned depreciation costs
- \$10 million higher than planned net financing costs.
- 8. If the Council did not recognise capital revenues such as vested assets and development contributions as revenue it would have recorded a core operating deficit of \$16 million, against a planned deficit of \$25 million.

9 Cont'd

- 9. Earthquake-related transactions resulted in a surplus of \$116 million compared to a planned earthquake surplus of \$279 million. The major reasons for the \$163 million difference between plan and actual for earthquake activities were:
 - \$191 million for asset impairment as the plan assumed that the full impairment was taken at 30 June 2011
 - \$4 million higher than expected net earthquake-related financing costs.

Offset by:

- \$24 million higher than expected capital subsidies from New Zealand Transport Agency due to the accrual of earthquake subsidies
- \$20 million net increase in earthquake-related recoveries, resulting from an additional \$208 million of additional earthquake-related insurance recoveries and Crown contributions offset by an additional \$188 million of earthquake response and recovery costs.
- 10. The financial results do not yet fully reflect the financial impact of earthquake damage to Council assets. Progress made during the year in estimating the damage to the network assets provided a better understanding of what proportion of the networks have been severely damaged and will need replacing, but not of the specific assets themselves. On this basis Council has estimated that \$191 million of its network assets have been impaired. The impairment is reflected against the value of the assets and the revaluation reserve. The provision will be reversed in future years and replaced with entries against individual assets as further information on the extent of damage and asset repair progress becomes available.
- 11. No impairment estimate was made in 2011/12 for building impairment as there was insufficient information available. However, some buildings, including some that were impaired in 2010/11, were written off once it was established that they were clearly damaged beyond repair and were to be demolished. The book value of the buildings written off, including those that were previously impaired, was \$11 million, which is recognised in the Council's surplus for 2011/12.
- 12. Offsetting the unrecognised damage to Council assets are the recoveries that we expect to receive from insurers and government agencies. Council has recognised \$575 million of recoveries as income and has a receivable of \$141 million at 30 June 2012. Recoveries can only be recognised where there is virtual certainty of receipt. However, given that no major settlements have been concluded and the nature of the damage, it is not yet possible to estimate with any certainty the full amount of recoveries that will be received. A contingent asset has been disclosed in the financial statements for those recoveries that cannot be estimated.
- 13. The earthquake surplus of \$116 million for the year is a snapshot of our current position within a process that will take a number of years to resolve. Over the next two to four years we will recognise all the damage to our assets and all the insurance recoveries within the financial statements. This means that there is the potential for the Council to record earthquake rebuild-related deficits as a result of timing mismatches between the write-off of assets and the receipt of recoveries, or where the cost of reinstatement is not fully met by central government and insurance funding.
- 14. The revaluation of the assets programme was suspended for a further year for the following reasons:
 - there was considered to be insufficient market activity to provide reliable market valuations
 - the assumptions required to provide market valuations were not appropriate
 - there was insufficient asset condition information
 - there was insufficient information regarding the extent of the damage to infrastructure networks and the effect of the earthquakes on estimated useful lives, or
 - there were uncertainties around the appropriate unit rates to be applied to assets.

9 Cont'd

15. As a result of the uncertainties surrounding impairment, and the valuation of the property plant and equipment, it is not possible for Council to comply with accounting standards.

Capital Programme

- 16. The Council's investment across the city increased as the earthquake rebuilding programme picked up momentum. The Council spent \$405.9 million, compared to the budget of \$481.9 million across a wide range of capital projects. Highlights are:
 - Completion of the Graham Condon Leisure Centre \$2.7 million and the Pioneer Learn to Swim Pool \$1.3 million.
 - A \$1.0 million commitment to the construction of the temporary stadium at Rugby League Park.
 - \$1.6 million was spent on the new Aranui Library.
 - \$122.2 million was spent on wastewater and water supply rebuild projects. Projects included further work on the Western Interceptor sewer (\$12.5 million), Fendalton Duplication sewer (\$3.5 million) and Wigram Madgala Grade separation (\$3.5 million), pump station replacement (\$5.3 million), pond and plant replacements at the Wastewater Treatment Plant (\$12.8 million) and further additions to the Biosolids Drying Facility (\$2.3 million).
 - \$18.7 million was spent on Avon River stopbanks and storm water outfalls and a further
 \$6.3 million was spent on improvements to the storm water network.
 - Work continued on the main roading projects, \$1.7 million was spent on the Southern Motorway Cycleway and Auxiliaries, \$1.9 million on the Ferrymead Bridge and \$1.3 million on the Aidanfield Driver over-bridge.
 - \$134.7 million was incurred in infrastructure rebuild work which will be allocated to particular assets as the projects are completed.

Balance Sheet

- 17. The Council's balance sheet shows a strong position with total assets of \$8.0 billion and net assets of \$7.1 billion.
- 18. The Council has five financial ratios which form a key part of its financial risk management strategy. All five actual results fell well within policy limits.

Letter of Representation

- 19. Attached as **Attachment 2** is a draft of the letter of representation that Audit New Zealand requires the Mayor and Chief Executive to sign.
- 20. The letter of representation is in a standard form outlining the representations that Audit New Zealand requires from the Council in order for Audit New Zealand to provide its Audit Report.

FINANCIAL IMPLICATIONS

21. There are no financial implications.

LEGAL IMPLICATIONS

- 22. Section 111 of the Local Government Act 2002 requires the Council to comply with generally accepted accounting practice (GAAP), and section 99 of the Act requires the Annual Report to be audited. As noted above, because of uncertainty around the exact nature and quantum of earthquake damage to infrastructural assets the Council is unable to comply with GAAP requirements in relation to asset impairment and asset write off.
- 23. As a result staff anticipate that Audit New Zealand will issue a modified Audit Report for 2012 as it did for 2011. The auditor's report is likely to include a 'disclaim' opinion, with Audit New Zealand stating that because of the scale and continued uncertainty of the extent of the damage to the Council's assets they cannot form an opinion on the financial statements as a whole, other than the cash flow statement.

COUNCIL 25. 10. 2012

9 Cont'd

24. While a qualified audit opinion must be reported by the Auditor General to Parliament, the Council must also advise its bankers and credit rating agencies that there are no direct consequences of the qualification.

STAFF RECOMMENDATION

It is recommended that the Council:

- (a) Note that the 2012 Annual Report is likely to receive a modified audit opinion.
- (b) Recommend that the Mayor and Chief Executive sign the Audit New Zealand Letter of Representation.
- (c) Adopt the Christchurch City Council 2012 Annual Report for the year to June 2012.

SUBCOMMITTEE RECOMMENDATION

It is recommended that the Council:

- (a) Note that the 2012 Annual Report is likely to receive a modified audit opinion.
- (b) Adopt the Christchurch City Council 2012 Annual Report for the year to June 2012, subject to the following changes:
 - (i) A staff review of the organisations and memberships in section 40(d) (related party transactions)
 - (ii) Include in section 42 (c) on the Remuneration of Key Management Personnel the breakdown of payments to the Elected Members, and Chief Executive and General Managers
 - (iii) Add a footnote to Section 42(d) indicating that Councillor Carter's remuneration to June 2012 included an additional payment to make up for an underpayment the previous year
 - (iv) Amend the description on p.112 (4045 Refuse Minimisation and Disposal) to include the full name of the Burwood Resource Recovery Park and include "inert construction <u>and demolition</u> materials" in the residual waste description.

Christchurch City Council

Annual Report 2012

Christchurch Otautahi

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0010 - Council Vision

The Christchurch City Council has a vision for this City:

Our future Christchurch is a world-class boutique city, where people enjoy a sustainable lifestyle, a healthy environment, a strong economic base and the diverse landscapes of the city and peninsula.

1000 - Introduction

Annual Report 2012 Christchurch Otautahi

Welcome to the Christchurch City Council's Annual Report 2012. The introduction to this report describes the city we live in and outlines the Council's continued response to the 2010-2011 Canterbury earthquakes and its vision for the future. It includes a message from Christchurch Mayor Bob Parker and Council Chief Executive Tony Marryatt, reflecting on the Council's achievements over the past year.

1005 - What is the Annual Report?

The Annual Report for the financial year July 2011 to June 2012 sets out what the Christchurch City Council (Council) did in the past year, why we did those things, how much they cost, and how they were funded.

This report shows how Council is delivering on the promises made to our community – promises made after asking Christchurch residents what they want for their city as part of our long-term planning process. It also shows how Council continues to respond to the series of earthquakes that have damaged our city.

The report shows Council's overall financial position and performance as measured by its achievement against its financial key performance indicators.

In a normal year Council would expect to receive an 'unqualified' audit report from Audit New Zealand and the Auditor General. This would mean, amongst other things, that the financial statements comply with relevant accounting standards and fairly reflect the Council's financial position. However, for the 2012 annual report Council is not yet able to make a reasonable estimate of the value of damage that earthquakes have caused to the Council's physical assets, as was the case for the 2011 annual report. Our best estimate is that our assets, historically valued at approximately \$5.5 billion, have suffered at least \$1.5 billion of damage; \$0.2 billion of impairment to our assets has been recognised in these financial statements. It is our view that any adjustment to the accounts on the basis of this estimate would be misleading to the reader and for this reason Council has chosen not to reflect the value of earthquake damage in its 2012 financial statements.

Consequently Council has not complied with accounting standards that require the value of damaged or destroyed physical assets to be removed from the value of our assets. Our auditors are therefore unable to give the usual unqualified opinion. This does not reflect on Council's financial management or its ability to fund the rebuild of its infrastructure. It simply reflects the fundamental uncertainty around the actual value of earthquake damage.

Further information about the earthquake damage to Council's assets, how Council has accounted for this damage and the surrounding uncertainty is included in an introductory note to the financial statements, *Impact of the 2010 and 2011 Canterbury Earthquakes*.

1010 - Message from the Mayor and Chief Executive

Over the past 12 months we have seen unprecedented levels of activity across our community as we respond to the earthquakes – fixing what was damaged and making the most of new opportunities.

It has been a challenging period for Christchurch but we are now beginning to move into an exciting time for our city as we lay the foundations of a safe, modern, green future. We are proud of the work the Council did in developing the draft Central City Plan and capturing 106,000 ideas from residents before working with the Canterbury Earthquake Recovery Agency (CERA) and key partners to finalise the Christchurch Central Recovery Plan.

Residents have also proved eager to get involved and have their say on the rebuild and recovery of their suburban centres. Over the past 18 months, we have engaged with six suburban centres and heard from thousands of people who have put forward great ideas, hopes and dreams; and challenges to overcome. We have now prepared master plans for three important community hubs - Selwyn Street, Lyttelton and Sydenham. Staff continue to work with five other communities on their plans.

The \$2.2 billion rebuild of Christchurch's earthquake-damaged horizontal infrastructure remains a massive undertaking. The Stronger Christchurch Infrastructure Rebuild Team (SCIRT) - a partnership between us, CERA and the New Zealand Transport Agency (NZTA) as well as five construction companies – expects the rebuild will take at least five years. SCIRT is making good progress – as of July they'd laid 26 kilometres of new sewer mains, 15 kilometres of new water supply pipes, and 41,000 square metres of new roads (that's about the size of six rugby fields).

Providing ongoing, temporary services to the red zone has also been a costly exercise. Council staff are working to reduce these costs as quickly as possible while maintaining services to those still living in the red zones. For the 15 month period from September 2010 to November 2011, the cost of providing roading, water, wastewater, rubbish collection and storm water services to residential red zone properties averaged \$16,197 per property. The provision of the same services to non-red zone properties was around \$620 per property.

The numbers once again highlight the huge impact of the earthquakes on our lives and the business of Council. The future of the 1,600 buildings we own, including commercial buildings and community housing, remains uncertain. Over the past six months we've unfortunately had to close a lot of facilities where detailed engineering assessments have found they are not safe for people to occupy. We're now moving into a more positive stage of repairing and rebuilding many of our facilities.

Through this upheaval, we're proud of the levels of service we've delivered for the year and our performance against the Annual Plan. Residents' satisfaction surveys show 70 percent of people remain satisfied or very satisfied with the services provided by the Council.

Innovations include new services and tools to make the consenting process for earthquake repairs and rebuilds faster, including Build Express and Go Ahead. We've also opened Rebuild Central, a new Council facility dedicated to providing a one-stop shop to assist property owners and businesses who are looking to rebuild back in the Central City.

We've opened Graham Condon Recreation and Sport Centre, a new learn-to-swim pool at Pioneer and the ASB Football Park is complete and the facilities are proving popular.

The Council had an accounting surplus of \$188 million for the 2011/12 financial year compared to a planned accounting surplus of \$277 million. The Council plans an accounting surplus as under accounting standards we are required to include as revenue Capital revenues received to fund future development and interest received on funds held in the balance sheet for special purposes.

The Council is still facing significant financial costs as a direct result of the recent earthquakes. If Council was to adjust its accounting surplus for the effect of the earthquake and non-operating income there would have been an operating deficit of \$16 million. This deficit compares to a budgeted non-earthquake operating deficit of \$25 million. Council has planned for operating deficits for three years totalling \$73.8 million. These deficits are being funded by the Special Earthquake Charge of 1.76% per annum for 2012/13 and 1.82% per annum for the next four years.

The Council develops a Long Term Plan (LTP) every three years, which sets out the activities and services the Council will provide. We're kicking off the development of a new plan in 2013 and it's a really important opportunity for residents to shape Christchurch's future direction. With our current financial situation, we're facing more challenges and more choices than ever before. We'll embark on public consultation so residents have many

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chances to tell us what sort of city they want to live in. This will set the plan's direction and shape the goals - we call them community outcomes - that steer all the Council's activities.

While many challenges remain, we're well on our way towards creating a city which is vibrant and is one of the best places in the world to live and work for many generations to come.

Bob Parker Mayor of Christchurch Tony Marryatt Chief Executive Christchurch City Council

1015 - Statement of compliance

Compliance

The Council and management of the Christchurch City Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with other than the exceptions detailed below.

Section 111 of the Local government Act requires the Council to prepare information in accordance with generally accepted accounting practice. Generally accepted accounting practice includes New Zealand equivalents to International Financial Standards (NZ IFRS) and International Accounting Standards (NZ IAS).

Because of the reasons set out in the introductory note to the Financial Statements, *Impact of the 2010 and 2011 Canterbury earthquakes* on pages 125 to 132, it has not been possible to comply with:

- NZ IAS 36 Impairment of Assets
 Assets with earthquake damage have been written off when it is certain that they have been destroyed.
 \$191 million of impairment has been recognised in 2012 for the earthquake damage to network assets.
 Further information about this matter is set out in the introductory note to the financial statements and in note 23.
- NZ IAS 16 Property Plant and Equipment
 Assets due for valuation in 2012 were operational land and land improvements, restricted land and
 buildings, sewerage infrastructure and heritage and public art assets. Other than public art assets, the
 assets due for revaluation in 2012 and 2011 have not been revalued and therefore, their carrying value
 represents their depreciated 2008 and 2009 fair values. Evidence suggests that all other asset categories
 should have been revalued in 2012. This did not occur. Further information about the reasons for this are
 set out in the introductory note to the financial statements and in note 23.

Bob Parker - Mayor

Tony Marryatt – Chief Executive

25 October 2012

25 October 2012

1020 - Christchurch at a glance

Christchurch is the urban centre of Canterbury, bounded by the Pacific Ocean and Waimakariri and Selwyn Districts.

Known as the Garden City, Christchurch residents value their parks and open spaces. The most significant is Hagley Park: 165 hectares of wide-open spaces and mature woodlands that has been in the heart of the city since the 1850s.

Christchurch is also known as the gateway to New Zealand's South Island. Christchurch International Airport Limited (CIAL) saw more than 5.5 million travellers in 2011/12 and Lyttelton Port is the South Island's biggest.

Recently Christchurch has been through a challenging period and the city is working to rebuild damaged buildings and infrastructure following a string of destructive earthquakes that started on 4 September 2010. The rebuild will take many years to complete, but good progress is already being made.

The Council is working with Central Government on the rebuild of our central city. The organisation is also working in a partnership to carry out the massive repair of the city's damaged horizontal infrastructure – our roads, parks and underground water, wastewater and storm water networks.

Despite the large task ahead, our city is already taking steps toward the future. Many of our businesses, parks and public facilities are back up and running for our residents to enjoy. Good progress will continue to be made over coming months and years as our city rebuilds and looks to the future.

Snapshot of the City

Population 367,700 people live in Christchurch

The above information was sourced from Statistics New Zealand 2006 Census of Population and June 2011 population.

2000 - Highlights

Annual Report 2012 Christchurch Otautahi

The Council delivers the core services necessary to keep the city running including water supply, waste water removal and rubbish collection. It also undertakes large infrastructure, building and community projects to build an even better city for the future. Some of the highlights of the past year, along with our earthquake response and recovery activities, are outlined in this section.

2005 - Our Achievements

Recovering from the earthquakes and continuing to provide essential services remains the focus for much of the Council's work over the past financial year. Highlights are set out below:

Central city plan

The bold vision in the Government's blueprint for the central city was based on our own Central City Plan, developed following the "share an idea" community process last year. The blueprint gives us direction as a City as it locates major facilities and defines precincts within a vibrant, green, low-rise setting.

Suburban centres

Work is underway on a series of suburban centre master plans to support recovery in centres badly affected by the earthquakes. We've completed master plans for Lyttelton, Sydenham, Selwyn Street Shops and Linwood Village, we've completed a draft for public comment for Sumner Village Centre, and work is ongoing for Ferry Road, Edgeware and New Brighton.

Facilities rebuild

We've embarked on a programme to look at the future of the 1,600 buildings we own, with detailed engineering evaluations (DEE) progressing well. A new database allows members of the public to easily search for the status of a facility and see when it will receive a DEE assessment. Looking ahead, Council will consider a priority list of repairs and make decisions on where work will begin.

Earthquake commemorative events

The Council held public commemorative events to mark the first anniversary of the 22 February 2011 earthquake and allow the community to collectively reflect on the events of the past year. The Civic Memorial Service in North Hagley Park was a time for remembering the lost as well as looking ahead to the future.

Earthquake heroes were recognised during the first Christchurch Earthquake Awards held later that day. The awards honour people who undertook acts of kindness, service or heroism during the earthquakes.

Walk-in customer services

Despite the disruption caused by the earthquakes, walk-in services are still provided at all locations except Sockburn. There were interruptions at Beckenham, Fendalton, Lyttelton, Linwood and Civic Offices, but all except Sockburn have been restored in a temporary or permanent form. We've increased capacity at Riccarton Service centre to cater for Sockburn's temporary closure.

Art gallery

Christchurch Art Gallery remains closed but Gallery staff have staged four new Outer Spaces projects and a quick-changing series of exhibitions in an upstairs space in Madras Street. The Gallery has also staged the hugely successful return of Michael Parekowhai's *On first looking at Chapman's Homer* installation.

Libraries

Our libraries are using new and different approaches to meet changing customer needs and usage patterns as some libraries remain closed. Visitor numbers, collection use and website visits remain strong. New temporary services at Central Library Peterborough, Central South City Library and the Central Tuam, and Mini Linwood Library are proving extremely popular with residents and visitors.

Recreation, leisure and events

We've opened the Graham Condon Recreation and Sport Centre, a new learn-to-swim pool at Pioneer and the ASB Football Park is complete. These facilities are proving very popular. There were more than 2,850,000 visits to council pools, gyms and group fitness classes in 2011/12.

The Council, with Government support, set up the Christchurch Events Village in Hagley Park to provide a central and safe venue for events. Events such as Garden City Summertimes, World Buskers Festival and the Christchurch Arts Festival used this venue and attracted strong interest and participation.

Regulatory services

We're introducing a range of services and tools to make the consenting process for earthquake repairs and rebuilds faster, including Build Express and Go Ahead. We've also opened Rebuild Central, a new Council facility dedicated to providing a one-stop shop to assist property owners and businesses who are looking to rebuild back in the Central City or are located within the Sydenham and Lyttelton Master Plan areas.

Infrastructure repairs

The \$2.2 billion rebuild of Christchurch's earthquake-damaged horizontal infrastructure remains a massive undertaking. SCIRT expects the rebuild will take at least five years. Together we're repairing our horizontal infrastructure - underground sewers, storm water and water pipes, roads and parks.

- Wastewater collection and treatment Repairs to the extensively damaged wastewater treatment plant are progressing well and about 11 kilometres of pressure sewer mains have been built. Continuous overflows to the City's waterways stopped on 23 September 2011. The construction of a large pressure sewer and pumping station in Wigram starts soon. The wastewater reticulation system was significantly damaged in the earthquakes. Design work has progressed well on replacing two key pump stations in the east of the city. The number of portable toilets in circulation has dropped from 2,900 in May 2011 to around 140 in June 2012.
- Water supply About five percent, or 150 kilometres of the city's network of water pipes were damaged in the earthquakes and we've made temporary repairs. Chlorine dosing from the water supplies on the eastern side of the city ended in November 2011 and the entire urban area was returned to an untreated water supply. More than half the city's wells were repaired over the last 12 months and six new wells have been drilled. Significant repairs were made to the city's reservoirs including works to rebuild lost capacity from the Huntsbury Reservoir. The upgrade and commissioning of the Duvachelle drinking water treatment plant was completed in the year.
- Streets and transport The city's road network suffered an enormous amount of earthquake damage, with 85 kilometres of roads severely damage, so we've diverted resources to temporary repairs, planned the rebuild of damaged assets and fully repaired some assets. SCIRT will fully repair our roads over the next five years.
 - We developed and launched the Transport for Christchurch website (www.transportforchch.govt.nz) to assist travellers to find the quickest and safest route around the city, and a temporary inner city bus exchange was built and is now operating with real-time bus information.
- Parks, open spaces and waterways Waterways and the storm water pipe network were seriously damaged by the earthquakes. Land subsidence means we've rebuilt many stop-banks and we've worked on storm water pipe outlets to prevent flooding during high tides. Several waterway and open drain sections required bank remediation works and the removal of large amounts of silt. Rockfall risks and land changes saw half the Port Hills tracks closed. We've repaired and reopened as many tracks as possible to the public and have also dealt with everything from snow storms to bush fires.

Refuse minimisation and disposal

The kerbside collection system continues to perform despite surges of material after each earthquake. We've also established the Burwood Resource Recovery Park to handle construction and demolition waste. The compost plant has been repaired and is fully functioning. Reconstruction is due to finish by September 2013.

3000 - Your Council

Annual Report 2012 Christchurch Otautahi

3005 - How the Council works

Elected members

Christchurch residents and ratepayers are represented by the Council and Community Boards. Elections are held every three years to select the people who will act and speak for our community. The last full election was held on 9 October 2010.

Council

The Mayor and 13 Councillors govern the city and ensure the needs of its residents are met. They make decisions for Christchurch's future, plan the way forward and are accountable for delivering what the community has identified as necessary for its cultural, economic, environmental and social well-being.

In 2005, Council asked the community what these goals should be. They are called the Community Outcomes; our residents have determined Christchurch will be:

- a safe city
- a city of inclusive and diverse communities
- a city of people who value and protect the natural environment
- a well-governed city
- · a prosperous city
- a healthy city
- · a city for recreation, fun and creativity
- a city of lifelong learning
- an attractive and well-designed city

Community Boards

At a local level, eight Community Boards represent and act as advocates for the interests of their communities. Community Board members advise Council on local needs, community views and how Council proposals will affect their communities.

The Community Boards span seven wards across the city. The metropolitan wards, each represented by two Councillors and five Community Board Members, are:

- Burwood/Pegasus
- Fendalton/Waimairi
- Hagley/Ferrymead
- Riccarton/Wigram
- Shirley/Papanui
- Spreydon/Heathcote

The Banks Peninsula ward, because of its diversity and size, is represented by one Councillor and two Community Boards – Akaroa/Wairewa and Lyttelton/Mt Herbert, each consisting of five Community Board Members.

The Council organisation

The Council is responsible for employing the Chief Executive – the only member of staff who reports directly to elected members. Tony Marryatt was employed as the Chief Executive of the Council in May 2007. He employs all the other staff in the Council.

Council structure

The Council's organisational structure is designed to ensure its services are provided as effectively as possible. To achieve this, Council activities and services are divided into eight groups, each headed by a General Manager, they are:

- Capital Programme
- City Environment
- Community Services
- Corporate Services
- Human Resources
- Public Affairs
- Regulation and Democracy Services
- Strategy and Planning

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Within these groups, various community units are tasked with providing specific services to the community and organisation. The services and activities provided by the Council are wide and varied, from rubbish collection, roads and water, to the Botanic Gardens, Christchurch Art Gallery, city libraries and the funding of festivals and events.

These activities are grouped into 12 Council Activities and Services. Find out more about these groups in the sections: *Our activities at a glance*, or for an in-depth view, *Council activities and services*.

3010 - Community Outcomes

Christchurch people have described what sort of city they want to live in; they have set nine goals for our future and the Council is responsible for achieving them. We call these nine goals our Community Outcomes and everything the Council does is focused on reaching them.

Our residents want Christchurch to be:

- a safe city
- a city of inclusive and diverse communities
- a city of people who value and protect the natural environment
- a well-governed city
- a prosperous city
- a healthy city
- a city for recreation, fun and creativity
- a city of lifelong learning
- · an attractive and well-designed city

How did we identify our goals?

In 2005, before the release of the Christchurch Long Term Council Community Plan 2006–2016 (LTCCP), Council asked residents what sort of city they wanted to live in. It reviewed public consultations, interviewed stakeholders and considered Government strategies. The result was the set of nine goals – which were confirmed by elected members and now steer Council activities.

The Community Outcomes are aligned with other Council planning documents and processes, which themselves are the result of consultation with the community. Submissions on significant policies, such as the City Plan, were considered as part of the Community Outcomes identification process. Christchurch people have described what sort of city they want to live in; they have set nine goals for our future and the Council is responsible for achieving them. We call these nine goals our Community Outcomes and everything the Council does is focused on reaching them.

How do we achieve our goals?

Our goals must be measurable. That way, the Council can see where it is operating correctly and where there is room for improvement. To do this, we have set up a range of monitoring processes for each goal. These are outlined in more detail in the following section.

The Community Outcomes are set for the city as a whole: the Council is just one contributor to their achievement, and works with a wide range of community groups and other agencies to attain them. By promoting partnerships and working alongside other local and regional organisations, Central Government, non-governmental organisations, Māori and the public sector, we are more likely to achieve lasting results in the community.

How are we doing as a community?

The Council routinely monitors performance in these areas to make sure it is on the right track.

Many Council services, along with services provided by other organisations that contribute towards these outcomes, were severely affected (or even completely suspended) at one stage or another through the course of the last two years. Also, in many instances the measurement systems and devices used to arrive at performance results were severely compromised. As a result our performance against community outcomes goals has not been measured in 2012.



Community Outcome

We live free from crime, violence, abuse and injury. We are safe at home and in the community. Risks from hazards are managed and mitigated.

We will know we are succeeding when:

- rates of crime and injury decline.
- people feel safe at all times in Christchurch.
- we have excellent safety networks, support people and services.

Progress is measured using these headline indicators:

- hospital treatment for accidents
- total offences
- · notifications to child protection agencies
- perceptions of safety
- road casualty statistics



2. Community

A city of inclusive and diverse communities

Community Outcome

Our diversity is seen, heard, valued and celebrated. All people feel a sense of belonging and participate in the community.

We will know we are succeeding when:

- our city is built on strong communities.
- a diverse range of people feel at home in Christchurch.
- everybody is able to participate, particularly those who are most vulnerable.

Progress is measured using these headline indicators:

- New Zealand deprivation index
- income gap between low and high income earners
- perceptions of ethnic diversity
- Māori language speakers
- · perceptions of quality of life
- · perceptions of community support



3. Environment

A city of people who value and protect the natural environment

Community Outcome

Our lifestyles reflect our commitment to guardianship of the natural environment in and around Christchurch. We actively work to protect, enhance and restore our environment for future generations.

We will know we are succeeding when:

- everybody takes responsibility for their impact on the natural environment.
- biodiversity is restored, protected and enhanced.
- we manage our city to minimise damage to the environment.

Progress is measured using these headline indicators:

- tonnes of waste to landfill
- liquid waste
- total ground water use
- renewable versus non-renewable energy consumption
- waste recycling
- recreational water quality
- number and area of ecological heritage sites



4. Governance A well-governed city

Community Outcome

Our values and ideas are reflected in the actions of our decision makers.

Our decision-makers manage public funds responsibly, respond to current needs and plan for the future.

We will know we are succeeding when:

- everybody actively participates in public decision-making.
- everybody feels represented by their decision-makers.
- our decision-makers plan for a sustainable Christchurch.

Progress is measured using these headline indicators:

- confidence in council decision making
- representation on school boards of trustees
- census response rates
- voter turnout at council elections
- voter turnout at general elections



5. Prosperous A prosperous city

Community Outcome

We have a strong economy that is based on a range of successful and innovative businesses. We value sustainable wealth creation, invest in ourselves and in our future.

We will know we are succeeding when:

- Christchurch has a strong, healthy economy.
- standards of living improve for everyone.
- our economic development prioritises future wellbeing.

Progress is measured using these headline indicators:

- economic activity index
- · full and part-time employment rates
- unemployment rate
- personal, family and household income
- · volume of commercial waste recycling



Community Outcome

We live long, healthy and happy lives.

We will know we are succeeding when:

- we all have access to affordable health services that meet our needs.
- more people in Christchurch live healthy lifestyles.
- our city environment supports the health of the community.

Progress is measured using these headline indicators:

- self reported health status
- life expectancy
- frequency of physical activity
- type 2 diabetes rates
- barriers to accessing medical services
- number of days exceeding air quality guidelines



7. Recreation

A city for recreation, fun and creativity

Community Outcome

We value leisure time and recognise that the arts, sports and other recreational activities contribute to our economy, identity, health and wellbeing.

We will know we are succeeding when:

- more people participate in leisure activities.
- more people participate in physical and sporting activities.
- everybody is included in the creation and enjoyment of the arts.

Progress is measured using these headline indicators:

- main leisure pursuits in free time
- satisfaction with free time
- numbers of people taking part in the arts
- culturally rich and diverse arts scene



8. Knowledge A city of lifelong learning

Community Outcome

Our learning opportunities help us to participate in the community and the economy. Quality education is available for people of all ages.

We will know we are succeeding when:

- · everybody receives a good basic education.
- Christchurch people are skilled people.
- a broad range of learning opportunities is available in Christchurch.

Progress is measured using these headline indicators:

- highest qualification gained
- numbers of children who have attended early childhood education
- school leavers with no qualifications
- literacy and numeracy performance



9. Development

An attractive and well-designed city

Community Outcome

Christchurch has a vibrant centre, attractive neighbourhoods and well-designed transport networks. Our lifestyles and heritage are enhanced by our urban environment.

We will know we are succeeding when:

- Christchurch is attractive and well maintained.
- our heritage is protected for future generations.
- we design our city to meet current needs and future challenges.

Progress is measured using these headline indicators:

- perceptions of look and feel of the city
- bus patronage figures
- modes of transport to work
- residual income after housing costs
- hectares of public open space
- perceptions of problems in Christchurch
- number of heritage buildings, sites and objects

3015 - The elected Council

Photo to come.

3020 - Chief Executive and Executive Team

Photo to come.

3025 - Community Board Members

Community Board members representing Akaroa-Wairewa

Pam Richardson (Chairperson) –JP MNZM Bryan Morgan (Deputy Chairperson) Stewart Miller – QSM Leigh Hickey Lyndon Graham – JP

Councillor

Claudia Reid

Community Board members representing Burwood-Pegasus Ward

Linda Stewart (Chairperson) – Dip. Bus. NVP, Accred. Bus. Mentor Tim Baker (Deputy Chairperson)
Tim Sintes
David East – B.Sc.
Julie Gorman

Councillors

Glenn Livingstone – B.A., B.Th Peter Beck - M.A., CTheo, AFNZIM

Community Board members representing Fendalton-Waimairi Ward

Val Carter (Chairperson)
Cheryl Colley (Deputy Chairperson) – JP, MA (Hons) BBS, Dip.Tchg.
Faimeh, Lady Burke – MA
David Cartwright
David Halstead

Councillors

Sally Buck – M.Ed. (Dist), Dip. Tchg., Dip. TESOL Jamie Gough

Community Board members representing Hagley-Ferrymead Ward

Bob Todd (Chairperson) – OBE JP Islay McLeod (Deputy Chairperson) David Cox – MNZM, FNZIM Brenda Lowe-Johnson – JP Nathan Ryan

Councillors

Tim Carter – M.E.M., B.E. (Hons) Yani Johanson

Community Board members representing Lyttelton-Mt Herbert

Paula Smith (Chairperson) – B.Sc. (Hons), Dip. L.A., Dip. Hort. Jeremy Agar (Deputy Chairperson) – MA Ann Jolliffe Andrew Turner Adrian Te Patu

Councillor

Claudia Reid

Community Board members representing Riccarton-Wigram Ward

Mike Mora (Chairperson)

Dr Judy Kirk (Deputy Chairperson) – B. Sc. (Hons), Dip. Tchg. (Dist), PhD (Educ. Cant.) NZCER C registered tester

Natalie Bryden

Peter Laloli

Sam Johnson

Councillors

 $\label{eq:conselling} \begin{array}{l} \mbox{Helen Broughton} - \mbox{MA (Hons), Dip.Ed. (Counselling), Dip.Tchg.} \\ \mbox{Jimmy Chen} - \mbox{MComm, B.Sc.} \end{array}$

Community Board members representing Shirley-Papanui Ward

Chris Mene (Chairperson)
Kathy Condon (Deputy Chairperson)
Anna Button
Pauline Cotter – Trained Teachers Certificate NZED
Chris English Grad.Dip Mgt, B.Com, Dip. Tchg, FNZIM

Councillors

Ngaire Button (Deputy Mayor) Aaron Keown

Community Board members representing Spreydon-Heathcote Ward

Phil Clearwater (Chairperson) – MA (Hons) Tim Scandrett (Deputy Chairperson) Rev Paul McMahon BA (Hons), MTh Karolin Potter – JP Dr Helene Mautner Phd

Councillors

Barry Corbett Sue Wells – B.A.

3030 - Governance and management

The Council works for the people of Christchurch, providing essential services and planning for the future, based on the desires of the community.

The Council's elected members and staff work within a range of systems and processes that help ensure they comply with New Zealand laws and follow good business practice. These checks and balances help the community to interact with the Council, and provide assurance the Council is acting in the best interests of the community. They include:

Divisions between Council and management

Governance is about setting direction and achieving the vision and goals of the city. This is the role of the Mayor and Councillors who set the priorities and policies, and review progress. The Mayor and Councillors employ and delegate the management and delivery of Council services to the Chief Executive. Management is responsible for implementing the policies and strategies set by the Council.

Training elected representatives

Sessions occur after every election and are ongoing. They include meeting procedures and an overview of the parameters within which local authorities operate.

Listening to the community

The Council is required to listen to the community and consider the views of residents and ratepayers when making decisions. This happens in different ways, from formal public consultation periods on city projects – which include public hearings – to petitions and deputations to Community Boards and the full Council.

Legislative compliance

The Council uses its internal legal department and external consultants to help ensure it complies with the wide range of relevant legislation.

Accountability

The activities of the Council must be clear and transparent; this is achieved by holding open meetings and providing meeting agendas and reports to the public and media for scrutiny. The Council complies with the Local Government Official Information and Meetings Act 1987, which allows members of the public and media to request information. The Council also informs residents of council decisions and projects through regular newspaper features and by providing information to the media.

Audit

The Council is required to prepare financial statements that fairly reflect the organisation's financial position, performance and cash flows. In addition, the Council must report on the achievement of non-financial objectives, set three-yearly as part of the LTCCP process. Audit New Zealand is contracted on behalf of the Auditor General to audit the Council's financial and non-financial statements.

Internal audit

Council's internal audit function monitors its systems of internal control and the quality and reliability of information reported to the Council. This function is overseen by PricewaterhouseCoopers, with the assistance of internal audit staff.

Risk management

The Council has an Audit and Risk Management Sub-committee, made up of representatives of the Council, along with external members experienced in financial and risk management.

Monitoring Council-controlled organisations

The Council has interests in other organisations. In particular, Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Council, groups trading activities under one umbrella and keeps the Council at arms-length from the activities of Council-Controlled Trading Organisations (CCTOs).

The CCTOs include: Orion New Zealand Limited, Christchurch International Airport Limited(CIAL), City Care Limited, Lyttelton Port Company Limited, Red Bus Limited, Enable Services Limited (ESL) and EcoCentral Limited. Each is required to produce a Statement of Intent, developed in consultation with the Council. This document sets out the CCTOs objectives, the nature and scope of its activities, its performance targets and the measures by which these can be judged. CCTOs are required to report quarterly and annually.

These activities are set out in more detail in the section: *Group Structure*.

3035 - Maori involvement in decision making

The Council is required to recognise and provide for the special relationship with Māori, their culture, traditions, land and languages in all of its activities.

In August 2007, the Council entered into a management arrangement with Mahaanui Kurataiao Limited (MKT), a company that represents the six Ngāi Tahu Rūnanga within the Christchurch district.

A memorandum of understanding (MOU) formalises how the six Ngāi Tahu Rūnanga, as represented by MKT, can participate in the Council decision-making process around resource management, and the preparation of policy statements and plans. The MOU is also a contractual arrangement by which MKT provides services to increase the Council's capacity and knowledge around protocol, translation and relationship-building.

The arrangement with MKT is a key step the Council is taking to fulfil its statutory obligations under the Local Government Act 2002 and give effect to the prescribed actions under the Resource Management Act 1991 to consult with Māori, especially in matters that directly affect their culture and traditions as acknowledged by the Treaty of Waitangi.

In November 2008, the Council signed a management MOU with Ngā Maata Waka, who represent the non Ngāi Tahu Māori in the Council's district. Processes have been developed to ensure regular contact and communication takes place between the Council and Ngā Maata Waka.

3040 - Our activities at a glance

The work carried out by the Council is organised into categories called Council activities and services. They are summarised below.

Impact of the earthquakes on levels of service and targets

Each Council activity has a number of non-financial performance measures which are set during the LTCCP or Annual Plan process, against which the performance of the activity is monitored on an annual basis. The 2011/12 Annual Plan was approved by Council on 30 June 2011. During the approval process it was recognised that a number of performance measures were impacted by the earthquakes, such as the provision of parking (due to the red zone cordon), and the damage to the wastewater, water and roading networks. As a result affected measures were either:

- adjusted to recognise the impact of the earthquakes, such as adjusting targets e.g. lowering customer satisfaction targets;
- suspended these measures/targets have not been measured against;
- discontinued to be revised during 2011/12; or
- to be re-evaluated by 1 January 2012.

The suspension of performance measures was concentrated in the infrastructure activities which suffered the greatest earthquake damage. 6% of all performance measures were suspended and these were in the following activities:

- Water Supply (30% of the activities' targets),
- Wastewater Collection and Treatment (73% of the activities' targets) and
- Streets and Transport (20% of the activities' targets).

In a normal year these activities would have been measured against targets for responding to water supply leaks, wastewater blockages and road repairs. Given the level of damage and emergency measures in place at 30 June 2011 when the targets were set, appropriate levels of service or targets could not be determined which resulted in the suspension of the measures. Council's focus in 2012 was the restoration of services and working with SCIRT on the repair and rebuild of the networks. The progress made towards to the restoration of the networks has meant that the levels of service and targets agreed in the 2012/13 Annual Plan include almost all of the performance measures which were suspended in the 2011/12 Annual Plan.

The performance measures that were described as 'discontinued to be revised during 2011/12' related solely to the Regional Economic Development, Business Support and Workforce Development activity within Economic Development. These measures accounted for 4% of all performance measures. Although the measures were stated as discontinued in the Annual Plan they have been reported against in the *Economic Development* section. Replacement measures have been agreed with Council and were reflected in the 2012/13 Annual Plan.

6% of all performance measures in the Annual Plan were described as 're-evaluate by 1 January 2012 when more information will be available'. These were in;

- Streets and Transport (24% of the activities' targets) and
- Parks (9% of the activities' targets)

and reflect that at 30 June 2011 it was not possible to set targets which could be measured against, but it was expected that targets would be able to be set later in the year. During the year a small number for these targets (six) were suspended by Council. Performance was measured against the remaining performance measures and for a number it is stated that the 2011/12 performance is being used to establish a new baseline. All but one of the measures which was described as 're-evaluate by 1 January 2012 when more information will be available' have been reinstated in the 2012/13 Annual Plan.

The performance measures and targets for all activities in the 2012/13 Annual Plan have been adjusted, where required, or new levels of service have been developed that take into account the level of damage, impact of the earthquakes or reflect the post earthquake environment. More detail about the achievements of each activity and where it is heading are detailed in *the Council activities and services* section.

City planning and development

City planning and development helps to improve Christchurch's urban environment and revitalise the Central City through urban renewal, Central City revitalisation, the urban development strategy and heritage protection.

Council developed a draft Central City Plan that captured 106,000 ideas from residents and then worked with CERA and key partners to finalise the Christchurch Central Recovery Plan.

Over the past 18 months, we have engaged with eight suburban centres and heard from thousands of people about their challenges, hopes and dreams. We have now prepared master plans for three important community hubs - Selwyn Street, Lyttelton and Sydenham and continue to work with five other communities on their plans.

Community support

Community support helps build strong, active communities by providing residents and residents' groups with services and support such as, community facilities, early learning centres, community grants, social housing, strengthening communities, civil defence and emergency management.

The Council achieves all this through community engagement and development, the facilitation of innovative solutions that respond to community needs, creating a safe environment and catering for diversity, whether it is age, ethnicity, disability or social status.

Council's Community support activity has become more important to the welfare of residents and groups in Christchurch during the immediate response to earthquakes and during the city's long term recovery.

Cultural and learning services

Christchurch City Libraries develop the knowledge, literacy and cultural well-being of the city's residents by providing access to information through its network of community libraries and supporting volunteer libraries. These facilities contain an extensive collection of books, audio visual resources and online services.

Christchurch Art Gallery Te Puna o Waiwhetu collects, presents, interprets and conserves quality works of art to educate, inspire discovery and preserve the legacy of artistic achievement for today's and future generations. Through its exhibitions, programmes and events, the Gallery aims to contribute to the cultural development of the city.

The Central Library and Art Gallery are among the facilities which suffered damage in the Canterbury earthquakes and have been closed to the public. Making repairs and providing alternative services is a priority for the Council.

Democracy and governance

The Christchurch community is represented by the Mayor, 13 Councillors and 40 Community Board members. Council staff provide support to all elected members to carry out their responsibilities and functions by co-ordinating arrangements for elections, arranging meetings and seminars, and providing advice.

The Council provides opportunities for the community to participate in decision-making that contributes to a well-governed city by providing information, undertaking consultation, and processing the community's input.

The Council communicates with residents through a variety of channels, including providing information on Council activities in metropolitan and local newspapers, use of the internet and providing information to local media.

Economic development

The Council actively supports the growth and development of local businesses by means of support to the Canterbury Development Corporation and through its own trading organisations.

The Council has interests in other organisations. Through its wholly owned subsidiary CCHL the Council owns shares in a number of major local companies including: Orion New Zealand Limited, CIAL, City Care Limited, Lyttelton Port Company Limited, Red Bus Limited, EcoCentral Limited and ESL. CCHL serves to group the

activities of these CCTOs under one umbrella and keeps Council at arms-length from their activities. These and other companies owned by the Council are investments which meet the strategic objectives of the Council and pay dividends to assist with the other operating costs of the Council.

Each company operates as a commercial business in a competitive environment. Find out more about these organisations in the section: *Group structure*.

The Christchurch economy and the tourism industry have been badly affected by the earthquakes through damage to facilities and infrastructure and news of the Canterbury earthquakes has had a major adverse impact on visitor numbers. Enabling and encouraging the recovery of the Christchurch economy will be a major focus of the Council in the coming years.

The Council and Christchurch and Canterbury Tourism, with partners CIAL and the Ministry of Economic Development aim to support and rebuild existing tourism and travel activity in the region, as well as to lead the tourism sector's contribution to the rebuilding of the region's economy.

Parks, open spaces and reserves

The Council manages the city's parks, waterways and drainage infrastructure. Maintaining Christchurch's image as the Garden City requires being sensitive to the needs of the community and visitors while continuing to develop the extensive parks network and maintain and enhance our waterways and drainage infrastructure.

The Council, and SCIRT are responsible for rebuilding those park and land drainage assets that are beyond repair, and this will be co-ordinated with the repair and rebuild of the water supply, waste water, and road network assets over the coming years. In the meantime Council will continue to maintain the existing parks, open spaces and waterways assets to meet immediate operational needs.

Recreation and leisure

Through recreation and sports, the Council works to promote a city where its residents have easy access to world-class facilities for a healthy and active lifestyle. Accessible pools and leisure centres, stadia, sporting facilities, and recreational and sporting programmes allow residents to participate in sport and physical activity at a recreational and local, national and international competitive level.

Assistance is also given to clubs, associations and event organisers to promote Christchurch as a national and international sports and recreation destination.

Many Council sports and recreation facilities were damaged in the earthquakes and decisions are being made about their future as part of the Council's facilities rebuild programme. The Council is providing recreation services for the community from our remaining facilities and the new ones at Pioneer and Graham Condon.

Refuse minimisation and disposal

The Council provides solid waste collection, treatment and disposal services in order to protect the community and environment. Waste minimisation is encouraged through kerbside collection of recyclable products and paper. A number of initiatives and education programmes are run to reduce the amount of material residents and businesses send to the Kate Valley landfill.

In 2009, Council implemented the kerbside three wheelie bin waste collection system. The system – with a bin for each of recycling, compost, and general rubbish – has increased the amount and range of material that residents recycle thereby significantly reducing the amount of waste our city sends to landfill.

Regulatory services

The Council administers and enforces statutory regulations and Council bylaws for:

- building and development work
- land and site development
- health and safety of licensed activities

- keeping of dogs
- parking within the city
- swimming pool safety
- bylaws

In addition, complaints about nuisances and non-compliance are investigated and the potential effects of various activities monitored and assessed.

Building Operations and Resource Consents are working hard to ensure the consents process stays on track in the rebuild environment. Key areas of work have included improving services for pre-application meetings. Staff monitor earthquake-related consents and the use of tablet PCs by inspectors has improved communication with project managers and contracted companies. A new service, Rebuild Central, has been launched as a one-stop service for those who want building consent and planning advice with their plans for the Central City rebuild.

Streets and transport

The Council manages the city's streets and transport so that people have safe, easy and comfortable access to homes, shops, businesses and many recreational and leisure destinations. Street corridors also provide access for power, telecommunications, water supply and waste disposal. The Council monitors and manages traffic patterns, undertakes research and devises plans to meet the city's future access and parking needs.

The Council, CERA, NZTA, and SCIRT are responsible for rebuilding the city's damaged infrastructure. As this work is undertaken over the forthcoming years the Council will continue to maintain the existing streets and transport assets to meet the immediate needs of the community.

Wastewater collection and treatment

The Council provides liquid waste transport, treatment and disposal services in a manner that enhances the health, safety and convenience of the Christchurch community, meets the needs of a growing city, and conforms to the intentions of district and regional plans and the Greater Christchurch Urban Development Strategy.

The wastewater collection system services all of the Christchurch City urban area as well as Prebbleton, Lincoln, Tai Tapu and Springston in the Selwyn District.

Work to repair and replace damaged city infrastructure has been ongoing since the Canterbury earthquakes. SCIRT has begun progressing the rebuild which is expected to take a further four years. As the replacement work is undertaken the Council will continue to maintain the existing networks to meet the needs of the community.

Water supply

The Council plans and operates the city's water supply and distribution system. It provides high quality water to residents and businesses as well as for fire fighting purposes.

Christchurch gets its drinking water mainly from groundwater aquifers. The water is of such high quality treatment is not necessary before it can be used. However, the Council does monitor water quality on a daily basis.

SCIRT is repairing the city's network of water pipes and replacing damaged water mains and sub-mains. As this work is undertaken over the next four years, the Council will continue to maintain the existing water supply network to meet the immediate needs of the community.

Corporate activities

Corporate activities encompass a range of areas which cannot be directly attributed to other groups of activities within Council. These activities include property costs, managing investments, services provided to external organisations, managing revenue from CCTOs and other income, such as revenue from regional fuel tax. Overall the corporate activities generate a significant surplus, which is used to reduce the rates collected from residents.

3045 - Biannual survey of residents

The Biannual Survey of Residents evaluates the Council's performance for the financial year 2011/12.

The latest survey in March 2012 showed satisfaction levels remain high, despite the disruption and increased demands placed on the Council by major earthquakes in 2010 and 2011. Seventy percent of residents are either satisfied or very satisfied with the performance of the Council in delivering its services.

The Council began surveying residents in 1991 to gauge customer satisfaction and residents' perceptions of city issues. In 2007, the Council switched to a biannual format to better track and respond to emerging issues in the community.

The city continues to embrace the wheelie bins service, with 97 percent of residents surveyed satisfied with the collection of recyclable waste. Only one percent were dissatisfied. Ninety-five percent were happy with the collection of their red bin waste and 82 percent liked the collection of the organic waste.

Residents were also happy with Christchurch's festivals and events such as the Ellerslie International Flower Show, Classical Sparks and the World Buskers Festival, with 90 percent saying the Council does a good job.

Water supply services, where taste, water pressure and presence of sediment were considered, also drew a high level of satisfaction from 85 percent of residents. Awareness of the Council's water conservation messages was also high, with 91 percent of residents recalling the campaign.

Other areas where residents believe the Council provide great service are gardens and parks and library services.

Areas where residents believe Council could improve include road and footpath maintenance, and the need for more transparency and democratic process.

While 40 percent of residents were satisfied with the condition of Christchurch roads, 44 percent were dissatisfied. Footpaths were also an area some residents thought needed improvement, with 37 percent of residents dissatisfied with their condition.

Many residents also commented on the need for more transparency around Council decisions. While 37 percent of those surveyed were satisfied that the Council makes decisions which are in the best interest of the city, 42 percent were dissatisfied. In their understanding of how Council makes decisions, 46 percent of people said they did not have a full understanding of this process.

4000 - Council activities and services

Annual Report 2012 Christchurch Otautahi

The work of the Council is divided into 12 groups of activities and services. Here you will find information about what each group does, how it performed over the past financial year and what work is going to be carried out in the future.

4005 - Summary financial chart

The Council has allocated its service delivery activities into groups, to facilitate management and reporting. The following pages contain information on the council activities and services listed below. As discussed in the *Our activities at a glance* section, a number of non-financial performance targets, notably those around damaged infrastructure and facilities, were suspended by Council during 2011/12 and were removed from the Annual Plan because they could not be achieved, for example wastewater collection and treatment where the network suffered severe earthquake damage. A small number of performance targets were also suspended but not removed from the Annual Plan. These levels of service will be reinstated in future Annual Plans and the 2013-22 LTP once the condition of the assets and the phasing of their repair or replacement is clear.

Cost of services for the year to 30 June 2012

	2012				2011
	Costs (after internal recoveries) \$000	Income \$000	Net cost \$000	Plan net cost \$000	
City planning and development	29.040	15,049	13,991	25,184	•
Community support	46,744	41,605	5,139	24,046	*
Cultural and learning services	44,312	6,211	38,101	42,477	38,135
Democracy and governance	10,700	(1)	10,701	10,768	9,492
Economic development	9,455	179	9,276	9,452	8,615
Parks, open spaces and waterways	66,808	32,414	34,394	37,522	34,094
Recreation and leisure	43,724	45,255	(1,531)	18,179	(15,891)
Refuse minimisation and disposal	44,751	6,404	38,347	30,956	28,494
Regulatory services	47,043	25,086	21,957	9,530	13,364
Streets and transport	149,572	72,714	76,858	(386)	87,817
Wastewater collection and treatment	159,394	302,246	(142,852)	(102,863)	23,852
Water supply	40,387	63,528	(23,141)	7,604	17,952
Corporate activities	62,361	453,020	(390,659)	(386,057)	(367,277)
Total cost of service delivery	754,291	1,063,710	(309,419)	(273,588)	(41,196)

A reconciliation of the cost of services summary above to the statement of comprehensive income is shown in note 2 of the financial statements section.

Capital summary for the year to 30 June 2012

,	2012		
	Net cost	Plan net cost	Net cost
	\$000	\$000	\$000
City planning and development	42	-	356
Community support	2,674	3,470	2,158
Cultural and learning services	8,065	6,865	7,538
Democracy and governance	-	-	-
Economic development	87	160	217
Parks, open spaces and waterways	30,029	42,885	15,134
Recreation and leisure	6,401	4,310	10,403
Refuse minimisation and disposal	4,395	7,934	3,010
Regulatory services	122	45	6
Streets and transport	32,029	134,003	34,197
Wastewater collection and treatment	127,931	160,888	34,121
Water supply	32,826	23,091	11,773
Corporate activities	161,276	98,259	98,387
Gross capital cost	405,877	481,910	217,300

4010 - City planning and development

What is city planning and development, and what does the Council do?

City planning and development involves the preparation of strategies, plans and policies that guide the future development of Christchurch. It includes the planning and co-ordination of work with respect to post earthquake recovery of the Central City, recovery of suburban centres, the regulation of land use through the District Plan (which includes changes to the Banks Peninsula Plan and the City Plan), the protection of our City's heritage, and initiatives to use energy more efficiently.

Why is the Council involved in city planning and development?

The aim is to promote the wellbeing of our community – in social, cultural, economic and environmental terms – and to ensure that the City's development meets not only the needs of current residents, but anticipates the needs of future generations.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities, for the present and the future. The Canterbury Earthquake Recovery Act 2011 provides direction on the recovery strategy and recovery plans, and requires that the Council develops a recovery plan for the Central City (the Central City Plan).

The Council's performance impacts on the economic and social well-being of the community through ensuring that long-term plans are developed and put in place to shape the form and function of the City in years to come, and that the City's key environmental resources and assets, including heritage sites, are protected.

How does it affect me?

We all want to live in a city that is well laid-out and offers exciting opportunities for work and recreation. By protecting our environment and managing growth, city planning and development helps to make Christchurch a great place to live. Further, by being proactive in the recovery of our Central City the Council is ensuring that the Central City Plan will deliver a quick, effective and sustainable recovery for the area within the four avenues.

What activities are involved in city planning and development?

City and community long-term policy and planning

The Council develops strategies, policies and plans which set out how the Council intends to work in future, and guide development across the city and Banks Peninsula. We monitor their effectiveness as well as our progress as a city towards achieving our community outcomes.

District plan

The Christchurch City District Plan, which includes Banks Peninsula, sets out policies and rules for land use. It promotes sustainable land use and helps the Council to implement strategies such as the Greater Christchurch Urban Development Strategy. The District Plan is prepared and reviewed according to statutory requirements as are private and Council led plan changes.

Heritage protection

A city's heritage helps to sustain a sense of community identity, provides links to the past and helps to attract visitors. The Council is committed to protecting the heritage of our city and works with developers, landowners and other stakeholders to conserve heritage buildings, areas and other items.

Since the 2010/11 earthquakes Council has continued its heritage protection role, although CERA is responsible for decision-making regarding the demolition and 'make safe' of heritage buildings damaged in the earthquakes.

Energy conservation

Council works with community and business groups to reduce the total amount of energy we use and to increase the use of renewable energy. Expected benefits are reduced costs, fewer adverse environmental effects (such as air pollution), and a sustainable supply of energy for future generations.

What did we achieve?

A storm water discharge consent has been approved by Environment Canterbury based on the Storm water Management Plan for the South West catchment, and an application lodged for the Styx catchment, based on the completed Styx Storm water Management Plan. A Situational Analysis report has been prepared for a long term Wastewater Strategy for Christchurch, in consultation with neighbouring local authorities, and a draft Strategy is in preparation. In association with CERA, work has been undertaken to address Port Hills land instability issues and other natural environment matters associated with earthquake recovery.

Several alcohol bans have been put in place to respond to the changed pattern of alcohol related issues following the earthquakes; namely a permanent alcohol ban in Riccarton and temporary alcohol bans in Merivale and Papanui (the Council has commenced a process to introduce these two as permanent bans). In addition a temporary alcohol ban was introduced around the temporary events area in Hagley Park during the Rugby World Cup and key summer events, as well as a permanent alcohol ban on New Years Eve at Okains Bay. In addition the Councils Gambling Venue Policy has been reviewed and a draft Brothels Location and Signage Advertising Commercial Sexual Services bylaw developed for consultation in the light of post earthquake impacts.

In the District planning activity four plan changes were notified (a mix of private and Council led plan changes), seven hearings were completed and 11 Plan Change Decisions were released. Fourteen Plan Changes have been made operative and three plan changes were under appeal with Court hearings or out of Court discussions taking place. Appeals against Proposed Change 1 to the Canterbury Regional Council's Regional Policy Statement were under negotiation between appellants and Urban Development Strategy partners before ministerial intervention in late 2011.

In August 2011 the Council released the draft Central City Recovery Plan for consultation. Following a formal hearings and deliberations process the draft plan approved by Council was sent to the Minister for Canterbury Earthquake Recovery for his approval. While awaiting that approval several small temporary projects to support central city recovery and transition to recovery have been implemented.

Work has been undertaken on a series of suburban centre master plans aimed at supporting recovery in centres badly affected by the earthquakes. Master plans have been completed for Lyttelton and Sydenham, are nearing completion for Linwood Village, Selwyn Street Shops, and are on-going for Sumner, Ferry Rd/Main Rd, Edgeware and New Brighton. For those centres where master plans will not be developed a case management approach has been set up to assist property owners by arranging architectural and urban design advice on their building proposals, and helping owners to navigate through the Council's (resource and building) consent processes.

There has been ongoing work to facilitate the protection of listed heritage buildings and to retrieve and store heritage fabric from demolished buildings. This has included advice on Heritage Incentive Grants, in particular to access the independent Canterbury Earthquake Heritage Building Fund Trust. Advice has also been provided to SCIRT and facilities managers regarding Council-owned heritage buildings and monuments and bridges.

How did we measure up?

Activity	Level of Service	Target	Actual Results	
City and Community Long-Term Policy and Planning	Advice is provided on key issues that affect the social, cultural, environmental and economic wellbeing of Christchurch.	At least 85% of milestones agreed for each year are achieved.	Due to the ad hoc and fluid nature of information requirements stemming from the impact of the earthquake formal measuring of the advice given has not been possible in 2011/12.	
		Council approves a work programme by 30 June for the following financial year.	Considered by Council in June, to be finally adopted by Council in July 2012.	
	Area Plans are progressed.	Draft Belfast Area Plan (BAP) implementation plan is completed by March 2012.	A draft implementation plan for the Belfast Area Plan was completed by March 2012.	
		Progress on the South West Area Plan (SWAP) implementation plan is reported on annually.	Report presented to Riccarton/Wigram Community Board February 2012.	

Activity	Level of Service	Target	Actual Results		
	Community Outcomes are monitored.	Regularly updated Community Outcomes reports are available to the public (ongoing).	Community outcomes data monitoring sheets were not able to be maintained on an ongoing basis.		
	Community Outcomes are reviewed according to statutory requirements.	Review of Community Outcomes completed by 30 June 2013.	New Community Outcomes for 2013 LTP approved in principle by the LTP Committee in May 2012.		
	Develop the Central City Plan (The Recovery Plan).	Draft plan presented to Council by 31 August 2011.	Draft plan presented to Council on 11 August 2011.		
		2. Final plan presented to Council for approval and presentation to the Minister of Earthquake Recovery by 16 December 2011.	Final plan presented to Council 15 December 2011.		
		3. The Central City Plan implementation commences as per the action plan - 30 June 2012.	Transitional city implementation projects delivered as per schedule agreed with General Manager Strategy and Planning by 30 June 2012.		
	Development of policy and plans to implement the Councils components of the Greater Christchurch Urban Development Strategy (UDS) Action Plan.	Council approves a work programme, based on the approved Urban Development Strategy Action Plan, at a time to be determined over the next nine months once the permanent Urban Development Strategy IMG Manager's appointment.	Considered by Council in June, to be finally adopted by Council in July 2012.		
		Milestones to be set according to outcomes of Environment Court Adjournment of PC1	Council officers have kept abreast of the movements on PC1 and Chapters 12A & 27 and acted accordingly.		
District Plan	Prioritised programme of Plan changes is prepared and approved by the Council on an annual basis.	A prioritised work programme, matched to staff capacity and availability, to be presented for Council approval annually by 30 June for the following financial year.	Considered by Council in June, to be finally adopted by Council in July 2012.		
	Processing of all privately requested plan changes complies with statutory processes and time frames, and according to CERA requirements.	100%	All private plan changes have met statutory requirements.		
	The Christchurch City District Plan is fully operative.	Both territorial sections of the Plan are fully operative by 31 March 2012.	There are two minor outstanding issues which stopped the two sections of the District Plan being made fully operative, these are: for Banks Peninsula District Plan - the financial contributions rules; For the City Plan - the Opawa Road designation.		

Activity	Level of Service	Target	Actual Results
Energy Conservation	A programme is developed to contain increase in the amount of energy used in Christchurch (to reduce increase in energy use to +12.0% per year by 2014).	by November 2011	Across all fuels, use in Christchurch was down by 6.1%. However, diesel use is up, probably due to increased use of heavy earth moving equipment and with the central city remaining closed by the earthquakes this has resulted in changes to energy use.
	Programme developed to encourage an increase in the proportion of renewable energy used in the City (to 23% by 2014).	by November 2011	Renewable energy use is already high, but usage dropped across all types in 2011.
Heritage Protection	All grants meet Heritage Incentives Grants policy and guidelines.	100%	All grants have met Heritage Incentive Grants policy and guidelines.

What assets do we use to deliver these activities?

No major assets are used in delivering these activities.

Where are we heading?

The coming year will see implementation of the priority projects in the ministerial approved Central Recovery City Plan and a continuation of the temporary projects to support recovery.

In the natural environment area, work will progress on the preparation of a Storm water Management Plan for the Avon River, the Wastewater Strategy will be consulted on and finalised, and a study of coastal processes and issues will be undertaken.

Preparation of master plans will continue, with the aim of having all eight completed within the coming financial year. Implementation will begin on priority projects identified within the plans, and case management work will continue in response to requests for assistance.

The City Plan and Banks Peninsula Plan which together make up the District Plan for Christchurch will be made operative (i.e. come fully into force). Changes to that Plan proposed by Council or other interested parties will progress through the statutory process required before they become operative.

Work to bring greenfields to readiness for housing development has been accelerated to assist in making subdivisions available for residential building.

The Council has proposed a Brothels Location and Commercial Sexual Services Signage Bylaw. The process to complete this bylaw will be completed and the Council will make decisions on permanent alcohol bans in Merivale and Papanui. The Council's Alcohol Policy will be reviewed in accordance with new legislation.

Service delivery in 2012/13

Although city planning and development activities will have a large earthquake recovery focus in 2012/13, there will be no change to the Council's capacity to deliver this activity. All activities will be focused on the Central City Plan, suburban centre plans, urban renewal and regeneration, heritage conservation, and support for housing development. Council's staff resources have been increased to cope with the requirement for increased capability in these areas.

What did it cost?

City planning and development

Statement of cost of services for the year ending 30 June 2012

_	2012				2011
-	Costs (after				
	internal				
	recoveries)	Income	Net cost	Plan net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
City & Community long-term policy and					
planning	16,951	601	16,350	17,998	9,686
District plan	2,981	468	2,513	2,812	3,581
Heritage protection	8,416	4,917	3,499	4,454	3,149
Energy conservation	692	693	(1)	(80)	145
Capital revenues	-	8,370	(8,370)	-	-
Cost of service	29,040	15,049	13,991	25,184	16,561
Capital expenditure					
Renewals and replacements			26	-	323
Improved service levels			-	_	-
Increased demand			16	-	33
Total capital expenditure			42	-	356

Explanation of significant cost of service variances

City planning and development's net cost was \$11.2 million lower than plan and \$2.6 million lower than the previous year.

The \$11.2 million variance on this year's plan is a result of savings in all four activities. The City & Community long-term policy and planning activity had savings of \$1.6 million; on consultants fees for the central city plan of \$0.6 million; urban development strategy regional policy statement \$0.5 million and suburban centres master plans \$0.5 million. The variance of \$0.3 million in the District plan activity was a result of \$0.6 million savings on legal fees and lower than expected revenue of \$0.3 million from private plan change applications. The Heritage protection activity had \$1.0 million of savings on grants to the Arts Centre, Heritage Incentive applicants, Music Centre and character housing. These grant savings have been requested to be carried forward to the next financial year. The capital revenues variance is as a result of insurance recoveries received.

The \$2.6 million variance on last year is the result of a higher spend in City and Community long-term policy and planning \$6.7 million offset by lower spending in the District Plan activity \$1.0 million and insurance recoveries of \$8.4 million received this year. The \$6.7 million variance in City and Community long-term policy and planning is mainly due to additional consultants costs for the development of the central city plan \$2.0 million and additional staff costs of \$3.7 million. The \$1.0 million variance in District Plan is due to lower legal fees \$0.2 million, doubtful debts \$0.3 million and staff costs \$0.5 million.

Significant capital expenditure

There was no significant capital expenditure.

Explanation of significant capital expenditure variances

There were no significant variances.

4015 - Community support

What is community support and what does the Council do?

Community Support provides social housing, community facilities, project funding, community development programmes, emergency management and walk-in customer services for the benefit of our community. Through Civil Defence we prepare the city in case of disaster and co-ordinate our response when that occurs. Community facilities, community development and funding enable people to socialise and carry out voluntary work for the good of the city, and programmes aimed at those at risk help make our city a better place to live and build resilience across all sectors of our communities.

Why is the Council involved in community support?

We provide opportunities for meeting, socialising and developing strong and inclusive communities within the city.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Community support activities contribute to the cultural and social well-being of the community through the achievement of the City's Strong Communities and Liveable City Community Outcomes. This contribution is made through ensuring that Civil Defence initiatives are in place, that community groups receive support and funding for further development, and that a wide range of services and facilities, including social housing, are available for the use of the community. Through involving communities in Council decision making processes and helping them stand on their own feet they are able to build resilience and prosper.

How does it affect me?

Community support services mean you have help when disaster hits. Community groups in your area receive funding for projects that will make your neighbourhood a better and safer place to live and provide places in your part of town that can be used for socialising and recreation. Ultimately, it means you will live in a safer, stronger community.

What activities are included in community support?

Civil Defence and emergency management

We co-ordinate local Civil Defence, including training of operations centre staff and community volunteers. We also promote community awareness of the likely impact of a disaster and encourage everyone to be prepared.

Community grants

We provide community grant funding to community groups for projects and initiatives that benefit wider Christchurch, local communities and communities of interest.

Community facilities

We own a range of facilities, community centres, halls and cottages which can be hired by community groups for activities such as public meetings, dance or exercise classes, social gatherings, craft groups and sports workshops.

Community facilities allow activities to take place which fulfil a wide variety of social, educational and recreational needs. They are places for people to meet, play and learn.

Early learning centres

We operate one early learning centre located at Pioneer Sports and Recreation centre where we provide education and care for children zero to six years. We support an additional 13 facilities which are operated by the community.

Social housing

We provide affordable rental for Christchurch people on low incomes, for the elderly and people with disabilities. The housing is financially sustainable and is not funded through general rates.

The Council's social housing portfolio primarily consists of one bedroom flats with a limited number of bedsit and studio units and a small number of two bedroom units. Due to the composition of the units, the predominant target market is single people and couples.

Strengthening communities

Community development projects planned, facilitated or delivered by the Council, voluntary organisations, iwi and other stakeholders, help to build and promote strong communities. Projects are promoted to many communities of interest through support to various groups representing youth, people with disabilities, the elderly, multi-cultural groups, and voluntary and not-for-profit environmental, arts and social service groups.

The Safer Christchurch team works to achieve the goals of the Safer Christchurch Strategy, specifically in the areas of injury prevention and crime prevention (including graffiti vandalism mitigation). The aim is to make Christchurch the safest city in New Zealand and to maintain Christchurch's accreditation as an International Safe Community.

Walk-in Customer Services

Walk-in customer service points are normally provided at 11 locations around greater Christchurch, from Papanui in the north to Akaroa in the south, including Civic Offices. Shirley and Papanui are open on Saturday mornings to receive payments for all council services, provision of information, and registering requests for service.

What did we achieve?

Early learning centres

Pioneer Early Learning Centre continues to provide flexible care to support the Sports and Recreation facility and local community needs. The most recent Education Review Office report December 2010, conducted tri-annually confirmed we provide high quality education and care. Children experienced quality interactions in a positive, supportive, stimulating environment. Council's provision of Early Learning Centre (ELC) activities supports the community outcome goals of community and prosperity. QEII Park Preschool has remained closed due to significant damage following the 22 February 2011 earthquake.

Social Housing and Community facilities

Social housing is a key contributor to the community outcome and traditionally provides over 2,649 tenancies with an average occupancy rate of 97 per cent. However, following the earthquakes the number of habitable units has decreased to 2,267 units and it is possible this will decrease further. The current occupancy rate is 98% per cent.

Safer Christchurch

Safer Christchurch is linked directly to the "safe city" Community Outcome and successfully initiated a number of new initiatives during the 2012 financial year including;

- the Graffiti Office citywide graffiti scan;
- a new graffiti database, namely 'Tag Force';
- a now proven Christchurch Safe City Officer service;
- a combined Crime Prevention Through Environmental Design/ Injury Prevention Through Environmental Design mall safety accreditation project; and
- the Switch On to Prevent an Injury project.

Another planned campaign is the Winter Home Safety initiative.

The Crime Prevention Through Environmental Design / Injury Prevention Through Environmental Design mall safety accreditation project has produced an award for 'The Hub' shopping mall in Hornby.

Continuing with this work was the strengthening of stakeholder relationships as well as identifying and building new collaborations.

Community grants

In the 2011/12 funding year, over \$7.4 million was distributed through the Strengthening Communities Funding Schemes (Strengthening Communities, Small Projects and Discretionary Response) to 802 projects across the city. A high level of customer satisfaction was achieved.

These grants directly contribute to the capacity and capability of the community organisations to undertake their respective tasks and operations. The broader outcomes achieved through these community organisations and their personnel are the continued support and development for their communities of interest and contribution towards the community outcome goals of community, security, recreation, prosperity and knowledge.

Strenathenina communities

Strengthening communities teams continued to provide expert information, advice and guidance to a range of partners (including other Council units, and other Government agencies and community groups) throughout the year. By providing networking opportunities across the city, the teams maintained close links to community groups and residents associations. Using their expert local knowledge, Strengthening Communities Teams have played a key role in the aftermath of the earthquakes, providing an insight on how community groups have fared and in the development and presentation of 54 local community profiles that have been used by a wide range of decision-makers. Furthermore staff continued to:

- meet with community organisations across a geographical, ward based area and a number of sectors such
 as arts, recreation, social services, safety, older adults, disability and multi-cultural sectors, in order to
 develop capacity and promote community and sector led initiatives.
- meet with local residents groups to identify and document local neighbourhood issues. Staff engaged with agencies such as Age Concern, the Christchurch Migrant Centre, Neighbourhood Support, NZ Police, Fire Service and CERA to assist with community preparedness.
- facilitate a number of community and network liaison meetings to foster collaboration and enhance community connectedness.
- work with government departments such as Ministry of Social Development, Department of Internal Affairs
 and Te Puni Kokiri on "cross government funding" to support community organisations who provided
 support and services to communities, families and individuals following the earthquakes.
- assessing applications for funding support from community organisations delivering services and support to the wider Christchurch and Banks Peninsula communities.

Civil Defence and Emergency Management

The Civil Defence Emergency Management (CDEM) Act requires Civil Defence Emergency Groups and their members to respond to and manage the adverse effects of any emergency in their area and to carry out recovery activities.

The Emergency Operations Centre was activated for two days in response to the earthquake that struck the City on 23 December 2011. The response to this earthquake involved Council staff, Emergency Services, welfare agencies. Christchurch's Neighbourhood Support Coordinator working along side Council's Strengthening Christchurch team contact and many community groups to assess the affected communities' well-being. Liquefaction was again an issue as a result of this earthquake.

A report capturing the earthquake response learning points was produced by an independent consultant following interviews/surveys involving 98 individuals from Council and other organisations involved in the response. A Council project team was established to implement the learning points following this matter being reported to Council.

The Ministry of Civil Defence & Emergency Management has arranged for a national review of the response to the February 2011 earthquake. Several Council staff were interviewed as part of the national review – the report is expected to be released in September/October 2012.

In November 2011 a recognition dinner was held to thank the CDEM volunteers for the work they had undertaken during the response phase of September 2010 and February 2011 earthquakes. Each of the City's CDEM volunteer teams were presented with an award by the Mayor. There has been a noticeable drop off in the number of active CDEM volunteers following the earthquakes due to fatigue and several volunteers' homes being in the red zone.

A tsunami alerting system (sirens) was installed along the Christchurch coastline from Waimairi Beach to Sumner during May/June 2012 - in total 22 sirens have been installed.

Staff continue to work with CDEM partner organisations such as the Canterbury CDEM Group Office, Emergency Services and welfare agencies to strengthen working relationships and for joint planning.

CDEM education programmes continued to be rolled out to primary schools and community groups although there has been a drop in demand from schools for these education programmes following the earthquakes.

Walk-in Customer Services

Despite the disruption caused by the earthquakes, walk-in services continued to be provided at all locations except Sockburn. There were interruptions at Fendalton, Lyttelton, Linwood and Civic Offices, but all except Sockburn have been restored.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Build Stronger Communities	Community development projects are provided.	Successfully deliver projects across each target area and within budget allocation.	93 projects, at a minimum, delivered across target areas.
	Safety Projects -working towards making Christchurch Safer.	Maintain Safe City Accreditation every 5 years.	Re-accreditation is scheduled for 2013 and the re-application submission is due April 2013.
Early Learning Centres	Provide five day a week half, full-day and flexible-hours care at early learning centres.	18-25% of attendees at Pioneer attend the Leisure Centres.	22%
		Maintain 75-85% occupancy.	77%
		Provide 113,520 hours of childcare per annum Pioneer ELC.	Actual achieved 84,480 hours, 5.30am – 4.30pm Monday – Friday (except snow days).
	Quality, high standard of professional childcare is provided that satisfies	80-99% of ELC staff are trained, qualified and registered teachers.	97%
	customers needs.	85-95% customer satisfaction with quality of care.	Customer Survey 97% satisfaction rate.
Civil Defence Emergency Management	An Emergency Operations Centre (EOC) is available for the coordination of a multi- agency response in the event of an emergency.	At all times	Currently Primary EOC is located at 53 Hereford Street with the alternate located at 121 Tuam Street. Both of these sites are operational.
	Approved Civil Defence and Emergency management Plans covering local response and recovery arrangements and specific contingencies are in place.	At all times	Recovery Plan needs review. All other plans are up to date.
	Build upon national/regional initiatives to promote the need for individuals to be prepared for when a disaster occurs.	Two major civil defence and emergency management promotions occurs annually via Council publications.	A major promotion informing our communities of the tsunami siren and tsunami risk was conducted in May 2012.
	Fully equipped Light Rescue Response Teams maintain their national registered status.	Three teams	All three teams currently meet the national registered standards. Teams have been deployed to the flooding in Nelson-Tasman as well as all earthquake related responses. The Teams also have been carrying out regular team trainings.

Activity	Level of Service	Target	Actual Results
	Key sections of the community are informed of a pending civil defence emergency in a timely manner (those that are registered with the on-line alerting system).	Communication sent within one hour of civil defence and emergency management confirming warnings.	Procedures are in place to activate the alerting system within an hour of any pending CDEM Emergencies. Although the system was not used last year there has been testing done to the CDEM Team to confirm it is operational.
	Relevant hazards and risks are identified and managed in the City's District and Civil Defence Emergency plans.	Hazards and risks framework maintained at all times.	Target has not been achieved.
Community Facilities	The portfolio of community centres/halls/cottages is maintained.	Maintain the number of community centres, halls and cottages at a minimum of 45.	36 centres are currently open. Community facilities are lower as a result of closures due to ongoing DEE assessments.
Community Grants	Grants schemes are properly administered.	Administer grant schemes in a manner that is consistent with the Strengthening Communities Strategy and the Creative NZ guidelines for the Creative NZ scheme.	The 2011/12 Funding Schemes have been administered in accordance with the Strengthening Communities Strategy and the Creative NZ guidelines for the Creative Communities Scheme.
Social Housing	Council housing complexes are well managed.	Maintain average occupancy rate at 97%.	Average year end actual 98%.
	Maintain portfolio of rental units and owner/occupier units.	Minimum of 2,420 rental units and 28 Owner / Occupier units.	Due to earthquake events the number of current habitable units is reduced to 2,247.
	Tenants are satisfied with quality of tenancy service provided.	More than 80% of tenants surveyed are satisfied with the quality of the tenancy service provided.	78% satisfied.
Walk-in Customer Services	All walk-in customer services staff are identifiable as Council employees.	All front-line staff have a suitable corporate uniform.	All walk-in customer services staff have a suitable corporate uniform.
	Customer service centres are provided.	Maintain current level of service (LOS): Walk-in services at 11 locations (Civic, Akaroa, Little River, Lyttelton, Beckenham, Linwood, Shirley, Papanui, Fendalton, Sockburn, Riccarton).	9 at the moment; Linwood and Sockburn not operational.
	Customers are satisfied with walk-in services.	95% of customers are satisfied with walk-in services.	97%
	Number of walk-in customer service hours provided.	Total of 408.5 hours per week.	328.0 hours per week. Hours were lower than target due to the closure of Sockburn and Linwood Service Centres.
	There are minimal wait-times for walk-in services.	Less than 3 minutes, 80% of the time.	Survey result was less than 3 minutes 100% of the time

What assets do we use to deliver these activities?

The major assets involved in delivering Community support activities is the Council's social housing portfolio, its facilities, community centres, halls and cottages, and early learning centre facilities.

The Council has traditionally provided over 2,649 social housing tenancies, but due to earthquake damage the number of habitable units has decreased to 2,246 units. A repair programme / replacement programme is progressing.

Council's community facilities have also been significantly impacted. A number of facilities have been demolished or have been deemed beyond economic repair, such as the Mount Pleasant, Sumner, St Albans and Shirley Community Centres. Work continues to determine the status of other buildings and when and how they can be repaired or replaced.

The QEII Park Preschool was closed due to significant damage following the 22 February earthquake, but the Pioneer Pre School remains open.

Where are we heading?

Early learning centres

Pioneer Early Learning Centre will continue under Council ownership and management. The Council will continue to support and fund a number of community education and care services.

Strengthening communities:

Strengthening communities teams will continue to provide expert local knowledge to our partners and other community stakeholders.

This will involve:

- updating all community profiles to provide an evidence base upon which decisions can be made.
- working with community organisations and the voluntary and not-for-profit sector to provide networking opportunities, support, advice, information and advocacy services to facilitate stronger communities.
- providing direct advice to groups in relation to governance skills, funding application skills and strategic planning.
- providing sector-based or geographic networking opportunities for community organisations.
- providing funding information.

Community grants

We will continue to provide contestable community grants to support community organisations to undertake projects and services that support and provide benefit to the wider Christchurch community, local communities and communities of interest. Providing support to community organisations enables the community and the many diverse communities of interest within the city to help themselves and to use the funding support to seek leverage opportunities to achieve the needs and aspirations of their community members.

Civil Defence Emergency Management

The CDEM team will continue to provide expert knowledge to our partners and community stakeholders. This will involve:

- the Earthquake Learning Points Project Team will work on the following:
 - development of an Emergency Operations Centre Procedure and Knowledgebase :
 - number and location of civil defence welfare centres and sector posts required;
 - civil defence training;
 - role of elected members during an emergency.
- the first public testing of the tsunami alerting system (sirens) occurred on 22 July 2012. Thereafter, the tsunami alerting system will be tested on the Sunday mornings when daylight saving begins and ends.

- increasing community resilience by working with various communities to develop their own community emergency response plan. This work follows on from the work undertaken as a pilot with the South New Brighton/Southshore community in 2009/10.
- public education through events such as the national Exercise Shakeout (26 September 2012) whereby the
 Ministry of Civil Defence & Emergency Management is working with local authority members of CDEM
 Groups throughout the country to have at least one million people in NZ 'drop, cover, and hold' to promote
 what to do during an earthquake.
- delivery of CDEM public education programmes to primary schools and various community groups will continue.
- staff will also continue to work with members of the Canterbury CDEM Group on joint planning and training. This will include the development of the 'second generation' CDEM Group Plan for Canterbury.

Social Housing and Community facilities

Because of the damage to a number of our social housing complexes and community facilities, and the possibility that some cannot be rebuilt, the opportunity will be taken to review where replacement social housing units and community facilities will be rebuilt to ensure they are built in appropriate locations and to the appropriate standard. At the time of writing, the only community facility approved by the Council for rebuild is the Linwood Community Arts Centre.

Safer Christchurch

In the next year, Safer Christchurch will be concentrating on greater collaboration amongst all stakeholders to deliver measurable safety projects across the city. Crime Prevention through Environmental Design continues to be a key component of future planning for Christchurch, and Safer Christchurch plan to continue and build our expertise and knowledge in this field. The Safer Christchurch Interagency Group will continue to build on the positive collaborative approach by key stakeholders and providing updates on notable issues and projects.

Service delivery in 2012/13

In the 2012/13 year the Council's ability to deliver Community support activities will be limited by the damage to social housing and community facilities assets. The process of determining the appropriate repair or replacement strategy for damaged buildings, and agreeing this strategy with insurers, is time consuming. The Council does not expect to be able to provide pre-earthquake levels of service for Community facilities, Social housing, and Early learning centres during the 2012/13 year. Other Community support activities, however, are largely unaffected by the Canterbury earthquakes or damage to Council assets.

What did it cost?

Community support

Statement of cost of services for the year ending 30 June 2012

	2012				2011
	Costs (after internal				
	recoveries)	Income	Net cost	Plan net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
Community facilities	3,534	1,906	1,628	1,842	2,933
Early learning centres	851	704	147	95	517
Strengthening communities	5,004	286	4,718	5,040	4,135
Community grants	12,349	347	12,002	10,545	15,718
Social housing	17,938	14,286	3,652	3,149	639
Civil Defence and emergency					
management	5,032	6,055	(1,023)	1,007	43,656
Walk in customer services	2,036	34	2,002	2,368	2,262
Capital revenues	-	17,987	(17,987)	-	(6,264)
Cost of service	46,744	41,605	5,139	24,046	63,596
Capital expenditure					
Renewals and replacements			2,674	3,449	2,055
Improved service levels			-	-	103
Increased demand			-	21	-
Total capital expenditure			2,674	3,470	2,158

Explanation of significant cost of service variances

Community facilities

Community facilities net cost of service for 2012 is \$1.3 million lower than 2011. In 2011 there was a \$1.6 million write-off of assets following the February 2011 earthquake. After deducting the asset write-off there is a \$0.3 million unfavourable variance caused by lost revenues due to the closure of additional community facilities. The net cost of service for 2012 is \$0.2 million lower than plan due to a reduced depreciation charge of \$0.2 million.

Early learning centres

Early learning centres net cost of service for 2012 is \$0.4 million lower than 2011. In 2011 the QEII ELC was closed after the February earthquake resulting in high redundancy costs. There is now only the Pioneer ELC which is owned and operated by the Council.

Strengthening communities

Strengthening communities net cost of service for 2012 is \$0.6 million higher than 2011. In 2012, following the earthquakes there was a re-structure of Strengthening Communities which resulted in redundancy costs and two extra earthquake positions created. In addition, there were higher internal property charges.

Community grants

Community grants net cost of service for 2012 is \$1.5 million higher than plan as a result of \$1.7 million paid out from the Earthquake Mayoral relief fund which was not included in the annual plan. The net cost of service for 2012 is \$3.7 million lower than 2011 due to grants to the City Mission of \$2 million and the transfer to the Rod Donald Banks Peninsula Trust of \$3.7 million being made in 2011, offset by the \$1.7 million unplanned Mayoral relief fund grants in 2012.

Social housing

Social housing net cost of service for 2012 is \$0.5 million higher than plan as a result of higher than planned depreciation and the recommencement of redecorations on undamaged housing units. The \$1.2 million loss of revenue resulting from vacated housing units due to earthquake damage was off-set by the \$1.2 million insurance premium savings as a result of only limited cover being obtained. The plan had provided for full insurance cover at a significantly higher premium.

The net cost of service for 2012 is \$3.0 million higher than 2011, due to \$1.1 million less revenue from rental income and higher insurance costs of \$0.9 million. Other cost increases were rates \$0.1 million, maintenance \$0.2 million and depreciation \$0.4 million.

Civil Defence and Emergency Management

The Civil Defence and Emergency Management Activity was under plan by \$2.0 million. All response costs incurred since the September 2010 earthquake were reviewed which resulted in additional recoveries totalling \$3.2 million being identified and accounted for. Partially off-setting these were \$1.2 million in Recovery Management Office expenditures that were incurred this financial year for the December 2011 earthquake event.

Net expenditure in this financial year was reduced from the \$43.7 million incurred in 2011 to \$1.0 million recovery as a result of there being only one earthquake event requiring a small scale set up and operation of the Emergency Response Centres.

Walk in customer services

Walk in customer services net cost of service differed from plan by a favourable \$0.3 million and differed from 2011 by a favourable \$0.3 million. This was due to reduced staff costs as a result of the closure of the Sockburn service centre, temporary closures at Lyttelton, Fendalton and Civic Offices and reduced volumes and services at the main Civic service centre.

Capital revenues

Capital revenues were \$17.9 million greater than plan and \$11.7 million higher than 2011 due to the receipt of earthquake recoveries in relation to community facilities and social housing.

Significant capital expenditure

\$2.0 million was spent on social housing and \$0.5 million was spent on a Tsunami Warning System.

Explanation of significant capital expenditure variances

The earthquakes have resulted in continued delays of the social housing renewal and replacement programme (\$1.2 million) while the detailed engineering evaluations are carried out.

4020 - Cultural and learning services

What are cultural and learning services?

These are the galleries, museums and libraries that enable residents to access art, historical and other educational material.

Why is the Council involved in cultural and learning services?

We provide these facilities so that residents of Christchurch have access to a full range of cultural activities and information within the city.

Local Government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Culture and learning services activities contribute to the cultural and social well-being of the community by ensuring that a range of facilities (art galleries, libraries and museums) are available and that a wide range of support services are in place for those using these facilities.

The activities also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a city of diverse and inclusive communities, a city for recreation, fun and creativity and a city of lifelong learning – three of the nine goals for our city that are included in our Community Outcomes.

This contribution is made by providing accessible and welcoming public buildings, providing and supporting a range of arts, festivals and events, and by providing books, information and learning programmes.

How does it affect me?

Every time you visit the Christchurch Art Gallery or access its off-site offerings, and when you visit local museums and city libraries, you make use of the Council's cultural and learning services. You can gain access to interesting material, collections and other programmes, such as exhibitions and public events. You can also take advantage of a range of services and learning opportunities online.

What activities are involved in cultural and learning services?

Art gallery and museums

We operate the art gallery and support museums to ensure the artistic and historical heritage of the region is collected and presented to residents and visitors to the city. When it is open, Christchurch Art Gallery is a vibrant, dynamic space which caters to a strong and growing art audience. Akaroa Museum preserves and displays the history of Akaroa and Banks Peninsula. Council funding is provided to the Canterbury Museum as required by statute.

Libraries

City libraries provide recreational and learning material, create opportunities for life-long learning and literacy, and provide community spaces for the public. Christchurch libraries continue to be very well patronised following the earthquakes and rated highly in a recent Council survey with 97% of surveyed residents satisfied with library services.

What did we achieve?

Art gallery and museums

Christchurch Art Gallery, which was closed after 22 February 2011 for Civil Defence Emergency Operations Centre use, was vacated in September 2011. Pending an adjacent demolition, the art collection was moved to a safer area within the building and it will remain here during the forthcoming period of repairs..

Continuing closure has resulted in many exhibitions being cancelled, but Gallery staff have staged four new Outer Spaces projects, in addition to staging a quick-changing series of exhibitions in an upstairs space in Madras Street. The Gallery has also staged the return of Michael Parekowhai's *On first looking at Chapman's Homer* on its return to New Zealand from the 2011 Venice Biennale and its exhibition in Paris.

Neil Pardington's 'The Vault' opened at Te Manawa in Palmerston North, the last venue for this Christchurch Art Gallery's touring exhibition, in late May 2012. The Gallery has addressed a range of collection-information related projects, making information available on its website, now also available on mobile phones. It has continued the production of its quarterly magazine, *Bulletin*. Despite its continuing closure, then, the Gallery has contributed towards community and recreation community outcomes.

Libraries

Earthquake recovery has continued to be a key focus for Libraries. Considerable progress has been made in terms of reopening libraries and reinstating library services where possible, sometimes using new or different approaches to meet changed customer needs and usage patterns. Visitor numbers, collection use and website visits have remained strong.

At the time of writing, the Central, Linwood, Sumner and Bishopdale libraries remain closed. However, the following libraries have reopened to the public: Papanui, Upper Riccarton and Fendalton, and new temporary services have been established at Central Library Peterborough, Central South City Library and Mini Linwood Library. These new libraries are proving to be extremely popular with residents and visitors. Provision of Central Library Peterborough in particular has enabled access to the Central Library magazine collection, Family History Collection, Nga Pounamu Mäori Collection and selected World Language resources.

Additional Libraries and Information activities of note of the past year include:

- contributions to the Central City Plan on a replacement Central Library as well as the Facilities Rebuild Plan and Transitional Facilities Plan.
- update of the Libraries 2025 Facilities Plan to reflect post earthquake reality (in draft format).
- roll out of RFID self service technology to four libraries: Papanui, Central Library Peterborough, Upper Riccarton and Fendalton.
- ongoing service planning and community engagement for Aranui Library which is under construction.
- decant of Central Library collections a three month project commencing in March 2012 to remove the 300,000 items from the Gloucester Street building, including heritage resources and archives.
- staff redeployment, which has been a constant with many library staff working across the city in different teams and often performing different roles.
- closure of Content and Bindery facilities at Smith Street due to an unfavourable DEE assessment has necessitated the relocation of these teams to other premises.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Art Gallery and Museums	Administer the Canterbury Museum levy as per statutory requirements.	Canterbury Museum levy funding paid as required.	Canterbury Museum levy funding was paid as required and as agreed in the Annual Plan.
	Akaroa Museum: hours of opening.	Minimum of 2,093 opening hours pa.	Open for 2,035 hours, 58 under target due to 5.5 hours lost to snow weather, 6 hours lost post 24 December 2011 earthquake and 55 hours lost due to closure following DEE inspection.
	Akaroa Museum: number of visitors per annum.	Visitors per annum for Akaroa Museum to be a range of 14,250 - 15,750.	14,424 visitors for the year.
	Collection items available on web.	80% of collection on line with images.	98% of collection items now available in Collections Online database.

Activity	Level of Service	Target	Actual Results
	Exhibitions and publications presented.	15-18 exhibitions presented pa.	Due to the continuing closure of the Art Gallery, this meant that the normal number of exhibitions was not presented. However, 11 Outer Spaces projects presented.
		4-6 publications pa, with at least 1 significant publication every 2 years.	4 editions of Bulletin produced.
	Hours of opening.	Minimum hours open to the public: approx 2,793 hrs per annum by June 2012.	767 hours open to the public in 2011-12 following the closure of the Gallery. All hours recorded were at an off-site exhibition space.
	Number of visitors per annum.	Visitors pa within a range of 370,000 - 410,000.	Following the closure of the Gallery there were 4,093 visitors to off-site exhibition spaces.
	Public programmes and school-specific programmes delivered.	Average of 25,000 attending advertised public programmes pa.	Following the closure of the Gallery 8,738 attended public programmes. Numbers were achieved by stand-alone programmes and partnerships with other cultural bodies.
		Maintain at 10,000 attended school programmes pa.	8,580 attended school programmes to year end.
	Visitor satisfaction with their Gallery experience	At least 90% of visitors rate their experience as good, very good, or excellent.	Following the closure of the Gallery, this survey was not conducted.
Libraries	Collections are available to and meet the needs of the community.	Maintain collections at 2.9 to 3.5 items per capita.	3.4 items per capita.
	Collections are available to and meet the needs of the community.	Maintain number of issues per capita of city population, per year, at national average or better, excluding period of closure.	16.6 issues per capita against national average 12.8 issues per capita.
	Provide programmes and events to meet customers diverse lifelong learning needs.	Participation of 150 - 200 per 1000 of population. To be reviewed when Central, Linwood, Fendalton, Papanui and Upper Riccarton Libraries have reopened.	219 attendees per 1000 of population.
	Residents have access to a physical library relevant to local community need or profile.	Aranui Library. Planning and development ongoing in accordance with Project Plan.	Target met Construction on track and library due to open on 8 September 2012.
		Central Feasibility Study by June 2012.	Work incorporated into the Central City Plan completed in December 2011 demonstrating the role of the central library in the Central City rebuild.
		Maintain a mobile library service.	Mobile hours modified to adapt to changed needs post earthquake. Extended hours temporarily to cover gaps

Activity	Level of Service	Target	Actual Results
			caused by library closures – these locations included Durham Street, Sumner, Fendalton, Bishopdale and Upper Riccarton.
		Maintain visits per capita of national average or better, per annum, for level 1 NZ Public Libraries excluding periods of closure.	11.0 visits per capita against national average is 9.3 visits per capita.
		Preliminary planning for Halswell Library development completed by June 2012.	Vision concept for library identified and completed. Project team appointed to commence next phase.
		Provide for 10 voluntary libraries - rent free facilities including building and maintenance.	Five facilities provided, the remaining five were not accessible due to full or partial demolition or damaged facilities or awaiting engineering assessment.
		Provide for 10 voluntary libraries - support for collections.	Support for collections provided for 5 remaining voluntary libraries.
		Weekly Opening Hours - Large suburban: 57 to 67 hrs excluding periods of closure.	Level of service increased markedly from July 2011 with opening of Central Peterborough (December 2011), Upper Riccarton (January 2012) and Fendalton (May 2012). Target met due to subject to closure clause.
		Weekly Opening Hours - Medium suburban: 48 to 57 hrs excluding periods of closure.	Target met due to subject to closure clause. During the year Papanui opened (September 2011) but Bishopdale closed in November 2011 and Linwood operated as a mini library throughout the year.
		Weekly Opening Hours - Metropolitan 72 hrs excluding periods of closure.	Central Library remained closed for the year due to its location in the red zone and the damage incurred. Target met due to subject to closure clause.
		Weekly Opening Hours - Neighbourhood: 36 to 57 hrs excluding periods of closure.	Target met due to Central South City and Mini Linwood adding to numbers. Sumner remained closed due to earthquake damage.
	Residents have access to information via walk-in, library website, phone, email, professional assistance and	Implement ancillary services, as identified, on public PCs and for wireless service by June 2012.	100% PCs ready when required.
	online customer self service and on-site access to computers / internet.	Maintain the number of reference and research enquiries from customers per year at national average or better.	1.9 enquiries per capita against national average 1.7.

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Activity	Level of Service	Target	Actual Results
		Online catalogue, library website and digital content attracts at least 6.5 million external page views to the online catalogue.	7.4 million
		Online catalogue, library website and digital content attracts at least 7.5 million page views to the website.	10 million page views

What assets do we use to deliver these activities?

The major assets involved in delivering Cultural and learning services activities are the Council's libraries, the Christchurch Art Gallery and the Akaroa Museum, along with the collections held in those facilities.

Redcliffs, Woolston and St Martin's Libraries have been demolished and the Central and Sumner Libraries have suffered significant earthquake damage. Linwood Library also sustained subsequent fire damage as the result of an arson attack. Papanui, Upper Riccarton and Fendalton libraries reopened during the year, in October, January and May respectively. Fendalton Library was the first library facility to receive significant earthquake repairs.

Where are we heading?

Art gallery and museums

The Canterbury Museum was open from September 2011 until March 2012, but closed again for further engineering inspections. It was partially re-opened on 2 July and is expected to be fully open by October 2012. Christchurch Art Gallery is not expected to re-open until the latter half of 2013, but will continue with back-of-house activities and Outer Spaces projects. Activity at the Akaroa Museum was less disrupted during the past financial year, but was recently closed pending further assessment of its buildings. It will continue to focus on cataloguing its collections, all of which are on display or in the new storage area.

Libraries

Planning is well underway to open another temporary Central Service in the Rexel Building in Tuam Street, which opened in July 2012. This will replace the little shop-front library at South City Mall and will enable access to more high demand and specialised Central Library resources that are currently in storage.

The long anticipated Aranui Library opened in early September 2012 and planning continues for the replacement library for Halswell which is likely to open in late 2014.

The Smart Library model utilising RFID technology will continue to roll out during the year ahead, including Central Library, Tuam, Aranui, South and Shirley libraries.

Replacement mobile library vehicles will be operational in October 2012, thanks to the generosity and support of Rotary and the Cotton On Foundation. Being smaller and more versatile than the existing library bus, the new vans will enable services to be offered in a wider variety of places in response to changing customer demand.

Service delivery in 2012/13

The Christchurch Art Gallery building was vacated by staff in mid-September 2011 to allow for an adjacent apartment building to be demolished. It will be repaired with increased seismic capability and re-opened to the public as soon as practicable after that. While the date of re-opening is not yet known, it is hoped that this will be within the 2013 calendar year.

While library services have been disrupted, the Council established temporary library facilities in Linwood, South City Mall and Peterborough Street. As noted above, the small library at South City Mall was replaced in July by a larger facility at 121 Tuam Street. The temporary Peterborough and Tuam libraries will enable comprehensive access to specialised Central Library collections. As a result, the Council expects to continue to maintain preearthquake levels of service in 2012/13.

What did it cost?

Cultural and learning services

Statement of cost of services for the year ending 30 June 2012

	2012			2011	
	Costs (after internal recoveries) \$000	Income \$000	Net cost \$000	Plan net cost \$000	Net cost \$000
Operational service result					
Libraries	30,390	3,859	26,531	28,405	26,156
Art gallery and museums	13,922	766	13,156	14,267	12,246
Capital revenues	-	1,586	(1,586)	(195)	(267)
Cost of service	44,312	6,211	38,101	42,477	38,135
Capital expenditure					_
Renewals and replacements			3,847	5,901	5,099
Improved service levels			4,218	757	2,439
Increased demand			-	207	-
Total capital expenditure			8,065	6,865	7,538

Explanation of significant cost of service variances

Libraries

Libraries' net cost of service was \$1.9 million below plan, this was the result of decreased operational and staff costs directly related to closed facilities following the earthquakes.

Art gallery and museums

Art galleries and museums net cost of service was \$1.1 million below plan, this was due to the closure of the Art Gallery and less exhibitions provided. The net cost of service in 2012 is \$0.9 million higher than 2011 as a result of additional revenue received for the Ron Mueck Exhibition in 2011.

Capital Revenues

Earthquake Capital Recoveries received for the Libraries and Art Gallery.

Significant capital expenditure

\$4.0 million was spent on library book purchases; \$1.6 million on the new Aranui Library; \$1.3 million on various renewals and replacement projects in the libraries and art gallery; \$0.6 million on the Library RFID Project and \$0.5 million on Art Gallery acquisitions.

Explanation of significant capital expenditure variances

The \$1.2 million variance on this years plan is a result of the \$1.6 million spent on the new Aranui Library, which was carried forward from the previous year, being offset by savings of \$0.4 million on library book purchases.

The \$0.5 million variance on last year is a result of an increased spend of \$1.3 million on the new Aranui Library offset by a decreased spend on library book purchases of \$0.6 million and \$0.2 million on the Library RFID Project.

4025 - Democracy and governance

What is democracy and governance?

Democracy describes a system of government which is run on behalf of the people, through their elected representatives. Governance is about how those representatives (the Council and community boards) run the city.

What is the Council's role in democracy and governance?

The people of Christchurch choose their Mayor, City Councillors and Community Board members at elections held every three years. The Council 'governs' by making strategies, policies and decisions which set the direction for the future of Christchurch. The Council regularly seeks community input on a range of issues, including draft policies, local capital works projects, and the Council's 10-year community plan.

Local Government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Democracy and governance activities contribute to the social well-being of the community by ensuring a wide range of opportunities are available for individuals and groups to be involved in local government decision making.

They also contribute toward the achievement of the city's Community Outcomes. Democracy and governance activities help make Christchurch a city of diverse and inclusive communities and a well-governed city – two of the nine goals for our city that are included in our Community Outcomes. This contribution is made by ensuring everyone's views are heard before decisions are made and by enabling elected members to make the best decisions for the city.

How does it affect me?

The activities of the Christchurch City Council have a direct impact on everyone in Christchurch – from the collection of kerbside rubbish, to the provision of safe drinking water, the upkeep of our parks, and the hosting of festivals and events. You can influence how the Council runs the city by voting for your representatives in local body elections every three years, and by becoming involved in the decision-making process through public consultation.

What activities are included in democracy and governance?

City governance and decision-making

Council staff provide support and advice to the Mayor, Councillors and Community Board members so that they are able to make good decisions on behalf of Christchurch residents. Staff ensure that the decision-making process is clear to residents, and meets all statutory and policy requirements.

Public participation in democratic processes

Christchurch residents are encouraged to participate in the democratic processes of Council through local elections held every three years; and by having their say at consultation and decision–making times. It is important that decisions take into account the views of the community, in particular the views of those directly affected.

What did we achieve?

Three by-elections were held: one for the vacant Councillor seat for the Burwood/Pegasus ward was held in February, and two for vacant Community Board seats – one for the Spreydon/Heathcote ward, and one for the Riccarton/Wigram ward – which were held in May and June respectively.

The Council retained its bimonthly meeting timeframe and added two additional meetings per month with the focus being solely on earthquake recovery. The eight Community Boards continued to meet either monthly or bimonthly.

Submissions on the Draft Central City Plan closed in September. Around 2,900 submissions were received. The Council held hearings for those submissions in October, after which the Central City Plan was finalised and presented to the Minister of Earthquake Recovery in December for consideration and approval.

Around 2,700 submissions were received on the Draft Annual Plan 2012/13. Public information sessions were held to share information on the Draft's contents, particularly the proposals for the Major Community Facilities.

The Community Boards worked with a range of agencies to advocate for and support their communities on a range of local earthquake recovery efforts. The Boards also continued to fund and support local organisations and community development projects.

How did we measure up?

Activity	Level of Service	Target	Actual Results
City Governance and Decision-making	Council and community board decisions comply with statutory requirements.	100%	100%
	Percentage of residents satisfied that the Council makes decisions in the best interests of Christchurch.	48%	37% The Council will be considering and implementing a range of communications initiatives in 2012/13 to ensure residents are informed about the Council's vision, its programme of decisionmaking, and the rationale for why decisions were made.
	Percentage of residents who understand how Council makes decisions.	40%	34% The Council will be considering and implementing a range of communications initiatives in 2012/13 to ensure residents are informed about the Council's vision, its programme of decisionmaking, and the rationale for why decisions were made.
Public Participation in Democratic Processes	All elections and polls comply with relevant legislation.	100%	100%
	Percentage of residents that feel the public has some or a large influence on decisions the Council makes.	61%	39% The Council will be considering and implementing a range of communications initiatives in 2012/13 to ensure residents are informed about the Council's vision, its programme of decisionmaking, and the rationale for why decisions were made.

What assets do we use to deliver these activities?

No major assets were used in delivering these activities.

Where are we heading?

The Council's governance and decision-making will continue to be focused on a range of earthquake recovery efforts.

A number of consultation processes will be undertaken that will provide residents with the opportunity to submit their views on topical issues. These include: the new Christchurch Transport Plan; the review of the 2006 Waste Management Plan; and the proposed Brothels (Location and Commercial Sexual Services Signage) Bylaw 2012.

Another key focus for the Council will be the development of its LTP for the 2013/2022 period.

Service delivery in 2012/13

Although the Democracy and Governance activities will continue to have a large earthquake recovery focus in 2012/13, there will be no change to the Council's ability to deliver them.

What did it cost?

Democracy and governance

Statement of cost of services for the year ending 30 June 2012

		2012			2011
	Costs (after internal recoveries)	Income	Net cost Pla	an net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
City governance and decision-making	8,689	-	8,689	8,922	7,267
Public participation in democratic processes	2,011	(1)	2,012	1,846	2,225
Cost of service	10,700	(1)	10,701	10,768	9,492
Capital expenditure					
Renewals and replacements	-	-	-	-	-
Improved service levels	-	-	-	-	-
Increased demand	-	-	-	-	-
Total capital expenditure	-	-	-	-	-

Explanation of significant cost of service variances

City governance and decision-making

The number of formal elected member meetings have returned to normal levels in 2012. In 2011 there were fewer meetings and costs were well below plan.

Public participation in democratic process

Costs have decreased from 2011 as a result of election costs incurred that year. Costs are higher than plan due to the unexpected requirement to hold three by-elections during the year.

Significant capital expenditure

There was no capital expenditure.

Explanation of significant capital expenditure variances

There were no variances.

4030 - Economic development

What is economic development and what does the Council do?

We support Christchurch businesses and key industries to grow, helping to build a prosperous city. Increasing the number of visitors and tourists helps boost the local economy, while civic and international relations programmes help build useful international partnerships and foster cultural understanding within the local community.

Why is the Council involved in economic development?

A sound economy is essential for the city to achieve its goals. Economic prosperity, shared fairly among all Christchurch residents, enables improved access to health care, education and other services. An economy based on technology and added value places fewer demands on the natural environment.

Local Government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future, and for contributing towards the achievement of the city's Community Outcomes.

Economic development activities contribute to the economic and social well-being of the community by ensuring that a range of employment, business start up and other programmes are available to support individuals and business. There is a significant impact through tourism and promotion of the region. These and other economic development activities carried out by the Council help make Christchurch a prosperous city – one of the nine goals included in our Community Outcomes.

How does it affect me?

A strong economy benefits everyone in Christchurch because it creates employment and business opportunities. A culturally inclusive city that has strong international ties is more likely to attract high-value migrants, investment and innovation.

What activities are included in economic development?

Regional economic development, business support and welfare development Christchurch is the main business location for Canterbury and the South Island. The Council works in three key areas:

- economic development
- industry and business development
- promotion of Christchurch and Canterbury to tourists and visitors

City promotions

We promote Christchurch as an attractive place to work and to do business. Promotional brochures, websites and displays advertise events and attractions.

Civic and international relations

We promote cultural links with city-to-city programmes. These help to attract high-value investment and innovation. Council staff maintain relationships with Antarctic partners, and organise civic and mayoral events such as citizenship ceremonies and ANZAC Day services.

What did we achieve?

Significant support and input has been provided to the development of the Economic Recovery Programme (led by CERA). The Christchurch Economic Development Strategy (CEDS) has been revised in the post-earthquakes context.

Through support to Recovery Canterbury 600 company assessments have been carried out, \$5 million funding has been raised by the Canterbury Business Recovery Trust, \$0.45 million of voucher funding allocated to assist companies to recover from the earthquakes and five earthquake recovery workshops run.

In support of existing and new high growth potential sectors, initial gap analysis and research to assess earthquake impacts in Christchurch has been carried out for Greater Christchurch. Eight firms have been provided with

customised high performance workplace services and 150 company engagements, assessments and/or action plans to boost company capability and growth have been carried out.

Progress has continued on some of the key CEDS projects:

- Project Workforce the Canterbury Employment and Skills Board has been established and a labour demand and supply schedule developed.
- Project Infrastructure has updated the infrastructure audit and created a new action plan post earthquakes.
- Project Capital Cluster a cluster of debt and capital providers has increased the investment readiness of ten local companies.
- Project Innovation significant progress has been made in developing an overarching innovation strategy
 for the region that will channel national funding and incentives via this structure. In the meantime two
 projects have attracted external funding.

The Christchurch tourism industry has been badly affected by the earthquakes through damage to facilities and infrastructure, and news of the Canterbury earthquakes has had a major adverse impact on incoming visitor numbers. There are some indications of improvement from the very low post earthquakes base, with December quarter holiday arrivals being 8.3% better than the year on year equivalent for the September quarter.

Medium term strategic planning for Christchurch and Canterbury Tourism has been carried out as well as developing a Tourism Recovery programme.

Despite the very difficult situation for the tourism sector travel agents and tour marketers have continued to be hosted. Promotion of SI self drive holidays has been successful in driving more than 166,000 visits to the related webpage with many subsequently booking these holidays.

A temporary Visitor Information Centre has been established in the Botanic Gardens. More than 250,000 visitors have made use of this and the Akaroa Visitor Information centre.

How did we measure up?

Regional economic development, business support and welfare development

New Levels of Service have been developed, approved by the boards of Canterbury Development Corporation and
Christchurch and Canterbury Marketing and are being delivered. These will also be incorporated into the next
Annual Plan and LTP.

Activity	Level of Service	Target	Actual Results
City Promotions	Residents are satisfied with the information available about events, activities and attractions in Christchurch.	80% (Annual residents survey).	Target was 80%, level of satisfaction was 85%.
Civic and International Relations	All Sister City Committee annual plans are assessed and within-budget funding approved for activities meeting the requirements of the International Relations Policy for culture, education and business.	100% of plans assessed (by staff).	All sister city committee annual plans were assessed and 'within-budget' funding was approved for activities meeting the requirements of the IR policy.
	Maintain and develop relationships with international partners currently using Christchurch as a base for Antarctic programmes.	All major events delivered annually – Season Opening function, Antarctic Festival. Antarctic UC scholarship.	All major events delivered.
		Council remains an active partner within Antarctic Link Community (ALC).	Council remains an active partner within the ALC community.
Regional Economic Development, Business Support and Workforce Development	Canterbury Development Corporation (CDC) develops Centres of Expertise in Economic Research, Workforce, and Investment.	Analysis of Christchurch economy carried out as per Core Cities model completed by 31 December 2011.	Analysis of Christchurch economy carried out by Council and CDC using Core Cities model.

Activity	Level of Service	Target	Actual Results
		Develop an Economic Observatory of web-based regional economic information including specific information on Christchurch's Post-Earthquake recovery by 31 December 2011.	Database developed of web- based regional economic information including specific information on Christchurch's Post-Earthquake recovery developed – http://www.cdc.org.nz/facts- figures/.
		Economic models are maintained up to date to support economic analysis.	Economic models have been maintained in up to date form.
		Maintain current web based regional economic information.	Current web based regional economic information has been maintained – http://www.cdc.org.nz/facts-figures/.
	Christchurch and Canterbury Tourism (CCT) promotes Christchurch and Canterbury as the best value destination for business events and trade exhibitions.	18% market share of conference delegate days by 2015, unless agreed otherwise by the CCT Board. (2011-17%). Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	Target not achieved, however 11 incentive buyers hosted from Thailand in August 2011, two Australian incentive buyer familiarisation visits occurred in April and May 2012 consisting of a total of fourteen buyers.
		3% increase in conference delegate days PA (ongoing), unless agreed otherwise by the CCT Board. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	Target not achieved, however 11 incentive buyers hosted from Thailand in August 2011, two Australian incentive buyer familiarisation visits occurred in April and May 2012 consisting of a total of fourteen buyers.
	Council to work with Christchurch and Canterbury Tourism to implement strategic plan that supports and delivers on Visitor Strategy.	3 year strategic plan completed annually by 15 June. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	CCT developed a new medium term visitor strategy for Christchurch and Canterbury, taking account of the post earthquake environment.
		Visitors Strategy implementation progress is monitored and reviewed with key stakeholders as part of the strategic planning process. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	Not achieved. In the post earthquake environment CCT has focused on developing the Tourism Recovery Programme.
	CCT provides support to and works collaboratively with tourism business partners and suppliers	Private sector funding contribution for Domestic and Australian consumer campaigns is at least \$1.2m per annum, unless agreed otherwise by CCT Board. Discontinued – All levels of service and targets to be revised in the light of the earthquake.	CCT, CTP and Tourism New Zealand have jointly initiated a South Island campaign valued at over \$1.95 million. Other South Island local body funding contributed \$0.3 million to this campaign.

Activity	Level of Service	Target	Actual Results
	CCT supports tourism operators to improve the environmental and cultural sustainability of their businesses	10% increase PA in businesses adopting environmental programmes (Green Globe, carbon Zero and Qualmark). Dependent on funding (check on 19 Jul 2008), unless agreed otherwise by CCT Board. Discontinued – All levels of service and targets to be revised	Qualmark presentation delivered to the Business Partner forum on 20 March 2012.
		5% PA increase in Qualmark licensed operators with a starting base in 2007 of 285, unless agreed otherwise by CCT Board. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12	Qualmark presentation delivered to the Business Partner forum on 20 March 2012. As at the end of June 2012 there were 239 Qualmark certified operators in the region. CCT will encourage the growth of licensed operators to pre-earthquake levels (351 June 2011).
	CDC develops Centres of Expertise in Economic Research, Workforce, and Investment.	10 high-growth-potential businesses and projects that meet investment objectives of CEDF are identified each year, unless agreed otherwise by CDC Board. Discontinued – All levels of service and targets to be revised.	8 Firms provided with customised high performance workplace service at 31 May 2012. 150 engagements completed at 31 May 2012. \$50,000 of voucher funding for businesses allocated at 31 May 2012.
		Key economic indicators for Christchurch and Canterbury are published quarterly, unless agreed otherwise by CDC Board. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	Web based economic information published. Economic models maintained. Economic Observatory of webbased regional economic information developed.
	CDC initiates and/or implements priority economic development projects identified through Christchurch Economic Development Strategy or Canterbury Regional Economic Development Strategy.	3 projects (new and ongoing) per annum, unless agreed otherwise by Canterbury Development Corporation Board. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	Project infrastructure, Project Workforce. Project Innovation and Capital Cluster all progressed with earthquake lens applied.
	Canterbury Development Corporation delivers a programme supporting existing and emerging high growth industry sectors.	Identify and support 5 high-growth-potential industry sectors and/or cluster groups (ongoing). Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	CDC aimed to: complete sector-based initial gap analysis and research to assess earthquake impacts at a Christchurch and Greater Christchurch level, to provide five local companies with a customised high performance workplace service, complete 150 company engagements, assessments and /or action plans to boost company capability and growth and allocate \$50,000 of voucher funding to businesses. These were all achieved.

Activity	Level of Service	Target	Actual Results
	Council develops a framework for its involvement in economic development.	A strategic framework for Councils involvement in economic planning and development is completed by 30 June 2011. Discontinued – All levels of service and targets to be revised in the light of the earthquake during 2011-12.	Considerable work has been done on developing an economic framework but it has not been completed.

What assets do we use to deliver these activities?

No major assets are used in delivering these activities.

Where are we heading?

It is anticipated that Recover Canterbury will continue to operate for part of the 2012/13 year and will provide recovery advice to at least 360 local companies in this time.

The CEDS will be fully revised and work will be commenced to increase its scope to the Greater Christchurch area. A Human Capital strategy will continue to be developed and implemented and the priorities emerging from updating the infrastructure stock takes will be shared with infrastructure providers. The Canterbury Regional Innovation System will be formed and become a founding member of the National Commercialisation Partnership. Efforts to enhance the high growth potential sectors will continue and case management with firms in these sectors will be provided. Individualised support of medium to larger firms has been identified as a need through contact in the earthquake recovery period and this will be provided.

In the tourism area CCT will continue to maintain a rolling three-year strategy and will monitor the effectiveness of the tourism recovery programme, making adjustments as necessary. Attracting national meetings will remain the focus for conference and incentive promotion until such time as the timing and details of the convention centre rebuild are known.

Efforts will be made to secure additional international air services to Christchurch and promotion carried out in this markets with direct air links.

The Christchurch and Akaroa Visitor Information Centres will continue to provide vital information to visitors to the city. Cruise ships will continue to visit Akaroa until such time as cruise facilities are available in Lyttelton and services will be provided in Akaroa to support these visits.

Service delivery in 2012/13

The Council's work continues to play critical roles in the immediate economic recovery of the city and in promoting longer term economic growth. The Council will continue to deliver economic development services through CDC and CCT, as well as through its own organisational structure.

What did it cost?

Economic development

Statement of cost of services for the year ending 30 June 2012

ie year ending 50	Julie 2012			
	2012			2011
Costs (after				
internal				
recoveries)	Income	Net cost	Plan net cost	Net cost
\$000	\$000	\$000	\$000	\$000
1,068	41	1,027	996	822
7,685	135	7,550	7,689	7,073
702	3	699	767	720
9,455	179	9,276	9,452	8,615
				_
		87	160	217
		-	-	-
Increased demand -			-	-
		87	160	217
	Costs (after internal recoveries) \$000 1,068	Costs (after internal recoveries) Income \$000 \$000 \$1,068 41 7,685 135 702 3	Costs (after internal recoveries) Income Net cost \$000 \$000 \$000 \$000 \$000 \$000 \$000 \$0	2012 Costs (after internal recoveries) Income Net cost Plan net cost \$000 \$00

Explanation of significant cost of service variances

The cost for economic development was \$0.7 million higher than 2011 as the previous year included a \$0.3 million grant for the Great Wine Capitals AGM that was held in Christchurch and inflation adjustments on the grants paid to the CDC and CCT. The \$0.2 million variance on this year's plan is the result of additional rent revenue received after the earthquake in February.

Significant capital expenditure

There was no significant capital expenditure.

Explanation of significant capital expenditure variances

There were no significant variances.

4035 - Parks, open spaces and waterways

What is included in parks, open spaces and waterways, and what does the Council do?

The Council maintains and manages 1,000 separate parks and reserves covering nearly 9,000 hectares within the greater Christchurch City area. The Council is also responsible for a number of gardens and sports areas, managing the city's 2,000 kilometres of storm water drains and waterways, harbour facilities and the rural fire fighting service.

Why does the Council provide parks, open spaces and waterways?

There are community and environmental needs for open space, for protection of natural resources and scenic values, and for beautifying the city. We also manage the land drainage network and provide places for burial and remembrance.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

The parks, open spaces and waterways activities contribute to the environmental and social well-being of the community through the provision of a network of parks and gardens throughout the city, offering a range of active and passive recreational opportunities.

They also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a city of people who value and protect the natural environment, a healthy city, a city for recreation, fun and creativity, and an attractive and well-designed city – four of the nine goals for our city that are included in our Community Outcomes. This contribution is made by providing areas for people to engage in a range of healthy activities, enabling people to contribute to environmental projects and providing a well cared for environment.

How does it benefit me?

Everyone benefits by having access to areas for recreation, leisure and sport. We provide an attractive and liveable city with the parks and open spaces, and protect community health and safety by maintaining waterways, by providing cemeteries, and by managing rural fire fighting.

What activities are included in parks, open spaces and waterways?

Neighbourhood parks

We maintain neighbourhood parks to provide places for community relaxation and enjoyment.

Sports parks

We provide and maintain specialised sports grounds, such as at Hagley Park, to cater for organised sports and other recreational activities.

Garden and heritage parks

The Botanic Gardens and other heritage parks protect our Garden City image, Christchurch's biodiversity, and, also provide for relaxation and enjoyment.

Regional parks

Regional parks are located within the coastal areas, the Port Hills/ Banks Peninsula and the Plains. These protect the region's natural landscape and biodiversity values while allowing for and encouraging appropriate recreational activities.

Cemeteries

We provide and maintain cemeteries and administer burials.

Waterways and land drainage

Natural waterways and storm water drainage systems protect the community from flooding, enhance waterways for aesthetic and ecological purposes, and provide for recreational opportunities.

Harbours and marine structures

Wharves, moorings and boat ramps at Lyttelton Harbour, Akaroa Harbour and around the peninsula are managed for recreational and commercial use.

Rural fire fighting

We prepare for and respond to rural fires as well as train rural fire officers and volunteers, educate the public about fire safety, and manage the issue of fire permits.

What did we achieve?

The 2010 and 2011 earthquake events caused the deferral of the majority of the asset renewal programme. Resources were diverted to provide temporary asset repairs, the planning for the rebuild of damaged asset, and the repair of some of these assets.

A large amount of damage occurred to the city's Parks, Open Spaces and Waterways assets, in particular the waterways and the storm water pipe network. Land subsidence has necessitated the rebuilding of many stopbanks and work on storm water pipe outlets has been undertaken to prevent flooding during high tides. Several waterway and open drain sections sustained both bank damage and repeated inundations of liquefaction, requiring bank remediation works and removal of large amounts of silt. The dredging of the rivers where water depth is insufficient has commenced this year, and Council has put in place a Land Drainage Recovery Programme to help recover the land drainage network in the city.

There has been a major impact from the earthquake events and the subsequent rockfall risks and land changes led to around 50% of the Port Hills tracks being closed. The parks teams have worked hard to have as many tracks as possible repaired and reopened to the public. As well as dealing with this, they have also dealt with snow storms, bush fires, and avian botulism.

Council's pest management plan has been adopted and implemented, expanding the pest plant and animal control to help protect native and endangered species. Environmental awareness programmes continued in spite of the earthquake events, and an increase in volunteers wanting to help restore local biodiversity with park plantings was supported.

Throughout the year over 1,500 tonnes of aquatic weed from the city's three main rivers was removed and 158 kilometres of natural waterways, 133 kilometres of manmade drains, 800 kilometres of under road storm water drainage pipes, 100 water detention basins and 12 kilometres of stop banks were able to be maintained (although in earthquake damaged areas a lower standard only was able to be achieved).

How did we measure up?

Activity	Level of Service	Target	Actual Results
Cemeteries	Interment capacity meets the needs of the city.	Reduce the number of available burial plots to meet the two year capacity target, by 2014.	Contract specification met.
	Interment capacity meets the needs of the city.	Reduce the number of available ash plots to meet the two year capacity target, by 2012.	Contract specification met.
	Frequencies will vary based on seasonal demands, minimum weekly.	Furniture kept clean, safe, and serviceable condition.	Contract specification met.
		Painting and staining as required.	Contract specification met.
		Rubbish bins clean, emptied, serviceable and surrounding loose litter removed.	Contract specification met.
	Maintain hard surfaces/ paths:	Painted markings are clearly visible.	Contract specification met.

Activity	Level of Service	Target	Actual Results
		Reported major damage / faults made safe by repair, mitigation, or isolation within 24 hours of report.	Contract specification met.
		Surfaces maintained in a clean, safe and serviceable condition.	Contract specification met.
	Maintain shrub gardens.	Mulch minimum depth of 75mm.	Contract specification met.
		Plant pests and diseases are monitored, reported and controlled.	Contract specification met.
		Plants maintained for long term display and health.	Contract specification met.
		Irrigation is performed to an agreed programme.	Contract specification met.
		Weeds controlled within specification: no flower or seed heads and height <50 mm.	Contract specification met.
	Maintain toilets, changing rooms and buildings.	Reported major damage / faults made safe by repair, mitigation, or isolation within 24 hours of report.	Contract specification met.
		Toilets / Changing rooms are serviced either 1 to 3 times weekly or 1-2 times daily, depending on seasonal demand.	Contract specification met.
	Maintain turf areas:	Mown areas are kept within the height parameters 25mm - 60mm.	Contract specification met.
		Turf shall be kept in a healthy, dense, uniform condition.	Contract specification met.
	Response time to burial plot applications	All Applications for Interment will be confirmed within one working day of receiving the application.	Contract specification met.
Garden and Heritage Parks	Christchurch Botanic Gardens and heritage parks (including fountain, clocks, statues and outdoor art) are well maintained.	Bridges 1	Bridge of Remembrance damaged by February 2011 earthquake and regular maintenance has been put on hold.
		Buildings 3	Godley House and the Sign of the Kiwi received damage from the February 2011 earthquake and were closed.
		Clocks 8	Victoria, Edmonds, Sumner, Floral and Upton clocks have sustained damage from February 2011 earthquake.

Activity	Level of Service	Target	Actual Results
		Fountains 21 (Bowker fountain restoration in 2012)	Bowker and Edmonds Factory Garden have sustained damage in February 2011 earthquake and currently are not being regularly maintained. Scott and Rose Chapel fountains have not been fully assessed due to no power.
		Heritage garden parks 49	49 Heritage Parks.
		Statues 5	Rolleston, Godley and Scott statues require repair following the February 2011 earthquake and two statues are not receiving regular maintenance.
		War memorials 22	Bridge of Remembrance, Waltham, Lyttelton and Burwood war memorials sustained February 2011 earthquake damage.
	Maintain the Christchurch Botanic Garden.	Continue to provide Christchurch Botanic Gardens.	Botanic Gardens maintained, and available for visitors.
	Number of visits to the Botanic Gardens.	>=500,000 visits (target lowered because of EQ impact).	1.2 million visits.
	Proportion of visitors satisfied with the appearance of garden and heritage parks.	>=77% satisfied or very satisfied with garden and heritage parks (excluding the Botanic Gardens) (target lowered because of EQ damage).	79% overall satisfaction.
	Proportion of visitors satisfied with the appearance of the Botanic Gardens.	>=80% satisfied or very satisfied with the Botanic Gardens (target lowered because of EQ damage).	94% resident survey.
	Provision of Botanic Garden Services.	Between two and four events / promotions each year.	Seasonal changing exhibit in Information Centre, Site interpretation at Curator's garden, NZ Icon Garden, Heather garden, Water Garden, Drought tolerant gardening.
		Cafe open 7 days, 9am-5pm.	Cafe closed due to earthquake assessments of building.
		Community exhibition and education information - 4 per year.	Festival of Flowers, Kidsfest Gnome Grotto, Ellerslie Flower show exhibits and Waterwise exhibit at A+P Show. Host and support for Buskers Festival and Summertimes Events.
		Environmental education programmes 20 p.a	55 programs.
		Herbarium environment standards achieved.	Standards maintained throughout year no alteration.

Activity	Level of Service	Target	Actual Results
		Permanent displays, educational area, changing exhibitions: six per year.	Information centre, drought tolerant plants, waterwise, Curators garden signage and information panels.
		Restricted access (for reference only) to Herbarium library, archives for wider community - 2 hours per day, by appointment.	Restricted access (for reference only) to herbarium, library, and archives for wider community - 2 hours per day.
		Science and research, partnerships with Crown Research Institutes, other research institutes, higher learning institutions and Government departments: 160 hours per year.	Bio-Protection Research Centre isolating and identifying fungi from various substrates, Botanic insect pollinators in action, Botanic bird pollinators in action, Is aquatic life better off in a botanic garden? Rose trials, Grass trial.
		Visitor Centre opening hours 9.00am - 4.00pm weekdays, plus 10.15am - 4.00pm weekends.	Visitor centre open at these times.
Harbours and Marine Structures	Marine structures are maintained for public	1 pile mooring group	Completed
	recreation and commercial use.	12 slipways	The Cass Bay Dingy Slipway has been closed.
		2 swing moorings	Completed
		20 wharves/jetties	Seven Wharves/Jetties have been closed.
		New Brighton Pier	Completed
		Various associated grounds, buildings and shelters	Completed
Neighbourhood Parks	Maintain furniture/ signs: Frequencies will vary based on seasonal demands, minimum	Furniture kept clean, safe, and serviceable condition.	Contract specification met.
	weekly:	Painting and staining as required.	Contract specification met.
		Rubbish bins clean, emptied, serviceable and surrounding loose litter removed.	Contract specification met.
	Maintain hard surfaces/ paths:	Painted markings are clearly visible.	Contract specification met.
		Reported major damage / faults made safe by repair, mitigation, or isolation within 24 hours of report.	Contract specification met.
		Surfaces maintained in a clean, safe and serviceable condition.	Contract specification met.
	Maintain playground equipment:	Accidents are investigated and reported within 2 Working Days.	Contract specification met.
		Bark under surfacing 200mm depth.	Contract specification met.
		Damaged, worn or missing equipment repaired / replaced.	Contract specification met.

Activity	Level of Service	Target	Actual Results
		Fortnightly Safety Inspections are conducted.	Contract specification met.
		Playground equipment kept safe, clean and serviceable.	Contract specification met.
		Reported unsafe equipment is made safe by repair, mitigation, or isolation within 2 hours of report.	Contract specification met.
	Maintain shrub gardens:	Plant pests and diseases are monitored, reported and controlled.	Contract specification met.
		Plants maintained for long term display and health.	Contract specification met.
		Re-evaluate by 1/1/2012 when more information available (Mulch minimum depth of 75mm).	A suitable compliance measure was not introduced due to the impact of the earthquake.
		Re-evaluate by 1/1/2012 when more information available (Weeds controlled within specification: no flower heads or seed heads and height <=50mm).	A suitable compliance measure was not introduced due to the impact of the earthquake.
		Irrigation is performed to an agreed programme.	Contract specification met.
	Maintain toilets, (changing rooms and buildings):	Reported major damage / faults made safe by repair, mitigation, or isolation within 24 hours of report.	Contract specification met.
		Toilets / (Changing rooms) are serviced either 1 to 3 times weekly or 1-2 times daily, depending on seasonal demand.	Contract specification met.
	Maintain turf areas	Mown areas are kept within the height parameters 25mm to 60mm.	Contract specification met.
		Turf shall be kept in a healthy, dense, uniform condition.	Contract specification met.
	Overall customer satisfaction with neighbourhood parks	>=70% customers satisfied each year with the appearance and condition of neighbourhood parks (target lowered because of EQ impact).	70% overall satisfaction.
Regional Parks	Biodiversity values are protected	Ecological restoration projects at regional parks: 20 to 30 per year.	37 projects for year.
		Nil notices of direction served, following inspection by Environment Canterbury.	Nil notices served.
		Site monitored (bird counts, pest numbers etc): 20-30 per year.	35 sites monitored.

Activity	Level of Service	Target	Actual Results
	Number of students attending environmental education programmes each year.	7,000 - 8,000 each year (on Parks and other Council sites like Waste facilities) (target lowered because of EQ impact).	6,809 students.
	Participant satisfaction with Environmental Education programmes.	>=90% each year.	100% of the target meet with 98% of teachers either satisfied or very satisfied with the environmental education programmes.
	Proportion of customers satisfied with their experience of regional parks.	>=80% (target lowered because of EQ impact).	92%
	Satisfactory management of Regional Parks.	Ranger service provided 24 hours, seven days per week to meet community needs for advocacy and information, conservation and amenity, recreation and asset management, emergency management.	24 hours a day, 7 days a week service provided.
Rural Fire Fighting	Adequate response to NZ Fire Service requests for firefighters and equipment.	Response turnout initiated within 30 minutes from NZ Fire Service call for assistance.	No significant responses in delay identified.
	An approved and operative Rural Fire Plan is in place.	At all times.	The Council Rural Fire Authority Plan 2010/15 was approved by Council at its meeting held 25 March 2010.
	Community informed of fire season status.	Public notice in the daily newspaper prior to each fire season change.	Target met in April - Restrictions lifted 27 April 2012 - notification in papers from 25 April 2012.
		Signage changed within 7 days of any notified fire season change.	Target met - signs all withdrawn 1 May following change of season on 27 April
	Fire permits are issued in a timely manner.	80% within 3 working days.	99% of target met.
	unioly mainten	95% within 5 working days.	99% of target met.
Sports Parks	Maintain furniture/ signs: Frequencies will vary based on seasonal demands, minimum	Furniture kept clean, safe, and serviceable condition.	Contract specification met.
	weekly	Painting and staining as required.	Contract specification met.
		Rubbish bins clean, emptied, serviceable and surrounding loose litter removed.	Contract specification met.
	Maintain hard surfaces/ paths	Painted markings are clearly visible.	Contract specification met.
		Reported major damage / faults made safe by repair, mitigation, or isolation within 24 hours of report.	Contract specification met.
		Surfaces maintained in a clean, safe and serviceable condition.	Contract specification met.

Activity	Level of Service	Target	Actual Results
	Maintain playground equipment.	Accidents are investigated and reported within 2 Working Days.	Contract specification met.
		Bark under surfacing 200mm depth.	Contract specification met.
		Damaged, worn or missing equipment repaired / replaced.	Contract specification met.
		Fortnightly Safety Inspections are conducted.	Contract specification met.
		Playground equipment kept safe, clean and serviceable.	Contract specification met.
		Reported unsafe equipment is made safe by repair, mitigation, or isolation within 2 hours of report.	Contract specification met.
	Maintain shrub gardens	Plant pests and diseases are monitored, reported and controlled.	Contract specification met.
		Plants maintained for long term display and health.	Contract specification met.
		Re-evaluate by 1/1/2012 when more information available (Mulch minimum depth of 75mm).	A suitable compliance measure was not introduced due to the impact of the earthquake.
		Irrigation is performed to an agreed programme.	Contract specification met.
		Weeds controlled within specification: no flower or seed heads and height <50 mm.	Contract specification met.
	Maintain toilets, changing rooms and buildings	Reported major damage / faults made safe by repair, mitigation, or isolation within 24 hours of report.	Contract specification met.
		Toilets / Changing rooms are serviced either 1 to 3 times weekly or 1-2 times daily, depending on seasonal demand.	Contract specification met.
	Maintain turf areas	Line marking are clearly visible.	Contract specification met.
		Mown areas are kept within the following parameters: Cricket wickets 5mm to 20mm; Rugby, League, Soccer, Hockey 20mm to 50mm.	Contract specification met.
		Turf shall be kept in a healthy, dense, uniform condition.	Contract specification met.
Waterways and Land Drainage	Customer satisfaction with the maintenance of waterways and their margins.	Re-evaluate by 1/1/2012 when more information available (At least 66% customers satisfied with the maintenance of waterways and their margins).	61% either satisfied or very satisfied overall.

Activity	Level of Service	Target	Actual Results
	Houses are safe from flooding during normal rain events.	Re-evaluate by 1/1/2012 when more information available (Less than 10 properties flooded per year).	Nil houses recorded as flooded in last year but there are a number of properties affected by the earthquakes that were suspected to have been flooded.

Suspended levels of service

These levels of service were suspended as a Resident's Survey was not undertaken during the year.

Activity	Level of Service	Target
Cemeteries	Customer satisfaction with Council cemetery services.	Re-evaluate by 1/1/2012 when more information will be available.
	Customer satisfaction with maintenance and appearance of Council cemeteries.	Re-evaluate by 1/1/2012 when more information will be available.
Neighbourhood Parks	Customer satisfaction with the range of recreation facilities available, including; playgrounds.	Re-evaluate by 1/1/2012 when more information available.
Sports Parks	Customer satisfaction with the range of recreation facilities available, including; playgrounds, skateboard ramps, tennis and petanque courts, BMX tracks and fitness equipment.	Re-evaluate by 1/1/2012 when more information available.
	Overall customer satisfaction with sports parks.	Re-evaluate by 1/1/2012 when more information available.

What assets do we use to deliver these activities?

The Council holds almost \$1 billion of parks, open spaces and waterways assets. Over half of this value is held in land, one quarter in storm water piping systems and waterways, and the balance is in assets such as park buildings, structures (e.g. bridges, boardwalks, fences and retaining walls), plantings, play facilities, park furniture, hard surfaces and tracks and paths.

An assessment of the value of earthquake damage to land has not been completed. Despite any land damage most Council parks and reserves are now open, and some areas within parks and reserves are cordoned off where the area or Council facilities are unsafe (for example where there is a danger of rockfall).

The Council is aware that land beside waterways has suffered a degree of lateral spread, or slumping. Damage to Council's waterways and land drainage infrastructure is estimated to be \$130 million, with the majority of damage to riverbanks, pipes, and stop-banks, and the banks are now subject to the development of a bank stability policy.

Silt removal from the rivers and streams (dredging) will continue for some time, as will the silt removal from the land drainage pipes, however the latter is subject to modelling to determine where it is most needed.

Where are we heading?

The Council, CERA, NZTA, and the Alliance contractor companies (SCIRT) are responsible for rebuilding those park and land drainage assets that are beyond repair, and this will be co-ordinated with the repair and rebuild of the water supply, waste water and road network assets over the coming years.

Many low-lying areas near existing streams and rivers are being affected by impeded drainage and higher everyday base flow water levels as a result of lower ground levels. Repairs to the drainage system, as part of the programme of work by SCIRT, will address these. In the meantime Council will continue to maintain the existing Parks, Open Spaces and Waterways assets to meet immediate operational needs.

The Bridge of Remembrance Triumphal Arch will be strengthened by SCIRT, as will the Hamish Hay bridge. Repairs are underway for prioritised park buildings and facilities such as the Curators House in the Botanic Gardens, and toilet blocks in parks.

Tenders will be sought soon for the Botanic Gardens Information Centre which will provide a new focus of learning and visitor experience as well as providing enhanced facilities for our indoor plant collection. Construction is expected to be completed by the end of 2013.

We will continue to provide a safe, accessible and attractive sports, garden, heritage, neighbourhood and regional parks and reserves network, to maintain Christchurch's identity as the Garden City and to enable our residents and visitors to continue to experience the natural environments and open spaces. We will continue to provide cemeteries to meet the current and future needs of the city.

Within the constraints of the City's recovery from the earthquakes, we will continue to protect and enhance the city's waterways, their ecosystems and the biodiversity they sustain, as well as provide a safe, reliable, cost-effective and ecologically sustainable storm water system. The roll-out of the storm water catchment and drainage associated with the South West Area Plan will continue.

We will continue to investigate and assess the city's marine assets to prioritise the repair or replacement of safe, accessible and appropriately located wharves and other marine structures, including the New Brighton Pier and the wharves at Akaroa and Diamond Harbour.

Service delivery in 2012/13

In general, service delivery in 2012/13 will not be significantly affected by the Canterbury earthquakes. It is possible that some flooding problems may occur in relation to the land drainage network and the number of slipways and wharves will be below historic targets. Some parks and waterways visitor satisfaction targets have been reduced to reflect the damaged condition of these public spaces as a result of the earthquakes.

What did it cost?

Parks, open spaces and waterways

Statement of cost of services for the year ending 30 June 2012

	2012				2011
	Costs (after				
	internal				
	recoveries)	Income		Plan net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
Neighbourhood parks	12,273	751	11,522	10,363	4,590
Sports parks	9,163	249	8,914	8,734	7,962
Garden and Heritage parks	6,071	211	5,860	6,479	5,654
Regional parks	8,561	1,073	7,488	7,505	6,535
Cemeteries	1,730	836	894	788	643
Waterways and land drainage	27,336	2,319	25,017	15,651	14,630
Harbours and marine structures	709	781	(72)	454	266
Rural fire fighting	965	217	748	821	535
Capital revenues	-	25,977	(25,977)	(13,273)	(6,721)
Cost of service	66,808	32,414	34,394	37,522	34,094
Capital expenditure					
Renewals and replacements			7,554	4,620	4,980
Infrastructure rebuild			17,074	23,300	-
Improved service levels			878	3,140	521
Increased demand			4,523	11,825	9,633
Total capital expenditure			30,029	42,885	15,134

Explanation of significant cost of service variances

Neighbourhood Parks

Costs for the year were \$1.2 million over plan. Earthquake cost recoveries were budgeted at \$1.5 million, but in the event only \$0.3 million was recoverable.

The \$6.9 million increase in net cost over last year was primarily due to a \$5.9 million gain in 2011 from the sale of land to the Southern Motorway. Increased net earthquake costs accounted for \$0.6 million and reduced commercial rental was \$0.4 million less.

Sports Parks

The \$1.0 million increase over last year was due to higher level of asset planning work in the current year.

Garden & Heritage Parks

The \$0.6 million net cost under plan was due to the deferral of normal maintenance costs in favour of earthquake repairs.

Waterways and Land Drainage

Net costs were \$9.4 million over plan due to earthquake response costs being \$7.5 million over budget, and the recovery of those costs from Government agencies being \$1.2 million lower than budgeted. The Annual Plan reflected the information available at the time the budgets were set – soon after the February 2011 event and before the June 2011 event, and did not include the effect of the December event. Depreciation was \$0.9 million higher than plan because specific assets were not able to be identified for impairment. Debt servicing was \$0.2 million lower than plan.

The \$10.4 million increase in net cost over last year is largely due to the \$7.7 million increase in net earthquake costs – the earthquake costs were \$0.1 million greater last year but because much of the expenditure was emergency response and early stage recovery, the cost recoveries were \$7.8 million greater also. The remaining \$2.7 million increase reflects the relatively low level of maintenance and asset planning costs incurred during last year.

Harbours and Marine Structures

The \$0.5 million reduced net cost over last year is from a wind fall gain to the Akaroa Harbour following the earthquake damage to the Lyttleton Port Company's cruise ship berth. This has meant many of the cruises being diverted to Akaroa with fees earned being \$0.5 million greater than a normal year. This was not evident at the time of budgeting.

Capital Revenues

The \$12.7 million above budget result is due to the earthquake capital expenditure recoveries being conservatively budgeted for. In the event the earthquake land drainage recoveries were \$14.7 million more, and earthquake parks recoveries \$0.5 million less than budget. Cash development contributions were down \$1.5 million reflecting the reduced level of property development during the year.

The \$19.3 million increase over last year reflects that there was only minimal earthquake capital expenditure last year however, the current year saw \$22.6 million of earthquake land drainage recoveries and \$0.4 million of earthquake parks recoveries. Cash development contributions were down \$3.7 million reflecting the level of property development during last year before, or in spite of the earthquake events.

Significant capital expenditure

\$1.0 million was spent on Neighbourhood Reserve purchases; \$0.5 million on Botanic Gardens Entry Pavilion; \$1.0 million on the implementation of the Lower Milns Stream retention and water treatment basin; \$3.3 million on the Awatea South Basin project to improve storm water quality and reduce volumes entering the Upper Heathcote River; \$2.0 million on the Carrs Road Storm water Facility; \$11.0 million on Avon River Stopbanks; \$1.7 million on Avon River Storm water Outfalls; \$1.2 million on Storm water CCTV Costs; \$0.9 million on Park Trees; \$0.5 million on Victoria Lake reinstatement; \$0.3 million on Parks playground softfall reinstatement and \$1.4 million on various Infrastructure Rebuild projects.

Explanation of significant capital expenditure variances

The \$12.9 million variance to plan is a result of the earthquakes continuing to delay a large number of projects and programmes resulting in some significant underspends. These include the following projects: Waterways Detention and Treatment Facilities \$7.5 million; Neighbourhood Parks - Land Purchase \$2.0 million; Natural Waterways - Land Purchase \$1.0 million; Botanic Gardens Entry Pavilion \$1.5 million and Infrastructure Rebuild projects \$6.2 million. These are scheduled to go ahead in the 2013 financial year. The following projects were overspent however the funds had been carried forward from the previous year: \$1.0 million on Neighbourhood Reserve Purchases; \$1.0 million on the implementation of the Lower Milns Stream retention and water treatment basin and \$3.3 million on Awatea South Basin project to improve storm water quality and reduce volumes entering the Upper Heathcote River.

The \$14.9 million variance to last year is largely due to the increased spending on infrastructure rebuild projects across the city of \$16.6 million offset by reductions in other projects (purchases and renewals programmes) while the infrastructure rebuild work is undertaken.

4040 - Recreation and leisure

What are recreation and leisure services and what does the Council do?

These services include running city sports facilities and programmes, promoting Christchurch as a destination for top sports events, and hosting festivals and events in the city.

Why is the Council involved in recreation and leisure?

The goal is to make Christchurch a better place to live by promoting healthy, active lifestyles.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Recreation and leisure activities contribute to the social well-being of the community by offering a wide range of facilities (pools, leisure centres, stadia and sporting facilities) as well as a range of services, programmes and events, many of which are based around those facilities.

They also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a city of diverse and inclusive communities, a prosperous city, a healthy city, and a city for recreation, fun and creativity – four of the nine goals for our city that are included in our Community Outcomes. This contribution is made by providing the opportunity for and encouraging everyone to participate in leisure, sport and physical activities. It also delivers economic benefits to the City through festivals and events and by encouraging residents to live a healthy and active lifestyle.

How does it affect me?

You use the Council's recreation and leisure services if you use facilities like Pioneer or Jellie Park recreation and sport centres. You also use them if you attend any Council events such as Christmas in the Park or Classical Sparks, or a Council-supported sporting event in the city, such as the New Zealand Men's Golf Open.

What activities are included in recreation and leisure?

Recreation and sports services

Recreation and sport centres, swimming pools and stadia enable residents to take part in recreation and sport. As well as running these facilities, we support other groups offering recreation and sport programmes, and secure regional, national and international sporting events for Christchurch.

Events and festivals

Events and festivals help make Christchurch a fun, interesting city to live in, and they attract visitors both from within New Zealand and internationally. We produce a year-round programme of free and affordable events, and support a range of festivals that enhance the lifestyle qualities of Christchurch.

What did we achieve?

Construction of the Graham Condon Recreation and Sport Centre, a new learn to swim pool at Pioneer and the ASB Football Park is complete and the facilities are close to capacity. Rugby League Park now houses AMI Stadium and Cowles Stadium reopened in September 2012.

QEII Park, Centennial Recreation and Sport Centre, Lyttelton Pool, Waltham Pool and Porritt Park remain closed. Alternative venues have been found for many of the customers who frequented these facilities.

Participation in the pools, gyms and group fitness classes was very strong. Swim education participation has never been better thanks to top quality swim schools, a national awareness campaign, temporary pools and a highly successful Kiwi swim programme subsidising 80,000 swim lessons in 2011/12. The number of participants attending the Council's recreation and sport centres exceeded 2,850,000 in 2011/12.

The New Zealand Men's and Women's Golf Open championships were a sporting highlight in late 2011 and early 2012. Christchurch has secured the rights to host the New Zealand Cycling Road championships for a further

three years until 2015. Christchurch is bidding to co-host the FIFA Men's Under 20 Football World Cup. On 16 June 2012 the All Blacks played in Christchurch for the first time since 2010.

The Council, with Government support, set up the Christchurch Events Village in Hagley Park to provide a central and safe venue for event activity. Events such as Garden City Summertimes, World Buskers Festival and the Christchurch Arts Festival utilised this venue and attracted strong interest and participation. Council delivered a Rugby Wold Cup 2011 Fanzone, providing our residents with connection to the tournament, and together with New Zealand Cup and Show Week and the Ellerslie International Flower Show, demonstrated to the rest of New Zealand that we are still capable of hosting major events for our residents and visitors.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Events and Festivals	Manage and develop iconic events.	Two events in place. (NZ Cup and Show Week, Ellerslie International Flower Show).	Delivered
	Produce top quality events – such as Summertimes, Kidsfest, Guy Fawkes Fireworks.	90% attendee satisfaction across five Council-funded events.	88% point of contact survey.
	Provide and support year- round programme of events delivered.	90% resident satisfaction with events (Annual Residents Survey).	90% (Annual residents survey).
Recreation and sports services	Community-based recreation and sport programmes/events are delivered.	745 – 825 programmes and events per annum.	1,976
		95 – 100% of programmes and events targeted on populations with accessibility challenges.	100%
	Deliver economic benefit to the city by supporting a range of regional, national and international sporting events consistent with Council Policy, in liaison with Council Events Team.	Spend Council allocation provided in support of a range of regional, national and international sporting events, in line with the Physical Recreation and Sports Strategy and the Events Strategy.	Supported or delivered 5 regional events, 21 national events and 13 international sports events. Total economic impact of \$8.2 million.
	Facility-based recreation and sporting activities and programmes are provided.	3.8 to 4.2 visits to aquatic facilities/head of population.	4.3 visits
	p og ommed ma p om o	Participants using recreation and sport centres, outdoor pools and stadiums: 2011-2012 2.35 – 2.60 million.	2.8 million
	Provide advice and resources to community based organisations and networks to support their ability to develop, promote and deliver recreation and sport in Christchurch.	9,200 staff hours advice provided to 550-700 organisations.	576 Organisations, staff hours all delivered.
	Provide facilities that have current PoolSafe accreditation.	PoolSafe accreditation maintained for all eligible pools.	Poolsafe accreditation given on 30 April 2012 and expires on 20 April 2013.

Activity	Level of Service	Target	Actual Results	
	Residents have access to fit- for-purpose recreation and sporting facilities.	(subject to relocation confirmation) 1 multi sensory centre, open between 35-40 hrs per week, 5 days per week, 48 weeks per year [opening hours subject to maintenance and public holiday schedules].	Centre relocated and operational.	
		Community outdoor pools open seasonally: Governors Bay, Port Levy [subject to maintenance schedules].	Pools opened.	
		2 paddling pools open seasonally: open Nov to March [subject to maintenance schedules].	Pools opened.	
		4 public outdoor pools open seasonally: Jellie Park, Lyttelton, Halswell, open Nov- March, Templeton; open Jan to Feb [subject to maintenance schedules].	Jellie, Templeton, Halswell open, Lyttelton closed.	
		4 stadiums available for hire 364 days per year [subject to maintenance schedules].	Pioneer and Graham Condon open; Cowles and Lyttelton closed.	
		Jellie Park, Pioneer and Graham Condon (due to open Sept/Oct 2011): Monday to Friday – 5.30am – 9.30pm; Saturday and Sunday – 7.00am – 8.00pm (open 364 days/year) [opening hours subject to maintenance and public holiday schedules].	Open for business.	
		Maintain and lease 14 sporting and recreation facilities (subject to maintenance schedules).	Earthquakes have changed the nature of some services provided especially Porritt Park and Rugby League Park.	

What assets do we use to deliver these activities?

The main assets used to deliver recreation and sports activities are the recreation and sports centres – Pioneer, Jellie Park, Graham Condon and Wharenui. QEII is awaiting demolition whilst Centennial is seriously damaged and awaiting a decision on its future.

Throughout 2011/12 Council provided two community pools, four public outdoor pools, two stadia, three paddling pools and 16 leased sporting facilities. Porritt Park, Lyttelton Pool, Lyttelton Stadium, Waltham Pool and three paddling pools remain closed. Rugby League Park now houses AMI Stadium and Cowles Stadium re-opened in September 2012.

Where are we heading?

A Sport Recreation Earthquake Leadership Group was formed and one of its key purposes is to advise CERA and the Council on planning for new recreation and sport facilities and services. This was achieved in March 2012 with the publication of a Sport & Recreation Places and Spaces Plan.

We will provide recreation and sport services to the community from the current and the new facilities. There will be a focus on assisting Council and community organisations to forward-plan and succeed in the changed environment.

Christchurch will host a range of local and national sporting events including the NZ Women's Golf Open, NZ Men's Golf Open, the NZ Road Cycling Nationals, the World Masters Rugby league Championships along with Le Race and Airport Marathon.

Above all we will continue working with our communities to ensure everyone has the opportunity to participate at whatever level they choose.

Service delivery in 2012/13

Delivery of events and festivals in 2012/13 is back on track with a full calendar including the inaugural New Zealand Icefest festival which starts mid September 2012. Recreation and sports services will continue to be impacted because of the closure of damaged facilities.

What did it cost?

Recreation and leisure

Statement of cost of services for the year ending 30 June 2012

	, 5	2012			2011
	Costs (after internal recoveries) \$000	Income \$000	Net cost \$000	Plan net cost \$000	Net cost \$000
Operational service result		·			·
Recreation and sports services	32,539	10,662	21,877	12,055	15,951
Events and festivals	11,185	4,678	6,507	6,505	6,373
Capital revenues	-	29,915	(29,915)	(381)	(38,215)
Cost of service	43,724	45,255	(1,531)	18,179	(15,891)
Capital expenditure					_
Renewals and replacements			5,218	1,890	1,023
Improved service levels			1,183	2,158	8,324
Increased demand			-	262	1,056
Total capital expenditure			6,401	4,310	10,403

Explanation of significant cost of service variances

Recreation and sports services

Recreation and sports services net cost differed from plan by an unfavourable amount of \$9.8 million. The write-off of the QEII assets accounted for \$10.8 million of this variance, offsetting this was a \$1 million favourable variance as a result of increased revenues of \$0.3 million for pool programmes and increased revenue for general admittance, concessions and memberships of \$0.6 million. There were also maintenance savings of \$0.2 million

Recreation and sports services net cost differed from 2011 by an unfavourable variance of \$5.9 million. After deducting the write-off of the QEII assets of \$10.8 million the remaining variance relates to the reduced cost of service to Recreation and sports services after the closure of QEII and Centennial sports facilities following the February 2011 earthquake.

Events and festivals

There were no significant variances in this activity.

Capital revenues

The \$29.5 million variance to plan is a result of \$28.9 million of insurance recoveries received, development contributions \$0.2 million higher than plan and a \$0.4 million contribution for the Graham Condon facility that was not planned.

The \$8.3 million variance on last year is as a result of lower insurance recoveries received.

Significant capital expenditure

\$2.7 million was spent on Graham Condon Leisure Centre; \$1.3 million on the Pioneer Learn to Swim Pool; \$1.0 million contributed towards Rugby League Park Temporary Stadium and \$0.7 million on English Park Artificial Surface.

Explanation of significant capital expenditure variances

The \$2.1 million variance to plan is due to a timing difference in the completion of the following projects, all of which were funded by carry forwards from the previous year: Graham Condon Leisure Centre \$1.2 million; Pioneer Learn to Swim Pool \$1.3 million and English Park Artificial Surface \$0.7 million. In addition,\$1.0 million was spent on Rugby League Park which had not been planned for. These overspends were offset by savings on the following projects; \$0.7 million Cowles Stadium upgrade; \$0.5 million Multi Sport Stadium upgrade and \$0.9 million of deferred equipment and buildings renewals as a result of facilities being closed after the earthquakes.

The \$4.0 million variance to last year is the result of spending on the following projects: Graham Condon Leisure Centre \$3.5 million; IPC Athletics World Championships 2011 \$1.1 million and building and equipment renewals \$0.4 million. These variances were offset by the \$1.0 million for Rugby League Park.

4045 - Refuse minimisation and disposal

What is refuse minimisation and disposal and what does the Council do?

We collect and dispose of the city's rubbish and work with the community to reduce the waste we send to landfill. Encouraging residents and businesses to recycle and reduce the amount of waste they create is increasingly important.

We monitor disused landfills around the city and are responsible for the capping and aftercare of the old Burwood landfill

Why is the Council involved in refuse minimisation and disposal?

We provide solid waste collection, treatment and disposal services in order to protect the health of the community. Our involvement in waste reduction, reuse and recycling reflects the importance placed on the sustainable use of resources.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Refuse minimisation and disposal activities contribute to the environmental and economic well-beings of the community by ensuring the reliable removal of refuse, the recycling of any resources in that refuse, and the disposal of any residue in a cost effective and environmentally acceptable manner.

They also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a city of people who value and protect the natural environment and a healthy city – two of the nine goals for our city that are included in our Community Outcomes. This contribution is made by enabling and encouraging waste minimisation and recycling, and by providing a safe collection and disposal of refuse.

How does it affect me?

Properly disposing of rubbish and reducing the amount we send to landfill helps to create a healthy, safe environment for us to live in.

What activities are included in refuse minimisation and disposal?

Recyclable materials collection and processing

We aim to reduce the amount of rubbish we send to landfill by collecting recycling from homes and public places, educating the public about the benefits of reusing and recycling materials, and by sorting and processing recyclable materials so they can be reused.

Organic material collection and composting

We collect kitchen and garden waste from homes and turn it into compost for resale. We also encourage people to set up their own compost bins at home to reduce the amount of waste we send to landfill.

Residual waste collection and disposal

Not everything can be recycled and we collect and transport this remaining waste to landfill. We also look after old landfills to make sure they do not harm the environment. At the old Burwood land fill site, methane gas is captured, piped underground and used to power city buildings and parts of the Christchurch Wastewater Treatment Plant.

Commercial and industrial waste minimisation

Businesses are encouraged to limit the amount of waste they produce. We help them by offering programmes and services – such as the Target Sustainability project – that reduce waste and make businesses more energy and water efficient.

What did we achieve?

The Burwood landfill gas treatment plant and associated pipelines suffered little damage due to the 2010/2011 Canterbury Earthquakes. Council was able to meet its sale of carbon credit obligations under our contract and gas was supplied to the Christchurch Wastewater Plant, Art Gallery and Civic Building as facilities were available to use the gas. All repairs to the landfill well field and gas treatment plant at Burwood have been completed.

The kerbside collection system continues to perform well. Diversion figures are in line with expectations. Collections were maintained throughout the earthquake events despite surges of material after each earthquake. The wheelie bin collection system proved a very robust system during a series of extreme civil defence events. Greenwaste from green bins was disposed of to landfill for the period of 23 February until 23 May 2011 due to damage to the compost plant tunnel complex. 50% of the facility has been bought back into service through emergency works and the facility was fully functioning by 30 June 2012. Replacement tunnels have been designed and are under construction with the first due for completion in September 2012 and the reconstruction of the compost plant finished by September 2013.

Considerable effort has gone into the establishment of the Burwood Resource Recovery Park (BRRP) to handle construction and demolition waste. Consents for its operation and the handling of infrastructure waste were lodged at year end.

A waste stream analysis was completed in the year in preparation of a new draft Waste Management Plan which will go out for public consultation and the final adoption by Council in 2013.

The Target Sustainability programme has continued to be very successful with the business community. A strong focus since the start of the earthquake sequence has been on helping businesses manage their waste streams and assisting business to save costs associated with energy use and waste disposal.

We committed \$0.1 million to the Canterbury Waste Joint Committee towards regional waste minimisation projects. These projects included the continuation of the compost trial in South Canterbury and at Lincoln, aimed at verifying the benefits of using compost in agriculture.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Commercial and Industrial Waste Minimisation	Businesses actively taking part in Target Sustainability.	Average of 50 businesses actively taking part in Target Sustainability each year.	62 businesses took part in Target Sustainability.
	Proportion of businesses actively taking part in Target Sustainability satisfied with the advice and support received.	>=75% customer satisfaction each year (target lowered because of EQ impact).	89% satisfaction rating.
Organic Material Collection and Composting	Amount of organic material composted at the Council composting plant.	200 kg +/10% organic material / person / year.	183 kg per person food scraps and garden waste diverted for composting at Council facilities.
	Customer satisfaction with kerbside collection service for organic material.	>=70% customers satisfied with Councils kerbside collection service for organic material each year (target lowered because of EQ impact).	82%
	Kerbside wheelie bins for organic material emptied by Council services.	>=99.5% kerbside wheelie bins for organic material, that are free of contamination, emptied when correctly placed at the kerbside, each year.	99.8%
	Proportion of incoming organic material that is contaminated and sent to landfill.	<2.5% (by weight) contamination of incoming.	1.6% contamination in kerbside organics collection.

Activity	Level of Service	Target	Actual Results
Recyclable Materials Collection and Processing	Customer satisfaction with kerbside collection service for recyclable materials.	>=70% customers satisfied with Councils kerbside collection service for recyclable materials each year (target lowered because of EQ damage).	97%
	Kerbside wheelie bins for recyclables emptied by Council services.	>=99.5% kerbside wheelie bins for recyclable materials, that are free of contamination, emptied when correctly placed at the kerbside each fortnight.	99.8%
	Proportion of incoming recyclable materials that are contaminated and sent to landfill.	<10% (by weight) contamination of incoming recyclable materials.	8.5%
	Recyclable materials collected and received by Council services for processing at the Materials Recovery Facility (MRF).	120 kg +/10% recyclable materials / person / year.	117kg
Residual Waste Collection and Disposal	Customer satisfaction with kerbside collection service for residual waste.	>=70% customers satisfied with Councils kerbside (target lowered because of EQ damage).	95%
	Kerbside wheelie bins for residual waste emptied by Council services.	>=99.5% kerbside wheelie bins for residual waste emptied when correctly placed at the kerbside each week.	99.8%
	Residual waste collected at the kerbside by Council services.	<= 120 kg residual waste collected at the kerbside by Council service / person / year.	112 kg per person
	Residual waste sent to landfill from Christchurch.	<=950 kg total residual waste sent to landfill / person. This increase allows for 25% residual waste from Burwood Recovery Park going to Kate Valley Landfill, averaged over 4 years.	564 kg/person sent to landfill.

What assets do we use to deliver these services?

The significant assets involved in refuse minimisation and disposal activities are the compost plant, the Burwood Recovery Park, and refuse transfer stations. The Council also relies on vehicles operated by its kerbside collection contractors and the materials recovery facility (recycling centre) owned and operated by the subsidiary company EcoCentral Limited.

As mentioned above, the compost plant did receive some damage after the February 2011 earthquake but was fully functional by 30 June 2012.

The refuse transfer stations and materials recovery facility also suffered some damage in the 2010-11 earthquake events but remained operational throughout the year other than for some minor interruptions. Other assets suffered only minor damage and there has been no earthquake related interruption to services.

Where are we heading?

We will continue to work with residents to maximise diversion through the kerbside system. Education programmes target the maximum diversion of organic waste from households and ensure we minimise contamination of the organic and recyclable streams. Removing kitchen waste from insinkerator systems and having this treated through the compost plant is beneficial in terms of cost and helps in managing the post earthquake sewerage network.

Reconstruction of the compost plant will continue in the next year with a targeted completion date of September 2013.

We will continue to actively participate in the Canterbury Waste Joint Committee, with programmes for waste reduction and monitoring the reduction of waste to landfill from across the Canterbury region.

The Burwood Resource Recovery Park will get into full production in the 2012/13 year with the construction of a demolition and construction waste sorting facility. The park has received consents post 30 June 2012, for its operations which are forecast to run over the next 4-5 years. Residual waste (inert demolition and construction materials) from the sorting process will be disposed of in a specially constructed new cell on the existing Burwood Landfill site.

With the damage to QE II Recreation and Sport Centre the surplus landfill gas from this site will be used to run the biosolids drying facility thereby reducing operating costs at the treatment plant. Gas supply will be restored to the Art Gallery once earthquake repairs are completed.

We are continuing to work with Council business units and the business community to reduce and reuse valuable materials such as paper, plastics, metals and glass. We will help facilitate diversion of organic material from commercial and industrial premises to the compost plant to reduce organic material going to landfill.

The 2006 Waste Management Plan will be reviewed and go out as a draft for public comment in 2012/13.

Service delivery in 2012/13

Normal levels of service are anticipated for the 2012/13 year.

What did it cost?

Refuse minimisation and disposal

Statement of cost of services for the year ending 30 June 2012

Statement of cost of services for the	year criaing oo	2012			2011
•	Costs (after internal				
	recoveries)	Income	Net cost	Plan net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
Recyclable materials collection and					
processing	7,387	1,027	6,360	6,203	5,722
Residual waste collection and disposal	19,957	2,370	17,587	12,392	12,751
Organic material collection and					
composting	17,108	5,069	12,039	11,632	11,630
Commercial and industrial waste					
minimisation	299	14	285	729	467
Capital revenues	-	(2,076)	2,076	-	(2,076)
Cost of service	44,751	6,404	38,347	30,956	28,494
Capital expenditure					
Renewals and replacements			1,304	806	2,647
Infrastructure rebuild			3,091	6,900	-
Improved service levels			-	228	363
Increased demand			-	-	-
Total capital expenditure			4,395	7,934	3,010

Explanation of significant cost of service variances

Recyclable materials collection and processing cost were more in line with planned expenditure this year, as there was not the same earthquake interruptions as last year.

The cost of handling the city's residual waste was \$5.2 million more than plan. A large component of this was the increase in the provision for land fill after care of \$4.3 million as a result of re-opening the Burwood land-fill site to accommodate earthquake impacts. In addition, there was a \$1.3 million additional cost of handling the waste that was presented due to the earthquakes, off-set by lower net transfer station operating costs of \$0.4 million. The \$4.8 million increased cost as compared to 2011 was largely the result of the increase in the provision for land-fill after care as detailed above.

There was no major variance in Organics collection and composting.

The cost of the Commercial Waste Minimisation programmes were lower than plan by \$0.4 million due to the disruption to the planned Target Sustainability Programmes.

The variance in capital revenues against plan and 2011 is the result of the reallocation of earthquake related insurance recoveries recognised in 2011.

Significant capital expenditure

\$3.1 million was spent on the Organics Processing Plant and \$0.8 million on Closed Landfill Aftercare.

Explanation of significant capital expenditure variances

The \$3.5 million variance is due to delays to the infrastructure rebuild programme of work while assessments were completed for earthquake damage.

4050 - Regulatory services

What are regulatory services and what does the Council do?

Our regulatory services make sure we follow all the laws and rules that apply in the city to keep our residents healthy and safe. The aim is to protect the public from hazards and nuisances and educate people about their obligations.

Why is the Council involved in regulatory services?

Regulatory services are needed to administer the laws that govern building and development work, the health and safety of licensed activities, and the keeping of dogs. Council staff enforce regulations, investigate complaints and non–compliance, and assess the potential effects of various activities while still enabling builders, developers and property owners to carry on their business.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Regulatory services activities contribute to the environmental and economic well-being of the community through the provision of building and licensing approvals, inspections of construction work, and enforcement of health, noise, parking and other bylaws.

They contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment, a healthy city and an attractive and well-designed city – four of the nine goals for our city that are included in our Community Outcomes. This contribution is made by ensuring legislative requirements are enforced, nuisances are minimised and the consenting process minimises adverse effects and ensures an attractive built environment.

How does it affect me?

You use Council's regulatory services if you build a new home or commercial building, request a property report before buying a home, or express concern about noise. These services affect how you handle dogs and farm animals, and where you can buy liquor. They also ensure that the places you go to eat and drink are healthy and safe.

What activities are included in regulatory services?

Enforcement and inspections

Our enforcement and inspections team protects the health and safety of the city by minimising potential hazards – this includes controlling dogs and wandering stock, controlling where alcohol can be sold, and carrying out health inspections at food outlets. The team ensures that residents and businesses comply with rules for building, parking, and the City Plan and bylaws. It also responds to complaints about noise. Educating the public about the rules is a key part of the inspections and enforcement team's work.

Regulatory approvals

These are the building inspectors and administration officers who ensure that development in Christchurch complies with relevant legislation, national standards, and statutory timeframes. Their aim is to make it easy for property owners, builders, developers and others to do business with the Council. At the same time, they must ensure that the outcomes of individual planning proposals meet the objectives of local policy and national legislation. Day-to-day business includes issuing building consents, land use resource consents, subdivision consents, and Land Information Memorandum (LIM) and Project Information Memorandum (PIM) reports.

What did we achieve?

Due to the ongoing aftershocks the recovery did not occur as quickly as was originally anticipated. There continued to be less demand for building and resource consents due to the earthquakes, a slowing local economy and changes in the Building Act which exempted some work from requiring a building consent. Consents granted during the year included 5,675 for buildings, 893 resource consents and 183 for subdivisions.

Overall demand for building consents was 3% higher than the previous year. The value of consented work however was \$937 million, a 46% increase over 2010/11 due mainly to the increase in commercial activity. 977 consents were received with a value of \$562 million, an increase of 91% over the previous year.

The Canterbury Earthquake (Resource Management Act Permitted Activities) Order 2011 was fully utilised to allow 323 disaffected businesses and pre-schools to temporarily relocate. Approvals were issued in 3-5 days depending on the level of compliance with approval standards.

There were 8,909 LIMs issued, 18,936 building inspections for buildings under construction and 3,449 code compliance certificates issued at the completion of building works.

The Chief Executive of the Department of Building and Housing extended the Council's Building Consent Authority status until September 2012 as she was satisfied with the work underway to meet the demand from the rebuild activities and that the conditions of the Building Consent Authority Regulations were being met.

To assist the recovery effort a risk-based approach to enforcement was adopted placing priority on issues that pose a significant risk to public safety, including but not limited to, dangerous buildings and un-consented works with significant adverse effects. There was less proactive enforcement around low risk regulatory matters such as signage, overhanging trees and general nuisance matters, whilst staff worked with customers to resolve complaints and to bring higher risk regulatory matters into compliance. New streams of enforcement activity have arisen in a post earthquake environment including:

- Monitoring compliance with the Temporary Accommodation approvals;
- Monitoring and investigating demolition waste storage/disposal

How did we measure up?

Activity	Level of Service	Target	Actual Results
Enforcement and Inspections	A minimum percentage of swimming pools is inspected annually.	20%	25% (1287 inspections completed).
	All food premises are inspected at least once each year.	100%	1,602 inspections. 100% LOS achieved.
	All high risk liquor premises (assessed using Council Liquor Licensing Team risk assessment methodology) are inspected at least twice a year.	100%	All high risk premises (10) were visited twice.
	Court proceedings taken by the Council are fair and in the public interest.	100%	4 prosecutions for 2011/12 = 100%.
	Percent of complaints about excessive noise responded to within one hour.	90%	90% - 740 of 822 complaints responded to within 60 minutes.
	Percent of investigations into reports of matters that pose a serious risk to public health or safety are commenced within 24 hours of reporting.	100%	100%
	Percent of priority 1 complaints (aggressive behaviour by dogs and wandering stock) responded to within 2 hours (rural).	95%	162 incidents. 95% LOS achieved

Insanitary building complaints are to be referred to the Environmental Health teams to be managed in line with the Health Act provisions and/or the Medial Officer of Health guidance.

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Activity	Level of Service	Target	Actual Results
	Percent of priority 1 complaints (aggressive behaviour by dogs and wandering stock) responded to within 60 minutes (urban).	95%	40 incidents. 95% LOS achieved.
	Priority 1 dog complaints involving serious injury are referred to the Police call centre within 10 minutes.	100%	2 incidents. 100% LOS achieved.
	Upon confirmation by Council staff of non-compliance, at least one written warning regarding corrective action is given within 30 days (for breaches of City Plan, Resource Management Act, Building Act, bylaws).	95%	100% (1521 matters received. 1 written warning within 30 days).
Regulatory Approvals	Council retains Building Consent Authority status for all building works, except dams.	Council retains Building Consent Authority status for all building works, except dams.	The Chief Executive of Department of Building and Housing extended our BCA accreditation until September 2012.
	Percent of customers are satisfied with service provided by the planning, building and building inspection services.	75% of customers satisfied with the resource management and building consent and building inspection service.	Point of Contact survey result 57%.
	Percent of customers are satisfied with walk-in regulatory services.	90% of walk in customers satisfied with service provided.	94% satisfied per residents survey.
	Percent of regulatory applications are processed within statutory timeframes.	Complex consents: 85% of complex applications (i.e. not simple consent applications) and of notified resource consents are processed within statutory timeframes.	86%, 814 of 947 complex consents met the statutory timeframe target.
		Simple consents: 100% of PIMs and simple consent applications are processed within 15 days.	Actual result 97%.
	Resource consent hearings are appropriately and fairly conducted.	0% of decisions are lost via appeal/ judicial review.	No consents were lost on appeal / judicial review.

What assets do we use to deliver these activities?

No major assets are used in the delivery of these activities.

Where are we heading?

The City will experience a prolonged period of rebuild during the years ahead and we remain committed to delivering consenting, licensing and enforcement activities that will assist with the rebuild and support the normal ongoing needs of the Christchurch community. To assist in achieving this we will continue to promote electronic processing, streamline building consent processes, allow temporary relocation of businesses in accordance with the permitted activities Order in Council and manage our enforcement activities in a sensitive and focussed manner.

The Council has agreed to be a party to the new Government Weathertight Financial package which will see Council and the Government each contribute 25 per cent of the remediation cost. All claims are expected to be settled by 2015.

Service delivery in 2012/13

While these activities are expected to have an earthquake focus, particularly the resource consent monitoring and building consent processing, the Council's ability to deliver regulatory services activities has not been compromised by the series of Canterbury earthquakes. During 2012/13 the Council will also provide additional services relating to: the Royal Commission of Inquiry into the Canterbury Earthquakes; the management of the rock fall risk assessment and mitigation process and, demolition waste and Temporary Accommodation monitoring. Also anticipated for 2012/13 is the introduction of new legislation governing food hygiene and liquor control. Both these new Acts will significantly change the regulatory processes for licensing and monitoring of these activities.

What did it cost?

Regulatory services

Statement of cost of services for the year ending 30 June 2012

	,	2012			2011
	Costs (after internal recoveries) \$000	Income \$000	Net cost \$000	Plan net cost \$000	Net cost \$000
Operational service result					
Enforcement and inspections	12,312	6,776	5,536	5,352	6,947
Regulatory approvals	34,731	18,310	16,421	4,178	6,417
Cost of service	47,043	25,086	21,957	9,530	13,364
Capital expenditure					
Renewals and replacements			-	45	6
Improved service levels			122	-	-
Increased demand			-	-	<u>-</u>
Total capital expenditure			122	45	6

Explanation of significant cost of service variances

Enforcement and inspections net cost of service was \$1.4 million lower than 2011. This was due to \$5.5 million of earthquake response costs being incurred in 2011 with only minimal costs continuing into the 2012 year. These savings were offset by the increased net costs associated with parking enforcement (\$1.9 million) as a result of the closure of the CBD, maintaining the inner city cordon (\$0.5 million), and costs associated with health licensing (\$0.5 million), and environmental compliance (\$0.4 million) which have all seen a growth in demand for services in the suburbs.

Regulatory approvals net cost of service was \$12.2 million greater than plan and \$10.0 million greater than last year mainly due to the \$5.9 million of unbudgeted costs associated with earthquake remediation and recovery on the Port Hills. This programme was established under Civil Defence during the state of emergency due to the rock fall danger and cliff collapse hazards arising from the earthquakes. There has also been a significant cost (\$1.2 million) associated with the Council's attendance at the Royal Commission of Enquiry into the collapse of the CTV building. Other increases include \$2.1 million for Building Consents and \$2.5 million for Building Inspections as Council has taken on additional staff in anticipation of the rebuild. However, because the momentum around the rebuild has been slower than expected less revenue has been received.

Significant capital expenditure

There was no significant capital expenditure.

Explanation of significant capital expenditure variances

There were no significant variances.

4055 - Streets and transport

What is included in streets and transport services, and what does the Council do?

We plan, build, operate and maintain Christchurch's streets, parking and transport systems. We encourage sustainable travel alternatives such as walking and cycling.

Why does the Council provide streets and transport?

We provide streets and transport so that people have safe, easy and comfortable access to homes, shops, businesses and leisure activities.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Streets and transport activities contribute to the social, environmental and economic well-being by planning, providing and maintaining a road network for the city, as well as cycle and pedestrian linkages, malls and parking.

They also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a safe city, an attractive and well-designed city and a city for recreation, fun and creativity – three of the nine goals for our city that are included in our Community Outcomes. This contribution is made by providing a well-designed, safe and efficient transport system, attractive street landscapes, and enabling access to recreation facilities throughout the city.

How does it affect me?

A well—run transport system makes it easier for us to get around our city. Our promotion of active travel means that sustainable travel, like biking and walking, is being rediscovered as a pleasant and easy option for residents.

What activities are included in streets and transport?

Road network

We are responsible for the city's roading, including planning, building, and maintaining roadways, providing drainage and landscaping, operating street lighting, and running the traffic safety programmes.

Active travel

We promote active travel including the provision of safe footpaths, pedestrian malls, open spaces for recreation and on and off road cycle lanes.

Parkina

We provide both on-street and off-street parking facilities that are safe, accessible and attractive, and allow easy access to work and leisure activities.

Public transport infrastructure

We provide the integrated bus infrastructure used by the city's bus companies to provide the public passenger transport services. This includes the central bus exchange, bus stops, shelters, bus priority systems and Passenger Real-Time Information Systems.

What did we achieve?

The 2010/11 earthquake events caused the deferral of a significant portion of the asset renewal programme. Resources were diverted to temporary asset repairs, the planning for the rebuild of damaged assets, and the full repair of some of these assets.

The city's road network suffered an enormous amount of earthquake damage, with 85 kilometres of roads identified with severe damage, 45 kilometres with major damage, and 210 kilometres with moderate damage. As well as roads, footpaths, kerb and channels, street lighting, and traffic signals all suffered extensive damage, as did the central business district amenity areas, tram tracks, bus exchange, and off-street parking facilities. 21 traffic and

12 foot bridges received moderate to major damage, and 400 retaining walls require strengthening and / or rebuilding.

The full repair of the remaining roading assets will be delivered by SCIRT over the next five years.

As part of our normal business the new wireless radio technology (WiMax) has been selected and roll-out started for use by 160 intersections and three new intersections were signalised. Upgrading of signal lights to LED continued during the year, and cameras and bus real time information was installed at the new bus exchange.

The Transport for Christchurch website was developed and launched (http://www.transportforchch.govt.nz/) to assist travellers to find the quickest and safest route around the city, and a temporary inner city bus exchange was built and is now operating.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Active Travel	Cyclesafe education programmes delivered.	81% of primary schools in Council area have a Cyclesafe programme.	86%
	Percent of total trips per person per year by active travel (cycling).	Cycling: 2011-12 – Likely to be maintained at or around 2% due to disrupted roads.	2%
	Percent of total trips per person per year by active travel (walking).	Walking: Likely to be maintained at or around 22%.	21%
	School Travel Plans	4 school travel plans per year.	4 schools
Parking	Customer perceptions of motor vehicle safety in Council off street parking sites.	Re-evaluate by 1/1/2012 when more information will be available.	No car park buildings opened this year.
	Customer satisfaction with ease of use of meters.	65%	52% - Survey was conducted in March straight after the February earthquake with a number of meters out of action. Difficult to get an accurate gauge on results.
	Customer satisfaction with service levels provided by Council off street parking service.	Car parks now automated – Reevaluate by 1/1/2012.	No staff are currently engaged in their duties due to the closure of parking buildings as a result of the earthquake.
	Metered on-street parking spaces provided.	1,000 – 2,200 metered parking spaces (except for spaces blocked by earthquake related activity).	850 spaces due to Red Zone and other building cordons as a consequence of earthquakes.
	Metered on-street parking spaces usage.	>/= 1,300,000 parking events.	Forecasting approx. 600,000 events. Did not achieve goal this year due to effects of earthquakes.
	Off-street, short term parking provided.	Art Gallery = 118 spaces , Hospital Car Park Building – 350 spaces as of 16 May 2011, Hospital Grounds Car Parking = 100 spaces, Lichfield Street = at least 250 spaces as of 1 November 2011.	347 – capacity was affected by the fall zones, which restricted the numbers available.

	Off-street, short term parking provided.	The 1 st Hour Free parking will return at the Lichfield St Car Park Building as of 1 November 2011 when the building re opens in time for the Cashel Mall Show Weekend Event.	First 2 hours free in Re-Start area Lichfield was not available to open however alternative parking was found in Re-Start site which provided 2 hours free parking.
Public Transport Infrastructure	Peak travel times for buses.	Re-evaluate by 1/1/2012 when more information will be available	25 minutes 4 seconds. – As a result of the damage to the network the aim this year was to establish a baseline. This has now been done and will be included in the 2013/22 Long Term Plan.
	Resident satisfaction with the number and quality of bus stops and bus shelters at bus stops.	60% (Due to closed CBD)	67%
	Total trips on public transport as a percentage of total travel trips, per person, per year:	Public transport – Likely to be maintained at or around 2%.	4%
Road Network	Congestion: interpeak travel times for private motor vehicles (inter-peak 10.00am-12midday).	Re-evaluated by 1/1/2012 when more information will be available.	14 minutes 30 seconds. – As a result of the damage to the network the aim this year was to establish a baseline. This has now been done and will be included in the 2013/22 Long Term Plan.
	Congestion: Peak travel times for private motor vehicles (7.30am-9.30am, and 4pm-6pm).	Re-evaluate by 1/1/2012 when more information will be available.	16 mins 40 secs— As a result of the damage to the network the aim this year was to establish a baseline. This has now been done and will be included in the 2013/22 Long Term Plan.
	Repairs to road surface. Time taken to investigate/undertake repairs to carriageway surfaces, once problem is known or reported.	Rural roads At least 95% within 72 hours.	98%
	Safety Programmes (programmes designed around NZTA crash, fatality and injury statistics).	A maximum of 9 Safety Programmes annually.	9 programmes completed.
	Total trip proportion by private motor vehicles.	2010-12 – Likely to be maintained at or around 84.9%.	72.9%

Suspended levels of service

Activity	Level of Service	Target
Parking	Off-street, short term parking is used	Re-evaluate by 1/1/2012 when more information will be available

What assets do we use to deliver these activities?

The major assets used by Council to deliver streets and transport activities are the components of its roading network. The Council holds nearly \$1.8 billion of streets assets, with 35 per cent of that value being the value of carriageways (road sub-bases, bases and surfaces). Other major components of the network are the land underneath roads and footpaths (23 per cent), roading kerb and channel (gutters and drains – 15 per cent), and footpaths (13 per cent). The other assets essential to the network are traffic signs and markings, bridges, street lights, traffic signals, and bus shelters (8 per cent). Street furniture and plantings makes up the balance of the value of the roading network.

The roading network has suffered significant damage as a result of the Canterbury earthquakes, particularly in the eastern suburbs. The estimated cost of repairing the damage is over \$0.9 billion.

Council also has a significant investment in parking assets, in particular the parking buildings on Lichfield Street, Manchester Street, Oxford Terrace (Rydges Hotel), the City Art Gallery, Farmers, and The Crossing. The Lichfield and Manchester parking facilities are still being assessed to determine if they are economic to repair, while Farmers Carpark will be demolished and the Crossing has been partially demolished. The Rydges Hotel is being repaired, and the Art Gallery will be repaired.

Where are we heading?

We will continue to plan, build, and maintain the public road network to provide a safe, sustainable, integrated, attractive and affordable link for all users to all parts of the city.

The Council, CERA and the Central City Development Unit (CCDU) are currently working on a strategy for the rebuilding of the Central City which is expected to deliver significant benefits to streets and transport facilities.

The Council, CERA, NZTA, and the Alliance contractor companies (SCIRT) are responsible for rebuilding the city's damaged infrastructure, which includes the road, water supply, waste water, and land drainage network assets. As this work is undertaken over the forthcoming years the Council will continue to maintain the existing streets and transport assets to meet the immediate needs of the community.

Along with the SCIRT rebuilds the Council continues to work on roading assets such as the replacement of the Ferrymead Bridge and the repair of a significant number of earthquake damaged bridges, the three laning of the Causeway and Main Road, and the development of options to enable Sumner Road (Evans Pass) to be reopened at a future date. There will also be significant work to rebuild / repair retaining walls protecting parts of the road network.

The Draft Christchurch Transport Plan will shortly be put out for public consultation. This 30 year vision will bring together all aspects of the transport system and guide its development across the city.

Service delivery in 2012/13

While the majority of roads are now open, damage to the roads means that travel times and congestion on some parts of roading network remain below pre earthquake levels.

Car Parking was significantly affected by the earthquakes with the loss of both car parking buildings and 2,300 bays. These have been replaced with a total of 357 bays at the Re-Start car park and other at ground sites. The on-street parking capacity has been assessed following interruptions caused by roads having been repaired, markings and signs removed, buildings and meters demolished. This is currently subject to a major review of the parking requirements for the future – both in the short term, and for the longer term in conjunction with the central city rebuild.

What did it cost?

Streets and Transport

Statement of cost of services for the year ending 30 June 2012

		2012			2011
	Costs (after				
	internal			5	
	recoveries)	Income	Net cost		Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
Road network	129,820	50,892	78,928	63,141	78,181
Active travel	13,302	552	12,750	13,324	13,009
Parking	3,663	2,214	1,449	1,609	1,055
Public transport infrastructure	2,787	502	2,285	5,623	5,768
Capital revenues	-	18,554	(18,554)	(84,083)	(10,196)
Cost of service	149,572	72,714	76,858	(386)	87,817
Capital expenditure					
Renewals and replacements			14,710	15,669	14,544
Infrastructure rebuild			12,387	102,700	-
Improved service levels			3,404	9,834	16,364
Increased demand			1,528	5,800	3,289
Total capital expenditure			32,029	134,003	34,197

Explanation of significant cost of service variances

Road network

The \$15.8 million increase in net cost over plan is due to the earthquake repairs. \$54.9 million was incurred which was anticipated to be 100% recoverable, however \$15.6 million could not be recovered from insurance or Government agencies.

Active travel

The \$0.6 million decrease in net cost against plan is largely due to \$0.2 million less expenditure on the maintenance of footpaths and \$0.5 million less on amenity pedestrian areas, \$0.3 million less on asset planning and asset management costs and \$0.4 million less of debt servicing costs off- set by a \$0.9 million increase in depreciation and asset write off.

Public transport

The \$3.3 million decrease in net cost compared to plan is due to the \$2.5 million less depreciation for buildings on the new bus interchange site as well as \$0.2 million less asset planning costs. In addition \$0.3 million less was spent on maintenance costs across the old and new temporary bus exchanges and the bus stop infrastructure and \$0.3 million less on the Electric Shuttle that has ceased operation.

The \$3.5 million decrease against last year is due to the \$2.5 million less depreciation as well as \$1.3 million saving with the cancellation of the Inner City Shuttle service and \$0.4 million less maintenance and operating costs across the old and new temporary bus exchanges. Offsetting these were \$0.4 million loss of rental revenue and \$0.3 million of NZTA subsidy due to the reduced level of activity.

Capital revenue

The \$65.5 million unfavourable variance in capital revenue is due to the earthquake recoveries being \$71.1 million less than plan. At the time of setting the budget it was expected that the SCIRT work packages would have reached the delivery phase sooner than what has eventuated. This is a timing issue and will be caught up in future years. Capital revenue subsidy on usual capital expenditure was \$5.6 million over budget, partially due to auxiliary work around the Southern Motorway.

The \$8.4 million increase in capital revenue compared to last year is due to the low level of capital work undertaken in the previous year that was eligible for capital revenue.

Significant capital expenditure

\$1.1 million was spent on Footpath Resurfacing; \$4.8 million on Carriageway Sealing and Surfacing; \$1.9 million on Ferrymead Bridge; \$1.7 million on Southern Motorway Cycleway and Auxiliaries; \$3.5 million on Wigram Magdala Grade Separation; \$1.3 million on Aidanfield Drive Overbridge; \$0.9 million on Temporary Bus Exchange; \$1.1 million on Restart Carpark, \$10.4 million on various Infrastructure Rebuild projects the balance of \$5.3 million was spent on smaller works throughout the City.

Explanation of significant capital expenditure variances

The \$102.0 million variance is largely the result of delays of \$90.3 million in the infrastructure rebuild programme. The streets repair programme has been influenced by delays in other activities particularly the below ground infrastructure. This work will continue in the next financial year once the underground work is completed. There were also delays in a number of projects waiting on post earthquake assessments which included: Ferrymead Bridge \$2.7 million; Kerb and Channel \$1.5 million; Main Road three laning \$2.1 million; Carrs Road Overbridge \$1.2 million and Southern Motorway Cycleway and Auxiliaries \$0.6 million.

4060 - Wastewater collection and treatment

What is wastewater collection and treatment and what does the Council do?

Wastewater includes both grey water and sewerage, collected from household drains and sewerage pipes. It is delivered through an underground network of pump stations and pipes to treatment plants, where contaminants are removed prior to discharge to the ocean.

Why does the Council provide wastewater collection, treatment and disposal?

We collect wastewater from Christchurch homes and businesses to protect the health of the city.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Wastewater collection and treatment activities contribute to the environmental, economic and cultural well-being of the community by ensuring that wastewater is collected in a reliable and safe fashion that protects public health, and that wastewater is treated and disposed of in an efficient and environmentally acceptable manner.

They also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment and a healthy city – three of the nine goals for our city that are included in our Community Outcomes. This contribution is made by providing a sanitary wastewater collection and treatment service.

How does it affect me?

The collection and treatment of our wastewater keeps our city healthy and protects our environment.

What activities are included in wastewater collection and treatment?

Wastewater collection

We provide for the continuous collection and transportation of the city's wastewater from properties, via an underground sewerage network, to treatment plants – the main Christchurch plant at Bromley, plus a number of smaller plants in Banks Peninsula.

Wastewater treatment and disposal

The city's wastewater is processed through treatment plants before being disposed of through outfalls to the sea and, at some small plants, to land. An accredited laboratory monitors and controls the treatment process to ensure that discharged treated effluent meets health and environmental standards.

What did we achieve?

Significant damage occurred to the wastewater reticulation system in the 2010 and 2011 earthquakes which was further aggravated by the earthquake on 23 December 2011. The damage is principally located in the east of the city however, significant cracking of older pipes in the central and some parts of the western areas of the city has also been recorded. This damage is allowing a lot of ground water to flow into the sewerage network under both normal and wet weather conditions. Around 500 kilometres of the network (excluding lateral connections) are thought to have suffered earthquake damage (approximately 30% of the network). There has also been significant damage to pump stations, siphons, vents and other associated assets. Seven of the city's 135 pump stations will require complete replacement and 83 require repairs. Design work is well underway on the two key replacement pump stations in the east of the city.

Pipe cleaning operations are still running in the city but on a greatly reduced basis from 2011. The number of portable toilets in circulation has dropped from 2,900 in May 2011 to around 140 in June 2012. The remaining portable toilets are generally in use on properties where the lateral from the house is not functioning.

Wastewater service has been maintained in the City throughout the aftershock sequence since service was restored.

The Christchurch Wastewater Treatment Plant (CWTP) received extensive damage after the February 2011 earthquake with major repair works required on the clarifiers and oxidation pond banks as well as general structural

and mechanical repairs to all areas of the plant. These works have progressed well through 2012 with 3 of the 4 clarifiers permanently repaired and the oxidation pond bank rebuild well underway. Other repairs around the plant are progressing.

The design work for the replacement co-generation gas engine has been completed and construction work to install the new engine has commenced. This project has been delayed so that the work coincides with earthquake repair works on the site.

The algae to biofuel trial, which commenced in late 2009, has been cancelled due to the damage to the plant and the desire of the Council's partners in this project to utilise the assets elsewhere whilst the oxidation ponds and treatment plant are repaired.

Approximately 11 kilometres of pressure sewer mains have been completed and a new 4 kilometre pressure main from the Pump Station in Linwood, to the CWTP is under construction. Continuous overflows to the City's waterways stopped on 23 September 2011. Given the high rate of infiltration into the sewer network the City will continue to have overflows to its waterways in wet weather conditions until the network is rebuilt to the preearthquake condition.

The Western Interceptor tunnelling operations and the Duplicaton trunk sewer are nearing completion. These projects have been delayed by approximately one year due to ongoing earthquakes and the subsequent difficulty in working underground.

Design work for the construction of a large pressure sewer and pumping station in Wigram is nearing completion with construction due to start in August 2012. It is hoped to have this project operational by July 2013. This provides trunk sewer capacity for new subdivisions in the south of the city.

The RMA appeal that had been delaying the commencement of the Wainui wastewater scheme has been resolved and it is hoped to commence stage 1 work in the later half of 2012.

The Akaroa Harbour working party has reported back to Council and the Council supported the key recommendation to relocate the wastewater treatment plant in Akaroa away from the Onuku Reserve.

Considerable work has been undertaken with Canterbury University and other organisations (SCIRT, CERA and overseas water authorities) looking at increasing resilience in the wastewater collection and treatment systems. This has resulted in changes to the City's technical standards associated with these services. Research work will continue over the next few years to ensure lessons learnt from the Canterbury Earthquakes are integrated into the reconstructed infrastructure.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Wastewater Collection	Response time for blockages	>=90% blockages responded to within 2 hrs within rural areas.	95%
	Response time for blockages	>=99% blockages responded to within 4 hrs within rural areas.	100%

What assets do we use to deliver these activities?

The Council's wastewater collection activity uses the network of sewer pipes throughout the city along with the associated laterals (which connect Council pipes to individual properties), manholes, flush tanks, pump stations and other structures. These assets had a combined value in excess of \$0.5 billion.

The wastewater treatment and disposal activity relies on the sewer treatment plant at Bromley, along with smaller treatment plants on the Banks Peninsula, and the ocean outfall. These assets have a combined value of nearly \$0.2 billion.

With the exception of the ocean outfall all of Council's wastewater assets have suffered considerable earthquake damage, particularly in the eastern parts of Christchurch, with permanent repairs potentially costing \$0.9 billion.

Where are we heading?

Work to repair damaged city infrastructure is progressing as SCIRT complete more redesign of sewer catchments and associated infrastructure services with the rebuild estimated to take around five years. Council and CERA continue to work very closely with SCIRT in the delivery of the infrastructure rebuild.

The jetting of pipes to flush sediment will continue as needed to maintain services whilst rebuild crews work to repair the damaged sewer catchments.

Detailed design of the sand and grit removal facilities at CWTP will be completed in 2012/13 which will improve the resilience to the effect of liquefaction in the event of future earthquakes.

Scenario modelling of wastewater catchments will continue in 2012/13 to support the efforts of SCIRT and CERA in the recovery of the city's networks and to deal with new subdivisional growth in the north and south of the City.

The existing deep gravity systems in damaged land areas will be replaced with low pressure sewer systems and vacuum sewer systems in the next year thereby increasing resilience. These technologies are installed at a shallower depth and are faster to install, less disruptive to the community during installation and more cost effective over their life than the deep gravity sewers they replace.

It is hoped to complete the repair of the CWTP by the end of 2012/13. This will return the plant to its preearthquake capacity but with improved resilience to future seismic events.

The Western Interceptor and Fendalton Duplication sewers will be fully commissioned in the next financial year. The pressure main and pump station in Wigram will be commissioned by the end of the 2012/13 financial year. Automation upgrades to rural pump stations and wastewater treatment plants (to increase reliability) will continue in 2012/13.

The new co-generation engine for the treatment plant will be commissioned in the next 12 months.

Construction of new water and wastewater reticulation systems in Charteris Bay are programmed to commence in 2012/13 with scheduled completion in 2013/14.

Construction of Stage 1 of the Wainui wastewater treatment scheme will commence in 2012/13. this will allow discharge of the treated wastewater to land and removal of the current discharge from the Bay.

Service delivery in 2012/13

Despite damage to the wastewater collection network, wastewater service will be provided to all residents in 2012/13. In parts of the city where the network is not performing as it should the Council will continue to provide temporary services such as the provision of chemical toilets or portable toilets. Substantial resources will be deployed through SCIRT to complete the condition assessment of the wastewater network and to commence the rebuild of the wastewater infrastructure in those areas where housing will be maintained. In red zone areas temporary services will be maintained until residents vacate the areas.

What did it cost?

Wastewater collection and treatment

Statement of cost of services for the year ending 30 June 2012

	2012				2011
	Costs (after internal				
	recoveries)	Income	Net cost	Plan net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
Wastewater collection	141,390	86,320	55,070	21,544	26,771
Wastewater treatment and disposal	18,004	9,982	8,022	12,963	7,182
Capital revenues	-	205,944	(205,944)	(137, 370)	(10,101)
Cost of service	159,394	302,246	(142,852)	(102,863)	23,852
Capital expenditure					
Renewals and replacements			14,046	4,679	11,797
Infrastructure rebuild			97,920	136,400	-
Improved service levels			14,901	11,646	16,623
Increased demand			1,064	8,163	5,701
Total capital expenditure			127,931	160,888	34,121

Explanation of significant cost of service variances

The wastewater collection activity is \$33.5 million over plan as a result of the earthquakes. \$26 million was spent on the reticulation network on urgent work and maintenance to restore its capacity to an adequate level until more permanent replacements could be carried out. A further \$7 million was incurred on the write off of a number of wastewater pumping stations, which sustained significant damage.

The net cost of the wastewater collection activity has increased \$28.3 million over the previous year predominantly due to earthquake related costs. \$32.7 million related to the increased cost of clearing the wastewater reticulation system of earthquake related material and subsequent maintenance required to restore the network or address damaged pump stations, including the impact on the business as usual maintenance. This was offset by a reduction in depreciation and asset impairment costs of \$4.4 million.

Wastewater Treatment and Disposal is below plan by \$4.9 million, mainly due to the additional recoveries received for receiving and processing tankered waste that had been siphoned from the reticulation network. The costs of the recoveries was charged to both wastewater collection and the treatment plant.

The variance in capital revenues against both plan and the prior year are due to accrued insurance recoveries for expenditure resulting from the earthquake.

Significant capital expenditure

\$5.2 million was spent on the pump station in Randolph Street, Linwood; \$1.6 million on replacements at CWTP; \$2.3 million on Biosolids Drying Facility; \$12.5 million on Western Interceptor sewer; \$3.5 million on Fendalton Duplication sewer; \$7.0 million on pond replacement at the CWTP; \$5.8 million on waste water treatment clarifiers and \$85.2 million on Infrastructure Rebuild projects across the City.

Explanation of significant capital expenditure variances

Capital expenditure is \$33.0 million below plan. A delay in the infrastructure rebuild programme while assessments were completed led to an under-spend of \$38.5 million and to an additional \$9.4 million being incurred on the renewals and replacement programme to repair some of the more significant damage. The \$2.3 million spent on the Biosolids Drying Facility; \$3.5 million on the Fendalton Duplication sewer and \$1.5 million on the Western Interceptor sewer were carried forward from the previous year. \$5.2 million which was spent on the Linwood pump station was brought back from future year budgets.

The \$93.8 million variance on last year is largely due to increased spending on the infrastructure rebuild project across the city of \$97.2 million offset by lower spending on the biosolids drying facility at the CWTP \$1.3 million; Western Interceptor sewer \$1.8 million and reductions in ongoing renewals programmes \$0.3 million.

4065 - Water supply

What is the water supply service, and what does the Council do?

The water supply service is the network of treatment facilities, wells, pump stations, reservoirs and underground pipes used for the distribution of clean drinking water in the city.

Why is the Council involved in water supply?

We maintain it in order to protect the health of the community, to meet the needs of commercial users, to promote water conservation, and to ensure there is an adequate water supply for fighting fires.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Water supply activities contribute to the environmental and economic well-being of the community by ensuring a reliable supply of drinking water to both the community and industry.

They also contribute toward the achievement of the city's Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment, a prosperous city, a healthy city and an attractive and well-designed city – five of the nine goals for our city that are included in our Community Outcomes. This contribution is made by maintaining sufficient drinking water and encouraging water conservation.

How does it affect me?

Ideally when you turn on your tap at home the water that flows is fresh and clean. We make sure that the water supply is reliable, that water quality is maintained, and that any interruption to that service is as short as possible.

What activities are included in water supply?

Water conservation

We promote the efficient use of water to protect the resource for future generations. Staff work with the community to reduce the amount of water we use and to make sure the quality of our drinking water is maintained.

Water supply

We aim to provide a clean and reliable water supply. Council staff monitor and control water quality and maintain the network of assets used for supply.

What did we achieve?

As a result of the 2010-2011 Christchurch earthquake sequence approximately 150 kms, or 5 per cent, of the city's network of water pipes (mains and submains), have suffered damage.

The last major earthquake in December 2011 caused minimal disruption to the City's water supply and there was no requirement to put a "Boil Water" notice in force. The Council continues to test the drinking water to ensure supply meets the New Zealand Drinking Water Standards.

We were able to remove chlorine dosing from the water supplies on the eastern side of the city in November 2011 and return the entire urban area, including Lyttelton Basin, to an untreated water supply. The chlorine dosing plants used after the February earthquake are available for future events should they be required.

The small desalination plant constructed at Brighton Beach as an emergency water supply source was dismantled and returned to Australia in February 2012 after essential well and pipe repairs were completed on the water networks.

With the earthquakes in the last 12-18 months we have had to continuously inspect and repair wellhead security arrangements. Steady progress has been made in repairing and replacing water wells within the city. Over 50% of the City's wells were repaired over the last 12 months and six new wells have been drilled. Significant repairs have been made to the City's reservoirs including works to rebuild lost capacity from the Huntsbury Reservoir. More

than 100 commercial and industrial premises fitted backflow prevention to their supply mains in the year. Both these measures are designed to protect the public water supply from contamination.

Significant leak detection resources have been deployed in the city since September 2010 to help repair crews in the initial response and subsequently to find the smaller leaks. The aim is to restore the city to its pre-earthquake leakage rates.

The upgrade and commissioning of the Duvachelle drinking water treatment plant was completed in the year. Design work on upgrading the Akaroa Water Treatment Plant and improving the security of supply of water to Takamutua and Akaroa progressed well this year. Construction of this plant is planned over the next 12 months.

Design of the upgrade of the Little River drinking water treatment plant and associated reticulation system was completed in 2011/12. This work will be constructed in 2012/13. This includes extension of the reticulation to Cooptown.

Wainui Township water supply project progressed during the year. Construction is to progress in 2012/13.

How did we measure up?

Activity	Level of Service	Target	Actual Results
Water Conservation	Council runs water conservation campaigns.	The Waterwise campaign is run between October and February each year.	Waterwise campaign was run between October and February.
	The amount of water abstracted each year for the public water supply is quantified and monitored, with a view to reducing consumption.	<=348 m3 +/-20% water abstracted per property served per year.	285 m3 water abstracted per property served in 2011/12.
	The amount of water abstracted each year for the public water supply is quantified and monitored, with a view to reducing consumption.	<=71% (+/-20%) of total cap of 75M m3 potable water abstracted per year.	58.3% of total cap of 75M m3 potable water abstracted in 2011/12.
	The public is aware of water conservation.	Survey target 75%.	91% Survey result achieved.
	The water supply network is inspected for leaks.	>=12.5% of the water supply network is inspected for leaks each year.	Total = 22.1%. Breakdown between Council and SCIRT: July to November 2011 (Council leak detection contract): 12.8% of network leak surveyed (17 water loss zones); April to June 2012 (SCIRT leak detection): 9.3% of network leak surveyed (12 water loss zones).
Water Supply	Continuous potable water is supplied to all customers.	>=95% medium leaks (in urban and rural areas) are repaired within one working day of being reported to Council.	55% Missed target due to a increase in volume in detection of leaks as a larger portion of the network is being inspected during earthquake repair programme. Target has been amended to 50% going forward during rebuild.
		>=95% minor leaks (in urban and rural areas) are repaired within three working days of being reported to Council.	56% Missed target due to a increase in volume in detection of leaks as a larger portion of the network is being inspected during earthquake repair

		programme. Target has been amend to 50% going forward during rebuild.
	>=95% serious leaks (in rural areas) have a Council representative on site to assess and confirm repair options within two hours of being reported to Council.	76% There was a large number of serious repairs required of the earthquake periods however we are trending back to normal levels now.
	>=95% serious leaks (in urban areas) have a Council representative on site to assess and confirm repair options within one hour of being reported to Council.	44% Missed target due to a increase in volume in detection of leaks as a larger portion of the network is being inspected during earthquake repair programme. Target has been amend to 60% going forward during rebuild.
Risk to potable water supply is managed (backflow prevention).	>=100 backflow prevention devices installed (at owners cost) for highest risk premises each year.	112 devices installed at 105 premises.
Risk to potable water supply is managed (grading).	Cc or better risk grading from the Ministry of Health for all rural area water supplies by Dec 2013 - seeking extension by one year from Ministry of Health due to earthquake.	Plants upgraded at Duvauchelle, Birdlings Flat and Pigeon Bay. Currently on track to complete upgrades at Akaroa and Little River by December 2013.
	Maintain Ba grading for all City supplies, excluding the Northwest supply zone (Da) - subject to no further aftershocks causing major damage to water supply system.	Ва
	Move Da to Ba grading for the Northwest supply zone by December 2013.	Da This will be altered in the LTP. Work is scheduled to be completed in 2015 to shift this grading.

What assets do we use to deliver these activities?

The Council's water supply network is made up of wells and pump stations, water mains and sub-mains, and water meters and connections. The total value of the network is just under \$0.5 billion, with 75 per cent of that made up of mains and sub-mains, 14 per cent in wells, reservoirs and pump stations, and 11 per cent in service connections and meters.

Significant damage has occurred to the city's water main and submain reticulation systems, with approximately 9 per cent suffering earthquake damage. Asbestos cement pipe and galvanised sub-mains have faired particularly poorly. Ten kilometres of mains were replaced after the September 2010 earthquake using HDPE and PVC pipe and these pipes have survived the subsequent earthquakes of February, June and December 2011.

The city lost five wells and one water pump station at Palmers Road through the earthquakes. A replacement pump station is under design and will be built once a suitable land area is found. Seventy-four other wells (roughly half of all wells) have suffered reparable earthquake damage as well as sand and sediment accumulation which has affected flow rates.

While the water supply network suffered interruption following the 2010/11 earthquake events, temporary repairs have ensured that there is a supply of water throughout the city

Where are we heading?

The Council will continue to work with University of Canterbury and other research groups on improved resilience measures to be incorporated into the infrastructure rebuild. These measures are being integrated into new well designs, pump station connections to pipes and new underground pipework.

The Council will continue to replace damaged water mains and sub-mains during the next 12 months as SCIRT progress the rebuild of the City's underground infrastructure. Leak detection surveys will be undertaken prior to and after reconstruction works to ensure leaks in the network are being reduced through the rebuild.

The replacement water pump station for the old Palmers Road Pump Station (adjacent the Avon River) destroyed after the September 2010 earthquake will become operational in 2012/13. Wilmer's Pump Station, designed to provide supply to new subdivisions being developed in the south west of the city, is programmed for completion in 2013.

The well drilling programme put in place after the earthquake sequence to refurbish and/or replace damaged wells will continue. This programme also includes new wells for growth in the south west of the city (Wilmer's Road) and deepening of wells in the North West to improve the Ministry of Health risk grading for this supply zone.

The Health (Drinking Water) Act 2007 requires public water supplies to meet the Drinking Water Standards. This is the driver for the programme of water treatment plant upgrade works on Banks Peninsula.

Construction work will commence on upgrading the Akaroa water treatment plant to meet the New Zealand Drinking Water Standards in the next financial year. Options for strengthening the water sources feeding the Akaroa plant will be finalised for construction in future years.

Construction of an upgraded Little River Water Treatment Plant is programmed to start in 2012/13. This includes reticulation of the potable water supply to Cooptown.

A new reservoir will be constructed in Wainui to increase storage capacity in the township.

Construction of a water reticulation system to Charteris Bay will commence in 2012/13. This work will be conducted at the same time as the wastewater reticulation works.

The new water booster pump station currently under construction in the Ferrymead area will be completed and commissioned in 2012/13. This is part of a number of works being carried out to increase security of supply to Lyttelton Harbour township.

Review of the restricted water supply areas and upgrading of the water network automation and monitoring systems will continue in the 2012/13 year. This is to increase their reliability and provide consistency in the levels of service within Banks Peninsula.

Service delivery in 2012/13

The Council anticipates that it will be able to provide continuous potable water to all customers throughout 2012/13. However, due to the condition of pipes and the number of leaks it is not expected that water conservation level of service targets will be met until permanent repairs to the network are completed.

What did it cost? Water supply

Statement of cost of services for the year ended 30 June 2012

	2012				2011
	Costs (after internal				
	recoveries)	Income		Plan net cost	Net cost
	\$000	\$000	\$000	\$000	\$000
Operational service result					
Water supply	40,305	14,047	26,258	23,330	21,889
Water conservation	80	-	80	130	108
Capital revenues	2	49,481	(49,479)	(15,856)	(4,045)
Cost of service	40,387	63,528	(23,141)	7,604	17,952
Capital expenditure					
Renewals and replacements			4,707	1,807	7,543
Infrastructure rebuild			26,557	14,200	-
Improved service levels			1,008	2,013	2,579
Increased demand			554	5,071	1,651
Total capital expenditure	-	-	32,826	23,091	11,773

Explanation of significant cost of service variances

Water Supply operational costs exceeded plan by \$2.9 million principally because of the costs of returning and maintaining the network to an operational level following the earthquakes. The variance was made up of an additional \$4.6 million of costs partially off-set by savings of \$1.4 million as planned maintenance costs for both the pumping stations and the pipe network were deferred. Additional revenue of \$0.4 million was also earned from additional water supply being provided.

The net cost of providing the Water Supply activity increased \$4.4 million over the previous year. The cost of restoring and maintaining the water reticulation network increased by \$2.2 million as a result of earthquake damage and business as usual operating costs increased by \$2.7 million mainly in the areas of planning, pumping and reticulation. This was offset by water billing and monitoring revenue which increased \$0.6 million as more water was used.

Maintenance and operating costs were anticipated to increase as a result of the February earthquake and the 2012 budgets were increased adjusted by \$1 million. However as a result of the June and December earthquakes costs increased by the \$2.9 million referred to above. The balance of variance to 2011 results relates to contract price increases and other minor earthquake related costs.

The additional Capital Revenues against both plan and prior year are due to the accrual of additional receipts from earthquake related work including \$36.7 million of earthquake recoveries and \$11.3 million of crown contributions.

Significant capital expenditure

\$26.6 million was spent on Infrastructure Rebuild projects; \$0.9 million on Wilmers Pump Station; \$1.0 million on Pump Station Asset Renewals; \$0.5 million Duvauchelle Water Supply Upgrade; \$0.6 million New Connections and \$0.4 million Akaroa Water Supply Upgrade.

Explanation of significant capital expenditure variances

The \$9.7 million variance to plan is a result of \$12.4 million additional infrastructure rebuild work and \$2.9 million of additional renewals and replacements completed after the earthquakes to repair the water supply network. This then caused delays to the planned work programme. The additional repair and rebuild work was offset by \$5.5 million deferred spending on the following projects: Wilmers Pump Station \$1.2 million; Reticulation New Mains \$0.8 million; Charteris Bay Extension \$0.8 million; Drinking Water Standard District Upgrades \$0.8 million; Mains Renewals \$0.6 million and balance of the water supply programme \$1.4 million.

The \$21.1 million variance to last year is largely due to the increased spending on infrastructure rebuild projects across the city of \$22.4 million offset by reductions in ongoing renewals programmes of \$1.2 million.

4070 - Corporate activities

What are Council's corporate activities?

As with other organisations we have back office services such as human resources, finance, and information technology which provide support to other Council departments. We call these units Internal Service Providers (ISPs). The cost of providing these services is charged to the activity receiving the benefit of that service.

However, there are some Council wide costs and income which cannot be classified into part of an activity. These items are included within this Corporate Activities section.

What revenue and costs are included in corporate activities?

- revenues and costs relating to Council Controlled Organisations (CCOs):
 - dividend income received from CCOs
 - other payments from CCOs, for example donations made to Council for charitable purposes
 - interest income from funds lent to CCOs
 - interest costs relating to borrowing taken out to either:
 - on lend to CCOs, or
 - invest in the equity (shares) of CCOs
- interest income from Council investment of general funds and special purpose reserves
- income from services provided by ISPs to organisations outside of Council
- costs incurred in providing the services above
- property costs
- other income, such as revenue from regional fuel tax

Overall our corporate activities generate a significant surplus, largely from dividends and other payments from CCOs and interest income. This surplus is used to reduce the level of general rates collected from ratepayers.

What capital expenditure is included in corporate activities?

Corporate capital expenditure includes the budgets for strategic land purchases, costs relating to Council's office accommodation, information and communication technology, and investment in CCOs, as well as work in progress as part of the infrastructure rebuild.

What did it cost?

Corporate Activities

Statement of cost of services for the year ending 30 June 2012

	2012				2011	
•	Costs (after					
	internal					
	recoveries)	Income	Net cost	Plan net cost	Net cost	
	\$000	\$000	\$000	\$000	\$000	
Cost of service						
Interest - on lending, equity investments						
and earthquake funding	35,906	-	35,906	16,755	24,583	
Internal service providers	13,410	-	13,410	6,956	9,667	
Property costs and other expenses	13,044	-	13,044	(171)	19,723	
	62,360	-	62,360	23,540	53,973	
Revenue from services						
Rates		293,001	(293,001)	(287,313)	(273,813)	
Dividends	-	37,745	(37,745)	(34,285)	(45,515)	
Interest from on lending	-	9,933	(9,933)	(7,943)	(14,705)	
General and special fund interest	-	9,338	(9,338)	(10,107)	(9,817)	
Internal service providers	-	11,409	(11,409)	(6,956)	(6,441)	
Earthquake cost recoveries	-	69,916	(69,916)	(50,510)	(41,055)	
Other income	-	14,921	(14,921)	(7,284)	(33,283)	
Subvention receipts (income tax)		6,757	(6,757)	(5,199)	3,379	
	-	453,020	(453,020)	(409,597)	(421,250)	
Net cost of services	62,360	453,020	(390,660)	(386,057)	(367,277)	
Capital expenditure						
Renewals and replacements			15,978	5,114	41,719	
Infrastructure rebuild			134,696	59,500	-	
Improved service levels			12,985	37,347	50,750	
Increased demand			(2,383)	(3,702)	5,918	
Total capital expenditure			161,276	98,259	98,387	

Explanation of significant cost of service variances

Interest costs are \$19.1 million higher than plan. \$9.1 million relates to the cost of borrowing undertaken in relation to the Canterbury earthquakes. \$0.9 million is included under other income which is being sought from parties cost sharing the recovery. Interest incurred of \$1.6 million relating to Jet Engine Facility Ltd (JEFL) was unbudgeted as it was planned to be sold earlier than eventuated. This interest is fully recovered under Interest from Onlending. \$7.4 million is the result of the accounting treatment required for the lease of the new Civic Building. Financial reporting standards require that Council treat the lease as a financing lease. This notional interest of \$7.4 million was budgeted for as a lease payment. The variance to 2011 relates substantially to the earthquake borrowing.

Internal service providers expenditure and revenue was above budget and higher than 2011 due to earthquake response costs incurred and subsequent recoveries.

Property costs and other expenses were overspent due to \$11.0 million of earthquake costs that do not relate to any of Council's planned activities, including \$7.2 million relating to rates remissions. Earthquake emergency and response costs were lower than 2011.

Rate revenue was \$5.7 million higher than planned as the result of the requested Order in Council to reduce rates on demolished properties not being approved in 2012. Reductions were consequently treated as rate remissions which were also over plan.

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Interest from onlending was higher than plan due to JEFL being sold later than anticipated. Interest was lower than 2011 due to the sale of EcoCentral Limited and conversion of Vbase debt to equity that occurred in June 2011.

Earthquake recoveries were \$19.4 million higher than planned, of which \$13.9 million relates to rebuild recoveries, and \$5.5 million response costs. Earthquake recoveries were higher than 2011 due to the infrastructure rebuild programme getting under way, largely via SCIRT.

Other income is above plan mainly due to the unplanned receipt of Christchurch Earthquake Mayoral Relief fund donations of \$1.9 million and rate penalties being \$2.6 million higher. Other income is lower than 2011 due to lower rates penalties (\$2.1 million) and lower Relief fund receipts (\$3.6 million). 2011 also recorded a gain on the sale of EcoCentral Limited of \$6.7 million.

Significant capital expenditure

\$1.9 million was spent on Strategic Land Acquisitions; \$14.2 million on IM&CT Renewals, Replacements and Developments; \$1.2 million on Fleet and Plant Purchases and \$134.7 million on infrastructure rebuild projects in progress. Equity investments of \$11.7 million were made in Vbase, the Local Government Funding Agency, and the NZ Local Government Insurance Corporation. This was offset by \$2.4 million of Strategic Land Acquisitions being transferred to projects.

Explanation of significant capital expenditure variances

Overall, the rebuild programme was delivered to plan other than facilities (\$59.5 million), which has been delayed while building assessments are completed. The \$134.7 million recorded under Corporate relates to infrastructure work in progress that will be allocated to the appropriate activity when work is completed. The net underspend of \$12.1 million outside the earthquake rebuild is due to planned delivery of work carried forward from 2011, any actual costs of which are shown under the appropriate activity.

5000 - Financial Statements

Annual Report 2012 Christchurch Otautahi

This section contains details about the Council's finances over the past year, how your rates dollars were spent, where additional funding came from and some of the year's financial highlights.

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5005 - Financial Highlights

Financial result - Parent

The Council recorded an accounting surplus of \$188 million for the year compared to a planned surplus of \$277 million. Without the financial effect of the earthquake the Council would have had an accounting surplus from its core operations of \$72 million compared to a planned non-earthquake accounting deficit of \$2 million.

Summary Statement of Comprehensive Income	Core operations	Earthquake	30 Jun 12	Core operations	Earthquake	30 Jun 12
Year to 30 June 2012	Actual	Actual	Actual	Plan	Plan	Plan
	\$m	\$m	\$m	\$m	\$m	\$m
Total income	489	575	1,064	458	343	801
Total operating expenses	486	268	754	469	64	533
Profit for the period	21	307	328	(2)	279	277
Other comprehensive income for the period, net of tax	51	(191)	(140)	-	-	-
Total comprehensive income for the period, net of tax	72	116	188	(2)	279	277

The major reasons for the \$74 million variance from plan for core operations were:

- \$81 million higher than planned gain on revaluation as a result of the increased value of our investment in CCHL.
- \$16 million more than planned assets vested in Council,
- \$12 million higher revenue from rates, dividends and rentals than planned,
- \$9 million lower personnel costs than planned,

offset by:

- cash flow hedge losses which were \$28 million higher than planned,
- \$16 million higher depreciation than was planned,
- \$10 million higher net financing cost that was planned.

There was a surplus from earthquake related transactions of \$116 million compared to a planned earthquake surplus of \$279 million. The major reasons for the \$163 million difference between plan and actual for the earthquake activities were:

- \$191 million for asset impairment; no impairment was planned.
- \$4 million higher than expected net earthquake related financing cost.

offset by:

- \$24 million higher than planned NZTA subsidies due to accrual of earthquake subsidies, and
- \$20 million net increase in earthquake related recoveries resulting from an additional \$208 million of additional earthquake related insurance recoveries and Crown contributions costs offset by \$188 million of earthquake response.

Core Operations

The surplus of \$72 million from core operations results from accounting standards requiring us to show all revenue, including capital revenue as income received for the year. Capital revenues include development contributions, some of which are used to fund future development, NZTA subsidies, and vested assets, (footpaths, water and drainage infrastructure and reserves land), which are vested to Council by developers. The surplus also includes interest received on funds that are held in the balance sheet for special purposes.

Without these capital revenues, Council would have recorded an operating deficit of \$16 million against a planned deficit of \$25 million.

Earthquake impact

Progress has been made in negotiations with insurers and the Crown. Insurance proceeds of \$203 million were received in 2011/12 for progress payments and settlements from the Local Authority Protection Programme (LAPP), relating to claims for network assets and indemnity payments for damaged facilities including QEII and the Provincial Chambers. At year end Council had an insurance receivable of \$111 million relating to these assets. \$164 million of income has been received from the Crown for emergency response costs, with a receivable of \$89 million outstanding. \$66 million has been received from the Crown as a contribution towards the infrastructure rebuild carried out by SCIRT with a further \$114 million receivable at year end.

The financial results still do not fully reflect the financial impact of earthquake damage to Council assets. Progress made during the year in estimating the damage to the network assets provided a better understanding of what proportion of the networks have been severely damaged and will need replacing, but not the specific assets themselves. On this basis Council has estimated that \$191 million of its network assets have been impaired. The impairment is reflected against the value of the assets and the revaluation reserve. The provision will be reversed in future years and replaced with entries against individual assets as the information becomes available. No impairment estimate was made in 2011/12 for building impairment as there was insufficient information available. Buildings including some which were impaired in 2010/11 were written off if they were clearly damaged beyond repair and were to be demolished. The book value of the buildings written off, including those which were previously impaired was \$11 million, which is recognised in the Council's surplus for 2011/12.

Offsetting the unrecognised damage to Council assets are the recoveries that we expect to receive from insurers and government agencies. While Council has recognised some recoveries, the high degree of uncertainty around the amount and timing of recoveries that may be possible as the full extent is determined, have not been recognised as an asset but disclosed as a contingent asset in Council's financial statements.

The earthquake surplus of \$116 million for the year is a snapshot of our current position within a process that will take a number of years to resolve. Over the next two to four years we will recognise all the damage to our assets and all the insurance recoveries within the financial statements. This means that there is the potential for the Council to record earthquake rebuild related deficits as a result of timing mismatches between the write off of assets and the receipt of recoveries, or where the cost of reinstatement is not fully met by Central Government and insurance funding.

More detail on the financial impact of the earthquakes is outlined in the *Impact of the 2010 and 2011 Canterbury earthquakes* later in the Annual Report.

Sources of operating income

Total income for the year ended 30 June 2012 is \$1,083 million being total income and vested assets. It was received from the following sources:

	Actual	Plan
	\$m	\$m
Rates revenue	297.6	287.3
Sale of goods / services	29.8	30.9
Rental revenue	29.7	26.7
Interest revenue	20.2	20.8
Dividends	37.9	34.3
Development contributions	7.0	9.0
NZ Transport Agency subsidies (excl Earthquake)	23.9	21.9
Earthquake subsidies & revenue	575.1	343.4
Other revenue	42.5	26.9
Vested assets	19.1	3.5
Total	1,082.8	804.8

The \$297.6 million of rates collected equates to \$31.64 per week for the average residential ratepayer. In 2012 the cost to ratepayers of Council activities and services is as shown below. Note that this excludes earthquake recoveries.

Group of Activity	Cents per dollar of Rates	Average Residential Rates / Week
City planning and development	6.3c	1.99
Community support	7.2c	2.28
Cultural and learning services	11.3c	3.58
Democracy and governance	3.1c	0.98
Economic development	2.7c	0.85
Parks, open spaces and waterways	13.5c	4.27
Recreation and leisure	7.9c	2.5
Refuse minimisation and disposal	10c	3.16
Regulatory services	3.3c	1.04
Streets and transport	19.4c	6.14
Wastewater collection and treatment	9.5c	3.01
Water supply	5.8c	1.84
	100.0c	31.64

Categories of operating expenditure

Our total operating expenditure for the year ended 30 June 2012 was \$754.3 million. Key components include:

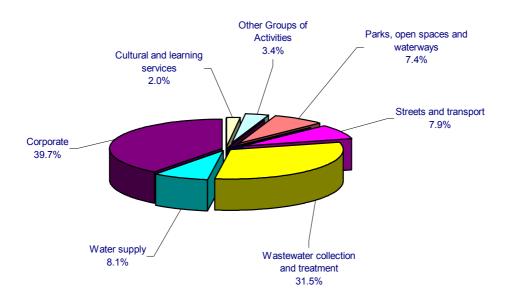
	Actual	Plan
	\$m	\$m
Depreciation and amortisation	116.2	100.5
Finance costs	39.9	26.6
Personnel costs	124.2	133.3
Grants / Donations	37.7	27.5
Earthquake expenses	247.5	59.2
Other operating expenses	188.8	185.8
Total	754.3	532.9

Achievements

Details of Council's non-financial achievements for the year are included in the *Our Achievements* section of the annual report.

Investing in the assets of the city

Council spent \$405.9 million, across a wide range of capital projects, compared to the budget of \$481.9 million. The under-spend is the result in delays in the earthquake rebuilding programme. A large portion of the capital projects relate to the earthquake rebuilding programme which will be funded through insurance recoveries and Government contributions. The Corporate activity has the largest share of rebuild spend as infrastructure rebuild work in progress costs are shown in this activity and will be allocated to the appropriate activity when the work is completed. Highlights are below with more detail in the *Council activities and services* pages.



The Other Groups of Activities category comprises community support (0.7%), recreation and leisure (1.6%), and refuse minimisation and disposal (1.1%).

Capital projects

Major capital projects completed for the year include the completion of the Graham Condon Leisure Centre (\$2.7 million of a \$14.4 million project) and Pioneer Learn to Swim Pool (\$1.3 million).

A total of \$122.2 million has been spent on infrastructure rebuild projects, the majority in relation to the wastewater and water supply networks. Projects during the year included further work on the Western Interceptor sewer (\$12.5 million), Fendalton Duplication sewer (\$3.5 million), Wigram Magdala Grade separation (\$3.5 million), construction of the pump station in Randolph Street, Linwood (\$5.2 million), pond replacement at the Wastewater Treatment Plant (\$7.0 million), replacement of wastewater treatment clarifiers (\$5.8 million) and further additions to the Biosolids Drying Facility (\$2.3 million).

Storm-water network projects included further work on Avon River Stopbanks and Storm-water Outfalls (\$18.7 million), the Awatea South Basin improvements to storm-water quality and reduction in volumes entering the Upper Heathcote River (\$3.3 million), implementation of the Lower Milns Stream retention and water treatment basin (\$1.0 million) and work on the Carrs Road Storm-water Facility (\$2.0 million).

In addition to the significant projects mentioned above Council contributed to the construction of the temporary stadium at Rugby League Park (\$1.0 million), the artificial surface at English Park and further neighbourhood reserve purchases (\$1.0 million). The new Aranui Library was opened (\$1.6 million) and \$4.0 million was spent on library book purchases.

Work continued on the Southern Motorway Cycleway and Auxiliaries (\$1.7 million), Ferrymead Bridge (\$1.9 million) Aidanfield Drive over-bridge (\$1.3 million).

More detail about the capital projects undertaken in the year are outlined in the *Council activities and services* section of the annual report.

Financial Position

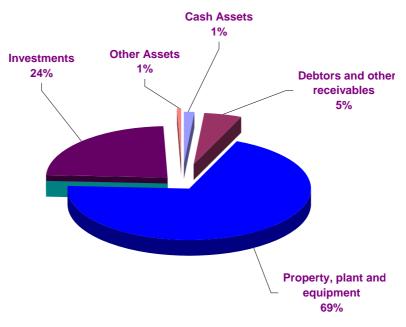
The Council's balance sheet shows a strong position with total assets of \$8.0 billion and net assets of \$7.1 billion. However, as noted above the Council has not yet been able to recognise the majority of earthquake damage to its assets. Partially offsetting this future reduction in net assets will be Government funding and insurance payments. It is too early to accurately calculate the net difference between earthquake damage and earthquake funding.

The Council's total assets of \$8.0 billion are higher than plan by \$1.5 billion. Current assets of \$620 million are higher than plan by \$361 million. This is mainly due to additional debtors and accrued recoveries relating to the recovery of costs incurred due to the earthquake. Non current assets of \$7.4 billion are higher than plan by \$1.1 billion. The main reasons for the variance are:

- the annual plan assumed that a write down of \$1.3 billion for the impairment of assets had occurred in 2010/11. No impairment was made in the 2010/11 financial year and an actual impairment of \$0.2 billion was made in 2011/12.
- work in progress due to infrastructure rebuild is \$0.5 billion higher than plan.
- increase in valuation of Council's investment in CCHL of \$0.1 billion.

Total liabilities of \$922 million are higher than plan by \$311 million. Total borrowings are higher than plan by \$196 million because of additional borrowings required to fund earthquake costs. The annual plan assumed prompt reimbursement from the Crown and hence no debt repayment in 2011/12 and no additional debt. Creditors and other payables are \$42 million higher due to earthquake accruals at year end. All other liabilities were higher than plan by \$73 million mainly as a result of the fair value of cash flow hedges of \$44 million, insurance indemnity funds held on behalf of Vbase for investment of \$27 million and the recognition of the service concession arrangement of \$7 million.

Our asset breakdown is as shown:



Looking forward

The major focus of the Council in 2013 will be the rebuild of our city. This is expected to take in excess of five years and planning is well underway. The SCIRT alliance will continue to deliver projects for the rebuild of the City's infrastructure in line with its recently released programme of works. While SCIRT has the responsibility for the rebuild and repair of the horizontal infrastructure networks over the forthcoming years, the Council will continue to maintain existing assets to meet the immediate needs of the community.

The CCDU released in July 2012 its Blueprint for the central city. Council will work with the CCDU and other partners in the further development and implementation of the Blueprint.

Major capital works planned for the year to June 2013 include the following:

- the infrastructure rebuild will continue and the facilities rebuild will commence.
- work will continue on projects associated with the Southern Motorway.
- the Western Interceptor Upgrade and Fendalton Duplication projects will be fully commissioned.
- the new Botanic Garden Centre which will provide a new focus of learning and visitor experience and enhanced facilities for our indoor plant collection will begin construction.

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- as a result of increased growth in the south west of the City a number of projects including wastewater pump stations, pressure mains and improved storm-water detention facilities together with improved community facilities will be progressed.
- purchase of the Salvation Army Citadel to provide a base for the Christchurch Symphony Orchestra and support the performing arts in Christchurch.
- construction will begin on the Akaroa and Little River water treatment plants.

Work required to bring greenfield areas to readiness for housing development has been accelerated to assist in making subdivisions available for residential building.

Christchurch will host a range of local and national sporting events including the NZ Women's Golf Open, NZ Open and the NZ Road Cycling Nationals, the World Masters Rugby League Championships along with Le Race and Airport Marathon.

The damage to a number of our social housing complexes and community facilities and the possibility that some cannot be rebuilt provides an opportunity to review where replacement social housing units and community facilities will be rebuilt to ensure they are built in appropriate locations and to the appropriate standard. At the time of writing, the only community facility approved by Council for rebuild is the Linwood Community Arts Centre.

More detail about future projects is available in the Council activities and services section of the annual report.

5010 - Group results

The Group includes the Council and its trading operations. The financial results, after all inter-company transactions have been eliminated, reflect the financial strength and size of the organisation as a whole.

	2012	2011
	\$000	\$000
Revenue from operations	1,865,837	1,375,671
Operating surplus (before tax)	500,179	111,035
Total assets	9,003,933	8,432,428
Total liabilities	1,939,081	1,617,711
Total equity	7,064,852	6,814,717

This result continues a positive trend in results for the Group, the increasing value of the assets held by the City, and the importance that Council's subsidiaries will have in the rebuild of Christchurch.

In July 2011, Standard and Poor's lowered the Council's and CCHL's long-term rating from AA+ to AA and short-term rating from A-1+ to A.

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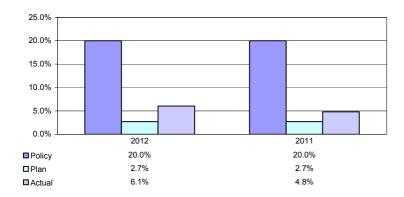
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5015 - Financial ratios

The Council has five financial ratios which form a key part of its financial risk management strategy. These ratios define the limits within which the Council must maintain its balance sheet and borrowing ratios. The actual ratios for the year are set out in detail below and in all cases fall well within policy limits.

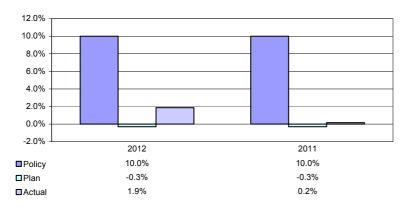
Net debt as a percentage of equity

Ratio policy <20%



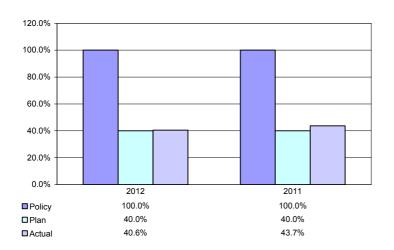
Net interest as a percentage of total revenue

Ratio policy <10%



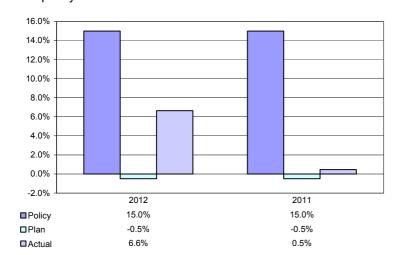
Net debt as a percentage of total revenue

Ratio policy <100%

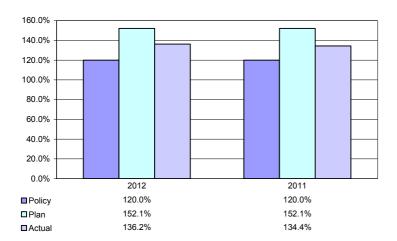


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Net interest as a percentage of annual rates revenue Ratio policy <15%



Liquidity Ratio policy >120%



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5020 - Audit New Zealand report

To be provided

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5025 - Summary of consolidating CCTOs

The following pages report the financial results of Council and its subsidiaries and associates for the year ended 30 June 2012.

Council parent statements include:

- Christchurch City Council
- Various bequest and special funds
- Mayor's Welfare Fund
- The Christchurch Earthquake Mayoral Relief Fund

The Council Group in the financial statements comprises the Christchurch City Council parent plus the subsidiaries and associates listed below.

Subsidiaries and associates are:

associates.

• Christchurch City Holdings Limited (CCHL)

The company is a wholly owned company formed to hold Council's investments in subsidiaries and

Major subsidiaries and associates of CCHL are:

- Enable Services Limited (formerly Christchurch City Networks Limited)
 This wholly owned company was established to make an investment in fibre-optic networks and ducting in the city. The financial statements consolidated are for the year ended 30 June 2012.
- Christchurch International Airport Limited
 This company is 75 per cent owned by CCHL. The financial statements consolidated are for the year ended 30 June 2012.
- City Care Limited

This wholly owned company provides construction and maintenance services for the Council and other organisations, and manufactures and supplies road paving material. The financial statements consolidated are for the year ended 30 June 2012.

EcoCentral Limited

This company is wholly owned by CCHL. EcoCentral Limited was wholly owned by Council until 19 January 2011, at which time ownership was transferred to CCHL. The financial statements consolidated are for the year ended 30 June 2012.

• Lyttelton Port Company Limited

This company is 79.2 per cent owned by CCHL. The financial statements consolidated are for the year ended 30 June 2012.

Orion New Zealand Limited

This company owns Connetics Limited and is an energy network management company. CCHL has an 89.3 per cent interest in Orion New Zealand Limited. The financial statements consolidated are for the year ended 31 March 2012.

Red Bus Limited

Red Bus Limited is a public transport company and is wholly owned by CCHL. The financial statements consolidated are for the year ended 30 June 2012.

Selwyn Plantation Board Limited

This associate company is 39.3 per cent owned by CCHL. The financial statements for the year ended 30 June 2012 are equity accounted.

Vbase Limited

This company is wholly owned by Council. It owns CBS Arena, AMI Stadium, Convention Centre and the Town Hall. The financial statements consolidated are for the year ended 30 June 2012.

Until 29 June 2012 Vbase Limited owned 100 per cent of Jet Engine Facility Limited, a company which was set up to construct, own and lease an aero engine testing facility. On 29 June 2012 Vbase Limited sold 100% of its shareholding in Jet Engine Facility Limited to Annzes Engines Christchurch Limited and Pratt & Whitney Holdings SAS.

• Tuam Limited

This company is wholly owned by Council. It owns and manages the former Tuam Street Civic Offices and related Tuam Street properties. The financial statements consolidated are for the year ended 30 June 2012.

Civic Building Limited

This company is wholly owned by Council. This company owns the Council's 50 per cent interest in the joint venture with Ngāi Tahu Property Limited which owns and manages the new Civic Building on Worcester Boulevard. The financial statements consolidated are for the year ended 30 June 2012.

Riccarton Bush Trust

The trust was established to administer and maintain Riccarton Bush, Riccarton House, Deans Cottage and the grounds. The financial statements consolidated are for the year ended 30 June 2012.

The World Buskers Festival Trust

The trust was established by Council to organise and manage the annual World Buskers Festival in Christchurch. The financial statements consolidated are for the year ended 30 June 2012.

The Rod Donald Banks Peninsula Trust

The trust was established by Council to promote sustainable management and conservation of the natural environment of Banks Peninsula together with supporting and facilitating projects that provide public access to the region. The financial statements consolidated are for the year ended 30 June 2012.

• Christchurch Agency for Energy Trust Board (CAfE)

The trust was established by Council to raise awareness in Christchurch and promote energy efficiency initiatives and the use of renewably energy. The financial statements consolidated are for the year ended 30 June 2012.

Transwaste Canterbury Limited

This Company has the principal purpose of operating a non-hazardous landfill in Canterbury. The Council has 39 per cent of the shareholding. The financial statements for the year ended 30 June 2012 are equity accounted.

5030 - Impact of the 2010 and 2011 Canterbury earthquakes

The effect of the 2010 and 2011 earthquakes continue to impact the financial results of Council and its subsidiaries. During 2012 there have been some additional insurance recoveries recognised, but progress to date in quantifying damage has been slow.

Impact on the financial statements

The impact of the Canterbury earthquakes that has been recognised in the financial statements is as follows:

	Parent	Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Revenue				
Insurance proceeds recognised	464,592	93,421	680,449	164,057
Government grants or other assistance	102,984	182,298	102,984	186,438
Other revenue as result of earthquake	7,538	1,309	7,538	1,309
	575,114	277,028	790,971	351,804
Expenses				
Impairment of P,P&E (in excess of revaluation reserve)	-	-	62,711	36,366
Repair and clean up provisions	-	-	23,617	13,521
Other direct costs of earthquake	247,514	275,026	264,613	300,401
	247,514	275,026	350,941	350,288
Balance sheet				
Impairment written off against revaluation reserves	191,242	44,463	211,195	165,843
Revenue accrued	345,222	212,126	389,723	264,400
Expenses accrued	39,874	33,800	39,874	49,381
Deferred tax decrease due to asset write-offs/impairment	-	-	-	(38,354)
Inventories increase/(decrease)	-	-	-	1,500

PARENT

Council's recovery was hampered by the June 2011 and December 2011 events which required staff to review much of the condition assessment work that had already been completed. Despite the work done by Council and SCIRT staff there is still a lot of uncertainty as to the level of damage suffered by Council's underground infrastructure assets, and many buildings still require engineering inspections in order to quantify the full extent of the damage.

As stated in the *Financial Highlights* note, buildings valued at \$11 million have been written off, and a provision made of \$191 million for the estimated damage to underground assets. The best estimate of total damage incurred is in the order of \$1.5 billion.

Asset damage

Council's earthquake damaged assets are made up of its network assets namely Wastewater, Water, Storm-water, and Road networks, and buildings.

The estimated cost of the damage has been built-up using both Council's and SCIRT's estimate of damage for network assets together with Council's estimate of damage to buildings. The current estimate does not include the cost of land remediation as it has not yet been possible to quantify.

Because of the extent of the damage and in particular to those assets that are below ground, this cost estimate is largely subjective and based on observation and qualitative judgement. Consequently, the estimate can only be viewed as a very high level assessment.

Following the formation of SCIRT, the initial repair estimate made by Council continues to be revised by SCIRT based on the judgement of the field staff and consultants. SCIRT also continues to refine its broad work scope definition and quantification of the physical rebuild/repair works required.

SCIRT's current estimate of costs, at the time of adoption of the Annual Report (October 2012), is \$2.2 billion to replace and repair the damaged network assets. Council is expecting that a revised cost estimate will be released

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by SCIRT in December 2012. This cost is expected to be incurred over five years. The cost of the rebuild is being shared by the asset owners (Council and NZTA) and the Crown.

Council's current estimate of the cost to replace and repair damaged buildings is \$0.3 billion. This includes the Town Hall, Convention Centre and AMI Stadium which are all owned by Vbase.

Insurance recoveries

The Council's financial statements include income relating to insurance recoveries of \$575 million (2011: \$277 million) and include an insurance receivable of \$141 million (2011: \$212 million). These amounts reflect the costs incurred and recoveries recognised based on information available to 30 June 2012. Insurance recoveries for the year reflect the settlement received from LAPP and claims made for demolished buildings. No major insurance settlements have been concluded. Insurance recoveries can only be recognised as income when there is virtual certainty of receiving the recovery.

A progress payment of \$21 million was received from Earthquake Commission towards the repair and rebuild of Council's social housing units.

This insurance/recovery revenue is split in the following manner:

	30 Jun 12	30 Jun 11
	Actual	Actual
	\$000	\$000
Revenue		
Insurance proceeds recognised	249,858	93,421
Government grants or other assistance	317,196	182,298
Other revenue as result of earthquake	8,060	1,309
	575,114	277,028

The amounts of future recoveries could not be reliably measured at 30 June 2012 and have been treated as contingent assets. A note to this effect has been included in Note 38 *Contingent liabilities and contingent assets* in the financial statements.

Earthquake response cost recoveries

The Council has incurred significant costs since the September 2010 and February 2011 earthquakes. The costs incurred include:

- running an Emergency Operations Centre to co-ordinate the immediate response to the events;
- operating Welfare Centres to accommodate displaced residents;
- repairing essential infrastructure such as water and wastewater;
- reducing threats to safety such as Geotech and building works; and
- additional costs of maintaining services such as water and wastewater

Under the National Civil Defence Emergency Management Plan the Council can recover some of this cost from the Crown. At 30 June 2012 Council had accrued recoveries of \$144 million and had received payments of \$164 million. The Council has worked through the claims process with each of the Crown agencies to progress the settlement of the claims. For the Department of Internal Affairs this has included subjecting our processes to independent audit.

Rebuilding the City

The rebuild of the city is a massive undertaking which requires multiple parties to work in unison towards the common goal.

Central City Plan / Central City Blueprint

During the year Council produced its Central City Plan following public consultation. This was submitted to the Minister for Canterbury Earthquake Recovery in late 2011 for his approval. This plan formed the foundation of the CCDU and CERA's work on the Central City Blue Print.

Infrastructure Rebuild

Infrastructure rebuild is the rebuild of the Council's network assets.

Following the 4 September 2010 earthquake, Council established an Infrastructure Rebuild Management Office and tasked it with preparing a cost estimate for repairing Council assets. Following the February 2011 earthquake the level of damage to the network assets meant an unique approach was required to manage the repair and rebuild. During the year an alliance of contractors known as SCIRT was formed to undertake the infrastructure rebuild programmes.

Achievements to date

- establishment of the SCIRT alliance.
- continued work on asset assessment.
- replacement of 26 kilometres of wastewater mains, replacement of 15 kilometres of water mains and the repair and/or replacements of 41,000 square metres of roads.
- since 30 June 2012 SCIRT has released its programme of works for the City for the next five years.

Recovery of costs

During the year Council incurred \$298 million of infrastructure rebuild costs for work completed for the Infrastructure Rebuild Management Office and SCIRT. Council is working with both NZTA and CERA to determine the appropriate funding split for the costs incurred to date and future costs. A provisional cost recovery methodology has been agreed for SCIRT costs to 30 June 2012, Council is working with CERA on a funding proposal for infrastructure rebuild costs incurred after 30 June, it is expected that this paper will be presented to Cabinet in October 2012.

\$66 million of SCIRT cost recoveries was received from NZTA and CERA and at 30 June Council had a receivable of a further \$114 million. Council expects to receive payment for SCIRT costs to 30 June 2012 in November and payment for Infrastructure Rebuild Management Office projects in early 2013. Following the approval by Cabinet of CERA's funding proposal, Council expects to receive regular monthly payments from CERA.

Facilities Rebuild

In September 2011 Council began the process of undertaking DEEs on all 1,600 Council owned buildings. The purpose of a DEE assessment is to provide the Council with accurate information as to the level of earthquake damage. These more detailed assessments have resulted in a number of buildings being closed where they are assessed to be below 34% of New Building Standards (NBS). The results of the assessments have enabled Council to prioritise the repair to buildings and facilities. A public database records the current status of each of the buildings and facilities.

Funding Council's share of the rebuild

The total cost of the earthquake response and recovery is estimated at \$3.4 billion, with \$821 million covered by insurance and \$1.5 billion by the Crown's contribution. The Council's contribution is estimated at \$982 million including the contribution required for the Vbase owned assets (Town Hall, AMI Stadium and Convention Centre). The cost recoveries assume:

- Underground Assets. Council reached a final settlement with LAPP of \$202 million towards the repair of
 the underground assets. The total amount payable was limited by the reinsurance taken by the LAPP
 trustees which was based on professional geotechnical advice they received. NZTA subsidies for eligible
 roading have been assumed at 83% as approved by the NZTA Board. Crown Subsidies of 60% on
 underground assets based on the National Disaster Recovery Plan have been assumed.
- Buildings, Facilities and Other Assets. The forecasts assume Council secures insurance settlement for
 rebuild/repair of its facility assets on a like-for-like basis (less a 2.5% excess). Any improvements or
 strengthening of Council assets in excess of their pre-earthquake strength is assumed to be funded
 through a \$175 million "improvement allowance" in these estimates. This category of costs includes \$87
 million of estimated costs for remediating assets that were not possible to insure such as parks, riverbanks
 and riverbeds (dredging). The Council share also includes the 2.5% excess on buildings claims.
- Emergency & Response Costs. Of the \$576 million expected to be incurred for emergency and response costs, \$67 million is eligible for insurance cover from LAPP and is included in the settlement above. Other costs are eligible for government subsidies as follows:
 - NZTA subsidies of 75% for 2010/11 and 83% subsequently;
 - 100% for eligible Welfare costs;

- 60% for ongoing maintenance of temporary works (100% for the February emergency period); and
- 60% for rockfall and demolition costs.

There are a number of costs for which there is no existing Government policy (for example maintenance of temporary services in the red zones and infrastructure betterment). Government officials are developing cost sharing principles and the estimates provided above reflects Council's view of the most likely outcome.

Council will fund its \$982 million share of the response and recovery costs through a combination of deferred renewals and a Special Earthquake Charge on rates. This Charge was 1.76% of rates in 2011/12 and increased to 1.82% for the four years 2012/13 to 2015/16.

Renewals expenditure has been reduced by \$50 million per annum for four years (2011/12 is the second year of these reductions), \$40 million per annum for the following six years and \$25 million per annum for the following twelve years. This provides \$690 million towards the repayment of the debt raised. A partial reduction in the renewals programme over this period is reasonable as over the five-year period of the rebuild assets to a value of \$2.6 billion will be renewed, resulting in fewer assets to be maintained in the medium term.

Further information on the Council's strategy for funding its share of the rebuild is set out in the Financial Strategy section of the 2012/13 Annual Plan.

Insurance

Prior to 30 June 2011 all Council facilities were insured most for replacement value with a few at demolition or indemnity value. Council's total above ground insurance programme totalled \$1.9 billion.

In June 2011 Council obtained material damage cover for its 2,239 residential housing units and this was renewed in June 2012. The policy provides for fire and EQC Earthquake peril cover (\$0.1 million cap cover per housing unit). The housing units with the exception of certain housing units that had earthquake damage and roading housing are insured at replacement value of \$414 million. In March 2012 a further \$75 million of cover was sourced through Lloyds of London covering a number of significant Council buildings including CBS Canterbury Arena, owned by Vbase but managed by Council.

The Council self insures its below ground assets as no insurer is offering cover. Any new major earthquake damage is limited to a 60 per cent recovery.

Contingent assets and liabilities and capital commitments

Council has a number of additional contingencies and capital commitments. The Council as a funding partner of the SCIRT alliance is committed over the next 4 years to funding its share of the infrastructure rebuild. The total cost of the infrastructure rebuild is estimated at \$2.2 billion. The Council is also committed to the facilities rebuild and the 2012/13 Annual Plan outlined the priority facilities for Council and the estimated cost.

The earthquakes and their aftermath have increased the risk of potential litigation and claims against Council.

Insurance recoveries

Accounting standards require that insurance recoveries can only be recognised where there is virtual certainty of receiving the payment. For some recoveries the virtual certainty has been achieved and the revenue recognised. However, for others the standard has not been met although the Council is confident that it will receive a recovery and it is a contingent asset. The ultimate quantum of all the insurance recoveries cannot currently be reliably measured as there will continue to be uncertainty around the range of possible outcomes for a number of years.

Accounting for earthquake damage and impairment

Accounting standards require that when an asset has been destroyed it should be de-recognised, or written off, from the financial statements. Similarly, where there is an indication that the value of an asset as recorded in the financial statements is greater than its actual value, the value of that asset must be reduced (this is known as impairment). It is clear from the Council's work to date that:

some of Council's infrastructural and building assets have been damaged beyond repair, and NZ
 International Accounting Standard 16 Property Plant and Equipment (NZ IAS 16) requires Council to write-

- off those assets. This write-off is expensed in the Statement of Comprehensive Income and impacts the surplus or deficit for the year.
- much of Council's infrastructural and building assets have been impaired, and NZ International Accounting Standard 36 Accounting for Impairment (NZ IAS 36) requires Council to recognise an impairment loss on those assets. Impairment is recognised in other comprehensive income against revaluation reserves for each class of asset. Any excess of impairment above the revaluation reserve is expensed in the Statement of Comprehensive Income.

Based on the information available to date, Council has been able to identify a small number of individual assets that are damaged beyond repair and have been written off. These include QEII and a number of smaller buildings. However, in the main, it is still not possible to determine whether the assets are damaged beyond repair and should be written off, or can be repaired and therefore should be impaired. This process may take several more years as in most cases final decisions about write-off versus impairment of individual assets cannot be made until detailed engineering reports are available and a repair/replace decision has been agreed with the Council's insurers and/or Government agencies. Best estimates would suggest that a further \$800 million is to be written off.

Recognition of assets written off in these financial statements

The book value prior to any earthquake related impairment of assets that had clearly been destroyed by the earthquakes to date is:

	Book value \$ million
Buildings	43.01
Water pumping stations	0.02
Sewer pumping stations	-
Historic buildings	
	43.03

2011/12	2010/11	Total Book
Book value	Book value	Value
\$ million	\$ million	\$ million
43.01	4.87	47.88
0.02	0.38	0.40
-	4.04	4.04
-	0.24	0.24
43.03	9.53	52.56
	~	

The significant write off in the 2012 financial year was QEII which was de-recognised when the CERA demolition order was agreed. QEII was impaired in 2010/11 but due to the decision to demolish the facility the remaining book value was recognised in the Council's surplus for 2012.

The value of assets written off to date is comparatively low at \$52.5 million however, this will increase as infrastructure rebuild projects are completed and the existing assets are written off and replaced by the new assets.

The impact on the Council's profit of these write offs has been a \$32 million reduction in the asset revaluation reserve for impairment of the specific assets and the recognition of a \$23 million loss (2012: \$11 million and 2011: \$12 million) in the Statement of Comprehensive Income when the assets were de-recognised.

Recognition of impaired assets in these financial statements

Buildings

In 2010/11 the Council recognised impairment of \$44 million being the indemnity payment in relation to buildings where the insurer had confirmed that the building has been damaged beyond repair. The impairment of the affected buildings was recognised by reducing the value of the assets in the Council's financial statements and by reducing the value of the Council's asset revaluation reserves by an equal amount.

At 30 June 2012, 150 of the DEEs required on the Council's non-residential buildings have been completed and a further 378 were underway. Two of the nine assessments to be carried out on City Housing complexes are complete. As a result of these more detailed assessments, a number of buildings assessed at below 34% of NBS have been closed to the public. No impairment of these buildings has been made. As the future of the buildings is determined the need for impairment will be reassessed.

Infrastructure

Additional work by SCIRT and Council during 2011/12 in understanding the extent and severity of damage to the network assets. has meant that Council has sufficient information to make an impairment estimate for each of these networks as detailed below.

	Pre-impairment Optimised Depreciated Replacement (ODRC) Cost 30 June 2012 \$ million	Impairment \$ million	Percentage of ODRC %
Roading network	1,379.75	19.41	1.41%
Sewerage system	707.50	121.15	17.12%
Water system	453.00	15.19	3.35%
Stormwater system	323.12	35.45	10.97%
Footbridges	0.03	0.03	_
		191.23	-

The impairment provision for network assets has been calculated based on the 29 September 2011 estimate prepared by WT Partnerships Infrastructure in conjunction with Council and SCIRT. This estimate detailed the quantities of each network that need to be replaced. These quantities have been used to determine the percentage to be impaired using the optimised depreciated replacement cost as the value.

The impairment of infrastructure assets has reduced the value of the assets in the Council's financial statements and has been recognised in other comprehensive income against the revaluation reserves for each class of asset. No impairment was expensed. As SCIRT replaces the infrastructure assets and delivers them to Council the impaired assets will be written off in the financial statements and the new assets added. The impairment estimate will continued to be revised annually in accordance with accounting standards.

The 2011/12 Annual Plan was based on the assumption that \$1.3 billion of assets would be impaired 2010/11. This did not happen as the information was not available, and still isn't. The balance of \$1.1 billion will be recognised as more information is available and assets are replaced.

Revaluations

The Council revalues the following items of property, plant and equipment to fair value:

Land (other than land under roads)
Buildings
Infrastructure assets
Heritage assets
Works of art

Fair value for a public benefit entity like the Council is depreciated replacement cost. Under NZ IAS 16 the Council needs to be able to demonstrate that the carrying value of its assets is recorded at fair value at balance date. However, the unit rates being proposed for replacement or repair of assets are significantly higher than the unit rates included in the current valuations. This suggests that the rates underpinning the asset valuations are no longer appropriate and that, the difference between the carrying values and the fair value (even ignoring the impact of impairment and disposals) could be substantial. In these circumstances Council would need to revalue its assets to comply with the standard.

Council's asset revaluation programme was suspended in 2010/11 as it was considered that there was insufficient market activity to provide reliable market valuations or that assumptions required to provide a valuation would not be appropriate. In 2011/12 the Council was due to revalue, operational land and land improvements, restricted land and buildings, sewerage infrastructure and heritage and public art assets. The valuation of public art assets was the only one undertaken. The other valuations were not done for the following reasons:

- there was considered to be insufficient market activity to provide reliable market valuations;
- the assumptions required to provide market valuations were not appropriate;
- there was insufficient asset condition information;
- there was insufficient information regarding the extent of the damage to infrastructure networks and the effect of the earthquakes on estimated useful lives; or
- there are uncertainties around the appropriate unit rates to be applied to assets.

Council will reinstate its revaluation programme when there is evidence that a market exists for an asset class and there is sufficient condition information available to allow a valuation to be prepared.

GROUP

Impact on assets held by Council's subsidiaries

Several of the Council's subsidiaries have significant physical asset holdings which have been impacted by the series of earthquakes. Specifically:

Lyttelton Port Company Limited

Port assets were written down by \$29 million in the June 2011 financial statements. No further write down was made in the year to 30 June 2012.

On 2 November 2011 the company elected to evacuate its administration building due to risks highlighted in an engineering report. At 30 June 2012, no decision has been reached whether this building will be repaired and the company is currently unable to assess whether the building has suffered any impairment. The building has a net book value of \$1.2 million at 30 June 2012.

There is an insurance receivable of \$29 million at 30 June 2012 representing amounts due from insurers which the company was able to reliably measure based on costs incurred and revenue lost to date. No payments were received during the year to 30 June 2012 from the company's insurers.

The company has a material damage claim with its insurer in relation to the reinstatement of its assets as the company has elected to reinstate its damaged or destroyed assets, though significant physical works are yet to begin. The company is entitled to lodge claims when the indemnity values have been established and/or reinstatement costs have been incurred. It will take the company a number of years to complete the reinstatement of its damaged and destroyed assets. The ultimate quantum of the material damage claim cannot currently be reliably measured on the basis that there is significant uncertainty around the range of possible outcomes and insufficient information to form a reasonable judgement.

Civic Building Limited

Civic Building Limited owns 50 per cent interest of the Christchurch Civic Building unincorporated joint venture with Ngãi Tahu Property Limited (NTPL) that owns the Civic Building in Hereford Street. The building suffered significant non-structural damage in the series of Canterbury earthquakes. The repairs, are substantially complete and in the main funded by insurance.

Tuam Limited

The major asset of Tuam Limited is the former Civic Building in Tuam Street. The building has suffered significant damage from the Canterbury earthquakes and at the time of writing no decision has been made about its future.

Tuam Limited received a qualified audit opinion as it has been unable to obtain market values for its investment properties including the former Civic Building. These assets are reflected in the Council group financial statements at \$9 million.

Vbase Limited

The February 2011 earthquake caused significant damage to the Christchurch Convention Centre, the Christchurch Town Hall for Performing Arts, and AMI Stadium. The Convention Centre was demolished and at 30 June 2012 the Hadlee Stand at AMI Stadium was in the process of being demolished. AMI Stadium and the Christchurch Town Hall for Performing Art suffered significant damage and to return these assets to pre-earthquake condition is estimated to cost more than their insured value. Vbase's other major asset, the CBS Canterbury Arena, has not suffered significant earthquake damage and is operational.

Vbase has recognised \$167 million (2011: \$55 million) in insurance recoveries in its financial statements. It has an insurance recoveries receivable at 30 June of \$178 million (2011: \$44 million).

Vbase received a qualified audit opinion as it has been unable to obtain market values for its facilities.

Orion New Zealand Limited

Orion's cable network was damaged as a result of the series of Canterbury earthquakes. The damage caused by the December 2011 earthquake was less severe than any of the previous big earthquakes. 99% of customers had their power on by nightfall after the 23 December 2011 earthquake. Emergency repairs have been completed and the company is now focused on the repair and rebuild of a resilient network.

The company's assessment of damage and required remedial action for the electricity distribution network continues, it will be several months before the work is complete and the findings collated. The company's main

head office buildings suffered significant damage. A cash settlement was agreed with its insurers on three of its significant buildings, on its head office and their unrecoverable contents and its overall earthquake deductibles for the 22 February and 13 June earthquakes. \$22.3 million of insurance recoveries have been recognised in the year to 31 March 2012 (2011: Nil). Due to estimation uncertainty no other insurance proceeds were recognised in the 2012 or 2011 financial years.

The company has two key insurance policies relevant to the recent earthquakes:

- Material damage this is a full replacement policy and covers the company's corporate properties and
 most of its key substations (not those substations sited in customers' premises). Network overhead lines
 and underground cables have not been insured as it has not been economic to do so.
- Business interruption lost revenues and additional costs are claimable if they arise "as a consequence of..." damage to the company's insured assets and occur within the first eighteen months following the earthquake.

The company is virtually certain to continue to receive insurance proceeds on both policies as its detailed claims processes progress, but the quantum of the likely proceeds cannot be reliably measured, because of the wide range of possible outcomes that will be negotiated with the group's insurers following completion of detailed engineering and financial assessments. Hence, no insurance proceeds receivable have been recognised as assets within these financial statements other than those that have been formally agreed and settled with the company's insurers.

It is still relatively early in the company's insurance claims process. There are currently no disputes with the company's underwriters or their assessors. Over the next financial year as the quantity and quality of the various engineering assessments and financial information available to the company improves, there is likely to be a material upwards adjustment to the carrying amount of insurance recoveries receivable, currently \$10 million (2011: Nil).

Christchurch International Airport Limited

Christchurch International Airport incurred minimal damage from the 23 December 2011 earthquakes, and they did not cause major disruptions to the day to day operations.

At 30 June 2012 the company has assessed the recoverable amount of fixed assets damaged in the earthquakes and compared this to the carrying value of those assets, concluding that one building has been impaired on the fact this it is currently below the required NBS and is unoccupied. The book value \$0.9 million has been written off to Nil.

Costs associated with earthquake damage to date are \$4 million (2011: \$3 million). In the current year \$2 million of insurance recoveries were received and no insurance claims are outstanding.

Red Bus Limited

Christchurch city's public transport network emerged from the Canterbury earthquakes as one of the sectors hardest hit, requiring the company to deal with a number of major operational issues. An immediate effect of the earthquakes was a large fall in passenger volumes which are now 65% of those pre-earthquake. Encouragingly, passenger numbers are beginning to rise at a rate of around 3% annually, as the City's business activity begins to improve.

The company's financial statements include \$1 million (2011: \$6 million) of insurance income and insurance receivable of \$1 million (2011: \$5 million). No impairment or de-recognition of assets was recorded in 2012 (2011: \$0.3 million)

City Care Limited

The company has suffered no material earthquake damage. The company's work stream and revenues increased significantly after the earthquakes, and hence has resulted in increased profitability.

CHRISTCHURCH CITY COUNCIL Financial Statements for the year ended 30 June 2012

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CHRISTCHURCH CITY COUNCIL Statement of comprehensive income For the year ended 30 June 2012

		Parent			Group			
	Note	30 Jun 12 Actual \$000	30 Jun 12 Plan \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000		
Rates revenue Operating and other revenue Finance income Other gains	2(a) 2(b) 3 4	297,614 745,538 20,166 392	287,313 493,182 20,775	273,813 457,777 24,450 14,445	291,068 1,557,151 15,963 5,823	268,338 1,086,526 13,486 7,321		
Total income	.	1,063,710	801,270	770,485	1,870,005	1,375,671		
Depreciation, amortisation and impairment	5	116,196	100,467	111,744	206,581	236,246		
Finance costs Personnel costs	6 7	39,942 124,179	26,606 133,341	25,712 129,380	74,142 315,578	56,627 311,031		
Other expenses	8	459,075	272,467	449,399	707,859	628,797		
Other losses	4	14,899	, -	13,054	83,641	39,978		
Total operating expenses	,	754,291	532,881	729,289	1,387,801	1,272,679		
Share of (losses)/profits of associates	20	-	-	-	850	4,737		
Profit before asset contributions	,	309,419	268,389	41,196	483,054	107,729		
Vested assets	9	19,131	3,500	3,306	19,131	3,306		
Profit before income tax expense	,	328,550	271,889	44,502	502,185	111,035		
Income tax expense/(credit)	11	91	(5,199)	392	39,275	39,007		
Profit from continuing operations		328,459	277,088	44,110	462,910	72,028		
Profit for the period	:	328,459	277,088	44,110	462,910	72,028		
Other comprehensive income Property, plant and equipment valuation gain/(loss)		(1,452)	-	(439)	8,187	(107,519)		
Gains/losses from: Investment revaluation gain/(loss)		81,061	-	29,467	329	(652)		
Cash flow hedges gain/(loss)		(28,538)	-	(3,597)	(43,392)	(6,393)		
Share of other comprehensive income (after tax) of associates Income tax relating to components of other comprehensive		-	-	-	71	(760)		
income Property, plant and equipment impairment loss Transfers and other		(191,242) -	-	(44,463) -	940 (188,135) -	52,480 (101,745) -		
Other comprehensive income for the period, net of tax	,	(140,171)	-	(19,032)	(222,000)	(164,589)		
Total comprehensive income for the period, net of tax	;	188,288	277,088	25,078	240,910	(92,561)		
Profit for the period attributable to: Parent entity Non controlling interests	35	328,459 - 328,459	277,088 - 277,088	44,110 - 44,110	448,652 14,258 462,910	58,469 13,559 72,028		
Total comprehensive income attributable to: Equity holders of the parent	35	188,288	277,088	25,078	223,096	(100,145)		
Non controlling interests	35	188,288	277,088	25,078	<u>17,814</u> 240,910	7,584 (92,561)		
		100,200	211,000	20,010	2-0,010	(02,001)		

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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CHRISTCHURCH CITY COUNCIL Balance sheet As at 30 June 2012

AS at 30 June 2012			Parent	Group			
	Note	30 Jun 12	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
		Actual \$000	Plan \$000	Actual \$000	Actual \$000	Actual \$000	
Current assets		4000	φοσο	φοσο	4000	4000	
Cash and cash equivalents	12	118,267	51,159	48,417	151,237	80,777	
Debtors and other receivables	13(a)	55,765	93,248	78,819	126,903	127,221	
Derivative financial instruments	15(a)	415	, -	· -	667	39	
Other financial assets	16(a)	90,929	113,134	54,500	104,669	52,079	
Prepayments	. ,	4,998		3,205	12,080	8,661	
Inventories	17(a)	3,916	1,470	2,248	21,347	15,407	
Current tax assets	11(b)	21		118		-	
Assets classified as held for sale	18	446	_	246	446	27,818	
Other	19(a)	345,222	_	212,126	567,900	259,060	
Total current assets	()	619,979	259,011	399,679	985,249	571,062	
Non-current assets							
Debtors and other receivables	13(b)	-	-	-	275	25,321	
Investments in associates	20	6,196	-	6,196	58,929	28,312	
Derivative financial instruments	15(b)	1,976	-	2,747	1,976	2,747	
Other financial assets	16(b)	1,784,124	1,649,169	1,690,653	88,397	77,105	
Prepayments	. ,	-	-	· · ·	9,128	9,277	
Property, plant and equipment	23	5,551,914	4,598,498	5,463,592	7,620,488	7,538,046	
Investment property	24	-	-	-	145,431	105,268	
Intangible assets	25	39,084	12,052	30,859	51,328	41,138	
Deferred tax assets	11(c)	-		-	18,918	12,807	
Goodwill	26	_	_	_	21,227	21,036	
Other	19(b)	_	_	_	24	309	
Total non-current assets	12(2)	7,383,294	6,259,719	7,194,047	8,016,121	7,861,366	
Total assets		8,003,273	6,518,730	7,593,726	9,001,370	8,432,428	
Current liabilities							
Creditors and other payables	27	116,203	74,144	121,647	174,879	184,461	
Borrowings	28(a)	87,239	52,601	31,838	254,049	169,596	
Derivative financial instruments	15(c)	-	-	-	1,384	1,557	
Employee entitlements	30(a)	14,310	12,655	13,985	39,452	38,374	
Current tax liabilities	11(b)	· -	, -	, -	18,113	2,405	
Provisions	31(a)	3,063	550	2,749	3,063	3,045	
Other	32(a)	31,485	-	5,601	5,053	6,313	
Total current liabilities	. ,	252,300	139,950	175,820	495,993	405,751	
Non-current liabilities							
Borrowings	28(b)	584,422	422,864	472,288	1,006,370	827,894	
Derivative financial instruments	15(d)	43,911	-	14,126	82,493	36,224	
Employee entitlements	30(b)	5,801	6,309	5,970	7,362	7,221	
Deferred tax liabilities	11(c)	3,865	3,382	3,774	319,776	315,981	
Provisions	31(b)	21,182	38,441	17,298	21,182	17,372	
Other	32(b)	10,757	-	11,703	5,315	7,268	
Total non-current liabilities	. ,	669,938	470,996	525,159	1,442,498	1,211,960	
Total liabilities		922,238	610,946	700,979	1,938,491	1,617,711	
Net assets		7,081,035	5,907,784	6,892,747	7,062,879	6,814,717	
Equity							
Reserves	33	4,951,122	4,878,598	4,938,000	3,951,038	4,021,578	
Retained earnings	34	2,129,913	1,029,186	1,954,747	2,855,277	2,545,922	
Parent entity interest		7,081,035	5,907,784	6,892,747	6,806,315	6,567,500	
Non controlling interest	35	-	·	-	256,564	247,217	
Total equity		7,081,035	5,907,784	6,892,747	7,062,879	6,814,717	
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The accompanying notes form part of and are to be read in conjunction with these financial statements.

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CHRISTCHURCH CITY COUNCIL Statement of changes in equity For the year ended 30 June 2012

					Parent				
	Asset revaluation reserve \$000	Fair value through equity reserve \$000	Hedging reserve \$000	Reserve Fund \$000	Capital reserve	Retained earnings \$000	Attributable to equity holders of parent \$000	Non Controlling interests \$000	Total \$000
Balance as at 1 July 2010	1,794,572	1,194,732	(6,640)	189,427	1,733,853	1,961,725	6,867,669	- [6,867,669
As restated	1,794,572	1,194,732	(6,640)	189,427	1,733,853	1,961,725	6,867,669	-	6,867,669
Profit for period	-	-	-	-	-	44,110	44,110	-	44,110
Other comprehensive income for year (net of tax)	(44,902)	29,467	(3,597)	-	-	-	(19,032)	-	(19,032)
Transfer (to)/from retained earnings	(6,933)	-	-	58,021	-	-	51,088	-	51,088
Transfer (to)/from reserves		-	-	-	-	(51,088)	(51,088)	-	(51,088)
Balance as at 30 June 2011	1,742,737	1,224,199	(10,237)	247,448	1,733,853	1,954,747	6,892,747	-	6,892,747
As restated	1,742,737	1,224,199	(10,237)	247,448	1,733,853	1,954,747	6,892,747	-	6,892,747
Profit for period	-	-	-	-	-	328,459	328,459	-	328,459
Other comprehensive income for year (net of tax)	(192,694)	81,061	(28,538)	-	-	-	(140,171)	-	(140,171)
Transfer to/from retained earnings	(6,346)	-	-	159,639	-	-	153,293	-	153,293
Transfer to/from reserves	-	-	-	-	-	(153,293)	(153,293)	-	(153,293)
Balance as at 30 June 2012	1,543,697	1,305,260	(38,775)	407,087	1,733,853	2,129,913	7,081,035	-	7,081,035

	Group								
	Asset revaluation reserve \$000	Fair value through equity reserve \$000	Hedging reserve \$000	Reserve Fund \$000	Capital reserve	Retained earnings \$000	Attributable to equity holders of parent \$000	Non Controlling interests \$000	Total \$000
Balance as at 1 July 2010	2,235,264	(230)	(18,697)	189,427	1,733,853	2,522,647	6,662,264	246,889	6,909,153
Profit for period	-	-	-	-	-	58,469	58,469	13,559	72,028
Other comprehensive income for year (net of tax)	(152,512)	(652)	(5,482)	-	-	32	(158,614)	(5,975)	(164,589)
Transfer (to)/from retained earnings	(17,414)	-	-	58,021	-	-	40,607	-	40,607
Transfer (to)/from reserves	-	-	-	-	-	(40,607)	(40,607)	-	(40,607)
Dividends paid or provided for	-	-	-	-	-	-	-	(6,782)	(6,782)
Adjustment to non controlling interests for share acquisitions	-	-	-	-	-	5,381	5,381	(474)	4,907
Balance as at 30 June 2011	2,065,338	(882)	(24,179)	247,448	1,733,853	2,545,922	6,567,500	247,217	6,814,717
Profit for period	-	-	-	-	-	448,652	448,652	14,258	462,910
Other comprehensive income for year (net of tax)	(191,470)	329	(37,787)	-	-	3,372	(225,556)	3,556	(222,000)
Transfer to/from retained earnings	(6,438)	-	-	159,639	-	-	153,201	-	153,201
Transfer to/from reserves	-	-	-	-	-	(153,201)	(153,201)	-	(153,201)
Adjustment to controlling interests on purchase of shares	-	-	-	-	-	4,139	4,139	(527)	3,612
Consolidation of CCOs	4,046	-	-	60	1,081	6,393	11,580	-	11,580
Dividends paid or provided for	-	-	-	-	-	-	-	(7,940)	(7,940)
Balance as at 30 June 2012	1,871,476	(553)	(61,966)	407,147	1,734,934	2,855,277	6,806,315	256,564	7,062,879

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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CHRISTCHURCH CITY COUNCIL Cash flow statement For the year ended 30 June 2012

Mathematical part			Parent	Group		
Receiples from customers and other sources 420,679 751,199 395,041 1,055,905 914,622 Interest received 19,964 20,775 24,87 13,597 11,651 Dividends received 55,199 34,285 28,100		Actual	Plan	Actual	Actual	Actual
Interest received 19,964 20,775 24,887 13,597 11,651 10,000	Cash flows from operating activities					
Dividends received 55,198 34,285 28,190	Receipts from customers and other sources	420,679	751,199	395,041	1,055,905	914,622
Subvention receipts	Interest received	,	20,775	24,887	13,597	11,651
Payment for investment securities (596.802) (406.088) (514.635) (1,075.381) (827.162) (1,000 metax paid movement 18,758 (26.606) (25.684) (75.156) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.778) (81.25) (25.878) (81.25) (25.878) (81.25) (25.878) (81.25) (25.878) (81.25) (25.885) (81.25) (20.885) (20.885)	Dividends received		34,285	,	-	-
Interest and other finance costs paid (37,294) (26,606) (25,684) (75,156) (58,782) (10,0000 tax paid 18,758 (8,125) (25,778) (26,855) (25,778) (26,855) (26,		5,846	-	,	-	-
Net OST movement			, , ,	, ,	,	, ,
Ref Ref Movement	•	(37,294)	(26,606)	(25,684)	, ,	, ,
Reathquake recoveries 163,863 - 61,466 176,486 01,867 106,084 73,716 106,084 106,085 106,	•	-	-	-	,	, ,
Net cash provided by/(used in) operating activities Cash flows from investing activities Cash flows from investing activities Cash flows from investment securities C59,132 (32,467) (25,527) (89,582 (27,552) C7,552 C7,568 C		,		,		, ,
Cash flows from investing activities (59,132) (32,467) (25,527) (89,582) (27,552) Payment for investment securities - - 75,681 30,180 76,181 Payment for equity investment in subsidiaries (9,000) - 12,7500 (2,300) - Proceeds from subsidiary/associate shares repaid - - 12,000 - 10,268 Proceeds from repayment of raldvances 73						
Payment for investment securities (59,132) (32,467) (25,527) (89,582) (27,552)	Net cash provided by/(used in) operating activities 3	6 50,213	373,585	(30,050)	106,084	73,716
Proceeds from sale of investment securities - - 75,681 30,180 76,118 Payment for equity investment in subsidiaries (9,000) - (21,750) (2,300) - Proceeds from subsidiary/associate shares repaid - - 12,000 - 10,268 Proceeds from repayment of advances 73	Cash flows from investing activities					
Proceeds from sale of investment securities - - 75,681 30,180 76,118 Payment for equity investment in subsidiaries (9,000) - (21,750) (2,300) - Proceeds from subsidiary/associate shares repaid - - 12,000 - 10,268 Proceeds from repayment of advances 73	Payment for investment securities	(59,132)	(32,467)	(25,527)	(89,582)	(27,552)
Payment for equity investment in subsidiaries (9,000) - (21,750) (2,300) - 10,268 Proceeds from subsidiary/associate shares repaid 12,000 - 10,268 17,3 73	Proceeds from sale of investment securities	-	-	75,681	30,180	`76,118 [°]
Proceeds from subsidiary/associate shares repaid - 12,000 - 10,288 Proceeds from repayment of advances 73 72 <td< td=""><td>Payment for equity investment in subsidiaries</td><td>(9,000)</td><td>-</td><td>(21,750)</td><td></td><td>-</td></td<>	Payment for equity investment in subsidiaries	(9,000)	-	(21,750)		-
Proceeds from repayment of related party loans 17,060 - 26,800 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	Proceeds from subsidiary/associate shares repaid	·	-	12,000	· -	10,268
Payment for property, plant and equipment (390,449) (469,783) (179,837) (537,233) (358,802) Proceeds from sale of property, plant and equipment 392 1,140 9,237 1,264 18,379 Payment for indepible assets - - - (3,473) (4,524) Payment for goodwill - - - (3,391) - Proceeds from sale of businesses - - 9,170 - - Payment for investment properties - - - (14,025) (12,820) Proceeds from sale of investment properties - - - - 248 Deferred acquistion payment - - - - 248 Deferred acquistion payment 27,171 - - 27,171 - - 27,171 - - 27,171 - - 27,171 - - 282,254 35,540 - - 881 - - - - - 881 -	Proceeds from repayment of advances	73			73	73
Proceeds from sale of property, plant and equipment 392 1,140 9,237 1,264 18,379 Payment for intangible assets - - - (3,473) (4,524) Payment for goodwill - - - (3,391) - Proceeds from sale of businesses - - 9,170 - - Payment for investment properties - - 9,170 (14,025) (12,820) Payment for investment properties - <td>Proceeds from repayment of related party loans</td> <td>17,060</td> <td>-</td> <td>26,800</td> <td>-</td> <td>-</td>	Proceeds from repayment of related party loans	17,060	-	26,800	-	-
Payment for intangible assets	Payment for property, plant and equipment	(390,449)	(469,783)	(179,837)	(537,233)	(358,802)
Payment for goodwill	Proceeds from sale of property, plant and equipment	392	1,140	9,237	1,264	18,379
Proceeds from sale of businesses - - 9,170 - - Payment for investment properties - - - (14,025) (12,820) Proceeds from sale of investment properties - - - - 248 Deferred acquistion payment - - - - 37 VBase insurance advance invested 27,171 - - 27,171 - Insurance recoveries 265,681 - - 282,254 35,540 Cash acquired in business combinations - - - - 881 Net cash (used in)/provided by investing activities (148,204) (501,110) (94,153) (309,062) (262,154) Cash flows from financing activities 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - - (298) (389) Dividends paid - non control	Payment for intangible assets	-	-	-	(3,473)	(4,524)
Payment for investment properties -	Payment for goodwill	-	-	-	(3,391)	-
Proceeds from sale of investment properties Deferred acquistion payment Deferred acquistion payment VBase insurance advance invested 27,171 Description of the provided space of the page 100 of the page	Proceeds from sale of businesses	-	-	9,170	-	-
Deferred acquistion payment Cash introduced due to consolidation of CCOs Cash and cash equivalents at beginning of year Cash and cash equivalents Cash introduced due to consolidation of CCOs Cash and cash equivalents Cash introduced due to consolidation of CCOs Cash and cash equivalents Cash introduced due to consolidation of CCOs Cash and cash equivalents Cash introduced due to consolidation of year Cash and cash equivalents at beginning of year Cash introduced due to consolidation of year Cash introduced interest Cash introduced year Cash intro	, ,	-	-	-	(14,025)	
VBase insurance advance invested 27,171 - - 27,171 - - 27,171 - - 282,254 35,540 Cash acquired in business combinations - - - - - 881 Net cash (used in)/provided by investing activities (148,204) (501,110) (94,153) (309,062) (262,154) Cash flows from financing activities 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - - (298) (389) Dividends paid - non controlling interests - - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - -	···	-	-	-	-	
Insurance recoveries 265,681 - - 282,254 35,540 Cash acquired in business combinations - - - - 881 Net cash (used in)/provided by investing activities (148,204) (501,110) (94,153) (309,062) (262,154) Cash flows from financing activities 211,250 113,942 120,000 297,864 276,050 Repayment of borrowing 211,250 113,942 120,000 297,864 276,050 Repayment of finance leases - - - (18,244) (103,519) Repayment of finance leases - - - (298) (389) Dividends paid - non controlling interests - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855			-	-		37
Cash acquired in business combinations - - - - 881 Net cash (used in)/provided by investing activities (148,204) (501,110) (94,153) (309,062) (262,154) Cash flows from financing activities 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - - (298) (389) Dividends paid - non controlling interests - - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855			-	-		-
Cash flows from financing activities (148,204) (501,110) (94,153) (309,062) (262,154) Cash flows from financing activities 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - (298) (389) Dividends paid - non controlling interests - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855		265,681	-	-	282,254	,
Cash flows from financing activities Proceeds from borrowing 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - (298) (389) Dividends paid - non controlling interests - - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855		-	-	-	-	
Proceeds from borrowing 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - - (298) (389) Dividends paid - non controlling interests - - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Net cash (used in)/provided by investing activities	(148,204)	(501,110)	(94,153)	(309,062)	(262,154)
Proceeds from borrowing 211,250 113,942 120,000 297,864 276,050 Repayment of borrowings (43,409) (3,233) (28,272) (18,244) (103,519) Repayment of finance leases - - - - (298) (389) Dividends paid - non controlling interests - - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Cash flows from financing activities					
Repayment of finance leases - - - - (298) (389) Dividends paid - non controlling interests - - - - - (7,940) (6,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855		211,250	113,942	120,000	297,864	276,050
Dividends paid - non controlling interests - - - - (7,940) (8,782) Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Repayment of borrowings	(43,409)	(3,233)	(28,272)	(18,244)	(103,519)
Net cash provided by/(used in) financing activities 167,841 110,709 91,728 271,382 165,360 Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Repayment of finance leases	-	-	-	(298)	(389)
Net decrease in cash and cash equivalents 69,850 (16,816) (32,475) 68,404 (23,078) Cash introduced due to consolidation of CCOs - - 2,057 - Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Dividends paid - non controlling interests		-		(7,940)	(6,782)
Cash introduced due to consolidation of CCOs Cash and cash equivalents at beginning of year - 2,057 - 48,417 - 67,975 - 80,892 - 80,777 - 103,855	Net cash provided by/(used in) financing activities	167,841	110,709	91,728	271,382	165,360
Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Net decrease in cash and cash equivalents	69,850	(16,816)	(32,475)	68,404	(23,078)
Cash and cash equivalents at beginning of year 48,417 67,975 80,892 80,777 103,855	Cash introduced due to consolidation of CCOs	_		_	2.057	_
Cash and cash equivalents at end of year 118,267 51,159 48,417 151,238 80,777		48,417	67,975	80,892	,	103,855
	Cash and cash equivalents at end of year	118,267	51,159	48,417	151,238	80,777

The accompanying notes form part of and are to be read in conjunction with these financial statements.

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1. Statement of accounting policies

Reporting entity

Christchurch City Council ("Council") is a territorial authority under the Local Government Act 2002. The consolidated entity consists of the entities listed in the Group structure section.

The primary objective of the Council is to provide goods or services for the community or for social benefit rather than to make a financial return. Accordingly, the Council has designated itself a public benefit entity ("PBE") for the purposes of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS"). Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this fact is noted in each policy.

The financial statements of the Council are for the year ended 30 June 2012. The financial statements were approved by the Council on 25 October 2012. The Council does not have the authority to amend the financial statements after this date.

Basis of preparation

- i) The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6 Section 98 and Section 111, and Part 3 of Schedule 10, which includes the requirement to comply with General Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable financial reporting standards, as appropriate for public benefit entities with the following exceptions related to 2012:
 - NZ IAS 36 Impairment of Assets
 - Assets with earthquake damage have been written off only when it is certain that they have been destroyed. Where Council and its insurers have agreed that a building has been damaged beyond economic repair, and insurers have agreed to pay out the indemnity value of the building, the Council has recognised the indemnity amount as an impairment to the building. Impairment has been recognised in 2012 in relation to the earthquake damage to certain infrastructure assets. Further information about this matter is set out in the introductory note to the financial statements and in note 23.
 - NZ IAS 16 Property, Plant and Equipment
 - Assets due for valuation in 2012 were operational land and land improvements, restricted land and buildings, sewerage infrastructure and heritage and public art assets. Other than public art assets, these assets will not be revalued during 2012 and therefore their carrying value represents their depreciated 2008 fair value. Further information about this is set out in note 23 to the financial statements.
 - NZ IAS 16 requires the Council to review the useful lives and residual values of its assets annually.
 Because of the scale of earthquake damage the Council has not complied with this requirement for 2012.

All of the above have flow on effects to depreciation, impairment of assets carrying values, revaluation reserves, and retained earnings.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

Except where specified the accounting policies set out below have been applied consistently to all periods presented in these financial statements. Further information about these exceptions is set out in the Impact of the 2010 and 2011 Canterbury earthquakes note set out in pages 125 to 132.

ii) New accounting standards and interpretations

(a) Changes in accounting policy and disclosures.

New standards, interpretations and amendments have been adopted for 2012. These are discussed in further detail below.

Principles of consolidation

(i) Subsidiaries

Subsidiaries include special purpose entities and are those over which the Council has the power to govern financial and operating policies, generally accompanying a shareholding of at least half of the voting rights. Potential exercisable or convertible voting rights are considered when assessing whether the Council controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Council and deconsolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Council.

Non controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income and balance sheet.

(ii) Associates

Associates are entities over which the Council has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for in the parent's financial statements using the cost method and in the consolidated financial statements using the equity method, after initially being recognised at cost. The Council's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Council's share of its associates' post-acquisition profits or losses is recognised in the profit and loss, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent's profit and loss, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Council and its associates are eliminated to the extent of the Council's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Council.

(iii) Joint Ventures

Joint ventures are those over whose activities the Group has joint control, established by contractual agreement. The Group's share of the assets, liabilities, revenues and expenses of any joint venture is incorporated into the Group's financial statements on a line-by-line basis using the proportionate method.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.

Foreign currency monetary assets and liabilities at the balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZ dollars at rates ruling at the dates the fair value was determined.

Translation differences on equities held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

Derivative financial instruments

The Council uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective Group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging Policy).

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Hedging

Derivatives are first recognised at fair value on the date a contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Council designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Council documents the relationship between hedging instruments and hedged items at the inception of the transaction, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit and loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss.

Amounts accumulated in equity are recycled through profit or loss in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or cancelled, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised through profit and loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of comprehensive income.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the profit and loss.

Property, plant and equipment

Normally the following assets (except for investment properties) are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation:

- Land (other than land under roads)
- Buildings
- Electricity distribution network
- Airport sealed surfaces
- Infrastructure assets
- Heritage assets
- Works of art

Those asset classes that are revalued are normally valued on a three-yearly valuation cycle. Assets due for valuation in 2012 were operational land and land improvements, restricted land and buildings, sewerage infrastructure and heritage and public art assets. Other than public art assets, these assets will not be revalued during 2012 and therefore their carrying value represents their depreciated 2008 fair value. Further information on property plant and equipment valuations is set out in note 23 to these financial statements.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Where the Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in profit or loss to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in profit or loss.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

Operationa	П	Assets.	

Buildings	1-100 yrs
Office and computer equipment	1-10 yrs
Mobile plant including vehicles	2-30 yrs
Buses	17-26 yrs
Sealed surfaces (other than roads)	9-100 yrs
Container cranes	30 yrs
Harbour structures	3-50 yrs
Seawalls	100 yrs
Telecommunications infrastructure	12-50 yrs
Electricity distribution system	60 yrs
Electricity load control equipment	60 yrs
Leasehold land improvements	5-100 yrs
Library books	3-8 yrs
Vessels	5-25 yrs
Resource consents and easements	5-10 yrs

Infrastructure Assets:

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Formation	Not depreciated
Pavement sub-base	Not depreciated
Basecourse	40-120 yrs
Footpaths and cycleways	20-80 yrs
Surface	1-25 yrs
Streetlights and signs	15-40 yrs
Kerb, channel, sumps and berms	80 yrs
Landscape/medians	8-80 yrs
Drain pipes/culverts/retaining walls	20-100 yrs
Bridges	70-100 yrs
Bus shelters and furniture	15-30 yrs
Water supply	55-130 yrs
Water meters	20-25 yrs
Storm water	20-150 yrs
Waterways	15-120 yrs
Sewer	50-150 yrs
Treatment plant	15-100 yrs
Pump stations	10-100 yrs

Restricted Assets:

Planted areas	5-110 yrs
Reserves – sealed areas	10-40 yrs
Reserves – structures	25-150 yrs
Historic buildings	100 yrs
Art works	1000 yrs
Heritage assets	1000 yrs

Normally the assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date in accordance with the requirements of NZ IAS 16 – Property, Plant and Equipment. Because of the scale of earthquake damage the Council has not complied with this requirement for 2012.

Normally an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the requirements of NZ IAS 36 – Impairment of Assets. However, for 2012 and 2011 assets with earthquake damage have been written off only when it is certain that they have been destroyed. Where Council and its insurers have agreed that a building has been damaged beyond economic repair, and insurers have agreed to pay out the indemnity value of the building the Council has recognised the indemnity amount as an impairment to the building. For 2012 an impairment has been recognised for earthquake damage to certain infrastructure assets. Further information about this matter is set out in the introductory note to the financial statements and in note 23.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Distinction between capital and revenue expenditure

Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Revenue expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. Those assets and liabilities shall not be offset and presented as a single amount.

Intangible assets

(i) Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

In respect of acquisitions prior to the transition to NZ IFRS on 1 July 2005, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous GAAP.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Impairment Policy). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in profit and loss.

(ii) Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are capitalised and recognised as intangible assets. Capitalised costs include the software development employee direct costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

(iii) Other intangible assets

Other intangible assets that are acquired by the Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment Policy).

(iv) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

(v) Amortisation

An intangible asset with a finite useful life is amortised on a straight-line basis over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses. Estimated useful lives are:

Software	1-10 yrs
Resource consents and easements	5-10 yrs
Patents, trademarks and licenses	10-20 vrs

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

Investments

The Council classifies its investments in the following categories:

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

(d) Financial assets at fair value through equity

Financial assets at fair value through equity are non-derivatives that are either designated in this category or not classified in any of the other categories. This category also includes available-for-sale assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

(i) Parent company investment in subsidiaries

For the purposes of the parent company financial statements, the Council's equity investments in its subsidiaries are designated as financial assets at fair value through equity. They are measured at fair value, with valuations performed by an independent, external valuer with sufficient regularity to ensure no investments are included at a valuation that is materially different from fair value. The valuation changes are held in a revaluation reserve until the subsidiary is sold.

(ii) Investments in debt and equity securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised through profit and loss.

General and community loans are designated as loans and receivables. They are measured at initial recognition at fair value, and subsequently carried at amortised cost less impairment losses.

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Financial instruments classified as held-for-trading or fair value through equity investments are recognised/derecognised by the Council on the date it commits to purchase/sell the investments. Securities held-to-maturity are recognised/derecognised on the day they are transferred to/by the Council.

(iii) Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Properties leased to third parties under operating leases are generally classified as investment property unless:

- the occupants provide services that are integral to the operation of the Group's business and/or these services could not be provided efficiently and effectively by the lessee in another location.
- the property is being held for future delivery of services.
- the lessee uses services of the Group and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

The classification of properties is done at the lowest possible level. Thus, where part of a property is occupied by a party other than the Group, consideration is given to whether that portion of the building could be classified as an investment property. Classification as an investment property will be indicated if the section of the building could be separately sold or leased under a finance lease. If the section of the property occupied by a party other than the Group is unable to be sold or leased separately from the rest of the building, the building is assessed as a whole and will usually only be classified as investment property if the Group occupies an insignificant portion.

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised through profit and loss.

Rental income from investment property is accounted for as described in the Revenue Policy below.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately before transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal, the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in profit and loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent recording. When the Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the re-development.

Trade and other receivables

(i) Construction work in progress

Construction work in progress is stated at cost plus profit recognised to date (see Revenue Policy) less a provision for foreseeable losses and less progress billings. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in contract activities based on normal operating capacity.

(ii) Other trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment (see Impairment Policy).

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Council's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and in current liabilities on the balance sheet.

Impairment

Normally the carrying amounts of the Council's assets, other than investment property (see Investments Policy) and deferred tax assets (see Income Tax Policy), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. However, for 2012 assets with earthquake damage have been written off only when it is certain that they have been destroyed. Where Council and its insurers have agreed that a building has been damaged beyond economic repair, and insurers have agreed to pay out the indemnity value of the building Council has recognised the indemnity amount as an impairment to the building. For 2012 impairment has been recognised for earthquake damage to infrastructure network assets. Further information about this matter is set out in the introductory note to the financial statements and in note 23.

Impairment losses on property, plant and equipment are recognised through profit and loss. Impairment losses on revalued assets offset any balance in the asset revaluation reserve for that class of assets, with any remaining impairment loss being posted to profit and loss.

For goodwill, other intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

(i) Calculation of recoverable amount

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a public benefit entity, Council uses depreciated replacement cost to assess value in use where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Council would, if deprived of the asset, replace its remaining future economic benefits or service potential. For the Group, where an asset does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

The value in use for cash-generating assets is the present value of expected future cash flows. The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset.

(ii) Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised through profit and loss over the period of the borrowings on an effective interest basis.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(i) Landfill aftercare provision

As operator of several closed landfill sites, including Burwood, the Council has a legal obligation to provide ongoing maintenance and monitoring services at these sites after closure.

The provision is calculated based on:

- the estimated amount required by the Council to meet its obligations for all equipment, facilities and services. The estimated amounts are based on costs of closure of similar landfills by other local authorities with an allowance for inflation.
- the estimated costs have been discounted to their present value using a discount rate of 3.85%.
- the estimated length of time needed for post-closure care is 35 years.

• the Council also has a legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for closure and post-closure treatment.

(ii) Weathertight homes

The Council through its insurers is processing a number of weathertight home claims.

The provision is calculated based on:

- the number of known claims,
- the average actual settlement costs,
- the average actual claims settled per year.
- costs in future years have been adjusted for inflation and discounted to their present value using a discount rate of 3.85%

This method of calculation is consistent with previous years. However, other metropolitan local authorities, including Wellington City Council and Auckland Council, are using independent actuarial calculations of their weathertight homes liability, particularly in relation to claims not yet lodged. Council has chosen not to follow this approach for these financial statements due to earthquake-related uncertainty regarding the number of properties that have existing or potential future claims that:

- will be repaired or demolished and rebuilt by insurers, or
- are in government Red Zones and will be abandoned.

Employee entitlements

The Group's employee compensation policy is based on Total Cash Remuneration: a single cash payment in compensation for work, where the employee is responsible for and able to individually decide how best to use their remuneration to meet their needs over time in the mix and type of benefits purchased. Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

(i) Short-term entitlements

Liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately before the balance sheet date.

Liabilities for accumulating short-term compensated absences (e.g. sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately before the balance sheet date, that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

(ii) Long-term entitlements

The retiring gratuity and long-service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

These estimated amounts are discounted to their present value using an interpolated 10-year government bond rate.

Superannuation is provided as a percentage of remuneration.

(iii) National Provident Fund's Defined Benefit Plan Scheme (the Scheme)

The Group participates in the Scheme, which is a multi-employer defined benefit plan. However, because it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, the Group's participation in the Scheme is accounted for as if the Scheme were a defined contribution plan.

Leases

(i) As lessee

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the balance sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset. Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

(ii) As lessor

Leases in which substantially all of the risks and rewards of ownership transfer to the lessor are classified as finance leases. Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components: (Further information can be found in Note 33).

- Asset Revaluation Reserve
- Fair value through equity reserve
- Hedging reserve
- Reserve funds
- Capital reserves
- Retained earnings

Revenue

(i) Rates, goods sold and services rendered

Revenue from rates is recognised through profit and loss at the time of invoicing. Revenue from the sale of goods is recognised through profit and loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised through profit and loss in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

(ii) Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised through profit and loss in proportion to the stage of completion of the contact. The stage of completion is assessed by reference to surveys of work performed.

An expected loss on a contract is recognised immediately through profit and loss.

(iii) Finance Income

Finance income comprises interest receivable on funds invested and on loans advanced. Finance income, is recognised through profit and loss as it accrues, using the effective interest method.

(iv) Rental income

Rental income from investment and other property is recognised through profit and loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

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(v) Government grants

Grants from the government are recognised as income at their fair value where there is a reasonable assurance that the grant will be received and Council will comply with all attached conditions.

(vi) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(vii) Finance lease income

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on Council's net investment in the finance lease.

(viii) Development Contributions

Development contributions are recognised through profit and loss in the year in which they are received.

(ix) Other gains

Other gains include revaluations of investment properties (see Investment Property Policy), gains from the sale of property, plant and equipment and investments and gains arising from derivative financial instruments (see Hedging Policy).

(x) Earthquake subsidies and recoveries

Earthquake subsidies and recoveries include payments from Government agencies, Ministries and Departments as well as payments from Council's insurers. Earthquake subsidies and recoveries are recognised in the financial statements when received or when it is probable or virtually certain that they will be received under the insurance contracts in place.

(xi) Vested Assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as income. Assets vested in Council are recognised as income when control over the asset is obtained.

Expenses

(i) Operating lease payments

Payments made under operating leases are recognised through profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised through profit and loss as an integral part of the total lease expense.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised through profit and loss using the effective interest rate method. Interest payable on borrowings is recognised as an expense through profit and loss as it accrues.

(iv) Other losses

Other losses include revaluation decrements relating to investment properties (see Investment Property Policy), losses on the sale of property, plant and equipment and investments and losses arising from derivative financial instruments (see Hedging Policy).

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised through profit and loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Research and development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs with a finite useful life that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 10 years.

Third party transfer payment agencies

Council collects monies for many organisations. Where collections are processed through Council's books, any monies held are shown as Accounts Payable in the Balance Sheet. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Donated goods and services

Council receives the benefit of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms, and for this reason are not included in the financial statements, as their value from an accounting point of view is considered immaterial in relation to total expenditure.

Cost allocations

The costs of all internal service activities are allocated or charged directly to external service type activities. External service activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the recipient of an internal service can be identified, the cost recovery is made by way of a direct charge. Where this is not practical or the linkage is indirect, the costs are allocated by way of corporate overhead.

Two primary drivers for allocating corporate overhead are used. Services related to people are reallocated based on employee costs, and those related to finance are reallocated based on external service activity gross cost.

Plan values disclosed

The plan values shown in the financial statements represent the 2011/12 budget included in the 2011/12 Annual Plan.

Critical judgements, estimates and assumptions in applying Council's accounting policies

Preparing financial statements to conform with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

In the process of applying these accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

- The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value.
- The determination of the impairment of network assets required the Council to estimate the proportion of the networks that need replacing and to exercise judgement when considering the uncertainty in the estimate of damage and the impairment determination.
- The non-current provisions note discloses an analysis of Council's exposure in relation to estimates and uncertainties surrounding the landfill aftercare and weathertight homes provisions.
- Management are required to exercise judgement in calculating provisions for doubtful debts, assessing the level of unrecoverable work in progress and calculating provisions for employee benefits.
- Management are required to exercise judgement when determining whether earthquake related
 expenditure to assets is repairs and maintenance, and should be expensed in the current year, or
 capital expenditure. In making this assessment they make judgements about the expected length of
 service potential of the asset and the likelihood of it becoming obsolete as a result of other more
 permanent repairs.

- Management are required to exercise judgement when determining whether insurance payments and recoveries from Government agencies and insurers are probable or virtually certain and should be recognised as revenue in the current year. In making this assessment they make judgements about the likelihood of payment by insurers or Government agencies based on the agreements in place.
- Management of subsidiary companies determine useful lives for particular assets. In making this
 assessment, they make judgements about the expected length of service potential of the asset, the
 likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of
 the company ceasing to use the asset in its business operations.
- Management of the subsidiary companies assess whether individual assets or groupings of related
 assets (which generate cash flows co-dependently) are impaired by estimating the future cash flows
 that those assets are expected to generate. Assumptions such as rates of expected revenue growth
 or decline, expected future margins and the selection of an appropriate discount rate for discounting
 future cash flows are required.
- Management of the subsidiary companies have had to estimate the adjustments to the deferred tax provision and the tax expense for the year as a result of the changes in the 2010 Government Budget which removed the ability to claim tax depreciation on buildings with useful lives of 50 years or more. Judgement is required to determine those parts of a building that are separately depreciable as plant or fixtures and fittings, and which parts are integral to the building and hence not depreciable.

In addition to the above factors, the following areas specific to individual companies within the Group require critical judgement estimates and assumptions.

- Orion New Zealand Limited has estimated the impacts of the Canterbury earthquakes up to and
 including 31 March 2012 on the future cash flows of the business. These estimates contain some
 uncertainty as the company is still assessing the impacts and not all data is to hand. These estimates
 have been relied upon in the 31 March 2012 revaluation of the company's electricity distribution
 network.
- On initial recognition of items of property, plant and equipment and intangible assets with finite lives,
 Orion New Zealand Limited makes judgements about whether costs incurred relate to bringing an
 asset to working condition for its intended use, and therefore are appropriate for capitalisation as part
 of the asset cost, or whether they should be expensed as incurred. Thereafter, management's
 judgement is required to assess whether subsequent expenditure increases the future economic
 benefits to be obtained from that asset and is therefore also appropriate for capitalisation or whether
 such expenditure should be treated as maintenance and expensed.
- Orion New Zealand Limited assesses whether individual assets or a grouping of related assets (which
 generate cash flows independently) are impaired by estimating the future cash flows that those assets
 are expected to generate. Assumptions such as rates of expected revenue growth or decline,
 expected future margins and the selection of an appropriate discount rate for discounting future cash
 flow are required. Following the Canterbury earthquakes these assumptions are of a higher degree of
 sensitivity than would normally be the case.
- Management of CIAL use judgement in identifying which components of property, plant and
 equipment are to be reclassified as investment property. The main deciding factor for this
 classification is that the property is not used for aircraft-related activities. The classification has
 implications as to whether revaluation gains and losses are recognised through profit or loss or
 through other comprehensive income.
- Management of CIAL have estimated an impairment charge in respect of the ongoing value of capitalised expenditure on the integrated terminal project, due to the continuous development of the design. This assessment is subject to review by quantity surveyors and project managers.

- Management of Lyttelton Port Company Limited have identified areas of estimation uncertainty in relation to the carrying value of land, building and harbour structures; depreciation rates and the estimation of useful lives; amortisation of intangible assets such as resource consents, easement and software, and the quantification of contingent liabilities. Earthquake damage has further increased the significance of these areas of estimation uncertainty.
- Management of ESL have had to make specific assumptions in relation to impairment of assets
 resulting from the 22 February 2011 earthquake including assumptions regarding the likely final
 number of building disconnections and an estimate of connection cost for these buildings based on
 average connection costs.
- Management of EcoCentral Limited determines whether goodwill is impaired on at least an annual basis. This requires an estimation of the recoverable amount of its cash-generating units, using a value in use discounted cash flow methodology. This value is then compared with the existing book value of the assets combined with the goodwill allocated to those assets. If the value in use is higher, then there has been no impairment of goodwill.

As detailed in the introductory note to these financial statements, no judgement has been exercised in determining earthquake-related asset impairment. Because of the uncertainty embodied in current damage estimates Council has determined that it would be inappropriate to recognise any earthquake-related asset impairment.

New standards and interpretations

The following new standards, interpretations and amendments have been adopted for the year ended 30 June 2012:

- NZ IAS 24 Related Party Disclosures (Revised 2009) effective 1 January 2011 This Standard makes amendments to New Zealand Accounting Standard NZ IAS 24 Related Party Disclosures. The amendments simplify the definition of a related party and provide a partial exemption from the disclosure requirements for government-related entities.
- Improvements to NZ IFRS 7 Financial Instruments Disclosures effective 1 January 2011 The amendments add an explicit statement that qualitative disclosure should be made in the contact of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments. Existing disclosure requirements were amended or removed and the requirement to disclose the carrying amounts of renegotiated financial assets that would otherwise be past due or impaired was deleted.
- Amendments to NZ IFRS 7 Financial Instruments effective 1 July 2011 The amendments introduce new disclosure requirements about transfers of financial assets including disclosures for:
 - o financial assets that are not derecognised in their entirety; and
 - o financial assets that are derecognised in their entirety but for which the entity retains continuing involvement.
- Improvements to NZ IAS 1 Presentation of Financial Statements effective 1 January 2011 –
 Clarification was provided in that entities may present the required reconciliations for each component
 of other comprehensive income either in the statement of changes in equity or in the notes to the
 financial statements.
- Improvements to NZ IAS 34 Interim Financial Reporting effective 1 January 2011 The amendments add examples to the list of events or transactions that require disclosure under IAS 34 and remove references to materiality in IAS 34 that describes other minimum disclosures.
- FRS 44 NZ Additional Disclosures effective 1 July 2011 The objective of this Standard is to prescribe the New Zealand-specific disclosures such as:
 - where an entity's financial statements comply with NZ IFRSs they shall make an explicit statement of such compliance in the notes;

- o an entity shall disclose in its notes its reporting framework and for the purposes of complying with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), it is a profit-oriented or public benefit entity:
- an entity shall disclose fees to each auditor or reviewer, including any network firm, separately for an audit/Review of the Financial Statements and all other services during that period;
- an entity shall disclose the amount of imputation credits available for use in subsequent reporting periods;
- o were prospective financial statements are issued, a comparison & explanation of material movements;
- where a Statement of Service Performance is presented the entity must disclose the outputs of an entity and information on the effects on the community of the entity's existence and operations.

The following new standards, interpretations and amendments have been issued but are not yet effective for the year ended 30 June 2012, and have not been applied in preparing these consolidated financial statements:

- Amendments to NZ IAS 12 Income Taxes effective for accounting periods beginning on or after 1 January 2012 The amendments introduce an exception to the general measurement requirements of IAS 12 Income Taxes in respect of investment properties measured at fair value. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset.
- Amendments to NZ IAS 1 Presentation of Financial Statements effective for accounting periods beginning on or after 1 July 2012:
 - An entity must present separately the items of other comprehensive income that would be reclassified to profit or loss in the future (if certain conditions are met) from those that would never be reclassified to profit or loss.
 - Change of title from 'Statement of Comprehensive Income' to 'Statement of Profit or Loss and Other Comprehensive Income' to emphasise the two components. However, an entity is still allowed to use other titles.
- NZ IFRS 9 Financial Instruments replacing NZ IAS 39 Financial Instruments: Recognition and Measurement – effective for accounting periods beginning on or after 1 January 2013. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value. Entities are required to classify financial assets based on the objectives of the entity's business model for managing the financial assets. Where the financial assets are eligible to be measured at amortised cost due to the business model, the entity shall use the characteristics of the contractual cash flows to measure cost.
- NZ IFRS 10 Consolidated Financial Statements replacing IAS 27 (2008) and SIC-12 Consolidation—
 Special Purpose Entities effective for accounting periods beginning on or after 1 January 2013 –
 IFRS 10 introduces a new approach to determining which investees should be consolidated and
 provides a single model to be applied in the control analysis for all investees. This model centres
 around rights to variable returns and the ability to affect those returns (ie a link between power and
 returns).
- NZ IFRS 11 Joint Arrangement replacing IAS 31 and SIC-13 Jointly Controlled Entities—Non-Monetary Contributions by Venturers effective for accounting periods beginning on or after 1 January 2013 IFRS 11 focuses on the rights and obligations of joint arrangements, rather than the legal form (as is currently the case). It:
 - o distinguishes joint arrangements between joint operations and joint ventures;
 - states that joint ventures must use the equity approach (previously given the choice to use a proportionate consolidation).
- NZ IFRS 12 Disclosure of interests in other entities effective for accounting periods beginning on or after 1 January 2013 IFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. The aim of the standard is to provide users with more information to evaluate an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.

- NZ IFRS 13 Fair Value Measurement effective for accounting periods beginning on or after 1 January 2013 IFRS 13 introduces a single source of fair value measurement guidance which:
 - defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements; and
 - o explains how to measure fair value when it is required or permitted by other IFRSs. It does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

Other than for the general descriptions provided above, the Council has not yet determined the potential impact of the new standards, interpretations and amendments for those standards not effective at 30 June 2012.

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2. Operating and other revenue

(a) Rates revenue

(a) italog i ovolido				
	Paren	t	Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Total rates revenue	309,597	278,330	303,051	272,855
Less remissions:				
Community service	(275)	(219)	(275)	(219)
Cultural	(223)	(177)	(223)	(177)
Social housing	(1,697)	(1,434)	(1,697)	(1,434)
Church	(203)	(121)	(203)	(121)
Earthquake	(8,759)	(1,820)	(8,759)	(1,820)
Maori land	(2)	(1)	(2)	(1)
Recreation and sport	(824)	(745)	(824)	(745)
Rates revenue less remissions	297.614	273.813	291.068	268.338

(b) Operating and other revenue

(a) operaning and once received	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Sale of goods	13,883	7,267	46,584	30,907
Rendering of services	21,939	26,436	413,695	463,392
Construction contract revenue	-	-	121,336	31,296
Donated and subsidised assets	-	-	6,353	3,829
Capital contributions	1,759	747	5,858	3,555
Electricity transmission rental rebates	-	-	5,605	5,015
Rental income from investment properties	-	-	9,774	8,358
Other rental revenue	29,726	29,087	84,835	74,872
Dividends from subsidiaries	35,449	43,325	-	-
Dividends from associates	2,424	2,190	-	-
Government grants received	2,094	253	2,094	253
Subvention receipts	6,757	3,379	6,867	445
Petroleum tax	3,347	3,364	3,347	3,364
Development contributions	6,982	13,678	6,982	13,678
NZ Transport Agency	23,887	18,337	23,887	18,337
Subsidies (excl NZTA)	1,312	749	1,312	749
Sundry income	28,403	35,356	27,458	39,216
Earthquake subsidies - NZTA	102,984	44,706	102,984	44,706
Earthquake subsidies and recoveries - (excl NZTA)	464,592	228,903	688,180	344,554
Total operating and other income	745,538	457,777	1,557,151	1,086,526

Government grants

Grants received by Council in 2012 were as follows:

- The New Zealand Lottery fund provided \$0.67 million of support towards the Rugby World Cup festivities in Christchurch.
- Ministry of Economic Development in partnership with New Zealand Major Events provided \$0.79 million towards the Christchurch Events Village.
- Ministry of Social Development supported the Councils School Holiday Programmes with \$0.06 million of grants.
- Ministry of Education ECE and 20 Hours Free funding of \$0.53 million were received and spent on wages.
- The department of Internal Affairs provided \$0.03 million towards Earthquake Memorial Services.
- Creative NZ towards supporting artists to create new work for an exhibition \$0.02 million.
- Ministry of Education support grants for Provisionally Registered Teachers of \$2 thousand.

Grants received by Council in 2011 were as follows:

- Energy Efficiency and Conservation Authority \$0.2 million as a wood energy grant for the biosolids drying project at Christchurch Wastewater Treatment Plant.
- Energy and Efficiency & Conservation Authority \$0.02 million as an energy intensive business grant towards the installation of the Tri-Generation plant at the new Civic Building.
- Ministry of Education support grants for Provisionally Registered Teachers of \$0.02 million. Five grants were received. \$0.01 million of the grants were spent on digital cameras, training, travel and relieving staff.
- Ministry of Education ECE and 20 Hours Free funding of \$1 million were received and spent on wages.

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Group

No additional Government Grants were received by the Group.

(c) Disclosure of council activities and services results

	Parent	t	
	30 Jun 12	30 Jun 11	
	Actual	Actual	
	\$000	\$000	
Council activities and services revenue *	610,690	349,235	
Rates revenue	297,614	273,813	
Other revenue (primarily interest and dividends)	155,406	147,437	
Total revenue	1,063,710	770,485	
Council activities and services expenditure *	691,930	675,316	
Other expenditure	62,361	53,973	
Total expenditure	754,291	729,289	

^{*} Included within this \$568 million relates to Earthquake related subsidies and recoveries and \$248 million of earthquake related expenditure.

3. Finance income

	Parent		Group	
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Interest income - bank deposits	9,300	9,684	10,614	10,913
Interest income - related party loans	9,933	14,705	1,156	272
Interest income - finance lease	-	-	2,354	2,188
Interest income - other	933	61	1,839	113
Total finance income	20,166	24,450	15,963	13,486

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4. Other gains and losses

4. Other gains and iosses	_			
	Paren		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Other gains				
Non-financial instruments				
Gains on disposal of property, plant and equipment	396	6,297	396	6,320
Gains on disposal of investments	-	-	10	307
Gains on sale of business	(4)	8,070	(4)	-
Gains on revaluation of investment property	-	-	5,421	-
	392	14,367	5,823	6,627
Financial instruments				,
Gains through ineffectiveness of cash flow hedges	-	-	-	616
Gains through fair value of Endeavour iCap	-	78	-	78
	-	78	-	694
Total other gains	392	14,445	5,823	7,321
	Paren	=	Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
		=	•	
Other losses	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
Other losses Non-financial instruments	30 Jun 12 Actual	30 Jun 11 Actual	30 Jun 12 Actual	30 Jun 11 Actual
Non-financial instruments	30 Jun 12 Actual	30 Jun 11 Actual	30 Jun 12 Actual	30 Jun 11 Actual
Non-financial instruments Losses on disposal of property, plant and equipment	30 Jun 12 Actual	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Non-financial instruments	30 Jun 12 Actual \$000 - -	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000 153 1,586	30 Jun 11 Actual \$000 592
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off	30 Jun 12 Actual	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000 592 - 36,560
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments	30 Jun 12 Actual \$000 - - 11,348	30 Jun 11 Actual \$000 441 - 12,105	30 Jun 12 Actual \$000 153 1,586 77,055	30 Jun 11 Actual \$000 592 - 36,560 1,086
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off	30 Jun 12 Actual \$000 - -	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000 153 1,586	30 Jun 11 Actual \$000 592 - 36,560
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off Losses on revaluation of investment property Financial instruments	30 Jun 12 Actual \$000 - - 11,348	30 Jun 11 Actual \$000 441 - 12,105	30 Jun 12 Actual \$000 153 1,586 77,055 - 78,794	30 Jun 11 Actual \$000 592 - 36,560 1,086 38,238
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off Losses on revaluation of investment property Financial instruments Losses through ineffectiveness of fair value hedges	30 Jun 12 Actual \$000 - - 11,348 - 11,348	30 Jun 11 Actual \$000 441 - 12,105 - 12,546	30 Jun 12 Actual \$000 153 1,586 77,055 - 78,794	30 Jun 11 Actual \$000 592 - 36,560 1,086 38,238 1,195
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off Losses on revaluation of investment property Financial instruments Losses through ineffectiveness of fair value hedges Losses through ineffectiveness of cash flow hedges	30 Jun 12 Actual \$000 - - 11,348	30 Jun 11 Actual \$000 441 - 12,105	30 Jun 12 Actual \$000 153 1,586 77,055 - 78,794	30 Jun 11 Actual \$000 592 - 36,560 1,086 38,238 1,195 508
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off Losses on revaluation of investment property Financial instruments Losses through ineffectiveness of fair value hedges Losses through ineffectiveness of cash flow hedges Fair value through income statement financial assets fair value change	30 Jun 12 Actual \$000 - - 11,348 - 11,348	30 Jun 11 Actual \$000 441 - 12,105 - 12,546	30 Jun 12 Actual \$000 153 1,586 77,055 - 78,794 1,222 1,389 74	30 Jun 11 Actual \$000 592 - 36,560 1,086 38,238 1,195
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off Losses on revaluation of investment property Financial instruments Losses through ineffectiveness of fair value hedges Losses through ineffectiveness of cash flow hedges	30 Jun 12 Actual \$000 - - 11,348 - 11,348	30 Jun 11 Actual \$000 441 - 12,105 - 12,546	30 Jun 12 Actual \$000 153 1,586 77,055 - 78,794 1,222 1,389	30 Jun 11 Actual \$000 592 - 36,560 1,086 38,238 1,195 508
Non-financial instruments Losses on disposal of property, plant and equipment Losses on disposal of investments Losses on assets written off Losses on revaluation of investment property Financial instruments Losses through ineffectiveness of fair value hedges Losses through ineffectiveness of cash flow hedges Fair value through income statement financial assets fair value change	30 Jun 12 Actual \$000 - - 11,348 - 11,348	30 Jun 11 Actual \$000 441 - 12,105 - 12,546 508	30 Jun 12 Actual \$000 153 1,586 77,055 - 78,794 1,222 1,389 74 2,162	30 Jun 11 Actual \$000 592 - 36,560 1,086 38,238 1,195 508 37 -

5. Depreciation, amortisation and impairment

the state of the s	Parent		Group	
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Depreciation of non-current assets	107,852	107,998	192,526	190,963
Amortisation of intangible assets	3,652	3,442	6,809	6,718
Amortisation of other assets	-	-	210	210
Impairment of property, plant & equipment	4,874	-	5,035	76,900
Impairment of goodwill	-	-	3,200	-
Impairment of other assets	68	3,583	1,291	1,731
Reversals of impairment losses	(250)	(3,279)	(2,490)	(41,755)
Replaced assets written off		<u> </u>	-	1,479
Total depreciation, amortisation and impairment	116,196	111,744	206,581	236,246

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6. Finance costs

	Parent		Group	
	30 Jun 12 Actual	30 Jun 11 Actual	30 Jun 12 Actual	30 Jun 11 Actual
Interest expense	\$000	\$000	\$000	\$000
Interest on bank borrowings	32,495	18,898	69,176	52,434
Interest on finance leases	7,419	6,807	4,451	3,863
Other interest expense	19	11	506	334
	39,933	25,716	74,133	56,631
Fair value (gains)/losses on hedging instruments	1			
Fair value hedging instruments	9	(1,080)	9	(1,080)
Fair value adjustment to borrowings	-	1,076	-	1,076
	9	(4)	9	(4)
Net finance costs	39,942	25,712	74,142	56,627

7. Personnel costs

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Salaries and wages	122,461	126,573	308,679	302,875
Defined contribution plan employer contributions	1,563	1,467	3,671	3,331
Defined benefit plan employer contributions	-	53	344	385
Increase/(decrease) in employee entitlements/liabilities	155	1,287	997	3,882
Other	-	-	1,887	558
Total personnel costs	124,179	129,380	315,578	311,031

8. Other expenses

·		Paren	t	Group		
		30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Note	Actual \$000	Actual \$000	Actual \$000	Actual \$000	
Audit fees	10	320	268	1,241	1,044	
Directors' fees		-	-	1,977	1,962	
Donations and grants		37,698	33,750	37,760	33,919	
Net foreign exchange losses		-	-	85	14	
Provision expenses		5,046	2,160	4,972	2,244	
Minimum lease payments under operating leases		2,527	2,949	10,543	8,733	
ONZ network maintenance and transmission expenses		-	-	70,554	66,680	
Rental expenses		-	-	155	1,076	
Raw materials and consumables used		-	-	43,678	39,914	
Other operating expenses		165,970	173,734	269,531	236,673	
Earthquake expenses		247,514	236,538	267,363	236,538	
Total other expenses	_	459,075	449,399	707,859	628,797	

Earthquake expenses do not include internal costs such as salaries and wages for employees.

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9. Vested assets

	Parent		Group	
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Restricted land and buildings	5,568	1,444	5,568	1,444
Infrastructure assets	13,300	1,633	13,300	1,633
Other	263	229	263	229
Total vested asset income	19,131	3,306	19,131	3,306

10. Remuneration of auditors

10. Remarkration of additions				
	Paren	t	Group)
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Audit New Zealand				
Audit of the financial statements	285	268	1,032	914
Additional fee for Earthquake matters prior year	35	-	40	-
Other services:				
Assurance-related	-	-	-	37
Special audits required by regulators	-	-	56	-
Total	320	268	1,128	951
Other auditor				
Audit of the financial statements	-	_	113	93
Total			113	93

The auditor of Christchurch City Council and the rest of the Group, excluding Lyttelton Port Company Limited, is Audit New Zealand. Lyttelton Port Company Limited is audited by KPMG. Both are appointed by the Auditor-General.

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11. Income taxes

(a) Components of tax expense

(d) compensate of tax expenses	Parent		Group	
	30 Jun 12 Actual	30 Jun 11 Actual	30 Jun 12 Actual	30 Jun 11 Actual
	\$000	\$000	\$000	\$000
Current tax expense/(income)	-	-	35,059	31,002
Adjustments to current tax of prior years	-	-	44	(182)
Deferred tax expense/(income)	91	392	4,264	8,121
Impairment of deferred tax asset	-	-	(33)	-
Benefit arising from previously unrecognised tax losses	-	-	8	-
Deferred tax expense/(income) from change in tax rates	-	-	(307)	33
Deferred tax expense relating to use of prior year losses	-	-	240	33
Total tax expense/(income)	91	392	39,275	39,007
	Paren	t	Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
Reconciliation of prima facie income tax:	\$000	\$000	\$000	\$000
(Profit)/loss before tax	328,550	44,502	502,185	111,035
Income tax expense calculated at standard tax rate	91,994	13,351	140,612	33,311
Non-deductible expenses	_	_	1,861	1,107
Non-assessable income and deductible items	(78,117)	(1,616)	(123,153)	1,817
Effect on deferred tax balances of change in tax rate	-	-	(212)	16
Tax loss not recognised as deferred tax asset	-	-	-	74
Effect on deferred tax balances re assets no longer depreciable	-	-	(1,835)	-
Previously unrecognised and unused tax losses now recognised				
as deferred tax assets	-	-	-	33
(Over)/under provision of income tax in previous year	- (40 700)	- (11.010)	604	(479)
Imputation adjustment	(13,786)	(11,343)	-	- 0.400
Deferred tax on removal of building depreciation	91	392	21,398 39,275	3,128 39,007
Total tax expense/(income)	91	392	39,275	39,007
Income tax recognised in other comprehensive income				
Deferred tax				
Asset revaluations	-	-	2,305	52,191
Revaluations of financial instruments treated as cash flow hedges	-	-	4,176	638
Effect on reserves balance due to changes in income tax rates	-	<u> </u>	-	
	-		6,481	52,829
Total income tax recognised in other comprehensive income		<u> </u>	6,481	52,829

The tax rate in the above reconciliation is the corporate tax rate of 28% payable by New Zealand companies on taxable profits under New Zealand tax law.

Council's tax losses for the current financial year amount to \$26.3 million (2011: \$16.1 million). It is expected that these losses will be transferred to other entities in the group by way of loss offset and subvention payment. A subvention receipt of \$4.6 million has been accrued.

(b) Current tax assets and liabilities

	Parent		Group	
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Current tax assets				
Tax refund receivable	21	118	-	-
Total current tax assets	21	118	-	_
Current tax payables				
Income tax payable	-	-	18,113	2,405
Total current tax liabilities	-	-	18,113	2,405

Parent

CHRISTCHURCH CITY COUNCIL Notes to the financial statements For the year ended 30 June 2012

(c) Deferred tax balance

		raic		
		C	harged to:	
Jun 12			Other	
	Opening	comi	orehensive	Closing
	balance	Income	income	balance
	\$000	\$000	\$000	\$000
Deferred tax liabilities:				
Property, plant and equipment	3,774	91	-	3,865
1 2/1	3,774	91	_	3,865
	3,777			0,000
NI-4 -1-5	0.774	04		0.005
Net deferred tax liability/(asset)	3,774	91		3,865
		Pare	n4	
		C	harged to:	
Jun 11			Other	
	Opening	comp	orehensive	Closing
	balance	Income	income	balance
	\$000	\$000	\$000	\$000
Defensed (ass Babillidea)	\$000	φυσο	φυσσ	φυσο
Deferred tax liabilities:				
Property, plant and equipment	3,382	392	-	3,774
	3,382	392	-	3,774
Net deferred tax liability/(asset)	3,382	392	_	3,774
, (, , , , , , , , , , , , , ,				
		Group		
			harged to:	
lum 42		C	Other	
Jun 12	• · · · · · · · · · · · · · · · · · · ·			01 '
	Opening	-	orehensive	Closing
	balance	Income	income	balance
	\$000	\$000	\$000	\$000
Deferred tax liabilities:				
Fair value hedges	91	-	-	91
Property, plant and equipment	296,163	8,286	(2,277)	302,172
Intangible assets	724	(33)	-	691
Other	19,003	(2,181)	-	16,822
	315,981	6,072	(2,277)	319,776
Deferred tax assets:				
Cash flow hedges	6,226	(15)	4,085	10,296
Fair value hedges	385	342	161	888
Provisions and employee entitlements	4,981	53	-	5,034
Doubtful debts and impairment losses	62	10	-	72
Tax losses	895	1,407	_	2,302
Other	258	68	_	326
	12,807	1,865	4,246	18,918
	,551	.,	.,=.0	. 5,5.5
Net deferred tax liability/(asset)	303,174	4,207	(6,523)	300,858
		, -	1-77	,

The above property, plant and equipment charged to other comprehensive income is the tax effect of gains on revaluation of assets for Christchurch International Airport and clearing of Jet Engine Facility Limited's balance on sale by Vbase.

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Jun 11		Grou	p Charged to: Other	
	Opening	con	nprehensive	Closing
	balance	Income	income	balance
Deferred tax liabilities:	\$000	\$000	\$000	\$000
Fair value hedges	91	_	_	91
Property, plant and equipment	351,910	(3,853)	(51,894)	296,163
Intangible assets	592	132	-	724
Other	6,179	12,824	-	19,003
	358,772	9,103	(51,894)	315,981
Deferred to constant				
Deferred tax assets: Cash flow hedges	5,372	19	835	6,226
Fair value hedges	248	214	(77)	385
Provisions and employee entitlements	4,990	(9)	-	4,981
Doubtful debts and impairment losses	173	(111)	-	62
Tax losses	189	706	-	895
Other	281	97	(120)	258
	11,253	916	638	12,807
Net deferred tax liability/(asset)	347,519	8,187	(52,532)	303,174
, , , , , , , , , , , , , , , , , , ,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-, -	(= ,== ,	
(d) Unrecognised tax losses				
()	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
The following tax losses have not been brought to account as				
assets:			440	000
Tax losses			148	266
Tax effect			41	74
(e) Imputation credit balances				
	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Imputation credits available for use in subsequent reporting periods	-	_	42,189	65,906
12. Cash and cash equivalents				
·	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Cash and cash equivalents	118,267	48,417	151,236	80,772
Cash and cash equivalents (USD)	-, -	, -	, -	3
Cash and cash equivalents (EUR)	_	_	1	2
Total cash and cash equivalents	118,267	48,417	151,237	80,777
i otal odoli alia oddi oquivalorilo	1 10,201	10, 117	101,201	55,777

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13. Debtors and other receivables

(a) Current debtors and other receivables

	Parent			Group		
		30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Note	Actual	Actual	Actual	Actual	
		\$000	\$000	\$000	\$000	
Current asset portion						
Trade receivables (before impairment)		41,563	33,267	74,581	58,460	
Related party receivables						
Subsidiaries		606	1,771	-	-	
Other related parties		-	-	8,140	27,528	
Construction contract receivables		-	-	-	559	
Chargeable work in progress		-	-	28,703	12,321	
Interest receivable		2,290	1,067	2,596	1,419	
Contract retentions		-	-	753	771	
Finance lease receivable - current portion	14	-	-	46	3,751	
GST reœivable		-	11,638	-	9,140	
Rates debtors		14,068	15,433	14,068	15,433	
Dividend receivable		-	17,325	-	-	
Insurance receivables		-	-	-	212	
Other		-	<u> </u>	1,273		
		58,527	80,501	130,160	129,594	
Provision for impairment - trade receivables		(2,762)	(1,682)	(3,257)	(2,373)	
		55,765	78,819	126,903	127,221	

As debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, the carrying value of debtors and other receivables approximates their fair value.

No impairment is provided on rates receivables as the Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

An allowance has been made for estimated irrecoverable amounts from trade debtors, determined by reference to past default experience. The balance of the movement was recognised through profit and loss for the current financial year.

(b) Non-current debtors and other receivables

	Parent			Group	
	Note	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Finance lease receivable - non-current portion	14	_	_	275	25,321
		-		275	25,321
Total debtors and other receivables		55,765	78,819	127,178	152,542

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(c) Credit risk aging of trade receivables and rates				
	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Gross receivables				
Not past due	37,681	40,690	65,110	52,503
Past due 0-30 days	2,936	711	11,254	7,972
Past due 31-60 days	4,162	157	6,624	3,491
Past due more than 60 days	10,852	7,142	13,801	9,927
	55,631	48,700	96,789	73,893
Impairment				
Not past due	(4)	(19)	(4)	(19)
Past due 0-30 days	(1,696)	(197)	(1,696)	(197)
Past due 31-60 days	(9)	(8)	(9)	(89)
Past due more than 60 days	(1,053)	(1,458)	(1,548)	(2,068)
	(2,762)	(1,682)	(3,257)	(2,373)
Gross trade receivables	55,631	48,700	96,789	73,893
Individual impairment	(2,461)	(795)	(2,956)	(1,486)
Collective impairment	(301)	(887)	(301)	(887)
Trade receivables (net)	52,869	47,018	93,532	71,520
Trade Foodstables (Hel)		11,010	00,002	7 1,020
Movements in provision for impairment of receivables				
Balance at start of year	(1,682)	(1,162)	(2,373)	(1,731)
Provisions made during year	(1,689)	(879)	(1,782)	(1,281)
Provisions reversed during year	609	359	638	410
Receivables written off during year	-	-	349	401
Other	_	_	(89)	(172)
Balance at end of year	(2,762)	(1,682)	(3,257)	(2,373)
14. Finance lease receivables				
	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
No later than one year	-	-	192	4,048
Later than one year and not later than five years	_	_	757	16,186
Later than five years	-	-	1,926	24,041
Minimum lease receivables	-	-	2,875	44,275
Less future finance charges		<u> </u>	(2,554)	(15,203)
Present value of minimum lease receivables			321	29,072
Present value of future minimum lease receivables				
No later than one year	-	-	46	3,751
Later than one year and not later than five years	-	-	106	13,142
Later than five years		<u> </u>	169	12,179
Present value of future minimum lease receivables			321	29,072
Represented by				
Current portion	-	-	46	3,751
Non-current portion	-		275	25,321
Total	-		321	29,072

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\$000

CHRISTCHURCH CITY COUNCIL Notes to the financial statements For the year ended 30 June 2012

In 2011 JEFL, a subsidiary of Vbase Limited, was party to a long-term lease arrangement with a Pratt & Whitney/Air New Zealand joint venture, trading as the Christchurch Engine Centre. Lease payments were guaranteed by Pratt & Whitney's holding company, United Technologies. On 29 June 2012 Vbase Limited sold its investment in Jet Engine Facility Limited to a third party.

15. Derivative financial instruments

(a) Current assets				
	Parent	Parent		1
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000

Interest rate swaps - fair value hedges 415 415 Forward foreign exchange contracts 252 39 415 667 39

(b) Non-current assets

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest rate swaps - fair value hedges	1,976	2,605	1,976	2,605
Interest rate swaps - cash flow hedges	-	142	-	142
	1,976	2,747	1,976	2,747
Total derivative financial instrument assets	2,391	2,747	2,643	2,786

(c) Current liabilities

	Parent		Group	
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Interest rate swaps - fair value hedges	<u>-</u>	_	151	_
Interest rate swaps - cash flow hedges	-	-	928	1,557
Forward foreign exchange contracts	-	-	305	-
	-	-	1,384	1,557

(d) Non-current liabilities				
	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Interest rate swaps - fair value hedges	-	-	2,283	1,212
Interest rate swaps - cash flow hedges	43,911	14,126	80,210	35,012
	43,911	14,126	82,493	36,224
Total derivative financial instrument liabilities	43,911	14,126	83,877	37,781
Net interest rate swap fair value Net forward foreign contract fair value	(41,520) -	(11,379)	(81,181) (53)	(35,034)
Net derivative financial instruments fair value	(41,520)	(11,379)	(81,234)	(34,995)

On 20 April 2010 Council acquired an interest rate swap which was novated from CCHL. At the time of the transfer the interest rate swap had a value of \$2.1 million; it has since been revalued at 30 June 2012 to a fair value of \$5.7 million (\$3.7 million at 30 June 2011). The changes in the fair value of this interest rate swap, including the initial transfer amount flow through the profit and loss. The impact is included in the gains and losses note 4.

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16. Other financial assets

(a) Current financial assets

(a) Current illiancial assets	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
			Actual	
	Actual \$000	Actual \$000	\$000	Actual \$000
Interest-bearing loans advanced to subsidiaries:				
Vbase Ltd		4,500		
Total advances to subsidiaries		4,500		
Total advances to substituties Total advances to related parties		4,500	-	
Other advances	-	4,500	- 57	54
Total current loans and advances		4,500	57 57	54
Local authority stock	15,000	4,500	15,000	34
•	,	9 500		9 500
Stocks and bonds with less than one year to maturity	5,606	8,500	5,606	8,500
Bank deposits with maturities of 4 to 12 months Total current financial assets	70,323	41,500	84,006	43,525
Total current financial assets	90,929	54,500	104,669	52,079
(b) Non-current financial assets				
	Parer		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest-bearing loans advanced to:				
Vbase Ltd	45,442	40,046	-	-
Jet Engine Facility Ltd	-	12,550	-	-
Tuam Ltd	4,750	4,750	-	-
Civic Building Ltd	59,288	59,288	-	
Total advances to subsidiaries	109,480	116,634	-	-
Advance to Theatre Royal	2,300	2,300	2,300	2,300
Community, special and other loans	2,956	3,274	2,956	3,274
Other advances	-	-	566	994
Less provision for fair value and impairment	(753)	(1,062)	(753)	(1,062)
Other loans and advances	800	<u> </u>	800	
Total non-current loans and advances	114,783	121,146	5,869	5,506
Other investments:				
Local authority stock	25,000	35,000	25,000	35,000
Stocks and bonds with over one year to maturity	39,050	13,050	39,050	13,050
Bank deposits with over one year to maturity	11,000	17,000	12,150	17,000
Investment in unlisted shares (excl Council/CCHL subsidiaries)	6,283	5,285	6,283	5,285
Investment in Enertech Capital Partners 11 LP		<u> </u>	45	1,264
Total other investments	81,333	70,335	82,528	71,599
Council investment in subsidiaries:				
CCHL	1,387,300	1,306,568	-	-
Vbase Ltd	191,143	183,039	-	-
Tuam Ltd	5,417	5,417	-	-
Civic Building Ltd	4,148	4,148		
Total shares in subsidiaries	1,588,008	1,499,172	-	-
				_

Fair value

Term deposits

The carrying amount of term deposits approximates their fair value.

Local authority stock

Total non-current financial assets

Total other financial assets (current and non-current)

The fair value of local authority and government stock is \$41.7 million (2011: \$36.6 million). Fair value has been determined by discounting cash flows from the instruments using a discount rate derived from relevant market inputs. The discount rates range between 2.71-6.36% (2011: 2.57-5.20%).

1,784,124

1,875,053

1,690,653

1,745,153

88,397

193,066

77,105

129,184

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The face value of local authority stock is \$40.0 million (2011: \$35.0 million).

Stocks and bonds

The fair value of stocks and bonds is \$46.7 million (2011: \$23.0 million). Fair value has been determined by discounting cash flows from the instruments using a discount rate derived from relevant market inputs. The discount rates range between 2.71-6.36% (2011: 2.57-5.20%).

The face value of stocks and bonds is \$44.7 million (2011: \$21.6 million).

Loans to related parties

The fair value of loans to related parties is \$126.6 million (2011: \$139.7 million). Fair value has been determined using cash flows discounted at a rate based on the borrowing rates ranging from 2.71-6.36% (2011: 2.57-5.20%). The average effective interest rate on the loan to related parties is 8.43% (2011: 9.33%).

The face value of the loans to related parties is \$109.4 million (2011: \$121.1 million). Loans advanced to subsidiaries at balance date are shown in the table to note 16.

During the year JEFL repaid their loan of \$12.6 million.

Unlisted shares

Unlisted shares include \$1.8 million in New Zealand Local Government Insurance Corporation (NZLGIC), \$2.4 million in Endeavour I-cap and \$2.0 million in the New Zealand Local Government Funding Agency (NZLGFA). The fair value of unlisted shares of NZLGIC has been determined by using the asset valuation as per their latest published accounts. The Endeavour I-cap funds were invested for the purposes of enabling a portion of Council's investment portfolio to be applied to new economic development initiatives which would benefit the local economy while ultimately providing a return to Council. The fair value of the fund has been left unchanged from prior year, due to current year valuation unavailable at time of publication.

Shares in subsidiary companies

The fair value of Council's investments in its subsidiary companies was assessed by independent valuers Ernst and Young, as at 30 June 2012.

Council's investment in CCHL was increased in the year by \$80.7 million (2011: \$16.6 million), as a result of the Ernst and Young review which was on a sum of the parts approach.

The remaining CCHL subsidiaries were reviewed as at 30 June 2012 by Ernst and Young to determine whether there were any significant indicators of value change since their last full valuation. It was concluded there were no significant indicators.

During the year, Council's investment in Vbase Limited increased by \$9.0 million. This increase relates to the purchase of additional shares. In 2011, Council's investment in Vbase Limited increased in the year by \$54.6 million. This increase related to the purchase of redeemable preference shares of \$41.0 million and a revaluation up of the investment of \$13.6 million.

The value of the investment in Civic Building Limited (CBL) is \$5.4 million. For more details on the joint venture between CBL and Ngai Tahu Property Limited see note 21. Although the current net book value of CBL is negative, Council have decided not to impair this because CBL's major source of income is rental on the Civic Building, and since the Council is the tenant, there is no reason to consider this to be in doubt. Based on modelling carried out for Council it is believed when the loan is due for repayment CBL will be able to repay the loan.

On 27 June 2011 Council purchased \$9.0 million redeemable preference shares in Tuam Limited. The company was not revalued as at 30 June 2012 because there is no relevant market information available and has been carried at net book value of \$5.4 million.

17. Inventories

(a) Current inventories

•	Parent		Group			
	30 Jun 12 Actual \$000				30 Jun 12 Actual	30 Jun 11 Actual
		\$000	\$000	\$000		
Inventory - raw materials and maintenance items	_	-	14,384	10,476		
Inventory - work in progress	-	-	912	890		
Inventory - finished goods	3,916	2,248	6,137	4,099		
	3,916	2,248	21,433	15,465		
Inventory - allowance for impairment	-	-	(86)	(58)		
	3,916	2,248	21,347	15,407		

Certain inventories are subject to security interests created by retention of title clauses.

18. Assets held for sale

	Parent			Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11		
	Actual	Actual	Actual	Actual		
	\$000	\$000	\$000	\$000		
Land held for sale	415	226	415	226		
Plant and equipment held for sale	31	20	31	20		
Infrastructure network & work in progress	-	-	-	27,572		
Total amounts held as classified for sale	446	246	446	27,818		

Parent

During 2012, 347 Ferry Road (\$0.14 million) and 42c Rotherham St (\$0.07million) were transferred from property, plant and equipment to non-current assets held for sale (2011: \$0.25 million).

Group

On 31 May 2011 ESL was awarded the government contract to install an open access fibre optic network to every premise in the Greater Christchurch urban areas, as part of a broader Ultra-Fast Broadband (UFB) project contracted by the Crown.

The UFB contract involves a partnership with Crown Fibre Holdings Limited (CFH) which is the Government entity negotiating and administering the contract. The partnership is through a joint venture entity called Enable Networks Limited ESL in which both ESL and CFH will invest.

Pursuant to the UFB contract, ESL was required to sell its existing fibre network to ENL. The transaction, which took place in February 2012, was at net book value. The network, previously included in property, plant and equipment, was accordingly re-classified as a current asset held for sale as at 30 June 2011.

19. Other assets

(a) Other current assets

	Parent		Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
Capitalised contract set-up costs	-	-	24	132	
Earthquake recoveries	345,222	212,126	567,876	258,343	
Other		-	-	585	
Total current other assets	345,222	212,126	567,900	259,060	
			•		

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Group

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(b) Other non-current assets

	Parent	t	Group		
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	
Capitalised contract set-up costs Other	- -	-	24	48 261	
• • • • • • • • • • • • • • • • • • •	-		24	309	
Total other assets	345,222	212,126	567,924	259,369	

20. Investments in associates

	Parent	Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Balance at start of year	6,196	6,196	28,312	36,439
Acquisitions *	-	-	32,246	-
Share of total recognised revenues and expenses	-	_	850	4,737
Dividends from associates	-	-	(2,424)	(2,190)
Share of revaluations	-	_	(55)	(406)
Share capital repaid	-	-	-	(10,268)
Total investments in associates	6,196	6,196	58,929	28,312

There is no goodwill included in the carrying value of associates (2011: Nil).

The following entities are equity accounted by the Group:

	Country of	Ownership in	nterest
Name of entity Transwaste Canterbury Ltd - Parent Selwyn Plantation Board Ltd - Group	incorporation	30 Jun 12	30 Jun 11
		%	%
Transwaste Canterbury Ltd - Parent	NZ	39%	39%
Selwyn Plantation Board Ltd - Group	NZ	39%	39%
Enable Networks Ltd	NZ	33%	N/A

No public price quotations exist for these investments.

Although ESL holds the substantial majority of total shares issued in ENL, it only holds approximately 33% of the voting shares and does not control ENL. It is deemed to hold significant influence over ENL through its holding of A and B shares and therefore accounts for ENL as an associate.

Summarised financial statements of associates

	Group	,
	30 Jun 12	30 Jun 11
	Actual	Actual
	\$000	\$000
Assets	156,593	124,614
Liabilities	53,270	56,287
Revenue	35,325	66,150
Net profit/(loss)	4,642	8,744

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^{*} CCHL's 100%-owned subsidiary ESL entered into an agreement with CFH and ENL on 31 May 2011 relating to the construction, deployment and operation of the UFB network for the Christchurch (which includes Kaiapoi and Rolleston areas) and Rangiora Candidate Areas.

21. Joint venture

Infrastructural assets

Balance at end of financial year

Restricted assets

	Parer	nt	Grou	р
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Interest in joint venture accounted for as a jointly-controlled operation. Interest in the jointly-controlled operation is as follows:	\$000	4000	φουο	\$000
Current assets	-	-	10,982	2,711
Non-current assets	-	-	51,634	49,718
Current liabilities	-	-	47,390	52,215
Revenue	-	-	67,356	6,702
Expenses	-	-	50,913	2,890
CBL is in a joint venture partnership with NTPL.				
22. Construction contracts	Parer	nt.	Grou	n
	30 Jun 12	 30 Jun 11	30 Jun 12	9 30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
For contracts in progress at balance date	****	****	****	****
Contract costs incurred	_	-	73,586	52,009
Progress billings	-	-	57,095	45,554
Gross amounts due from customers	-	-	8,612	6,455
Retentions included in progress billings	-	-	358	458
23. Property, plant & equipment				
	Parer	nt	Grou	р
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Operational assets	1,122,955	1,144,325	3,191,929	3,218,779

3,626,602

5,551,914

802,357

3,527,623

5,463,592

791,644

3,626,602

7,620,488

801,957

3,527,623 791,644

7,538,046

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Reconciliation of movement in property plant and equipment

Parent

Operational assets	Freehold land \$000	Buildings \$000	Plant & equipment \$000	Work in progress \$000	Landfill at cost \$000	Library books at cost \$000	Total \$000
Gross carrying amount							
Cost/valuation at 1 July 2010	509,882	513,641	116,546	26,012	8,217	91,132	1,265,430
Additions	15,384	110,753	17,251	-	-	4,564	147,952
Disposals	(1,612)	(8,102)	-		-	-	(9,714)
Net movements in work in progress	-	-	-	504	-	-	504
Re-classified as held for sale	(225)	(24)	-	-	-	-	(249)
Net revaluation increments/(decrements)	-	(453)	-	-	-	-	(453)
Transfers	(408)	(344)					(752)
Cost/valuation at 30 June 2011	523,021	615,471	133,797	26,516	8,217	95,696	1,402,718
Additions	4,492	22,887	8,904	-	-	3,984	40,267
Disposals	(29)	(18,913)	(414)	-	-	-	(19,356)
Net movements in work in progress	-	-	-	(20,617)	-	-	(20,617)
Re-classified as held for sale	(190)	(20)	-	-	-	-	(210)
Transfers and other		-	(52)	-	-	-	(52)
Cost/valuation at 30 June 2012	527,294	619,425	142,235	5,899	8,217	99,680	1,402,750
Accumulated depreciation							
Accumulated depreciation and impairment at 1 July 2010	(3,398)	(26,138)	(78,097)	_	(8,217)	(75,021)	(190,871)
Disposals	-	2,956	-	_	-	-	2,956
Impairment losses charged to other comprehensive income	_	(37,249)	_	_	_	_	(37,249)
Depreciation expense	(2,455)	(17,931)	(8,977)	_	_	(3,911)	(33,274)
Transfers and other	(2, 130)	20	(0,0)	_	_	(0,0.1)	28
Accumulated depreciation & impairment at 30 June 2011	(5,845)	(78,325)	(87,074)	_	(8,217)	(78,932)	(258,393)
Disposals	-	8,442	351	_	-	-	8,793
Re-classified as held for sale	_	8	-	_	_	_	8
Depreciation expense	(2,567)	(14,124)	(8,896)	_	_	(4,616)	(30,203)
Accumulated depreciation & impairment at 30 June 2012	(8,412)	(83,999)	(95,619)	-	(8,217)	(83,548)	(279,795)
Carrying amount at 30 June 2011	517,176	537,146	46,723	26,516	-	16,764	1,144,325
Carrying amount at 30 June 2012	518,882	535,426	46,616	5,899	-	16,132	1,122,955

Included in Buildings additions above is the Civic Building. Please refer to note 29 for more details on the finance lease which relates to this building.

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Gross carrying amount \$000	Total \$000
Gross carrying amount Cost/valuation at 1 July 2010 939,374 921,521 409,811 968,494 305,483 231,379 8,217 91,132 3,875 Additions 26,157 263,309 41,139 35,572 12,429 (8,952) - 4,564 374 Additions through business combinations - 3,594 10,657 - - 95 - - 14	4000
Cost/valuation at 1 July 2010 939,374 921,521 409,811 968,494 305,483 231,379 8,217 91,132 3,875 Additions 26,157 263,309 41,139 35,572 12,429 (8,952) - 4,564 374 Additions through business combinations - 3,594 10,657 - - 95 - - 14	
Additions 26,157 263,309 41,139 35,572 12,429 (8,952) - 4,564 374 Additions through business combinations - 3,594 10,657 - - 95 - - 14	3,875,411
Additions through business combinations - 3,594 10,657 95 14	374,218
	14,346
Disposals (1,612) (29,712) (18,638) (5,534) (1,305) (56	(56,801)
	(42,291)
	(29,307)
	(290,497)
	(17,865)
Cost/valuation at 30 June 2011 964,923 1,171,164 432,799 740,673 302,261 111,481 8,217 95,696 3,827	3,827,214
Additions 9,624 26,243 35,431 48,064 7,990 (204) - 3,984 131	131,132
	(27,271)
	(1,269)
	(210)
Net revaluation increments/(decrements) (1,340) (86,058) 13,597 (73	(73,801)
	25,454
Cost/valuation at 30 June 2012 944,875 1,135,339 463,068 786,876 333,186 110,008 8,217 99,680 3,881	3,881,249
Accumulated depreciation	
·	(512,866)
	14,967
	60,376
	1,491
	(76,900)
	41,476
	(116,239)
	(37,249)
	16,509
	(608,435)
	14,102
	21,694
Re-classified as held for sale - 8	8
	(161)
	(114,877)
	(1,651)
	(689,320)
	`
Carrying amount at 30 June 2011 959,062 956,829 195,443 740,067 239,133 111,481 - 16,764 3,218	3,218,779
Carrying amount at 30 June 2012 936,705 896,821 199,400 758,818 274,045 110,008 - 16,132 3,191	3,191,929

^{*}Specialised assets include finance lease assets, airport sealed surfaces, harbour structures and other specialised assets.

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			Parent & Gr	oup		
	Roading	Sewerage	Water	Stormwater		
Infrastructural assets	network at	system at	system at	system at	Work in	
	fair value	fair value	fair value	fair value	progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Gross carrying amount						
Cost/valuation at 1 July 2010	1,800,853	811,498	454,429	348,750	102,391	3,517,921
Additions	24,686	62,626	10,459	5,215	-	102,986
Disposals	(1,359)	(4,507)	(1,538)	-	-	(7,404)
Net movements in work in progress	-	-	-	-	6,494	6,494
Cost/valuation at 30 June 2011	1,824,180	869,617	463,350	353,965	108,885	3,619,997
Additions	32,080	11,228	6,535	4,897	-	54,740
Disposals	(598)	(998)	(388)	-	-	(1,984)
Net movements in work in progress	-	-	-	-	313,855	313,855
Cost/valuation at 30 June 2012	1,855,662	879,847	469,497	358,862	422,740	3,986,608
Accumulated depreciation						
Accumulated depreciation and impairment at 1 July 2010	(21)	(14,692)	-	(8,919)	-	(23,632)
Disposals	486	295	188	-	-	969
Depreciation expense	(38,823)	(16,149)	(10,212)	(4,527)	-	(69,711)
Accumulated depreciation & impairment at 30 June 2011	(38,358)	(30,546)	(10,024)	(13,446)	-	(92,374)
Disposals	78	635	214	-	-	927
Net adjustments from revaluation increments/(decrements)	(19,410)	(121,154)	(15,194)	(35,452)	-	(191,210)
Impairment losses charged to profit	-	-	-	-	(4,874)	(4,874)
Depreciation expense	(38,872)	(18,775)	(10,314)	(4,514)	-	(72,475)
Accumulated depreciation & impairment at 30 June 2012	(96,562)	(169,840)	(35,318)	(53,412)	(4,874)	(360,006)
Carrying amount at 30 June 2011	1,785,822	839,071	453,326	340,519	108,885	3,527,623
- · ·	· · ·		·	•	<u> </u>	<u> </u>
Carrying amount at 30 June 2012	1,759,100	710,007	434,179	305,450	417,866	3,626,602

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Restricted assets	Land and buildings at fair value \$000	Artworks at fair value \$000	Parent & Gro Heritage assets at fair value \$000	up Library books at cost \$000	Work in progress \$000	Total \$000
Gross carrying amount						
Cost/valuation at 1 July 2010	693,603	71,053	20,558	5,936	8,968	800,118
Additions	9,993	802	385	194	-	11,374
Disposals	(1,970)	-	(88)	-	-	(2,058)
Net movements in work in progress	-	-	-	-	(993)	(993)
Transfers	408	-	344	-	-	752
Cost/valuation at 30 June 2011	702,034	71,855	21,199	6,130	7,975	809,193
Additions	17,219	738	11	197	-	18,165
Disposals	(55)	-	-	-	-	(55)
Net movements in work in progress	-	-	-	-	(1,246)	(1,246)
Net revaluation increments/(decrements)	-	(1,737)	-	-	-	(1,737)
Transfers and other	-	52	-	-	-	52
Cost/valuation at 30 June 2012	719,198	70,908	21,210	6,327	6,729	824,372
Accumulated depreciation						
Accumulated depreciation and impairment at 1 July 2010	(5,204)	(142)	(38)	_	_	(5,384)
Disposals	86	-	-	_	_	86
Impairment losses charged to profit	(7,214)	_	_	_	_	(7,214)
Depreciation expense	(4,903)	(72)	(38)	_	_	(5,013)
Transfers and other	(8)	-	(16)	_	_	(24)
Accumulated depreciation & impairment at 30 June 2011	(17,243)	(214)	(92)	-	-	(17,549)
Disposals	55	. ,	` -	_	_	55
Net adjustments from revaluation increments/(decrements)	(33)	286	_	_	_	253
Depreciation expense	(5,064)	(72)	(38)	_	_	(5,174)
Accumulated depreciation & impairment at 30 June 2012	(22,285)		(130)	-	-	(22,415)
Carrying amount at 30 June 2011	684,791	71,641	21,107	6,130	7,975	791,644
Carrying amount at 30 June 2012	696,913	70,908	21,080	6,327	6,729	801,957

Restricted assets Group balance includes an adjustment for gain on sale made by Tuam Limited on sale of land to Council (\$0.4 million)

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Revaluations and impairment review

Those asset classes that are revalued are normally valued on a three-yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are normally reviewed at each balance date to ensure that those values are not materially different to fair value.

Parent

Assets due for valuation in 2012 were operational land and land improvements, restricted land and buildings, sewerage infrastructure and heritage and public art assets. Other than public art assets, these assets were not revalued during 2012 for the following reasons:

- operational land and land improvements in the wake of the earthquakes it was considered that in the period to 30 June 2012 there was insufficient market activity to provide reliable market valuations.
- restricted land and buildings as a result of the earthquakes and the continuing assessment of buildings it
 was considered that at 30 June 2012 there was insufficient condition information and market activity to
 provide reliable market valuations.
- sewerage infrastructure insufficient information was available for valuers to accurately prepare a valuation because of uncertainties around the extent of damage to assets and the cost of replacement.

In addition, movements in the unit rates for roads, water, and wastewater infrastructure assets suggest that a valuation should be performed for these assets. However, insufficient information was available for valuers to accurately prepare a valuation because of uncertainties around the extent of damage to assets and replacement costs.

The most recent valuations in these financial statements were as follows:

Roading assets were revalued by AECOM Limited at 30 June 2010 to a fair value of \$1.4 billion using the optimised depreciated replacement cost method. In addition, the roading class of assets includes \$407 million of land under roads which has not been revalued. Council's policy is not to revalue land under roads.

Water reticulation infrastructure assets were revalued by AECOM Limited at 30 June 2010 to a fair value of \$454 million using the optimised depreciated replacement cost method.

Operational land and land improvements and restricted land and buildings include park and open space assets. These were valued by AECOM New Zealand Limited at 30 June 2009 to a fair value of \$89.3 million using the optimised depreciated replacement cost method.

Sewerage infrastructure assets were revalued by GHD Limited at 30 June 2009 to a fair value of \$700.8 million using the optimised depreciated replacement cost method.

Heritage and public art assets were valued by Plant & Machinery Valuers Limited and Dunbar Sloane Limited with a value of \$20.4 million as at 30 June 2009. Heritage assets were valued at a depreciated reproduction cost, with public art being valued at fair value in accordance with NZ IAS 16.

Land and buildings were revalued by Good Earth Matters Consulting Limited at 30 June 2008 to a fair value of \$1.5 billion (operational assets \$958 million and restricted assets \$590 million).

Storm water, Waterways and Wetlands infrastructure assets were revalued by GHD Limited at 30 June 2008 to a fair value of \$336.9 million using the optimised depreciated replacement cost method.

Works of art have been valued at a fair value of \$70.9 million as at 30 June 2012 by Art + Object Limited. The fair value is assessed as the estimated market value.

Information about earthquake-related damage to assets, write-off and asset impairment, is set out in the introductory note to these financial statements.

Group

Orion New Zealand Limited

Electricity distribution network and substation buildings

The company's electricity distribution network and substation buildings were revalued as at 31 March 2011 to a fair value of \$756 million by PricewaterhouseCoopers. The fair values were established in accordance with NZ IAS 16 – Property, Plant and Equipment and are based on a discounted cash flow analysis of the assets. This is a change in methodology from earlier valuations, which were based on optimised depreciated replacement cost (ODRC), due to a change in the regulatory framework for electricity distribution businesses developed under Part 4 of the Commerce Act 1986.

The 31 March 2011 valuation is \$141 million below the company's pre-revaluation carrying value of the electricity distribution network assets. This reduction is attributable to two key factors as follows:

- approximately \$68 million is due to the new Commerce Act Part 4 regulatory price controls, which effectively
 limit the company's profits to the Commission's regulatory weighted average cost of capital (WACC) on the
 regulatory asset base valuation calculated on a prescribed basis.
- approximately \$73 million is due to the impacts of the Canterbury earthquakes up to and including 31 March 2011 and the abnormal levels of expenses and reduced revenues as a result of the earthquakes for the period up to 31 March 2015.

Electricity distribution network and substation buildings – 2012 review of valuation

The company engaged PricewaterhouseCoopers to undertake a review of the carrying value of the distribution network and substation buildings as at 31 March 2012. The valuers concluded that the carrying value of \$778 million for the electricity distribution network, substation and kiosk buildings, leased assets and capital work in progress as at 31 March 2012 represented fair value in accordance with NZ IAS 16 – Property, Plant and Equipment.

Substation land - 2011 and 2012 valuations

The company's sub-station land was revalued to fair value as at 31 March 2012 by independent registered valuers CB Richard Ellis Ltd in accordance with NZ IAS 16, using an independently determined methodology, adopting land rating valuations and applying indices and multipliers over the land to determine current fair value. A randomly selected sample of the population was individually valued, using sales comparisons and a unit metre frontage methodology. The concluding multiplier and adjustments from the land rating indices were then recast over the total population to determine a fair value for all the substation sites. This methodology was consistent with the 2011 valuation. The revaluation resulted in a small increase in the carrying value of the company's substation land of \$2.2 million.

Christchurch International Airport Limited

On 30 June 2012, buildings, car parking assets, sealed surface and infrastructure assets were revalued by Independent Valuers, Seagar and Partners (buildings and car park assets) and Opus International Limited (sealed surfaces and infrastructure assets).

The land and terminal assets were reviewed for impairment as at 30 June 2012 by Seagar and Partners, with no adjustment for impairment deemed necessary.

Lyttelton Port Company Limited

Assets or partial assets with a cost of \$Nil (2011: \$49.4 million) and book value of \$Nil (2011: \$29.0 million) have been de-recognised as a result of the Canterbury earthquakes.

During the course of the 2012 year company management assessed that there was no change in the useful economic lives of major items of property, plant and equipment.

Applying the provisions of NZ IAS 36 Impairment of Assets, the company determined that the earthquakes on 23 December 2011 were an indicator of impairment. Management undertook an impairment review to determine the recoverable amount of its remaining recognised assets as at 30 June 2012. The result of this analysis was that the recoverable amount remained above the book value and that no impairment of the asset carrying values had occurred.

City Care Limited

An independent valuation of the company's land was performed by Colliers International and conforms to NZ IAS 16. The effective date of the valuation was 30 June 2012.

Red Bus Limited

Simes Limited was contracted by Red Bus Limited to assess the fair value of the company's land and buildings at 30 June 2010. The land and buildings were valued at fair value using market-based evidence on its highest and best use with reference to comparable sales and market rents. The valuations are completed on a three yearly cycle, with the next one due in 2013.

Caveats are registered against certain property titles under section 40 of the Public Works Act 1981.

24. Investment property

	Parent	t .	Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
Balance at beginning of financial year	-	-	105,268	85,510	
Net transfer from property, plant & equipment	-	-	20,717	9,934	
Additional capitalised expenditure	-	-	14,025	10,910	
Net gain/(loss) from fair value adjustments	-	-	5,421	(1,086)	
Balance at end of financial year	-		145,431	105,268	

Group

Orion New Zealand Limited

Investment property comprises land and buildings at the company's main administration and head office site in the Christchurch CBD. The land and buildings were reclassified as investment property as at 31 March 2011 as the company considered that new office accommodation would be required either at its existing site or elsewhere. On 2 May 2012 the company announced plans to move to a new temporary site for a period of some years. The company plans to eventually return to the CBD site. The company also announced plans to demolish the major buildings on the existing site.

The valuation of the company's investment property to fair value as at 31 March 2012 was prepared by an independent valuer, CB Richard Ellis Ltd (CBRE), in accordance with NZ IAS 40 – Investment Property. CBRE prepared the equivalent valuation in 2011.

Christchurch International Airport Limited

The valuation as at 30 June 2012 was completed by Seagar and Partners. The basis of valuation is fair value being the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

25. Intangible assets

		144	Parent		
	Software	Work in progress Tr	adomarke	Other	Total
	\$000	\$000	\$000	\$000	\$000
Gross carrying amount	Ψ	4000	QUOU	4000	φοσσ
Gross carrying amount at 1 July 2010	35,015	4,052	3,300	136	42,503
Additions	3,168	3,572	4	90	6,834
Gross carrying amount at 30 June 2011	38,183	7,624	3,304	226	49,337
Additions	8,562	3,267	-	48	11,877
Disposals	(1)	-	-	-	(1)
Gross carrying amount at 30 June 2012	46,744	10,891	3,304	274	61,213
Accumulated amortisation and impairment					
Accumulated depreciation and impairment at 1 July 2010	(13,459)	(1,173)	(380)	(24)	(15,036)
Amortisation expense	(3,181)	-	(232)	(29)	(3,442)
Accumulated depreciation and impairment at 30 June 2011	(16,640)	(1,173)	(612)	(53)	(18,478)
Amortisation expense	(3,373)	-	(233)	(46)	(3,652)
Disposals	1	-	-	-	1
Accumulated depreciation and impairment at 30 June 2012	(20,012)	(1,173)	(845)	(99)	(22,129)
Carrying amount					
Carrying amount at 30 June 2011	21,543	6,451	2,692	173	30,859
Carrying amount at 30 June 2012	26,732	9,718	2,459	175	39,084

		Work in	Group		
	Software \$000s	progress \$000s	Trademarks \$000s	Other \$000s	Total \$000s
Gross carrying amount					
Gross carrying amount at 1 July 2010	60,849	5,311	3,300	3,785	73,245
Additions	6,717	3,572	4	1,043	11,336
Additions from internal developments	(540)	-	-	-	(540)
Disposals	(123)	-	-	(846)	(969)
Gross carrying amount at 30 June 2011	66,903	8,883	3,304	3,982	83,072
Additions	12,577	3,267	-	173	16,017
Additions from internal developments	504	-	-	478	982
Disposals	(1)	-	-	-	(1)
Gross carrying amount at 30 June 2012	79,983	12,150	3,304	4,633	100,070
Accumulated amortisation and impairment					
Accumulated depreciation and impairment at 1 July 2010	(31,103)	(1,173)	(381)	(2,587)	(35,244)
Amortisation expense	(6,130)	-	(232)	(418)	(6,780)
Impairment	-	_	-	(23)	(23)
Disposals	113	_	-	-	113
Accumulated depreciation and impairment at 30 June 2011	(37,120)	(1,173)	(613)	(3,028)	(41,934)
Amortisation expense	(6,493)	-	(234)	(82)	(6,809)
Disposals	1	-	-	_	1
Accumulated depreciation and impairment at 30 June 2012	(43,612)	(1,173)	(847)	(3,110)	(48,742)
Carrying amount					
Carrying amount at 30 June 2011	29,783	7,710	2,691	954	41,138
Carrying amount at 30 June 2012	36,371	10,977	2,457	1,523	51,328

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26. Goodwill

	Parent		Group)
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Gross carrying amount				
Balance at beginning of financial year	-	_	22,688	20,843
Additional amounts recognised from business combinations	-	-	3,391	1,845
Balance at end of financial year	-		26,079	22,688
Accumulated impairment losses				
Balance at beginning of financial year	_	-	(1,652)	(1,458)
Impairment losses for the period	-	-	(3,200)	(194)
Balance at end of financial year	-		(4,852)	(1,652)
Carrying amount				
At beginning of financial year		<u> </u>	21,036	19,385
At end of financial year	-	-	21,227	21,036
-				

The carrying amount of goodwill allocated to cash-generating units for the purposes of goodwill impairment testing is as follows:

	Parent	Parent		
	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Christchurch City Holdings Ltd	-	_	14,453	16,907
EcoCentral Ltd	-	-	6,774	4,129
			21,227	21,036

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

NZ IAS 36 *Impairment of Assets* requires that an impairment charge be recognised when the book value of the asset exceeds its recoverable amount. Recoverable amount is the higher of the asset's net fair value less cost to sell, or its value in use. Value in use requires entities to make estimates of the future cash flows to be derived from the asset, and discount them using a pre-tax market rate that reflects current assessments of the time value of money and the risk specific to the asset. Assets are able to be grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups thereof (e.g. a plant or division). Such a group of assets is referred to as a cash generating unit (CGU) in the standard.

EcoCentral Ltd has two CGUs – (a) the EcoSort recycling plant located at Parkhouse Rd, Christchurch; and (b) the EcoDepots, EcoShop and other commercial activities. During the 2012 financial year the directors of EcoCentral Limited reviewed the trading performance of the EcoSort business unit and determined due to the market conditions that the goodwill of \$3.1 million attributed to this business combination was fully impaired, and wrote it down to zero. The directors of EcoCentral Limited determined that the goodwill of \$1.0 million relating to the EcoDrop CGU was not impaired.

Red Bus Ltd determined that the goodwill of \$0.1 million relating to the acquisition of the Akaroa Shuttle business in December 2010 was impaired, and this was written off during the year.

Goodwill on consolidation in respect of the remaining companies listed above is not considered to be impaired for the following reasons:

• The investments in City Care Ltd and EcoCentral Ltd were revalued by independent valuers Ernst & Young as at 30 June 2012. The company has continued to be profitable since then, and forecasts indicate this trend to continue.

- A report was commissioned from independent valuers, Ernst & Young, reviewing the carrying value of CCHL's investments in Orion New Zealand Ltd and CIAL as at 30 June 2012. This review concluded that there had no material change in the value of these assets.
- The investment in Lyttelton Port Company Ltd was revalued at 30 June 2012 on the basis of its quoted NZX price. While the company suffered significant damage from the Canterbury earthquakes, the consequent replacement costs and business interruption are largely covered by insurance, and the market capitalisation of this company significantly exceeds its original acquisition value.

27. Creditors & other payables

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Trade payables and accrued expenses	91,926	115,049	155,232	169,144
Amounts due to related parties	17,156	6,598	1,731	10,858
GST payable	7,121	-	13,255	-
Interest payable	-	-	2,900	2,038
Income received in advance	-	-	1,327	2,093
Deposits held	-	-	234	328
Retentions	-	-	200	-
Total creditors and other payables	116,203	121,647	174,879	184,461

Included in parent trade payables and accrued expenses is \$39.9 million (2011: \$33.8 million) which are earthquake related.

28. Borrowings (a) Current borrowings

(a) Carron Borron age	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current portion				
Unsecured:				
Commercial paper	5,000	5,000	102,000	96,000
Bonds/other fixed rate borrowing maturing < 12 months	1	-	5,001	-
Loans from external parties	-	-	68,000	48,000
Finance lease liabilities	7,238	7,238	3,714	3,698
	12,239	12,238	178,715	147,698
Secured:				
Bonds/other fixed rate borrowing maturing < 12 months	50,000	_	50,000	-
Floating rate notes	25,000	_	25,000	_
Loans from external parties	· -	19,600	-	21,600
Finance lease liabilities	-	-	334	298
	75,000	19,600	75,334	21,898
Total current portion of borrowings	87,239	31,838	254,049	169,596

During the year \$50.0 million of Bonds and \$25.0 million of Floating Rate Notes entered into in 2009 became current as they are due to be repaid in November 2012.

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(b) Non current-borrowings

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Unsecured:				
Bonds/other fixed rate borrowing maturing > 12 months	19	27	70,019	75,027
Floating rate notes	-	-	130,000	130,000
Loans from external parties	-	-	217,100	220,352
Finance lease liabilities	96,598	96,700	53,558	53,147
	96,617	96,727	470,677	478,526
Secured:				
Bonds/other fixed rate borrowing maturing > 12 months	32,401	82,606	32,401	82,606
Floating rate notes	390,000	215,000	390,000	215,000
Loans from external parties	39,423	39,424	113,248	51,384
Loans from group entities	25,981	38,531	, <u>-</u>	· -
Finance lease liabilities	-	-	44	378
	487,805	375,561	535,693	349,368
Total non-current portion of borrowings	584,422	472,288	1,006,370	827,894

Parent

Secured loans

Council's secured debt of \$562.8 million (2011: \$395.2 million) is issued at both fixed and floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk. As at 30 June 2012, this rate averaged 3.75% (2011: 6.97%). Christchurch City Council has entered into derivative contracts to hedge its exposure to interest rate fluctuations. As at 30 June 2012 the average effective interest rate for the fixed rate debt is 6.25% (2011: 6.00%).

Security

Council's loans are secured over either separate or general rates of the district.

Fair Value

The fair value of all loans is \$508.6 million (2011: \$415.6 million). The fair values are based on cash flows discounted using a rate based on the borrowing rates ranging from 2.71-6.36% (2011: 2.57-5.20%).

The carrying amounts of borrowings repayable within one year approximate their fair value, as the impact of discounting is not significant.

Group

Details of the material borrowings are as follows:

Christchurch City Holdings Limited

CCHL's borrowings at 30 June 2012 comprised:

- Bonds and floating rate notes totalling \$205 million (2011: \$205 million) in five tranches ranging from \$5 million to \$70 million. These borrowings mature at various intervals until November 2018. Bond coupon rates are between 6.21% and 6.87%.
- Commercial paper of \$97 million (2011: \$91 million). This is short term debt on a 90 day rollover period. The average rate during the year was 3.1% (2011: 3.2%);
- The company also has an undrawn \$50 million standby facility. This matures in June 2015.

The borrowings were put in place under a \$350 million debt issuance programme. The borrowings are unsecured, but the loan documentation imposes certain covenants and restrictions on CCHL. The company has entered into derivative contracts to hedge its exposure to interest rate fluctuations (refer Notes 15 and 39).

Orion New Zealand Ltd

The company's bank debt of \$48.1 million (2011: \$31.6 million) is unsecured against the company. However, a deed of negative pledge and guarantee requires the company to comply with certain covenants. In November 2011, the company renegotiated additional bank debt facilities of \$60 million to bring its total facilities to \$150 million.

Interest rates for all borrowings are floating, based on bank bill rates plus a margin. At balance date, this rate averaged 3.36% (2011: 3.22%). The company has entered into derivative contracts to hedge its exposure to interest rate fluctuations (refer to Notes 15 and 39). Daily commitment fees are also payable on the facilities.

Christchurch International Airport Ltd

The company has a \$300 million funding facility with five banks and a subordinated loan of \$50 million from CCHL to fund the ongoing business and the terminal development. In addition, the company has an overdraft facility of \$1 million (2011: \$300 million bank funding facility, a subordinated loan of \$50 million from CCHL and an overdraft facility of \$1 million).

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. Interest rates paid during the year, including offsetting interest rate swaps, ranged from 5.2% to 6.8% (2011: 6.9% to 7.2%).

Lyttelton Port Company Ltd

Bank overdraft and term advances have been raised pursuant to a multi-currency facility agreement with Westpac Banking Corporation. Those funds have been borrowed against a negative pledge deed where Westpac ranks equally with other creditors. The facility is in A and B tranches of \$95 million and \$55 million respectively with renewal dates of 15 July 2013. There was no difference between the face value and carrying amount of these loans and borrowings at 30 June 2012 or 30 June 2011. The current drawings are against Tranche A of the facility. The company's total debt is \$55.9 million (2011: \$40.8 million). Average effective interest rates were 7.0% (2011: 6.4%).

Enable Services Ltd

As at 30 June 2012 ESL had borrowings of \$19.5 million (2011: \$6 million). These borrowings were made under a \$25 million facility with CCHL to fund future development initiatives. Interest is charged on a floating rate basis plus an agreed margin. As at 30 June 2012 effective interest rate was 3.99% (2011: 3.64%). The facility matures in October 2014. Discussions are taking place between CCHL and ESL with regard to implementing a new facility to accommodate increased borrowing as a result of Enable's UFB project.

City Care Ltd

Bank loans of \$17.9 million (2011: \$9.96 million) are secured by a debenture over the assets and undertakings of the company. The loans were made under a committed cash advance facility of \$40 million (2011: \$30 million). The facility is structured as a two year rolling facility with a current maturity date of 28 February 2014. Interest rates on the floating rate debt are based on bank bill rates plus a margin and averaged 3.60% for the year (2011: 3.89%).

The company also has a \$0.5 million (2011: \$0.5 million) overdraft facility (undrawn as at 30 June 2012 and 2011), again secured by a debenture over the assets and undertakings of the company.

Red Bus Ltd

At 30 June 2011 the company had a \$13 million bank facility, secured by a negative pledge deed, and drawn to \$4 million with an effective interest rate of 6.96%. The facility was subsequently reduced to \$9 million, and then in December 2011, closed completely, with all term debt being repaid to the bank. The company's bank overdraft facility (undrawn as at 30 June 2012 and 2011) is secured by a registered first and only debenture over the company's assets and undertaking.

At 30 June 2012 Red Bus Ltd also had on issue 5 million \$1 convertible notes to the CCHL parent company. The notes have a coupon rate of 6.12% (2011: 6.12%). Subsequent to balance date, by agreement between CCHL and Red Bus Ltd, the convertible notes were cancelled and replaced with a loan agreement.

EcoCentral Ltd

As at 30 June 2012 EcoCentral Ltd had borrowings of \$14 million (2011: \$14 million). These borrowings were made under a \$15 million facility with CCHL. Interest is charged on a floating rate basis plus an agreed margin (2012: 3.74%, 2011: 3.67%), except where interest rate swaps have been entered into in which case the rate charged is the interest swap rate plus the agreed margin. The facility matures in April 2016. Subsequent to balance date, by agreement between CCHL and EcoCentral Ltd, \$5 million of the borrowings were replaced by an issue of 5 million \$1 redeemable preference shares.

29. Finance lease liabilities

29. Finance lease nabilities					
	Parent		Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
No later than one year	8,234	8,234	4,947	4,923	
Later than one year and not later than five years	36,338	35,162	20,041	19,755	
Later than five years	196,781	206,191	108,696	113,000	
Minimum lease payments*	241,353	249,587	133,684	137,678	
Less future finance charges	(137,517)	(145,649)	(76,034)	(80,157)	
Present value of minimum lease payments	103,836	103,938	57,650	57,521	
Minimum future lease payments					
No later than one year	7,238	7,238	4,047	3,996	
Later than one year and not later than five years	26,779	25,886	13,873	13,721	
Later than five years	69,819	70,814	39,730	39,804	
Total present value of minimum lease payments	103,836	103,938	57,650	57,521	
Represented by					
Current portion	7,238	7,238	4,048	3,996	
Non-current portion	96,598	96,700	53,602	53,525	
Total finance leases	103,836	103,938	57,650	57,521	

^{*}Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

Parent

Effective 13 August 2010, the Council leased the new Civic Building in Worcester Boulevard from the NTPL and CBL Joint Venture (CCCJV). CBL is a wholly owned Council subsidiary which owns a 50% interest in the unincorporated joint venture with Ngai Tahu Property Limited. The lease has an initial term of 24 years with three rights of renewal of 24 years and the note above includes only the first lease term. The initial annual lease payment is \$8.2 million plus GST, although for 2011 and for 2012 this amount has been reduced to reflect the period in which the building has been unable to be occupied, and this is reflected in the note above.

Group

The finance lease liability above primarily relates to agreements between Orion and Transpower New Zealand Limited (Transpower) for Transpower to construct assets at Transpower grid exit points. The agreements are for terms of 10, 20 or 35 years. The company does not own the assets at the end of the lease term and there is no residual value. There is no security provided for the arrangements. The monthly payment amount may be reviewed annually by Transpower and the risk free portion of the interest rate may be adjusted.

Also included above are agreements by City Care Limited in respect of motor vehicles. The company does not have an option to purchase the leased assets at the expiry of the lease period and there are no renewal rights.

30. Employee entitlements

(a) Current portion

(a) Current portion				
	Parent	t	Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Accrued pay	2,075	1,556	6,082	4,656
Annual leave	11,063	11,166	26,242	25,628
Sick leave	256	256	434	479
Retirement and long service leave	916	1,007	2,653	3,643
Bonuses and other	-	-	4,041	3,968
	14,310	13,985	39,452	38,374
(b) Non-current portion				
	Paren	t	Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Retirement and long service leave	5,801	5,970	7,141	7,221
Bonuses and other	-	-	221	· -
	5,801	5,970	7,362	7,221
Total employee entitlements	20,111	19,955	46,814	45,595

Employee benefits

The provision for long service leave is an assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of employees and the timing of benefits being taken. Most of the liability is expected to be incurred over the next five years.

31. Provisions

Parent		Group	
30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
Actual	Actual	Actual	Actual
\$000	\$000	\$000	\$000
2,198	1,999	2,198	1,999
865	750	865	750
-	-	-	296
3,063	2,749	3,063	3,045
Parent	:	Group	
30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
Actual	Actual	Actual	Actual
\$000	\$000	\$000	\$000
17,783	14,497	17,783	14,497
3,399	2,801	3,399	2,801
-	_	_	74
21,182	17,298	21,182	17,372
24,245	20,047	24,245	20,417
	30 Jun 12 Actual \$000 2,198 865 - 3,063 Parent 30 Jun 12 Actual \$000 17,783 3,399 - 21,182	30 Jun 12 30 Jun 11 Actual \$000 \$000 2,198 1,999 865 750 3,063 2,749 Parent 30 Jun 12 30 Jun 11 Actual Actual \$000 \$000 17,783 14,497 3,399 2,801	30 Jun 12 30 Jun 11 30 Jun 12 Actual \$000 \$000 \$000 2,198 1,999 2,198 865 750 865

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Landfill aftercare

In previous years Council operated several landfills. Council has responsibility under the resource consents to provide ongoing maintenance and monitoring of these landfills after the sites are closed. There are closure and post-closure responsibilities such as the following:

Closure responsibilities:

- final cover application and vegetation;
- incremental drainage control features;
- completing facilities for leachate collection and monitoring;
- completing facilities for water quality monitoring; and
- completing facilities for monitoring and recovery of gas.

Post-closure responsibilities:

- treatment and monitoring of leachate;
- ground monitoring and surface monitoring;
- implementation of remedial measures needed for cover and control systems; and
- ongoing site maintenance for drainage systems, final cover and vegetation.

Closed Landfills

The liability has been estimated, based on a monitoring period of 35 years. The estimated cost for all closed landfills, including the Burwood landfill is \$19.0 million (2011: \$17.0 million). The discount rate used to calculate this provision is 3.85 %.

The Council participates in the regional waste disposal joint venture run by Transwaste Canterbury Limited through its Kate Valley landfill site. This site has been granted resource consent for 35 years from opening date which was 8 June 2005. The Council's ownership share of Transwaste Canterbury Limited is 38.9%.

Weathertight Homes

The Council through its insurers is processing a number of weathertight home claims. Provision has been made within the accounts for the estimated cost of known claims currently outstanding. This method of calculation is consistent with prior years. However, other metropolitan local authorities, including Wellington City Council and Auckland Council, are using independent actuarial calculations of their weathertight homes liability, particularly in relation to claims not yet lodged. Council has chosen not to follow this approach for these financial statements due to earthquake-related uncertainty regarding the number of properties that have existing or potential future claims that:

- will be repaired or demolished and rebuilt by insurers, or
- are in Government red zones and will be abandoned.

The Council has no reliable means of estimating what claims may be lodged in the future.

In 2009, RiskPool made a call on the Council for \$0.2 million, being its share of a deficit in RiskPool's funds for the years 2002-2003 and 2003-2004 and a further call was made in 2010 of \$1.1 million covering the exposure through to June 2013. The \$1.1 million was treated as a prepayment.

Provision in these financial statements has been made only for the estimated cost of known claims based on the average actual settlement costs. The discount rate used to calculate this provision is 3.85%. Central Government has introduced a Financial Assistance Package (FAP) for the owners of non-weathertight homes. The calculation of Council's weathertight homes provision has been adjusted to reflect the current assessment of likely costs for all claims that have been accepted into the FAP.

	Landfill	Weathertight	
	aftercare	homes	Total
	\$000	\$000	\$000
Balance at 1 July 2010	14,990	3,259	18,249
Additional provisions made	1,869	513	2,382
Amounts used	(363)	(221)	(584)
Balance at 30 June 2011	16,496	3,551	20,047
Additional provisions made	4,333	713	5,046
Amounts used	(848)	-	(848)
Balance at 30 June 2012	19,981	4,264	24,245

32. Other liabilities

(a) Other current liabilities

(a) outon outront habitation	Parer	nt	Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
Deferred income	-	-	867	867	
Hire purchase agreement	-	-	98	86	
Income in advance	3,578	4,865	4,088	5,360	
Service concession agreement	736	736	-	-	
Vbase insurance a dvance held	27,171	-	-	-	
	31,485	5,601	5,053	6,313	
(b) Other non-current liabilities					
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
Deferred income	-	-	3,637	4,504	
Hire purchase agreement	-	-	34	136	
Income in advance	2,970	3,180	1,644	2,610	
Lease incentive liability	-	-	-	18	
Service concession agreement	7,787	8,523	-	-	
	10,757	11,703	5,315	7,268	
Total other liabilities	42,242	17,304	10,368	13,581	
	· · · · · · · · · · · · · · · · · · ·		·	·	

Deferred income

On 11 September 2002, Lyttelton Port Company Limited entered into a 15-year coal handling agreement with Solid Energy New Zealand Limited which provided for the company to receive a \$13 million prepayment of agreement charges. Should Lyttelton Port Company Limited fail to meet its material obligations in respect of the agreement and Solid Energy exercises its right of termination, then the company would be required to repay to Solid Energy a proportion of the value of its agreement charge prepayment up to a maximum of \$13 million. Deferred lease income received is recognised through profit and loss on a straight line basis over the 15-year term of the agreement.

Incurance advance

During the year the council has received material damage insurance payouts relating to Vbase building assets. These funds were deposited in short term investments on behalf of Vbase with a corresponding liability to reflect the funds being owed to Vbase.

Service concession arrangement

On 16 May 2008, Council entered into an arrangement with Meta Processing Limited to construct the Material Recovery Facility located at 21 Parkhouse Road. The arrangement required Meta to build, own and operate the facility for a period of 15 years. After 15 years, the ownership of the facility will be transferred to Council at zero cost. The facility began operations in February 2009.

This arrangement is governed by NZ IFRIC 12, Service Concession Arrangements. The IFRIC requires Council to recognise the facility as an asset and depreciate the asset over its useful life. Council is also required to recognise the Service Concession Liability, which represents the deferred benefit that the arrangement provides to the Council. This consideration is released as a credit to the profit and loss over the 15-year life of the arrangement. At balance date, \$0.7 million (2011: \$0.7 million) was recognised as a current liability.

In August 2009 Council's subsidiary company EcoCentral Limited purchased certain assets and liabilities of Meta New Zealand Limited, Meta Processing Limited, Meta Transport Limited, and Reworks Limited (the 'Meta Group'). As EcoCentral Limited is part of the Council Group for the year ended 30 June 2012, the accounting impact of the service concession agreement has been eliminated on consolidation.

33. Reserves

Asset revaluation reserve 1.543.697 1.742.737 1.871.746 2.065.338 1.733.695	33. Reserves	Pare	nt	Grou	n
Fair value through equity reserve 1,305,260 1,224,199 (553) (882) (1824) (1827) (1848) (1827) (1848) (1827) (1848) (1827) (1848) (1827) (1848) (1827) (1848) (1827) (1848) (1827) (1848) (1827)		30 Jun 12 Actual	30 Jun 11 Actual	30 Jun 12 Actual	30 Jun 11 Actual
Reserve funds	Asset revaluation reserve	, ,	1,742,737	1,871,476	2,065,338
Acapital reserves Ad 07,087 247,448 407,147 247,448 247,148 1733,853 183,255 183,	Fair value through equity reserve	1,305,260	1,224,199	(553)	(882)
Asset revaluation reserve	0 0		,	(61,966)	(24,179)
Asset revaluation reserve Balance at beginning of financial year Gain/(loss) on revaluation of assets Fair value through equity reserve Balance at beginning of financial year Gain/(loss) on revaluation of assets Fair value through equity reserve Balance at beginning of financial year Gain/(loss) on revaluation of assets Fair value through equity reserve Balance at beginning of financial year Gain/(loss) on revaluation Fair value through equity reserve Balance at beginning of financial year Gain/(loss) on revaluation Forward fore special expectation of P.P&E		,	,	,	,
Asset revaluation reserve Balance at beginning of financial year 1,742,737 1,794,572 2,065,338 2,235,264 Gain(floss) on revaluation of assets (1,452) (439) 896 (97,000) 7ax associated with revaluation movements (6,091) 33,410 Impalment losses (191,242) (44,463) (191,242) (191,742) (191,742) Deferred tax liability arising on revaluation 4,668 14,054 Reversal of deferred tax liability on realisation of P.P&E 28 297 Transfer (to)/from retained earnings on disposal of P.P&E 4,046 (1,528) (1,7414) (1,528) (1,7414) (1,528) (1,7414) (1,528) (1,7414) (1,528) (1,7415) (1,528) (1,7416) (1,528) (1,7416) (1,528) (1,543,697) (1,742,737) (1,571,476) (1,528) (1,528) (1,543,697) (1,742,737) (1,571,476) (1,528)	Capital reserves				
Balance at beginning of financial year 1,742,737 1,794,572 2,065,338 2,235,264 Gain/(loss) on revaluation of assets (1,452) (439) 896 (97,000) Tax associated with revaluation movements - - (6,091) 33,410 Impairment losses (191,242) (44,463) (191,242) (101,745) Deferred tax liability arising on revaluation - - - 28 297 Transfer (lof)from retained earnings on disposal of P.P&E - - - 28 297 Transfer (lof)from retained earnings on disposal of P.P&E - - - - 28 297 Consolidation of CCOs - - - - 4,048 - Balance at beginning of financial year 1,224,199 1,194,732 (882) (230) Gain/(loss) on revaluation of investments 80,732 30,119 - - Gain/(loss) on revaluation of available for sale assets 329 (652) 329 (652) Balance at the diffinancial year (10,237)		4,951,122	4,938,000	3,951,038	4,021,578
Capitr (loss) on revaluation of assets	Asset revaluation reserve				
Capitr (loss) on revaluation of assets		1,742,737	1,794,572	2,065,338	2,235,264
Taxa ssociated with revaluation movements (6,091) 33,410 Impairment losses (191,242) (144,463) (191,242) (101,745) Deferred tax liability arising on revaluation	,				(97,000)
Deferred tax liability arising on revaluation	Tax associated with revaluation movements	-	`	(6,091)	33,410
Reversal of deferred tax lability on realisation of P.P&E C.6,346 C.6,343 C.6,438 C.7,414 C.6,346 C.6,346 C.6,343 C.6,438 C.7,414 C.6,346 C.6,348 C.6,348 C.7,414 C.6,346 C.6,348 C.6,348 C.7,414 C.6,346 C.6,348 C.	Impairment losses	(191,242)	(44,463)	(191,242)	(101,745)
Canable (to) from retained earnings on disposal of P.P.B.E. Canable (canable to associates Canable (canable to associate (canable to asso	Deferred taxliability arising on revaluation	-		4,868	14,054
Share of increment in reserves attributable to associates	Reversal of deferred tax liability on realisation of P,P&E	-	-	28	297
Consolidation of CCOS 1,543,697 1,742,737 1,871,476 2,065,338	Transfer (to)/from retained earnings on disposal of P,P&E	(6,346)	(6,933)	(6,438)	(17,414)
Palance at end of financial year 1,543,697 1,742,737 1,871,476 2,065,338	Share of increment in reserves attributable to associates	-	-	71	(1,528)
Fair value through equity reserve Balance at beginning of financial year 1,224,199 1,194,732 (882) (230) Gain/(loss) on revaluation of investments 80,732 30,119 - - Gain/(loss) on revaluation of available for sale assets 329 (652) 329 (652) Balance at bed of financial year (10,237) (6,640) (24,179) (18,697) Hedging reserve Balance at beginning of financial year (10,237) (6,640) (24,179) (18,697) Gain/(loss) recognised on cash flow hedges: (28,538) (3,597) (41,230) (6,161) Forward foreign exchange contracts - - (66) 193 Income tax - - 3,507 538 Transfer to income statement: - - (52) Balance at beginning of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs	Consolidation of CCOs			4,046	
Balance at beginning of financial year 1,224,199 1,194,732 (882) (230) Gain/(loss) on revaluation of investments 80,732 30,119 - - Gain/(loss) on revaluation of available for sale assets 329 (652) 329 (652) Balance at end of financial year 1,305,260 1,224,199 (553) (882) Hedging reserve Balance at beginning of financial year (10,237) (6,640) (24,179) (18,697) Gain/(loss) recognised on cash flow hedges: (28,538) (3,597) (41,230) (6,161) Forward foreign exchange contracts - - - (66) 193 Income tax - - - - (52) Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - - - - - - -	Balance at end of financial year	1,543,697	1,742,737	1,871,476	2,065,338
Gain/(loss) on revaluation of investments 80,732 30,119 - <	Fair value through equity reserve				
Gain/(loss) on revaluation of available for sale assets 329 (652) 329 (553) (882) Balance at end of financial year 1,305,260 1,224,199 (553) (882) Hedging reserve Balance at beginning of financial year (10,237) (6,640) (24,179) (18,697) Gain/(loss) recognised on cash flow hedges: Interest rate swaps (28,538) (3,597) (41,230) (6,161) For ward foreign exchange contracts 2 - 666 193 Income tax 3 - - 666 193 Income tax -	Balance at beginning of financial year	1,224,199	1,194,732	(882)	(230)
Balance at end of financial year 1,305,260 1,224,199 (553) (882) Hedging reserve Balance at beginning of financial year (10,237) (6,640) (24,179) (18,697) Gain/(loss) recognised on cash flow hedges: (28,538) (3,597) (41,230) (6,161) For ward foreign exchange contracts - - (66) 193 Income tax - - 3,507 538 Transfer to income statement: 1 1 1 1 Income tax - - - - (52) Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,44	Gain/(loss) on revaluation of investments	80,732	30,119	· -	· -
Hedging reserve Balance at beginning of financial year (10,237) (6,640) (24,179) (18,697) Gain/(loss) recognised on cash flow hedges: (28,538) (3,597) (41,230) (6,161) Forward foreign exchange contracts - - - (66) 193 Income tax - - - 3,507 538 Transfer to income statement: - - - - (52) Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853	Gain/(loss) on revaluation of available for sale assets	329	(652)	329	(652)
Balance at beginning of financial year (10,237) (6,640) (24,179) (18,697) Gain/(loss) recognised on cash flow hedges: (28,538) (3,597) (41,230) (6,161) Interest rate swaps (28,538) (3,597) (41,230) (6,161) For ward foreign exchange contracts - - (66) 193 Income tax - - - (52) Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 Addition of Council Controlled Organisation - - - - - - - - - - <td>Balance at end of financial year</td> <td>1,305,260</td> <td>1,224,199</td> <td>(553)</td> <td>(882)</td>	Balance at end of financial year	1,305,260	1,224,199	(553)	(882)
Cain/(loss) recognised on cash flow hedges: Interest rate swaps (28,538) (3,597) (41,230) (6,161) For ward foreign exchange contracts - (66) 193 Income tax - - 3,507 538 Transfer to income statement: Income tax - - Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves					
Interest rate swaps (28,538) (3,597) (41,230) (6,161) Forward foreign exchange contracts (66) 193 Income tax 3,507 538 Transfer to income statement: Income tax (52) Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds	,	(10,237)	(6,640)	(24, 179)	(18,697)
Forward foreign exchange contracts Income tax Transfer to income statement: Income tax Transfer to income statement: Income tax Balance at end of financial year Reserve funds Balance at beginning of financial year Consolidation of CCOs Transfer from retained earnings Balance at end of financial year Capital reserves Balance at beginning of financial year Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853	(/ 0				
Income tax	'	(28,538)	(3,597)	, ,	` ' '
Transfer to income statement: Income tax - - - - (52) Balance at end of financial year (38,775) (10,237) (61,968) (24,179) Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 Addition of Council Controlled Organisation - - - 1,081 -		-	-	` ,	
Income tax		-	-	3,507	538
Reserve funds 247,448 189,427 247,448 189,427 Consolidation of CCOs - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,081 - Addition of Council Controlled Organisation - - - 1,081 -					(50)
Reserve funds Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,081 - Addition of Council Controlled Organisation - - - 1,081 -	1110 0 1110 0 1011	(38 775)	(10 237)	(61 068)	
Balance at beginning of financial year 247,448 189,427 247,448 189,427 Consolidation of CCOs - - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 Addition of Council Controlled Organisation - - - 1,081 -	Balance at end of imandal year	(30,113)	(10,237)	(01,900)	(24,179)
Consolidation of CCOs - - 60 - Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 Addition of Council Controlled Organisation - - - 1,081 -					
Transfer from retained earnings 159,639 58,021 159,639 58,021 Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 Addition of Council Controlled Organisation - - - 1,081 -		247,448	189,427	, -	189,427
Balance at end of financial year 407,087 247,448 407,147 247,448 Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,081 - - 1,081 -		-	-		-
Capital reserves Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 Addition of Council Controlled Organisation 1,081 -	· · · · · · · · · · · · · · · · · · ·				
Balance at beginning of financial year 1,733,853 1,733,853 1,733,853 1,733,853 1,733,853 1,081 - - 1,081 -	Balance at end of financial year	407,087	247,448	407,147	247,448
Addition of Council Controlled Organisation	•				
		1,733,853	1,733,853		1,733,853
Balance at end of financial year 1,733,853 1,733,853 1,734,934 1,733,853					
	Balance at end of financial year	1,733,853	1,733,853	1,734,934	1,733,853

Asset revaluation reserve

These include revaluations of property, plant and equipment.

Fair value through equity reserve

This reserve records movements in the fair value of fair value through equity assets. In the parent accounts, these assets are the investments in subsidiaries and associates.

Hedging reserve

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges.

Reserve funds

These include special funds and reserve funds, some of which are restricted by legislation or Council resolution.

Capital reserves

This reserve represents ratepayers' equity assumed upon amalgamation of several councils in 1989. In 2012, we have consolidated the smaller Council Controlled Organisations which were previously immaterial.

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34. Retained earnings

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at beginning of financial year	1,954,747	1,961,725	2,545,922	2,522,647
Net profit for the period	328,459	44,110	448,652	58,469
Income tax transferred	-	-	(25)	(263)
Transfer to reserve funds	(159,639)	(58,021)	(159,547)	(58,021)
Transfer from retained earnings on disposal of property, plant and equipment	6,346	6,933	6,346	17,414
Other movements	-	-	7,668	6,150
Adjustment to controlling interests on purchase of shares	-	-	(132)	(474)
Consolidation of CCOs	-		6,393	<u> </u>
Balance at end of financial year	2,129,913	1,954,747	2,855,277	2,545,922

35. Non Controlling interests

35. Non Controlling Interests				
	Parent		Group)
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at beginning of financial year	-	-	247,217	246,889
Share of comprehensive income for period	-	-	17,814	7,584
Dividends paid or provided for	-	-	(7,940)	(6,782)
Adjustment to non controlling interests for share acquisitions			(527)	(474)
Balance at end of financial year	=		256,564	247,217
Dividends paid or provided for Adjustment to non controlling interests for share acquisitions	- - -	- - - -	(7,940) (527)	(6,78 (47

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36. Reconciliation of surplus for the period to net cash flows from operating activities

	Paren	t	Group)
	30 Jun 12	30 Jun 11	30 Jun 12	
	Actual	Actual	Actual	Actua
	\$000	\$000	\$000	\$000
Profit for the period	328,459	44,110	462,910	72,028
Add/(less) non-cash items				
Depreciation, amortisation and impairment expense	116,196	111,744	206,581	236,246
Donated and subsidised assets	(19,131)	(3,306)	(23,319)	(7, 135)
(Gains)/losses in fair value of investment property	-	-	(5,421)	1,086
(Gains)/losses in fair value of derivative financial instruments	1,398	504	2,694	1,042
Share of associates' loss/(profit) (less dividends)	-	-	(850)	(4,737)
Net foreign exchange (gains)/losses	-	-	85	14
Deferred taxcharged/(credited) to income	91	392	4,207	8,187
Finance lease income	(102)	-	1,701	1,726
Gains/losses in fair value of Endeavour iCap	2,162	(78)	2,162	(78)
Other non cash movements	-	` -	2,489	(1,932
Net changes in non-cash items	100,614	109,256	190,329	234,419
Add/(less) items classified as investing or financing activities				
(Gain)/loss on disposal of non-current assets	10,956	(1,821)	78,392	30,525
Movement in capital creditors	(5,103)	13,284	(4,466)	14,722
Recognition of service concession arrangement	(736)	-	(736)	
Insurance proceeds classified as investing activities	(265,680)	_	(309,392)	(35,540
Vbase insurance advance held as investing	-	-	(26,512)	-
Other	(1,567)	(1,734)	-	(1,062
Net changes in investing/financing activities	(262,130)	9,729	(262,714)	8,645
Add/(less) movement in working capital items				
Current trade and other receivables	23,055	(35,732)	318	(44,030)
Current inventories	(1,668)	(778)	(5,940)	(3,025
Current prepayments	(1,793)	(303)	(3,419)	(1,291
Income tax receivable	97	(20)	-	809
Other current assets	(133,097)	(212, 127)	(308,840)	(258,900
Non-current receivables	-	3,000	25,046	4,423
Non-current prepayments	-	· -	149	589
Other non-current assets	-	_	285	(130
Current payables	(5,444)	46,021	(9,582)	47,409
Current provisions and employee benefits	`639	1,684	1,096	4,960
Income tax payable	-	-	15,708	2,405
Other current liabilities	(1,287)	4,655	(1,260)	5,150
Non-current provisions and employee benefits	3,715	1,400	3,951	1,627
Other non-current liabilities	(945)	(945)	(1,953)	(1,372)
Net changes in net assets and liabilities	(116,730)	(193,145)	(284,441)	(241,376)
	50,214	(30,050)	106,084	73,716

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37. Capital commitments and operating leases

(a) Capital and other operating commitments

	Parent		Group	1
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Capital commitments				
Property, plant & equipment	62,449	89,240	104,696	156,280
Electricity distribution network	-	-	18,654	10,468
Intangible assets	616	283	910	2,376
Total capital commitments	63,065	89,523	124,260	169,124
		-		
Other operating commitments				
Other operating commitments	81,821	72,988	81,821	72,988

In addition to the capital commitments shown above, ESL has entered into agreements to build, operate and maintain a UFB network on behalf of ENL as described in Note 21. The agreements require ESL to have built the UFB network past all priority premises (business, health, schools and government) by December 2015 and all premises to have been passed by December 2019. Upon each stage of the network being completed, and subject to that stage satisfactorily passing user acceptance testing, ENL will purchase that stage.

(b) Non cancellable operating lease liabilities

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
No later than one year	3,508	1,564	7,082	6,826
Later than one year and not later than five years	7,152	4,848	13,798	16,184
Later than five years	2,138	5,209	8,273	13,269
Total non-cancellable operating lease liabilities	12,798	11,621	29,153	36,279

Parent

The Council leases computer equipment, property, motor vehicles and the car parks owned by the Canterbury Club.

(c) Non cancellable operating lease receivables

(o) Non buildenable operating lease receivables	Parent		Craun	
	ratent		Group	,
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
No later than one year	6,747	5,620	52,550	51,858
Later than one year and not later than five years	21,226	16,292	62,711	76,831
Later than five years	51,344	39,255	276,479	312,292
Total non-cancellable operating lease receivables	79,317	61,167	391,740	440,981

Parent

The Council leases properties to various parties.

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Group

Orion New Zealand Ltd

Non-cancellable operating lease receivables \$0.1 million (2011: \$0.4 million). Until the earthquake on 22 February 2011, the company leased land and buildings at its head office site in the CBD to a variety of tenants, on a range of different terms. Due to the severe damage caused to the buildings by the earthquake and a lack of access to the CBD, the leases were effectively cancelled on the date of the earthquake. The company also leases some land adjacent to substation sites to a range of tenants. These leases are incidental to the company's principal business.

Christchurch International Airport Ltd

Non-cancellable operating lease receivables \$307.0 million (2011: \$309.3 million). The company has a number of property leases that generate rental income. The leases are for terms between 1 month and 55 years, and the majority of the lease agreements are renewable at the end of the lease period at market rates.

Lyttelton Port Company Ltd

Non-cancellable operating lease receivables \$58.7 million (2011: \$59.5 million). The company leases a range of land, buildings and equipment to a number of customers. A number of leases include rights of renewal for further periods including "in perpetuity". There were no contingent rents recognised as income in the year.

Enable Services Ltd

Non-cancellable operating lease receivables \$4.2 million (2011: \$10.8 million). ESL sold its existing fibre network to associated company ENL in February 2012. Prior to that time it had contracted with a number of customers to provide fibre network services with a standard contract period of two years but ranging from 12 months to 10 years. Under the agreement for transfer of the existing fibre network to ENL, ESL will not extend the existing contracts with customers. As ESL's contracts with customers reach the end of the contracted period they are transferred to ENL through a retail services provider. The lease obligations in 2012 reflect remaining customer contracts. These are fulfilled by ESL acquiring UFB product from ENL under a Wholesale Services Agreement which it in turn provides to customers.

38. Contingent liabilities & contingent assets

	Parent		Group	
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Contingent liabilities				
Performance bonds ¹	-	-	54,626	57,638
IRU contract under CFNL purchase	-	-	-	443
Lyttelton Port Coy Ltd - Port noise mitigation ³	=	-	1,226	1,160
Uncalled capital in CCHL	350,138	350,138	-	-
Uncalled capital in Tuam Ltd	7,000	7,000	-	-
Uncalled capital in Civic Building Ltd	10,000	10,000	-	-
Uncalled capital in Transwaste Canterbury Ltd	1,556	1,556	1,556	1,556
Other professional indemnity insurance daims	200	200	200	200
Christchurch Symphony Orchestra guarantee 4	200	200	200	200
Transwaste Canterbury Ltd 5	-	-	4,712	4,322
Legal disputes 6_	2,850	4,275	2,850	4,275
Total contingent liabilities	371,944	373,369	65,370	69,794

- 1. The following contingent liabilities exist in respect of contract performance bonds:
 - CCHL \$47.50 million (2011: \$50.00 million);
 - City Care Limited \$5.55 million (2011: \$6.11 million);
 - Red Bus Limited \$0.87 million (2011: \$0.85 million); and
 - Orion New Zealand Limited \$0.71 million (2011: \$0.66 million)

CCHL entered into a \$50 million performance bond with ANZ bank in June 2011 in support of ESL's successful bid under the Government's UFB initiative. The amount of the bond decreases annually and terminates in 2022

None of the above companies expect to have these contingent liabilities called upon by external parties and hence no provision has been made.

2. New Zealand Local Government Funding Agency

The Council is a shareholder of the NZLGFA. The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

The Council is one of 19 shareholders of the NZLGFA. In that regard it has uncalled capital of \$2.0 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also together with the other shareholders, the Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2012, NZLGFA had borrowing totalling \$835.0 million (2011: Nil).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

3. Lyttelton Port Company Ltd – dry dock contaminants

Contaminants arising from dry dock and slipway operations have been identified in seabed sediments in that area of the inner harbour. The company has been working with Environment Canterbury and the Department of Conservation on the issues for a number of years. An interim monitoring and management plan is in place to manage any adverse effects and to minimise any disturbance of the contaminated sediments while further investigations are carried out into the environmental risks associated with the contamination. The Ministry for the Environment's Contaminated Sites Remediation Fund has contributed to ongoing investigation costs.

At this time the Lyttelton Port Company Ltd directors have not determined what liability, if any, would accrue to the company. In any event the directors are confident that any liability attaching to the company will not be a material liability.

Lyttelton Port Company Ltd - Port Noise Working Agreement

Lyttelton Port Company Ltd is party to a deed, along with Christchurch City Council, Environment Canterbury, Lyttelton Harbour Residents' Association and other interested parties (collectively the Port Noise Working Party), which committed the various parties to the process of seeking amendments to the District Plan to reflect the agreements reached between the parties on future port noise levels, future mitigation measures required on the part of Lyttelton Port Company Ltd and land use restrictions on affected areas.

The agreements recognised the need for the company and the community to co-exist and provided for the installation, at the company's expense, of acoustic treatment for identified affected dwellings in accordance with desired District Plan amendments. The desired District Plan amendments have made operative provisions through a successful application to the Environment Court under section 293 of the Resource Management Act. A Port Noise Liaison Committee, composed of representatives of the various parties, has been established to administer the terms of the new operative provisions in the District Plan.

No liability has been recognised in the financial statements for any future obligations under the agreement as it is considered to be a contingent liability. The directors have estimated that the maximum amount payable by Lyttelton Port Company Ltd under this agreement would be \$1.2 million (2011: \$1.3 million) in total over the next nine years.

- 4. In March 1998 the Council guaranteed a \$0.1 million bank overdraft for the Canterbury Symphony Orchestra. It was subsequently amended by Council in August 2004 to allow for a further \$0.1 million to be guaranteed if required. A guarantee for the additional \$0.1 million was activated in June 2009.
- 5. Christchurch City Council's share of the contingencies of associates is \$4.7 million (2011: \$4.3 million). The contingencies relate to bonds with Transwaste's bankers in terms of resource consents granted to the company. It is anticipated that no material liabilities will arise.

6. There are current legal proceedings against the Council for six specific issues and the potential for claims in seven others. The amounts claimed are disputed.

7. National Provident Fund's Defined Benefit Plan Contributors Scheme

Some members of the Group are participating employers in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers ceased to participate in the scheme, the Group could be responsible for the entire deficit of the scheme (see below). Similarly, if a number of employers ceased to participate in the scheme, the Group could be responsible for an increased share of the deficit.

The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2012, the scheme had an estimated past service surplus of \$19.8 million (8.3% of the liabilities) (2011: \$37.6 million). This amount is exclusive of Employer Superannuation Contribution Tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19.

- 8. Council will possibly have a further liability in relation to weathertight homes claims; however the amount is unknown as it is dependent on claims received. For detail on Council's provision for weathertight homes see note 31.
- 9. Council's current estimate is that the earthquake-related response and recovery costs faced by the Council total \$3.4 billion. The largest component of this is the \$2.2 billion cost of the infrastructure rebuild programme. Rebuild and recovery costs will in part be met from insurance and Crown contributions. The Council has not yet concluded any major settlements but has recognised receivables where it is virtually certain of receiving funds. The nature of the damage, insurance claim and crown contribution process, means it is not yet possible to estimate with any certainty the amount of recoveries that will be received.

The Council has a contingent asset in relation to these recoveries. The Council is working with the Government and insurers to determine the amount of the recoveries, but it is not yet possible to estimate that amount with any certainty.

10. Enable Services Ltd - contract dispute

ESL is currently in dispute with Transfield Services (NZ) Limited, its main contractor for build of the UFB network, over contractual terms and conditions. The company is unable to quantify the impact of this dispute at present.

Enable Services Ltd – indefeasible right of use contracts

Enable Services Ltd had contingent liabilities at 30 June 2011 of \$0.4 million relating to a number of indefeasible right of use contracts acquired with the CFNL network purchase in 2008. These were transferred to Enable Networks Ltd as part of the sale of the existing network in February 2012 and no longer represent a contingent liability for the company.

Contingent Assets

11. Christchurch City Council - Insurance recoveries

Accounting standards require that insurance recoveries can only be recognised where there is virtual certainty of receiving the payment. Council considers that certain insurance recoveries have met that hurdle. For many this standard has not been met and the Council has a contingent asset. The ultimate quantum of all the insurance recoveries cannot currently be reliably measured as there will continue for a number of years to be uncertainty around the range of possible outcomes and insufficient information to form a reasonable judgement.

12. Orion New Zealand Limited

Orion has lodged several material damage and business interruption insurance claims in relation to damage and losses from the Canterbury earthquakes. In the financial year Orion has recognised \$22.4 million (2011: nil) of insurance cash settlement proceeds it has so far received from insurers as revenue. The group expects to reach several more such agreements with insurers in the 2013 financial year for most of the

remaining parts of its earthquake claims, however the amounts and timing of these future cash settlement agreements cannot be reliably estimated.

13. Christchurch International Airport Limited

As at 30 June 2012 there was no contingent asset (2011 \$0.77 million) for Earthquake insurance remediation, see Note 29, and there were no contingent liabilities (2011: Nil).

14. Vbase Limited

The Vbase Group has an outstanding claim with an insurance provider in relation to the JEFL facility which is currently estimated at \$ 0.18 million. The claim process is in the early stages and as there is not enough certainty to recognise this as a receivable as at 30 June 2012 the claim amount has been shown as a contingent asset. The sale of JEFL in June 2012 will not impact the rights of Vbase to recover the claim.

The company has business interruption insurance in place which entitles it to recover any lost revenues for a maximum 24 month period from the date of an event adversely affecting one or more of its venues. The February 2011 earthquake event triggered the claim process under the policy in relation to the three closed venues.

The Company has received payments under the policy but the quantum of the future recoveries cannot be reliably measured until all financial data up to February 2013 is made available for the insurance assessor to calculate and agree the final payout.

39. Financial instrument risks

Financial risk management objectives

The Council and Group have a series of policies to manage the risk associated with financial instruments.

The Council and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements

Market Risk

The Council and the Group enter into derivative arrangements in the ordinary course of their business to manage interest rate and foreign currency risks.

Interest rate risk management

The Council and the Group are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swaps contracts and forward interest rate contracts.

The following tables summarise the Council's and Group's exposure to interest rate risk.

Financial assets \$000 \$000 \$000 \$000 Cash and cash equivalents - 118,267 - 48,417 Bank deposits with maturities > 12 months 11,000 - - - 17,000 - Short term deposits 62,137 8,186 - 3,000 38,500 Debtors and other receivables - - 60,157 - - Related party receivables - - 606 - - - Related party receivables - - 606 - - - Local authority stock 17,000 23,000 - 17,000 18,000 Stocks and bonds 44,656 - - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605	\$000 - - - - - - - - - - - - - - - - - -
Bank deposits with maturities > 12 months 11,000 - - - 17,000 - Short term deposits 62,137 8,186 - 3,000 38,500 Debtors and other receivables - - 60,157 - - Related party receivables - - 606 - - - Loal authority stock 17,000 23,000 - 17,000 18,000 Stocks and bonds 44,656 - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (38,5084)	1,771 - - 1,398 10,323
Short term deposits 62,137 8,186 - 3,000 38,500 Debtors and other receivables - - 60,157 - - Related party receivables - - 606 - - Loal authority stock 17,000 23,000 - 17,000 18,000 Stocks and bonds 44,656 - - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - - (5,000) Floating rate notes (385,084) (29,916) - - (184,250) (30,750) Loans from external parties <t< td=""><td>1,771 - - 1,398 10,323</td></t<>	1,771 - - 1,398 10,323
Short term deposits 62,137 8,186 - 3,000 38,500 Debtors and other receivables - - 60,157 - - Related party receivables - - 606 - - Loal authority stock 17,000 23,000 - 17,000 18,000 Stocks and bonds 44,656 - - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - - (5,000) Floating rate notes (385,084) (29,916) - - (184,250) (30,750) Loans from external parties <t< td=""><td>1,771 - - 1,398 10,323</td></t<>	1,771 - - 1,398 10,323
Debtors and other receivables - - 60,157 -	1,771 - - 1,398 10,323
Related party receivables - - 606 - - - Local authority stock 17,000 23,000 - 17,000 18,000 Stocks and bonds 44,656 - - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,150 - - 106,311 4,500 Net settlied derivative assets - 2,391 - - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - - (5,000) Bonds and other fixed rate borrowing (385,084) (29,916) - - (184,250) (30,750) Loans from external parties (39,423) - - - (42,024) (17,000) Loans from group entities (25,700) (281) -	1,771 - - 1,398 10,323
Local authority stock 17,000 23,000 - 17,000 18,000 Stocks and bonds 44,656 - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 243,923 157,346 60,913 167,222 112,917 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - - (5,000) Bonds are fixed rate parties (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - - (42,024) (17,000) Loans from group entities (25,700) (281) - - (38,250) (281)	1,398 10,323
Stocks and bonds 44,656 - - - 21,550 - Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	10,323
Loans and advances 4,150 1,002 150 2,219 895 Related party loans 104,980 4,500 - 106,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	10,323
Related party loans 104,980 4,500 - 100,311 4,500 Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	10,323
Net settled derivative assets - 2,391 - 142 2,605 Financial liabilities Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	
Financial liabilities 5.000 - - - (5,000) - - - (5,000) - - - (5,000) - - - (5,000) - - - - (5,000) -	90,540
Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	- - - -
Commercial paper (5,000) - - - (5,000) Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	- - - -
Bonds and other fixed rate borrowing (80,000) (2,421) - (2,633) (80,000) Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	-
Floating rate notes (385,084) (29,916) - (184,250) (30,750) Loans from external parties (39,423) (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	- - -
Loans from external parties (39,423) - - (42,024) (17,000) Loans from group entities (25,700) (281) - (38,250) (281)	-
Loans from group entities (25,700) (281) - (38,250) (281)	-
	-
Finance lease liabilities (103,936) (103,936)	
	-
Net settled derivative liabilities (14,126)	
<u>(639,043)</u> <u>(32,618)</u> <u>(385,221)</u> <u>(133,031)</u>	
(395,120) 124,728 60,913 (217,999) (20,114)	90,540
Group Non-interest Non-	interest
· · · · · · · · · · · · · · · · · · ·	bearing
Jun 12 Jun 12 Jun 12 Jun 11 Jun 11	Jun 11
Financial assets \$000 \$000 \$000 \$000 \$000	\$000
Cash and cash equivalents 2,909 144,989 3,339 3,033 77,676	68
Bank deposits 24,682 22,025 38,500	-
Debtors and other receivables 148,340	123,470
Local authority stock 17,000 23,000 - 17,000 18,000	-
Stocks and bonds 44,656 21,550 -	-
Loans and advances 4,773 1,002 152 3,266 895	1,399
Finance lease receivables 47 28,772 -	300
Net settled derivative assets - 2,391 252 142 2,605	39
Other 1,150 - 45	1,264
	126,540
Financial liabilities	
Financial liabilities (44.000) (90.000)	
Commercial paper (14,000) (88,000) (96,000)	-
Bonds and other fixed rate borrowing (155,000) (2,421) - (77,633) (80,000)	-
Floating rate notes (465,084) (79,916) - (264,250) (80,750)	-
Loans from external parties (356,523) (41,825) - (277,024) (64,312)	-
Finance lease liabilities (52,378) (5,272) - (52,741) (4,780)	- (4.6.15)
Net settled derivative liabilities (22,443) - (7,399) (36,569) -	(1,212)
<u>(1,065,428)</u> (217,434) (7,399) <u>(708,217)</u> (325,842)	(1,212)

Interest rate swap contracts

Under interest rate swap contracts, the Council and the Group agree to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the borrower to mitigate the risk of changing interest rates on debt held. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date and are disclosed below.

(37,866)

144,729

(612,429)

(188,166)

125,328

(908,074)

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The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at reporting date:

- · · · -		Pare	nt	
	Notional p	rincipal		
	amount		Fair valu	е
	Jun 12 \$000	Jun 11 \$000	Jun 12 \$000	Jun 11 \$00 0
Floating for fixed contracts	4555	4000	4000	ψοσο
Less than 1 year	-	-	-	_
2 to 5 years	144,000	122,500	(7,164)	(799)
More than 5 years	388,200	219,700	(35,110)	(13, 185)
•	592,200	342,200	(43,911)	(13,984)
	Notional princ	ipal		
	amount		Fair valu	е
	Jun 12	Jun 11	Jun 12	Jun 11
	\$000	\$000	\$000	\$000
Fixed for floating contracts				
Less than 1 year	50,000	-	415	_
1 to 2 years	-	50,000	-	1,349
2 to 5 years	30,000	30,000	1,976	1,256
	80,000	80,000	2,391	2,605

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group is exposed to equities securities price risk on its investments in Lyttelton Port Company Limited, a company listed on the New Zealand Stock Exchange. The investment in Lyttelton Port Company Limited is classified as a financial asset held at fair value through equity, and revalued annually on the basis of its quoted share price. While the share price can and does fluctuate, the investment is held as a long-term asset with no intention of sale, and such fluctuations do not impact on the Group's profits.

Orion New Zealand Limited is exposed to price risk through its investment in unlisted companies. Its policy is not to hedge its exposures to price risk.

		Group				
	Notional prin	Notional principal		Fair value		
	Jun 12 \$000	Jun 11 \$000	Jun 12 \$000	Jun 11 \$000		
Floating for fixed contracts	• • • • • • • • • • • • • • • • • • • •	****	• • • • • • • • • • • • • • • • • • • •	•		
Less than 1 year	34.000	58,000	(1,079)	(1,559)		
1 to 2 years	99,000	24,000	(2,893)	(862)		
2 to 5 years	359,000	323,500	(20,019)	(10,307)		
More than 5 years	602,200	386,700	(59,581)	(24,911)		
•	1,094,200	792,200	(83,572)	(37,639)		
	Notional prin	cinal	Fair	value		
	Jun 12	Jun 11	Jun 12	Jun 11		
	\$000	\$000	\$000	\$000		
Fixed for floating contracts	4000	Ψοσο	φοσσ	Ψοσο		
Less than 1 year	50,000	<u>-</u>	415	_		
1 to 2 years	-	50.000	-	1,349		
2 to 5 years	30,000	30,000	1,976	1,256		
•	80.000	80.000	2.391	2.605		

Lyttelton Port Company Limited has previously entered into fuel swap agreements to reduce the impact of price changes on fuel costs. Up to 80% of forecast fuel costs for the next 15 months may be hedged. These fuel price derivatives are designated as a cash flow hedge. As at 30 June 2012 there were no hedges in place (2011: nil).

The Group is exposed to market risk through its investment in unlisted companies. Its policy is not to hedge its exposures to market risk.

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Foreign currency risk management

Foreign currency risk is the risk that the value of the Group's assets and liabilities or revenues and expenses will fluctuate due to changes in foreign exchange rates. The Group is exposed to currency risk as a result of transactions that are denominated in a currency other than New Zealand dollars. These currencies are primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts. The Council has little exposure to foreign currency risk and under normal circumstances has no exposure to hedge.

The following table summarises the Group's exposure to foreign currency transactions:

Jun 12		Grou	р		
in thousands of New Zealand dollars	USD \$000	AUD \$000	EUR:h \$000	er - GBP \$000	Other \$000
Foreign currency risk	\$000	φ000	φυσυ	\$000	\$000
Trade receivables	47	-	355	-	-
Trade payables	- 47	(1)	-	-	
Net balance sheet exposure before hedging activity	47	(1)	355	-	
Estimated forecast sales	5,975	-	-	-	-
Estimated forecast purchases	(387)	(151)	(710)	-	
Net cash flow exposure before hedging activity	5,588	(151)	(710)	-	
Forward exchange contracts					
Notional amounts	(6,022)	-	5,215	-	-
Foreign currency on hand		-	1	-	
Net unhedged exposure	(387)	(152)	4,861	-	
Jun 11					
Foreign currency risk					
Trade receivables	375	-	222	-	-
Trade payables	(7)	(92)	(41)	-	(69)
Net balance sheet exposure before hedging activity	368	(92)	181	-	(69)
Estimated forecast sales	1,369	_	_	_	_
Estimated forecast purchases	(260)	(920)	(1,441)	(3)	_
Net cash flow exposure before hedging activity	1,109	(920)	(1,441)	(3)	-
Forward exchange contracts					
Notional amounts	(859)	-	472	-	
Foreign currency on hand	3	-	2	-	
Net unhedged exposure	621	(1,012)	(786)	(3)	(69)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and short-term investments, trade receivables, loans and interest rate swaps. The Council and Group places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective members of the Group.

The Council's Investment policy includes parameters for investing in financial institutions and other organisations including where applicable entities that have required Standard and Poor's credit ratings.

Council receivables mainly arise from statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to these receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts.

The Council is exposed to credit risk as a guarantor of all of NZLGFA's borrowings. Information about this exposure is explained in Note 38.

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CHRISTCHURCH CITY COUNCIL Notes to the financial statements For the year ended 30 June 2012

Orion New Zealand Limited has a concentration of credit risk with regard to its trade receivables, as it only has a small number of electricity retailer customers. CIAL also has a concentration of credit risk on a small number of customers, with 59% (2011: 80%) of trade receivables due from 10 customers. City Care Limited also has a concentration of credit risk in respect of its transactions with ultimate shareholder Council, with 53% (2011: 61%) of its revenue derived from this source. Red Bus Limited has a concentration of credit risk with Environment Canterbury, which provides 79% (2011: 64%) of the company's revenue. Notwithstanding this concentration of credit risk, all of these major customers are considered to be of high credit quality.

The Group manages its exposure to credit risk arising from trade receivables by performing credit evaluations on all significant customers requiring credit, wherever practicable, and continuously monitors the outstanding credit exposure to individual customers. With the exception of Orion New Zealand Limited, which generally requires collateral security (such as bank letters of credit) from its electricity retailer customers against credit risk, the Group does not generally require collateral security from its customers. Recent changes to the Electricity Industry Participation Code significantly reduce the prudential securities that electricity distribution businesses may require from their electricity retail customers, and this will have the effect of reducing the security held by Orion New Zealand Ltd in the future.

The carrying value is the maximum exposure to credit risk for bank balances, accounts receivable and interest rate swaps. No collateral is held in respect of these financial assets.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due or avoid a possible past due status other than trade receivables.

The following table summarises the status of receivables as at balance date:

			Parent		Grau)
		30) Jun 12	30 Jun 11	30 Jun 12	30 Jun 11
			Actual	Actual	Actual	Actual
			\$000	\$000	\$000	\$000
Cash at bank, term deposits and fore	ign currency	19	99,590	106,917	247,393	141,302
Debtors and other receivables		5	55,765	78,819	127,178	152,542
Loans		11	12,483	124,408	3,627	4,322
Government or local authority stock		4	10,000	35,000	40,000	35,000
Stocks and bonds		4	14,656	21,550	44,656	21,550
Derivative financial instrument assets		,	2,391	2,747	2,643	2,786
		45	54,885	369,441	465,497	357,502
Counterparties						
Cash at bank, term deposits and fore	ian currency					
	AA		-	106,917	5,983	141,302
	AA-	19	99,590	_	241,410	_
		19	9,590	106,917	247,393	141,302
Loans						
	Lower than BBB or unrated		12,483	124,408	3,627	4,322
		11	12,483	124,408	3,627	4,322
Government or local authority stock						
coronandia di local datironiy didak	AA	1	13,000	2,000	13,000	2.000
	A		5,000	5,000	5,000	5,000
	Lower than BBB or unrated	2	22,000	28,000	22,000	28,000
			10,000	35,000	40,000	35,000
Stocks and bonds						
	AA		_	9.500	_	9.500
	A		_	9,500	-	9,500
	Lower than BBB or unrated	4	14,656	2,550	44,656	2,550
			14,656	21,550	44,656	21,550
Derivative financial instrument assets						
Divagreniancia instrument assets	AA		_	2.747	_	2,786
	AA-		2,391	- ,	2,643	_,. 55
	, , ,		2,391	2,747	2,643	2,786
		-	,		,	,

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In meeting its liquidity requirements, the Group manages its investments and borrowings in accordance with its written investment policies. In general the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

A number of Council counterparties are unrated as per the above. These balances primarily consist of inter-group loans and local authority stock.

The Council is exposed to liquidity risk as a guarantor of all of NZLGFA borrowings. This guarantee becomes callable in the event of the NZLGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 38.

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The following tables analyse the parent company's and Group's contractual cash flows for its financial assets and liabilities into relevant maturity groupings based on the remaining period at year end to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows:

date. The amounts disclosed in the tables a			Parent			
Jun 12	Balance	Contractual	Less than	•		
	sheet	cash flows	1 year	1-2 years	2-5 years	5 years +
	\$000	\$000	\$000	\$000	\$000	\$000
Financial liabilities: Creditors and other payables	116,203	116,203	116,203			
Net settled derivative liabilities	43,911	50,492	3,749	8,084	21,365	17,294
Commercial paper	5,000	5,000	5,000		-	-
Bonds and other fixed rate borrowing	82,421	86,943	53,293	1,831	31,819	-
Floating rate notes	415,000	497,508	50,568	246,520	105,475	94,945
Loans from external parties	39,423	53,093	6,079	5,988	41,026	-
Loans from group entities	25,981	19,609	1,149	12,215	6,245	-
Finance lease liabilities	103,836	241,353	8,234	8,933	27,405	196,781
	831,775	1,070,201	244,275	283,571	233,335	309,020
	Balance	Contractual	Less than			
	sheet	cash flows	1 year	1-2 years	2-5 years	5 years +
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets:						
Cash and cash equivalents	118,267	118,267	118,267	-	-	-
Bank deposits with maturity > 1 year	11,000	13,104	678	675	11,751	-
Short term deposits	41,500	72,807	72,807	-	-	-
Debtors and other receivables Related party receivables	60,157 606	60,157 606	60,157 606	-	-	-
Local authority stock	40,000	43,884	16,889	15,999	10,996	
Stocks and bonds	44,656	51,176	5,600	5,426	28,732	11,418
Loans and advances	5,303	622	82	78	213	249
Related party loans	109,480	170,971	8,719	8,448	37,902	115,902
Net settled derivative assets	2,391	3,863	1,353	703	1,425	382
	433,360	535,457	285,158	31,329	91,019	127,951
			_			
				•		
	Delenee	Camtractual	Parent	•		
him 44	Balance	Contractual	Less than		0.5	F
Jun 11	sheet	cash flows	Less than 1 year	1-2 years	2-5 years	5 years +
			Less than		2-5 years \$000	5 years + \$000
Financial liabilities:	sheet \$000	cash flows \$000	Less than 1 year \$000	1-2 years		-
Financial liabilities: Creditors and other payables	\$heet \$000 121,647	cash flows \$000 121,647	Less than 1 year \$000	1-2 years \$000	\$000	\$000 -
Financial liabilities: Creditors and other payables Net settled derivative liabilities	\$\text{\$000}\$ 121,647 14,126	cash flows \$000 121,647 (5,875)	Less than 1 year \$000 121,647 845	1-2 years		-
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper	\$000 121,647 14,126 5,000	cash flows \$000 121,647 (5,875) 5,000	Less than 1 year \$000 121,647 845 5,000	1-2 years \$000 - (1,723)	\$000 - (3,935) -	\$000 -
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds	\$000 121,647 14,126 5,000 82,633	cash flows \$000 121,647 (5,875) 5,000 91,622	Less than 1 year \$000 121,647 845 5,000 4,704	1-2 years \$000 - (1,723) - 53,270	\$000 - (3,935) - 33,648	\$000 - (1,062) -
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes	\$000 121,647 14,126 5,000 82,633 215,000	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742	Less than 1 year \$000 121,647 845 5,000 4,704 13,709	1-2 years \$000 - (1,723) - 53,270 39,841	(3,935) - 33,648 172,108	\$000 - (1,062) - 46,084
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties	\$000 121,647 14,126 5,000 82,633 215,000 59,024	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164	1-2 years \$000 - (1,723) - 53,270 39,841 6,044	(3,935) - 33,648 172,108 17,718	\$000 - (1,062) -
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044	(3,935) - 33,648 172,108 17,718 31,434	\$000 (1,062) - 46,084 29,336
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties	\$000 121,647 14,126 5,000 82,633 215,000 59,024	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164	1-2 years \$000 - (1,723) - 53,270 39,841 6,044	(3,935) - 33,648 172,108 17,718	\$000 - (1,062) - 46,084
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044	(3,935) - 33,648 172,108 17,718 31,434	\$000 (1,062) - 46,084 29,336
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$\text{sheet} \\$000\$ 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521	\$000 - (3,935) - 33,648 172,108 17,718 31,434 24,596	\$000 (1,062) - 46,084 29,336 - 188,335
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997	\$000 (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years	\$000 (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997	\$000 (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years	\$000 (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000	\$000 - (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years	\$000 (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000	\$000 - (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000	\$000 - (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000	\$000 - (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits Debtors and other receivables	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500 77,048	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342 77,048	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342 77,048	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000	\$000 - (3,935) - 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits Debtors and other receivables Related party receivables	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500 77,048 1,771	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342 77,048 1,771	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342 77,048 1,771 2,177	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000	\$000 (3,935) 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000 12,426 26,995	\$000 (1,062) - 46,084 29,336 - 188,335 262,693 5 years + \$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits Debtors and other receivables Related party receivables Local authority stock	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500 77,048 1,771 35,000 21,550	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342 77,048 1,771 41,173 25,541	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342 77,048 1,771	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000 - 6,913 - 12,001	\$000 (3,935) 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062) - 46,084 29,336 - 188,335 262,693
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits Debtors and other receivables Related party receivables Local authority stock Stocks and bonds Loans and advances	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500 77,048 1,771 35,000 21,550 4,512	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342 77,048 1,771 41,173 25,541 1,539	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342 77,048 1,771 2,177 9,879 118	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000 - 6,913 - - 12,001 3,877 118	\$000 (3,935) 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000 - 12,426 26,995 9,522 310	\$000 (1,062)
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits Debtors and other receivables Related party receivables Local authority stock Stocks and bonds Loans and advances Related party loans	sheet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500 77,048 1,771 35,000 21,550 4,512 121,134	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342 77,048 1,771 41,173 25,541 1,539 196,843	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342 77,048 1,771 2,177 9,879 118 14,652	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000 - 6,913 - - 12,001 3,877 118 9,803	\$000 (3,935) 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000	\$000 (1,062)
Financial liabilities: Creditors and other payables Net settled derivative liabilities Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial assets: Cash and cash equivalents Bank deposits with maturity > 1 year Short term deposits Debtors and other receivables Related party receivables Local authority stock Stocks and bonds Loans and advances	\$heet \$000 121,647 14,126 5,000 82,633 215,000 59,024 38,531 103,938 639,899 Balance sheet \$000 48,417 17,000 41,500 77,048 1,771 35,000 21,550 4,512	cash flows \$000 121,647 (5,875) 5,000 91,622 271,742 76,262 35,497 227,973 823,868 Contractual cash flows \$000 48,417 20,332 42,342 77,048 1,771 41,173 25,541 1,539	Less than 1 year \$000 121,647 845 5,000 4,704 13,709 23,164 2,019 7,521 178,609 Less than 1 year \$000 48,417 993 42,342 77,048 1,771 2,177 9,879 118	1-2 years \$000 - (1,723) - 53,270 39,841 6,044 2,044 7,521 106,997 1-2 years \$000 - 6,913 - - 12,001 3,877 118	\$000 (3,935) 33,648 172,108 17,718 31,434 24,596 275,569 2-5 years \$000 - 12,426 26,995 9,522 310	\$000 (1,062)

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Jun 12	Balance sheet	Contractual cash flows	Group Less than 1 year	1-2 years	2-5 years	5 years +
Financial liabilities:	\$000	\$000	\$000	\$000	\$000	\$000
Creditors and other payables	174,879	174,714	174,714	_	_	_
Net settled derivative liabilities	83,877	81,167	12,874	14,984	33,402	19,907
Commercial paper	102,000	102,000	102,000	,,,,,,	-	-
Bonds and other fixed rate borrowing	157,421	181,320	63,243	6,640	111,437	-
Floating rate notes	545,000	664,904	57,277	254,568	203,201	149,858
Loans from external parties	398,348	439,638	84,868	111,736	243,034	-
Finance lease liabilities	57,650	133,686	4,948	4,977	15,065	108,696
Other	1 540 470	1 777 400	1 1	- 000 005	- 000 400	- 070 404
	1,519,176	1,777,430	499,925	392,905	606,139	278,461
	Balance	Contractual	Less than			
	sheet	cash flows	1 year	1-2 years	2-5 years	5 years +
	\$000	\$000	\$000	\$000	\$000	\$000
Financial assets:	, , , , ,	****	****	****	,	,
Cash and cash equivalents	151,237	151,239	151,239	-	-	-
Bank deposits with maturities > 1 year	24,682	26,848	14,422	675	11,751	-
Short term deposits	70,323	72,807	72,807	-	-	<u>-</u>
Debtors and other receivables	148,340	157,755	154,995	210	630	1,920
Local authority stock	40,000	43,884	16,889	15,999	10,996	- 11 110
Stocks and bonds Loans and advances	44,656 5,927	51,176 1,683	5,600 265	5,426 250	28,732 387	11,418 781
Finance lease receivables	47	1,003 52	26	26	301	701
Net settled derivative assets	2,643	4,114	1,604	703	1,425	382
	489,050	509,641	417,930	23,289	53,921	14,501
	Balance	Contractual	Group Less than			
Jun 11	sheet \$000	cash flows \$000	1 year \$000	1-2 years \$000	2-5 years \$000	5 years + \$000
Jun 11 Financial liabilities:	sheet \$000	cash flows \$000	1 year \$000	1-2 years \$000	2-5 years \$000	5 years + \$000
Financial liabilities: Creditors and other payables	\$000 184,461	\$000 184,652	\$000 184,464	\$000 64	\$000	\$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities	\$000	\$000	\$000	\$000	\$000	\$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts	\$000 184,461 37,781	\$000 184,652 17,546	\$000 184,464 10,157	\$000 64	\$000	\$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper	\$000 184,461 37,781 - 96,000	\$000 184,652 17,546 - 96,000	\$000 184,464 10,157 - 96,000	\$ 000 64 4,929 -	\$000 62 2,766 -	\$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts	\$000 184,461 37,781	\$000 184,652 17,546	\$000 184,464 10,157	\$000 64	\$000	\$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties	\$000 184,461 37,781 - 96,000 157,633	\$000 184,652 17,546 - 96,000 191,089	\$000 184,464 10,157 - 96,000 9,794	\$000 64 4,929 - - 68,029	\$000 62 2,766 - 113,266	\$ 000 62 (306)
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142	\$000 64 4,929 - - 68,029 55,149 87,955	\$000 62 2,766 - 113,266 269,834 174,815	\$000 62 (306) - - - 100,997 29,336
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities	\$000 184,461 37,781 - 96,000 157,633 345,000	\$000 184,652 17,546 - 96,000 191,089 445,681	\$000 184,464 10,157 - 96,000 9,794 19,701	\$000 64 4,929 - - 68,029 55,149	\$000 62 2,766 - 113,266 269,834	\$000 62 (306) - - 100,997
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142	\$000 64 4,929 - - 68,029 55,149 87,955	\$000 62 2,766 - 113,266 269,834 174,815	\$000 62 (306) - - - 100,997 29,336
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665	\$000 62 (306) - - - 100,997 29,336
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449	\$000 64 4,929 - - 68,029 55,149 87,955 - 4,567 - 1,018	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247	\$000 62 (306) - - 100,997 29,336 - 104,071
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274	\$000 64 4,929 - - 68,029 55,149 87,955 - 4,567 - 1,018	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247	\$000 62 (306) - - 100,997 29,336 - 104,071
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274	\$000 64 4,929 - - 68,029 55,149 87,955 - 4,567 - 1,018	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247	\$000 62 (306) - - 100,997 29,336 - 104,071
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years +
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years +
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years +
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial ssets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years +
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years +
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits Foreign currency	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025 41,500 -	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388 42,342	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049 42,342	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711 1-2 years \$000 - 6,913 - 12,001	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 2,247 576,655 2-5 years \$000 - 12,426 - - - 26,995	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years +
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits Foreign currency Debtors and other receivables Local authority stock Stocks and bonds	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025 41,500 - 123,469 35,000 21,550	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388 42,342 - 85,054 41,173 25,541	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049 42,342 - 85,054 2,177 9,879	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711 1-2 years \$000 - 6,913 - - 12,001 3,877	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 2,247 576,655 2-5 years \$000 - 12,426 - - - 26,995 9,522	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years + \$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits Foreign currency Debtors and other receivables Local authority stock Stocks and bonds Loans and advances	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025 41,500 - 123,469 35,000 21,550 5,560	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388 42,342 - 85,054 41,173 25,541 3,088	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049 42,342 - 85,054 2,177 9,879 393	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711 1-2 years \$000 - 6,913 - - 12,001 3,877 375	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655 2-5 years \$000 - 12,426 - - - 26,995 9,522 974	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years + \$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits Foreign currency Debtors and other receivables Loans and advances Finance lease receivables	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025 41,500 - 123,469 35,000 21,550 5,560 29,073	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388 42,342 - 85,054 41,173 25,541 3,088 40,132	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049 42,342 - 85,054 2,177 9,879 393 2,646	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711 1-2 years \$000 - 6,913 - - 12,001 3,877 375 3,908	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655 2-5 years \$000 - 12,426 - - 26,995 9,522 974 11,671	\$000 62 (306) 100,997 29,336 - 104,071 234,160 5 years + \$000 2,263 1,346 21,907
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits Foreign currency Debtors and other receivables Local authority stock Stocks and bonds Loans and advances Finance lease receivables Net settled derivative assets	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025 41,500 - 123,469 35,000 21,550 5,560	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388 42,342 - 85,054 41,173 25,541 3,088	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049 42,342 - 85,054 2,177 9,879 393	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711 1-2 years \$000 - 6,913 - - 12,001 3,877 375	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655 2-5 years \$000 - 12,426 - - - 26,995 9,522 974	\$000 62 (306) - - 100,997 29,336 - 104,071 - - 234,160 5 years + \$000
Financial liabilities: Creditors and other payables Net settled derivative liabilities Bank overdrafts Commercial paper Bonds Floating rate notes Loans from external parties Loans from group entities Finance lease liabilities Financial guarantees Other Financial assets: Cash and cash equivalents Bank deposits with maturities > 1 year Short term deposits Foreign currency Debtors and other receivables Loans and advances Finance lease receivables	\$000 184,461 37,781 - 96,000 157,633 345,000 341,336 - 57,521 - 1,219,732 Balance sheet \$000 80,777 19,025 41,500 - 123,469 35,000 21,550 5,560 29,073	\$000 184,652 17,546 - 96,000 191,089 445,681 372,248 - 126,870 - 3,714 1,437,800 Contractual cash flows \$000 80,777 22,388 42,342 - 85,054 41,173 25,541 3,088 40,132	\$000 184,464 10,157 - 96,000 9,794 19,701 80,142 - 4,567 - 449 405,274 Less than 1 year \$000 80,777 3,049 42,342 - 85,054 2,177 9,879 393 2,646	\$000 64 4,929 - 68,029 55,149 87,955 - 4,567 - 1,018 221,711 1-2 years \$000 - 6,913 - - 12,001 3,877 375 3,908	\$000 62 2,766 - 113,266 269,834 174,815 - 13,665 - 2,247 576,655 2-5 years \$000 - 12,426 - - 26,995 9,522 974 11,671	\$000 62 (306) - 100,997 29,336 - 104,071 - 234,160 5 years + \$000 2,263 1,346 21,907

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Sensitivity analysis

In managing interest rate risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, changes in interest rates will affect reported profits.

The following table summarises the estimated impact of movements in interest rates and foreign exchange rates on the Council and Group's pre-tax profits and equity:

Movements in interest rates					Parent				
		Jun 12					Jun 1	1	
		Increase		Decrease			Increase		Decrease
	1.00%	1.00%	-1.00%	-1.00%		1.00%	1.00%	-1.00%	-1.00%
		Other		Other			Other		Other
	Pre-tax	compr.	Pre-tax	compr.		Pre-tax	compr.	Pre-tax	compr.
Financial assets and liabilities at floating rate	profit	income	profit	income		profit	income	profit	income
i mancial assets and habilities at hoating rate	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000
FI	·			\$000		*	,		\$000
Floating rate notes	(299)	-	299	-		(308)	-	308	-
Commercial paper	(50)	-	50	-		(50)	-	50	-
Cash and cash equivalents	1,183	-	(1,183)	-		484	-	(484)	-
Bank deposits	82	-	(82)	-		385	-	(385)	-
Related party loans	45	-	(45)	-		45	-	(45)	-
Interest rate swap derivatives	46,883	26,039	(49,901)	(27,814)		1,872	4,287	(2,000)	(4,601)
Local authority stock	230	· <u>-</u>	(230)	-		180	· -	(180)	-
Total sensitivity to interest rate risk	48,074	26,039	(51,092)	(27,814)		2,608	4,287	(2,736)	(4,601)
Total constitute interest rate nex	10,011	20,000	(01,002)	(21,011)	_	2,000	1,201	(2,100)	(1,001)
					Group				
		Jun 12		,	огоир		Jun	11	
		Increase		Decrease			Increase		Decrease
	1.00%	1.00%	-1.00%	-1.00%		1.00%	1.00%	-1.00%	-1.00%
		Other		Other			Other		Other
	Pre-tax	compr.	Pre-tax	compr.		Pre-tax	compr.	Pre-tax	compr.
Financial assets and liabilities at floating rate	profit	income	profit	income		profit	income	profit	income
	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000
Floating rate notes	(799)	-	799	-		(508)	-	508	-
Commercial paper	(930)	-	930	-		(870)	-	870	-
Finance lease liabilities	(53)	-	53	-		(48)	-	48	-
Bank loans	(418)	-	418	-		66	-	(66)	-
Cash and cash equivalents	1,385 166	-	(1,385)	-		808 405	-	(808)	-
Bank deposits Related party loans	48	-	(166) (48)	-		405 95	-	(405) (95)	-
Interest rate swap derivatives	48,853	38,936	(51,938)	(41,435)		2,237	19.080	(4,861)	(20,360)
Other	386	-	(386)	(11,100)		565	-	(565)	(20,000)
Total sensitivity to interest rate risk	48,638	38,936	(51,723)	(41,435)		2,750	19,080	(5,374)	(20,360)
Foreign exchange risk				0	Group				
		Jun 12					Jun	11	
	-10%		+10%			-10%		+10%	
		Other		Other			Other		Other
	Pre-tax	compr.	Pre-tax	compr.		Pre-tax	compr.	Pre-tax	compr.
	profit	income	profit	income		profit	income	profit	income
		(excl REs)		(excl REs)			(excl REs)		(excl REs)
	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000
Trade receivables	-	-	_	_		24	_	(24)	-
Creditors and other payables	-	-	_			(1)	-	1	_
Derivatives - held for trading	17	-	(14)	_		68	86	(30)	(86)
Total sensitivity to foreign exchange risk	17	-	(14)	-		91	86	(53)	(86)
			(/					(30)	1-3/

Equity price risk

The estimated impact of movements in market price on the Group's equity relates to the movement in the share price of the Lyttelton Port Company Limited. A movement of 10% in the share price would impact equity by \$16.3 million (2011: \$18.9 million).

Fair value of financial instruments

Apart from the fair values mentioned in notes 16 and 28, the Group consider that the carrying amounts of the financial assets and financial liabilities recorded in the financial statements approximate their fair values. The fair values of financial assets and financial liabilities with standard terms and conditions are traded on active liquid markets are determined with reference to quoted market prices.

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Classification of financial assets and liabilities

The following tables classify the Group's financial assets and liabilities between the various categories set out in NZ IAS 39 and NZ IFRS 7:

	Parent		Group		
	30 Jun 12	30 Jun 11	30 Jun 12	30 Jun 11	
	Actual	Actual	Actual	Actual	
Financial assets	\$000	\$000	\$000	\$000	
Fair value through Surplus or Deficit - held for trading					
Derivative financial instrument assets	_	_	1	14	
Unlisted shares	4,454	4,160	4,454	4,160	
S. HIOCOLO.	4,454	4,160	4,455	4,174	
Paritatives that are hadro associated			,		
Derivatives that are hedge accounted Derivative financial instrument assets	2,391	2,747	2,642	2,772	
Derivative ii lai Iolai ii isti ui i ett assets	2,091	2,141	2,042	2,112	
Loans and receivables					
Cash and cash equivalents	118,267	48,417	151,237	80,777	
Debtors and other receivables	55,765	78,819	127,131	152,542	
Other financial assets					
- term deposits	11,000	17,000	96,156	60,525	
- loans	800	3,274	1,424	4,322	
- loans to related parties	109,480 40,000	121,134	40,000	35,000	
- local authority stock - stocks and bonds	40,000 44,656	35,000 21,550	40,000 44,656		
- short term deposits	70,323	41,500	44,000	21,550	
Theatre Royal	2,300	2,300	2,300	2,300	
Provision for fair value and impairment	(753)	(1,062)	(753)	(1,062)	
Trovision for fair value and impairment	454,794	367,932	465, 107	355,954	
Fair value there are it.			,		
Fair value through equity CCC investment in subsidiaries:					
COHL	1,387,300	1 206 560			
Vbase Ltd	191,143	1,306,568 183,039	-	-	
Tuam Ltd	5,417	5,417	-	-	
Civic Building Ltd	4,148	4,148	_	_	
ONE Building Ltd	1,588,007	1,499,172			
- other unlisted shares	1,829	1,125	1,874	2,389	
	1,589,836	1,500,297	1,874	2,389	
Total financial assets	2,051,475	1,875,136	474,078	365,289	
		1,010,100	,	555,255	
Financial liabilities					
Fair value through Surplus or Deficit - held for trading			0.700	4.040	
Derivative financial instrument liabilities	- 00 004	-	2,739	1,212	
Borrowings	82,391	82,605	82,391	82,605	
	82,391	82,605	85,130	83,817	
Derivatives that are hedge accounted					
Derivative financial instrument liabilities	43,911	14,126	81,138	36,569	
Financial liabilities at amortised cost					
Creditors and other payables	116,203	121,647	174,879	184,461	
Borrowings	589,270	421,521	1,178,028	914,885	
0 -	705,472	543,168	1,352,907	1,099,346	
Total financial liabilities	831,774	639,899	1,519,175	1,219,732	
TOTAL ITTALIONAL HADIILIGS		000,000	1,013,173	1,213,132	

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Fair value measurement basis

raii value illeasureillerit basis		Parent	t	
Jun 12	Carrying			
	value	Level 1	Level 2	Level 3
	\$000	\$000	\$000	\$000
Financial assets at fair value through Surplus or Deficit				
Unlisted shares	6,616	_	_	6,616
	6,616	-	-	6,616
Derivatives that are hedge-accounted				
Derivative financial instrument assets	2,391	-	2,391	-
Available-for-sale financial assets				
Shares in subsidiary companies	1,588,007	_	_	1,588,007
Other unlisted shares	1,829	-	1,829	, , , <u>-</u>
	1,589,836	-	1,829	1,588,007
Derivatives that are hedge accounted				
Derivative financial instrument liabilities	43,911	-	43,911	-
Net financial assets and liabilities	1,642,754	-	48,131	1,594,623
		Paren	•	
Jun 11	Carrying	raicii	•	
Juli	value	Level 1	Level 2	Level 3
	\$000	\$000	\$000	\$000
Financial assets at fair value through Surplus or Deficit				
Unlisted shares	4,160	_	_	4,160
a lista si ala	4,160	-	-	4,160
Derivatives that are hedge-accounted				
Derivative financial instrument assets	2,747	-	2,747	
Available-for-sale financial assets				
Shares in subsidiary companies	1,499,172	-	-	1,499,172
Other unlisted shares	1,125	-	1,125	
	1,500,297	-	1,125	1,499,172
Derivatives that are hedge accounted				
Derivative financial instrument liabilities	14,126	-	14,126	-
Net financial assets and liabilities	1,521,330	-	17,998	1,503,332

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	Group				
Jun 12	Carrying value \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000	
Financial assets at fair value through Surplus or Deficit					
Derivative financial instrument assets	1	-	1	-	
Unlisted shares	6,616	-	-	6,616	
	6,617	-	1	6,616	
Derivatives that are hedge-accounted					
Derivative financial instrument assets	2,642	-	2,642		
Fair value through equity					
Other unlisted shares	1,829	-	1,829	-	
Investment in Enertech Capital Partners 11 LP	46	-	-	46	
	1,875	-	1,829	46	
Financial liabilities at fair value through Surplus or Deficit					
Derivative financial instrument liabilities	(2,414)	-	(2,414)	_	
	(2,414)	-	(2,414)		
	•			<u>.</u>	
Derivatives that are hedge accounted Derivative financial instrument liabilities	(81,463)	-	(81,463)		
Net financial assets and liabilities	(72,743)	-	(79,405)	6,662	
		Group			
Jun 11	Carrying value \$000	Level 1 \$000	Level 2 \$000	Level 3 \$000	
	·	·	·	·	
Financial assets at fair value through Surplus or Deficit	4.4		4.4		
Derivative financial instrument assets Unlisted shares	14 4,160	-	14	4,160	
Officed Strates	4,174		14	4,160	
	· · · · · · · · · · · · · · · · · · ·			,	
Derivatives that are hedge-accounted	2.772		2.772		
Derivative financial instrument assets	2,772	-	2,772	-	
Fair value through equity Other unlisted shares	1 125		1 105		
Investment in Enertech Capital Partners 11 LP	1,125 1,264	_	1,125	1,264	
investment in Enerceon Supriar Futures 11 Er	2,389	-	1,125	1,264	
Financial Babilities of fatourbus than 11 O 11 or D. C. V.					
Financial liabilities at fair value through Surplus or Deficit	(4.400)		(4.400)		
Derivative financial instrument liabilities	(1,192) (1,192)	-	(1,192) (1,192)		
	(1,182)	<u> </u>	(1,192)	<u>-</u>	
Derivatives that are hedge accounted					
Derivative financial instrument liabilities	(36,589)	-	(36,589)		
Net financial assets and liabilities	(28,446)	-	(33,870)	5,424	
	(, /		\ , /	-,	

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40. Related parties

Council is the ultimate parent of the Group. Details of subsidiaries and associates over which Council has significant influence, are set out on in the Group structure section.

(a) Receipts from related parties

(a) Receipts from related parties	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Rates received by Council		
Vbase Ltd	585	570
CCHL Group	5,643	5,146
TuamLtd	97	170
Civic Building Ltd	221	139
Services provided by Council		
CCHL Group	11,627	7,518
Transwaste Canterbury Ltd	5	17
Vbase Ltd	606	369
Civic Building Ltd	-	12
TuamLtd	180	110
World Buskers Festival Trust	135	82
Riccarton Bush Trust	22	113
Interest received/receivable by Council		
TuamLtd	342	982
Civic Building Ltd	5,474	5,460
Vbase Ltd	3,672	6,129
Eco Central Limited	-	581
Subvention payments paid to Council		
CCHL Group	5,846	4,028
Dividends paid/payable to Council		
CCHL	35,449	43,325
Transwaste Ltd	2,295	2,190
Share buy back		
Vbase Ltd	-	12,000
Tuam Limited	925	-
CCHL Group	104	-
Loans repaid by related parties		
Eco Central Limited	-	17,800
Vbase Ltd	12,550	41,000
Tuam Limited	-	9,000
Loss offsets to Council		
CCHL Group	2,690	364

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(b) Payments to related parties

(b) Payments to related parties	30 Jun 12 Actual \$000	30 Jun 11 Actual \$000
Interest paid/payable by Council CCHL	2,945	2,697
Purchase of good / services CCHL Group Tuam Ltd	205,941	158,618 408
Civic Building Ltd	4,075	-
Vbase Ltd	138	2,115
Transwaste Canterbury Ltd World Buskers Festival Trust	182 6	204 -
Share purchases Vbase Ltd	9,000	53,750
Civic Building Ltd	-	-
Tuam Ltd	-	9,000
Other payments Loan repayment to CCHL	12,550	2,663
Funding to Christchurch Agency for Energy	533	733
Funding to Rod Donald Banks Penisula Trust	-	3,504
Funding to World Buskers Festival Trust	241 276	285
Funding to Riccarton Bush Trust Funding to Canterbury Earthquake Heritage Buildings Fund Trust	-	268 431
(c) Year-end balances arising from transactions		
(c) Teal-clid balances arising from transactions	30 Jun 12	30 Jun 11
	Actual	Actual
	\$000	\$000
Receivables from related parties CCHL Group	413	1,115
Civic Building Ltd	413	1,115
Tuam Ltd	-	-
Vbase Ltd	410	1
Transwaste Christchurch Agency for Energy	3	- 60
World Buskers Festival Trust	-	38
Payables to related parties CCHL Group	17,033	32,020
Tuam Ltd	-	18
Transwaste Canterbury Ltd	21	
Vbase Ltd	27,273	21
Loans from related parties CCHL	25,981	38,531
Loans to related parties Tuam Ltd	4 750	4 750
Civic Building Ltd	4,750 59,288	4,750 59,288
Vbase Ltd	34,223	46,773
Redeemable preference shares - V base Ltd	11,219	10,249

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(d) Key management personnel and elected members of the Council

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Council (such as payment of rates, use of Council facilities, etc).

The transactions below do not include transactions between Council and those CTOs which are consolidated into the Group results where key management personnel hold directorships or trusteeships. These transactions are listed in parts (a) to (c) above. For a list of the directors of the trading enterprises in which Council has an interest see the *Subsidiary and associate companies* section of the annual report.

ded the educatory and dedeciate companies deduction of the annual report.		
	30 Jun 12	30 Jun 11
	Actual	Actual
Transactions Canterbury Development Corporation - Bob Parker and Ngaire Button are directors.	\$000	\$000
Funding	_	14
Purchases	34	31
		Part I
CEDF Trustee Ltd - Ngaire Button and Aaron Keown are directors since 4 July 2011, Chrissie Williams (Councillo from 4 July 2011 to 4 October 2011, Bob Shearing (Councillor to October 2010) and Bob Parker were directors ur		vas a director
Funding	350	350
Christchurch & Canterbury Marketing Ltd - Helen Broughton and Claudia Reid are directors. Norm Withers (Courto 31 March 2011.	ncillor to October 2010) wa	s a director
Funding	1,030	870
Purchases	9	-
Canterbury Museum Trust - Bob Parker and Claudia Reid are trustees. Helen Broughton was a trustee until Dece a trustee since December 2010.	ember 2010 and Jimmy Ch	en has been
Funding	6,091	5,715
Sales	2	3
Canterbury West Coast Sports Trust (Sport Canterbury) - Helen Broughton has been a trustee since December 2 October 2010) was a trustee until December 2010.	2010 and Norm Withers (C	ouncillor to
Funding	115	4
Sales	11	-
Theatre Royal Charitable Foundation - Barry Corbett is a director.		
Community loan repayment	10	-
Garden City Trust - Yani Johanson was a trustee to September 2010.		
Funding	3	46
·	•	
Keep Christchurch Beautiful Incorporated - Yani Johanson is a committee member.	20	07
Purchases	38	27
Orana Wildlife Trust - Mike Wall (Councillor to October 2010) was a Trustee in the 2011 financial year		
Funding	-	225
Sales	-	4
Grouse Entertainment Limited - Aaron Keown is a director/owner		
Purchases	-	1
Nurse Maude Association - Jane Parfitt was a board member in the 2011 financial year		
Sales	-	9
Brackenridge Estate - Jane Parfitt was a board member in the year to 30 June 2011		
Sales	_	1

In addition to the transactions above the following relationships have been disclosed but in accordance with NZ IAS 24 - Related Party Disclosures, transactions between Council and these entities are not considered to be related party transactions.

Tony Marryatt is a director of New Zealand Local Government Insurance Corporation Limited (NZLGIC) and Local Government Mutual Funds Trustee Limited (LGMFT). Council has insurance relationships with LAPP which is administered by NZLGIC and Riskpool of which LGMFT is the trustee. In 2011, Council also placed insurance with Civic Assurance, the trading name of NZLGIC. A premium of \$19,415 was paid.

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Paul Anderson is a director of New Zealand Local Government Funding Agency Limited (NZLGFA). Council borrows funds from NZLGFA a requirement of that borrowing is that Council provides an advance to it.

Michael Aitken is a trustee of the Christchurch Stadium Trust. Council has provided the Trust with funding.

Key management personnel include the Mayor, Councillors, Chief Executive and the Executive Team.

Except for the transactions listed above entered into between Council and key management personnel, and items of a trivial nature, no key management personnel entered into any related party transactions with Council.

Remuneration of elected members and key management personnel is detailed in note 42 Remuneration.

41. Major budget variations

Statement of comprehensive income

Statement of comprehensive income

Explanations for major variance from the Council's Plan figures are as follows:

Explanations for major variance from the council's harmingules are as follows.		30 Jun 12
		\$000
Planned comprehensive income		277,088
Revenue:		
Additional rates revenue		5,701
Higher rental income		2,980 609
Interest income lower than plan Lower development contributions	_	2.018
Higher subvention receipts due to profits within the group (refer note 11 (a))	_	1,558
Dividends received higher than plan		3,588
NZ Transport Agency subsidies higher than plan due to accrual of Earthquake subsidy		24,021
Licence fees received lower than plan	-	2,660
Parking fees received lower than plan due to the CBD being closed as a result of the earthquakes	-	922
Earthquake insurance recoveries and Crown contributions		207,527
Other gains (refer Note 4)		392
Other revenue higher than plan primarily in sale of services and grants		22,883 262,439
Revenue favourable to plan		202,439
Expenditure:		
Depreciation, amortisation and impairment higher than plan	-	15,729
Higher finance costs mainly due to interest costs for borrowing due to earthquake	-	13,336
Lower employee costs due to termination of a number of recreation, library & carpark staff		9,152
Increase in provisions due to additional weathertight home provisions and higher aftercare costs at Burwood		
Landfill Other openses layer than plan	-	5,046
Other expenses lower than plan Higher than budgeted grants and levies paid		17,029 10,243
Earthquake response expenses higher than anticipated	-	188,338
Other losses (refer Note 4)	_	14,899
Expenditure unfavourable to plan	-	221,409
		<u> </u>
As sets vested in Council		15,631
Income tax expense	-	5,290
Other comprehensive income:		
Lower property, plant and equipment valuation gain than plan due to no valuations being carried out and write-off		
and impairment of damaged buildings	-	192,694
Higher investment revaluation gain		81,061
Higher cash flow hedges losses	<u>-</u>	28,538
	=	140,171
Total variances	_	88,800
Actual comprehensive income, net of tax		188,288

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Balance Sheet

Total assets of \$8.0 billion are higher than budget by \$1.5 billion.

Current assets of \$619.9 million are higher than budget by \$360.9 million. This is mainly due to additional debtors and accrued recoveries relating to the recovery of costs incurred due to the earthquake.

Non-current assets of \$7.3 billion are higher than budget by \$1.1 billion. The main reasons for this are the following:

- The annual plan assumed that there had been a \$1.3 billion impairment of assets in 2010/11. No impairment was made in that year, but an impairment of \$0.2 billion has been made this year.
- Increase in valuation of the investments in CCHL of \$80.7 million.
- higher than anticipated software additions of \$11.9 million.

Total liabilities of \$922.2 million are higher than budget by \$311.3 million.

Total borrowings are higher than budget by \$196.2 million because of additional borrowings required due to the earthquakes. The budget assumed no repayment in 2011/12 and no additional debt.

Creditors and other payables are \$35 million higher than budget due to earthquake accruals at year end.

All other liabilities were higher than budget by \$73.0 million mainly as a result of the fair value of cash flow hedges of \$43.9 million, insurance indemnity funds held for investment for Vbase of \$27.2 million and recognition of the service concession arrangement of \$7.8 million.

42. Remuneration

(a) Chief Executive

The Chief Executive of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

The total cost to the Council of the remuneration package paid or payable to the Chief Executive for the year to 30 June 2012 was \$548,921 (2011: \$479,430).

(b) Cost of severance payments

In accordance with Schedule 10, section 19 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year, and the amount of each severance payment made as defined under the legislation.

For the year ended 30 June 2012 the Council made two severance payments - \$25,000 and \$8,500. This compares with the year ending 30 June 2011 when the Council made nine payments of \$25,000, \$20,000, \$10,000, \$8,000, \$7,000, \$5,000, \$4,800, \$4,750 and \$1,200.

(c) Key management personnel

	Parent	
	30 Jun 12	30 Jun 11
	Actual	Actual
	\$000	\$000
The compensation of the key management personnel of the entity		
is set out below:		
Short term benefits	4,016	3,831
	4,016	3,831

Total key management personnel remuneration includes that of the Mayor, Councillors and executive team of Council. The total key management compensation of \$4.0 million relates to the Mayor and Councillors (\$1.3 million) and the Chief Executive and Executive Team (\$2.7 million).

The remuneration details of the Chief Executive, Mayor and Councillors are set out in notes a) and d).

d) Elected Members

	Jun 12	Jun 12	Jun 12	Jun 11	Jun 11	Jun 11
	Council			Council	Directors	
	Remuneration	Directors Fees	Total	Remuneration	Fees	Total
	\$	\$	\$	\$	\$	\$
Peter Beck	16,340	-	16,340	-	-	-
Helen Broughton	89,264	12,500	101,764	86,640	-	86,640
Sally Buck	90,838	22,000	112,838	87,626	20,000	107,626
Ngaire Button	102,519	16,079	118,598	95,281	-	95,281
Tim Carter	88,476	39,356	127,832	59,777	17,084	76,861
Jimmy Chen	88,686	-	88,686	59,777	-	59,777
Barry Corbett	88,476	37,554	126,030	86,249	34,780	121,029
David Cox	-	-	-	26,708	6,861	33,569
James Gough	88,516	2,083	90,599	59,777	14,583	74,360
Yani Johanson	88,476	-	88,476	86,249	-	86,249
Aaron Keown	88,476	16,079	104,555	59,777	-	59,777
Glenn Livingstone	88,476	-	88,476	60,042	-	60,042
Bob Parker	185,629	37,691	223,320	181,565	50,050	231,615
Claudia Reid	88,656	12,500	101,156	86,758	12,500	99,258
Bob Shearing	-	-	-	27,291	26,032	53,323
Gail Sheriff	-	-	-	26,538	36,467	63,005
Sue Wells	89,116	37,554	126,670	87,569	34,780	122,349
Mike Wall	-	-	-	26,538	-	53,538
Chrissie Williams	23,912	4,019	27,931	87,439	18,667	106,106
Norm Withers	-	-	-	30,636	9,375	40,011
	1,305,854	237,415	1,543,270	1,322,237	281,179	1,630,416
		•				

The Directors fees for the year ended 30 June 2012 include a correction of underpayments of CCHL director's fees from the previous financial year. All Council appointed directors of CCHL are remunerated equally.

See note 40 Related Parties for detail on transactions between Council and elected members and key management personnel.

43. Capital management

The Council's capital is its equity (or ratepayer's funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments, borrowings and general financial dealings.

(a) Intergenerational Equity

The Council's objective to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets dealing with renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTCCP and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of Council's LTCCP 2009-19 as amended by the Annual Plan 2011-12.

44. Legislative requirements – Council Controlled Organisations

The Local Government Act 2002 requires Council Controlled Organisations to submit their half year accounts and a Statement of Intent to their Boards and to their shareholders within specified timeframes. For the 2011/12 financial year a small number of these companies did not meet the specified timeframes set out in the legislation.

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45. Subsequent events

On 27 September 2012 the Council agreed to increase its shareholding in CCHL by acquiring an additional \$300 million of uncalled redeemable preference shares.

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6000 - Group Structure

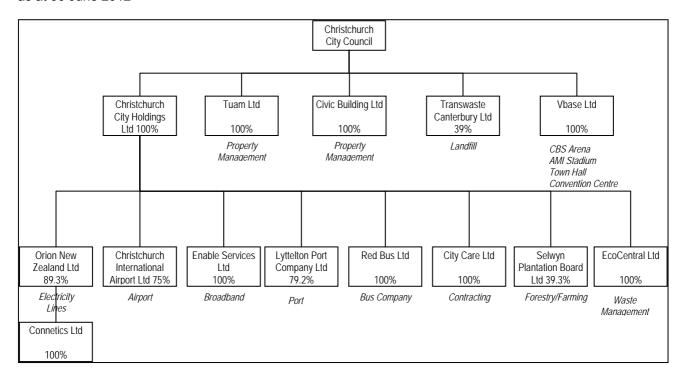
Annual Report 2012 Christchurch Otautahi

Through its wholly owned investment arm Christchurch City Holdings Limited, the Council has a stake in a number of trading companies from which it derives income. This section contains details about these subsidiary companies.

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6010 - Group structure

as at 30 June 2012



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6015 - Summary financial table

	Income	tax and	ult (after minority rest)
	2012	2012	2011
	\$000	\$000	\$000
Christchurch City Holdings Limited (parent)	61,887	44,726	32,095
Enable Services Limited (previously Christchurch City Networks Limited)	11,953	(885)	454
Christchurch International Airport Limited	119,778	19,600	21,669
City Care Limited	354,047	16,519	11,294
Lyttelton Port Company Limited	123,752	17,204	24,111
Orion New Zealand Limited	245,512	54,154	28,360
Red Bus Limited	19,003	84	6,215
EcoCentral Limited	30,176	(3,181)	1,476
Vbase Limited	179,019	82,849	13,085
Tuam Limited	943	197	(532)
Civic Building Limited	12,836	746	(2,355)
Transwaste Canterbury Limited	33,370	6,661	7,445
Selwyn Plantation Board Limited	4,472	1,857	4,612
Riccarton Bush Trust	660	209	561
Central Plains Water Trust	44	-	-
Canterbury Development Corporation	7,131	1,127	(351)
Canterbury Economic Development Company Limited	372	-	-
Gardens Event Trust	90	-	2
Christchurch Agency for Energy Trust	955	(49)	907
The World Buskers' Festival Trust	1,966	86	1
Rod Donald Banks Peninsula Trust	157	134	3,565
Canterbury Earthquake Heritage Building Fund	3,265	2,411	1,364

For more detail refer to individual company reports.

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6020 - Christchurch City Holdings Ltd

Christchurch City Holdings Limited (CCHL) is the wholly owned investment arm of Council, holding shares in various trading companies and monitoring other trading companies and their subsidiaries on Council's behalf.

Effect of the Canterbury Earthquakes

As a holding company CCHL has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on CCHL or its ability to deliver services in the future. However, some of CCHL's subsidiary companies were impacted by the earthquakes. This impact is described on the relevant subsidiary page within this section of the Annual Report.

Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Services Limited
- City Care Ltd
- Red Bus Ltd
- EcoCentral Ltd

Associate Company

Selwyn Plantation Board Ltd

Nature and scope of activities

CCHL's key purpose is to invest in and promote the establishment of key infrastructure, and this now extends to assisting the Council in the rebuild and redevelopment of Christchurch following the Canterbury earthquakes. CCHL will continue to invest in existing and new infrastructural assets such as the electricity distribution network, the airport, port, transport and high speed broadband.

Their strategic approach is to identify infrastructural needs that cannot be filled by the private sector or existing Council operations, then take a role in helping to meet those needs through joint ventures, public-private partnerships, establishing new entities or simply acting as a catalyst for others.

CCHL also encourages and, if necessary will facilitate, appropriate investment by its trading companies when significant upgrades are required to existing infrastructural assets – recent examples being the funder of Enable Networks, and the provision of some of the funding requirements for the construction of the new airport terminal.

Policies and objectives relating to ownership and control

This company was established to group the Council's interest in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its council-controlled trading organisations.

Key performance targets

Key performance targets	2012 Target	2012 Actual
CCHL financial and distribution performance meets the shareholder's expectations.	CCHL pays a dividend for the 2012 financial year that meets or exceeds budget of \$30.7 million.	Achieved through a combination of dividends paid of \$27.4 million and subvention payments to the value of \$3.3 million that CCHL was entitled to, but voluntarily elected not to receive at the request of Christchurch City Council.
CCHL's treasury management policies and practices are consistent with best practice.	CCHL's treasury management policy will be reviewed in the 2011 calendar year.	The review was commenced in 2011 with the revised policy being completed in 2012.

CCHL's capital structure is appropriate for the nature of its business.

Following the successful UFB bid by Enable Services, CCHL will review the level and composition of its debt facilities and may request the Council to consider increasing the level of CCHL's uncalled capital.

CCHL has formally requested the Council to increase the level of CCHL's uncalled capital to accommodate the future borrowing requirements of the UFB project.

Financial summary - Parent Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	61,887	49,640
Operating and other expenses	17,161	17,454
Operating profit (loss) before tax	44,726	32,186
Tax expense (benefit)		91
Net profit (loss) for the year	44,726	32,095

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6022 - Enable Services Ltd

www.enablenetworks.co.nz

This company is a council controlled trading enterprise, 100 per cent owned by Christchurch City Holdings Limited (CCHL) and trades as Enable Networks.

ESL is a leading infrastructure provider specialising in building and operating open access fibre networks.

At the beginning of the year, ESL already owned the most extensive (350 kilometre) fibre network in Christchurch. It covered 80 percent of Christchurch's commercial areas and provided services to hundreds of businesses, schools and healthcare facilities.

In June 2011 the company entered a construction contract with Transfield Services Limited to be the company's civil construction partner under the ultra-fast broadband contract. The contract mirrors many of the obligations placed on the company in the ultra-fast broadband contract. The construction contract is a ten year contract with a value of approximately \$260 million.

Effect of the Canterbury Earthquakes

The cabling technology chosen by Enable proved extremely flexible and did not suffer any damage. In some locations the fibre ducting moved several metres underground without damaging the fibre optic cables. Communications for priority locations including hospitals, Police, Civil Defence HQ and schools therefore continued to operate over Enable's fibre without issue.

Because of the resilience of its network Enable's ability to deliver services in the future has not been compromised.

Associate companies

Enable Networks Limited

Nature and scope of activities

Christchurch City Networks Ltd commenced operations in January 2007 to deliver open access high-speed fibre optic networks to metropolitan Christchurch. In October 2011 company name was changed to Enable Services Limited.

In May 2011, the Crown awarded Enable the Ultrafast Broadband (UFB) contract covering 180,000 businesses and homes in Christchurch and the surrounding areas. This once-in-50-year infrastructure initiative will see an investment in partnership with the Crown of \$440 million over the next 10 years and will contribute significantly to economic growth in Christchurch.

This UFB partnership resulted in the creation in 2011 of a new central/local government joint venture Local Fibre Company (LFC). The establishment of the LFC (Enable Networks Limited) included the purchase of ESL's existing network assets. ESL currently owns a majority shareholding in the LFC, although this will change as the UFB build programme progresses and Crown Fibre Holdings Limited's (CFH's) investment increases.

As part of the UFB project the company sold its existing fibre network to Enable Networks Limited in February 2012. The transaction occurred at net book value.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. The company will:

- (a) make an investment in telecommunications infrastructure through an open access urban fibre network in metropolitan Christchurch,
- (b) encourage and support the development of policy and design standards for making telecommunications ducting mandatory for new building and subdivision consents granted by the Council,
- (c) sponsor the aggregation of demand for telecommunications infrastructure in sectors where a collective approach can bring substantial benefits to consumers, and
- (d) actively encourage private investment in telecommunications infrastructure in Christchurch.

Key performance targets

ncy performance targets	2012 Target	2012 Actual
Revenue.	\$8.2 million.	\$11.9 million. The company commenced the UFB network build earlier than expected under the performance target and therefore gained higher network build revenue than expected.
Number of KMs deployed.	61.	115 KMs. This is a result of the UFB network build work commencing earlier than originally planned under the performance target.
Aggregate demand from schools in order to assist in the transformation of educational services.	70 schools connected to network.	59 schools connected to network. Although the target was not reached the company is still aiming to connect all schools in coverage areas by December 2015.

Financial summary Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	11,953	4,912
Operating and other expenses	12,548	4,302
Operating profit (loss) before tax	(595)	610
Tax expense (benefit)	290	156
Net profit (loss) for the year	(885)	454

The 2012 operating and other expenses total include a \$1.65 million share of loss from associates.

6024 - Christchurch International Airport Limited

The international gateway to the South Island, each year CIAL manages nearly six million passenger movements.

The company is jointly owned by Christchurch City Holdings Limited (75 per cent) and the New Zealand Government (25 per cent). The primary activity of the company is to own and operate Christchurch International Airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users and in accordance with the terms of the aerodrome licence which defines standards and conditions laid down by the Ministry of Transport.

Despite the events of the past twelve months CIAL has made major progress in several areas. Following are some of the highlights achieved during the year:

- The opening of two further stages in the terminal development programme, with the development well on track for completion early in 2013.
- The resolution of issues in relation to access from State Highway One onto the airport campus.
- The achievement of resource consent for the development of Spitfire Square.
- The continued development of the company's property portfolio, particularly in Dakota Park.
- For the fourth year in a row, a very significant increase in staff engagement levels.
- The security of Singapore Airlines seven days per week service year round.
- The acquisition of the Christchurch International Antarctic Centre business.
- The launch of "South" marketing programme.

Effect of the Canterbury Earthquakes

CIAL incurred some damage from the earthquake events but this did not cause major disruptions to the day to day operations.

Costs associated with earthquake damage in the current year were \$1.0 million with total costs to date of \$3.8 million. In the current year \$1.6 million of insurance proceeds were received. No earthquake insurance claims are currently outstanding. Insurance costs have risen by more than 400% since the beginning of the earthquake events.

When compared to the year ended 30 June 2010 (the last full year prior to the earthquake of September that year) passenger numbers have fallen by 7.5% to 5,551,600. While the company earns only 36% of its revenue from aeronautical charges, a large percentage of its income is earned from commercial revenues associated with passenger throughput. Therefore the loss of 7.5% of its passenger base has cost the company revenue in terms of its terminal concessions and car parking in particular.

The disruption caused by the ongoing impact of the earthquakes continues to have a detrimental impact on the short to medium term international tourism visitors. This will continue to have an impact on short term earnings but the going concern assumption remains appropriate.

Nature and scope of activities

CIAL operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence.

The company arranges for the design, provision and maintenance of runways, taxiways, turnouts and aprons in cooperation with the Airways Corporation of New Zealand and other airport users. It also seeks to earn revenue by providing services and facilities meeting the needs of air travellers.

In addition to its primary business of serving the aviation industry and its customers, the company actively markets Christchurch, Canterbury and the South Island as a major destination for overseas visitors, and develops airport land for retail, commercial and freight logistics businesses.

Passenger numbers were slightly down on the previous year (international 1.42 million, domestic 4.13 million versus 1.49 million and 4.3 million respectively),

Policies and objectives relating to ownership and control

CIAL is considered a regional strategic asset which is operated in a commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. The Council has a policy of maintaining a controlling interest in this company.

Key performance targets

	2012 Target	2012 Actual
Dividend payment	16,094,000	17,175,000
Domestic passengers	4,284,285	4,131,741
International passengers	1,311,447	1,419,859

Financial summary

Statement of financial performance for the year ended 30 June 2012

·	2012 Actual \$000	2011 Actual \$000
Operating revenue	119,778	97,964
Operating and other expenses	93,480	68,516
Operating profit (loss) before tax	26,298	29,448
Tax expense (benefit)	6,698	8,443
Net profit (loss) for the year	19,600	21,005

6026 - City Care Limited

City Care Limited is a council controlled trading organisation, 100 per cent owned by Council through CCHL.

City Care is a leading provider of construction, maintenance and management services across New Zealand's infrastructure assets and it now provides infrastructure services to over half the population of New Zealand, employs 1,337 team members (as at 30 June 2012) and operates from 16 depots and offices throughout the country.

During the year the Company's immediate priority to the earthquake response transitioned into a focus on recovery, reconstruction and growth.

In September 2011, City Care, together with four other contractors, joined the NZTA, the Council and CERA in signing the SCIRT agreement for the rebuild of Christchurch's infrastructure. The Alliance is responsible for restoring Christchurch's roads, sewerage system, water supply pipes and parks damaged in the earthquakes. City Care's participation in this collaborative and historic venture represents a landmark juncture in the company's construction operation.

Key highlights during the year:

- Achieved an average return on equity of 39.4%.
- Restructured the company to create three operating divisions.
- Number of Lost Time Incidents decreased 89% on last year's figure.
- Paid a dividend of \$7.94 million to CCHL.
- Opened a new depot in Hastings.
- Won or re-won nine significant long-term contracts valued at \$43 million.
- Launched a joint initiative with the Ministry of Social Development to hire 70 unemployed people in trainee
 positions and pre-apprenticeships.
- Launched a nationwide employee numeracy and literacy programme.

Effect of the Canterbury Earthquakes

The Canterbury earthquakes caused no significant damage to City Care's physical assets and has not impacted its ability to deliver services in the future.

As well as joining the SCIRT alliance in September, City Care established an earthquake rebuild committee with a fixed term of twelve months which expired in July 2012. The committee included several City Care board members and meeting attendees included the Chief Executive Officer, General Manager National Construction and Chief Financial Officer.

The committee's main responsibilities were:

- the development of operational plans for the rebuild business streams,
- assisting business development opportunities,
- defining the nature and extent of economic evaluations and risk assessments.
- maintaining an oversight of initiatives once approved,
- making recommendations to the Board regarding processes to be followed,
- making recommendations to the Board and Management with respect to individual initiatives, and
- maintaining an overview of the selection and use of specialist advisors.

The earthquake rebuild committee received regular reports from management and made recommendations to the Board for its consideration.

Nature and scope of activities

City Care Limited is in the business of management, construction and maintenance of New Zealand's infrastructure and amenity assets. The company operates throughout New Zealand in four key market segments – parks, underground services, roading and facilities management.

City Care Limited operates a profitable, sustainable and innovative business. It maintains a strong market presence in all areas of construction and maintenance of the infrastructure and amenity assets owned by the Council.

City Care ensures that there is capacity in the market to meet the Council's emergency obligations. It is therefore an important contractor to the Council.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. The company has an important role in the city as a quality contractor. Through the negotiation of an annual Statement of Intent, the Council establishes broad goals for this company without inhibiting proper commercial management.

Key performance targets

	2012 Target	2012 Actual
Secure new long-term contracts in excess of \$2 million per annum.	New Contracts	Achieved
Develop a behavioural based quality system.	Develop system	Achieved
Provide a quality service as attested by maintaining accreditation to quality standards: ISO 9001 Quality Management.	Maintained	Maintained

Financial summary Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	354,047	237,472
Operating and other expenses	331,080	221,224
Operating profit (loss) before tax	22,967	16,248
Tax expense (benefit)	6,448	4,954
Net profit (loss) for the year	16,519	11,294

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6028 - Lyttelton Port Company

Lyttelton Port of Christchurch (LPC) is New Zealand's third-largest deep-water port. It provides a vital link in international trade routes and plays a key role in the global transport network.

As the South Island's biggest port, handling over 330,000 TEUs of containerised cargo a year, LPC is the preferred trade gateway for the exports and imports of Canterbury and beyond.

The Port offers full shipping services around the clock, including 24-hour security.

Lyttelton Container Terminal provides specialised cargo-handling and stevedoring services for general and refrigerated containers. CityDepot, the inland port at Woolston, provides an extensive container repair, wash and storage facility.

LPC's coal facility is the largest in New Zealand and currently exports 2.5 million tonnes annually.

The Port has the South Island's only dry dock.

In the Inner Harbour, it caters for bulk products such as petroleum, fertiliser, gypsum, cement, logs, conventional break-bulk, imported vehicles and the fishing industry.

With over 450 permanent and part-time staff with a wide variety of skill sets and backgrounds the LPC is by far the largest employer in the Lyttelton Harbour basin.

LPC is listed on the New Zealand Stock Exchange.

During the 2012 year, the company achieved an outstanding result, despite earthquake disruptions, with record volumes of containers and coal, and increases in almost every other form of cargo. This was due to the continued strength of Canterbury's economy, with its resilient businesses and a large rural engine.

Effect of the Canterbury Earthquakes

Since September 2010 the Canterbury region has experienced in excess of 10,500 earthquakes. These have extensively damaged the Port and its infrastructure. The effects of these quakes are reflected in LPC's financial statements for the years ended 30 June 2011 and 30 June 2012.

On 23 December 2011 there were two further significant earthquakes. Operations were restored within 24 hours and extensive independent technical and engineering assessment findings identified only additional minor damage to infrastructure.

Following each significant earthquake, LPC's key infrastructural assets are subject to independent technical and engineering assessments. If new significant damage is identified, the assets are assessed for whether they are partly or completely damaged and therefore needed to be derecognised. No assets were derecognised in the year ended 30 June 2012 (Port assets to the value of \$29 million were derecognised in the financial year to 20 June 2011).

The company determined that the earthquakes on 23 December 2011 were an indicator of impairment as per NZ IAS 36 Impairment of Assets. In accordance with NZ IAS 36, the company has undertaken an impairment review to determine the recoverable amount of its remaining recognised assets as at 31 December 2011. There were no further indicators of impairment. The result of this analysis was that the recoverable amount remained above the book value and that no impairment of the asset carrying values had occurred.

On 2 November 2011, the company elected to evacuate its administration building due to the risks highlighted in an engineering report. Further engineering assessments were commissioned to determine if remediation was possible and economically feasible. At 30 June 2012, no decision had been reached whether this building was repairable. The company is currently unable to assess whether the building had suffered any impairment. The building had a net book value of \$1.2 million as at 30 June 2012.

An additional insurance accrual of \$18.4 million has been recognised, taking the total carrying value of insurance receivables as at 30 June 2012 to \$29.0 million. Approximately \$52.0 million of claimable business interruption losses and preliminary material damage costs have been incurred as a result of the earthquakes since September 2010. Progress payments of \$35.7 million have been received from the port's insurers to date and a claim of \$10.0 million has been recently lodged.

Nature and scope of activities

This company provides the land, facilities, plant and labour for receiving, delivering, stockpiling, stacking and shipping a wide range of products at the port in Lyttelton Harbour. Its activities also include providing facilities associated with the repair and servicing of vessels.

Policies and objectives relating to ownership and control

LPC is considered a regional strategic asset and as such the Council's policy is for it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

Because it is a public listed company, LPC does not publish its annual performance targets.

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	123,156	138,133
Operating and other expenses	99,770	117,094
Operating profit (loss) before tax	23,386	21,039
Tax expense (benefit)	6,183	(3,072)
Net profit (loss) for the year	17,203	24,111

6030 - Orion New Zealand Ltd

Orion New Zealand Ltd owns and operates the electricity distribution network in central Canterbury between the Waimakariri and Rakaia Rivers, and as far inland as Arthur's Pass. The electricity network covers 8,000 square kilometres of diverse geography, including Christchurch City, Banks Peninsula, farming communities and high country.

Orion's network delivers electricity to around 190,000 homes and businesses. This number has reduced from previous years because of earthquake related demolitions.

Electricity retailers pay Orion for the network delivery service and include this in their retail charges to homes and businesses.

On 1 September 2011 Orion reached an important milestone when it completed its major emergency repairs following February's devastating quake. The intensive, six-month repair programme included some 700 electricity sector workers from throughout New Zealand and Australia, and over 200,000 people hours, focused on delivering a stable power supply across the city. The final stage saw Orion commission a new substation in Rawhiti Domain in New Brighton to replace the damaged zone substation on Pages Road.

Other highlights arose out of adversity during the 2012 financial year with 99% of all customers having their power restored within 24 hours of the significant earthquake events in June and December 2011 respectively. The company also managed to keep the power on for 99% of its customers during the July and August snow storms – some of the heaviest snowfalls in Christchurch for two decades.

The year also saw the installation of the final major phase of an advanced network management system. This significantly improves the company's ability to manage big network emergencies and restore power faster when outages occur.

During the rebuild of Christchurch Orion intend to work constructively with relevant authorities to develop a thorough understanding of the investment necessary to support the rebuild of Christchurch and engage with regulators to develop positive and practical solutions to the challenges ahead.

Effect of the Canterbury earthquakes

This year Orion continued to work alongside its shareholders to recover from our region's biggest natural disaster.

The company was also unable to set meaningful SAIDI/SAIFI performance targets for the year ended 31 March 2012.

Financial Impacts – the damage:

- High voltage underground cables were severely damaged in some city areas.
- Substations were relatively undamaged, however two of the company's smaller substations were destroyed (Sumner and Mt Pleasant) and one major substation (Brighton) suffered ground subsidence and liquefaction but its equipment survived.
- The company's main head office buildings suffered significant damage. The company has reached
 agreement to cash settle with its insurers on three of its significant buildings on its head office site and their
 unrecoverable contents and its overall earthquake deductibles for the 22 February and 13 June
 earthquakes. The company has recognised \$22.3 million as insurance revenues in the year ended 31
 March 2012.

The negative impact on net profit for the 2012 financial year is estimated to be \$0.07 million. This compares to a negative impact of \$19.8 million in 2011. There were also asset write downs totalling \$54.1 million in 2011 which were recognised in the other comprehensive income section of the statement of comprehensive income.

The major impact of the earthquakes on the company's capital expenditure for the year ended 31 March 2012 was the \$8 million Rawhiti substation. A further \$1 million was spent on standby diesel generators. No significant capital projects were cancelled in the year ended 31 March 2012, although a number were postponed until future years.

The Company has recognised \$22.3 million as insurance revenues in the year ended 31 March 2012.

Orion's repair bill will likely top \$70 million. This bill would have been much higher if Orion hadn't spent \$40 million over the past 15 years to strengthen key substations and build resilience into the network, and there would have likely been weeks and months of ongoing power cuts.

Subsidiary companies

Connetics Ltd

Nature and scope of activities

Orion plans, constructs and maintains a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region. The network's capacity is matched as closely as possible to actual and forecast market demand for electricity.

Policies and objectives relating to ownership and control

Orion is considered a regional strategic asset, operates in a commercial manner and in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of Orion without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

•	2012	2012
	Target	Actual
Overall network - Duration of supply interruptions in minutes per year per connected customer (SAIDI).	2011 Gazetted NZ weighted average 166.	231
Overall network - Number of supply interruptions per year per connected customer (SAIFI).	2011 Gazetted NZ weighted average 1.8.	2.2

Due to the severity of the earthquakes and the significant uncertainties related to the ongoing nature of the earthquakes, it was not practicable for the company to set meaningful SAIDI/SAIFI targets in the company's Statement of Intent for the year ended 31 March 2012.

The gazetted NZ weighted average figures in the above table exclude Orion's so as not to skew the wider industry comparative data and are for the year ended 31 March 2011. The 31 March 2012 data was not available at the time of printing this document.

Financial summary

Statement of financial performance for the year ended 31 March 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	245,512	222,806
Operating and other expenses	177,386	177,935
Operating profit (loss) before tax	68,126	44,871
Tax expense (benefit)	13,972	16,511
Net profit (loss) for the year	54,154	28,360

Orion's results were affected by a number of one-offs. In particular, several significant non-recurring insurance receipts increased the reported profit this year. As well as \$21.0 million in insurance receipts, Orion's post tax profit of \$54.0 million was positively affected by \$4 million in deferred operational expenses and a \$2.0 million part reversal of the previous year's downwards revaluations. The one-off insurance receipts related to Orion's CBD offices that have now been demolished.

6032 - Red Bus Ltd

www.redbus.co.nz

Red Bus Ltd (Red Bus) carried approximately 3.4 million passengers in Christchurch City this year with a fleet of 140 buses well down on last year's figures of 5.8 million passengers with a fleet of 167 buses. The reduction in patronage is directly related to the Canterbury earthquake events and reduced commercial activity. Reductions in available services since the Canterbury earthquakes and the cessation of school relocations in February 2012 have impacted on fleet utilisation.

Revenue for Red Bus has reduced from \$23.2 million in 2011 to \$17.7 million in 2012 due to a number of contracts ending and a drop in fare revenue following earthquake events. The Company's net tax paid profit of \$0.08 million is significantly down from the \$6.2 million recorded in 2011. This difference is largely due to the recognition of \$6.8 million of insurance proceeds in 2011 following the Canterbury earthquakes.

During the year the Company helped address the difficult issue of meeting the need for both Christchurch people and visitors to see and understand what the earthquakes have done to the people and the fabric of the central city and its recovery process. Red Bus was successful with its expression of interest to CERA for bus tours inside the Central City cordon. These tours delivered in partnership with Canterbury Museum have been highly commended by customers for their understanding and sympathetic treatment of the earthquake story.

Effect of the Canterbury earthquakes

Christchurch City's public transport network emerged from the Canterbury earthquakes as one of the sectors hardest hit by the disaster, requiring the Company to deal with a number of major operational issues. Two significant commercial services to Christchurch Airport were terminated in early 2012 due to a sustained drop in passenger numbers, although the Darfield commercial service remains operating successfully.

An immediate effect of the earthquakes was a large fall in passenger volumes which are now 65% of those preearthquake. Encouragingly, passenger numbers are beginning to rise at a rate of around 3% annually, as the City's business activity begins to improve. Full recovery to previous patronage levels will depend on how quickly the Rebuild and Recovery of the Central City progresses, with a substantial recovery some years away.

The company has continued working with its insurers and the 2012 Financial Statements record \$1.24 million of insurance proceeds in relation to the loss of rental income, workshop plant and equipment, loss of profits and balance of workshop buildings recovery.

The Company has held off the planning for new workshop facilities until the Christchurch Central Development Unit provides its report on the Central City Plan.

Nature and scope of activities

Red Bus provides scheduled urban public passenger transport services in Christchurch. The company also delivers a broad base of charter services and operates some commercial urban services.

Policies and objectives relating to ownership and control

The Council, through Christchurch City Holdings Limited, is the sole shareholder of this company. It has no plans to sell down or relinquish control of this company. The company has an important role in the city as a provider of quality bus services. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

	2012 Target	2012 Actual
Percentage of service trips starting on time.	≥ 97%	98%.
Percentage of bus fleet with Euro 2 or higher emission compliant engines.	85%	85%.
Employees holding a NZQA qualification.	≥ 55% of staff	73%

Financial summary

Statement of financial performance for the year ended 30 June 2012

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	2012	2011
	Actual	Actual
	\$000	\$000
Operating revenue	19,003	30,405
Operating and other expenses	18,991	24,174
Operating profit (loss) before tax	12	6,231
Tax expense (benefit)	(72)	16
Net profit (loss) for the year	84	6,215

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6034 - Vbase

Vbase Limited is 100 per cent owned by Council.

Subsidiary company

Jet Engine Facility Limited (JEFL)

The impact of the earthquake on the operations of the Company continues to be significant. Only CBS Canterbury Arena was able to operate during the 2011/12 financial year as it sustained only superficial damage.

The other three venues, AMI Stadium, Christchurch Town Hall for Performing Arts (Town Hall) and Christchurch Convention Centre all sustained major structural damage and have been closed since 22 February 2011. The Convention Centre has been demolished and work began in May 2012 to demolish the Hadlee Stand at AMI Stadium.

In June 2011 the Vbase directors and Council agreed that in order to reduce the company's management costs Vbase would enter into a facilities management agreement contract with Council. Under the agreement Council would manage, repair and rebuild the venues. Ownership of all building venues remains with Vbase.

The release of the Christchurch Blueprint in July has provided further clarity on Council's and Central Government's intention to rebuild the three damaged Vbase facilities. The Blueprint provides a suggestion as to the type, size, location and target completion date of each facility proposed to be constructed.

On 29 June 2012 the Company sold 100% of its shareholding in JEFL to Annzes Engines Christchurch Limited and Pratt & Whitney Holdings SAS (PWANZ). The sale was reached after an agreement was made to exercise a call option whereby PWANZ purchase all shares in JEFL from the Company for a consideration of \$9.86 million.

Effect of the Canterbury earthquakes

As noted above, the earthquake events continue to cause significant disruption to the Vbase business. While the CBS Arena has not suffered significant earthquake damage and is operational, Vbase continues to have no ability to provide services from its other venues.

Nature and scope of activities

The Council has entrusted Vbase with ownership and management of the four premier entertainment and event venues within Christchurch city. These venues are:

- the CBS Canterbury Arena.
- the Christchurch Town Hall for Performing Arts.
- the Christchurch Convention Centre, and
- AMI Stadium.

Vbase also owned 100% of subsidiary company JEFL which, as stated above, was sold on 29 June 2012.

Vbase may also undertake other property-related projects that have a commercial focus and/or a regional development impact.

Policies and objectives relating to ownership and control up until June 2012

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of Vbase, without inhibiting its proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

	_2012	2012
	Target	Actual
Utilise the CBS Canterbury Arena to support displaced cultural/community business from the Christchurch Town Hall.	90% booking for annual cultural events displaced from the Christchurch Town Hall.	Reached 70% of target.
Maximise event days at CBS Canterbury Arena.	Greater than 150 event days.	171 event days were booked during the year.
Secure events that will encourage high usage of the venues.	Visitors to venues exceeds 200,000.	244,836 visitors to Vbase venues.
Facilitate access to the venues for local sporting, charitable and cultural organisations.	Total venue discounts exceed \$200,000.	\$396,118 venue discounts have been provided during the year.

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	181,449	80,299
Operating and other expenses	87,677	62,640
Operating profit (loss) before tax from continuing operations	93,772	17,659
Tax expense (benefit) from continuing operations	9,697	6,004
Net profit (loss) for the year from continuing operations	84,075	11,655
Net profit (loss) for the year from discontinued operations	(1,226)	344
Profit (loss) for the period	82,849	11,999

The 2011 results include a \$21.1 million loss on disposal of buildings and equipment due to the 22 February earthquake. They also include insurance recoveries of \$48.7 million of which \$43.7 million has been accrued on balance sheet.

The 2012 income results include a \$166.6 million material damage insurance accrual which, when added to the 2011 \$48.7 million insurance total mentioned above, brings the total amount received and accrued to the \$215.3 million. This amount represents the combined insurance replacement value for the three significantly damaged venue structures.

The 2012 expense results include a \$64.2 million building revaluation write down for both the Town hall and AMI stadium. These revaluations along with the 2011 full impairment of the Convention Centre building mean that the only significant building asset remaining in the Vbase asset schedule is the CBS Arena Structure.

6036 - Tuam Limited

This company is a council-controlled trading organisation, 100 per cent owned by Christchurch City Council.

Effect of the Canterbury earthquakes

The major asset of Tuam Limited is the former Civic Building on Tuam Street. The building has suffered significant damage from the Canterbury earthquakes and at the time of writing no final decision has been made about its future. The Central City blueprint released by CERA on 30 July 2012 indicates that the company's property could become the Bus Exchange and form part of the 'Southern Frame'. This announcement does not change the Company's intention regarding its investment property.

Nature and scope of activities

This company owns and manages the former Civic building and related Tuam Street properties.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters reflecting the public nature of this company without inhibiting commercial management. To continue to do this the Council maintains a controlling interest in this company.

Key performance targets

key performance targets	2012 Target	2012 Actual
Financial targets contained within the Statement of Intent are met.	Achieved	Partly achieved. Expenditure costs exceeded target due to higher than expected earthquake related expenses during the year.
The company meets all relevant legislative and contractual requirements.	Achieved	Not achieved. The Company did not meet the specified timeframes set out in the legislation when submitting the half year financial accounts and 2012 Statement of Intent to the Board.

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012	2011
	Actual	Actual
	\$000	\$000
Operating revenue	943	1,933
Operating and other expenses	895	2,223
Operating profit (loss) before tax	48	(290)
Tax expense (benefit)	(149)	242
Net profit (loss) for the year	197	(532)

6038 - Civic Building Limited

This company is a Council-controlled trading organisation, 100 per cent owned by Council.

Nature and scope of activities

Civic Building Limited (CBL) owns 50 per cent interest of the Christchurch Civic Building unincorporated joint venture with Ngai Tahu Property Ltd. The joint venture owns the new Civic Building in Hereford Street.

Effect of the Canterbury earthquakes

The building was damaged in the 2010 and 2011 Canterbury earthquakes. The tenants vacated the building while repairs were being carried out and moved back into the building at the beginning of November 2011.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters around the design and refurbishment milestones, and management of the financial targets.

Key performance targets

	2012 Target	2012 Actual
To ensure the group meets the financial targets contained within the Statement of Intent.	Budgeted key performance indicators are met or exceeded.	Achieved. A Net surplus after tax of \$746,000 was well ahead of the target deficit of (\$407,000) after tax.
Manage the investment in a commercially astute and prudent manner.	Ensure a comprehensive management agreement is in place for management of the new Civic Building.	A comprehensive management agreement is in place with Ngai Tahu Property Limited.
The Civic Building was designed to achieve a high standard in terms of environmental and energy sustainability.	Ensure the Civic Building operates in a manner that preserves Green Star 6 accreditation features.	Green star 6 accreditation features have been achieved.

Financial summary

Statement of financial performance for the year ended 30 June 2012

·	2012 Actual \$000	2011 Actual \$000
Operating revenue	12,836	9,575
Operating and other expenses	12,170	11,894
Operating profit (loss) before tax	666	(2,319)
Tax expense (benefit)	(668)	36
Net profit (loss) for the year	1,334	(2,355)

6040 - EcoCentral Limited

www.ecocentral.co.nz

EcoCentral Limited is a council-controlled trading organisation, 100 per cent owned by CCHL.

On 4 August 2009 EcoCentral, then named CCC Two Limited, purchased certain assets and liabilities of Meta New Zealand Limited, Meta Processing Limited, Meta Transport Limited, and Reworks Limited (the 'Meta Group'). The Meta Group had operated the EcoDrop waste transfer stations, the EcoSort recycling facility, and the EcoShop. Following the acquisition EcoCentral assumed responsibility for these operations.

EcoCentral Ltd oversees the processing of refuse and recycling collections of waste from households and commercial premises throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finds ways to ensure Christchurch is a leader in recycling.

This year marks EcoCentral's first full year under CCHL ownership.

During the year, the strong New Zealand dollar combined with dramatically lower commodity prices for recovered recyclable materials reduced demand for our products and affected income. The volumes attributed to post-earthquake activity diminished to a consistent level with a substantial reduction in waste volumes in the red zone areas affecting the East and Northern EcoDrop sites.

Effect of the Canterbury earthquakes

The earthquakes events caused minor operational disruption to EcoCentral Limited and only minor damage to its buildings and infrastructure. EcoCentral Limited received additional volumes of material into its EcoDrops as a consequence of the damage to property in the Canterbury region. During the 2012 financial year, EcoCentral Limited has received engineering reports on buildings and property that it occupies operationally. Any remedial work has either been undertaken or listed as requiring to be done in conjunction with the landlord – being Christchurch City Council.

Nature and scope of Activities

EcoCentral Ltd manages:

- EcoSort, a large facility that receives all the Yellow Bin recycling from Christchurch where it is automatically sorted, baled and sold as a reclaimed material. Some of the materials are shipped overseas and some is sent for reuse within New Zealand.
- Three EcoDrop transfer stations for managing Christchurch's recycling and refuse for both domestic
 and commercial waste. Each station has a recycling centre, household hazardous waste drop off area
 and a refuse area for green waste and hardfill.
- EcoShop, on Blenheim Road, is the retail outlet for the recycled goods rescued from the three
 Ecodrops, thereby diverting material from landfill. Goods are inspected by workshop staff before they
 are on sold.

Policies and objectives relating to ownership and control

Following purchase from the Council in January 2011, CCHL is now the sole shareholder of this company. The company has an important role in the city as a quality handler and processor of recycled material. Through the negotiation of an annual Statement of Intent, the Council, via its 100 per cent ownership of CCHL, establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

, periodical de la gene	2012 Target	2012 Actual
Residual waste from the EcoSort recycling facility.	<6% of total waste received.	8.46%
Amount of waste diverted from EcoDrops for other uses.	>25%	51.62%

Financial summary

Statement of financial performance for the year ended 30 June 2012

	Actual	Actual
	2012	2011
	\$000	\$000
Operating revenue	30,176	33,498
Operating and other expenses	33,435	31,210
Operating profit (loss)	(3,259)	2,288
Tax expense (benefit)	(78)	812
Net profit (loss) for the year	(3,181)	1,476

The 2012 operating expenses number includes a prudent \$3.1 million write-down of the goodwill on the EcoSort component of the company's operation.

6042 - Transwaste Canterbury

Transwaste is a joint venture between local authorities in the region and Transpacific Industries Group (NZ) Limited, with Council owning 38.9 per cent.

Effect of the Canterbury earthquakes

Transwaste has not suffered any significant damage to physical assets as a result of the earthquakes and its ability to deliver services in 2012 has not been impaired.

Nature and scope of activities

Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

Transwaste enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

Transwaste will, in due course, invest in alternatives to landfilling for solid waste disposal, should these alternatives be more environmentally sustainable and cost effective.

Policies and objectives relating to ownership and control

It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest in residual waste disposal activities.

Key performance targets

Rey performance targets	2012 Target	2012 Actual
Operate with no proven breaches of Resource Management Act consents.	Nil proven consent breaches.	Achieved
Access to landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Achieved. No disruption of waste transport services

Financial summary

Statement of Financial Performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	33,370	32,088
Operating and other expenses	24,139	21,451
Operating profit before tax	9,231	10,637
Tax expense	2,570	3,192
Net profit for the year	6,661	7,445

6044 - Selwyn Plantation Board

This company is engaged in forestry and farming activities, and is jointly owned by Selwyn District Council (61.7 per cent) and CCHL (39.3 per cent).

The net profit for the year was \$1.9 million, compared with \$4.3 million in the previous year.

Effect of the Canterbury earthquakes

While Selwyn Plantation Board was not directly affected by the Canterbury earthquakes an area of the Board's Bottle Lake Forest Park was identified under the Civil Defence Emergency Management Act as a recycling site for earthquake rubble and silt. The Board has not experienced any immediate financial loss owing to the recovery operation. There has been a direct loss of the two-year-old plantation in the area used, and its establishment costs. This land will be possibly usable again in approximately five years and in the meantime some loss of forest production opportunity will result.

Nature and scope of activities

The core business of the company is (a) to manage its forests and lands on a commercial basis using environmentally and commercially sustainable methods, and (b) to convert plains and forests to higher value alternate uses.

Strategic Direction

To liquidate the Company through a well managed and staged realisation, consistent with Shareholders' expectations.

Policies and objectives relating to ownership and control

The Council, through CCHL, has a minority interest in this company and holds it for investment purposes. It does not regard it as a strategic asset.

Key performance targets

	2012	2012
	Target	Actual
Ratio of equity to total assets.	95%	98%
Return before interest and tax to total assets.	1.0%	5.6%
Return after tax to equity.	1.0%	4.6%

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	5,756	17,362
Operating and other expenses	2,780	11,780
Operating profit (loss) before tax	2,976	5,582
Tax expense (benefit)	581	1,240
Net profit (loss) for the year	2,395	4,342

6046 - Riccarton Bush Trust

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains by European settlers.

Incorporated under a 1914 Act of Parliament, the Riccarton Bush Trust has powers to levy the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds. The Council appoints six of the nine members on the Trust Board.

Impact of the Canterbury earthquakes

Riccarton House was extensively damaged in the 2010 and 2011 earthquakes. The estimated repair bill is \$1.8 million which will be covered by insurance. The Trust will be liable for a total of \$121,670 for strengthening works and the excess on the insurance claim.

Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Key performance targets

key performance targets		
	2012	2012
Updating of Management Plan for Riccarton House & Bush, as required by the amendment to the Riccarton Bush Act.	Target Commence work on a Management Plan for Riccarton House & Bush, as required by the amendment to the Riccarton Bush Act.	Actual On target. Process for plan adopted by Board. Working party established and work underway.
Landscape and grounds.	Improve landscape in front of Riccarton House.	Landscape enhancement plan completed.
	Resolve non performing Council administered asset waterway in and adjacent.	Council have re-surveyed the Kauri Drain asset waterway with a view to removing the stones/debris and re-levelling the asset waterway.
	Qualified survey of Bush conditions and trends.	On target, this project has been initiated with the School of Forestry at Canterbury University.
Continue the successful partnership with DOC and Operation Nest Egg and the Kiwi Crèche in Riccarton Bush.	Juvenile Great Spotted Kiwi to be crèched in Riccarton Bush during the 2010/2011 Winter/Spring.	5 juvenile Great Spotted Kiwi crèched in Riccarton Bush and returned to Willowbank for release in Jan 2012.
Maintenance and upgrade of facilities.	Upgrade of commercial kitchen.	On target. Design and specification completed and tendered. Resource consent obtained. Installation delayed due to earthquake repair process.

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Financial summary Statement of financial performance for the year ended June 2012

2012 Actual \$000	2011 Actual \$000
930	2,093
451	1,532
479	561
479	561
	930 451 479

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6048 - Central Plains Water Trust

The Central Plains Water Trust (CPWT) was established by the Christchurch City and Selwyn District Councils to facilitate sustainable development of Central Canterbury's water resource.

Trustees of the CPWT were appointed by the two Councils to reflect a broad range of skills and experience in areas such as governance, agriculture, engineering, commerce and resource management. Some Trustee appointments were made following recommendations from the Parliamentary Commissioner for the Environment and Te Runanga O Ngãi Tahu.

The resource consent process has taken over 11 years with the 'take' consents for the Rakaia and Waimakariri Rivers having been lodged in 2001. Since this date there has been a lengthy hearing and appeal mediation process resulting in the Rakaia consent being extended by 10 years to 35 years which now makes it consistent with the Waimakariri term.

Central Plains Water Limited, with assistance from the Trust, has successfully negotiated and settled with all appellants and a final memorandum was filed in the Environment Court so that it could issue the final consents. As part of the settlement process the Trust agreed to an agreement made with Ngãi Tahu for additional Ngãi Tahu representation on the Trust Board, and the settler councils have now endorsed this.

The final resource consents were issued by the Environment Court on 25 July 2012.

Trustpower is continuing its plans for an amendment of the Rakaia Conservation Order to allow it to store and release a greater volume of Lake Coleridge water for power generation. The result would be for CPWT to have an opportunity to use that water if the terms and conditions are acceptable and economic. Discussions between Central Plains Water Limited and Trustpower are continuing for this purpose.

The total cost to implement the entire Scheme is estimated at:

- Construction costs \$300 \$400 million.
- On farm costs \$200 million.

Implementation of the scheme is planned to commence in mid 2013.

Effect of the Canterbury Earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on CCHL or its ability to deliver services in the future.

Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme, and to hold these consents for the use of Central Plains Water Limited.

Policies and objectives relating to ownership and control

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains, including significant employment creation. The Council, through its involvement with the Trust, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

Key performance targets

To provide assistance to Central Plains Water Limited and monitor progress obtaining the necessary resource consents for the Central Plains irrigation scheme on behalf of the Trust. Target
Provide assistance and monitor progress during the financial reporting period.

2012

Achieved. The Trust has monitored progress with regard to the various resource consent applications, funding and other priority matters through regular reports, briefings and meetings between the company, the Trust, project management and consultants.

2012

Actual

To consult, develop scheme recreational opportunities and environmental community enhancers.

To consult, develop scheme recreational opportunities and environmental community enhancers during the financial reporting period.

Achieved. Priority has been directed towards consent hearings and the mediation of appeals in the Environment Court. In that process the Trust has been able to ensure that environmental recreational educational and social benefits have been addressed in accordance with the Trust's objectives.

Financial summary Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	44	43
Operating and other expenses	44	43
Operating profit (loss) before tax	-	-
Tax expense (benefit)		-
Net profit (loss) for the year	-	-

6050 - Canterbury Development Corporation

Canterbury Development Corporation (CDC) was set up as a limited liability trust company by Council on 5 December 1983. In 2003 the CDC Trust was settled by Council as CDC Limited shareholder. This Charitable Trust has been found to be invalid by the High Court and on 1 July 2012 ownership of CDC was transferred to Canterbury Development Corporation Holdings Limited, a fully owned subsidiary of Council.

CDC acts as the economic development agency for Christchurch City and its interaction with the wider Canterbury economy. Its main role is to stimulate economic growth through the development and stewardship of the Christchurch Economic Development Strategy (CEDS) and resulting significant interventions - particularly focused on innovation, export-ready companies, developing priority sectors and leading major regional projects.

Effect of the Canterbury Earthquakes

CDC had minimal physical assets at the time of the Canterbury earthquakes therefore had little or no direct impact on the Corporation's ability to deliver services in the future.

Nature and scope of activities

The Christchurch and New Zealand economies need to perform significantly better to preserve and enhance our quality of life. As New Zealand's second largest city, Christchurch's recovery and prosperity is very important for New Zealand.

Resource sharing with related organisations has been a significant part of the way CDC does business since the earthquakes, CDC has continued its partnership with the Chamber of Commerce to support Recover Canterbury in providing financial and practical assistance to earthquake affected business and seconded high level expertise to CERA to support the Economic Recovery Plan (ERP) and Infrastructure Rebuild activities.

Collaboration is key to the successful delivery of the CEDS. Working closely with CERA to develop the ERP has ensured alignment between recovery planning and the long term development goals of CEDS. On completion of the Economic Recovery Planning process, CDC will commence its review of CEDS.

Key Performance Targets

	2012 Target	2012 Actual
Participate in the development of the CERA economic recovery plan to ensure alignment with the long term Christchurch Economic Development Strategy, and the best outcomes for the region.	100%	100%
Revision of Christchurch/Canterbury economic model, capable of undertaking economic impact assessments.	100%	100%
Case management of high-growth-potential businesses in priority industry sectors (at least10 per sector).	100%	100%
Work with at least 360 earthquake effected SMEs to support earthquake recovery and facilitate the involvement of at least 10 local businesses in supply goods and services for rebuild activities.	100%	80%

Financial Summary

Statement of financial performance for the year ended 30 June 2012

·	2012 Actual \$000	2011 Actual \$000
Operating revenue Operating and other expenses	7,131 6.004	4,478 4,829
Operating profit (loss) before tax Tax expense (benefit)	1,127	(351)
Net profit (loss) for the year	1127	(351)

Note: 2012 numbers remain subject to audit.

6052 - Canterbury Economic Development Company Limited

Canterbury Economic Development Company Limited (CED Co Ltd) was formed in October 2008 by the ten Canterbury local and regional authorities. The core purpose and mission of the company is to act as a promoter for transformational economic development projects that will benefit Canterbury and to utilise the Canterbury Regional Economic Development Strategy (CREDS) to coordinate strategic economic development initiatives.

The Canterbury earthquakes have affected the delivery dates of all six CREDS projects funded by NZ Trade and Enterprise (NZTE). This is due to a number of factors including Environment Canterbury losing access to its building and some records, and Aoraki Development Business and Tourism being unable to hold Canterbury wide seminars. NZTE has been extremely accommodating and has granted contract variations.

Effect of the Canterbury Earthquakes

The Company has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on CED Co Ltd or its ability to deliver services in the future.

Nature and scope of activities

CED Co Ltd will act as a liaison with Central Government regarding economic development on behalf of the councils and community of Canterbury. Its objectives are:

- To receive, review and select the most appropriate projects for funding application for the Regional Strategy Fund (RSF).
- Act as the clearing house of correspondence between projects and the Ministry of Economic Development (MED) and NZTE.
- Provide feedback regarding project proposals.
- Communicate shifts and changes in MED/NZTE policy to the regional economic development role players.
- Provide a governance and leadership entity to stimulate collaborative efforts to transform the Canterbury economy.
- Drive the review of the CREDS.
- Stimulate regional collaboration.
- Support medium to long term strategic planning to lift regional economic development outcomes such as increased competitiveness.

Key performance targets

no, ponomiano angolo	2012 Target	2012 Actual
Regional Strategy Fund.	Successful application for RSF funding.	Achieved
Actively liaise with stakeholders.	Evidence of active liaison with stakeholders.	Achieved

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	372	258
Operating and other expenses	372	258
Operating profit (loss) before tax	-	_
Tax expense (benefit)		
Net profit (loss) for the year		

6054 - Gardens Event Trust

The Gardens Event Trust is a Charitable Trust established by the Council on 18 December 2008. The primary purpose of the Trust is to raise the community's awareness of the benefits of good horticultural, floricultural and landscape construction and design practices and encourage active participation in these practices across all cultures and age groups.

Effect of the Canterbury Earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Nature and scope of activities:

In order to pursue its Charitable Objects the Trust focuses on the following activities:

- Fostering, promoting and increasing the knowledge of the public as to horticulture, floriculture, landscape construction, landscape design and cuisine.
- Providing support for schools of learning and establishing scholarships and prizes in areas of horticulture, floriculture, landscape design and construction.
- Promoting gardening as a leisure activity across all cultures, genders and age groups in New Zealand.
- Promoting and maintaining the health and safety of the public or any section of the public.

Financial summary Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	90	144
Operating and other expenses	90	142
Operating profit (loss)	-	2
Net profit (loss) for the year		2

6056 - Christchurch Agency for Energy Trust

The Christchurch Agency for Energy (CAfE) Trust is a Charitable Trust established by the Council on 13 July 2010. The primary purpose of the Trust is to promote energy efficiency initiatives and the use of renewable energy in Christchurch.

Effect of the Canterbury Earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Nature and scope of activities:

In order to pursue its charitable objects the Agency has committed to undertaking the following activities:

- By building on the range of initiatives included in the Sustainable Energy Strategy for Christchurch 2008-2018, published by the Council, the Agency is developing a work program and a structure to manage the delivery of initiatives including those brought in by other parties. The initial focus is the delivery of Christchurch based projects and "localising" relevant Energy Efficiency and Conservation Authority projects.
- Providing an educational role with a primary focus of raising awareness about energy efficiency and renewable energy options as a value proposition with initial focus on homeowners and architects/designers.
- Acting as a broker facilitating projects that deliver benefits to businesses and larger organisations (including schools, hospitals and the transport sector).
- Lobbying government and government agencies, particularly in the area of legislative and rule changes impacting on energy efficiency and the use of renewable energy.
- Exploring and developing initiatives relating to improvement in energy efficiency and increased use of renewable forms of energy.

Key performance targets

Public awareness.	2012 Target Carry out an annual survey of public awareness on energy efficiency and renewable energy issues.	2012 Actual Focus group and field surveys completed.
Feasibility study.	Completion of District Energy study.	Three feasibility studies completed and made available to public via media and website.
Advisory Scheme implementation.	Development and implementation of an Energy Design Advisory Scheme for major buildings.	Program developed and completed. Launched and initial applications received.
Submissions or suggested changes to legislation and/or regulations.	CAfE considers and as it feels appropriate, makes submissions on, or suggests changes to, legislation and/or regulatory changes impacting on energy efficiency and the use of renewable energy, particularly as it relates to Christchurch.	CAfE made submissions as follows: - Christchurch City Council on Draft Central City Plan Christchurch Earthquake Recovery Authority on the Draft Central City Recovery Plan.

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Report on new initiatives.

Report on new initiatives identified during the year, for current or future action by CAfE.

As part of the Energy Awareness Program CAfE carried out a series of Energy Dialogues with the public. A review of the suggestions is included as a performance measure in the 2012/13 Statement of Intent.

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	1,030	1,052
Operating and other expenses	1,006	147
Operating profit (loss)	24	905
Net profit (loss) for the year	24	905

\$0.66 million of the 2012 expense total related to a District Energy Feasibility Study as well as other project and consultancy costs during the year.

6058 - The World Buskers' Festival Trust

The World Buskers' Festival Trust (WBF) is a Charitable Trust established by the Council on 1 July 2010. The primary purpose of the Trust is to hold an annual international buskers festival in Christchurch and apply surplus funds generated by the festival towards promoting street theatre as a performing art in New Zealand.

Effect of the Canterbury Earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Nature and scope of activities:

Key performance targets

The Trust is established for charitable objects that include the following:

- Holding an annual buskers festival in Christchurch.
- Fostering the growth of street theatre as a performing art in New Zealand.
- Encouraging the participation of the wider community as audiences and performers in street theatre as a recreational activity.
- Increasing the importance of street theatre as part of our cultural community.
- Furthering the objects and activities of the Trust.
- Generating capital and income to further the aims and objects of the Trust.
- Working in conjunction with other groups, bodies and organisations having aims and objects in common with the Trust.

2012 2012 **Target** Actual Attract at least 300,000 visits. Achieved. An estimated 300,000 Visitor attendance. people attended based on ticket sales and an approximation of open air events. 75% of Dome shows sold out. Not measured. Likely to be have been achieved but no measurement procedure in place for 2012. Customer satisfaction. 90% of visitors are satisfied. Achieved. More than 92% of the respondents said that they were satisfied or very satisfied with the delivery of the WBF. Furthermore, 93% or the respondents said that they were satisfied or very satisfied with the content or the WBF. Festival development. Deliver programme at least the same Achieved. 60 performers in 2012 size as the 2011 programme. compared to 55 in 2011. Introduce children's educational Achieved. 'Be a Busker' event was introduced. component to festival. Generate surplus for future festival Achieved. Net surplus of \$85,482. development. A City-wide festival. Deliver Buskers @ Brighton Achieved. programme.

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Achieved.

Introduce free transport from

disadvantaged suburbs to the festival.

Financial summary Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	1,966	1,259
Operating and other expenses	1,881	1,258
Operating profit (loss)	85	1
Net profit (loss) for the year	85	1

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6060 - Rod Donald Banks Peninsula Trust

The Rod Donald Banks Peninsula Trust (RDBPT) is a Charitable Trust and was created by the Council on 12 July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region. The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

Effect of the Canterbury Earthquakes

The Trust has no significant physical assets. The Canterbury earthquakes therefore had little or no direct impact on its ability to deliver services in the future.

Nature and scope of activities:

The Trust recognises the community as being of critical importance to the achievement of its Charitable Objects and focuses its efforts on engaging with groups and projects which have similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups and projects in the pursuit of their common goals. The Trust's hallmark is entrepreneurship and practical achievement, values important to Rod Donald, and it uses its funds to assist individual groups and projects to achieve goals that they cannot otherwise achieve on their own.

Key performance targets

Key performance targets		
	2012	2012
Inform the public and relevant interest groups of the existence and purpose of the RDBPT.	Target Develop and implement a communications advertising policy for the RDBPT.	Actual Information about the RDBPT settlement and its purpose was published in local newspapers.
		A draft communications policy has been developed.
		The following internet address has had an interim web page uploaded during the year. www.roddonaldtrust.co.nz
Develop relationships with existing interest groups on Banks Peninsula with similar aims, along with relevant government	Develop a list of key interest groups that the RDBPT would like to work with.	A list of relevant interest groups has been compiled.
agencies and territorial authorities.	Meet with key contacts within the groups to discuss their projects and the manner in which RDBPT can work with them.	The trust has contacted 26 groups deemed most relevant.
Explore options for growing the trust fund.	Develop an investment policy for RDBPT.	An investment policy has been developed.
	Identify other bodies which have funds available for projects aligned with RDBPT. Develop strategic relationships with these bodies.	A relationship has been developed with the Department of Conservations nature Heritage Fund and the Walking Access Commission.
Identify key projects the Trust is to be involved in over the 2011/12 to 2012/13 financial	Establish a list of projects which will be the key focus of the RDBPT in the short to medium term.	3 key projects have been developed.
years.	A distribution's policy for distributions to projects is developed.	Various distribution policies being investigated and developed.

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Provide tangible support for the key projects identified above.

Evidence of projects that are either in progress or completed due to the support from the RDBPT.

Has been achieved in current project to develop its branding and then website as well as a project to develop a walking strategy.

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	157	3,569
Operating and other expenses	23	4
Operating profit (loss)	134	3,565
Net profit (loss) for the year	134	3,565

6062 - Canterbury Earthquake Heritage Building Fund

The Canterbury Earthquake Heritage Building Fund is a Trust created by the New Zealand Historic Places Trust, Council, Waimakariri District Council and Selwyn District Council following the September 2010 Canterbury earthquake. The Fund was established to provide assistance to owners of qualifying heritage buildings located within the Canterbury region to repair earthquake damage.

Effect of the Canterbury Earthquakes

The Fund has no significant physical assets and was created in response to the Canterbury earthquakes. The earthquakes have therefore had no impact on its ability to deliver services in the future.

Nature and scope of activities:

Funding distributed by the Canterbury Earthquake Heritage Building Fund will be available for:

- historic buildings listed in a District Plan or in NZ Historic Places Trust's register of historic places, historic areas, wahi tapu or wahi tapu areas;
- buildings and groups of buildings that make a significant contribution to the historic identity and visual character of communities; and
- Marae buildings and other buildings of significance to Maori.

Grants made by the Fund will be targeted at the gap between insurance cover and the actual cost of repairs and associated conservation, structural upgrading and Building Code compliance works. Grants may be up to a maximum of 50% of the total cost of the works, depending on the significance of the building and/or the group of buildings of which it is a part.

Financial summary

Statement of financial performance for the year ended 30 June 2012

	2012 Actual \$000	2011 Actual \$000
Operating revenue	3,265	1,364
Operating and other expenses	854	-
Operating profit (loss)	2,411	1,364
Net profit (loss) for the year	2,411	1,364
Natar mumahana namain aukiaat ta audit		

Note: numbers remain subject to audit

7000 - Monitoring

Annual Report 2012 Christchurch Otautahi

This section contains information about the Council's capital endowment fund and includes a members' interest register for subsidiary companies.

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7010 - The capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development and civic and community projects. Its objectives and policies are detailed on page 230 in Volume 1 of the Council's LTCCP 2009-19.

The investment objectives of the fund were met during 2011/12. The risk of capital loss was minimised by retaining all funds in cash investments due to the volatility of the world's equity markets. This approach was consistent with the objectives outlined in Council's Investment Policy.

Capital endowment fund – funding allocations	2012 Actual \$000	2011 Actual \$000
Total available income from fund	2,179	2,668
Economic development 70%	1,525	1,868
Brought forward from previous year	(30)	432
Available to allocate	1,495	2,300
Less allocated: Economic development projects	(850)	(850)
Iconic events	(783)	(899)
One-off events	(75)	(81)
Marketing initiatives	(500)	(500)
Balance available for economic development projects	(713)	(30)
	(110)	(00)
Civic and community 30%	654	800
Brought forward from previous year	2,578	1,788
Available to allocate	3,232	2,588
Less allocated:		
Events & festivals	(440)	(10)
Community projects	(90)	
Balance available for civic and community projects	2,702	2,578
Total cash carried forward	1,989	2,548

Fund capital	2012 Actual \$000	2011 Actual \$000
Fund capital at 1 July		
Core fund	93,686	90,855
Fluctuation reserve	3,500	3,500
Unallocated income	2,548	2,220
Total fund balance at 1 July	99,734	96,575
During the year: Total income received by the fund Less distributed Less transferred to capital for inflation provision	5,095 (2,738) (2,916)	5,499 (2,340) (2,831)
Balance to unallocated income	(559)	328
Fund capital at 30 June Core fund Fluctuation reserve Unallocated income	96,602 3,500 1,989	93,686 3,500 2,548
Total fund balance at 30 June	102,091	99,734

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7020 - Subsidiary and associate companies

Listed below are the trading enterprises which the Council has an interest in, together with the directors of the trading enterprises, for the period ended 30 June 2012.

Christchurch City Holdings Limited (100% owned)

Sarah Smith¹ Timothy Carter (Cr)
Barry Corbett (Cr) William Dwyer

Bruce Irvine Robert Parker (Mayor) Andrew Pearce Susan Wells (Cr)

Enable Services Limited (100% owned)²

William (Bill) Luff
Mark Bowman³
Charlotte Walshe⁴
Craig Richardson
Brett Gamble⁴
William Dwyer⁵

Robert Lineham⁶

Christchurch International Airport Limited (75% owned)

Philip Carter Catherine Drayton
George Gould David MacKenzie
Fredrick Murray Christopher Paulsen

City Care Limited (100% owned)

W. Derek Crombie Margaret Devlin
Anthony King Hugh Martyn

Trevor Thornton

Lyttelton Port Company Limited (79.3% owned)

Trevor Burt Roderick Carr Lindsay Crossen Rodger Fisher Brian Wood Karl Smith⁷

Alan Grant⁸

Orion New Zealand Limited (89.3% owned)

Michael Andrews
John Dobson
Gail Jewell

Craig Boyce
George Gould
Geoffrey Vazey

Red Bus Limited (100% owned)

Ross McRobie Tony Mountford Peter Rae Timothy Keenan

Vbase Limited (100% owned)

Ngaire Button (Cr) James Gough

Anthony Marryatt Robert Parker (Mayor)

Gregory Campbell⁹ W. Gill Cox⁹

Christopher Doig⁹ Dominique Dowding⁹ Arthur (Jim) Keegan⁹ Simon Mortlock⁹

Thomas Treacy⁹

Tuam Limited (100% owned)

Paul Anderson Anthony Marryatt

Civic Building Limited (100% owned)

James Gough Ngaire Button (Cr)¹⁰ Robert Parker (Mayor)¹⁰W. Gill Cox⁹

Christopher Doig⁹ Dominique Dowding⁹ Arthur (Jim) Keegan⁹ Simon Mortlock⁹

Thomas Treacy9

EcoCentral Limited (100% owned)

Sarah Smith¹ Paul Anderson David Kerr¹¹ **Gregory Campbell**

William Dwyer¹²

Transwaste Canterbury Limited (38.9% owned)

Robert Brine¹³ Sally Buck (Cr) Judith Burgess 14 **Gerry Clemens** Gareth James W. Gill Cox Robert McKenzie Thomas Nickels Richard Davison¹⁵ Ian Kennedy 16

Selwyn Plantation Board Limited (39.3% owned)

Sarah Smith¹

John Morten Allan Berge¹⁷ Raymond Polson¹⁸

¹ Previously known as Sarah Astor

² Previously known as Christchurch City Networks Limited

³ Appointed 17 November 2011

⁴ Appointed 13 September 2011

Resigned 30 April 2012

⁶ Resigned 17 November 2011

⁷ Appointed 3 November 2011

⁸ Resigned 3 November 2011 9

Resigned 29 July 2011 10

Appointed 8 September 2011

¹¹ Appointed 1 August 2011

¹² Resigned 31 July 2011

¹³ Resigned 14 November 2011

¹⁴ Resigned 28 February 2012

¹⁵ Appointed 19 November 2012

¹⁶ Appointed 28 February 2012

¹⁷ Retired 1 July 2012

¹⁸ Resigned 30 June 2012

8000 - Glossary

CA/E Christchurch Agency for Energy Trust Board

CBD Central Business District
CBL Civic Building Limited

CCDU Central City Development Unit
CCHL Christchurch City Holdings Limited
CCOs Council-Controlled Organisations
CCT Christchurch and Canterbury Tourism
CCTOs Council-Controlled Trading Organisations

CCTV Closed Circuit Television

CDC Canterbury Development Corporation Limited
CDEM Civil Defence Emergency Management
CEDS Christchurch Economic Development Strategy

Central City Plan a recovery plan for the Central City
CERA Canterbury Earthquake Recovery Agency

CFH Crown Fibre Holdings Limited

CGU Cash generating unit

CIAL Christchurch International Airport Limited

Council Christchurch City Council

CWTP Christchurch Wastewater Treatment Plant

DEE Detailed engineering evaluations
ECE Early Childhood Education
ELC Early learning centres
ENL Enable Networks Limited
EOC Emergency Operations Centre

EQ Earthquake

EQC Earthquake Commission
ESL Enable Services Limited

Group As outlined in Group Structure section of the annual report

ISP Internal Service Providers
JEFL Jet Engine Facility Limited

LAPP Local Authority Protection Programme

LOS Level of Service

LTCCP Long Term Council Community Plan

LTP Long Term Plan

MCDEM Ministry of Civil Defence and Emergency Management

MKT Mahaanui Kurataiao Limited
MOU Memorandum of understanding
NBS New Building Standard

NTPL Ngāi Tahu Property Limited

NZ GAAP Generally Accepted Accounting Practice in New Zealand

NZ IAS New Zealand equivalent to International Accounting Standard

NZ IFRS New Zealand equivalents to International Financial Reporting Standards

NZLGFA New Zealand Local Government Funding Agency
NZLGIC New Zealand Local Government Insurance Corporation

NZTA New Zealand Transport Agency NZX New Zealand Stock Exchange

PBE Public Benefit Entity

RFID Radio Frequency Identification

SCIRT Stronger Christchurch Infrastructure Rebuild Team

SOI Statement of Intent
UFB Ultra-Fast Broadband

WACC Weighted Average Cost of Capital

[Entity Letterhead]

25 October 2012

Julian Tan
Director
Audit New Zealand
PO Box 2
Christchurch

Dear Julian

Letter of representation for the year ended 30 June 2012

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements and statement of service performance for the year ended 30 June 2012 of:

- Christchurch City Council (the City Council); and
- the group, comprising the City Council and its subsidiaries.

The purpose of the audit is to express an opinion about whether:

- the financial statements comply with generally accepted accounting practice and fairly reflect the financial position of the City Council and group as at 30 June 2012 and the results of their operations and cash flows for the year ended on that date; and
- the statement of service performance complies with generally accepted accounting practice and fairly reflects the service performance for the year ended 30 June 2012.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand). We also understand that your examination was (to the extent that you deemed appropriate) for the objectives of:

- providing an independent opinion on the City Council and group's financial statements and performance information; and
- reporting on other matters relevant to the City Council and group's financial and other management systems that come to your attention and are material (for example, compliance with statutory obligations or probity).

General responsibilities

To the best of our knowledge and belief:

- the resources, activities, and entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements – except the obligation to comply with the Local Government Act 2002 in relation to preparing financial statements that comply with generally accepted accounting practice (GAAP). This is due to the impact of the earthquakes, which are explained in the 'impact of the 2010 and 2011 Canterbury Earthquakes' note to financial statements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the City Council and group) to prevent and detect fraud.

Responsibilities for the financial statements and the statement of service performance

We are unable to include all transactions relating to the damage to the Council and group's property, plant and equipment caused by the Canterbury earthquakes or account for other associated matters, such as revaluations, in our financial statements. Consequently, the amounts reflected in the financial statements for depreciation; loss on disposal; impairment; surplus/deficit; revaluation of assets; the carrying value of property, plant and equipment; asset revaluation reserves and retained earnings are materially misstated. The financial statements therefore do not comply with GAAP and in this respect alone we have not complied with the Local Government Act 2002. We understand that because the financial statements do not comply with GAAP, your audit report will be modified.

Except for the matters in the previous paragraph, we confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements and statement of service performance, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements and the statement of service performance as required by the Local Government Act 2002 and, in particular, that:
 - the financial statements comply with generally accepted accounting practice and fairly reflect the financial position of the City Council and group as at 30 June 2012 and of the results of their operations and cash flows for the year then ended; and
 - the statement of service performance complies with generally accepted accounting practice and fairly reflects the service performance for the year ended 30 June 2012;

- we believe the significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;
- we have appropriately accounted for and disclosed related party relationships and transactions in the financial statements;
- all known actual or possible litigation and claims whose effects should be considered
 when preparing the financial statements have been disclosed to you and have been
 accounted for and disclosed in accordance with generally accepted accounting
 practice;
- we have adjusted or disclosed all events subsequent to the date of the financial statements and the statement of service performance that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements and statement of service performance as a whole. The list of uncorrected misstatements does not include any amounts related to the damage to property, plant and equipment caused by the Canterbury earthquakes or other associated accounting matters, such as revaluations, because the impact of those cannot be reliably quantified to be accounted for. Those amounts are material and we understand that your audit report will be modified as a result.
- we are aware that you have not identified any disclosures that have been omitted from the financial statements and statement of service performance during the course of your audit that have not been adjusted.

Responsibilities to provide information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and the statement of service performance; and
 - unrestricted access to persons within the City Council from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements and statement of service performance may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the City Council and involves:
 - management;
 - o employees who have significant roles in internal control; or

- o others where the fraud could have a material effect on the financial statements and statement of service performance;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the City Council and group's financial statements and statement of service performance communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements and the statement of service performance; and
- we have disclosed the identity of the related parties, all of their relationships, and all
 of their transactions of which we are aware.

Going concern

We confirm that, to the best of our knowledge and belief, the City Council and group have adequate resources to continue operations at their current level for the foreseeable future. For this reason, the Council continues to adopt the going concern assumption in preparing the financial statements and the statement of service performance for the year ended 30 June 2012. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the City Council during the period of one year from the date of this letter and to circumstances that we know will occur after that date which could affect the validity of the going concern assumption.

We consider that the financial statements and the statement of service performance adequately disclose the circumstances, and any uncertainties, surrounding the adoption of the going concern assumption by the City Council and group.

Throughout the year, the City Council and group have conformed with the requirements of its banking arrangements, debenture trust deeds, or negative pledge agreements, including those relating to its net tangible assets ratios.

Publication of the financial statements and statement of service performance and related audit report on a website

The Council accepts that it is responsible for the electronic presentation of the audited financial statements and statement of service performance.

The electronic version of the audited financial statements and statement of service performance and the related audit report presented on the website are the same as the final signed version of the audited financial statements and statement of service performance and audit report.

We have clearly differentiated between audited and unaudited information on the website and understand the risk of potential misrepresentation without appropriate controls.

We have assessed the security controls over audited financial and service performance information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.

Where the audit report on the full financial statements and statement of service performance is provided on a website, the financial statements and statement of service performance are also provided in full.

Sign-off on these representations

These representations are made at your request, and to supplement information obtained by you from the records of the City Council and group and to confirm information given to you orally.

Yours sincerely

Bob Parker Mayor Tony Marryatt Chief Executive

Appendix 1: Uncorrected misstatements

Parent

There were no uncorrected misstatements in the parent financial statements.

Group

Note	Statement of comprehensive income		Statement of financial position	
	Dr \$000	Cr \$000	Dr \$000	Cr \$000
1	90	90	70	70
2	1,978	3,105	3,533	1,056

Explanation for uncorrected differences

- 1 Non-consolidation of Gardens Event Trust
- 2 Non-consolidation of Canterbury Development Corporation.

These two entities were not consolidated into the group as they were not material.