

# **CHRISTCHURCH CITY COUNCIL AGENDA**

**THURSDAY 30 APRIL 2015**

**9.30AM**

**COUNCIL CHAMBER, CIVIC OFFICES,  
53 HEREFORD STREET**



**CHRISTCHURCH CITY COUNCIL**

**Thursday 30 April 2015 at 9.30am**  
**in the Council Chamber, Civic Offices, 53 Hereford Street**

**Council:** The Mayor, (Chairperson).  
Councillors Vicki Buck, Jimmy Chen, Phil Clearwater, Pauline Cotter, David East, Jamie Gough,  
Yani Johanson, Ali Jones, Raf Manji, Glenn Livingstone, Paul Lonsdale, Tim Scandrett and Andrew Turner

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**1. APOLOGIES**

**2. DECLARATION OF INTEREST**

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

**3. CONFIRMATION OF MINUTES - COUNCIL MEETING OF 26 MARCH 2015, 1 APRIL 2015 AND 16 APRIL 2015**

Attached.

**4. PUBLIC PARTICIPATION**

**4.1 PUBLIC FORUM**

A period of up to 30 minutes available for people to speak for up to five minutes on any issue that is not the subject of a separate hearings process (standing order 3. 19. 2).

**4.2 DEPUTATIONS BY APPOINTMENT**

A period of up to 30 minutes for deputations that have made application and been approved by the Chairperson (standing order 3. 19. 3).

**5. PRESENTATION OF PETITIONS**



**MINUTES**

**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL  
HELD AT 9.30AM ON THURSDAY 26 MARCH 2015**

**PRESENT:** Councillor Vicki Buck, (Deputy Chairperson).  
Councillors, Phil Clearwater, Pauline Cotter, David East, Yani Johanson, Glenn Livingstone,  
Paul Lonsdale, Raf Manji, Tim Scandrett and Andrew Turner.

**1. APOLOGIES**

An apology for absence was received from The Mayor, Councillor Chen, Councillor Gough and Jones.

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

**2. DECLARATION OF INTEREST**

Nil.

**3. CONFIRMATION OF MINUTES - COUNCIL MEETING OF 10 AND 12 MARCH 2015**

It was **resolved** on the motion of Councillor Clearwater, seconded by Councillor Manji, that the open minutes of the Council Meetings of 10 and 12 March 2015 be adopted.

**4. PUBLIC PARTICIPATION**

**4.1 Public Forum**

4.1.1 Lauren Merrit from the Ministry of Awesome spoke to the Council about the work of the Ministry of Awesome does and reminded the Council that they can refer people to the Ministry.

4.1.2 Bob Manthei spoke to the Council spoke to the Council about reinstating back to the City the free yellow bus that used to operate in the central city area.

**4.2 Deputations by Appointment**

4.2.1 Karen Terris made a deputation to the Council regarding item 14, Christchurch Earthquake Mayoral Relief Fund: Applications

**5. PRESENTATION OF PETITIONS**

Nil.

The agenda was dealt with in the following order.

**18. RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORTS**

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor East, that the reports be received and considered at the meeting of the Council on 26 March 2015.

- **WAIMAIRI ROAD PEDESTRIAN AND CYCLEWAY CROSSING**
- **RICCARTON RACECOURSE – LOCAL BILL TO AMEND CHRISTCHURCH RACECOURSE RESERVE ACT 1878**
- **BARRINGTON PARK PLAYGROUND**

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**6. REPORT OF THE CHIEF EXECUTIVE**

It was **resolved** on the motion of Councillor Lonsdale, seconded by Councillor Manji, that the information in this report be received.

**9. REPORT OF THE COMMUNITIES, HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE MEETING OF 5 MARCH 2015****1. AMENDMENT OF DELEGATIONS – SOCIAL HOUSING REBUILD AND REPAIR PROGRAMME**

It was **resolved** on the motion of Councillor Turner, seconded by Councillor Lonsdale, that the Council:

- 1.1 Approve the proposed amendment to the delegations for the Social Housing Rebuild and Repair programme that:

Each project within the programme of work to increase the Housing portfolio by 133 units and/or complete essential repairs to open units, would be subject to the following financial delegations to enter into contracts for the purchase of materials, works and services explicit to the Social Housing Repair and Rebuild Programme:

- 1.1.1 Not exceeding \$100,000: Housing Unit Manager
- 1.1.2 Not exceeding \$500,000: exercised by any of Chief Operating Officer, Director Council Facilities and Infrastructure Rebuild or the Chief Financial Officer
- 1.1.3 "(Not exceeding \$5,000,000: exercised by any of Chief Operating Officer, Director Council Facilities and Infrastructure Rebuild or the Chief Financial Officer)" be deferred until the next meeting of the Communities, Housing and Economic Development Committee meeting pending a request for further information before making a recommendation.

**2. CREATIVE COMMUNITIES ASSESSMENT PANEL**

Councillor Turner took no part in this item.

It was **resolved** on the motion of Councillor Scandrett, seconded by Councillor East, that the Council:

- 2.1 Approve that the correct name for the Committee is the Creative Communities Assessment Panel and is external to Council funding processes, as it is governed by Creative New Zealand Guidelines.
- 2.2 Note that the current elected and appointed members of the Creative Communities Assessment Panel are:
- Councillor Andrew Turner
  - Councillor Ali Jones
  - Hamish Keown
  - Sue Russell
  - Cornelia Mageanu
  - Tui Falwasser



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**3. CITY MISSION PROJECT – CAPITAL SHORTFALL OF PROJECT**

Councillor Turner moved, seconded by Councillor Livingstone, that the Council:

- 3.1 *Confirm the original resolution of the 14 August 2014 Council meeting, to pay (in-conjunction with MBIE's \$100,000 contribution) \$38,971.93 from the Housing Fund towards the reconfiguration of the old City Mission building subject to the confirmation of funding from the Mayoral Earthquake Relief Fund for the additional \$256,028.08.*
- 3.2 *Confirm the original resolution of the 14 August 2014 Council meeting to fund \$53,002 relating to the operational costs for the project via the Metropolitan Discretionary Fund subject to the confirmation of funding from the Mayoral Earthquake Relief Fund for the additional \$256,028.08.*
- 3.3 *Agree that subject to the project being confirmed that a memorandum of understanding is signed between the City Mission and the Council towards the commitment by the City Mission to provide this service for a minimum of five years.*
- 3.4 *Agree that at the end of the agreed five year project a formal review is undertaken to establish the need for these units to be used for emergency housing.*

Councillor Johanson moved by way of amendment that the Council:

- 3.3 *Agree that subject to the project being confirmed that a memorandum of understanding is signed between the City Mission and the Council towards the commitment by the City Mission to provide this service for a minimum of ten years with a consequential amendment of ten years in 3.4..*

*Note: that the time to build the accommodation be undertaken as soon as possible.*

The amendment was moved by Councillor Cotter and when put to the meeting was declared **carried**.

The amended motion was then put to the meeting and declared **carried**.

**4. AFFORDABLE HOUSING OPTIONS**

It was **resolved** on the motion of Councillor Turner, seconded by Councillor Clearwater, that the Council:

- 4.1 Investigate and report back on the feasibility and methodology to fund up to \$2,000,000 in the 2016-17 Annual Plan for the establishment of a development contributions and resource consent loan scheme for Not-For-Profit affordable housing and social housing providers, with loans capped at a maximum of \$25,000 per residential unit and to be administered through the Council's Community Organisation Loan Scheme processes.
- 4.2 Increase the maximum discount for resource consent fees for not-for-profit and community organisations from \$2,500 to \$5,000 per application, and amend the financial level of service targets to reflect the projected loss of income.
- 4.3 Investigate, over the next twelve months, the use of targeted rates as an alternative to development contributions for the funding of growth related infrastructure.
- 4.4 Identify, investigate and evaluate against other alternatives, over the next twelve months, the use of Council land for affordable and social housing that has been operationally identified as redundant.
- 4.5 Carry out a network and service delivery review by the end of 2015 to determine if any further Council land could be used for other purposes, including affordable and social housing.

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- 4.6 Look for opportunities as the City evolves for affordable and social housing in its land holdings that may be currently subject to the PWA and/or the Reserves Act.
- 4.7 That staff investigate and report back on inclusionary zoning to support social and affordable housing outcomes.

## 14. CHRISTCHURCH EARTHQUAKE MAYORAL RELIEF FUND: APPLICATIONS

It was **resolved** on the motion of Councillor Livingstone, seconded by Councillor Scandrett, that the Council:

- 14.1 Consider and approve a grant of \$294,434.00 to the Christchurch City Mission towards its Emergency Homelessness Accommodation project.
- 14.2 Consider and approve a grant of \$38,399.00 to BUG 4/2 towards the Imagination Station works.
- 14.3 Consider and approve a grant of \$54,338 to ShowBiz Christchurch towards the sprung wooden flooring works.

## 8. REPORT OF THE INFRASTRUCTURE, TRANSPORT AND ENVIRONMENT COMMITTEE MEETING OF 5 MARCH 2015

## 1. CHRISTCHURCH BOTANIC GARDENS CHARITABLE TRUST – MEMORANDUM OF UNDERSTANDING WITH THE CHRISTCHURCH CITY COUNCIL

Councillor Clearwater moved, seconded by Councillor Cotter, that the Council:

- 1.1 Authorise the Chief Executive Officer to sign the proposed Memorandum of Understanding (refer **Attachment 1**) between the Council and the Christchurch Botanic Gardens Charitable Trust.
- 1.2 Organise a suitable occasion, possibly on the signing of the Memorandum of Understanding, at which elected members and senior executive staff can meet Trust Board members.

Councillor Clearwater moved by way of addition:

- 1.3 That staff meet with the members of Hands Off Hagley and other interested parties with a view to form a Guardians of Hagley Park to assist with meeting the objectives of the Hagley Park management plan and report to the Infrastructure, Transport and Environment Committee.

The addition was seconded by Councillor Cotter and when put to the meeting was declared **carried**.

Councillor Manji asked that his vote against the addition be recorded.

The motion together with the addition when put to the meeting was declared **carried**.

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

## 20. RICCARTON RACECOURSE – LOCAL BILL TO AMEND CHRISTCHURCH RACECOURSE RESERVE ACT 1878

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

- 20.1 Promote the Christchurch Racecourse Reserves Amendment Bill to Parliament; and

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20.2 Authorise the Chief Executive to:

- 20.2.1 Take such steps as are necessary to promote the draft Bill through the Parliamentary process, including signing the declaration for a local Bill and any other documentation required on behalf of the Council; and
- 20.2.2 Make such changes to the draft Bill as are required as a result of the Parliamentary process; and
- 20.2.3 Make a submission on behalf of the Council in favour of the Bill.

## 7. APPROVAL OF NEW CENTRAL LIBRARY BUSINESS CASE AND CONCEPT DESIGN

It was **resolved** on the motion of Councillor Turner, seconded by Councillor Scandrett, that the Council:

- 7.1 Instruct staff to call for Expressions of Interest [EOI] followed by Request for Tender [RFT] from suitably qualified organisations to complete the design and construction of the New Central Library.

The Council recognises that the total cost to build the New Central Library of approximately 9,850m<sup>2</sup> on the site designated in the Central City recovery plan is up to \$85 million but that the Council's contribution to this project is currently \$75 million.

That the report that comes back to the Council in September provide updates on the funding of the project including the philanthropic contribution of \$10 million.

## 11. REPORT OF THE HEARINGS PANEL ON THE PARKS AND RESERVES BYLAW 2015

Councillor East moved, seconded by Councillor Lonsdale, that the Council:

- 11.1 *Resolve to approve the Christchurch City Council Parks and Reserves Bylaw 2015 which will come into force on 15 April 2015 (Attachment 2 to this report).*
- 11.2 *Resolve that the scattering and burial of ashes of a deceased person is an important issue for the community; that the Bylaw proceed with the deletion of clause 6.1(e) and amendment to clause 6.2(c) wording without any reference to the scattering of ashes; and that the Council appropriately engage with Mahaanui Kurataiao Ltd, the funeral industry, the wider community, and other interested parties to establish an acceptable resolution.*
- 11.3 *Resolve that staff be authorised to review the Christchurch City Council Parks and Reserves Bylaw 2015 for spelling, grammar and clause referencing and make appropriate changes.*

When put to the meeting the motion was declared **lost** on a show of hands.

*Councillor Turner moved, seconded by Councillor Cotter that the Council reject the report of the Hearings Panel and refer the report to the Council for a decision.*

When put to the meeting the new motion was declared **carried** on a show of hands.

Councillor East asked that his vote against the resolution be recorded.

**COUNCIL 30. 04. 2015****CHRISTCHURCH CITY COUNCIL 26. 03. 2015****12. DUDLEY CREEK FLOOD REMEDIATION UPDATE**

It was **resolved** on the motion of Councillor Cotter, seconded by Councillor Clearwater, that the Council:

12.1 Receive the report.

12.2 Approve the appointment of Beca as the design consultant for the Dudley Creek Remediation Project in the sum of \$5,022,147.00.

**13. VISITOR STRATEGY REVIEW**

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

13.1 Receive the document "Destination 2025 – A Discussion Document on Capturing the Economic and Social Development Opportunities from Christchurch's Visitor Economy".

13.2 Agree that the Chief Executive:

- Establish a process to enable the Council to consider an overarching visitor strategy including any further supporting plans or strategies that may be required and the appropriate structure to support the implementation of such a strategy.
- Report back to the Council before July 2015 with a draft Strategy and timetable for final completion.

**19. WAIMAIRI ROAD PEDESTRIAN AND CYCLEWAY CROSSING**

It was **resolved** on the motion of Councillor Clearwater, seconded by Councillor East, that the Council:

19.1 Receive the report.

19.2 Note that the installation of a signalised pedestrian and cycleway crossing on Waimairi Road for the Uni-Cycle route will be funded from the funds allocated to the Major Cycleway Programme.

19.3 Note that staff will continue to progress the Waimairi Road Pedestrian/Cycle Crossing through consultation and detailed design phases on an urgent basis.

19.4 Note that staff will report to the Riccarton/Wigram Community Board and the Council upon completion of consultation and detailed design, and as soon as practicable, to formalise the installation of the crossing.

**21. BARRINGTON PARK PLAYGROUND**

It was **resolved** on the motion of Councillor Scandrett, seconded by Councillor Clearwater, that the Council:

21.1 Underwrite up to an additional \$20,000 for the Barrington Playground to be replaced quickly and

21.2 That any design or other work with staff be delegated to the Spreydon/Heathcote Community Board

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**15. NOTICES OF MOTION**

Nil.

**16. RESOLUTION TO EXCLUDE THE PUBLIC**

At 12.52 pm it was **resolved** on the motion of Councillor East, seconded by Councillor Lonsdale, that the resolution to exclude the public set out on page 330 of the agenda be adopted.

**CONCLUSION**

At 1.05 pm it was resolved on the motion of Councillor Buck, seconded by Councillor Scandrett that the public be readmitted at which point the meeting concluded.

**CONFIRMED THIS 30<sup>TH</sup> DAY OF APRIL 2015**

**MAYOR**



**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL  
HELD AT 2.33 PM ON WEDNESDAY 1 APRIL 2015**

**PRESENT:** Councillors Vicki Buck (Chairperson), Jimmy Chen, Phil Clearwater, David East, Yani Johanson, Ali Jones, Glenn Livingstone, Paul Lonsdale, Tim Scandrett and Andrew Turner.

**1. APOLOGIES**

An apology for absence was received from Mayor Lianne Dalziel and Councillor Jamie Gough.

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

**2. DECLARATION OF INTEREST**

Members were reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

**3. RESOLUTION TO EXCLUDE THE PUBLIC**

At 2.34pm it was **resolved** on the motion of Councillor Chen, seconded by Councillor Johanson, that the resolution to exclude the public set out on page 1 of the agenda be adopted.

**CONCLUSION**

At 3.23pm it was resolved on the motion of Councillor Clearwater, seconded by Councillor Scandrett that the public be readmitted at which point the meeting concluded.

**CONFIRMED THIS 30<sup>TH</sup> DAY OF APRIL 2015**

**MAYOR**





**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL  
HELD AT 9.30AM ON THURSDAY 16 APRIL 2015**

**PRESENT:** The Mayor, (Chairperson).  
Councillors Vicki Buck, Jimmy Chen, Phil Clearwater, Pauline Cotter, David East, Jamie Gough, Yani Johanson, Ali Jones, Glenn Livingstone, Paul Lonsdale, Raf Manji, and Andrew Turner.

**1. APOLOGIES**

An apology for absence was received from Councillor Scandrett.  
An apology for lateness was received from Councillor Manji.

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

**2. DEPUTATIONS BY APPOINTMENT**

Nil.

The agenda was dealt with in the following order.

**3. PUBLIC PARTICIPATION**

**3.1 PUBLIC FORUM**

3.1.1 Mark Robberds, Board of Trustees and Kim Alexander, Principal, Redcliffs School spoke to the Council about the proposed closure of Redcliffs School and sought support from the Council in their submissions to the Minister on the proposal.

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Lonsdale, that the Council provide all technical support and advice that we can to support the school in developing a submission and the Council will prepare a submission by the Council's Rockfall group.

3.1.2 Joy Lowe, a resident from Victoria Street, spoke to the Council regarding the lack of retail shops in Victoria Street for inner city residents.

3.1.3 Maureen Thompson, a resident from Victoria Street, spoke to the Council regarding the lack of retail shops in Victoria Street for inner city residents and also raised safety issues, pedestrian crossing and cycle lanes.

3.1.2 and 3.1.3 were referred to staff.

**3.2 DEPUTATIONS BY APPOINTMENT**

3.2.1 Derek McCullough and Linda Rutland from the Mt Pleasant Residents Association regarding item 5, Community Organisations Loan Fund - 2014/15 Funding Round.

**4. PRESENTATION OF PETITIONS**

Nil.

**5. COMMUNITY ORGANISATIONS LOAN FUND – 2014/15 FUNDING ROUND**

This item was withdrawn as the Council approved a grant. Refer to item 40.

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**40. CHRISTCHURCH EARTHQUAKE MAYORAL RELIEF FUND: APPLICATIONS**

It was **resolved** on the motion of Councillor Johanson, seconded by Councillor Lonsdale, that the Council approve a grant of \$100,000 to the Mt Pleasant Memorial Community Centre and Residents Association Incorporated towards the rebuild of the Mount Pleasant Memorial Community Centre, from the Christchurch Earthquake Mayoral Relief Fund.

Note that item 5 has been withdrawn as the Council approved the grant.

**6. REPORT OF THE AKAROA/WAIREWA COMMUNITY BOARD MEETING OF 11 FEBRUARY 2015**

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

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

**7. REPORT OF THE LYTTELTON/MT HERBERT COMMUNITY BOARD MEETING 18 FEBRUARY 2015**

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

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

**8. REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD MEETING OF 5 MARCH 2015**

Paul McMahon, Chairperson, joined the table for discussion of these items.

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

**9. REPORT OF THE SPREYDON/HEATHCOTE COMMUNITY BOARD MEETING OF 5 MARCH 2015**

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

**19. CHAIRPERSON'S REPORT OF THE EXTRAORDINARY MEETING OF THE RICcarton/WIGRAM AND SPREYDON HEATHCOTE COMMUNITY BOARD MEETING OF 11 MARCH 2015**

Paul McMahon and Mike Mora, joined the table for the discussion of this item

**1. ANNEX-BIRMINGHAM-WRIGHTS ROUTE UPGRADE**

It was **resolved** on the motion of Councillor Clearwater, seconded by Councillor Buck, that the Council approve the Spreydon/Heathcote and the Riccarton/Wigram Community Board components of the preferred scheme design for the Annex-Birmingham-Wrights Route Upgrade project as identified in the report in the agenda and in **Attachments 1 and 2**.

**10. REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD MEETING OF 2 MARCH 2015**

Andrea Cummings, Chairperson, tendered her apology.

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

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**11. REPORT OF THE BURWOOD/PEGASUS COMMUNITY BOARD MEETING OF 16 MARCH 2015**

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

**12. REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD MEETING OF 2 MARCH 2015**

Val Carter, Chairperson, tendered her apology.

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

**13. REPORT OF THE FENDALTON/WAIMAIRI COMMUNITY BOARD MEETING OF 16 MARCH 2015**

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

**14. REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD MEETING OF 4 MARCH 2015**

Sara Templeton, Chairperson, joined the table for discussion of this item.

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

**15. REPORT OF THE HAGLEY/FERRYMEAD COMMUNITY BOARD MEETING OF 18 MARCH 2015**

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

**16. REPORT OF THE RICcarton/WIGRAM COMMUNITY BOARD MEETING OF 3 MARCH 2015**

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

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

**17. REPORT OF THE SHIRLEY/PAPANUI COMMUNITY BOARD MEETING OF 4 MARCH 2015**

Mike Davidson, Chairperson, joined the table for discussion of these items.

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

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## CHRISTCHURCH CITY COUNCIL 16. 04. 2015

**18. REPORT OF THE SHIRLEY PAPANUI COMMUNITY BOARD MEETING OF 18 MARCH 2015****1. REALIGNMENT OF KAPUTONE CREEK**

It was **resolved** on the motion of Councillor Cotter, seconded by Councillor Jones, that the Council:

- 1.1 Approve the realignment of Kaputone Creek as shown in **attachment 1** in the report in the agenda for ecological reasons and approve in principle, that the project proceed to final design, tender and construction to start by the end of 2015 for completion by the end of 2016, but that the Council seeks full financial costings (including ongoing maintenance costs for any option chosen) and how the capital costs will be apportioned between NZTA and the Council, before any final decision is made.
- 1.2 Note that the Board observes that the current decision making process for local issues appears to be unnecessarily slow and potentially inefficient for all concerned, i.e. for "the Community Board to recommend to the Committee that it recommends to the Council ..."

Note that the Board respectfully requested that the Council reconsider this process for local matters and for these to be referred from the relevant Community Board, with recommendations, directly to the Council (city wide matters continuing to be addressed via the Committee mechanism).

**2. NAMING OF NEW RESERVES**

It was **resolved** on the motion of Councillor Jones, seconded by Councillor Cotter, that the proposed reserve name of Bridgestone Reserve for the local purpose (drainage) reserve situated at 40R Langdons Road, Lot 1 DP 448420 (refer **Attachment 1**), be adopted.

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

The Council adjourned at 11.10 and resumed at 11.25.

Councillor Manji joined the meeting at this point.

**38. RESOLUTION TO BE PASSED - SUPPLEMENTARY REPORTS**

It was **resolved** on the motion of the Mayor, seconded by Councillor Buck, that the following reports be received and considered at the meeting of the Council on 16 April 2015.

- Report of the Chairperson of the Insurance Subcommittee Meeting of 13 April 2015
- Clarification of Existing Delegations to Community Boards
- Christchurch City Council's Submission on Environment Canterbury's Draft Long Term Plan 2015 - 2025
- 2015 Local Government Conference Relief Fund Applications

**20. REPORT OF THE REGULATION AND CONSENTS COMMITTEE MEETING OF 19 MARCH 2015****1. 2014 REVIEW OF THE 2012 GAMBLING VENUE POLICY AND THE TAB VENUE POLICY**

Councillor Livingstone moved, seconded by Councillor Jones, that the Council:

- 1.1 *Retain the existing Gambling Venue and Totalisator Agency Board (TAB) Policy unchanged.*
- 1.2 *Add a 'note' (see **Attachment 5**) to the policy, that advises that the policy was reviewed and the Council decided not to allow venue relocations.*

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## 20 Cont'd

The motion when put to the meeting was declared carried on electronic vote No. 1 by 8 votes to 4, the voting being as follows:

**For (8):** Councillors Buck, Chen, Gough, Johanson, Jones, Livingstone, Manji and Turner  
**Against (4):** The Mayor and Councillors Cotter, East and Lonsdale

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

## 21. REPORT OF THE STRATEGY AND FINANCE COMMITTEE MEETING OF 19 MARCH 2015

## 1. CENTRAL CITY DEVELOPMENT CONTRIBUTION REBATE

It was **resolved** on the motion of Councillor Gough, seconded by Councillor Manji, that the Council approve a Development Contribution rebate of \$762,224 for the 43 unit development at 282 Madras Street.

Councillor Johanson asked that his vote against the resolution be recorded.

## 2. TRANSITIONAL CITY PROJECTS - PROPERTY OWNER INCENTIVE PROGRAMME

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

- 2.1 Approve incentive Option 3, to create a new cash operational grant of \$75,000 by transferring this amount from the Transitional City capital project. This grant will enable property owners (land and buildings) to offset the costs of rates for sites used for transitional projects, with the following conditions:
- 2.1.1 That any grant available under this policy applies from the time that proof of implementation of the eligible transitional project is received and accepted.
  - 2.1.2 That potentially qualifying transitional projects shall be limited to applications for grants received on or after 1 May 2015.
  - 2.1.3 That Attachment 2 is agreed as the criteria applicable to any grant application.
  - 2.1.4 That grants can be made directly to a property owner by way of a credit to the property rating account providing sufficient funds remain available and qualifying criteria are met.
  - 2.1.5 That the maximum amount available to any landowner under the new grant system be \$5000 per site, per 12 month period.
  - 2.1.6 That any grant available under this policy will cease on 30 June 2016 or once the fund is exhausted, whichever is the earliest and that a review is undertaken prior to 30 June 2016 to determine the new incentive's success and consider whether it should continue in its current form, be amended or cease.
- 2.2 That the current Transitional City Projects Fund Terms of Reference be amended to remove the provision for applicants to use the principal grant to offset rates (to avoid double dipping).
- 2.3 That delegation is given to the Chief Planning Officer to establish any operational procedures necessary to support this resolution.

**COUNCIL 30. 04. 2015**

**CHRISTCHURCH CITY COUNCIL 16. 04. 2015**

**3. DRAFT LIGHTING STRATEGY: SCOPE AND EXEMPLAR LIGHTING PROJECT**

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

- 3.1 Endorse that the lighting of the Diamond Jubilee Clock Tower and Edmonds Clock Tower as the exemplar lighting projects.
- 3.2 Receive the draft scope for a Lighting Strategy.
- 3.3 Agree that the development of the full Lighting Strategy is commenced in the current work year and further developed in the first quarter of the 2015/2016 financial year.
- 3.4 Request a report on conducting a trial exemplar project street in the Linwood Master Plan area (Worcester Street/Stanmore Road).

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

**22. REPORT OF THE COMMUNITIES, HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE MEETING OF 31 MARCH 2015**

**1. HERITAGE INCENTIVE GRANT APPROVAL FOR 24 MCDOUGALL AVENUE, MERIVALE**

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

- 1.1 A Heritage Incentive Grant of up to \$345,000 for conservation and maintenance work for the Group 2 heritage building at 24 McDougall Avenue, subject to compliance with the agreed scope of works and certification of the works upon completion.
- 1.2 That payment of this grant is subject to the applicants entering a full conservation covenant with the signed covenant having the Council seal affixed prior to registration against the property title.

**2. CREATIVE INDUSTRIES SUPPORT FUND APPROVAL – CANTERBURY SOCIETY OF ARTS CHARITABLE TRUST (T/A COCA GALLERY)**

It was **resolved** on the motion of Councillor Turner, seconded by Councillor Jones, that the Council grant \$146,377.00 to Canterbury Society of Arts Charitable Trust from the Creative Industries Support Fund to contribute towards capital costs.

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

**24. REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS OF 17 AND 24 FEBRUARY 2015 AND 9 MARCH 2015**

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

**25. ROAD STOPPING REQUEST - GLOUCESTER STREET AND OXFORD TERRACE FOR THE NEW CONVENTION CENTRE ANCHOR PROJECT**

It was **resolved** on the motion of the Mayor, seconded by Councillor Lonsdale, that the Council:

- 25.1 Support the Christchurch Central Development Unit to proceed and stop part of Gloucester Street (between Colombo Street and Oxford Terrace) and a section of Oxford Terrace (refer **Attachment 1**) using their statutory powers.

## COUNCIL 30. 04. 2015

## CHRISTCHURCH CITY COUNCIL 16. 04. 2015

## 25 Cont'd

25.2 Authorise staff to effect the transfer of the road, once stopped and vested in the Council, to the Crown under section 53.3 of the Canterbury Earthquake Recovery Act 2011 which preserves any offer back obligations the Council may have.

Councillor Johanson asked that his vote against the resolution be recorded.

## 27. REPORT OF THE CHAIRPERSON OF THE INSURANCE SUBCOMMITTEE

It was **resolved** on the motion of the Mayor, seconded by Councillor Turner, that the Council receive the information provided in this report.

## 28. COUNCILLOR FEES FRAMEWORK

It was **resolved** on the motion of the Mayor, seconded by Councillor East, that the Council:

28.1 Adopt the Christchurch City Council Fees Framework and Expenses Policy for Appointed Members, including the proposed fees.

28.2 Approve the Code of Conduct for Members appointed to Committees, Subcommittees or Working Groups and remunerated under this Policy.

## 29. REPORT OF THE INSURANCE SUBCOMMITTEE MEETING OF 13 APRIL 2015

It was **resolved** on the motion of the Mayor, seconded by Councillor Turner, that the Council not nominate anyone for director.

The Council adjourned at 12.35 pm and resumed at 1.36 pm at which point the Deputy Mayor assumed the Chair.

## 26. APPOINTMENT OF ADDITIONAL MEMBER TO COMMUNITIES, HOUSING AND ECONOMIC DEVELOPMENT COMMITTEE

*Councillor Gough moved, seconded by Councillor Livingstone, that the Council approve Councillor Tim Scandrett as an additional member to the Communities, Housing and Economic Development Committee.*

*Councillor Turner moved by way of amendment, that the report be deferred to the next Council meeting.*

The amendment was seconded by Councillor Cotter and when put to the meeting was declared **tied** - the status quo prevailed.

The original motion was then put to the meeting and declared **carried**.

Councillor Johanson returned at 1.42pm

Councillors East and Lonsdale returned at 1.51pm

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**23. REPORT OF THE INFRASTRUCTURE, TRANSPORT AND ENVIRONMENT COMMITTEE MEETING OF 2 APRIL 2015****1. AN ACCESSIBLE CITY – FIRST PHASE TRANSPORT PROJECTS: HOSPITAL CORNER STAGE 2 (FINAL LAYOUT), DURHAM STREET / CAMBRIDGE TERRACE (SECTIONS) AND MANCHESTER STREET (SECTIONS)**

It was **resolved** on the motion of Councillor Clearwater, seconded by Councillor Cotter, that the Council:

- 1.1 Receive the report and note that significant aspects of the proposed concept designs for the three Transport Projects considered by this report for consultation implement An Accessible City, the Minister's for Canterbury Earthquake Recovery's changes to the bylaws and the Council's provision for the works in the Three Year Plan and the Annual Plan. Therefore the scope of reasonably practicable options available for these works is limited as a result of the Council's obligations under the Canterbury Earthquake Recovery Act and the provisions in the Recovery Plan.
- 1.2 Approve consultation on the concept plans for:
  - TP1b - Hospital Corner Stage 2 (final layout) including sections of Hagley Avenue, St Asaph Street, Tuam Street and Antigua Street.
  - TP3 - Durham Street / Cambridge Terrace – from Kilmore Street to Tuam Street.
  - TP4 - Manchester Street – from Kilmore Street to Lichfield Street.

Councillor Johanson asked that his vote against this resolution be recorded.

**2. PUBLIC REALM NETWORK PLAN (STREETS AND SPACES DESIGN GUIDE)**

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

- 2.1. Receive the Report and Attachments 1 and 2.
- 2.2 Endorse the amended Public Realm Network Plan – Streets and Spaces Design Guide.
- 2.3 Endorse that staff from the Council and the Canterbury Earthquake Recovery Authority, private property owners and others (including from the Life in Vacant Spaces Trust) work together to identify any public and private spaces in the central city that could be available for consideration of “greening” and transitional use in order to endorse and bring forward the vision for the central city public space.
- 2.4 Include a statement saying that “where appropriate edible plantings be encouraged in line with the current Christchurch City Council policy and Edible Canterbury Charter”.
- 2.5 Encourage innovative, fun features to enhance the experience of being in a creative and vibrant central city.

Councillor Manji returned at 1.55 pm.

**3. DRAFT CHRISTCHURCH CENTRAL PARKING PLAN**

It was **resolved** on the motion of Councillor Clearwater, seconded by Councillor Cotter, that the Council:

- 3.1 Approve the Christchurch Central Parking Plan.
- 3.2 Note the feedback and recommendations from the public workshop.
- 3.3 Note that the information within the Parking Plan will be monitored and communicated to the development community and other key stakeholders.



## COUNCIL 30. 04. 2015

## CHRISTCHURCH CITY COUNCIL 16. 04. 2015

**23 Cont'd**

- 3.4 Delegate authority to the Infrastructure, Environment and Transport Committee to approve any staff recommended changes to the Parking Plan following quarterly monitoring.
- 3.5 Note that the parking plan is a live document and that the Infrastructure Transport and Environment Committee is concerned at the lack of confirmed short stay parking to the north of the Square at this stage.

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

**30. CLARIFICATION OF EXISTING DELEGATIONS TO COMMUNITY BOARDS**

It was **resolved** on the motion of Councillor Cotter, seconded by Councillor Chen, that the Council delegate to all Community Boards the power to approve the location of, and the construction of, or alteration or addition to, any structure or area, and the design of landscape plans for the same, on reserves, parks and roads, provided the design is within the policy and budget set by the Council.

**31. CHRISTCHURCH CITY COUNCIL COUNCIL'S SUBMISSION ON ENVIRONMENT CANTERBURY'S DRAFT LONG TERM PLAN 2015-2025**

It was **resolved** on the motion of Councillor Clearwater, seconded by Councillor Jones, that the Council approve the submission to Environment Canterbury on their draft Long Term Plan 2015-2025 with the following addition:

That the Council wishes to thank the Environment Canterbury Commissioners for their regular contact with the Infrastructure, Transport and Environment Committee and the Council.

**32. 2015 LGNZ CONFERENCE REPORT**

It was **resolved** on the motion of Councillor Turner, seconded by Councillor Clearwater, that the Council:

- 32.1 Authorise that the Mayor and Councillors Chen, Johnason, East and Cotter, with Councillor Livingstone the reserve if a Councillor cannot attend, be authorised to attend the 2015 Local Government New Zealand Conference in Rotorua in July 2015.
- 32.2 Appoint the Mayor as the presiding voting delegate and Councillor Chen as the alternate voting delegate, and up to two other Councillors attending the conference, as the Council's viewing delegates at the Annual General Meeting.
- 32.3 Authorise Mike Mora to attend the Local Government New Zealand Conference and pay for his costs.
- 32.4 Decide if it wishes to put any remits to the Annual General Meeting, and if it does wish to, notes the information as detailed in **Attachment 1**.

**39. PUBLIC NOTIFICATION OF THE PROVISIONAL LOCAL ALCOHOL POLICY (LAP)**

This matter was withdrawn.

**33. NOTICES OF MOTION**

Nil.

**COUNCIL 30. 04. 2015**  
**CHRISTCHURCH CITY COUNCIL 16. 04. 2015**

**34. RESOLUTION TO EXCLUDE THE PUBLIC**

At 2.37 pm it was **resolved** on the motion of Councillor Manji, seconded by Councillor East, that the resolution to exclude the public set out on page 576 of the agenda be adopted.

**CONFIRMED THIS 30<sup>TH</sup> DAY OF APRIL 2015**

**MAYOR**

# CE Report #23

## Foreword

This Report provides a summary of the Council's organisational performance for March 2015.

The Report covers the following areas:

- Organisational Performance
- Service Delivery
- Community Engagement
- Media
- People
- Key Internal Projects
- Canterbury Development Corporation Update

## Executive Summary

One of the most significant activities for the organisation this month was consultation on the Long Term Plan (LTP). The LTP and its supporting documents were open for public submission from 17 March 2015 to 28 April 2015. Eleven public meetings were held on the LTP, with more than 500 submissions received to date. Asset ownership, proposed rates increases and priorities for community facilities have attracted the most comment.

Other consultation and engagement activity also continues. There are many capital and operational projects underway, with new activities including consultation on Waimairi Road pedestrian signals and planned consultation on Gayhurst Road Bridge and interim safety work.

The Council approved a concept design for the new Central Library in March. The Canterbury landscape and feedback from the public on what they wanted in the new building inspired the design. The New Central Library is expected to open in 2018 at a total cost of up to \$85 million. It replaces the old central library in Gloucester Street which was damaged in the earthquakes and demolished to make way for the new convention centre as part of the Christchurch Central Recovery Plan.

Overall, the Council continues to perform well and remains on track to deliver at least 85 percent (%) of its Level of Service targets.

Council staff also continue to meet CERA and Government officials to discuss strategic, operational and transactional issues. The Mayor is on the Transition Advisory Board.

The Council's Customer Services team reported a slightly quieter month than in February, with a pleasing decrease in the overall number of complaints. Online engagement continues to increase. The Council's Facebook page grew by 761 to 13,711 fans. The top post was about the LTP and reached 97,400 fans.

The Council's media team had another busy month with 301 enquiries received. Topics of interest to the media included the Council's insurance of Lancaster Park, the Mayor's Chair sessions where residents can share what they think about issues and the reopening of Ferrymead Bridge.

There were 50 LGOIMA requests in March, double the previous month. This increase relates in part to people seeking further information to prepare LTP submissions. About half the requests fell into two broad categories – earthquake damage and/ or the rebuild as well as Council finances.

The organisation's Building Control Group continued to increase the number of consents processed during the month. In March, the group processed 917 consents, compared with 742 in February. The number of inspections undertaken also increased. IANZ are scheduled to return during August to undertake its standard re-assessment.

Our key internal transformation programme, Great for Christchurch, continues to identify opportunities to improve the way the organisation operates day-to-day. This involves analysis, workshops with staff and benchmarking with other organisations, including local government bodies. The results of this analysis will form recommendations that remain on track for delivery to the Chief Executive in May this year.

The Learning and Development training programme is well underway for the year. This programme sits within the organisation's annual professional development training calendar. Training was completed by 152 staff in March.

There were 82 Health and Safety incidents reported during March. Managers are responsible for investigating reported incidents and put in place mitigation measures or controls to prevent further occurrences. These may include training, education or providing protective clothing or equipment.

Canterbury Development Corporation remains on budget financially and delivering against all levels of service. They are preparing to host a large delegation from Szechuan in China during April and will showcase economic development opportunities between the two regions.

## Recommendation

That the information contained in this report be received.

# Performance Report

This report summarises the Council's progress for the month ending 31 March 2015 towards fulfilling the commitments outlined in the Annual Plan. Performance is assessed against:

- Level of service delivery
- Operating expenditure
- Capital expenditure
- Earthquake rebuild expenditure
- Long Term Plan project milestones
- Building consent processing

The Council is still on track to deliver at least 85 per cent (%) of its level of service targets. However forecast performance has dropped from 89.6% in December to 86.3% at the end of March. Further drop over the fourth quarter usually occurs, so this target must now be regarded as at mild risk.

The full capital programme will not be spent. While there has been an improvement since December, only 54% of planned funds have been expended. With only three months left in the financial year, this remains a key organisational risk.

The Long Term Plan consultation document is open for public submission. About 500 submissions have been received so far and there are a large number of LGIOMA requests from people wanting information to add to their submission.

Building Consents continue to improve. The % of consents processed within the statutory timeframe is now at 86.3% year to date, so it will not be possible to achieve the statutory requirement of 100% by year end.

## How are we performing?



# Financial Snapshot

## Statement of Financial Performance (\$m)

The Council's consolidated financial performance for 1 July 2014 to 31 March 2015 is presented below. Positive variances indicate a favourable variance from plan; negative an unfavourable.

	YTD			Full Year		
	Actual	Plan	Variance	Actual	Plan	Variance
Operating revenue	116.4	118.1	-1.7	165.9	161.2	4.7
Interest and dividends	54.1	42.8	11.3	86.9	77.7	9.2
Rates income	268.1	266.6	1.5	357.9	355.5	2.4
<b>Total Revenue</b>	<b>438.5</b>	<b>427.6</b>	<b>11.0</b>	<b>610.7</b>	<b>594.3</b>	<b>16.4</b>
Personnel costs	122.4	123.5	1.1	168.0	169.2	1.2
Less recharged to capital	-19.8	-20.7	-0.9	-27.2	-27.9	-0.7
Grants and levies	36.4	38.7	2.3	44.5	45.4	0.8
Operating costs	121.8	134.1	12.3	198.4	191.6	-6.8
Maintenance costs	76.3	95.3	19.0	115.2	126.4	11.2
Debt servicing	42.0	43.6	1.7	57.6	60.5	2.9
<b>Total Expenditure</b>	<b>379.1</b>	<b>414.6</b>	<b>35.5</b>	<b>556.6</b>	<b>565.2</b>	<b>8.6</b>
<b>Net Surplus (loss)</b>	<b>59.5</b>	<b>13.0</b>	<b>46.5</b>	<b>54.1</b>	<b>29.2</b>	<b>25.0</b>

## Operating Expenditure (\$000)

	YTD			Full Year		
	Actual	Plan	Variance	Actual	Plan	Variance
City Planning & Development	22,849	23,165	316	32,773	25,867	-6,906
Community Support	23,780	30,450	6,670	32,498	38,857	6,358
Cultural and Learning Services	27,699	29,278	1,579	35,511	36,853	1,341
Democracy & Governance	8,662	9,045	383	13,133	14,247	1,114
Economic Development	8,361	8,582	221	11,327	11,568	240
Parks & Open Spaces	19,966	22,703	2,737	28,924	30,435	1,511
Stormwater Drainage & Flood Protection	10,874	11,045	171	14,689	14,371	-317
Recreation and Leisure	12,730	13,511	782	16,090	16,900	809
Refuse Minimisation & Disposal	19,936	21,789	1,853	28,230	29,759	1,529
Regulatory Services	103	5,171	5,069	4,180	7,721	3,541
Provision of Roads & Footpaths	23,066	21,654	-1,412	30,305	28,290	-2,015
Treatment & Disposal of Sewage	12,827	17,986	5,158	17,505	21,753	4,248
Water Supply	8,553	8,767	214	10,603	10,866	263
<b>Groups of Activities</b>	<b>199,406</b>	<b>223,146</b>	<b>23,741</b>	<b>275,768</b>	<b>287,487</b>	<b>11,716</b>

## Capital Expenditure (\$m)

	YTD			Full Year		
	Actual	Plan	Variance	Actual	Plan	Variance
Three Waters	34.3	82.2	47.9	66.9	106.3	39.3
Roads and Footpaths	24.0	34.4	10.4	58.5	71.9	13.4
Parks	5.2	9.8	4.6	12.6	13.3	0.8
Strategic Land	-1.1	-	1.1	16.4	16.4	0.1
Other	25.9	38.4	12.5	48.6	59.3	10.7
Less Planned Carry Forwards not identified	-	-0.2	-0.2	0.0	-50.2	-50.2
<b>Expenditure</b>	<b>88.3</b>	<b>164.5</b>	<b>76.3</b>	<b>202.9</b>	<b>216.9</b>	<b>14.1</b>

# Earthquake Rebuild (\$m)

	YTD			Full Year		
	Actual	Plan	Variance	Actual	Plan	Variance
Infrastructure - SCIRT	284.3	324.8	40.5	386.2	523.6	137.4
Infrastructure - Non SCIRT	14.9	37.0	22.1	27.0	249.6	222.6
Transitional / Recovery Projects	5.6	3.1	-2.5	13.6	61.1	47.5
Facilities Rebuild	26.6	91.4	64.7	61.6	250.5	188.9
Unallocated Budget	0.5	0.4	-0.1	15.7	42.2	26.5
<b>Expenditure</b>	<b>331.9</b>	<b>456.6</b>	<b>124.7</b>	<b>504.1</b>	<b>1,126.9</b>	<b>622.8</b>

**Operational results:** The year to date under spend largely relates to earthquake response costs - delays to the social housing programme, less operational repair works on heritage buildings and reduced wastewater expenditure due to SCIRT's progress on repairing the system. This is forecast to be spent or carried forward. The forecast overspend mainly relates to unbudgeted District Plan Review costs (\$4.4m), Building Control change management costs and increased staffing to regain accreditation. Revenues are \$6m ahead of budget mainly due to \$18m of corporate revenues, partly offset by \$12m lower earthquake response recoveries due to the under spend above. The forecast corporate revenue will be achieved at year end. The forecast surplus has improved from \$7m last month to \$11m, \$2m of which is the interim 14/15 Transwaste dividend.

**Capital expenditure:** The forecast programme spend is \$14.1m less than budget (assuming carry forwards of \$57m), mainly due to timing of three projects and savings on fleet and plant purchases. Some permanent savings are contributing, mainly in the three waters area. Year to date 33% of gross budget has been spent; with a further 43% of budget forecast for the remaining three months of the financial year, resulting in 76% of the programme being delivered. Finance believes closer to 55% of the gross budget will be delivered.

**Earthquake Rebuild:** Rebuild expenditure was under spent this month, mainly because heritage and community facilities projects which were due to start this month are now expected to commence next year. Rebuild costs of \$332m year to date mainly reflect work delivered by SCIRT. Apart from transitional projects, work is behind budget in all areas.

## Service Delivery

### Levels of Service (LOS)

The Council is still on track to deliver at least 85% of its level of service targets. However forecast performance has dropped from 89.6% in December to 86.3% at the end of March. Further drop over the fourth quarter usually occurs, so this target must now be regarded as at mild risk.

### Building Consent Update

Time-frames	Accepted	Total Cost of Consents	Granted	Total Cost of Consents
16-22 March	211	\$43,185,001	199	\$81,427,374
23-29 March	226	\$48,733,927	211	\$61,554,857
30 March-5 April	187	\$43,333,067	128	\$39,716,122
6-12 April	180	\$62,255,996	179	\$27,579,602
13-19 April	243	\$128,784,499	218	\$49,721,197

In March, the Building Control Group processed 917 consents. Currently, 999 are on hold where Request for Information (RFIs) have been made of applicants. A total of 804 residential consents were processed within 20 working days (99%) and 113 commercial consents were processed within 20 working days (97%). Overall 99% of the total consents were processed within the 20 days statutory time frame.

### Accreditation

IANZ are still scheduled to attend in August to undertake its standard re-assessment. The Building Control Group are continuing on with the good work from 2014 with continual monitoring and auditing of our systems and processes.

### Inspections

The Council continues to experience an increase in demand for inspections. In March, the Inspections Scheduling team received on average more than 340 in-bound calls each day. From these calls approximately 296 inspections are being booked. The demand versus the number of inspectors means we are only able to complete an average of 243 inspections daily. During March, 5361 inspections were undertaken compared with 4525 in February. At the end of March the current inspection days-out timeframe is approximately eight working days.

During early April we had five new Inspectors start with the group. With those five inspectors now out on the road our days out timeframe has dropped down to four days. An active recruitment programme is currently underway to cover ongoing resignations. We have also started a project looking to better align our inspection types with the sequence of construction across the residential sector. Some of these changes should come into force by the end of next month. This will give us greater capacity to meet the current demand for the sector particularly across the low risk residential buildings.

### Resource Consent Update

Note, the following figures do not include Temporary Accommodation applications.

Month	Number of Resource Consents Received
February 2015	264
March 2015	350

### Libraries Update

The following information profiles the Council's current Library programmes and events.

#### New Central Library:

On 26 March, the Council approved the concept design for the new Central Library and agreed to call for expressions of interest from contractors to build a new library of about 9,850 m<sup>2</sup> at a total cost of up to \$85 million. We expect to award the contract for construction by the end of 2015.

The Council noted its current contribution to the project is \$75 million and it asked that a funding update on the project in September include information on a philanthropic contribution of \$10 million, as outlined in the Cost Sharing Agreement with the Crown. The Council will receive an update in September on the philanthropic contribution of \$10 million.

#### Big bargain book sale

The Library's big annual book sale was attended by more than 5000 people, carrying off around 55,000 books, magazines etc. The final takings (after costs removed) of nearly \$60,000. About 240 people entered within five minutes of opening on the first day.

#### Customer Satisfaction Survey

The Library's annual Customer Satisfaction Survey is currently underway. The results will inform ongoing planning and service improvement.

#### Freegal

Our Freegal subscription will finish at the end of April 2015. Freegal provided digital music to customers, but usage was dropping, the cost was high and alternatives are available. We will refer Freegal users to our other digital music products.



# Community Engagement

## Consultation

The last month has been extremely busy for with numerous projects in various stages of consultation/engagement, report preparation and elected member decision making. There have also been a number of elected member briefings and/or seminars.

The implementation of the on-road traffic changes associated with the Council-approved First Phase transport projects of *An Accessible City* saw a significant level of external communications. These communications have been instrumental in delivering a relatively smooth and trouble free construction programme.

The Infrastructure, Transport and Environment Committee and Council have approved for the next round of consultation on Riccarton Road Bus Priority and *An Accessible City* with both consultations getting underway in late April. Consultation and communications staff are working with ECan and CERA staff to deliver on both projects. We are anticipating a high level of interest from stakeholders.

The Levi's skate park proposal on the Sumner Esplanade continues to see a very high level of interest from media and local residents. About 84 per cent of the submissions supported the skate park proposal, however a group of residents are highly opposed to the project location and have engaged legal representation. The Hagley/ Ferrymead Community Board is very aware of the high level of community interest and will consider the project at an Extraordinary Meeting on 5 May 2015. Some submitters have requested speaking rights, including representatives from Levi's. All submitters have been informed of the consultation outcome and decision making process.

Consultation for the Wainui Wastewater Reticulation and Treatment Scheme has closed with 88 submissions received. Submitters could request speaking rights to the Infrastructure, Transport and Environment Committee when the staff report is considered, about 20 submitters wish to do this. The report is due to go to the Committee on 4 June 2015.

Preparation for the next round of Dudley Creek consultation on Banks Avenue and the Alternative Bypass is underway. Consultation on this section of Dudley Creek is due to get underway in May 2015. Staff have been in regular contact with Banks Avenue residents.

A Dudley Creek update e-newsletter was sent out on 26 March 2015. There have been a number of individual property owner meetings ahead of the work in the up-stream section of Dudley Creek approved by Council on 12 December 2014. Meetings will continue over several months as work packages roll out, and in some cases reports will come back to Council for easements and/or whole or part property purchases.

More details of our activities during March/April 2015 are shown in the table below.

Project	Status	Elected member engagement	Engagement numbers
Levi's Skate Park Proposal – Sumner Esplanade	Consultation closed 16 March	Hagley/ Ferrymead Councillor/ Community Board members' attendance at drop-in session 7 March.	1006 submissions and a 362 signature petition by close of consultation
Wainui Wastewater Scheme	Consultation closed 30 March	Sub-committee of Council and Chair of Akaroa/ Wairewa Community Board worked alongside staff at drop-in sessions.	88 submissions by close of consultation
An Accessible City – Consultation No. 3	Consultation from 28 April to 26 May	Hagley/ Ferrymead Community Board briefing 4 March	CERA-organised pre-consultation with stakeholders

Project	Status	Elected member	Engagement numbers
An Accessible City Implementation works	Construction and implementation phase	Proactive media releases from the Chairman of the Infrastructure, Transport and Environment Committee	
Kaputone Creek realignment	Consultation closed 9 March	Shirley/ Papanui Community Board recommendation to Council 18 March	Consultation was restricted to directly affected property owners. Three neighbours and five organisations.
Riccarton Bus Priority	Consultation to open 20 April to 18 May	Riccarton/ Wigram Community Board 17 March  Hagley/ Ferrymead Community Board 18 March	Consultation material distributed to approximately 2000 individuals or groups
Groynes Playground	Plan approval phase	Shirley/ Papanui Community Board briefing 3 December 2014	Three submissions by close of consultation

# Community Engagement

Project	Status	Elected member engagement	Engagement numbers
Buchan Playground Redevelopment	Consultation opens 15 April	Spreydon/Heathcote Community Board Seminar 27 February.	262 consultation leaflets distributed to nearby property owners and other key stakeholders.
Grahams Road/ Memorial Avenue Intersection Improvements	Consultation closed 9 March	Plan approved by Fendalton/ Waimairi Community Board 13 April.	25 letters delivered and emailed to 66 key stakeholders.
Memorial Avenue/ Otara Street Pedestrian Refuge	Consultation closed 9 March	Plan approved by Fendalton/ Waimairi Community Board 30 March.	20 letters delivered and emailed to 65 key stakeholders.
Waimairi Road pedestrian signals and safety improvement	Consultation closed 2 April	Riccarton/ Wigram Community Board seminar 17 March.	45 Consultation leaflets distributed, 380 emailed.

Project	Status	Elected member engagement	Engagement numbers
Dudley Creek Capacity Improvements	Individual property owner meetings associated with upstream works.	No elected member activity required at this point for the upstream works.	Meetings with 12 individual property owners. Meetings will continue over several months as the various work packages roll out.
Proposed Bus Shelters City Wide	Detailed design, tender and construction phase for 14 new bus shelters.	Formal request for a Hearings Panel will be made at a later date yet to be determined.	65 leaflets distributed to directly affected property owners and occupiers.
193 Riccarton Road pedestrian signals	Consultation closed 2 March	Riccarton/ Wigram Community Board recommendation to Council 14 April.	150 leaflets distributed. 42 responses including late submissions.
Port Hills Road Footpath extension	Detailed design, tender and construction phase for 14 new bus shelters	Memo sent to Hagley/ Ferrymead Community Board 25 February	20 leaflets distributed to adjacent residents and property owners.
Waitikiri Square Playground	Consultation closed 9 March	Burwood/ Pegasus Community Board briefing 16 February	57 responses by close of consultation

Project	Status	Elected member engagement	Engagement numbers
Duvauchelle Reserves renaming	Consultation closed 9 February	Consultation information sent to Akaroa/ Wairewa Community Board.	400 Consultation leaflets distributed.  35 responses by close of consultation.
Gayhurst Road Bridge	Consultation opened 7 April	Hagley/ Ferrymead and Burwood / Pegasus Community Board seminar 23 March	730 Consultation leaflets distributed to nearby property owners and other key stakeholders.

# Community Engagement

## Engagement

The public consultation on the Long Term Plan started on 17 March and runs until midday on 28 April.

By 21 April, there were more than 500 submissions, with many more expected in the final days. Staff are aware of community groups and networks working together to prepare submissions on local issues in particular, along with strong social media campaigns around issues such as the proposed release of capital from companies owned by the Council through CCHL.

Eleven public meetings were held around the wards. Attendances varied hugely - the most well-attended were at New Brighton and Beckenham. Sector breakfasts for business representatives and for the NGO/community and residents groups proved popular.

Submissions so far have canvassed a range of subjects, however asset control/ownership, proposed rates increases and priorities for community facilities have drawn the most comments.

There has been strong interest in discussing LTP issues on the Council's and other's Facebook pages. So far there have been over 1200 comments posted on our page. We are encouraging people to convert these comments into formal submissions. Community Boards have been offered an extension until 5 May to make their written submissions - this is to enable them to take more time to incorporate feedback on recently-made available ward profiles that detail capital projects ward-by-ward.

The hearings for submitters commence on 12 May, with up to nine days scheduled. Planning is underway to provide opportunity towards the end of the hearings for people who may have missed or were unwilling to make written submissions to speak to Councillors - hopefully this will include a wider range of people in the consultation process than would otherwise have taken part.

Work is underway to install technology to enable submitters to speak to the Hearings from remote locations (in particular Banks Peninsula).

This is not finalised yet, so is not being promoted externally at this stage. The Mayor's Chair has its fifth, final session on 22 April. Attendees have appreciated the opportunity to talk to Councillors and some have benefited from media follow-up and had their issues raised in The Press.

Some further public engagement activities are planned after formal submissions period closes: for example, the Christchurch Youth Council is planning a mock Council meeting to debate LTP issues and the NGO sector is keen to help work with staff to organise a community forum.



## Customer Services and Online Channels

### Call Centre

We received 52499 calls for March 2015 and achieved a service level of 75%, year to date 72%. Building was still the highest percentage of calls received, at 21% which is a decrease from 24% in February. Booking call volumes had the biggest increase due to Swim Smart. Booking calls made up 16.7% of total call volume, a big jump from 9.1% in February.

### Customer Service Desks

It was a quieter month for financial transactions at many of the service desks with the exception of Linwood and Shirley due to the area two rates payment due date falling in the middle of March. This is a normal trend for this time of year. There were 8095 customer desk transactions in March.

### Infoline

We received 1884 emails through this email channel in March, slightly down on February 2015.

### Complaints

There was a pleasing decrease in the overall number of complaints, from 133 in February to 116 in March. Complaints regarding staff decreased from 19 to nine alongside the overall decrease - events (from 11 to 3), parking (from 6 to 2), policy (from 7 to 3) and the website (from 4 to 0).

The biggest increases were in the Building Consents area (from 20 to 30) – the majority were in relation to the cost of consents or disputing what has been charged; in the Enforcement area (from 7 to 12) – this covered a number of different themes with complaints regarding open fires, noise and parking fines; finally in the Sewer/Water area where the concerns were varied with no common themes.

### Online Channels Statistics

During March, the Council received 229,562 visitors to the Council website (4.44% more than February 2015). Of the visits, 63.7% were returning visitors and 36.3% were new visitors.

The Council's Facebook page grew by 761 to 13,711 fans, and the top post was an LTP campaign post "We have a \$1.2 billion shortfall" including a video of the Mayor on the 19 March, reaching 97.4k fans with 500 comments and 79 shares. Our Twitter feed grew by 153 followers to 8,824.



# Media

From 16 March to 20 April 2015, the Council's Media Manager received **301** media enquiries covering the following key issues:

Media Outlet	Issue / Enquiry
Radio Live/Prime News/ The Press	Town Hall tenders closing
The Press/Radio NZ	Proposed funding cuts for the Art Gallery in draft LTP.
3 News/The Press /The Mail	Opening of Ferrymead Bridge.
Radio Live/Radio NZ/ The Press/NZ Newswire	Mayor/Deputy Mayor disappointed after Air NZ announces the cutting of Tokyo/ Christchurch direct flights
The Press/Newstalk ZB	Smells associated with Living Earth compost plant.
Radio Live/Radio NZ/ The Star	Council seeking partners for new housing provider
The Press/Newstalk ZB	Interviews with Mayor regarding Crown Manager's final report.
Radio NZ/Newstalk ZB	Update on the Northern Arterial/ Cranford St upgrade and summary of submissions
The Press/Newstalk ZB	Minister Brownlee and Minister Smith's comments on the District Plan Review.
TV1/Newstalk ZB/Prime News	Panels going up on the New Brighton war cenotaph to cover up graffiti before ANZAC Day
The Press/NZME	Toilet facilities for Manchester Street sex workers

Media Outlet	Issue / Enquiry
TV1/TV3/The Press/ CTV	Release of protected Canterbury geckos into Riccarton Bush.
The Press/Radio NZ/ Newstalk ZB	Alleged spate of dog thefts around the city.
The Press/The Star/ CTV/ TV1	Mayor's Chair sessions where residents can tell Mayor and Councillors what they think on issues.
The Star/The Press/ Newstalk ZB	Dogs getting sick/dying after walking at Bottle Lake Forest.
Radio NZ/Newstalk ZB/The Star	Update on Lichfield St carpark Expressions of Interest process.
Newstalk ZB/The Press	Fanzone open for Cricket World Cup final.
Radio NZ/The Press -	Planned route for Christchurch Marathon 2015.
The Star/Radio NZ	Council not supplying sandbags to residents during periods of heavy rain
The Press/The Star/ Newstalk ZB	The future of Barrington Playground after it was damaged by fire.
Radio NZ/The Press -	Updates on insurance particularly Lancaster Park.
Radio Live/Newstalk ZB	Reasons for LAP not being discussed at Council meeting and when it will be.
The Press/The Star/ Newstalk ZB/Plains FM	Interviews with Charles Montgomery, urban design expert from Canada.
Radio NZ/Radio Live/ TV1	Outcome of the Mayor's meeting with Air NZ CEO and senior staff.

## LGOIMA Requests

Fifty requests for official information under the Local Government Official Information and Meetings Act 1987 (LGOIMA) were received in March, up from 21 in January and 25 in February, including:

- Six from media
- Five from the offices of Members of Parliament
- Three from tertiary students engaged in research
- Two from law firms
- One from a Government department
- One from another Council

About half the requests fell into two broad categories:

- Ten requests related to earthquake damage and/or the rebuild, including building consents, infrastructure, geotechnical reports, anchor projects, land movement, flooding and the cost-sharing agreement.
- Fifteen requests related to Council finances or expenditure, including staffing levels, capital expenditure, budgets, audits and savings.

Among these 25 requests were 10 that expressly related to the Long Term Plan (LTP), mainly from individuals seeking further information to prepare LTP submissions.

The other half of the month's requests covered a diverse range of topics, including car parks, dog parks, building plans, property boundaries, speed limits, elected members' meeting attendance, and the Council's obligations under the Resource Management Act.

The number of requests relevant to each business group is listed below. Some requests involved more than one business group, so the total exceeds the number actually received.

- Finance and Commercial Group: 19
- Corporate Services Group: 9
- Building Control Group: 8
- Operations Group: 6
- Strategy and Planning Group: 6
- Facilities and Infrastructure Rebuild Group: 4
- Community and Democracy Services Group: 3

LTP-related requests contributed to the increase in LGOIMA activity for the Finance and Commercial Group.

There were 21 LGOIMA responses sent during March.

# People

## Workforce

### New Appointments (March 2015)

Does not include casual employees.

Action Type	Group	Full Time	Part time	Fixed Term	March Overall
<b>Hiring Employee</b>	<b>CCC Total</b>	<b>14</b>	<b>4</b>	<b>7</b>	<b>25</b>
	Building Control Group	1			1
	Corporate Services Group	1		1	2
	Community and Democracy Services	1		1	2
	Operations Group	9	4		13
	Facilities and Infrastructure Rebuild				0
	Financial and Commercial Group				1
	Strategy and Planning Group	2		4	6
<b>Rehire</b>	<b>CCC Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>3</b>
	Corporate Services Group	1			1
	Operations Group		1		1
	Strategy and Planning Group			1	1
<b>Overall Result</b>		<b>15</b>	<b>5</b>	<b>8</b>	<b>28</b>

**Numbers Leaving (March 2015)** Includes fixed term employees, excludes casuals and seasonal employees.

Action Type	Group	Full time	Part time	Fixed Term	March Overall
<b>Leaving</b>	<b>CCC Total</b>	<b>15</b>	<b>6</b>	<b>6</b>	<b>27</b>
	BCBC Building Control Group	3		1	4
	COCO Corporate Services Group	5	1		6
	CDCD Community and Democracy Services	3		1	4
	OPOP Operations Group	4	5	2	11
	FIFI Council Facilities and Infrastructure Rebuild				0
	FCFC Financial and Commercial Group				0
	SPSP Strategy and Planning Group			2	2
<b>Overall Result</b>		<b>15</b>	<b>6</b>	<b>6</b>	<b>27</b>

## Exit Survey Comments and Feedback

As the Exit Survey Data is only collated every six months, please refer to November and December 2014 data as provided in the Chief Executive's January Report.

## Training and Development

There were 152 staff who completed training in March. This increase is due to the beginning of the Council's annual Learning and Development training schedule.

Business Event	Normal Bookings
Prevention of OOS	14
Worksmart (CSR) Basic Skills	2
Leadership at CCC	10
The Key to Managing Stress	6
Career Development	12
Getting Started at CCC	12
Transition to Retirement	11
Effective Business Writing	12
Pivotal People Skills for Staff	12
Presentation Skills	6
Step up to Leadership	8
Diversity @ Work	34
Applying for Leadership Roles	13
<b>Total</b>	<b>152</b>

# People

## Health and Safety

The table (below) shows the number of staff accidents for the period 1 July 2014 – 31 March 2015.

### Mitigation strategies in place for accident reduction

The Health and Safety Specialists team within Human Resources promote, support and advise on Health and Safety matters.

There are also Health and Safety Committees across the organisation where managers and staff work together to improve health and safety outcomes.

Managers have a responsibility to investigate accidents/incidents reported and put in place mitigation measures or controls to prevent further occurrences. These measures may include training, education or the provision of protective clothing or equipment.

### Acronyms for Council Organisational Groups

<b>BC</b>	— Building Control Group
<b>CORP</b>	— Corporate Services Group
<b>EX</b>	— Chief of Staff Transformation Team
<b>FIR</b>	— Facilities and Infrastructure Rebuild
<b>CDS</b>	— Community and Democracy Services
<b>OPS</b>	— Operations Group
<b>FC</b>	— Finance and Commercial Group
<b>S&amp;P</b>	— Strategy and Planning Group
<b>MO</b>	— Mayor's Office

	BC		CORP		EX		FIR		CDS		OPS		FC		S&P		MO		Total	Total
	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD	Mar	YTD
Lost time Injury (LTI)	1	4	1	7	0	0	0	0	0	0	1	12	0	0	0	0	0	0	3	23
Medical Injury (MI)	0	4	1	16	0	0	0	1	0	4	13	66	0	0	0	1	0	0	14	92
First Aid Injury (FAI)	2	9	1	14	0	1	0	0	2	5	14	87	0	0	0	0	0	0	19	116
Near Miss (NM)	0	4	2	14	0	0	2	3	0	0	4	31	0	0	0	0	0	0	8	52
Pain and Discomfort	0	11	1	19	0	0	0	0	2	7	2	24	0	3	0	3	0	0	5	67
<b>Total Incidents reported</b>	<b>3</b>	<b>32</b>	<b>6</b>	<b>70</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>16</b>	<b>34</b>	<b>220</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>350</b>
<b>Days lost</b>	<b>16</b>	<b>27</b>	<b>3</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63</b>	<b>269</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>322</b>
<b>ACC Claims</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>56</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>80</b>
<b>Serious Harm Notifications to Worksafe NZ</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>6</b>

## Key Internal Projects

### My Workplace

The My Workplace computer programme upgrade is in its final weeks. To date, more than 1500 staff have been upgraded to Microsoft Office 2013. The next phase is an upgrade of the records management system. The overall programme remains on schedule to finish in June this year.

### Great for Christchurch

The Great for Christchurch programme will improve the way the organisation delivers to our Council customers and communities. The programme has analysed the findings from across the whole organisation including understanding how well we deliver on what we offer to our customers, how easy we are to contact and what 'business capabilities' we can improve on so that we are working smarter. The business capability review is an holistic approach encompassing process, policy, technology, information, people capability and skill, governance, roles and responsibilities, structure and suppliers. The final recommendations for further investigation, design and implementation are on track to be delivered in early May to the Chief Executive.

### CERA Transition

Council staff have continued to meet with CERA and Government officials to discuss strategic, operational and transactional issues related to the CERA transition. The Mayor is on the Transition Advisory Board. Ensuring our preparedness for transition is the key focus at present.

### Long Term Plan (LTP) Process Update

The Consultation Document is open for public submission. Approximately 500 submissions were received by 21 April. Submissions close on 28 April 2015.

### Website Upgrade

The [ccc.govt.nz](http://ccc.govt.nz) upgrade project to a Common Web Platform has begun. Key milestones to-date include:

- Development of a new site structure
- Redevelopment of content with the business
- Configuration of website
- Wireframing of new site design

### Online Services

- Online dog re-registration payments will be internally tested in May.
- Digital Services Framework (platform for Council online services and customer portal) RFP vendor demonstrations have been completed.
- Implementation of the Citizen request for service mobile application is due to start in May so residents can report issues from smart phones and tablets.

### Other updates

- An LTP social media campaign has been running for the month of March and received good engagement through paid boosted posts. The LTP landing page <http://www.ccc.govt.nz/ltp> has had 3060 page views.
- The business case for the implementation of SharePoint as an internal work collaboration tool has been approved by ELT.

## Chief Executive Activities

Over the last month, the Chief Executive attended the following events on behalf of the Council:

Date (2015)	Event
2 March	Interviewed for CTV's "Lynched" programme
4 March	Te Matatini
16 March	Hagley / Ferrymead Community Board Seminar
17 March	Riccarton / Wigram Community Board Meeting
18 March	Rebuilders' and Enablers' Forum
26 March	Speech – Deloitte's CEO Breakfast Roundtable

Over the last month, the Chief Executive attended the following internal and external key stakeholder meetings:

- Chair, Advisory Board on Transition
- CERA Chief Executive

- NZTA Chief Executive
- Air New Zealand Chief Executive
- Strategic Pay Chief Executive
- CCHL Chief Executive
- Chief Executives' Advisory Group
- CERA/EQC/Insurance Chief Executives' meeting
- CERA officials
- LGNZ officials
- Housing New Zealand officials
- Senior Leaders Forum
- Chief Executive and Employment Matters Committee
- Legal Services Unit Strategy Meeting

## CDC Update

This section of the report profiles the key activities taken during the month by the Canterbury Development Corporation (CDC).

1. CDC is on budget financially and delivering against all levels of service
2. Planning for MBIE and Treasury CEO's and senior management teams visit to Christchurch on 29 April
3. CDC team in Melbourne as part of the "Aussie Jobs Fair" initiative with MBIE
4. We have confirmed 15 students for the manufacturing Gateway programme starting at CPIT
5. Had the Governor of the Reserve Bank confirm CDC thinking on housing supply and potential over build
6. Met with Dame Jenny Shipley on the Transition Advisory board role and how CDC could help with Transition planning / thinking
7. Travelled to China for the final week of the Mayoral Delegation, a number of potential opportunities for bringing large businesses to Christchurch
8. Hosting a very large Szechuan delegation later this month on economic development opportunities
9. The Innovation hub being built within the Innovation precinct will be a brilliant addition to the city's innovation eco-system.

## COUNCIL 30. 4. 2014

**AUDIT AND RISK MANAGEMENT COMMITTEE  
31 MARCH 2015**

**A meeting of the Audit and Risk Management Committee  
was held in the No. 1 Committee Room  
on 31 March 2015 at 11.05am**

**PRESENT:** Ms Sheldon (Chairperson)  
Councillor Raf Manji (Deputy Chairperson)  
Councillors Jimmy Chen, David East, Jamie Gough, Messrs Russell and Rondel.

**APOLOGIES:** Apologies for absence were received and accepted from The Mayor and Councillors Buck and Gough.

An apology for lateness was received and accepted from Councillor East who arrived at 11.07am and was absent for clauses 2, 3 and 5.

The Committee reports that:

**PART A - REPORTS REQUIRING A COUNCIL DECISION**

**1. AUDIT NEW ZEALAND MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2014**

		Contact	Contact Details
<b>Executive Leadership Team Member responsible:</b>	Chief Financial Officer		
<b>Officer responsible:</b>	Corporate Finance Manager		
<b>Author:</b>	External Reporting and Governance Manager		

**1. PURPOSE AND ORIGIN OF REPORT**

1.1 The purpose of this report is to table the Audit New Zealand Management Report relating to the 30 June 2014 audit in accordance with standard governance procedures.

**2. EXECUTIVE SUMMARY**

2.1 The Management Report is attached as **Attachment 1**.

2.2 The key points noted in the Management Report are:

Earthquake issues

2.2.1 The continuing impact on the financial statements of the Council's inability to value its assets and quantify asset impairment post-earthquake are discussed in detail. The Council did revalue its water supply infrastructure assets in 2014. As a result there was a significant increase in the value of water supply assets but, as the assets had not been valued since 2010, assurance could not be provided that the increase in value has been reflected in the correct year.

**COUNCIL 30. 04. 2015**

**Audit and Risk Management Committee 31. 3. 2015**

**1 Cont'd**

1.2.2 The recognition of insurance receivables and the collectability of the amounts recognised continued to be a key issue. In prior years the Auditors directly engaged with Civic Assurance to gain assurance that the insurance receivables recognised would be received. As a result of the ongoing negotiations between the Council and Civic Assurance this was not possible and there were no practical audit procedures to prove that the insurance receivable recognised from fully recoverable. Assurance was provided in the management representation letter when the Council approved the Annual Report.

2.2.3 The substantial build up in the capital work in progress balance relating to (Stronger Christchurch Infrastructure Rebuild Team (SCIRT) rebuild projects (\$1.1 billion) was a key point. Because SCIRT did not provide the completion information to the Council, management were unable to capitalise and depreciate assets which had been completed and in use. Similarly, some of the work was operational in nature and without the detail the Council was unable to expense those projects.

Other issues

2.2.4 Specific mention was also made of the issues identified in 2013 relating to the rates resolutions from 2004/2005. As the local bill had not been passed by Parliament when the accounts were signed this remained an outstanding issue. It is noted that the report from the Local Government and Environment Committee on the bill is due back on 30 March 2015.

2.2.5 The Council has an extensive framework of performance measures. Audit New Zealand note that as a result it can be difficult for a reader to focus on and assess core aspects of the Council's performance. Audit New Zealand suggested that the number of performance measures should be critically reassessed and the overall number reduced in the Long Term Plan.

2.2.6 Audit New Zealand have identified that improvements could be made in disclosing the Council's performance information and are suggesting further detail is required in this area including discussing the impact of the rebuild.

**3. COMMENT**

3.1 The issues and areas that need to be addressed which Audit New Zealand have raised relating to the impact of the earthquakes on the accounting for assets, their replacement and insurance are in common with those identified by Council staff and management and the following steps have been taken to address these.

3.1.1 A valuer has been appointed for land and buildings to revalue the specific land and buildings classes for 30 June 2015.

3.1.2 The responses to our requests for proposal to revalue the wastewater and roading infrastructure assets are currently being evaluated. These classes will be revalued as at 30 June 2015, leaving only the storm water class which will be revalued next year. Depending on the outcome of the revaluation there is a possibility that changes relating to this class may not be material.

3.1.3 Work is continuing with SCIRT to improve the handover process to allow the Council to capitalise projects as soon as possible after completion and to expense any operational costs. Significant progress has already been made.

3.1.4 The existing impairment provisions will be reassessed based on revaluations and current knowledge at 30 June 2015.

3.1.5 As insurance negotiations progress the recognition and recovery of insurance receivables will continue to be monitored.

**COUNCIL 30. 04. 2015****Audit and Risk Management Committee 31. 3. 2015****1 Cont'd**

- 3.2 The Council is aware of the issues identified regarding accounting for the cost share agreement and anchor projects. As more information is available and decisions made relating to the anchor projects the accounting consequences will be reflected.
- 3.3 The comments made by Audit New Zealand in relation to the reporting of performance have been noted and consideration will be given to making changes to the Annual Report in this respect.

**4. FINANCIAL IMPLICATIONS**

- 4.1 The issues raised by Audit New Zealand in their Management Report have no direct financial implications. However, the longer that the Council is unable to reflect a valuation of its assets that complies with generally accepted accounting practice the longer it will retain a modified audit opinion. It is also noted that given the length of time since many of the large asset classes were revalued that the Council will retain a modified opinion on those asset classes for the year of revaluation.

**5. STAFF RECOMMENDATION**

It is recommended that:

- 5.1 The Committee consider the comments made by Audit New Zealand in its Management Report on the 2014 Annual Report and the comments made by Council Management in response.
- 5.2 After consideration of the Management Report the Committee recommend to the Council that it receive the Audit New Zealand 2014 Management Report.

**6. COMMITTEE RECOMMENDATION**

- 6.1 The Committee considered the comments made by Audit New Zealand in its Management Report on the 2014 Annual report and the comments made by Council Management in response.

**7. COMMITTEE RECOMMENDATION**

It is recommended that the Council:

- 7.1 Receive the Audit New Zealand 2014 Management Report and note the management actions arising from the recommendations with respect to revaluation of assets and capitalisation of SCIRT costs.

**PART B - REPORTS FOR INFORMATION****2. DEPUTATIONS BY APPOINTMENT**

Nil.

**3. DECLARATION OF INTEREST**

- 3.1 Ms Sheldon advised the Committee that she is working with the Capital Release Group an advisory committee for the Council.

**COUNCIL 30. 04. 2015****Audit and Risk Management Committee 31. 3. 2015****4. INSURANCE UPDATE 2015**

4.1 The Committee considered a report updating it on the Council's insurance matters.

4.2 The Committee **decided** to:

4.2.1 Receive the report

4.2.2 Request a briefing from the Insurance Subcommittee to enable the Committee to understand the risks and accounting implications.

**PART C– DELEGATED DECISIONS****5. APOLOGIES**

The Committee **resolved** to receive and accepted apologies for absence from The Mayor, and Councillors Buck and Gough and to receive an apology for lateness from Councillor East.

**6. RESOLUTION TO EXCLUDE THE PUBLIC**

The Committee **resolved** that the resolution to exclude the public as set out on page 4 of the agenda, be adopted and that Hugh Jory, Audit New Zealand and Murray Hamilton and Sonja Healey, Pricewaterhouse Cooper, be invited for their expertise, to stay for the public excluded section of the meeting.

The Committee **resolved** to readmit the public at 1.05pm

The meeting concluded at 1.03pm

**CONSIDERED THIS 30TH DAY OF APRIL 2015**

**MAYOR**





Report to the Council on the audit of  
**Christchurch City Council**  
for the year ended 30 June 2014

# Management report

## Key messages

We have completed our audit of Christchurch Council (the Council) for the year ended 30 June 2014. We issued a modified audit opinion issued on 23 October 2014. This report sets out our findings from the audit. We also draw your attention to the findings included in our interim report to the Council dated 15 July 2014.

There are two key matters contributing to the modified opinion:

### **Continuing impact of the Christchurch earthquakes on financial reporting requirements**

Over the last few years, the Council has made substantial progress in addressing the impact of the earthquakes. The Council is now well into the rebuild phase of the recovery. The challenges the Council has faced so far will continue for a number of years. These challenges include the inability by the Council to meet its external reporting obligations.

Notwithstanding some progress made this year with the revaluation of the water supply asset class, we have again issued a modified audit opinion on the Council's financial statements. The impact of the earthquakes on the other classes of property, plant and equipment and related balances means that we were unable to confirm that the Council's land, buildings, roading network, sewerage system and storm water system asset classes is carried at fair value and other related balances are not materially misstated.

Other significant matters contributing to the modified opinion include the Council being unable to capitalise completed work in progress and the uncertainty over the settlement of the insurance on assets damaged by the earthquakes. The Council has not been able to capitalise completed assets as it has not received the detailed information it needs from SCIRT to do this. The situation in respect of the Civic Assurance insurance receivable is complex and may take some time to conclude. Civic Assurance is unable to pay the Council until it receives payment from its reinsurers. Consequently, the Council has been negotiating a settlement directly with the reinsurers. Because these negotiations are in progress, we were unable to confirm the amount that will eventually be paid to the Council.

### **Rating issues**

Last year, it was identified that the Council's rates resolutions since 2004/05 did not meet the requirements of the Local Government (Rating) Act 2002. The rating resolutions were deficient in that they did not state the due dates for payment of rates and they did not authorise the imposition of penalties on unpaid rates. A local bill that will validate these rates from 2004/05 to 2012/13 has not yet been passed by Parliament. Therefore, there is still uncertainty over the legality of the rates for these years. Consequently, we included an emphasis of matter paragraph in our audit opinion.

### **Matters for the future**

The rebuild of the Council's assets is a task that will take many years to complete at a significant cost. The Council has undertaken a series of major organisational restructures to replace key managers and staff to enable it to better address the rebuild and recovery process. These new people have been chosen for the skills needed to face the challenges ahead.

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The nature and quantum of rebuild work will be influenced by the funds that the Council has available. Currently, the Council is facing a large potential funding shortfall of over \$500 million. Depending on the success of the insurance negotiations, this shortfall could be even higher. It appears unlikely that the Crown will provide any more funding under the Cost Sharing Agreement. However, this will not be known until the end of the year. There is also uncertainty around some of the key anchor projects. Some key decisions have not yet been made on these projects.

The Council is currently considering options on how to address the funding shortfall. Further borrowing does not appear to be an option as the Council is already proposing large amounts of borrowings over the next few years.

The development of the 2015-25 LTP will provide the Council with the opportunity to make key decisions for the medium to longer term, and to articulate those decisions to the ratepayers. The preparation of the LTP is currently underway. Ultimately, it will be the ratepayers who will decide the nature and quantum of the rebuild work.

**Thank you**

We would like to thank the Council and management for the assistance we received during the audit.



Julian Tan  
Audit Director  
3 December 2014

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## Abbreviations used

CEF	Capital Endowment Fund
CERA	Canterbury Earthquake Recovery Authority
HR	Human Resources
IANZ	International Accreditation New Zealand
IRTSG	Infrastructure Reconstruction Technical Standards and Guidelines
IS / IT	Information System(s) / Information Technology
LGFA	Local Government Funding Agency
LOS	Level of Service
LTP	Long-Term Plan as defined by the Local Government Act 2002
PPE	Property, Plant and Equipment
RIA	Revenue in Advance
SAP	The Council's financial management information system
SCIRT	Stronger Christchurch Infrastructure Rebuild Team
TRIM	The Council's document management system
TYP	Three-Year Plan
WIP	Work in Progress
WOF	Warrant of Fitness

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## 1 Our audit opinion

### 1.1 We issued a modified “except for” audit opinion

We issued a modified audit opinion on 23 October 2014. This was an “except for” opinion. The “except for” opinion is an improvement on previous years when we issued a “disclaimer” opinion.

The Auditor-General issued a letter to the Mayor that accompanied the opinion. This letter acknowledges the substantial efforts made by the Council to address the impact of the earthquakes. Our modified opinion covered the following areas. We comment on them further in section 2.

#### **Earthquake impact on revalued property, plant and equipment (PPE)**

Because of the significant impacts of the Christchurch earthquakes on the Council’s PPE, we modified our opinion on asset classes that have not been revalued (that is land, buildings, roading network, sewerage system and storm water system assets). This was due to the Council being unable to revalue these classes and reliably estimate the cost to repair the asset damage. This also impacted other associated balances within the financial statements. See 2.2 below.

#### **Water supply asset revaluation**

The Council revalued its water supply class of assets. However, because of the uncertainty in the prior year water supply carrying value, we were unable to conclude on whether the revaluation increment of \$579 million recognised in 2014 related to the current year or a prior year. Therefore, we could not provide assurance that the revaluation increment is recognised in the correct year, and whether the associated depreciation expense recognised in 2014 was fairly stated.

#### **Civic Assurance insurance receivable**

We modified our opinion on the Council’s insurance receivable from Civic Assurance of \$118 million (group: \$266 million).

In prior years, we were able to engage directly with Civic Assurance to gain assurance that the insurance receivable would be paid. However, due to the on-going negotiations between the Council and Civic Assurance’s reinsurers, this approach is not possible in 2014. Consequently, there were no practical audit procedures that we could use to gain assurance that the insurance receivable recognised by the Council was fully recoverable.

Vbase Limited (Vbase), a Council subsidiary, has also recognised insurance receivables of \$148 million owing from Civic Assurance. Like the situation with the Council, we were unable to gain assurance that the receivable for Vbase was recoverable.

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### **Capital work in progress (WIP)**

The Council has recognised a material amount of capital WIP at balance date. Approximately \$1.1 billion of this amount related to work performed by SCIRT. Because SCIRT has not provided completion information to the Council, management was unable to capitalise and depreciate assets which have been completed and in use.

Additionally, some of the capital WIP related to the SCIRT work could be operational in nature. Without detailed information from SCIRT, the Council was unable to assess, estimate and appropriately expense any costs that were operational in nature.

### **Legislative compliance – rating processes**

We issued an emphasis of matter paragraph in the audit opinion on the Council's prior years' rates arising from defective rates resolutions. An emphasis of matter paragraph was also included in last year's opinion.

Although a local bill has been drafted, the validating legislation making the rates for 2004/05 to 2012/13 valid has not yet been passed by Parliament. Therefore, uncertainty remains over the legality of the rates set for these years.

## **1.2 Uncorrected misstatements**

Other than the matters noted above, the financial statements are free from material misstatements, including omissions.

## **2 Significant matters arising from the audit**

### **2.1 Challenges presented by the earthquakes**

The 2010 and 2011 Christchurch earthquakes presented the Council and the people of Christchurch with some very significant challenges. The Council has made substantial efforts to address the impacts of these earthquakes and the recovery is now well into the rebuild phase.

The challenges arising from the earthquakes also extended to the Council's ability to meet its external reporting obligations, and will continue to do so for the next few years. The accounting issues arising from the effects of the earthquakes on the Council's assets have made it difficult for the Council to prepare financial statements that comply with generally accepted accounting practice and legislation.

We have qualified the audit report in the last three years, principally because the Council was not able to fully assess the condition of certain asset classes to quantify the extent of the damage and then value those assets based on that assessment of their condition. The impact of this on the Council's financial statements was material.

In 2014, the Council was still unable to satisfy the requirements set by the financial reporting standards by revaluing all of its asset classes. The Council did revalue the water supply asset class, which was a positive first step. Challenges over the settlement of the insurance receivable in relation to the damaged assets and the



recognition of completed capital additions have also contributed to additional financial reporting issues.

In regards to the accounting issues, the key matters that the Council will need to address and resolve are:

- the revaluation of infrastructure assets (except water supply which were revalued this year);
- the completion of the assessment of the Council's buildings and the associated valuation of these buildings;
- obtaining the necessary information from SCIRT to enable the correct classification of completed assets; and
- the completion of the insurance negotiations.

We provide below our detailed comments on the principal reasons for our modified audit report in 2014.

## **2.2 Impact of property, plant and equipment related matters on the audit opinion**

### **2.2.1 Fair value of PPE and other associated matters**

A significant impact of the earthquake damage has meant that up to this year, the Council was unable to revalue any of its buildings or its infrastructure assets for several years. This year, the Council was able to revalue its water supply asset class. However, other PPE classes were again not able to be revalued. Therefore, the inability of the Council to disclose its revalued PPE at fair value continues to be a significant reason contributing to a modified audit opinion.

In considering whether the carrying value of revalued asset classes is materially different from fair value, we considered whether the assets have been revalued. We also considered whether the Council has identified the damage, estimated the cost of repairing this damage, and the impairment recognised to date in the financial statements. We comment on these matters below.

#### **Revaluation of assets**

Apart from water supply and marine structure infrastructure assets, the Council was unable to revalue its key operational and infrastructure PPE assets to fair value. The Council's revaluation cycle has been suspended since the earthquakes. Land and buildings, and the roading network, sewerage system and storm water system assets classes have not been revalued for at least four years and up to six years.

The Council was unable to obtain independent valuations of these asset classes to comply with financial reporting standards for the following reasons:

- Assessment of damage has not been finalised and the financial impact of this damage could not be estimated reliably. This was particularly relevant for the underground assets. We expect this matter to be resolved by

1 December 2014 when an independent assessor, under the cost sharing agreement with the Crown, will provide a report to the Council and the Crown, identifying the finalised rebuild work and costs.

We also note that although the Council has information from SCIRT on the damage to its infrastructure assets, the nature of the repairs required was not certain.

Due to potential funding constraints, the quantum and nature of repairs going forward is uncertain. The KordaMentha review commissioned by the Council identified a large funding shortfall that could potentially affect the amount and type of repair that the Council would perform.

From discussions with the Council's staff, we understand that the approach to repairs has changed. Initially, the Council had adopted an IRTSG (Infrastructure Reconstruction Technical Standards and Guidelines) approach to the rebuild work. SCIRT was charged with performing the work in accordance with the criteria set out in the IRTSG.

However, with the possibility of the Council running out of funds, we understand that this approach has changed to a LOS (level of service) approach. This new approach recognises that the Council does not have the funds to repair assets to the IRTSG standard. Consequently, some work will now be deferred, with only critical defects being fixed. The LOS approach will mainly affect the repair of the roading and stormwater asset classes. This raises uncertainty as to whether these asset classes are appropriately impaired.

- SCIRT has not provided detailed information on completed assets to the Council. This means that the Council does not have sufficient information to capitalise and record them under the appropriate asset classes. These assets are still classified as capital WIP and are not depreciated.

The quantum of completed WIP that has not been capitalised cannot be accurately determined but is likely to be significant. A further related issue is that the Council has accounted for all SCIRT costs as capital expenditure. Currently, management can only determine an accurate split between operational and capital expenditure when SCIRT provides completion information.

- In respect of land and buildings, the property market is gradually returning to a fully functioning property market. Until the market is fully functioning the Council is unable to obtain robust market-based valuations for its land and building assets.

In addition, detailed cost estimates to repair the Council buildings and other facilities were not completed to a sufficient degree early enough in 2014 to support a proper revaluation exercise.

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### **Impairment recognition**

The Council over the last few years has been assessing and identifying the damage to its building and infrastructure assets.

For infrastructure (horizontal) assets, the process of identifying damage is almost complete. As noted above, this will culminate in a report prepared by an independent assessor to the Council and the Crown which will identify the rebuild work required to repair the damage and the associated costs of this work.

For land and buildings, during the 2013/14 year, the Council has completed the task of carrying out DEEs (Detailed Engineering Evaluations) on its buildings. As a result, the Council has recognised a further impairment of \$147 million on operational and sewerage buildings in 2013/14.

However, despite the Council recognising asset impairments over the last three years, we were unable to conclude that the carrying value was not materially different from the fair value of the assets. This would have been the case even if Council were able to revalue its assets, assuming that they were revalued on the basis of no damage. This is because we were unable to conclude on whether the impairment recognised to balance date was accurate and complete.

The infrastructure asset impairments recognised to date was based on the best available information from SCIRT on the quantity of repair required. However, the impairment calculation was based on the unit replacement cost rates used at the last valuation instead of current replacement cost rates.

The latest SCIRT estimate of the repair and rebuild of the horizontal infrastructure is approximately \$2.65 billion. This compares to a total impairment of infrastructure assets recognised in the financial statements of \$516 million. While the impairment cannot exceed the carrying value of each class of asset, the SCIRT estimate is a guide as to what it would cost to restore the service potential of the asset. For this reason, this is used as a proxy to quantify the asset impairment.

The above analysis shows the potential quantum for the horizontal infrastructure impairment. Until the Council can estimate this amount accurately, or the report work is complete, we are unable to form an opinion on the impairment recognised.

### **Capital work in progress (WIP)**

During 2013/14, infrastructure capital WIP increased significantly to \$1.279 billion from \$856 million at the end of the previous year. This is a significant increase of \$423 million. The largest amount of capital WIP related to SCIRT work, at \$1.105 billion. As we noted last year, the Council was unable to capitalise completed and operational projects for several reasons:

- SCIRT has not provided detailed information to the Council to record the asset in the Council's asset records.
- SCIRT overheads had not been allocated to completed projects.
- The costs need to be reviewed to ensure that they are correctly accounted for (that is operational or capital).

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A continuation of this situation in 2014/15 may mean that the Council's asset records are not accurate. It may also have an impact on the Council's ability to perform future asset revaluations.

Of further concern is that there may be costs that are not accurately accounted for. For example, items currently in capital WIP, but should be expensed because they are of an operational expense.

We note that the Council has treated all SCIRT costs as capital expenditure and any allocation between replacement and repair is not done until assets are completed and handed over to the Council.

The inability of the Council to capitalise completed work in progress contributes to our modified opinion. We note that management have been attempting with only very limited success to obtain the required information from SCIRT. We urge the Council to continue working with SCIRT to obtain the completion information, which will enable the capitalisation of completed assets.

#### **Water supply asset class**

The Council revalued its water supply asset class in 2014. We are satisfied that the revalued amount recognised as at 30 June 2014 is fairly stated. However, due to our prior year qualified opinions relating to the previous fair value recognised by the Council, we needed to consider whether the current year depreciation charge and revaluation movement are fairly stated for water supply assets.

Based on our review, we consider it probable that depreciation expense and the revaluation movement was materially understated in prior years. This was because the Council was paying similar unit cost rates since the earthquakes, so had the revaluation been possible to do in prior years, it was probable an increase would have been recognised in the prior years. This would also impact on the current year depreciation expense, as the Council's 2013 carrying value would have been higher.

We comment further on our audit of the water supply asset valuation in 4.1 below.

#### **Depreciation expense**

The carrying value of assets is affected by depreciation expense, which since the earthquakes, is likely to have been calculated on incorrect asset values. A number of matters have an impact on depreciation expense, including issues identified above.

Impairments in 2011, 2012 and 2013 were based on information available at the time. As noted, the impairment for infrastructure assets was based on values in the previous valuations and not the estimated cost of repairs. Due to this, we would expect the asset values, and consequently, depreciation expense, to be overstated.

In addition, some assets that have been replaced have not been removed from the fixed assets register. Many new replacement assets that were operational have not been capitalised and depreciated. The Council acknowledged that much of this has been completed and operational, but they have not been able to capitalise and depreciate it. Consequently we determined that that the asset values and the related depreciation expense to be understated.

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Due to the impact on depreciation of the issues noted above, the depreciation expense for 2013/14 was likely to have been significantly misstated.

### **Conclusion**

All the above matters combined contributed towards significant uncertainty over the carrying value of the Council's revalued PPE and other associated balances such as depreciation expense, asset revaluation reserves, retained earnings, impairment expense, asset write-offs, and earthquake expenditure.

As noted in the last three years, uncertainties around fair values were significant to the financial statements and resulted in us issuing a qualified opinion. Apart from water supply asset class, which have been revalued this year, the situation this year mostly remained unchanged from last year.

In summary, the key issues contributing to our modified opinion are:

- Inability of the Council to obtain valuations for asset classes (except for water supply) carried at fair value, due to:
  - a lack of market evidence to perform a revaluation of land and buildings at 30 June 2014; and
  - uncertainty over the appropriate replacement cost rates for infrastructure assets valued using depreciated replacement cost.
- Insufficient information allowing the Council to determine the correct accounting treatment for earthquake damaged assets (for example the write-off of irreparable assets, impairment of damaged but repairable assets and capitalisation of completed projects).
- Uncertainty over whether the impairment recognised is correct as it is based on previous valuation rates rather than estimated costs of repair.
- Insufficient information to conclude that the water supply valuation movement has been recognised in the correct financial year.
- Insufficient information available to assess SCIRT costs to ensure that they are appropriately split between operational and capital expenditure. Currently, all SCIRT costs are included in capital work in progress.
- Insufficient information available to enable completed and operational infrastructure assets to be capitalised and depreciated. The amount of completed and operational assets in this category is expected to be very large.

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### Management comments

*Management is aware of all of these issues and is working to resolve them as the information becomes available.*

*In relation to the comments made above regarding the basis on which the Council has determined its impairment of infrastructure classes, it is considered that the unit cost is the most appropriate method for calculating the impairment, in conjunction with an assessment of the number of units, kilometres, metres, square metres, that were damaged. If the replacement cost was used this would result in certain asset classes having no value, when they have not been totally destroyed and are still providing a level of service. The difference between the unit cost and the replacement cost represents the increase in value of the network since the last valuation.*

*As the infrastructure classes are revalued the impairment provision will have to be reviewed to take into account the increased value of the assets on the basis that the assets are valued on an as repaired basis.*

### 2.3 Impact of insurance receivable from Civic Assurance on audit opinion

At balance date, the Council's insurance receivable from Civic Assurance amounted to \$118 million.

The situation in respect of the recoverability of this insurance receivable is complex. We note that Civic Assurance has engaged in litigation or arbitration with some of its reinsurers. Civic Assurance is unable to pay the Council until it receives payment from its reinsurers. Consequently, the Council has been negotiating its settlement direct with Civic Assurance's reinsurers from June 2014. These negotiations are on-going and are unlikely to be concluded this calendar year. As the Council is working towards a negotiated settlement, the Council may receive less than what it believes it is owed.

In our view, there is uncertainty that the carrying value will be recoverable in full. In 2013, we engaged directly with Civic Assurance (this also involved the OAG engaging with KPMG, the appointed auditor of Civic Assurance) to obtain sufficient assurance from them that the amount owed to the Council was acceptable and would be paid in the 2014 financial year. This did not occur. The Council has only received \$36 million from Civic Assurance in the 2014 financial year. With the knowledge that Civic Assurance is relying on its reinsurers to pay the Council means taking a similar approach in 2014 will not provide sufficient assurance.

Engaging directly with the reinsurers this year was not a valid option. There are several reinsurers involved. Given that they are in confidential negotiations with the Council means it is unlikely they would engage with us to confirm the amount owed to the Council until the matter is settled between the parties.

We will continue to meet with management regularly to understand the current status of the insurance negotiations. Until the negotiations are complete and the Council has certainty over the amount it will receive, we will be unable to conclude that the receivable recognised is accurate.

### **Management comments**

*Management understands Audit New Zealand's concerns. In relation to the collectability of the insurance recoveries recognised, management is confident of fully recovering these balances.*

## **2.4 Impact of deficiencies in prior years rating resolutions on audit opinion**

In August 2013, the Department of Internal Affairs advised the Council that its 2013/14 rates passed at the 28 June 2013 meeting did not meet the requirements of the Local Government (Rating) Act 2002. In particular, the rating resolution was deficient in that it did not state the due dates for payment of rates and it also did not authorise the imposition of penalties on unpaid rates.

Subsequent investigation by the Council identified that the wording in the rates resolutions since 2004/05 has been the same or similar. On Simpson Grierson's advice, the Council re-set the 2013/14 rates in September 2013 to correct the deficiency.

However, the deficiencies in respect of the 2004/05 to 2012/13 rates have not been resolved. A revalidation bill currently before Parliament has not yet been passed.

The Council has disclosed this matter in the notes to the financial statements. Consequently, as there is still an issue over the legality of these rates, we issued an emphasis of matter paragraph in the audit opinion in relation to the Council's prior year rates.

### **Management comment**

*The New Zealand Parliament website states that submissions on the bill was due on 2 December with a report due on 30 March 2015.*

## **3 Other business risks and issues raised in the audit arrangements letter**

### **3.1 Progress in the rebuild of Christchurch**

The Council's major focus in the last few years is the rebuild of Christchurch. This has wide-reaching implications for the Council, including:

- progress being made in repairing and rebuilding the Council-owned assets, including horizontal and underground infrastructure, and its building stock; and
- city planning, and the processing and monitoring of consents, which will enable others to begin their own development.

Although the Council has set a timeframe to repair its own assets, the rebuild of Christchurch is a task that will take years, if not decades. What is clear from completing our audit is that the rebuild of the Council assets is behind where it planned to be, with actual rebuild costs estimated to be \$241 million less than budget. Progress does appear to be improving in the 2015 financial year, with SCIRT

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stating that it has completed 57% of the rebuild programme (as at 22 October 2014).

Already, there have been indications that some of the Council proposed work may not be able to be undertaken due to funding issues. A funding shortfall of at least \$500 million for the Council's earthquake rebuild has been identified by an external review. The Council is currently considering options on how to address this shortfall, which will be considered in the development of the 2015 LTP.

There has been some public criticism of the speed of the rebuild. Key areas needing improvement are the coordination across central government agencies, the Council and CERA, and programme governance and procurement.

The time taken by the Council to issue consents has also received criticism from some developers. We discuss the Council's consent processing in 3.3 below.

### **Management comment**

*It has long been recognised that the Council would need alternative sources of funding in order to produce a robust financial strategy. A significant body of work has been undertaken to identify optimal funding alternatives. A short list of alternatives has been prepared and a report will be presented to the Council in December. On the basis of that decision the Council will consult with ratepayers in the first quarter of 2015.*

## **3.2 Accounting for the cost sharing agreement with the Crown**

In 2013, the Council signed a cost sharing agreement with the Crown over each party's contribution to the earthquake related response, repair and rebuild costs, as well as the 12 anchor projects.

The Crown has already paid some of its contribution to the Council for horizontal infrastructure. However, the balance remaining to be paid by the Crown was not recognised at 30 June 2014 by the Council as revenue or as an asset due to uncertainty as to how much will be received. Management advised that there is still considerable uncertainty over the work required to rebuild the assets, and the cost and timing of this work. We agreed with this assessment. The extent of work may ultimately be dictated by the funding available to the Council.

We expect that the Council will be in a better position to assess the extent of work required once an independent assessor appointed by the Crown and the Council under the agreement has performed his assessment of the potential cost of the rebuild work. His report will be completed by 1 December 2014 and will identify the final rebuild work and costs. At this point in time, there will be more certainty as to the amount the Council will receive from the Crown.

There is also some uncertainty over some of the 12 anchor projects as to which party will own the asset once they have been built. Until this decision is made, the Council cannot recognise a receivable, or potentially a provision for the costs it has to pay to the other parties. At balance date, the Crown has determined that the Council will not own the new Convention Centre. However, the Council was not required to contribute any funds to this project.



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We also considered whether the Council is fulfilling its other obligations under the cost sharing agreement. We note that the Council has not transferred ownership of its residential red zone properties to the Crown. These were fully impaired in 2013, so there is no financial implication to the Council of not transferring the assets. We recommend that the Council formally transfers these assets as soon as practicable.

The Council will need to continue reassessing the impact of the cost sharing agreement in 2015. Decisions made may mean that there is certainty over some of the accounting implications noted above.

#### **Management comment**

*Discussions have been held with CERA regarding the transfer of residential red zone assets to the Crown, and the transfer is on hold until the Crown determines the purpose to which the land will be put.*

### **3.3 Consent processing**

On 8 July 2013, the Council had its building consent accreditation revoked by International Accreditation New Zealand (IANZ) because it had failed to address IANZ concerns about its processes and the length of time it was taking to issue consents.

While the Council continues to lawfully receive, process and grant building consents, the lack of accreditation meant that the Council's process do not meet optimum standards. The Crown subsequently intervened and appointed a Crown Manager (Doug Martin) to oversee the Council's building consenting functions and assist the Council to regain its accreditation.

In the last year, the Council has been working hard to regain its accreditation to issue building consents. In May 2014, the Council reapplied to be assessed for accreditation. Following an IANZ audit in July 2014 which included a very detailed and thorough appraisal of the Council's building control processes and functions, Council still did not receive accreditation. IANZ's report identified areas that still need to be addressed before the Council can be granted accreditation as a Building Consent Authority.

The Council has stated it wants to be accredited by the end of the year. It has a plan to address the issues identified and is confident it will achieve its goal.

A consequence of the loss of accreditation was that the Council has incurred significant additional costs in 2013/14.

We also note that the levels of service for the issuing of building consents and code compliance certificates were reviewed during the year, and changed. A new set of performance targets was developed for the 2014/15 annual plan. The performance targets were also updated in the TYP. We comment further on this in 4.3.2.

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**Management comment**

*The Council did not expect to receive accreditation in July. It is quite normal for IANZ to make several visits before accreditation is received and management is comfortable with progress to date.*

**3.4 Organisation changes**

The Council has undergone considerable organisational change during 2013/14, both at the elected member level and in the upper management levels of the Council.

At the October 2013 local government elections, a new Mayor and nine new Councillors were elected. Only four Councillors from the previous Council were re-elected. Some of the new Councillors have previous governing body experience. For example, the Mayor is a previous Government Minister and the Deputy Mayor is a former Mayor of the Council.

The Council has undertaken other major organisational changes during the year.

Of the second tier managers, most are new, having been recruited from outside the Council to assist with the rebuild and recovery. The Council appointed a new Chief Executive who has considerable previous experience in the public sector.

The Council's Executive Leadership Team is now driving a major internal restructuring programme so it can respond to Christchurch's changing environment as the city recovers and rebuilds after the earthquakes. This will continue into the 2014/15 year.

While there has been a significant loss of experience, we are confident the new people employed will bring into the Council the requisite skills and knowledge needed to face the challenges ahead. As we noted in our interim management report, there is a risk that management controls could lapse, particularly if new staff do not understand the processes in place. We did not identify any breakdown in controls during our final audit visit.

We will continue to assess the impact of these changes on the control environment of the Council in next year's audit.

**3.5 Going concern**

The impact of the earthquakes has, not unexpectedly, put considerable financial pressure on the Council's financial position. Despite the cost sharing agreement with the Crown, there is a significant concern that the cost of the rebuild will exceed the budget with the Council having to fund any excess. The Council is already projecting significant borrowings over the next few years, and alternative sources of funding may be required.

The Council completed an assessment of whether it was appropriate to prepare the 2013/14 financial statements on a going concern basis. This assessment considered:

- Solvency and liquidity: the Council's financial strategy allows it to borrow to meet the cost of earthquake response costs, and a special rate for five years has been levied to repay this borrowing. The Council is also able to fund any

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operating deficits as it has a policy of funding any deficits in next year's rates.

- **Future commitments:** the Council is committed to a significant amount of capital expenditure in the next few years under the Cost Sharing Agreement with the Crown. While part of this is funded by the Crown and insurance, there is a substantial funding shortfall. The Council have not made any decisions on how it will fund this. We note that the Council's ability to borrow is limited by the LGFA limits. The Council has already borrowed or has planned to borrow, large amounts to fund the rebuild and response costs, and its ability to borrow more is limited.
- **Asset values:** the Council has a strong balance sheet with substantial assets.

The Council's financial strategy over the next three years is set out in the TYP (three-year plan). It will produce an LTP (long-term plan) for 1 July 2015 onwards. This will provide the Council with an opportunity to address the funding shortfall that was identified after the TYP was adopted.

After taking these matters into consideration, we concluded that the Council is a going concern for at least the next 12 months from the date of the audit opinion. This is based on the fact that the Council has funding sources from rates, the Crown, insurance and borrowings to be able to operate for at least this period.

The development of the next LTP will allow the Council to make decisions on the longer term. The funding shortfalls imply that the Council will breach its borrowing ceiling in 2017, unless it identifies other ways of addressing the shortfall. This is more than 12 months out when the Council adopted its audited annual report.

The question on whether the Council is a going concern will remain an area of focus for us for the next few years. We will continue to monitor this issue next year.

### **Management comments**

*Management is aware of the need to maintain its going concern status. Work continues to solve our funding shortfall and an outcome of this will be the maintenance of our going concern status.*

### **3.6 Matters for the future**

We noted in the audit arrangements letter two matters that we would like to have engagement over. These were the development of the next LTP covering the period 2015-25, and the requirement for mandatory performance measures.

Discussion with the Council staff indicates that preparation of the next LTP is well underway. A project plan has been developed and timeframes established. However, we understand that due to the internal restructuring that has been occurring within the Council, there have been some delays to the process to date. It is important that the Council dedicates appropriate and sufficient resources to the task in hand to ensure that a good quality LTP is produced. This LTP will form the basis of the Council's direction for the rebuild in the next few years.

The Council's staff are aware of the mandatory performance measures and have advised us that these will be incorporated into the next LTP. The Non-Financial Performance Measures Rules 2013 specify certain non-financial performance measures for local authorities to use when reporting to their communities. The measures cover five groups of activities: stormwater drainage, sewerage and the disposal of sewage, flood protection and control works, water supply and the provision of footpaths and roads.

The Council will be reporting on these performance measures for the first time in its 2015/16 annual report.

## **4 Other significant matters arising from our audit**

### **4.1 Review of water supply asset valuation**

The Council engaged Beca Projects NZ Ltd (Beca) to perform the valuation. We confirmed with Beca that the water supply asset valuation was completed in accordance with the valuation standards and applicable accounting standards, and was suitable for inclusion in the financial statements. We also confirmed that the Council correctly updated the financial statements for the new water supply valuation.

In reviewing the valuation, we identified two points where the valuation methodology was not correct. However, they were considered insignificant for management to address. These are outlined below and we recommend that the Council consider addressing these in its next valuation of the water supply asset class:

- Beca applied the incorrect total useful life for the connection component of 25 years. The actual total useful life is meant to be 50 years. Given the depreciated replacement cost methodology applied, this reduced the carrying value of the connection component. Had the correct useful life been used, it would have increased the value of this component by \$13.9 million.
- Beca had a formula error in its mains component valuation spreadsheet, which limited the remaining useful life of components to a maximum of 100 years. One asset type had a total useful life of more than 100 years. The formula error therefore reduced the value of this asset type. We note that the replacement cost of affected assets was \$4.7 million.

We also note that management had a data integrity issue that occurred when they uploaded the valuation into SAP. Certain assets that had been disposed had been inadvertently valued (these were valued by Beca at under \$1 million). This led to Council's staff spending some time isolating and removing these assets from the valuation. For future valuations, we recommend that management take all due care to confirm that the information provided to its valuers is correct and complete.

#### **Management comment**

*Management had also identified the errors late in the annual plan process and elected not to adjust for them as the values were not material. However, the learnings from this valuation will be built into the process for all valuations which are carried out in the 2014/15 year.*

## 4.2 Underpayment of Mayor and Deputy-Mayor's remuneration

We noted that from 20 October 2013, the new Mayor and Deputy-Mayor were not paid the salary set out in the Local Government Elected Members (2013/14) (Certain Local Authorities) Determination 2013.

The Mayor was paid a salary of \$157,749 p.a. instead of \$175,350 p.a. for the period from 20 October 2013 to 30 June 2014. Similarly, the Deputy-Mayor was paid a salary of \$93,100 p.a. instead of \$107,480 p.a. for the same period.

We understand that the underpaid amount will be paid in 2014/15.

We recommend the Council's processes over the payment of elected member remuneration be reviewed to ensure that payments made are correct.

### Management comments

*It is accepted that payments to both the Mayor and Deputy Mayor for the year ended 30 June 2014 were incorrect and corrected payments to both have been made during the current year.*

*There are a range of circumstances that can explain how the Mayor's remuneration was underpaid. Initially the Mayor elected on October 2013 was required to consider the implications of transport arrangements. When a motor vehicle is provided for a Mayor there are remuneration implications if the vehicle is also available for private use. The Mayor did not want a motor vehicle but other transport options which may have affected the amount of remuneration paid were considered over a period of time before a decision was made that no vehicle would be provided and no fleet vehicle would be available with a private use component. The Mayor also considered that the remuneration set for her position was greater than it should be and correspondence was entered into with the Remuneration Authority about internal and external relativities. In addition, the remuneration for Christchurch was being treated as a special case of Christchurch City by the Remuneration Authority because of additional workload as a result of the earthquakes and gazettal of the Determination occurred at a different time. During this time the lower base salary was paid because the implications of having to have sums paid refunded were more complicated than making additional payments. The matter was sorted at the end of May 2014 but administration and subsequent payment of the balance of the base salary without a motor vehicle component was not paid before the end of the financial year.*

*The Deputy Mayor's remuneration was inadvertently incorrectly paid at the same rate as a Councillor from the commencement of the 2013/2014 Determination and the underpayment was not picked up until the revised Mayor's salary was being sorted after the end of the 2013 financial year.*

*On reflection the processes for the payment of Elected Member Remuneration during this year should have been better managed. A reconciliation each June before the close of the financial year's accounting procedures would enable any adjustment to be made in the year that the payments are due.*

### **4.3 Non-financial performance information**

#### **4.3.1 Performance framework**

The Council's performance framework is set out in the TYP. We commented on the Council's performance framework in our interim management report. In that report, we noted that because the Council has so many performance measures, it can make it difficult for a reader to focus on and assess the core aspects of the Council's performance.

The development of the 2015-25 LTP will provide the Council with the opportunity to critically review its performance framework with a view to reporting only key and significant measures. Non-significant measures can still be monitored by the Council and reported internally for management purposes. However, if these measures are included in the LTP, the Council will need to report them in its annual report.

The development of the LTP will also provide the Council an opportunity to ensure that targets set for each performance measure is realistic. This is particularly relevant to measures that have been impacted by the earthquakes and the rebuild. We note that the Council in June 2014 approved the changing of targets for a number of measures in the TYP. These measures were in relation to the art gallery and the processing of building consents. We comment on this further in 4.3.2.

It is important that targets set are realistic, achievable and measurable. These should be critically reviewed in the development of the LTP process.

#### **Management comments**

*The Council provides a very wide range of services. To provide a very basic insight into their performance (quantity, quality, and satisfaction) implies a large number of levels of service measures. Note that these measures are set by elected members in the interests of transparency (to the community) and accountability (for staff).*

*The comments on realistic targets are noted. It is worth mentioning that in the post-earthquake environment some targets must invariably be set based on assumptions. The Art Gallery levels of service are a case in point. At the time they were developed (some six months before the Three Year Plan took effect) it was believed that the Gallery would be opened within the year. Subsequent legal, geotechnical and logistical interventions changed that. Our approach is that it is better to be clear and up front with the community on what the Council believes it will deliver than to omit whole services due to uncertainty.*

#### **4.3.2 Performance measures in the annual plan not reported in the annual report**

In late June, the Council changed a number of performance measures and targets included within the TYP performance framework. These mainly related to the regulatory area, where measures were rationalised as they were conflicting with other measures and targets. Although the Council went through an appropriate process to amend its measures included within the TYP, we were advised by management that the assessment of whether the changes were "significant" was not formally completed at the time the decision was made to change the performance measures and targets.

If the Council plans to make a significant change to its levels of service, it is required under the Local Government Act 2002 to formally consult on the proposed changes. Without a formal assessment taking place, there was a risk that the Council may not have met this legislative requirement.

We recommend that the Council formally assess the significance of changes made to its performance framework contained within the TYP, if changes are not made through an annual plan process.

**Management comments**

*As previously advised, an assessment took place, but it was not a formal one. This was largely due to the fact that the changes were to ensure the consistent use of statutory targets for the Building Control area. There seemed to be little point in the use of an elaborate consultation process to confirm that the Council should be meeting its legal requirements.*

*However the advice and procedure has been noted.*

**4.3.3 Disclosure of performance information in the annual report**

The Council's performance information included in the annual report is a slight improvement on prior years. The Council has included, where known and comparable, trend information. The Council will be able to provide comparable information in 2015, as the Council will be able to disclose this year's results.

From our review of the Council's performance information disclosed in the annual report, we believe that the Council can continue to improve the performance story in the following areas:

- Explanation of significant movements: this has been done to a just acceptable level. However, the Council can still improve this area, especially in relation to explaining why it did not meet its planned performance.
- Impact of the rebuild: the disclosure in the annual report could have included more context as to how the rebuild was going. Our discussion with management indicated that the Council did not have this information so was unable to disclose this information. It was instead held by other parties (including SCIRT and CERA).
- There were several targets that the Council was unable to measure. Although this did not detract from the overall performance story, it is of some concern. We expect that the Council will have systems in place to record and measure all targets included in the performance framework.

**Management comments**

*The observations on explanations of significant movements are noted.*

*The Annual Report included a full discussion on those aspects of the rebuild that are within the Council's control. We would expect a reader to refer to information available*

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*from the other rebuild agencies including CERA and SCIRT for updates on the progress made by those organisations.*

*Finally, a very small number of targets were not able to be measured. There are systems in place (monthly reporting to senior management, and quarterly reporting to the Council) to monitor all levels of service. However, where the underlying data shifts mid-year (as it did for some Building Control systems) this will result in missing data. It is also true that in some instances contractors have not used correct systems to collect data towards a Council level of service, and that by the time the issue has been picked up, the data set for the year is corrupted. We will continue to address problems of this sort on a case by case basis.*

#### **4.4 Changes to the accounting standards framework for public benefit entities (PBEs)**

As highlighted in the audit arrangements letter, the Council is required to move to the new PBE accounting standards framework in preparing its 30 June 2015 financial statements.

The transition to the new standards is imminent. The Council is responsible for being ready to apply the new accounting standards and prepare compliant financial statements. We expect the Council to be prepared for us to audit the transition as part of next year's audit to ensure that we can efficiently carry out our audit of financial statements prepared using the new accounting standards.

We will audit the updated statement of accounting policies, opening statement of financial position, and restated comparatives under the new standards as an integral part of auditing the first financial statements prepared under the new standards. We will discuss further with the Council the timing of this transition audit and our expectations as we plan our 2015 audit.

### **5 Accounting, IT and other matters**

We have included these matters in Appendix 1.

### **6 Status of previous recommendations**

The status of each matter that was outstanding in last year's report to the Council is summarised in Appendix 2.



## Appendix 1: Accounting, IT and other matters

The following table summarises the recommendations below, and their priority:

Recommendation	Urgent	Necessary	Beneficial
<p><b>Rating matters – valuation roll reconciliation</b></p> <p>Council reconciles its rating units and capital values to its valuer Quotable Value Limited's (QVs) data before the rates strike and that evidence of this reconciliation is retained.</p>		✓	
<p><b>Information Systems - Lack of periodic review of users</b></p> <p>All domain administrative rights are reviewed by a person competent to do the review to ensure that the administrative rights granted to IT staff are within the level of authorisation required to perform their tasks on a regular basis. Ideally, such a review would occur every six months.</p> <p>Application owners should also implement a process for the regular review of users and their access rights to ensure they have authority appropriate to their position in relation to the business system.</p>		✓	
<p><b>Accounting for non-current assets held for sale</b></p> <p>Non-current assets held for sale should not be depreciated.</p>			✓
<p><b>Formal documentation of transactions</b></p> <p>The formal designation and documentation of a hedge relationship be completed and approved at the inception of the hedge relationship.</p> <p>The formal documentation of internal borrowings is completed and approved at the time of the borrowing.</p>		✓	✓
<p><b>Retaining documentation to support achievements reported in the non-financial performance information</b></p> <p>Documentation supporting the non-financial information is retained and filed.</p>		✓	
<p><b>Revenue in advance (RIA)</b></p> <p>Revenue in advance (RIA) balances over one year old are reviewed to determine whether a liability exists. A review of RIA items should be performed on a regular basis to ensure that items are cleared out on a timely basis and remaining items are a valid liability.</p>		✓	
<p><b>Annual plan matter – compliance with FRS-42 (PBE) Prospective Financial Statements</b></p> <p>The reasons for not preparing consolidated financial statements in the annual plan are disclosed.</p>			✓

There is an explanation of the ranking system in Appendix 3.

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## 1 Rating matter – valuation roll reconciliation

We note that the Council did not prepare a reconciliation at 30 June 2014 of the Council's valuation rolls to the valuation rolls maintained by QV. The Council's valuation rolls are used for rating purposes. However, we note that the Council did perform such a reconciliation for the rating values revaluation during 2013/14.

### Recommendation

The Council reconciles its rating units and capital values to its valuer QV's data as at 30 June before the rates strike and that evidence of this reconciliation is retained.

### Management comments

*A full reconciliation between QV and Council was performed in March 2014, for the purpose of establishing the General Revaluation. Some differences are expected between the two systems on an on-going basis, due to timing issues, although it is accepted that a routine reconciliation is required. Since 30 June a process was established and a daily report is received from QV identifying any differences. Initial investigation and remedial action is undertaken by QV.*

## 2 Information Systems - Lack of periodic review of users

We note that there is currently no formal process for the periodic review of user IDs and access rights at the network or at an application level including authorisations for special privileged access rights (for example, system administrators and super-users). The general approach is to rely on the process for removing users which relies on HR notification.

There is a risk of users having access rights in IT systems that are not needed for their duties, but which can be misused by them or by a person with malicious intents who gain access to their passwords. The risk is even greater for administrator-level accounts.

Regular review of user IDs and access rights is a good security practice in ensuring that the level of staff access rights is consistent with changes in position, departments and roles including employment termination.

### Recommendation

All domain administrative rights are reviewed by a person competent to do the review to ensure that the administrative rights granted to IT staff are within the level of authorisation required to perform their tasks on a regular basis. Ideally, such a review would occur every six months.

Application owners should also implement a process for the regular review of users and their access rights to ensure they have authority appropriate to their position in relation to the business system.

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**Management comments**

*An identity management project has just been approved to start, and project planning is underway. This recommendation will be included in the scope of that project.*

**3 Accounting for non-current assets held for sale**

We found that the Council has continued to depreciate non-current assets held for sale. NZ IFRS 5 (PBE) requires depreciation to cease when assets are reclassified to non-current assets held for sale. We assessed the amount of depreciation expense as insignificant.

Although we accepted this process in 2014, this was primarily due to the low value of the assets held for sale. As divesting assets is one potential option the Council may take to address its funding gap, this may become more of an issue in future years.

**Recommendation**

Non-current assets held for sale should not be depreciated.

**Management comments**

*Management acknowledges these comments and the accounting practices for assets held for sale will be reviewed to ensure their compliance with the relevant IPSAS standard.*

**4 Formal documentation of transactions**

We noted two instances where formal documentation had not been prepared and approved in a timely manner.

**4.1 Hedge documentation**

The Council has interest rate swaps which it designates in a hedge relationship. The accounting standard NZ IAS 39 *Financial Instruments: Recognition and Measurement* requires formal designation and documentation of a hedging relationship at the inception of the hedge.

Interest rate swap 3036 was designated as a hedge on 7 April 2014. We note that the Council's documentation for this hedge relationship was not approved until 11 July 2014. We did not request a change in the Council's treatment, as the value of the interest rate swap was immaterial.

**Recommendation**

The formal designation and documentation of a hedge relationship be completed and approved at the inception of the hedge relationship.

**Management comments**

*Swap 3036 started in July 2012 and was in a designated hedge relationship with a council borrowing that matured in April 2014. The 7 April 2014 designation is actually a re-designation to formally relate the swap to the new borrowing that re-financed the*

*maturing debt. This documentation is considered an administrative matter, as the designation of the swap to the underlying borrowing was done at the time the swap was originally taken out.*

**4.2 Internal loans**

During 2013/14 the Council utilised internal borrowings. Three internal loans were entered into on 1 January 2014 and an additional loan on 24 February 2014. We noted that the documentation for these loans were not prepared until 28 March 2014 and they were not approved until 31 March 2014.

The documentation should be prepared and approved at the time of the loan being entered.

**Recommendation**

The formal documentation of internal borrowings be completed and approved at the time of the borrowing.

**Management comments**

*CEF has historically invested in external investments. As Council has become a net borrower, a decision was made for CEF to lend to Council (rather than externally), consistent with the Treasury Policy. Initially, this simply resulted in a growing notional balance between CEF and Council, as CEF's physical cash maturities were used by Council for operating purposes. These balances were tracked until such time as it was decided what form of internal lending would be most appropriate for both CEF and Council requirements. It was eventually decided to lend by way of fixed-rate term loans, and a management decision was made to back-date the starting-point of such loans to better reflect the actual CEF returns (and Council costs) that would have arisen had the decision been arrived at earlier. This is regarded as an administrative issue when first establishing the new arrangements, and all future such lending will be documented on or before the value date.*

**5 Retaining documentation to support achievements reported in the non-financial performance information**

In our audit of the performance measure achievements reported in the SSP, we noted four out of 17 measures where the supporting documentation provided to us did not agree to the reported achievement. Details of these four measures are:

Performance measure	Reported in SSP	Per documentation
The minimum level of service is the statutory requirement to issue 100% of building consents within 20 working days from the date of lodgement (note: once the new processes are in place, new quantitative levels of service will be set with the Council).	9,332 consents issued	9,442 consents issued
The minimum level of service is the statutory requirement to issue 100% of the Council's	5,856 CCCs issued	5,751 CCCs issued

Performance measure	Reported in SSP	Per documentation
(code compliance certificates) within 20 working days from the date of request.		
Building warrants of fitness audits - audit of 200 commercial sites per annum.	221	222
Inspect all food premises once per year.	1,775 premises inspected out of 1,805 registered premises.	1,864 premises inspected out of 1,864 registered premises.

We were not provided with the initial report that supported the reported achievement. We understand that it was not retained. When the report was run again when we requested it, the results were different.

It is important the evidence be retained to support the reported achievement. These reports should be filed and provided to us when we request them.

**Recommendation**

Documentation supporting the non-financial information be retained and filed.

**Management comment**

*Management agrees, and staff were advised of this when completing their year-end performance reporting.*

*The Building Control area was the subject of extensive reorganisation during 2013-14. This extended to systems and monitoring. Those changes have largely been made and bedded down, and management of that area are confident their underlying operational systems and reporting integrity will improve in future years. Note that dedicated staff have since been appointed to this function.*

**6 Revenue in advance (RIA)**

In our review of RIA balances at 30 June 2014, we noted that there was \$1.3 million of code compliance certificate RIA and \$1.7 million of inspections RIA that were over one year old. Some of the code compliance RIA was very old, going back as far as 1997.

We would question whether the Council still has a liability for many of these old items.

The amount of “old” RIA is significant. We recommend the Council staff should perform a review of items older than one year with a view of clearing them to revenue if no liability exists.

**Recommendation**

RIA balances over one year old be reviewed to determine whether a liability exists. A review of RIA items should be performed on a regular basis to ensure that items are cleared out on a timely basis and remaining items are a valid liability.

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**Management comments**

*We agree and this recommendation has now been incorporated into the process.*

**7 Annual plan matter – compliance with FRS-42 (PBE) Prospective Financial Statements**

We noted that the Council's annual plan does not comply with paragraph 63 of FRS-42 (PBE), which requires the reasons for not preparing forecast consolidated group financial statements to be disclosed. The annual plan discloses that forecast consolidated financial statements have not been prepared. However, the reason for not preparing forecast consolidated financial statements is not stated.

**Recommendation**

The reasons for not preparing forecast consolidated financial statements in the annual plan are disclosed.

**Management comments**

*This will be addressed in all future plans.*

## Appendix 2: Status of previous recommendations

### Outstanding matters

Recommendation	Current status	Priority	Management's proposed action
<p><b>Payroll – independent review of masterfile changes</b></p> <p>All payroll masterfile changes should be independently reviewed. Evidence of the review should be retained.</p>	<p>We note that new starter information is loaded by HR and peer reviewed within HR. This check includes bank account details.</p> <p>Any changes to bank account details are made by the payroll team in finance. The changes are also peer reviewed by other members of the payroll team.</p> <p>We will review progress made in addressing this issue our interim audit next year.</p>	Necessary	<p><i>The peer review is an independent review. We are not intending to take any further action.</i></p>
<p><b>Contract management</b></p> <p>The Council reviews and enhances its contract management practices.</p> <p>We note that the Council does not have a policy on contract management or a centralised approach to contract management.</p>	<p>A new approach will be implemented which will incorporate standard practices, capability requirements and monitoring of terms, conditions and milestones. Contracts managed by the capital programme group, and all other business units, will be incorporated into the new Connect tool and into SAP.</p> <p>We will review progress made in addressing this issue our interim audit next year.</p>	Necessary	<p><i>Implementation of Connect as a contract management database is now complete. Work will commence January 2015 to migrate contracts previously managed by the capital programme group into the database.</i></p>
<p><b>Expenditure – direct payments</b></p> <p>Management should review and limit the use of direct payments being made without purchase orders.</p> <p>There is a risk to the increasing use of this type of payment. Without a purchase order in place, the expenditure is not approved in accordance with the Council's policy.</p>	<p>Management are aware of this issue. The procedure regarding direct payments will be reviewed to ensure that this method of payment is only used when it is needed and that the spend adheres to the procurement policy.</p> <p>We will review progress made in addressing this issue our interim audit next year.</p>	Necessary	<p><i>Initial investigations are complete. A project plan is currently being drafted and a project will soon commence with the intention of reducing the number of direct payments taking place.</i></p>

Recommendation	Current status	Priority	Management's proposed action
<p><b>Review of IS policies</b></p> <ul style="list-style-type: none"> <li>• All of the existing policies are reviewed.</li> <li>• A process is put in place that clearly identifies the owner of the policy, the review period (not longer than every two years) to ensure the process supports the repeatability of the process.</li> <li>• A process is developed to ensure each policy is endorsed at the correct level.</li> <li>• An owner of the process is appointed to ensure that that the policies, plans and procedures are accessible, correct, and understood.</li> </ul>	<p>A project team has been established to look at existing policies.</p> <p>All ICT policies will be reviewed and a process to keep policies updated will be completed within six months.</p> <p>We will review progress made in addressing this issue our interim audit next year.</p>	<p><b>Necessary</b></p>	<p><i>As part of the recent IT restructure the Quality and Practice Manager has been identified as the owner of IT policies.</i></p> <p><i>An ELT level IT steering board has been established to approve and endorse policies.</i></p> <p><i>Regular and on-going policy reviews will be led by the quality and practice manager.</i></p>
<p><b>Setting up of delegated authorities in SAP</b></p> <p>Management extend the independent check for non-standard change requests to include independent checks on standard change requests.</p>	<p>In March following the Council restructuring at the Executive level there was an update to job titles to the Register of Delegations. At the same time a new owner (Legal Services) and process for delegations was created. The new process includes a monthly report of delegation levels in SAP which is to be provided to the internal auditor by IM&amp;CT.</p> <p>We will review progress made in addressing this issue our interim audit next year.</p>	<p><b>Beneficial</b></p>	<p><i>A revision of the delegations policy is substantially complete. The final draft will be reported to ELT before end of the year with the aim of Council approval in January/February 2015. The new Policy reflects the new corporate structure and complete and will enable real time updating as roles change. The assignment of financial delegations to roles has been carefully addressed. Responsibility for approval of changes and edits of the text has been moved to Legal Services.</i></p>



Recommendation	Current status	Priority	Management's proposed action
<p><b>Building WOF documentation</b></p> <p>The Council's internal processes are reviewed to provide assurance that all documentation is recorded in TRIM as evidence that a building WOF audit has taken place.</p> <p>At our interim audit, we noted that one sample did not have a completed Building WOF Audit Sheet filed in TRIM.</p>	<p>We selected a further 23 samples at the final audit and noted that the Building WOF Audit Sheet could not be provided for four of these samples.</p> <p>Ultimately, we could not confirm that the proposed result disclosed was accurate. The Council changed its disclosure to "not achieved" in the audited annual report.</p> <p>Consequently, the retention of this documentation continues to be an issue.</p>	<p><b>Beneficial</b></p>	<p><i>Due to a staff member being on leave the documents relating to the missing audits was not put into TRIM.</i></p> <p><i>On the staff members return the documentation was collated but this was not within the required timeframe.</i></p> <p><i>A remedial action has been taken to ensure that the operating manual requires all records of the audits to be located within a specified TRIM location.</i></p>

**Cleared matters**

Recommendation	Outcome
<p><b>Rating matters</b></p> <p>The Council should obtain legal advice in respect of the rating matters that we have brought to the Council's attention to consider whether these matters pose any legal risk.</p>	<p>Simpson Grierson has reviewed the 2013/14 rates resolution. Simpson Grierson has also undertaken a review of the 2014/15 rates resolution and funding impact statement prior to adoption by the Council.</p> <p>The Council has incorporated their findings into the 2014/15 rating documents.</p>

## Appendix 3: Explanation of priority ranking system

We have developed rankings for our recommended improvements:

<p><b>Urgent</b> Major improvements required</p>	<p><b>Needs to be addressed <i>urgently</i></b></p> <p>These recommendations relate to a significant deficiency that exposes the Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm.</p>
<p><b>Necessary</b> Improvements are necessary</p>	<p><b>Address at the earliest reasonable opportunity, <i>generally within 6 months</i></b></p> <p>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.</p>
<p><b>Beneficial</b> Some improvement required</p>	<p><b>Address, <i>generally within 6 to 12 months</i></b></p> <p>These recommendations relate to deficiencies that result in the Council falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.</p>

## Appendix 4: Mandatory disclosures

Area	Key messages
<p>Our responsibilities in conducting the audit.</p>	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the Council's financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the elected Council of their responsibilities.</p> <p>Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the elected Council.</p> <p>Our respective responsibilities for the preparation of the financial statements and the audit thereof are set out in our audit engagement with the elected Council dated 31 March 2014.</p>
<p>Auditing standards</p>	<p>We carry out our audit in accordance with generally accepted audit standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The elected Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
<p>Auditor independence</p>	<p>We confirm that, for the audit of the Council's financial statements for the year ended 30 June 2014, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.</p> <p>In addition to the audit, we carried out the following audit and assurance engagements for the Council and its subsidiaries:</p> <p><b>Parent:</b></p> <ul style="list-style-type: none"> <li>• An assurance engagement in respect of the Council's debenture trust deed.</li> </ul> <p><b>Group:</b></p> <ul style="list-style-type: none"> <li>• An assurance engagement in respect of Orion's annual regulatory information disclosures, prepared under the Electricity Distribution Information Disclosure Determination 2012.</li> <li>• An assurance engagement in respect of Orion's annual DPP compliance statement, prepared under the Electricity Distribution Services Default Price-Quality Path Determination 2010.</li> <li>• An assurance engagement in respect of CIAL's annual regulatory information disclosures, prepared under the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010.</li> <li>• An audit of CIAL's bond registry.</li> </ul>

Area	Key messages
	<p>These engagements are compatible with those independence requirements. Other than the audit and the other audit and assurance engagements, we have no relationship with or interests in the Council or any of its subsidiaries.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year.</p>
Unresolved disagreements	<p>We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not sought to influence our views on matters relevant to our audit opinion.</p>

**REPORT OF THE CHAIRPERSON OF THE  
SUBMISSIONS PANEL  
21 APRIL 2015**

**PART A - MATTERS REQUIRING A COUNCIL DECISION**

**1. COUNCIL SUBMISSION - ENVIRONMENT CANTERBURY (ECAN) AIR PLAN**

**1. PURPOSE AND ORIGIN OF REPORT**

- 1.1 The Submissions Panel met on 21 April 2015 to consider the Council's draft Submission on Environment Canterbury's Proposed Canterbury Air Regional Plan.
- 1.2 The Panel **decided** that staff amend the draft Council submission on Environment Canterbury's Proposed Canterbury Air Regional Plan as discussed at the meeting with a view to this updated document going to the Council for its consideration and approval at its meeting of 30 April 2015.
- 1.3 This updated document is attached (**Attachment 1**).

**2. STAFF RECOMMENDATION**

That the Council adopt the draft submission on Environment Canterbury's Proposed Canterbury Air Regional Plan.



## **Christchurch City Council's submission**

on

## **Environment Canterbury's Proposed Canterbury Air Regional Plan, March 2015**

The Council wishes to be heard in support of its submission

### General comments

1. The Council would like to commend Environment Canterbury for a well-structured and generally clearly written Air Plan (the plan). The structure and clarity of the plan will help ensure that the plan is 'accessible' to a broad range of people, give confidence to those who identify with its key objectives, lead to greater adherence to plan provisions and ultimately improved air quality. Along with a reliable source of clean water, healthy air is of considerable importance to the Council and Christchurch residents.
2. The Council supports the general intent and purpose of the proposed central policy framework given in the plan and the proposed approaches to addressing industry and large scale emissions, nuisance effects, outdoor burning and home heating emissions.
3. While the Council supports Environment Canterbury's encouragement for the development and use of new ultra-low emission burners, the Council is aware of the significant cost of the new ultra-low emission burners and encourages Environment Canterbury to work collaboratively with other organisations involved in energy efficient heating, housing stock improvement and community heating schemes. The Council supports the "leniency" programme that Environment Canterbury has established to assist those who are constrained financially with installing new wood burners, however the Council encourages Environment Canterbury to look for opportunities to expand the programme to help assist more people given the on-going impacts of the 2010-2011 Canterbury Earthquakes. As part of this, Interest free loans and other forms of subsidy should be investigated by Environment Canterbury.
4. Providing for economic activity and healthier/warmer homes while also achieving improved air quality is a difficult balance. The Council acknowledges this and is encouraged by the policy framework objective to provide for economic growth in rural and urban areas. Furthermore the recognition of the importance of regionally significant infrastructure for local and regional development and growth is critical for Christchurch.

5. The Council recognises in particular the challenge of meeting the Government's National Environment Standard for Air Quality concentration limit for PM<sub>10</sub> and the timeframe in which the concentration limit is to be achieved. The Council acknowledges the need for a suite of proposed measures across all polluters to achieve the PM<sub>10</sub> concentration limits.
6. The Council recognises the need for flexibility in adapting to increasing technical understanding of the sources and impacts of contaminants. For example at present there are no national guidelines for PM<sub>2.5</sub> , although it is increasingly recognised as a significant health issue. It appears in Christchurch particularly during winter the main source is wood combustion (2001/2 - 92%), ECan Technical Report R14/33, Air Quality Status report PM<sub>2.5</sub>, June 2014). Should national guidelines be prepared, the Council considers it important that the Air Plan be reviewed to reflect the guidelines.



Part of plan	Page number	Comment	Relief sought
<b>1. Introduction</b>			
Industrial and large scale discharges of contaminants	p1-3	Adequate monitoring and enforcement of consent conditions from industrial and large scale discharges is of concern to the Council as well as conditions that may be imposed on consent holders in the future. In line with an increasing strict regime for home heating, the Council wholly promotes similar approaches are undertaken for industrial activities.	
Motor Vehicles	p1-6	While Council recognises the need for Environment Canterbury to maintain a focus on reducing domestic emissions, emissions from motor vehicles are perceived by many to be a significant	

		<p>contributor to poor air quality. The Council acknowledges that the Air Plan cannot directly address motor vehicle emissions but encourages Environment Canterbury to provide further explanation on the regulatory and technical management approaches of other organisations to address vehicle emissions. The Council also notes that changing traffic patterns since the earthquakes have led to congestion and emissions at different location around the city. There is issue of whether monitoring emissions from traffic needs to be increased or altered to meet the changing traffic patterns.</p>	
<p>Non-regulatory programmes</p>	<p>p1-6, Figure 1.1, Non-regulatory work programmes - Good Wood part of table</p>	<p>The Council believes that the "Good Wood Merchant Programme" contributes significantly to improved air quality.</p>	<p><i>Support</i></p> <p>The Council also suggests that ECan:</p> <p>(1) develops initiatives for wood merchants to</p>

			<p>provide financial incentive to customers to “buy early” in the promotion of dry wood burning, and                  (2) promotes the sale to the public of moisture meters to enable wood supplied to be tested.</p>
Working with Key Partners	p1-6	<p>The Council supports the Plan discussion of working with the Territorial Authorities, and recognised the role the Council has to play in managing air Quality. The city wishes to contribute meaningfully to any statutory and non-statutory programme to manage air quality including but not limited to those involving home heating and rural fires.</p>	
<b>2. Definitions and Interpretation</b>			
Table 2.1 and Table 2.2	p2-1 to p2-7		

		The Council finds that there is some confusion about the need to have Table 2.1 and 2.2 separate. Although it does agree with having the Abbreviations Table 2-3 separate.	To assist with finding definitions of key words and terms the Council suggests that Table 2.1 and Table 2.2 are combined into a single table.
	p2-1	The Council notes that there is no definition to the term "solid fuel"	The Council recommends that the term "solid fuel" is defined in Table 2.1.
	p2-4	The Council notes that there are other exemptions to be included in the definition of "Large scale fuel burning device".	The Council recommends that two more exclusions are added to the definition of "Large scale fuel burning device" 6. <u>Heritage engines prior to a specific date.</u> 7. <u>Emergency generators.</u>
	p2-4	The Council notes there is no definition of the term "nuisance".	Include a definition of nuisance.
	p2-5 "sensitive area"	Part (b) of the definition simply states a "residential	If it is considered necessary to extend the

		<p><i>area or zone</i>”, and should specify that these areas or zones are as defined in district plans.</p> <p>Part (c) of the definition seeks to expand on what might be normally understood by the term <i>“public amenity area”</i>. It also seeks to distinguish between the areas that are available for public use and the service areas of a building. It is noted that the definition of “sensitive activity” in the Natural Resources Regional Plan Chapter 1 did not include the additional explanation and the caveat added to (c) in the Proposed Plan is considered to add unnecessary confusion.</p>	<p>definition of “public amenity area” for the purposes of this plan to include buildings and associated outdoor areas normally available for public use, then to achieve greater clarity consideration should be given to the following:</p> <p>To (b) add the words following <i>“residential area or zone <u>as defined in a district plan.</u>”</i></p> <p>To (c) delete the words <i>“<del>including those parts of any building and associated outdoor area normally available for use by the general public, excluding any area used for services or access areas;</del>”</i></p> <p>Amend the definition of Public Amenity Area to add the following:</p> <p><i>“Buildings and associated outdoor areas licensed for use by the general public.”</i></p>
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	p2-6	The definition should be consistent with the definition under the Fire Safety Act 1975, which is broader than the definition and includes areas not necessarily zoned urban.	Urban  Means any site or area <u>either</u> zoned <u>or</u> <u>mainly used</u> for residential, commercial or industrial activities.
<b>3. How the Plan Works</b>			
(all of Part 3 of the plan)	p3-1 to p3-3	The Council acknowledges the usefulness and clarity of Part 3 of the plan.	<i>Support</i>
<b>4. Issues of Significance to Ngai Tahu</b>			
(all of Part 4 of the plan)	p4-1 to p4-11	Irrespective of ECan's obligations under the	<i>Support</i>

		Treaty of Waitangi/Te Tiriti o Waitangi and the Ngai Tahu Claims Settlement, the Council acknowledges the effort by ECan to give effect to the Iwi Management Plan objectives.	
<b>5. Objectives</b>			
(all of Part 5 of the plan)	p5-1	The Council supports all the Objectives in this section of the Plan.	<i>Support</i>
<b>6. Policies</b>			
Central Policies Applying to All Activities	p6-1, Policy 6.7	Policy 6.7 signals an expectation that where there is a zoning change in a District Plan and there is an emission to air in the locality which causes adverse effects for the new activities, the discharging activity will either “reduce the effects or relocate.” The Section 32 Report indicates that this Policy does not encourage or	Delete Policy 6.7 and replace with the following:  <i>“Take account of reverse sensitivity implications associated with existing activities when making decisions with respect to authorising land use changes, to ensure that any changes proposed will allow discharges from the existing activity to continue</i>

		<p>condone reverse sensitivity, and that it sits within the context of the Canterbury Regional Policy Statement (CRPS).</p> <p>Policy 14.3.5 of the RPS states “(1) Avoid encroachment of new development on existing activities discharging to air where new development is sensitive to these discharges, unless any reverse sensitivity effects on the new development can be avoided or mitigated.”</p> <p>It would appear that the RPS places the onus on the new development to absorb the reverse sensitivity effect, while Policy 6.7 places the onus on the existing activity, which is expected to “reduce the effects or relocate.”</p>	<p><i>at the level that prevailed at the time that the changes were approved, or can reasonably be mitigated to reduce the adverse effects.”</i></p> <p>Or policy statement to similar effect which is consistent with CRPS Policy 14.3.5 (1)</p>
	<p>p6-2, Policy 6.19</p>	<p>Policy 6.19 “enables” discharges of contaminants from large</p>	<p>Amend Policy 6.19 to read:</p>



		<p>scale activities including nationally and regionally significant infrastructure, but does not provide an enabling policy framework for local infrastructure, which is critical to the health and wellbeing of communities. In addition, this policy does not acknowledge that there may be some instances where the location of an emitting activity is determined by a range of factors. In these cases, therefore, the emissions may not be entirely compatible with the surrounding land use patterns and that mitigation measures are all that are reasonably practicable.</p>	<p><i>“Enable discharges of contaminants into air associated with large scale industrial and trade activities, and nationally and regionally significant <u>and local</u> infrastructure, in locations where the discharge <u>is as far as possible</u> compatible with the surrounding land use pattern, and also ensure the mitigation of adverse effects.</i></p>
<p>Industrial and large scale discharges to air</p>	<p>p6-2, Policy 6.23</p>	<p>The Council suggests that Policy 6.23 is reworded for clarity.</p>	<p>Amend to read: <i>"Electricity networks will manage the supply of power in case of either emergency or excess demand on the network through use of embedded</i></p>

			<i>or temporary generation. Use of generators will be limited to the duration of the emergency or reduction peak load on the network and testing and maintenance."</i>
Space Heating in Clean Air Zones	p6-3, Policy 6.34  <i>Enable discharges of contaminants into air from any space heating device that is significant to the heritage fabric of particular heritage buildings.</i>	The Council supports Policy 6.34 because the use of space heating devices in heritage buildings assists in achieving the most authentic heritage fabric and heritage experience for those occupying or visiting the building.	<i>Support</i>
	p6-3, Policy 6.34  Space Heating in Clean Air Zones; 6.34: enable discharges of contaminants into the air from any space heating device that is significant to the heritage fabric of particular heritage buildings.	<i>Particular</i> not defined.	<i>Removal of particular heritage buildings and replacement with heritage buildings listed in a District Plan and/or by Heritage New Zealand Pouhere Taonga.</i>

<p>Central Policies Applying to All Activities</p>	<p>p6-1, Policy 6.5</p> <p><i>Offensive and objectionable effects are unacceptable and the frequency, intensity, duration, offensiveness and location of discharges into air must be identified and managed.</i></p>	<p>Issues of dust and odour from manufacturing and processing activities within Christchurch and particularly within the Hagley/Ferrymead Ward.</p> <p>Dust and diesel emissions from Port of Lyttelton activities within the Lyttelton/Mt Herbert Ward, are of concern to the Council. In Lyttelton a number of sources of diesel exhaust occur together within a relatively small area. The sources include the Lyttelton tunnel system, diesel locomotives, vessels, various machines loading and unloading, industrial sources such as boilers, and freight vehicles.</p> <p>Air quality was last monitored in Lyttelton in 2003 (ECan Report no. U03/61. The four sites chosen were in residential areas and at some distance from where diesel concentrations are likely to be highest. The need for</p>	<p><i>Support</i></p>
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		<p>more strategic monitoring of PM<sub>2.5</sub> in Lyttelton is considered by the Council to be urgent particularly as</p> <ul style="list-style-type: none"><li>(1) freight volumes are expected to increase significantly over the next 40 years.</li><li>(2) Traffic congestion and discharges have altered since the earthquakes and existing monitoring programmes may not reflect these changes.</li></ul>	
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<p><b>Christchurch or Timaru - Policies</b></p>	<p>p6-4</p>	<p>The Council supports the Policies 6.39-6.42 with regard to reduction of discharges of contaminates within the Christchurch Clean Air Zone. However it is noted that in supporting these policies the Council recognises the economic constraints that will be placed on homeowners and renters if affordable appliances, support via non-statutory mechanisms, as well as clear and understandable information relating to approved burning appliances is not available.</p>	<p><i>Support</i></p>
<p><b>7. Rules</b></p>			

<p>All Activities</p>	<p>p7-1, Rule 7.3</p> <p><i>The discharge of odour, dust or smoke into air that is offensive or objectionable beyond the boundary of the property of origin when assessed in accordance with Schedule 2 is a non-complying activity.</i></p>	<p>The Council specifically supports Rule 7.3 and its extenuating industrial and trade discharge rule.</p> <p>It is noted however that this will relate only to existing discharges, where a new consent is being applied for, and many of the aspects identified in Schedule 2 cannot be considered with a new activity.</p> <p>The Council considers Rules 7.26 to 7.59 as effective in eliminating, isolating or mitigating contaminant discharges.</p>	<p><i>Support</i> The Council recommends the rule to be amended to clarify this relates to existing activities.</p> <p><i>The discharge of odour dust or smoke into the air from <u>an existing activity</u> that is offensive or objectionable beyond the boundary of the property of origin when assessed in accordance with Schedule 2 is a non-complying activity.</i></p>
<p><b>Outdoor Burning</b> - Anywhere in the Region</p>	<p>p7-2, Rules 7.5 to 7.7</p>	<p>The Council supports the rules in this section as it manages the discharge or hazardous contaminants while providing for the needs for emergency services to undertake training and their roles.</p> <p>In regard to Rule 7.6(2) while the Council accepts that it is appropriate where</p>	<p><i>Support</i></p> <p><i>Exclude small quantities of vegetative material from this rule or include the discharge</i></p>

		<p>there is a discharge related to the burning of a building the Council believes that it is onerous and excessive if the burning for training related purposes was a small quantity of vegetative material. The Council assumes it is covered by the interpretation of "other materials" under Rule 7.6.</p>	<p><i>of contaminants into air from the outdoor burning of vegetative material for training purposes in Rule 7.12.</i></p> <p><i>Include a definition of "other materials".</i></p>
<p><b>Outdoor Burning - Rural Areas</b></p>	<p>Rules 7.10 and 7.11</p>	<p>The Council supports the intent of these rules, however has issues in terms of the definition of rural area. It is noted that within the City many "rural" areas are in very close proximity to or actually are sensitive areas (condition 2). Examples are reserves on the Port Hills and Banks Peninsula. These may include working farms which are part of the management of the reserves themselves. It would be considered onerous for each of these sites to be required to gain</p>	

		a consent to undertake their activities.	
<b>Outdoor Burning</b> - Urban Areas	Rules 7.12 and 7.13	The Council supports the intent of these rules but notes the inconsistency of the terms used within this plan and used under the Urban Fire District Fire Service Act 1978 and the Fire Safety Bylaw.	<i>The Council recommends changing the definition of "urban" to be consistent with the Fire Services Act 1978 (refer to p2-6 definition for "urban").</i>
Industrial, trade and large scale discharges to air	p7-4, Rule 7.15	To assist with readability and comprehension the Council recommends a minor change to the grammar.	Amend to read:  <i>"Within a Clean Air Zone ...carbon dioxide<sub>2</sub> is a non-complying activity."</i>
Industrial, trade and large scale discharges to air	p7-4, Rule 7.16	To assist with readability and comprehension the Council recommends a minor change to the grammar.	Amend to read:  <i>"Within a Clean Air Zone ...carbon dioxide<sub>2</sub> is a discretionary activity."</i>
Industrial, trade and large scale discharges to air	p7-4, Rule 7.17	Rule 7.17 is confusing and difficult to understand. The Council recommends that it is re-written.	The Council recommends amending to read:  <i><u>"Outside a Clean Air Zone the discharge of contaminants into air from a large scale solid fuel burning device or from an</u></i>



			<p><u>industrial or trade premise, established prior to February 2015, that will likely exceed guideline values, as set out in the Ambient Air Quality Guidelines 2002 Update, is a non-complying activity."</u></p>
<p><b>Other Industrial and trade discharges of contaminants into air</b></p>	<p>p7-18, Rule 7.56</p>	<p>The Council supports the intent of the rule. However it has concerns with condition 6 of the Rule. The Council considers use of the term "property of origin" is not an accurate term as in many situations (for example an oxidation pond) the property of origin is not where the activity is being undertaken. It is noted that this term is used thorough-out this section.</p> <p>The Council also considers the restriction of 50 metres from the boundary of the property is very onerous and may make an activity on a small property impractical.</p>	

		The Council has no issue with the distance from sensitive activities (other than from some rural reserves), or wahi tapu, wahi taonga of sites of significance to Ngai Tahu.	
	p7-18 Rule 7.57	The Council is concerned about the restriction placed on air pressure releases valves. It is impractical for the location of such valves to be located outside of residential areas, and it is considered onerous for each valve to require a resource consent. Therefore it is suggested that an amendment is included which will resolve the most significant issues without the requirement for a resource consent.	The Council recommends that the rule is amended with the following or similar wording at the end of the rule.  <i><u>“Unless agreement is reached with property owners and an appropriate odour control device is installed and maintained.”</u></i>
Space Heating Space heating within all Clean Air Zones	p7-24, Rule 7.81  Space Heating; Space Heating within all Clean Air Zones; 7.81: Within a Clean Air Zone, the discharge of contaminants	1. The rule is narrowly focussed. CCC is concerned that the exclusion of many heritage buildings by the rule will be a disincentive	<i>1. alter (i) to the space heating appliance is located within a heritage building listed in a district plan and/or by Heritage New Zealand Pouhere Taonga.</i>

	<p>into air from any space heating appliance within a heritage building is a permitted activity provided the following conditions are met (i) the space heating appliance is located within a heritage building that is listed in Schedule 9 or a heritage building that is listed as a Category 1 heritage building by Heritage New Zealand Pouhere Taonga <u>and</u> (ii) the space heating appliance and chimney were original features of the building (including restored original features).</p>	<p>to the protection of heritage values.                  2. The definition of <i>original features</i> is problematic. Many buildings have undergone periodic modification through their history and it is possible that heritage features of a heritage building are not <i>original features</i>.                  3. There are no apparent exemptions for heritage buildings outside Clean Air Zones to use any space heating appliance. Consequently it appears it would be possible for a Category 1 building in Christchurch to use an open fire as of right, but not a Category 1 building in Akaroa or Lyttelton.                  4. Schedule 9 has been translated directly from the previous Air Plan, and is now inconsistent and out of date. It contains some Category 1 buildings and therefore partly duplicates the general Category 1 dispensation. It contains some demolished buildings. The Schedule 9 listings are inconsistent</p>	<p><i>2. alter (ii) to the space heating appliance and chimney are heritage features or replicated heritage features.</i>  <i>3. Update Schedule 9 to ensure accuracy and consistency. Remove the listed Category 1 buildings from Schedule 9, remove any demolished buildings, and check addresses and names to ensure that are consistent with Heritage New Zealand's present list.</i>  <i>4. Consider widening the exemptions to apply to all of Heritage New Zealand's listed buildings across Canterbury, or alternatively linking the exemptions with the heritage listings of Territorial Authorities.</i></p>
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		across all Territorial Authorities, with Waimakariri and Ashburton District Councils listing larger numbers of buildings than Christchurch, despite having much smaller numbers of heritage listed buildings.	
Space Heating Within the Christchurch Clean Air Zone	p7-25, Rule 7.87  (7-25) Space Heating; Within the Christchurch Clean Air Zone; 7.87: Within the Christchurch Clean Air Zone the discharge of contaminants into the air from a low emitting enclosed burner is a permitted activity provided the following conditions are met: (4) if installed after 28 Feb 2015 but before 1 Jan 2019, the low emitting enclosed burner is located in (b) An existing dwelling to replace an open fire, older style or low emitting enclosed burner that was lawfully operable within	<i>Within the Christchurch Clean Air Zone</i>  For those heritage buildings that do not otherwise qualify for a dispensation (not being Category 1 buildings or on Schedule 9), and which have not had lawfully operable space heating appliances within the previous 12 months as a consequence of earthquake damage or other reason, the inability to operate Low Emission Burners as of right makes it more difficult for TA's to advocate for the retention or restoration of heritage fireplace and chimney form and fabric. The	Consider relaxing the 12 month rule (perhaps pegging it to the date of the first Canterbury Earthquake in 2010) to allow the operation of Low Emission Burners in heritage buildings that have not had recently lawfully operable space heating appliances.

	<p>the entire 12 months immediately prior to the installation of the low emitting enclosed burner.</p>	<p>Ultra-Low Emitting burner options currently available are not easily compatible with existing or restored fireplaces.</p>	
<p><b>8. Schedules</b></p>			
	<p>p8-1 to p8-5, Schedule 1: <i>Information to be provided with application for resource consent</i>, and           p8-6 to p8-18, Schedule 2: <i>Assessment of offensive and objectionable effects</i></p>	<p>The Council specifically supports the extensive and comprehensive requirements under Schedules 1 and 2 as they relate, particularly, to odour, and the provision of the <i>Odour Effects Assessment Tools</i> for existing and new activities (Table 8.2.1 and Table 8.2.2 respectively).</p>	<p><i>Support</i></p>



**REPORT BY THE CHAIRPERSON OF THE  
RICCARTON/WIGRAM COMMUNITY BOARD  
14 APRIL 2015**

**PART A - MATTERS REQUIRING A COUNCIL DECISION**

**1. WAIMAIRI ROAD AT DOVEDALE AVENUE - SIGNALISED PEDESTRIAN/CYCLE CROSSING**

		Contact	Contact Details
<b>Executive Leadership Team Member responsible:</b>	Chief Operating Officer Operations Group	N	
<b>Officer responsible:</b>	Unit Manager Assets and Networks	N	
<b>Author:</b>	Bill Rice, Senior Traffic Engineer	Y	0274 355 466

**1. PURPOSE AND ORIGIN OF REPORT**

- 1.1 The purpose of this report is to present the Riccarton/Wigram Community Board's recommendation to the Council to approve the removal of the pedestrian refuge facility on Waimairi Road immediately south of Dovedale Avenue, and upgrade this facility to a signalised pedestrian and cycle crossing (refer **Attachment 1**).
- 2.1 This is a staff initiated report in response to concerns raised by the University of Canterbury regarding the safety of large numbers of students crossing Waimairi Road following the relocation of the Engineering School to Dovedale Campus during earthquake repairs at the Engineering School

**2. BACKGROUND**

- 2.1 The crossing point on Waimairi Road at Dovedale Avenue is part of a key pedestrian and cycle link between the main University campus and the Dovedale campus, as well as being located on the proposed route for the Uni-Cycle Major Cycleway (MCR). Waimairi Road is an arterial road, and carries approximately 25,000 vehicles per day.
- 2.2 A bus route runs along Dovedale Avenue turning left into Waimairi Road, and right from Waimairi Road into Dovedale Avenue. Dovedale Avenue is a local road.
- 2.3 Some of the Dovedale campus is presently used by the University for temporary student residential accommodation. As of the start of the 2015 academic year, the Engineering School teaching facilities have been temporarily relocated to Dovedale campus whilst their facilities are rebuilt. As a result of this, large numbers of students travel between the Dovedale campus and the main University Campus (see count numbers below).
- 2.4 Pedestrian, cyclist, and vehicle turning movements were counted on Tuesday 17 March 2015 between 1100 and 1300 hours. Morning and evening counts have not been carried out. Vehicles travelling straight through on Waimairi Road were not counted. The peak hour during this period was between 1130 and 1230 hours, and are summarised below:

**Table 1 Vehicles Turning at Dovedale Avenue/Waimairi Road Intersection**

Vehicle Movement	Number (vehicles per hr)
Right turn out of Dovedale	27
Left turn out of Dovedale	28 (including 2 buses)
Right turn into Dovedale	40 (including 2 buses)
Left turn into Dovedale	33

## 1. Cont'd

Table 2 Pedestrian/Cycle Numbers Crossing Waimairi Road

	Eastbound (per hour)	Westbound (per hour)	Total (per hour)
<b>Pedestrian</b>	87	37	<b>124</b>
<b>Cycle</b>	35	37	<b>72</b>
<b>Total</b>	<b>122</b>	<b>74</b>	<b>196</b>

- 2.5 The University has widened the existing path through the access way located between 132 and 134 Waimairi Road on the east side of the road. They have also installed a new path within the Dovedale campus that joins to the existing 1.4 metre wide footpath on the southern side of Dovedale Avenue, approximately 56 metres from Waimairi Road.
- 2.6 A Traffic Management Plan (TMP) has been operating at this location since the beginning of the 2015 Academic year. This TMP has used delineators, cones, and a new central island to provide more space for pedestrians waiting at either side of Waimairi Road, and at the existing pedestrian refuge, and includes a temporary 30 kilometre per hour speed limit. The delineators and cones effectively narrow the lane width and provide some traffic calming.
- 2.7 However anecdotal evidence suggests that the measures in the TMP are not achieving speed reductions to 30 kilometre per hour, and that the narrowing is resulting in a pinch point for cyclists travelling on Waimairi Road.
- 2.8 The TMP expires, and will require renewal, on 31 March 2015.
- 2.9 The University has requested a signalised crossing be urgently installed at this location to alleviate safety concerns for the large numbers of students crossing Waimairi Road.

## 3. COMMENT

- 3.1 The very large number of pedestrians and cyclists crossing Waimairi Road has resulted in an immediate and significant safety issue at this location. A signalised crossing reduces the risk to crossing pedestrians and cyclists.
- 3.2 A signalised crossing is proposed at this location as part of the Uni-Cycle MCR. However, construction of the Uni-Cycle MCR is not expected to commence until 2016. Providing a crossing which meets the needs of the Uni Cycle MCR will minimise the amount of re-work required when the MCR is constructed.
- 3.3 The University has widened their existing path on the access way between Ilam Fields and Waimairi Road, and have constructed a new pathway to the Dovedale Campus, approximately 56 metres from Waimairi Road. The existing footpath on the south side of Dovedale Avenue is 1.6 metres wide. This does not provide sufficient width for the numbers of pedestrians and cyclists using it between Waimairi Road and the new path to the Dovedale Campus. A widened path would improve the capacity of this section of path.
- 3.4 It is proposed to widen the existing footpath on the south side of Dovedale Avenue to four metres wide, and to designate it as a shared pedestrian and cycle path, as part of the Uni-Cycle MCR. It is proposed to locate the widened path one metre back from the existing kerb line, to allow for the overhang of vehicles parked in the angle parking. This results in the path extending approximately 1.2 metres into the University land over the length of Dovedale Avenue



**COUNCIL 30. 4. 2015**

**1. Cont'd**

- 3.5 Negotiations are currently underway between staff and the University to establish easements or other legal devices to allow the Council to construct a path over that strip of University land, and other University land affected by the proposed MCR. It is not expected that those negotiations will be concluded in time for the path to be constructed in May/June 2015.
- 3.6 The widened path as designed in the interim will extend from the back of the existing kerb to the University boundary giving a width of approximately 3.8 metres. The effective width of the path is likely to be less than this due to angle parked vehicles overhanging the path.
- 3.7 Council staff briefed the Riccarton/Wigram Community Board on the project at the Board meeting on 17 March 2015. This was followed by a memorandum on 26 March 2015 outlining the proposed engagement and decision making process, as well as the information notice and safety improvement plan for stakeholders.
- 3.8 Owners of properties in the immediate vicinity of the crossing were emailed or posted information about the project. The plan and notice were then delivered to residents of 45 homes near the crossing and emailed to the Ilam and Upper Riccarton Residents' Association, the cycling advocacy group SPOKES and a spokesperson for the Blind Foundation. The University also emailed the information to the 388 residents on its database for quarterly community meetings.
- 3.8 In the information notice, stakeholders were invited to contact the project's consultation leader for further information about the signalised crossing, the associated shared path along Dovedale Avenue and the decision making process. Feedback provided by the University and residents is being collated and will be provided to Community Board members before the meeting on 14 April 2015.

**4. FINANCIAL IMPLICATIONS**

- 4.1 The estimated cost of this project is \$350,000.
- 4.2 Funding is available for this project from the Major Cycleway Uni-Cycle route (University to City) budget in the 2014/15 financial year as shown on page 303 in the 2013-16 Christchurch City Three Year Plan.
- 4.3 The University of Canterbury has indicated that it is likely to grant a "grace and favour" easement across University land for the Uni-Cycle Route, ensuring the correct location of the Waimairi Road crossing and protecting the Council's investment.

**5. STAFF RECOMMENDATION**

It is recommended that the Council:

- 5.1 Approve the scheme designs for a pedestrian crossing, controlled by traffic signals be installed on Waimairi Road, 18m south of Dovedale Avenue as detailed in Attachment 1.
- 5.2 Make the following resolutions relying on its powers under the Christchurch City Council Traffic and Parking Bylaw 2008, the Traffic and Parking Amendment Bylaw 2014, and Part 21 of the Local Government Act 1974

**Traffic Controls**

- 5.3 Approve that all traffic controls including give way controls at the intersection of Dovedale Avenue and Waimairi Road, be revoked.

**COUNCIL 30. 4. 2015**

**1. Cont'd**

- 5.4 Approve that a shared pedestrian/cycle crossing, controlled by traffic signals be installed on Waimairi Road located at a point 11 metres south of its intersection with Dovedale Avenue in accordance with the Land Transport Rule: Traffic Control Devices 2004, and as detailed on Attachment 1.
- 5.5 Approve the lane marking changes, kerb alignment changes and raised islands at the Dovedale Avenue and Waimairi Road intersection as detailed on Attachment 1.
- 5.5 Approve that a give way control be placed against Dovedale Avenue at its intersection with Waimairi Road.
- 5.6 Approve that all traffic controls on the eastern side of Waimairi Road, commencing at a point 119 metres south of its intersection with Wadeley Road and extending in a southerly direction for a distance of 42 metres.
- 5.7 Approve that a special vehicle lane for the use of south bound bicycles only, be established on the eastern side of Waimairi Road against the kerb, commencing at a point 119 metres south of its intersection with Wadeley Road and extending in a southerly direction for a distance of 42 metres. This special vehicle lane is authorised under clause 13 of the Christchurch City Council Traffic and Parking Bylaw 2008, and is therefore to be added to the Register of Roads or Traffic Lanes Restricted to Specific Classes of Vehicles.
- 5.8 Approve that all traffic controls on the western side of Waimairi Road, commencing at a point 26 metres south of its intersection with Dovedale Avenue, and extending in a northerly direction for a distance of 45 metres.
- 5.9 Approve that a special vehicle lane for the use of north bound bicycles only, be established on the western side of Waimairi Road against the kerb, commencing at a point 26 metres south of its intersection with Dovedale Avenue, and extending in a northerly direction for a distance of 45 metres. This special vehicle lane is authorised under clause 13 of the Christchurch City Council Traffic and Parking Bylaw 2008, and is therefore to be added to the Register of Roads or Traffic Lanes Restricted to Specific Classes of Vehicles.

**Parking and Stopping Restrictions**

- 5.10 Approve that all parking and stopping restrictions on the eastern side of Waimairi Road from its intersection with Wadeley Road to a point 196 metres south of its intersection with Wadeley Road, be revoked.
- 5.11 Approve that the stopping of vehicles be prohibited at any time on the eastern side of Waimairi Road, commencing at its intersection with Wadeley and extending in a southerly direction for a distance of 15 metres.
- 5.12 Approve that the stopping of vehicles be prohibited at any time on the eastern side of Waimairi Road, commencing at a point 69 metres south of its intersection with Wadeley Road and extending in a southerly direction for a distance of 127 metres.
- 5.13 Approve that all parking and stopping restrictions on the western side of Waimairi Road commencing at its intersection with Dovedale Avenue, and extending in a southerly direction for a distance of 51 metres, be revoked.
- 5.14 Approve that the stopping of vehicles be prohibited at any time on the western side of Waimairi Road, commencing at its intersection with Dovedale Avenue, and extending in a southerly direction for a distance of 51 metres.
- 5.15 Approve that all parking and stopping restrictions on the western side of Waimairi Road commencing at its intersection with Dovedale Avenue, and extending in a northerly direction for a distance of 82 metres, be revoked.

**COUNCIL 30. 4. 2015****1. Cont'd**

- 5.16 Approve that the stopping of vehicles be prohibited at any time on the western side of Waimairi Road, commencing at its intersection with Dovedale Avenue, and extending in a northerly direction for a distance of 82 metres.
- 5.17 Approve that all parking and stopping restrictions on the south side of Dovedale Avenue, commencing its intersection with Waimairi Road, and extending in a westerly direction for a distance of 32 metres be revoked.
- 5.18 Approve that the stopping of vehicles be prohibited at any time on the south side of Dovedale Avenue, commencing at its intersection with Waimairi Road and extending in a westerly direction for a distance of 13 metres.
- 5.19 Approve that a Bus stop be created on the southern side of Dovedale Avenue, commencing at a point 13 metres west of its intersection with Waimairi Road, and extending in a westerly direction for a distance of 19 metres.

**6. BOARD CONSIDERATION**

The Board having considered the staff report, also received a deputation on this matter from Sander Kriek on behalf of the University of Canterbury, indicating support for the project.

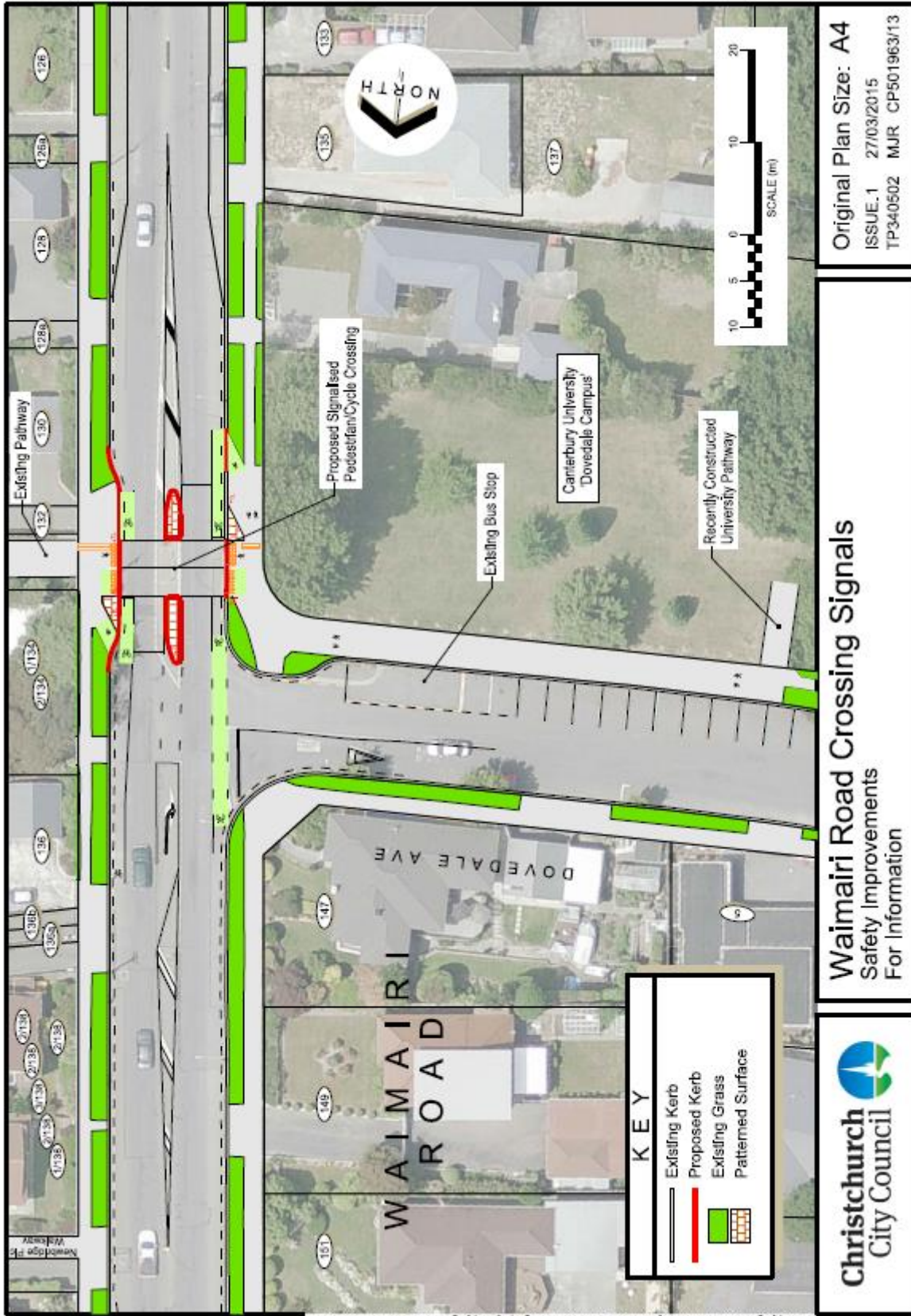
Members expressed their appreciation at the manner in which this project had been expedited.

**7. BOARD RECOMMENDATION**

That the staff recommendation be adopted.



ATTACHMENT TO CLAUSE 1



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## COUNCIL 30. 04. 2015

## 10. EASEMENT OVER OLD SCHOOL RESERVE 172 MAJOR HORN BROOK ROAD

		Contact	Contact Details
<b>Executive Leadership Team Member responsible:</b>	Chief Operating Officer, Operations Group	N	
<b>Officer responsible:</b>	Unit Manager, Parks	N	
<b>Author:</b>	Stuart McLeod, Property Consultant	Y	DDI 941 8520

## 1. PURPOSE AND ORIGIN OF REPORT

- 1.1 The purpose of this report is to provide information to the Council requested in its resolution dated 14 August 2014.

*"It was resolved the Council defer the item until the next meeting and seek legal advice and whether the Council can tag the compensation paid to a particular reserve".*

## 2. EXECUTIVE SUMMARY

- 2.1 The Council can impose conditions on the granting of Ministers consent to easements over reserves, in doing so it must only consider matters that are relevant.
- 2.2 If the Council decided to limit the easement to a number of years it would be contrary to the Councils standard practise of granting easements in perpetuity.
- 2.3 Although there is nothing to prevent income received for an activity on a reserve being "tagged" for use within that same reserve, historically Council have not done so. This practise would affect global funding of reserves, may impact on Councils ability to financially manage reserves in general and be difficult to administer.

## 3. BACKGROUND

- 3.1 At its meeting on 16 July 2014 the Hagley/Ferrymead Community Board considered a report to grant a right of way easement over part of Old School Reserve Mount Pleasant and adopted the following staff recommendations.

*That the Hagley/Ferrymead Community Board resolve:*

*To approve a right of way easement over the land shown edged red on Attachment 2 in favour of all the land contained in Computer Freehold Registers CB752/31 and CB38B/392.*

*To require that the applicant is responsible for arranging the repair and maintenance of the easement facility, and for the associated costs, so as to keep the easement facility in good order and to prevent it from becoming a danger or a nuisance.*

*The Unit Manager Corporate Support is authorised to finalise and conclude the granting of the easement.*

*All costs associated with the grant of the easement are recovered from the applicant together with compensation of \$8,625.*

*Subject to 2.1.1, to recommend that Council exercise the powers of the Minister of Conservation referred to in the First Schedule of the Reserves Act 1977 and Instrument of Delegation for Territorial Authorities dated 12 June 2013 pursuant to Section 48(1) of the Reserves Act 1977 for the easements identified in the agreement between the parties dated 9 June 2014.*

- 3.2 In its deliberations on whether to exercise Ministers consent, the Council passed the resolution detailed in paragraph 1.

## COUNCIL 30. 04. 2015

## 10 Cont'd

- 3.3 The original report requires two decisions to be made, firstly the administering body decision (i.e. the Community Board have approved the easement and secondly the Council exercising its delegated Ministerial consent). In considering whether to grant its delegated Ministers consent the Council have requested further information.

## 4. COMMENT

**Legal**

- 4.1 The advice requested has been received from the Legal Services Unit and is as follows:
- 4.1.1 Section 48 allows the Council to, with the consent of the Minister of Conservation, grant easements over reserve.
- 4.1.2 The Hagley/Ferrymead Community Board approved, under delegation from the Council, the grant of the right of way easement over the reserve as requested by the applicant.
- 4.1.3 The Council is now asked to exercise, under delegated authority, the Minister of Conservation's power to consent to the grant of the easement.
- 4.1.4 Section 48 allows the Minister (and thus the Council under delegation) to set such conditions on the giving of such consent as the Minister (or the Council under delegation) think fit. The Council therefore may give the Minister's consent under delegation, or withhold that consent. Additionally, if the Council wishes to give the Minister's consent under delegation, it may give that consent subject to conditions. However, in making that decision, and setting any conditions, the Council acting for the Minister under delegation would need to act reasonably and not have regard to irrelevant matters.
- 4.1.5 Councillor Johansson specifically asked for advice on whether, if the easement was granted, the Council would have any right to require that it later be removed. Ordinarily, easements are granted in perpetuity. However, it is possible to limit the term of an easement, or to include a mechanism within the instrument creating it to enable it to be brought to an end. Alternatively, if no such provisions were included, and the easement right was required to be extinguished at a later date, the general powers of compulsory acquisition under the Public Works Act could be employed to acquire the interest back. Either mechanism will obviously give rise to issues about costs and reinstatement if any formation work to the right of way undertaken.
- 4.1.6 The Council resolution also requests advice on whether the *"Council can tag the compensation paid to a particular reserve"*. In this regard, section 78 of the Reserves Act requires that *"all money received by way of rent, royalty, or otherwise in respect of any dealing with any reserve pursuant to ...section 48...shall...be held by the [Council] and applied for the purposes of this Act"*. Section 80 of the Reserves Act authorises the expenditure of such monies received by the Council on its reserves generally. Notwithstanding that, there is nothing in the Reserves Act that would prevent the Council from tagging any money received in relation to a particular reserve to that reserve.

**General**

- 4.2 The advice in paragraph 4.1.5 is noted and whilst an easement can be granted for a limited number of years or have mechanisms to bring it to an end it is not the Council's standard practise to do so. To do so would obviously place time constraints on any use associated with the easement and would be seen as a "temporary" arrangement. This does not provide certainty and in this case the applicant would reconsider his application.



**10 Cont'd**

- 4.3 Paragraph 4.1.6 refers to tagging the compensation to a particular reserve. The Christchurch City Council's standard practice is to expend monies received from reserves on reserves generally. Tagging monies received from any one reserve to that same reserve would not only be administratively challenging it could impact on global funding of reserves in general, (i.e. Council own or administer in excess of 1,000 parks or reserves and funding from them is used to fund the purchase of new reserves and other projects). It may also disadvantage neighbourhood parks because generally they do not generate any income unlike the major parks.

**5. FINANCIAL IMPLICATIONS**

- 5.1 There are no financial implications in this report however there are procedural matters that have been commented on.

**6. STAFF RECOMMENDATION**

It is recommended that the Council:

- 6.1 Receive the information and the following resolutions from 14 August 2014 be approved.
- 6.2 Require that the applicant is responsible for arranging the repair and maintenance of the easement facility, and for the associated costs, so as to keep the easement facility in good order and to prevent it from becoming a danger or a nuisance.
- 6.2.1 The Unit Manager Corporate Support is authorised to finalise and conclude the granting of the easement.
- 6.2.2 All costs associated with the grant of the easement are recovered from the applicant together with compensation of \$8,625.
- 6.2.3 Subject to 2.1.1, exercise the powers of the Minister of Conservation referred to in the First Schedule of the Reserves Act 1977 and Instrument of Delegation for Territorial Authorities dated 12 June 2013 pursuant to Section 48(1) of the Reserves Act 1977 for the easements identified in the agreement between the parties dated 9 June 2014.



## COUNCIL 30. 04. 2015

## 11. NATURAL ENVIRONMENT RECOVERY PROGRAMME PROGRESS REPORT

		Contact	Contact Details
<b>General Manager responsible:</b>	Chief Planning Officer SPG	Y	Diane Campbell, 03 941 8281
<b>Officer responsible:</b>	Unit Manager Environment & Heritage	Y	03 941 8812
<b>Author:</b>	Clive Appleton	Y	03 941 8352

## 1. PURPOSE OF REPORT

- 1.1 This report updates the Committee on the implementation and progress of the Natural Environment Recovery Programme (NERP) from October 2014 to March 2015.

## 2. EXECUTIVE SUMMARY

- 2.1 Many of the Council's programmes and projects directly support the NERP and this report provides a high-level update on work implemented over the last three months.

## 3. BACKGROUND

- 3.1 In May 2013, the Chief Executives Advisory Group (CEAG) agreed to the NERP Technical Advisory Group continuing in an advisory role for the implementation of the NERP until April 2016, with consideration being given to it continuing as a sub-group of the Urban Development Strategy (UDS). The NERP was adopted by Environment Canterbury Commissioners on 3 October 2013.
- 3.2 The NERP Technical Advisory Group meets monthly and partners are collaborating to ensure implementation and reporting of the 17 NERP projects (see **Attachment 1**) is undertaken on a quarterly basis and presented to the Recovery Strategy Advisory Committee. These reports are then presented to the partner governance groups.
- 3.3 The NERP Third Quarterly Progress Report was presented to the Recovery Strategy Advisory Committee on the 17<sup>th</sup> April 2015 (see **Attachment 2**).

## 4. COMMENT

- 4.1 This report highlights the work implemented as part of the Council's programmes and projects over the last three months:

## 4.1.1 Investigate and plan for natural hazards

- The Natural Hazards Chapter of the replacement District Plan (including flooding, liquefaction and slope instability) has been publically notified and hearings have been held. Natural hazard risk in existing urban areas has been assessed and mapped and is being managed through land use planning provisions. Other hazards will be considered in phase 3 of the replacement District Plan and will be publically notified in June.

## 4.1.2 Investigate and monitor coasts and estuaries

- Information from this work has helped inform the Coastal Chapter of the replacement District Plan.

## 11 Cont'd

## 4.1.3 Reduce flood risks and restore drainage capacity of waterways

- The Land Drainage Recovery Programme is continuing to identify both short term flood responses and medium to long term solutions to return Christchurch to pre-earthquake flood risk levels, particularly for Flockton and lower Heathcote.
- Extent of flood risk in post-earthquake environment needs careful analysis and evaluation of options – including consideration of long-term settlement patterns across the city.
- Land drainage recovery programme investigations on all waterways being conducted through to late 2016.
- The Council is working with CERA on future use of residential red zone – particularly in lower Avon catchment – and location of stopbanks, pumping stations and horizontal infrastructure.

## 4.1.4 Plan for stormwater management

- Comprehensive stormwater discharge consent to cover Christchurch and Banks Peninsula, which will replace current consents for the South-West and Styx River catchments, is being prepared for lodgement with ECan in June 2015.
- Avon River surface water management plan (SMP) completed and being incorporated into the comprehensive stormwater discharge consent.
- Working with Mahaanui Kurataiao to address cultural matters as part of SMPs and the comprehensive stormwater discharge consent.
- Lower Heathcote River technical investigations started and, once completed, will be combined with those for the South-West to compile a full stormwater management plan for the catchment.

## 4.1.5 Act on opportunities for stormwater treatment and improving the water quality and ecosystem health of waterways

- Staff from the Council and Environment Canterbury Regional Council, Stormwater Action Team (SWAT) are meeting monthly to address :
  1. Reduction of sediment discharges from bulk earthworks associated with subdivision development.
  2. Reduction of contaminants discharged to the reticulated stormwater network from industrial and commercial sites.
  3. Pollution response procedures required for the Council's reticulated stormwater system.

## 4.1.6 Manage sediment from liquefaction

- Land drainage recovery programme surveys are continuing.
- Programme of work required for land drainage remediation is out for public consideration as part of the Long Term Plan consultation. .
- Sediment removal has been completed through lower Dudley Creek and Sumner Stream. Work is ongoing to clear in-line culverts and associated stormwater outfall pipes.
- Collaboration between CCC/ECAN/Fish & Game on identifying waterway reaches suitable for intensive rehabilitation. Restoration work to follow on in Steamwharf Stream once sediment removal project completed.

## 4.1.7 Act on opportunities to reduce sewage overflows and their effects

- The Council work programme is progressing to plan and as detailed in **Attachment 1**; no additional items have been included since the last report.

## COUNCIL 30. 04. 2015

## 11 Cont'd

## 4.1.8 Control pests and weeds

- Maintenance work and weed control is continuing on Council reserves.

## 4.1.9 Assess, retain and enhance biodiversity

- Lower Heathcote ecological investigations are being conducted and will be used to inform the Surface water management plan for the catchment

## 4.1.10 Provide access to and opportunities for outdoor recreation

- Summit Road between Rapaki track and Cavendish Saddle has reopened to non motorised vehicles and is popular with road bikers and runners.

4.2 For detailed information on where the other NERP agencies have got to in progressing respective projects **see Attachment 1**.

4.3 The NERP is a relatively mature programme of work and more of the implementation is being absorbed into the councils' and other agencies' 'business as usual' programmes, funded through the LTPs. On recommendation of the NERP Technical Advisory Group, CEAG have agreed that from April 2015 the NERP Programme Leader role will be reduced to an average of 2 days per week. The TAG consider this an interim step until recovery transition planning is thought through and implemented (see **Attachment 2**).

**5. FINANCIAL IMPLICATIONS**

5.1 Council projects listed in the NERP are funded by existing levels of service.

**6. STAFF RECOMMENDATION**

That the Council:

6.1 Receive the Natural Environment Recovery Programme Progress Report for October 2014 to March 2015.



**Natural Environment Recovery Programme – Progress Report – fourth quarter 2014 and first quarter 2015 – October 2014 - March 2015**

Project	Project title	Lead agency/ agencies (bold) and partners	October 2014-March 2015	Next steps	Emerging issues	Milestone	Date
1	<b>Investigate and plan for natural hazards</b> Hazards investigations; land use planning Reassess the risks and susceptibilities of natural hazards. Report and map the results to inform land use planning and development.	<b>ECan</b> CERA, NHRP, GNS, UC, CCC, WDC, SDC, TRONT	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>ECan planning to work with CDEM, TAs and others to develop a regional hazards strategy.</li> <li>Active fault investigation and reports ongoing. Kaikōura DC report due out within the next couple of months</li> <li>Report on distant source tsunami hazard modelling for Canterbury released and on website. Inundation maps on Canterbury Maps.</li> <li>Regional source tsunami modelling underway</li> <li>Student projects on hazards (co-funded by ECan, CCC, WDC, SDC, CDEM and others) are underway. Various MSc and PhD projects on Christchurch's vulnerability to tsunami hazard, Lake Heron Fault, vulnerability of lifelines to multi-hazard scenarios, and Kaikōura coastal issues.</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Natural hazard risk in existing urban areas has been assessed and reflected in land planning documents, including in Christchurch Replacement District Plan. Natural Hazards Chapter in Phase 2, Replacement District Plan, is to be publically notified in May</li> <li>CCC proposes to develop a Natural Hazards Strategy.</li> </ul> <p><b>CERA</b></p> <ul style="list-style-type: none"> <li>Geotechnical Database - In December 2014 CERA met with agencies/departments to discuss the re-homing of the Geotechnical Database and the need to establish a governance group for ensuring its longevity. CERA is committed to ensuring the Geotechnical Database service levels are maintained and the re-homing will ensure that it continues.</li> <li>EQC groundwater monitoring will end in a year. Discussions ongoing between ECan, CCC, WDC, SDC, GNS, NIWA, LINZ, EQC and universities on value of the network and future home/funding for the work. EQC is now working towards instrumenting 200 wells and set up a steward for the network once claims have been settled.</li> </ul>			<p>"User guide" on application of fault reports in planning released</p> <p>Regional Source Tsunami Report</p>	<p>April 2015</p> <p>April 2015</p>
2	<b>Investigate and monitor coasts and estuaries</b> Te Tai o Mahaanui/ Canterbury coastal investigations; estuary investigations; Investigate and monitor earthquake changes in coastal and estuary processes and physical parameters. Build in sea level rise and climate variability.	<b>ECan, NIWA</b> UC, CCC, WDC, SDC, TRONT	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>Coastal water quality monitoring continues – within Avon Heathcote Estuary/Ihutai and on the coast</li> <li>Continue to survey coastal cross sections along the coast of Christchurch and Waimakariri and topographic surveys of the South Brighton and Brooklands spits.</li> <li>Prepared a summary report on historic surveys, aerial photography, technical support and peer review to aid CCC's work on reviewing hazard zones along the Christchurch urban shoreline</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Christchurch Replacement District Plan Phase 2 - Coastal Chapter to be publically notified in June.</li> </ul>	Continued data collection and analysis of coastal geomorphology		CCC district plan notification	June 2015
3	<b>Reduce flood risks and restore drainage capacity of waterways</b> Flood mitigation; stopbanks and other works; resilient sustainable infrastructure in rebuild. Includes CCC land drainage recovery programme.	<b>CCC, SCIRT, WDC, SDC, ECan</b> CERA, developers, TRONT	<p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Christchurch flooding Mayoral Flood Task Force has reported. The Flood Management Steering Group (CCC, CERA, ECan, MBIE and DPMC) are assessing options, particularly for Flockton and lower Heathcote.</li> <li>Land drainage recovery programme investigations on all waterways being conducted through to late 2014</li> <li>Working with CERA on future use of residential red zone in lower Avon catchment on location of stopbanks, flood zones, pumping stations and horizontal infrastructure</li> <li>Pre-feasibility report for a tidal barrier at the mouth of the Estuary signalled in the CCC LTP Consultation Document</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>Waimakariri District Flood Team established and continues to respond to flood issues from June 2014 flooding event. Parnham's Drain project in Kaiapoi has recently been completed, increasing drainage capacity through widening approximately 360m of drain in west Kaiapoi.</li> <li>Need to investigate longer term solutions to drainage issues in and around Kaiapoi and review of the LIDAR results to identify areas where ground levels have shifted and affected the drainage network</li> </ul>				
4	<b>Plan for stormwater management by preparing Stormwater Management Plans (SMPs)</b> Develop an SMP for each catchment to fulfil the requirement for catchment-wide stormwater discharge consent. Important for planning for the RRZ and CCDU anchor projects including in Te Papa Ōtākaro/Avon River Precinct.	<b>CCC, WDC, SDC</b> ECan, CERA	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>Have a regional stormwater forum with staff from TAs and ECan to identify common issues for collaborative work improve knowledge and achieve better consistency with stormwater management planning and consenting.</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Comprehensive stormwater discharge consent to cover Christchurch and Banks Peninsula, which will replace current consents for the South-West and Styx River catchments, is being prepared.</li> <li>Avon River SMP completed and being incorporated into the comprehensive stormwater discharge consent.</li> <li>Lower Heathcote River technical investigations started and once completed will be combined with those done for the South-West, and then a full Surface Water Management Plan (SMP) can be compiled for the catchment.</li> <li>Working with Mahaanui Kurataiao so cultural matters are appropriately addressed as part of Surface Water Management Plans (SMPs) and the comprehensive stormwater discharge consent.</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>District wide stormwater quality monitoring methodology prepared and being implemented within Rangiora, to support the district's first network consent application. A key focus is to address sources of sediment into the Kaiapoi River, and determine and address sources of zinc and copper entering the waterways.</li> </ul> <p><b>SDC</b></p> <ul style="list-style-type: none"> <li>SMPs developed and global stormwater consents obtained for Lincoln and Rolleston townships.</li> <li>Darfield, Kirwee and West Melton SMPs in development.</li> </ul>			<p><b>CCC</b> Comprehensive Stormwater Discharge Consent lodged</p> <p>City SMPs completed</p>	<p>June 2015</p> <p>Dec 2016</p>

Project	Project title	Lead agency/ agencies (bold) and partners	October 2014-March 2015	Next steps	Emerging issues	Milestone	Date
5	<p><b>Act on opportunities for stormwater treatment and improving the water quality and ecosystem health of waterways</b> stormwater treatment systems; stream and river restoration; riparian zones; establishment of constructed wetlands Use LID /stormwater treatment systems/wetlands to attenuate stormwater flows, reduce sediment, and improve quality of stormwater into waterways. Consider changing the form of waterways to enhance stream ecology. Plant river banks to provide food sources, habitat and shade.</p>	<p><b>CCC, WDC, SDC, SCIRT</b> ECan, CERA, CCDU, TRONT, CDHB, developers, UC, LU, NIWA, Landcare Research, ESR, NGOs, consultants, zone committees</p>	<p><b>CCC/ECan</b></p> <ul style="list-style-type: none"> <li>Stormwater issues management group (SWiM) meeting regularly</li> <li>Joint agency Stormwater Action Team (SWAT) meeting monthly to address reduction of sediment discharges from bulk earthworks associated with subdivision development; reduction of contaminants discharged to the reticulated SW network from industrial and commercial sites and pollution response procedures required for the CCC reticulated stormwater system. <ul style="list-style-type: none"> <li>SWAT achieving useful gains by identifying problem areas and issues and looking at how to use the strengths and powers of both organisations to address them.</li> <li>Erosion and sediment control, particularly during the rebuild, has been a key focus and a paper has gone to SWiM about that.</li> <li>Identified other broad activity areas that are potentially creating issues city wide – building materials (e.g. copper roofing) and vehicle washing on commercial/industrial sites – with plans to develop a joint strategy to address.</li> </ul> </li> <li>Collaborative project in Steamwharf Stream - a tributary of the Heathcote River/Ōpāwaho. There is an inanga spawning area that was destroyed by liquefaction and bank movement with the earthquakes. CCC are removing sediment March-May) 2015 and ECan are developing an Immediate Steps funding proposal to assist with planting and fencing the banks.</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>Retrofitting treatment devices considered as part of the recovery works for the stormwater systems in Kaiapoi, The Pines Beach and Kairaki.</li> <li>Developed a stormwater monitoring programme to consider effects of urban discharges throughout the District. Initial funding for the programme budgeted in 2014/15.</li> </ul> <p><b>SDC</b></p> <ul style="list-style-type: none"> <li>Ongoing sampling programme in the L2 catchment.</li> </ul> <p><b>University of Canterbury</b></p> <ul style="list-style-type: none"> <li>Funding agreement formalised with CCC for a stormwater research project which investigates characteristics of stormwater from typical urban catchments (e.g. roads), with the aim to identify a toolbox of treatment systems for Christchurch.</li> <li>New landscaping around Okeover Stream being designed to include wetlands and a rain garden. A storm filter may be installed, budget dependent</li> <li>ECan liaising regularly with UC Natural Resources Engineering – HydroEco group about their work on stormwater modelling and monitoring, and on potential projects for Masters students in 2015</li> <li>Student projects on modelling and optimisation of different treatment trains for the campus catchment ; monitoring green roof modules on the engineering building; developing remote logging of water quality in the Okeover Stream and Avon River/Ōtākaro; and quantifying atmospheric deposition in different catchments in Christchurch.</li> </ul> <ul style="list-style-type: none"> <li>Development of a stormwater modelling framework to quantify pollutant loads from different urban surfaces</li> </ul>	<p>A long-term aim is to develop a stormwater research, teaching, testing and demonstration park on UC campus.</p>			
6	<p><b>Manage sediment from liquefaction</b> Investigations, assessment and advice on removal of sediments; sediment removal in rivers and tributaries; erosion and sediment controls</p>	<p><b>CCC, WDC, SDC, ECan</b> NIWA, consultants, UC, TRONT</p>	<p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Land drainage recovery programme – surveys continuing. Programme of work being put forward for LTP funding consideration</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>Cam River Enhancement Fund Subcommittee established. Initial projects approved by subcommittee being implemented, including three sediment traps and bed raking riffle formation.</li> </ul> <p><b>WDC/ECan</b></p> <ul style="list-style-type: none"> <li>The joint Kaiapoi River Rehabilitation Working Party has approved preparation of concept designs to create a two stage low flow and flood channel within the upper Kaiapoi and lower Cam River channels. This will include concepts for linear and treatment wetlands to assist trap and treat sediment. A low flow channel should increase flow velocities and assist flush sediment.</li> <li>Further investigations are required downstream in future to promote treatment and flushing of sediment through the river channel.</li> </ul> <p><b>CCC/ECan:</b></p> <ul style="list-style-type: none"> <li>Developing programme for removal of sediment from Avon/Ōtākaro, Heathcote /Ōpāwaho and Kaiapoi Rivers</li> </ul>			<p>Land drainage recovery programme completion</p>	<p>2016</p>
7	<p><b>Rehabilitate and enhance wetlands changed by the earthquakes</b> Mapping, inventory, rehabilitation of existing wetlands</p>	<p><b>ECan</b> CCC, WDC, UC, SDC, TRONT, NIWA, zone committees</p>	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>Field survey of Ihutai and Brooklands Lagoon coastal wetlands completed February 2015 – will enable assessment of earthquake changes to coastal wetlands. LiDAR survey will assist with this work in Waimakariri District</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Land drainage recovery programme - investigations on all waterways and associated wetlands continuing</li> </ul>				
8	<p><b>Act on opportunities to reduce sewage overflows and their effects</b> During rebuild, improve wastewater infrastructure to reduce/avoid wet weather sewage overflows directly to waterways; minimise their effect.</p>	<p><b>CCC, WDC, SDC</b> CDHB, ECan, SCIRT, TRONT, Papatipu Rūnanga</p>	<p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Stormwater and groundwater entering the wastewater system during wet weather can cause its capacity to be exceeded and overflows to occur. To minimise the risk to human health, the overflow system prevents wastewater from entering streets and private properties by diverting it into waterways via constructed overflow points.</li> <li>CCC has discharge consent with ECan for wet weather sewage overflows, and an agreed Consent Compliance Strategy is in place until March 2017.</li> <li>The wastewater network model has been updated to include the SCIRT rebuild work. This will be calibrated using flow monitoring data once SCIRT's work is complete, and a comparison will be made with the pre-earthquake model to assess the change in network performance. Results will determine if consent compliance is achievable or whether a new consent will be required</li> <li>There is a risk that the wastewater network rebuild not sufficient to achieve equal or better than pre-earthquake overflow frequencies and volumes. Currently flows through CWTP up to 60% higher than pre-earthquake.</li> <li>Much of the pre-earthquake wastewater capital programme for reticulation work was to provide for growth and for reducing overflow frequency and volume. Current and future capital work will also reduce the frequency and volume of overflows</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>Repairs continuing for damaged wastewater network in Kaiapoi.</li> </ul>				



9	<p><b>Protect groundwater and springs</b> Ensure land use controls over unconfined aquifer. Encourage retention of natural springs and daylighting streams.</p>	<p><b>ECan, CCC, WDC, SDC, SCIRT, CCDU</b> CERA, MBIE, TRONT, Papatipu Rūnanga, zone committees</p>	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>Continue to monitor and report on groundwater quantity and quality in greater Christchurch from a set of state of the environment wells. All earthquake-damaged wells have now been repaired or replaced.</li> <li>Policies and rules in the Canterbury Land and Water Regional Plan control activities over confined, unconfined and semi-confined aquifers with additional restrictions within group or community supply protection zones and the Christchurch Groundwater Protection Zone. Although still under appeal, the plan is effective from 18 January 2014.</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>SMP preparation for Rangiora includes review by ECan on impact of stormwater infiltration on downstream groundwater quality (east and south of the town). Advice on groundwater effects will be included within the Rangiora stormwater network consent application. The same method will be used when investigating groundwater impacts from Kaiapoi urban stormwater discharges.</li> </ul>				
10	<p><b>Control weeds and pests that have potential to affect biodiversity, or have impact on health and safety</b> Extend existing strategies and programmes for controlling weeds and pests to earthquake affected areas.</p>	<p><b>CCC, WDC, SDC, DOC</b> CERA/ LINZ ECan, TRONT, NGOs</p>	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>The Canterbury Regional Pest Management Strategy 2011–15 was due to expire on 30 June 2015. Recent changes to the Biosecurity Act 1993 and the development of a National Policy Direction (NPD) will affect the structure and content of future strategies that are to be known as plans.</li> <li>ECan has resolved to extend the RPMS expiry date to 30 June 2017 to allow time to understand the requirements of the NPD (which has not yet been released), make sure a proposed RPMP is consistent with it, and get best value from the NPD guidance material</li> <li>ECan will release a discussion document in 2015 seeking feedback on the current strategy and on future management options for key pests and pest management programmes. A proposed Canterbury RPMP will be developed throughout 2015/16 to become operational in July 2017.</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Maintenance work and weed control continuing on CCC reserves</li> </ul> <p><b>Community</b></p> <ul style="list-style-type: none"> <li>Community observations are that there are increasing populations of riparian weeds eg Yellow flag iris, and of Canada Geese</li> </ul>				
11	<p><b>Assess, retain and enhance biodiversity</b> Assess, monitor highest-value ecosystems. Investigate sites for biodiversity corridors, reserves and mahinga kai. Investigate an eco-sanctuary. Rehabilitate inanga spawning sites.</p>	<p><b>DOC, CCC, WDC, SDC</b> ECan, CERA, TRONT, UC, Landcare Research, consultants, zone committees, NGOs</p>	<p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Lower Heathcote ecological investigations being conducted and will inform the Surface Water Management Plan for the catchment</li> </ul> <p><b>Collaborative and community projects</b></p> <ul style="list-style-type: none"> <li>Working group continuing with planning for Waitākiri Sanctuary with pest-exclusion fence – Travis Wetland and RRZ area south of Travis</li> </ul>				
12	<p><b>Support community gardens, local food production and urban forestry</b> 27 community gardens already exist in greater Christchurch. Support development of more community gardens, orchards, and local food production on available land.</p>	<p><b>Soil and Health Association Canterbury Branch</b> NGOs, CCC, WDC, SDC, ECan, TRONT, LU, SCION, EnviroSchools</p>	<p><b>Soil and Health Association Canterbury Branch</b></p> <ul style="list-style-type: none"> <li>Part-time coordinator employed for Food Resilience Network; focus on developing central food hub</li> <li>March 29 Launch of Edible Canterbury Charter and first signatories</li> <li>CCC Food Resilience Policy and Action Plan – touring the community boards, 3 sites identified, funding due to start in July</li> <li>Website being developed by members of the Christchurch Food Forest Collective</li> <li>Orchards in Schools programme set for 2nd year</li> <li>Agropolis Urban Farm project coordinator travelled to Thailand for large scale Bokashi/EM composting training – application to Sustainable Initiatives Fund pending (for scaling composting inner city composting initiative)</li> <li>Cultivate project funded by Vodafone Foundation (\$100k/pa for 3 years) – developing urban agriculture with young people</li> </ul>		<p>There have been some teething problems – engaging with many different partners; lack of seed funding; no long-term strategic plan.</p>	<p>November 2015 – Creation of a central city food hub</p>	
13	<p><b>Provide access to and opportunities for outdoor recreation</b> Promote and advertise currently available facilities; maintain and develop a network of walking paths, cycling and mountain bike tracks and other recreation facilities provide for passive recreation, visual amenity and community wellbeing. Provide access for people with disabilities. Consider establishment of water sports areas beside the Avon River/Ōtākaro.</p>	<p><b>Sport and Recreation Earthquake Leadership Group</b> CCC, WDC, SDC, ECan, TRONT, DOC, CCDU, NZTA, zone committees, NGOs</p>	<p><b>Sport and Recreation Earthquake Leadership Group</b></p> <ul style="list-style-type: none"> <li>Sport and Recreation Recovery Programme; Spaces, Places and People: A recovery programme for sport and recreation in greater Christchurch - available as a web based strategy</li> </ul> <p><b>Community</b></p> <ul style="list-style-type: none"> <li>East Christchurch Water Sports Trust established to progress the investigations and advocacy for a flat water sports lake in east Christchurch. Presentations made to Burwood Pegasus Community Board and CCC Infrastructure, Transport and Environment Committee.</li> <li>Eastern Vision collated outdoor recreation opportunities in the east including public feedback on them (eg cable wake board park, white water course, wave garden, cycling and walkway network (including CCC Avon-Ōtākaro cycleway), fitness circuit, yacht club rebuild), with community input on EVO::SPACE. First Stage Analysis of community aspirations published</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>Coastal Pathway work progressing</li> <li>Summit Road between Rāpaki track and Cavendish Saddle has reopened to non-motorised vehicles and is popular with road bikers and runners.</li> <li>More biking and walking tracks reopened on Port Hills between Rāpaki and Bridle Path</li> <li>Porritt Park is not in the Red Zone but it is bordered by Red Zone residential land. Celebration Church Lions Sports Trust wishes to develop the park as a sports centre. CCC sought Expressions of Interest for use of the park, which closed on 4 March. CCC will advertise their intention to lease out the Park - this has a statutory requirement to consult with the public.</li> </ul> <p><b>WDC</b></p> <ul style="list-style-type: none"> <li>Christchurch Earthquake Appeal Trust funded repair/ relocation of damaged recreation facilities along Kaiapoi River and coast - Kaiapoi BMX, Cure Boating Club replacement, Waimakariri-Ashley coastguard facilities, Kaiapoi riverside walkway, Pegasus Bay walkway and mountain-bike trail between Kairaki and Woodend.</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Christchurch Adventure Park (Port Hills) being planned by Select Evolution NZ Ltd has CCC land use resource consents approved</li> </ul>				

14	<p><b>Manage earthquake waste</b> Improve monitoring and tracking of earthquake waste; enforce and manage aftercare of storage, sorting and disposal sites. Maximise recycling at or near source. Reduce illegal dumping by increasing compliance monitoring and enforcement. Prepare waste management plans for future disasters.</p>	<p><b>ECan (WEMT)</b> CCC, WDC, SDC, waste industry, CanCERN, CERA, MfE, CDEM</p>	<p><b>Combined Health and Environmental Hazards Programme Control Group (CHER PCG )</b></p> <ul style="list-style-type: none"> <li>• CHER PCG works across agencies on earthquake waste, hazardous material, and contaminated land issues that require a coordinated response - including work place safety, disposal, impact on the waste stream</li> <li>• A Draft MOU for this group has been drafted and is awaiting sign-off by all the agencies.</li> </ul> <p><b>Waste Environmental Management Team (WEMT)</b></p> <ul style="list-style-type: none"> <li>• A “One Stop Shop” has been established to provide advice for residential land owners on contaminated soil disposal, as part of the land repair project. ECan is leading the work into reducing or removing associated costs for contaminated soil disposal, to encourage correct disposal.</li> <li>• Clearance of household hazardous waste by WEMT on RRZ flat completed August 2014. A total of 323,147 kg of hazardous material was removed from RRZ properties by end of July 2014.</li> <li>• In the Port Hills RRZ 41 out of ~ 700 properties have been cleared. Hazardous material is removed during demolition across the Port Hills when possible - within the constraints of health and safety and access. Expected to extend programme until March 2016 to facilitate removal of hazardous material from remaining Port Hills properties.</li> <li>• WEMT has worked closely with CERA and the CCDU to enable land remediation and construction works in the Christchurch central Justice and Transport Precincts. This has highlighted potential issues regarding asbestos, demolition waste and dust management.</li> <li>• WEMT is working with WorkSafe NZ on the management of asbestos containing material in waste with backfilling on sites and home DIY demolitions. The Asbestos aware website is at <a href="http://www.asbestosaware.co.nz">www.asbestosaware.co.nz</a>. This acts as a one stop shop for members of the public to obtain information around asbestos.</li> <li>• A contaminated soils website is being developed - similar in nature to that of the asbestos aware website.</li> </ul> <p><b>ECan</b></p> <ul style="list-style-type: none"> <li>• Continues with investigations, enforcements and prosecutions where demolition material is buried or disposed of illegally. 2600 monitoring events to date 85% proactive in nature. This includes 1800 site visits and has resulted in 10 successful prosecutions, 8 Infringement Notices and 23 Abatement Notices. The project has recently been extended for a further year till June 2016</li> <li>• Treated Timber Waste Minimisation Project completed in Dec 2013. Four potential disposal solutions were identified. Pyrolysis recovery option will begin pilot trial in Timaru in 2015. If successful, it will be also operate in Christchurch.</li> <li>• Initiated scoping work for guidelines on disaster waste management with the aim of facilitating a higher level of preparedness (and subsequent response and recovery) in relation to council and CDEM waste functions.</li> </ul>	<p>Long-term aim to produce nationally applicable guidelines for managing waste effectively in a disaster scenario.</p>		<ul style="list-style-type: none"> <li>• Clearance of household hazardous waste on RRZ Port Hills properties</li> <li>• Final WEMT project milestone</li> <li>• Scoping report for guidelines</li> </ul>	<p>Mar 2016</p> <p>March 2015</p> <p>June 2015</p>
15	<p><b>Manage contaminated sites</b> Undertake a programme of HAIL site identification. Inform and educate on the requirement to comply with the NES.</p>	<p><b>ECan</b> CCC, WDC, SDC, TRONT</p>	<p><b>ECan/CCC/SDC</b></p> <ul style="list-style-type: none"> <li>• Developing a shared services model for technical support on NES consent applications. SDC and CCC initially then extend to other TAs as required.</li> </ul> <p><b>CCC</b></p> <ul style="list-style-type: none"> <li>• Christchurch Replacement District Plan phase 1 includes contaminated land draft provisions. Provisions for phase 2 under development that will include hazardous substances and contaminated land chapter.</li> </ul>			<p>Undertake limited HAIL ID in Selwyn</p>	<p>June 2015</p>
16	<p><b>Track earthquake effects on emissions and air quality</b> Continue monitoring changes in use of different heating appliances and air quality. If necessary amend Air Plan to meet 2016 targets and National Environmental Standard (NES) requirements.</p>	<p><b>ECan</b></p>	<p><b>ECan</b></p> <ul style="list-style-type: none"> <li>• Investigations undertaken within Christchurch have identified that emission reductions are still required to achieve compliance with the NES targets</li> <li>• The proposed plan was notified 28 February, submissions close 1 May 2015. The plan will help achieve health based air quality standards through reducing pollution caused by home heating, outdoor burning, industrial discharges, dust and odour. Key measures include: <ul style="list-style-type: none"> <li>○ Enabling people to continue to burn wood through supporting a transition to new cleaner technology and better burning</li> <li>○ Managing odour, dust and smoke emissions better so that they don't cause significant impacts</li> <li>○ Building on the finding of the joint CDHB and ECan Health Impact Assessment a cross agency work plan is being developed to address warm homes and vulnerable households over winter.</li> </ul> </li> <li>• Environment Canterbury is continuing to work with land managers to raise awareness of better dust management practices. Managing this issue requires a coordinated effort between the regional council, industry, land managers and the community.</li> <li>• Two ultra-low emissions burners (ULEBs) have been authorised. One of these burners has had resource consent granted, enabling installation into new homes and situations that otherwise would not be able to install a low-emission burner</li> </ul>		<p>A large number of older more polluting wood burners are still in use in Christchurch</p> <p>Burning of inappropriate materials for home heating because of increased amount of freely available construction wastes</p>		
17	<p><b>Act on opportunities to restore and enhance mahinga kai</b> Restore and enhance mahinga kai resources and sites and traditions of customary use; promote the principle of Ki Uta Ki Tai. Establish pā harakeke, rongoā and native plantings.</p>	<p><b>Ngāi Tahu (Ngā Papatipu Rūnanga, TRONT)</b> ECan, WDC, SDC, DOC</p>	<ul style="list-style-type: none"> <li>• Mahinga Kai exemplar project being progressed for Anzac Drive Reserve with Ngāi Tahu and Avon Ōtākaro Network taking a lead role; local primary schools involved</li> <li>• Other partner agencies AvON, UC, LU have signed an MoU with TRONT re Mahinga Kai project</li> </ul>				



## Recovery Strategy Advisory Committee Paper

**Paper Title** Progress Report of the Natural Environment Recovery Programme  
**Author** Chrissie Williams, NERP Programme Leader  
**Meeting Date** 17 April 2015

### Purpose

This report updates the Recovery Strategy Advisory Committee on the implementation of the Natural Environment Recovery Programme (NERP) for the fourth quarter of 2014 and first quarter of 2015.

### Background

1. The NERP Technical Advisory Group is meeting regularly, providing guidance to the programme, input to progress reporting of the NERP projects, and, where appropriate, support for specific projects.
2. Reporting on the 17 NERP projects is by quarterly progress reports to the Recovery Strategy Advisory Committee (RSAC). The draft report for the fourth quarter 2014 and first quarter 2015 is attached. This report covers six months because of the timing of RSAC meetings over December/January. Following release of the report by RSAC the relevant Technical Advisory Group members present the progress report to their governance groups.
3. During February and March six presentations were held for the public to provide an update on a selection of topics relevant to the NERP.
  - The six sessions were:

Date	Topic	No. of views on YouTube
4 February	Why and how the Natural Environment Recovery Programme was developed	76
18 February	Recovery of recreation on the Port Hills and Banks Peninsula	142
25 February	How earthquake waste has been managed, and will be managed in future events	66
4 March	Recovery of the Heathcote River/Ōpāwaho	104
11 March	Earthquake changes to the coast and estuary intensified by sea-level rise	273
18 March	What is happening in the residential red zone?	34

- They were held on Wednesdays 12.30pm-1.30pm in the Function Room at Christchurch City Council.
  - The sessions were very well attended with 70-120 attending each session.
  - The presentations were videoed each week with presented slides interspersed into the video. These were made available on the Environment Canterbury NERP webpage and through YouTube after the presentation. There have been 695 YouTube views in total (as at 8 April), with the 5th session on coasts and estuaries being the most viewed.
4. Presentations on the NERP have been requested and made to a number of groups including schools and universities. Chrissie Williams presented a workshop on the NERP at Seismics and the City on 27 March 2015.
5. Integration with other plans and programmes continues:
- Future use of residential red zone land – contributing to the technical panel for Waimakariri area being led by CERA. When this technical panel continues for the Christchurch residential red zone land input from a NERP perspective will be provided.
  - Linking with Zone Committees and zone implementation programmes (ZIPs) for Christchurch West Melton, Banks Peninsula and Waimakariri zones
  - Participating as an observer on the project steering group for anchor projects Te Papa Ōtākaro/Avon River Precinct and North and East frames.
6. Resourcing for the programme:
- The implementation of the NERP was supported by CEAG in May 2013 with the approval of a full-time position to May 2016, and funded jointly by Environment Canterbury, Christchurch City Council, Waimakariri District Council and Selwyn District Council.
  - As more of the implementation is absorbed into the councils' and other agencies' own programmes of work, and funded through the LTPs, less input is required by the Programme Leader.
  - On recommendation of the NERP Technical Advisory Group, CEAG have agreed that from April 2015 the NERP role be reduced to an average of 2 days/per week. The TAG consider this an interim step until recovery transition planning is thought through and implemented.

### ***Legal compliance***

The NERP aligns with the purposes of the Canterbury Earthquake Recovery Act 2011 Part 1 s3 and the Recovery Strategy.

### ***Financial Implications***

The programme does not commit to specific projects, with those decisions being with lead agencies that have these included in their programmes of work and LTPs.

The effect on changing to a 0.4 FTE role funding would be a reduction in the contribution for NERP implementation for the partner organisations.

### ***Publicity / Communication***

The NERP is available on the Environment Canterbury ([www.ecan.govt.nz/nerp](http://www.ecan.govt.nz/nerp)) and CERA websites.

Media includes articles in Living Here, in CERA's Future Christchurch Updates, and through information sheets for some of the projects

### ***Recommendation***

That RSAC:

1. Receive the report.
2. Provide feedback on the NERP progress report.
3. Release the report from public excluded to enable it to be reported to relevant meetings of the city and district councils.

### ***Attachment***

NERP Progress Report – fourth quarter of 2014 and first quarter of 2015



## Mayors Report to Council

30 April Council Meeting

### A viable funding model for City and Suburban Regeneration

#### Background

At the Council Meeting of 12 February 2015 the Council resolved to adopt the “Medium+” option for the establishment of a Development Authority. This type of Development Authority, which I am proposing to be known as **Development Christchurch**, will focus on regeneration projects across the whole of the city rather than a narrowly focused rebuild vehicle for the CBD.

Council also asked for the Chief Executive to bring a revised funding model back to Council that would minimise the impact on rates. The specific resolutions adopted by Council were:

- (a) That Council agree to the recommended (Medium +) option as outlined in the Working Group Report subject to a revised funding model which will minimise the impact on the LTP rates proposal; and,
- (b) That the Chief Executive brings the revised funding model back to the Council for sign-off prior to consultation.

However, the funding models proposed in the staff Council reports prepared for consideration on 12 March and 16 April would have resulted in rates increases in the order of over 2% for three years to fund the Development Authority. Officers also recommended the Council adopt a “Light” or “Medium” Development Agency that would be limited to central city rebuild projects.

In my view these recommendations would not provide the solution Council sought. The purpose of this Mayor's report is to put forward a funding model based on CCHL capitalising a shelf company which will allow for the immediate establishment of a “Medium+” Development Authority without impacting upon the proposed LTP rates and financial strategy. It will also deliver the city-wide regeneration objectives, including New Brighton and Lyttelton, as agreed by Council on 12 February.

#### Why the need for Development Christchurch?

The requirement for Development Christchurch was clearly outlined in the Christchurch Development Authority Working Group Report presented to Council on 5 February 2015. To recap, Development Christchurch will act as a focal point for joint private and public investors to take a deliberately proactive approach to development and regeneration projects across the whole city in order to drive economic, social or special interest outcomes. Such outcomes in these circumstances have seen similar development authorities act as a catalyst for further, largely private sector-led development – an essential part in making cities an attractive place to live, work and invest in. Development Christchurch will also create a single focal point for city development, offering a clear and stable point of entry for private capital to enter Christchurch for the rebuild and recovery.

The roles that Development Christchurch will undertake to promote city-wide development and suburban regeneration will include:

- (a) Actively participating in a joint venture development through the contribution of capital;
- (b) Giving life to the Suburban Masterplans through the ability of Development Christchurch to coordinate public and private sector funding;
- (c) Improving the viability of suburban regeneration developments by 'bundling' development opportunities together;
- (d) Facilitating development through the provision of Council land with developers providing the construction; and,
- (e) Working actively with developers and CCC to promote development using Council non-financial levers *i.e.* priority given to resource and building consents, Council provision of open spaces and streetscaping, etc.

#### **A Sustainable Operational Funding Model**

Given the Council's financial constraints, alternative funding sources beyond rates funding and debt financing will be required to assist the Council in the rebuild of the City. My office was asked to investigate a range of alternative funding models that could be used to operationally fund Development Christchurch. Some of these funding models were canvassed with Auckland Council and the architects of Development Auckland on 10 April including the use of a one-off "development dividend" from CCHL.

A 'development dividend' is based on a beneficiary pays model where current and future revenues collected by those companies working with the Council can be directly linked to the additional benefits received by those who benefit from new, improved or replacement city infrastructure. In other words, those that directly benefit from the Council's investment in the rebuild by receiving an increase in their commercial activities should contribute to the initial costs that generate this extra economic value.

This approach, known as Value Capture, seeks to identify revenue that can contribute to development funding and the mechanisms that might be used to collect those revenues. This approach has been used successfully internationally as well as in Auckland.

Consideration was given to directly requesting CCHL to require a 'development dividend' (over and above expected dividends) from CIAL, LPC and Orion. This is based on the idea that the outcomes from Development Christchurch would bring significant financial benefits to these CCO's via increased visitors, freight, and electricity usage as the city is rebuilt.

Following discussions with CCHL, it was suggested that this direct approach may be problematic at this time given that these three companies in particular are all being considered for possible sale. An explicit additional 'dividend' requirement would be difficult to manage where there are other shareholders involved and such a requirement could potentially affect the value on sale. Two of the companies currently have other shareholders and the connection back to city-wide benefits may be hard for those companies to accept.



However, it is appropriate that CCHL be involved in providing initial funding to Development Christchurch because of the business approach which will apply to the proposed structure and the consistency that it has with agreed CCHL objectives which include:

- To identify, in conjunction with relevant parties, present and future regional infrastructural needs, and to support the establishment and maintenance of resilient infrastructure in Christchurch and Canterbury;
- To seek, on behalf of Council, and if material report at the appropriate time on, investment opportunities that have the potential to enhance the economic wellbeing of the region, to provide an adequate return, and to meet the strategic objectives of the Council. In order to balance these objectives, CCHL may, in appropriate circumstances, accept a lower return or slower route to profitability.

The CCHL structure is an appropriate place to fit Development Christchurch because it can be monitored and supported by CCHL as it does with other subsidiaries and the seed capital needed to fund its operational expenses in the early stages is appropriately drawn from CCHL capital resources which have not otherwise been committed to support the Council's revenue needs.

With this background, it is proposed that Council request CCHL to provide an initial capital injection of \$1.5m over each of the next three years, which would be able to be utilised by Development Christchurch in its initial establishment phase and used for its opex funding. This will also allow for the development of an investment prospectus for future regeneration programmes such as New Brighton. I understand that this will be accommodated through an allocation of working capital and any additional dividends coming into CCHL over and above those planned as part of the LTP Financial Strategy. **As such this funding model will have no impact on forecast rates as proposed in the draft LTP.**

Mayor's Office staff have also been investigating funding mechanisms that would see Development Christchurch being (mostly) self-funded from year 3 (2017/18) onwards. Any future additional operating expenditure provisions for Development Christchurch could come from margins on developments completed or would be identified in the Annual Plan and LTP processes although it is not expected to be at the levels as above. Capital to fund specific projects is expected to be from the provision of existing resources such as land and contributions from private sector partners.

#### **The structure of Development Christchurch**

I am proposing that Development Christchurch will be a Council Controlled Trading Organisation (CCTO) operating within the Christchurch City Holdings Ltd (CCHL) portfolio with CCHL as the sole shareholder. It will be established using an existing shelf company within CCHL.

Development Christchurch will be governed by a commercially focussed and independent Board (appointed by CCHL in consultation with Council) with expertise in development finance and investment management as well as a track record of governing agencies delivering social and economic outcomes. It is expected that the Board would also provide independent governance over Development Christchurch ensuring appropriate legal, performance, risk, health and safety and assurance mechanisms were in place.

### **The future role of the Crown**

The structure that is being proposed for Development Christchurch does not preclude the future involvement of the Crown as an investment partner, either solely for anchor projects or for wider city opportunities, such as the development of the residential red zone. The specific nature of any future Crown relationship with Development Christchurch will become clearer as the Transition Plan for CERA/CCDU is finalised.

If the Crown would like to be involved in city development through Development Christchurch, then the Crown could be treated as a joint venture partner similar to a partnership with a private investor or pension fund at a project level. The advantage for Council in this relationship and structure would be to ensure local governance of city outcomes from a Council strategy. For the Crown this relationship would provide clear roles, responsibilities and liabilities at a project by project level and would provide a clear exit strategy for the Crown.

### **Consultation**

No consultation is required on this proposal as Development Christchurch will be established using an existing CCHL shelf company.

### **CCHL Comment**

CCHL has had initial discussions with the Mayor's Office on how it could assist in the establishment of Development Christchurch. This has not yet been discussed by the full board of CCHL but on receipt of a formal request from the Council I would recommend to the full board that it acts as set out below.

CCHL has several non-operating shelf companies which were established several years ago and can be activated for specific purposes which are approved by the Council. It would be possible to activate one of those companies and capitalise it with sufficient funds to meet operational costs for the first two years and these funds could reasonably be expected to be recouped from a small margin on the projects undertaken in the first few years.

The company would be a CCTO which is a subsidiary of CCHL and its establishment phase could be supported and monitored by CCHL with a statement of Intent approved by the Council and appropriate reporting to the Council.

The Mayor's Office have estimated that the company will require operational funding over two years of \$5 million and CCHL would propose to provide \$1.8 million in year one and \$3.2 million in year two. CCHL is anticipating that there could be growth in its dividend income from its existing subsidiaries based on recent quarterly reports although this is not certain at this stage. CCHL will talk to its operating subsidiaries to see if there is a possibility of providing final dividends which are above our current projection. If the extra dividends do not materialise the amount required for the first year could be funded from CCHL working capital. It needs to be acknowledged that any funding ultimately has an opportunity cost to Council which at a maximum would be \$300,000 per annum. However, CCHL has the means to absorb this level of funding over the short to medium term to capitalise the Development Authority without impairing the dividends which have been provided for by Council in its LTP.

If approved by Council, CCHL would support the initial establishment of the company through an establishment board phase and could provide accommodation and support services for up to five people in its existing offices until Development Christchurch needed its own premises.

Development Christchurch is a good fit with the structure and role of CCHL and consistent with the structure review included in the reports from Cameron partners in 2014. If the Council approved this proposal then CCHL would form an establishment Unit to work with Council on the practicalities of implementation including approval of the first Statement of Intent. The work done by the Council Working Party which culminated in a report to Council in February 2015 would provide the basis for this.

#### **CFO Comment**

As I understand it CCHL has the ability to progress this proposal without Council approval. As such it should be noted that the report is not a staff report and the following advice is provided solely to inform Councillors of impacts for the Draft Long Term Plan.

There is currently no allowance for funding of a Development Authority within the Draft Long Term Plan and the intention to use additional dividends if they are available would not adversely impact upon the position set out in the Draft Long Term Plan. However, the use of an additional revenue stream that could have come back to Council does have an opportunity cost. To the extent that additional dividend streams are available from CCHL these funds could be used in various ways as resolved by Council e.g., New Services, Debt Reduction, Reduced Rates, Increased Revenue.

If additional dividends do not eventuate we understand the funds will be made available from within CCHL's working capital which could mean some marginal additional borrowing. The calculation of \$300k earlier in this paper is the opportunity cost calculation that demonstrates that any funds invested could alternatively be made available to the Council for other purposes.

CCHL intend to treat the funding as an equity injection into the new company (capital) and have made the point that it is not unusual for a start-up company to initially operate from the first contribution of capital until its revenues start flowing. CCHL have also confirmed that there will be no impact on CCHL's borrowing limits.

A point to note is that If Council was funding the entity directly the funding would need to come from General Rates as the Council's Revenue, Financing and Rating Policies do not allow for Borrowing to be applied to operational expenses. If funded directly by Council through General Rates a \$2 million on-going operating cost impact to existing ratepayers would be around 0.5%.

Future financial risks exist but are unquantifiable and highly dependent on the Councillor determined scope of the entity that is created. It has been noted that DAs can become self-funding over a medium-term, but this cannot be guaranteed at this point and will be highly dependent on the scope of the role and vision crafted for them. The more regenerative the entity is then the less likely it is that they are generally capable of achieving a short term positive return. The funding proposed at this stage is less than staff and consultants outlined would be required to deliver the medium+ model and as such there is a risk that further funding may be required. Additionally, the impacts of specific DA projects and proposals cannot be assessed as they are not yet known. Related to this is the understanding based on previous staff work that successful DAs need access to capital funding and it is not known whether CCHL can provide this funding without impacting on ratepayers.

As part of any implementation, and also with any specific projects, we expect CCHL would assess the impact upon its group of companies of creating the tax status of a Property

Developer. No member of the CCHL group is currently classified as a property developer but should the DA be classified as such, this classification will extend through the group to all other companies who subsequently purchase and sell investment property. This may not be material but it does need to be understood.

### **Legal Comment**

The Council has supported the establishment of an agency that would play a key role in the regeneration of the central city and, ultimately, suburban areas. An opportunity has arisen to progress this through CCHL. The only decision for the Council is whether or not it wishes to make the requests recommended by the Mayor in this report.

The financial implications for the Council if it were to make the decision are minimal. So far as CCHL is concerned, the proposed project is within the nature and scope of the activities it undertakes. The significance of the decision is therefore considered to be low.

The Council's position has been widely known for some time and the proposal has received general support from the media and from those people and organisations that might be affected or have an interest in it (for example the Canterbury Employers Chamber of Commerce and the Property Council). Given this, and the minimal financial impact of the Council's decision, it is the recommendation of staff that no further, formal consultation is necessary.

### **Recommendations**

It is recommended that Council:

**Request** the CCHL Board to capitalise an existing shelf company by providing equity of \$1.5m over each of the next three years as a means of funding the operational budget and working capital needs for a CCTO to be known as Development Christchurch Limited;

**Request** that following approval by the CCHL Board that CCHL will report back to Council on the process it would propose for the establishment phase of the company.

## COUNCIL 30. 04. 2015

## 13. ALCOHOL RESTRICTIONS IN PUBLIC PLACES AMENDMENT BYLAW 2014 – REPORT TO CORRECT ERROR IN MAP

		Contact	Contact Details
<b>Executive Leadership Team Member responsible:</b>	Chief Planning Officer Strategy and Planning		
<b>Officer responsible:</b>	Acting Strategic Policy Unit Manager Strategy and Planning	Y	941-8876
<b>Author:</b>	Senior Policy Analyst	Y	Siobhan Storey 941-8916

## 1. PURPOSE AND ORIGIN OF REPORT

- 1.1 The purpose of this report is to request the Council to use section 156(2)(a) of the Local Government Act 2002 to correct an error in the Alcohol Restrictions in Public Places Bylaw 2009 (the principal 2009 Bylaw) by way of a resolution publicly notified.

## 2. SIGNIFICANCE AND CONFIRMATION OF STATUTORY COMPLIANCE

2.1 *Significance*

Staff have considered the significance of the decision to be made by the Council. Their assessment is that the matter is of low significance for the following reasons:

Staff consider there will be very localised impact on communities in the affected streets by this decision and no adverse environmental or cultural impacts have been identified. This decision will essentially return the matter to the status quo before an inadvertent error was made in a bylaw amendment.

## 3. BACKGROUND

- 3.1 The Alcohol Restrictions in Public Places Amendment Bylaw 2014 (the Amendment Bylaw) was resolved by the Council on 28 August 2014 and came into force on 8 September 2014. It made some changes to the principal 2009 Bylaw. Amongst other things, the Bylaw amended the schedule of permanent alcohol bans that are contained in the 2009 Bylaw.
- 3.2 In particular, the Amendment Bylaw combined the Riccarton Ilam permanent alcohol ban area and the Upper Riccarton Ilam temporary alcohol ban area into a new Riccarton Ilam permanent alcohol ban area. This alcohol ban area excludes the University of Canterbury's three campuses as requested by the University during the consultation hearings for the development of the Bylaw.
- 3.3 Unfortunately, when the map showing the area of the new Bylaw was drawn, excluding the University's campuses, it also inadvertently excluded three residential streets from the alcohol ban area: Newbridge Place, Siska Place and Clonbern Place. These streets had previously been included in the Riccarton/Ilam alcohol ban area from 2011.
- 3.4 The Police have drawn this matter to the attention of Council staff, and have asked for the streets to be included again. (Police cannot enforce the alcohol ban in the three streets that have been excluded from the alcohol ban area, even though these streets were formerly in the ban area.) The University have also advised that they are very happy for those streets to be restored to the alcohol ban area.

## 4. LEGAL CONSIDERATIONS

- 4.1 The Local Government Act 2002 provides an easier process for amending bylaws to make minor changes or correct errors. Section 156 allows the Council to amend a bylaw by resolution publically notified in limited cases. It provides:

***156 Consultation requirements when making, amending, or revoking bylaws made under this Act...***

## COUNCIL 30. 04. 2015

## 13 Cont'd

**(2) Despite subsection (1), a local authority may, by resolution publicly notified,—**

(a) *make minor changes to, or correct errors in, a bylaw, but only if the changes or corrections do not affect—*

(i) *an existing right, interest, title, immunity, or duty of any person to whom the bylaw applies; or*

(ii) *an existing status or capacity of any person to whom the bylaw applies:*

4.2 Whilst it is always a question of interpretation, Council Legal Services Unit (LSU) advise that there is a reasonably strong argument that the **omission** of these streets in August 2014 was an inadvertent error when the map was redrawn to exclude the University campuses, and the inclusion of the three streets in the alcohol ban area now will correct that error.

4.3 The next question is whether the correction will affect an existing right, interest, title, immunity or duty of any person to whom the Bylaw applies; or an existing status or capacity of any person to whom the Bylaw applies. Given the Council will be returning the status of these streets to their previous status under the Bylaw there is a reasonable argument that such a correction will not in fact affect an existing right, interest, title, immunity or duty of any person to whom the Bylaw applies; or an existing status or capacity of any person to whom the Bylaw applies (that is, a person who must comply with the Bylaw).

4.4 Furthermore, LSU advise that if the Council is correcting an error, the Council does not need to satisfy the tests in section 147A or section 155 of the Local Government Act 2002 because the Council has already completed this work and made the necessary determinations when it drafted the Amendment Bylaw.

4.5 If the Council passes the resolution, the Council must give public notice of the resolution. Under the Local Government Act 2002, public notice

(a) *means a notice published in—*

(i) *1 or more daily newspapers circulating in the region or district of the local authority; or*

(ii) *1 or more other newspapers that have at least an equivalent circulation in that region or district to the daily newspapers circulating in that region or district; and*

(b) *includes any other public notice that the local authority thinks desirable in the circumstances.*

**5. COMMENT**

5.1 On this basis, staff consider that it is open to the Council to rely on the process in section 156(2)(a) of the Local Government Act 2002 to amend the principal 2009 Bylaw. The amendment will substitute a new map (see **Attachment 1**) for the Riccarton/Ilam Permanent Alcohol Ban Area as set out in the Schedule of the Permanent Alcohol Ban Areas to the 2009 Bylaw.

**6. FINANCIAL IMPLICATIONS**

6.1 The only amendment to the principal 2009 Bylaw is to correct the map, as the description of the alcohol ban area is correct. Thus the financial implications are those involved in re-drawing the map and the requisite public notices, and these costs can be covered in the existing City and Community Long-Term Planning Activity budget.

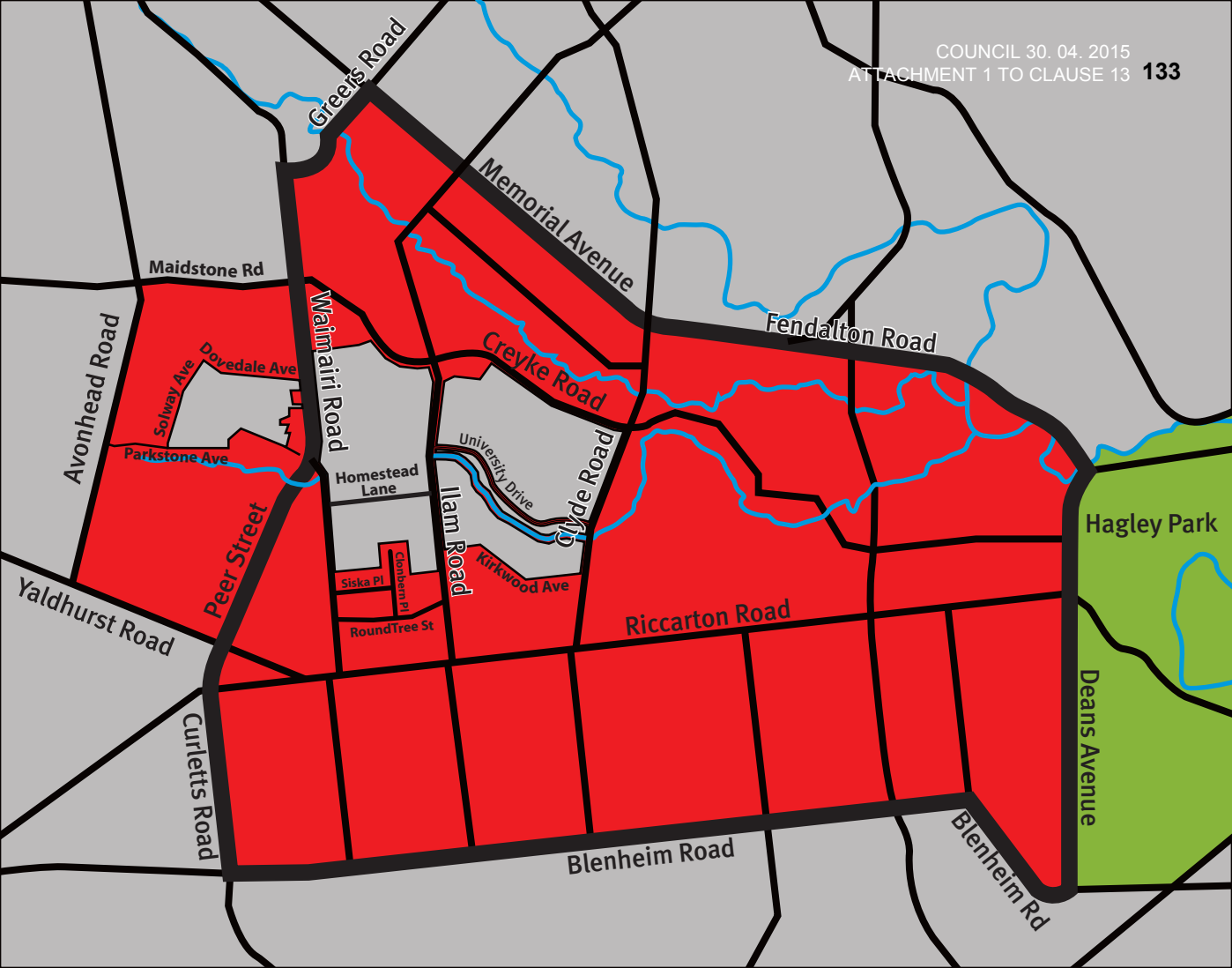
**13 Cont'd****7. STAFF RECOMMENDATION**

It is recommended that the Council resolve:

- 6.1 To replace the map for the Riccarton/Illam Alcohol Ban Area that is contained in the Schedule of Permanent Alcohol Ban Areas in the Christchurch City Council Alcohol Restrictions in Public Places Bylaw 2009, with the map that is set out in **Attachment 1**.
- 6.2 To publicly notify the resolution to replace the map.









**14. NOTICES OF MOTION****15. RESOLUTION TO EXCLUDE THE PUBLIC**

Attached.



**THURSDAY 30 APRIL 2015**

**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 listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

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:

## COUNCIL 30. 04. 2015

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SUBCLAUSE & REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
3.	CONFIRMATION OF MINUTES - COUNCIL MEETING OF 26 MARCH 2015, 1 APRIL 2015 AND 16 APRIL 2015	Please see the agendas of these meetings for the public excluded reasons.			
16.	REPORT OF THE AUDIT AND RISK MANAGEMENT COMMITTEE 31 MARCH 2015	<b>INTERNAL AUDIT STATUS REPORT</b> Prevent improper advantage	7 (2) (j)	Prevent disclosure or use of information for improper gain or advantage	3 years
		<b>RISK MANAGEMENT STATUS REPORT</b> Prevent improper advantage	7 (2) (j)	Prevent disclosure or use of information for improper gain or advantage	3 years

**COUNCIL 30. 04. 2015****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.”