

Specific Plan Issues

Wastewater Reticulation Capacity Upgrade Contribution

The Council requires capital contributions from development within designated Cost Share Areas to ensure the costs directly related to growth are equitably shared at the time of the development.

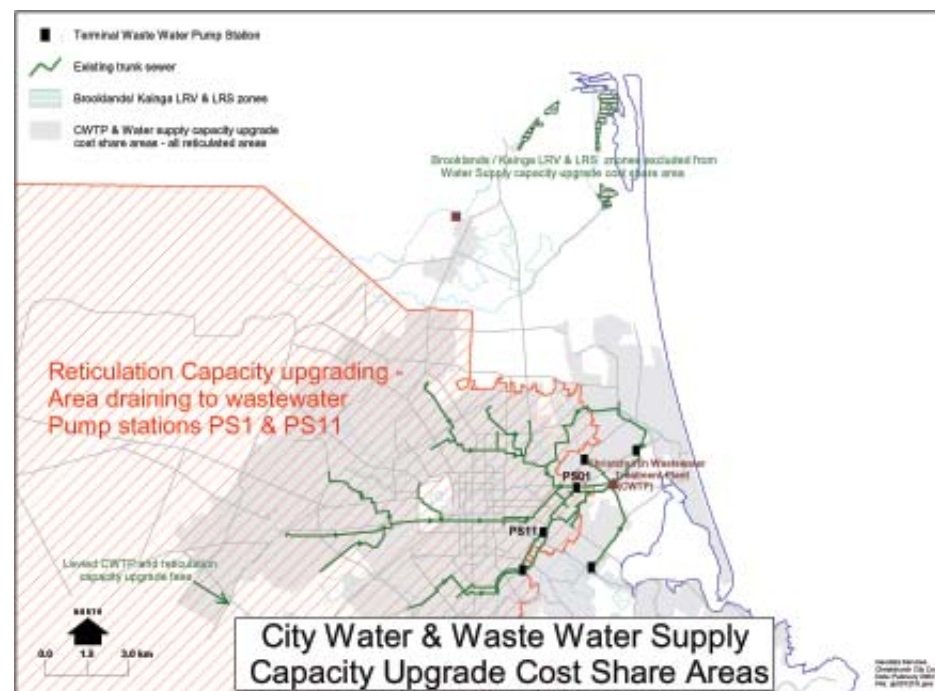
A long term sewer system upgrading programme has been developed to improve environmental standards and meet the needs of city growth. The growth related portion of this upgrade has been estimated to be \$12.6M. This portion will be funded by contributions and will be a condition of development. The contributions would apply only to catchments where the upgrading is required, indicated by the hatched area in the opposite plan.

The fee required would be \$477.00 (incl. GST) for each new lot created at the time of subdivision that requires a connection to the City's sewer system. A fee of \$477.00 would also apply at the time of Building Consent for the second and each subsequent dwelling unit on a single title. These fees are additional to other capital contributions required for development. It is proposed that the fees will apply from 1 August 2003.

Solid and Hazardous Waste Management Plan (SHWMP)

The Council adopted its Solid and Hazardous Waste Management Plan (SHWMP) (Part 1) in April 2003. The Plan addresses high level goals, targets and policies for achieving the Council's vision for waste management. The City Water and Waste Unit is working on Part 2 of the SHWMP which will propose strategies, an action plan and steps to achieve the requirements of Part 1. This action plan will foreshadow considerable investment (for example on materials sorting and recycling facilities) and will include a vision for an enhanced kerbside refuse and recyclables collection service (for example by provision of wheeliebins for recyclables and organics). Part 2 of the SHWMP will be put out for consultation later in 2003 and potentially form part of the Long Term Council Community

Wastewater Capacity Upgrade Cost Share Area



SHWMP (Cont'd)

Plan. The cost of these new initiatives have not yet been factored into this Annual Plan or its forecasts.

Specific Plan Issues

The Christchurch Engine Centre

The Council is proposing to finance an investment of \$24M in the Christchurch Engine Centre in order to establish a new high tech aircraft engine testing and overhaul facility.

The Christchurch Engine Centre (which on a commercial basis is jointly owned by Pratt and Whitney and Air New Zealand) would lease this facility and expand its engineering operations. This will enable the Centre to contract the servicing of V2500 engines that Air New Zealand will be putting on its 15 new short-haul A320 Airbus fleet, along with a further contract of 20 A320 aircraft under option by the airline over the next 10 years. A range of other airline customers will be sought; some are already customers of the existing facility. Pratt & Whitney are expected to invest heavily in plant to tool up the new facility.

Rationale for the Investment

- **Loss of 300 Jobs at the Engine Centre**

As old technology engines are phased out and the current test facility reaches the end of its economic life, there is a need to attract new investment to protect the loss of 300 jobs.

- **Contribution to the Canterbury Economy**

It has been estimated that the facility would put an additional \$30.8M into the Canterbury economy annually (plus a further \$16M in the initial construction phase). From an employment perspective the new facility, if it proceeds will create a substantial number of new positions over the next 10 years - most of them highly skilled. It has also been estimated that to build the facility, approximately 300 construction jobs will be generated.

- **Increased Overseas Earnings**

The Christchurch Engine Centre currently earns 97% of its revenue from overseas customers and its overseas earnings are expected to double once the facility is fully operational.

- **Promotion of the City**

Having such a facility in Christchurch will enhance the city's high technology reputation and will promote the city as a centre for engineering, avionics, and related professions and trades.

- **Positive Return**

The investment will generate a positive rate of return and will not be rate funded. The investment will be financed through the acquisition of shares and provision of loans to a Council controlled company - Christchurch City Facilities Limited (CCFL).

Transport Funding

Initial planning work has indicated that the Council has an inadequate level of funding for transport improvements. Further work will be undertaken in 2003/04 to assess the extent of additional funding needed. As it is unlikely that central government funding will be made available to meet this additional cost it is envisaged that a significant new provision will need to be made in future budgets for major transport improvements. The extent of new funding will be determined in next year's Long Term Council Community Plan.

Equity Restructuring

During 2003/04 the Council intends to investigate the possibility of restructuring its share capital in Christchurch City Holdings Limited (CCHL) to provide for the issue of non voting redeemable preference shares which could be sold by the Council. Before any commitment is made by the Council it will consider a fully detailed proposal which defines the objectives and any problems associated with the issue. Community views will also be sought on the proposal before any decision is made. The Council plans to consider this issue because it has been advised that the proposal could provide the Council with significant additional revenue in future years and there would be no loss of control over CCHL or any of its shares in any trading subsidiaries as part of such a proposal.

Specific Plan Issues

Asset Management Plans - Property and Leisure Facilities

Work will soon commence on the development of asset management plans for the Council's commercial and property portfolio and leisure facilities. The financial implications (if any) of this work are at this stage unknown and are not reflected in this Draft Plan.

Rate Remissions

- The Council will pay rates on Council land, where previously remissions were allowed.
- Remissions to 'public good' ratepayers will be replaced by rates grants.
- Penalty remissions will be made by GST inclusive remissions to residential sector ratepayers and net of GST remissions to others except where:
 - (a) the GST content of the remission is less than \$30, in which case a GST inclusive remission may be granted.
 - (b) where the ratepayer certifies in writing that they are not able to claim the GST on the remission.
- The Council may impose a UAGC on every separately used or inhabited rating unit provided such a UAGC will not be subject to a rate remission under the policy.
- The policy will be amended to recognise that no penalty will be imposed where it is virtually certain a remission will be granted under the remission policy.

Details of the application process and decision criteria for rates grants for not-for-profit community organisations will be circulated to organisations currently receiving rates remissions.



Steel from the World Trade Centre was used to make artist Graham Bennett's 'Tribute to Firefighters' in the new Firefighters Reserve, cnr Madras and Kilmore Streets.