

**DRAFT**  
Have your Say...

C C C Plan : 1998 Edition Volume 1

# Christchurch City Council Strategic Statement

This Strategic Statement sets out the Vision, Strategic Objectives and broad policy directions of the City Council. These underpin the detailed programmes and list of projects which Council plans to implement during the 1998/99 financial year. This more detailed information is in Volume 2, "1998 Annual Plan".

Also included within this Strategic Statement is the detail of two important policy statements which the Council is now required to publish. These are the Long Term Financial Strategy—Page 26 (*much of which has been included in previous Annual Plans*) and the Council's Funding Policy—Page 47 (*which is published for the first time*).

### Plan reflects the wider context

Much of the debate on each year's Plan tends to focus on specific projects or programmes. Generally these reflect the Council's vision for the future of Christchurch and its judgement as to the way in which the changing needs and demands of the Community should best be met. It is acknowledged that the vision and strategic objectives contained in this volume are written at a level which is not always easy to come to terms with, yet at the same time this is the context against which specific programmes and projects are prioritised. Accordingly submissions which raise issues at the level of vision and strategic objectives are very much encouraged as part of the process of ongoing dialogue between Council and the Community.

The Council's policy making processes must take account of the changes taking place in the city, and Christchurch is changing rapidly. Population growth and consequent construction are significant change drivers.

### 21,000 Population growth over 5 years

The city's population increased by 21,111 between 1991 and 1996 census. Only Auckland and Manukau cities have increased by larger amounts and, significantly, Christchurch has grown more than North Shore and Waitakere cities, which are both regarded as key growth areas within greater Auckland. The increase in population in Christchurch and the four Auckland Council areas is very much greater than any other cities in New Zealand.

Population projections suggest that the number of residents in the city will increase by a further 13,500 between 1996 and 2001.

A key element of the City Council's vision is to invest sufficient in the provision and upgrading of infrastructure to make sure that Christchurch's services keep pace with this growth so that problems faced in other parts of New Zealand, such as inadequate roads, water supply or sewerage treatment, do not occur in Christchurch.

The rate of construction of new homes remains high in the city. The 1996 census showed there were 116,000 dwellings in the city and projections suggest that this will increase by almost 20% to 140,000 over the next two decades.

## Introduction



Vicki Buck



Mike Richardson



David Close

# Introduction

*continued*

## City infrastructure

### will meet growth pressures

**The City Council has completed a review** of the Service Standards of all Council's main infrastructure assets. This exercise known as the "Asset Management Review" has involved looking in detail at the cost and benefits of different levels of service for assets such as roads, water supply and parks. A major round of public consultation was undertaken on these Asset Management Plans during 1997. It was focused around the publication of a discussion document "Your City – Your Choice". The public response to the plans was one of general support for the service standards proposed with the exception of the standard which was proposed as acceptable for kerb and channel renewal. The Council has resolved to reconsider this standard in the 1999 Annual Plan round, to see whether an increase can be funded.

## What will Christchurch be like in 2005?

**The current Council undertook a scenario planning process** to consider what the city would be like in the year 2005. The exercise looked at all aspects of life in the city: people at home, work and leisure, the local economy, transportation and energy issues, the natural and built environment and relationships between individuals and groups within the Community.

The overriding conclusion was a concern that if current trends and pressures continue then a growing number of people and groups within Christchurch will find it increasingly hard to fulfil their personal aspirations for a worthwhile, healthy and a happy way of life and contribution to society. This is likely to be not only unacceptable for the individuals in question but would have significant impacts on the community at large.

The concerns relate to the possibility of individuals and groups within our community having increasing difficulty in coping with the necessarily increasing pace of change in their lives. Some of the results of this would be escalating concern about public safety, crime and increasing anti-social behaviour among all groups but especially children and young people.

It must be emphasised that these concerns relate to trends which are nation-wide and to some extent global. The Council's objective is to minimise the risk of escalating problems in Christchurch, even if such pessimistic scenarios eventuate elsewhere.

The City Council does not accept that it has sole responsibility for addressing these issues. Central Government must also exercise leadership; and so must the community at large, a very wide range of voluntary groups, and the commercial sector.

The Council's determination to achieve good outcomes in these areas is reflected in the development of its policies on social well-being, community development and Children (See Page 13). These policies in turn have been translated into a number of specific programmes within the Annual Plan, several of which are joint initiatives with the Community Sector or Central Government.

## Jobs and economic growth

**The Christchurch City Council continues its strategy** of seeking to be active in supporting growth of the local economy, in particular growth which leads to new jobs. The Strategic Objectives for this area are listed on Page 16. In total some \$8.4 million of expenditure is planned to be devoted to economic development and employment activity during the next financial year. Detailed policy statements and business strategies have been developed by Council's partners/contractors in these areas: the Canterbury Development Corporation, Canterbury Tourism Council and NCC (NZ) Ltd the operators of the Convention Centre/Town Hall/Westpac Trust Centre.

## Environmental excellence

**Council's Environmental Policy (Page 15) has been backed** by a range of major initiatives at the programme and project level.

The protection of Travis Wetland, the last remaining such habitat in the city, was recently ensured by Council's purchase of a large block of land which would otherwise have seen housing development. The Wetland is 130 hectares and there are plans to link it south to the estuary and north to Brooklands Lagoon by green corridors.

The ongoing Asset Management Programme includes the return of open drains to a natural state with contouring of banks and waterside planting to restore ecological systems which had been lost for decades in the city. The return of birds and fish has been observed already in many places.

Details of the city-wide recycling scheme which starts in May 1998 and the associated work on reuse of recovered material are included in Volume 2 of this Plan.

Alongside the Strategic Planning process set out in these documents is the City Plan prepared under the Resource Management Act. Hearing of submissions on the new City Plan started in October 1996 and will be completed by September 1998. This is a huge task involving two panels of elected members, supplemented by representatives from Ngai Tahu, each sitting for 3 days a week. When the process is completed there will be literally tens of thousands of pages of analysis and argument to support the objectives, policies and rules in the new City Plan. This is one of the fundamental processes ensuring that future generations will continue to regard Christchurch as a great city in which to live.

## Guarantee of

### long term financial security

**The City Council first included a 20 year financial model within its Plan** in 1994. Following the requirements of the Local Government Amendment Act No. 3 1996 this has been supplemented and structured into the "long term financial strategy" (Pages 26–45).

The long term strategy shows that current plans will give overall rate increases of between 1.9% and 2.5% over the next four years, even after allowance for inflation at 2% per annum. With this level of rate increase Council's budget surplus will rise

to a little over \$4 million per annum. This is in marked contrast to the situation Council faced when long-term financial planning started in 1994 at which stage a budget deficit of \$13 million was in prospect.

This very significant turnaround in Council's financial position has been achieved at the same time as significant new services have been introduced and projects constructed. This has been achieved largely because of two factors: ongoing efficiency gains within Council operations, and effective management of Council's trading companies.

It remains a central plank of the Council's long-term strategy to build the strength of these trading enterprises, ensuring that they have capital for investment as needs and opportunities arise. At the time of its establishment Southpower had minimal debt, the Airport debt was modest, and a significant capital injection was made into the Lyttelton Port Company to help finance the redevelopment of the container terminal. The Council has taken care to build the financial strength of the Christchurch Airport so that the company has been able to finance the construction of the major terminal expansion. Council's expectations of the companies in terms of dividends have been modest especially if compared to Central Government's demands on its State Owned Enterprises. The fruit of this long-term policy is now increasingly being reaped through strong dividends and, when appropriate, capital repatriation which can be achieved while the companies themselves maintain pricing levels which are extremely competitive.

## Funding Policy

**The City Council's funding policy is included** on Pages 47–90. This has been developed over a period of almost 3 years and was subjected to extensive public consultation during 1997.

The Funding Policy is required by the Local Government Amendment Act 1996. This legislation requires the Council to decide who benefits from each service which it provides and how that service should be paid for. The law sets out a very complex process for the Council to follow in making these funding decisions. In order to comply with the statutory provisions the Funding Policy is presented in a manner which is regrettably complex for the lay reader to follow. A summary of the principles underlying the policy is included on Page 13 – 14 of Volume 2 ("Statement of Rating Policy").

## The detail of projects and programmes

**The detail of Projects and Programmes** which are based on the vision of the future and Strategic Objectives and Policies contained in this Volume are set out in Volume 2. This explains the way in which the context of Council policy making, set out in this volume, is translated to the specific programmes and projects. Those wishing to make submissions on the Annual Plan should refer to the forms at the back of Volume 2.

*Vicki Buck* *Mike Richardson* *David Close*



# A vision for Christchurch as we want it to be

- Christchurch people enjoy belonging to their local community, to their city and to Canterbury.
- All people - of whatever background - feel welcome here.
- The unique role of the Tangata Whenua is respected.
- Children are nurtured, young people are encouraged and the elderly supported.
- Neighbours help each other and join together in community activities.
- People are free from the threat of crime or injury.
- Everyone has access to good housing, health care and education and to sufficient resources for their wellbeing.
- Everyone has opportunities for fun, sport, recreation, art and culture.
- Key heritage features - including unique central city buildings - are preserved.
- The beauties of our garden city - its parks, flowers and riverbanks - are enhanced.
- The quality of air, water and soils of hills, plains, streams and open spaces is preserved.
- Sustainability is the key principle in planning for transport, water supply, waste management, land use and development.
- Convenient and efficient transport is available for individuals and for business.
- Christchurch supports business growth and job opportunities.
- The Council delivers high quality services, consults with citizens, and is responsive to their views.
- The Council is a successful advocate for the city and its people.





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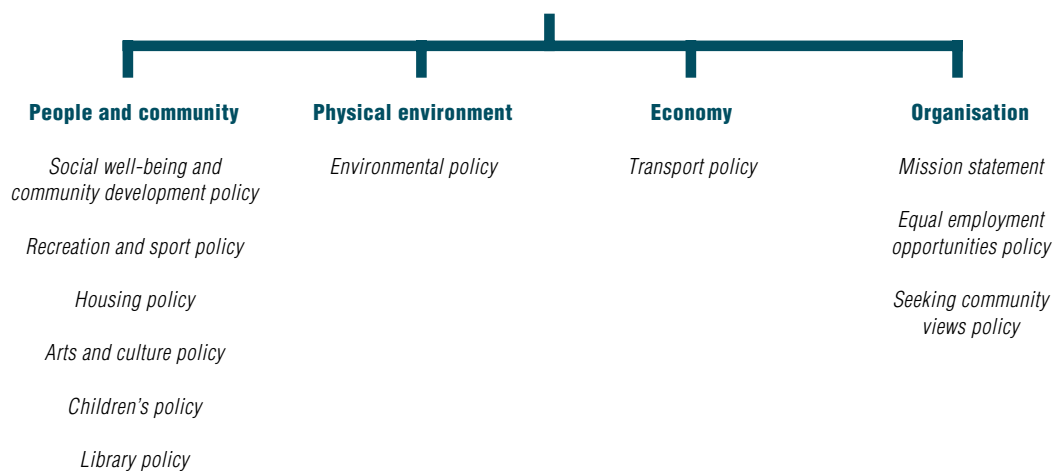




# Overview of the Strategic objectives



**Christchurch City Council's vision for the city  
can be described through these broad areas**



**Where possible the corresponding policy that will achieve the Council's objective will be in the adjacent column.**

## Social well-being and community development policy

**The Christchurch City Council is committed to being pro-active in promoting:**

### Community, Self Help, Self Determination and Progressive Social Change

Through the Empowerment of its Residents, and in Particular People on limited incomes

- 1 A Nurturing Community
- 2 Basic Needs Met
- 3 Development of Local Community Identities and Pride
- 4 Equitable Access to Opportunities, Community Resources and Clean Living Environments
- 5 Improving the Position of the Least Advantaged
- 6 Residents Receiving their Entitlements
- 7 High Self Esteem
- 8 Participation in Personal and Political Decision Making
- 9 Participation and a Sense of Belonging in Communities
- 10 Respect for Cultural Diversity
- 11 Self Determination and Empowerment

## Children's policy

**The Christchurch City Council is committed to enhancing the lives of children in Christchurch**

- 1 Inter-sectoral networks and partnerships that promote best practice in the interests of children and young people
- 2 Views of children and their families are sought and taken into account in the development of policy and practice

**The Christchurch City Council contributes to the community's social well-being by ensuring:**

**Safe, accessible and affordable housing is available to people on low incomes including elderly persons and people with disabilities.**

- 1 The provision of affordable housing which is sustainable in perpetuity, and which is not a cost to ratepayers.
- 2 The provision of additional accommodation for single men and women with one child.
- 3 The provision of inner city accommodation for mature single men and mature single women displaced from boarding house accommodation.
- 4 The facilitation of the provision of additional 'home' care for the semi-dependent elderly in Council housing so as to extend their independent living.
- 5 The facilitation of accommodation for those deinstitutionalised or otherwise affected by changes in the health system.
- 6 Ensure that the Council's social objectives with regard to affordable housing are clearly articulated to Government and other social service agencies.

## How it will happen

## Strategic objectives

### Social Well-being and Community Development

- A6 Ensuring that sufficient resources are available from appropriate sources, through social assistance if necessary, to enable residents to provide for their basic individual and family well-being.
- A7 Funding and provision of social services within Christchurch:
  - Comprising an equitable share of national resources;
  - Accessible and responsive to the community's varying needs;
  - Delivered in an equitable and efficient manner.
- A8 A strong sense of community at local and city levels reflected in:
  - High proportions of people identifying with focal points or meeting places in their environment;
  - High levels of participation in community groups activities and issues;
  - Wide ranging expression of community pride.

- A9 A great place to live where:
  - All children are nurtured and able to reach their full potential;
  - Youth feel valued and have a sense of achievement;
  - The elderly are supported and valued.

### Housing Provision

- A10 The provision of access to quality, affordable housing appropriate to the needs of present and future households.

11

# Strategic Objectives and Policy Statements



*making the vision reality*

## Strategic objectives

### Personal Safety

- A1 A city in which:
- The sense of personal safety is maximised;
  - The risk of physical injury for residents and visitors in everyday life is minimised.

# People and Community

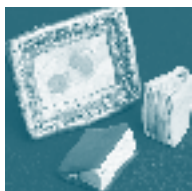


### Public Health

- A2 A city in which the risk of exposure to unhealthy living and working conditions and their adverse effects are minimised and within national and international standards or guidelines.
- A3 A city acclaimed for its healthy lifestyles reflecting such things as high rates of participation in healthful activities and low levels of occurrence of stress related diseases.

### Education Facilities and Services

- A4 Enhanced learning, communication and participation reflected in appreciation of the ideas and experiences conveyed by written and recorded language, and the visual and performing arts.
- A5 Informed attitudes and changed behaviour which enhance the city's quality of life and environment.



## Libraries policy

**Christchurch and its people value information highly for prosperity, lifelong learning, individual and community decision making and personal and social well-being.**

### Strategic Objectives

- 1 Develop a comprehensive, user-friendly electronic interface to resources
- 2 Develop new, or enhance existing, information services to meet specific customer needs
- 3 Co-ordinate the electronic access to Christchurch and Canterbury information
- 4 Consolidate support for education and lifelong learning
- 5 Sustain and enhance recreational opportunities for reading, listening, viewing and interacting
- 6 Honour our obligations under the principles of the Treaty of Waitangi
- 7 Ensure access to our culture now and in the future
- 8 Encourage participation in community government
- 9 Create vibrant and accessible facilities for local communities
- 10 Provide opportunities for people with special requirements to access services, collections and facilities

How it will happen

## Social well-being and community development policy

**The Christchurch City Council is committed to being pro-active in promoting:**

### **A Healthy Social, Cultural and Economic Community; Self Help, Self Determination and Progressive Social Change**

Through the Empowerment of its Residents, and in Particular People on Limited Incomes

- 1 A Nurturing Community
- 2 Basic Needs Met
- 3 Development of Local Community Identities and Pride
- 4 Equitable Access to Opportunities, Community Resources and Clean Living Environments
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- 6 Residents Receiving Their Entitlements
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- 3 The provision of inner city accommodation for mature single men and mature single women displaced from boarding house accommodation.
- 4 The facilitation of the provision of additional 'home' care for the semi-dependent elderly in Council housing so as to extend their independent living.
- 5 The facilitation of accommodation for those deinstitutionalised or otherwise affected by changes in the health system.
- 6 Ensure that the Council's social objectives with regard to affordable housing are clearly articulated to Government and other social service agencies.

## How it will happen

## Strategic objectives

### **Social Well-being and Community Development**

- A6 Ensuring that sufficient resources are available from appropriate sources, through social assistance if necessary, to enable residents to provide for their basic individual and family well-being.
- A7 Funding and provision of social services within Christchurch:
- Comprising an equitable share of national resources;
  - Accessible and responsive to the community's varying needs;
  - Delivered in an equitable and efficient manner.
- A8 A strong sense of community at local and city levels reflected in:
- High proportions of people identifying with focal points or meeting places in their environment;
  - High levels of participation in community groups activities and issues;
  - Wide ranging expression of community pride.



- A9 A great place to live where:
- All children are nurtured and able to reach their full potential;
  - Youth feel valued and have a sense of belonging;
  - The elderly are appreciated and respected.

### **Housing Provision**

- A10 The provision of access to quality, affordable housing appropriate to the needs of present and future households.





## Strategic objectives

### Arts and Culture

- A11 Wide ranging opportunities for residents and visitors to increase their participation in and enjoyment of artistic and cultural activities.
- A12 Improved understanding and respect for the contribution of the many different cultural traditions present in Christchurch to the quality of its social life.
- A13 The unique identity of Christchurch enhanced by particular recognition of Canterbury's heritage and contemporary artistic and cultural expression.

### Arts and culture policy

- 1 An active, creative performing and visual arts sector contributing to the city as a centre of excellence and innovation.
- 2 Recognition of the unique place of Maori art and culture.
- 3 Artistic and cultural initiatives responsive to the community and reflecting its multi-cultural character.
- 4 A city possessing artistic and cultural activities attractive to residents, visitors and business.
- 5 An artistic and cultural identity celebrating the city's heritage.

## People and Community

*continued*

### Recreation and Leisure

- A14 Wide ranging opportunities for residents and visitors to increase their:
  - Participation in affordable and accessible sport and recreational activities which are responsive to current and emerging leisure preferences;
  - Experience and enjoyment of the garden city element of the city's unique identity.
- A15 Enhanced personal enjoyment from the ideas and experiences conveyed by written and recorded language, and the visual and performing arts.

### Recreation and leisure policy

**The Christchurch City Council is committed to making a significant and sustainable contribution to the quality of life of its residents, particularly its children and youth, by supporting a broad range of recreation and sport services, facilities and programmes.**

- 1 Children, youth, people with disabilities and people on limited incomes are aware of, have access to and are increasing their participation in a broad range of recreation and sporting activities.
- 2 Christchurch residents are aware of and access a broad range of recreation and sporting activities.
- 3 Christchurch is widely recognised for hosting successful local, regional, national and international recreation and sports events and festivals.
- 4 Consultation with the Christchurch community, recreation and sport participants and service providers is ongoing and effective.
- 5 Physical assets meet the identified and viable recreation and sport needs of Christchurch and minimum legal standards.
- 6 Recreation and sport is making a positive contribution to the city's economy.
- 7 Research into existing and future recreation and sport needs and trends of Christchurch is ongoing and findings are taken into account in the planning and provision of all services, facilities and programmes.
- 8 Resources are allocated and services, facilities and programmes are delivered efficiently, effectively and equitably.
- 9 Services, facilities and programmes meet the recreation and sporting needs of the Christchurch community, particularly its children and youth, and also its people with disabilities and people with limited incomes.
- 10 Services, facilities and programmes complement and enhance the city's unique character and environment.
- 11 Volunteers are acknowledged and supported.

### How it will happen

## Environmental policy

### **A healthy natural and built environment is essential for sustainable development of the City**

**The Council is committed to the protection and enhancement of the environment of the City by;**

Accepting responsibility for complying with all relevant environmental legislation

Minimising the environmental effects of the Council's activities

Promoting environmental care through Council's influence over others

Being committed to the internationally recognised waste management practice of source reduction, reuse, recycling, resource recovery and environmentally safe residue disposal

Being committed to continual improvement of its environmental performance through implementation, monitoring and review of its policies, programmes and services

- When policies, systems, plans, codes of practice, training manuals and similar documents are written, reviewed and updated, environmental aspects shall be considered and incorporated where possible.
- The Council will meet all legislative requirements relating to the environment including the monitoring of compliance with conditions of consents.
- The Council shall respect international and national policies and agreements as they relate to the City.
- The Council will promote an awareness within the community of environmental matters as they affect the City.
- Contract documents for the design, supervision and maintenance of works and services will incorporate requirements for the protection of the environment.
- The Council shall use vehicles and plant in ways that minimise emissions to the air and, where the costs are similar to current vehicles, shall operate vehicles with alternative methods of propulsion.
- The Council will conserve and enhance the listed historic buildings that it owns and increase public awareness and suitable use of these buildings.
- The Council will promote the conservation of water in the buildings and on the open spaces it administers.
- The Council will manage and maintain the open spaces of the City in ways that enhance amenity, avoids adverse effects and minimises maintenance requirements. It will promote plantings as appropriate on its land.
- The Council will implement "Cleaner Production" philosophies and methods to, reduce consumer waste, increase the use of renewable resources, reduce hazardous waste, use ozone friendly products
- The Council will promote sound environmental practices within the buildings it operates together with its obligations under the Health and Safety in Employment Act.
- The Council will seek to avoid, remedy or mitigate any adverse effects on the environment caused by its operations during emergencies and is committed to full disclosure of environmental incidents.
- The Council will regularly review its own environmental performance and report its progress having regard to the principles of this statement.

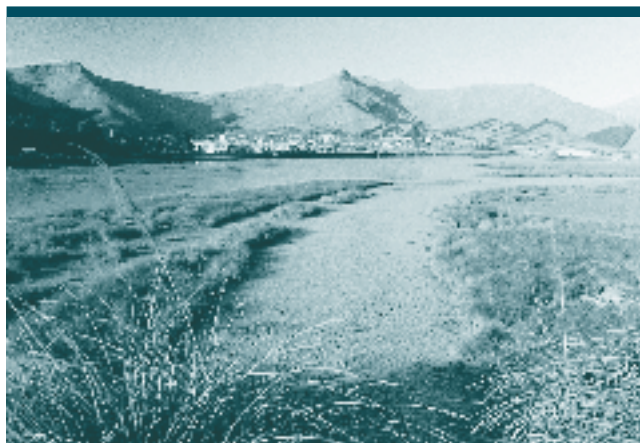
## How it will happen

## Strategic objectives

### **Air, Water and Soils Quality**

- B1 Maintenance and enhancement of:
- The quality of the city's inland and coastal waters;
  - Air quality in the city, including eliminating any health hazard posed by winter smog;
  - The horticultural production potential of high quality soils in the city;
  - Land susceptible to soil loss through erosion;

# The Physical Environment



- The city's precious artesian water resource;
- The excellent quality of Christchurch drinking water.

### **Significant Natural Features and Parkland and Rural Amenity**

- B2 Maintenance and enhancement of the special values of significant natural features, such as the Port Hills or the Estuary, and improved opportunities for their appreciation and enjoyment.
- B3 Enhancement of the contribution of open space and landscape elements to the unique identity of Christchurch.

### **Built Environment Amenity**

- B4 A form and direction of development and redevelopment of the built environment which:
- Maintains and enhances the unique identity of Christchurch;
  - Provides for a wide variety of living, working and leisure activities throughout the city in a manner which maintains or enhances people's enjoyment of amenity values.
- B5 Enhancement of the central city's contribution to the unique identity of Christchurch with large numbers of residents and visitors enjoying its attributes.



### **Heritage Features**

- B6 Heritage values of significant and representative sites, buildings, places, areas and other taonga of Christchurch maintained for the benefit of present and future generations.

### **Natural Hazards**

- B7 Adverse impacts for the natural and built environment of actual and potential natural hazards avoided or reduced in accordance with a considered assessment of the risk and consequences of their occurrence.



# Strategic objectives

## Business Activity and Employment

- C1 Growth of the business base of Christchurch leading to an increase in the number of jobs in the city.
- C2 Employment in Christchurch increased to a level at which it is not of significant concern to the community.
- C3 Increased purchasing and investment in Canterbury by existing firms and new investors.
- C4 More and longer length of stays and increased spending by visitors to Christchurch.
- C5 Highly positive local, national and international attitudes towards Christchurch as a place in which to live and do business reflecting:

# The Economy

- Recognition as a business and visitor friendly city;
  - An active, lively city full of diverse attractions and events;
  - Sustained high levels of business and consumer confidence in Christchurch;
  - Acclaim for the city's quality of life and unique identity.
- C6 A skilled and adaptable business base, including the labour force; able to meet the present and future needs of their markets.

## Utility Services

- C7 A continuous supply of sustainable energy to efficiently meet demand at prices which are locally, nationally and internationally competitive.
- C8 A continuous supply of essential utility services for existing consumers and for property protection at unit costs comparable with those obtainable from similar organisations or alternative suppliers.
- C9 Ready availability of extended utility services at competitive supply costs to meet the reasonable service demands from new or expanding users.



## Transport and Communications

- C10 A continuous supply of land, sea and air transport, and telecommunications services for moving people, goods and business information to and from Christchurch:
  - Responsive to the needs of business and travellers;
  - At nationally and internationally competitive standards of quality and price.
- C11 Sustained availability of the roading network and passenger transport within Christchurch, and especially in relation to the city centre, which provides for:
  - Personal mobility at levels of service satisfactory to the community and consistent with the Council's objectives for the physical environment;
  - Movement of goods at levels of service consistent with efficient business operations;
  - Promotion of public transport to reduce congestion and pollution.

## Long term transport vision

**A City which has a sustainable, safe, convenient and efficient system of roads, cycleways, footways and passenger transport services...**

### so that....

- 1 People are satisfied with the level of service for personal mobility, and they have an appropriate choice of transport mode – by car, bus, cycle or on foot
- 2 Businesses (and therefore the economy) are supported by levels of service for goods movement that are consistent with efficient business operations
- 3 Christchurch is perceived a safe city for road users
- 4 Christchurch is regarded as a cycle friendly city
- 5 More people use passenger transport than they do today – and it keeps growing as a proportion of all trips
- 6 Christchurch is regarded as a pedestrian friendly city – especially for children, the elderly and the disabled
- 7 The streets meet agreed community expectations and they are managed in the most cost effective way
- 8 The City's physical environment is protected and enhanced

## How it will happen

# Strategic objectives

## Commercial and Industrial Property

- C12 Ensuring development and redevelopment of significant premises, sites or facilities where it is identified as strategically important to the city's economy.
- C13 A regulatory framework providing for a wide range of business location opportunities at least cost, consistent with reasonable standards of health and safety and appropriate environmental controls.



## Long term transport vision

*continued*

### Performance Indicators

- 1.1 Satisfaction level with different modes among representative sample of population.
- 1.2 Comparative economic and community cost of each mode reported as cost/km.
- 1.3 Comparative travel time measured for each mode.
- 2.1 Trend over time for length of travel time on key major access routes at peak and off-peak times.
- 2.2 Satisfaction levels among the business community with the efficiency of the road network.
- 3.1 Perception of safety among a representative sample of residents for each mode by journey type and location.
- 3.2 Collision data trend over time for each mode.
- 4.1 Perceptions of safety among a representative sample of residents, both cyclists and non-cyclists.
- 4.2 Collision data plus measure of 'near-miss' incidents.
- 5.1 Use of public transport per capita.
- 5.2 Proportion of public transport trips to all trips.
- 6.1 Perception of ease of access and of motorist attitude to pedestrians among a representative sample of residents.
- 6.2 Trend for collision data over time.
- 7.1 Satisfaction with street assets among a representative sample of residents.
- 7.2 Overall measure (indices) of standard compared to cost.
- 8.1 Trend measure of transport generated pollution over time.
- 8.2 Satisfaction with protection and enhancement of 'Garden City' image and community value of street space.
- 8.3 Proportion of length of street with trees to total length of street where trees can be planted.

## How it will happen

## Strategic objectives



# The Council as an Organisation

## Mission Statement of the Christchurch City Council

To provide a system of local government for the community of Christchurch which:

- is responsive to local needs;
- gives strong expression to local identity;
- strikes a balance between democracy, effectiveness, and efficiency;
- is highly accountable for its actions;
- advocates in the interest of the whole community;
- adds value and employment to the City's economy;
- enhances the quality of the City's environment;
- is based on sustainable management principles;
- efficiently delivers high quality services;
- maintains an effective working partnership with central government and the regional unit of local government;

## Te Kaupapa E Whāia E Te Kaunihera O Te Tāone Nui O Ōtautahi

Kia whakaritea tētahi ara mō te kāwanatanga-ā-tāone mō ngā iwi o Ōtautahi

- kia aro atu ki ngā hiahia-ā-rohe
- kia tino whakaataraia nga āhuatanga o te tāone nei
- kia whakaritea te kāwanatanga hōrite kia tika tonu, kia kakama hoki
- kia whakaae ki te hiki pūkai mō ana mahi katoa
- hei māngai mō te nohoanga tāngata whānui
- kia whakanuitia te whai painga o te whakahaerenga moni me ētahi tūranga mahi
- kia whakapai i te tākiwa o te tāone nui
- kia ukaukaina ngā kaupapa o te mahi whakahaere
- kia hoatu ngā ratonga pai rawa atu
- kia mahi ngātahi me te kāwanatanga me te kāwanatanga-ā-rohe hoki
- kia pai te whakahaere o tana umanga, kia tika hoki te aronga ki ana kaimahiyer.



How it will happen

# Strategic objectives



## Equal Employment Opportunity Policy

### Policy

The Christchurch City Council is committed to having in place practices within the Council which work towards eliminating all forms of discrimination and which are consistent with the Council's Giving Value • Being Valued Culture Statement. This includes barriers to the recruitment, retention, development and promotion of its employees.

### Objectives

To ensure that:

- for any given position selection decisions will be made on merit, qualifications and work history relating to the position to be filled, irrespective of gender, race, ethnic or national origins, religious or ethical beliefs, disability, marital status, employment status, family status, political opinions, sexual orientation, or age, which are irrelevant to the person's ability to do the job
- all employees have the opportunity to develop to their full potential and are encouraged to do so
- other differences irrelevant to a person's ability to achieve the requirements of a job do not act as a barrier either to or within employment
- there is an ongoing commitment to identify and eliminate discriminatory barriers that cause or perpetuate inequality in the employment of any person or group of persons
- management practices and processes at all levels are consistent with EEO policy
- all communications, publications and material produced by the Council are consistent with EEO policy
- all staff are made aware of the Council's commitment to EEO and understand the principles of EEO
- the Council has a diverse and flexible workforce and is committed to recognising and valuing different skills, talents and perspectives of our employees

EEO is about best practice which is a goal of the Council's Giving Value • Being Valued Culture Statement. A diverse workforce will be able to meet the needs of the Council's diverse customers and communities.

### Elected Member Representation and Decision-making

- D1 Successful Council performance in:
- Advocating the interests of the Christchurch community, especially in its relations with other public sector agencies;
  - Striking a balance in its actions between the interests of democracy, effectiveness and efficiency;
  - Ensuring the effective implementation of its policies.
- D2 A high level of accountability in decision-making reflecting:
- Decisions made by elected member forums where representation is drawn from the community of interest matching that affected by these decisions;
  - Ample opportunity for the views of those affected to be made known prior to decisions being taken;
  - Decisions are made as soon as practical and the reasons for them readily obtainable.
- D3 Elected members properly equipped for and advised on the decision-making process and the significant implications of recommended decisions including:
- The long term financial implications of both service development and annual budget proposals;
  - The costs and benefits to the wider community and to users of projects and programmes.

### Treaty of Waitangi Principles

- D4 Maintaining a means of consultation mutually acceptable to the Council and tangata whenua which gives effect to the principles of the Treaty of Waitangi that are applied by statute to the policy, procedures and operations of the Council.

### Human Resources

- D5 To be a good employer which is staffed by people with the skills and motivation necessary to achieve high quality service delivery.

## How it will happen

## Strategic objectives

### Service Delivery Approach and Arrangements

- D6 Acceptable levels of customer satisfaction with the accessibility, quality and range of the Council's service delivery from its service points, on the customer's property and in their communications with the Council.

# The Council as an Organisation

*Continued*

### Financial Management

- D7 A revenue policy which identifies the long term role and fair and efficient mix of all forms of income necessary to fund services provided by the Council.
- D8 Management of financial resources and liabilities so as to:
- Maximise income and minimise expense consistent with a generally conservative approach to risk taking;
  - Facilitate the operation of trading activities;
  - Maximise trading activity returns to the Council and the value of its investment consistent with the purpose in making that investment.
- D9 Accounting procedures which are:
- Consistent with generally accepted accounting practices;
  - Complying in all other respects with external financial reporting requirements;
  - Enable the true cost of the goods and services produced to be accurately determined.

### Corporate Organisation and Support Services

- D10 A corporate structure which:
- Enables the efficient implementation of the Council's decisions and its statutory obligations;
  - Responds innovatively and quickly to legislative change and advances in management practice.
- D11 Internal provision of services:
- Which are cost efficient in their use of resources;
  - Only where unit service costs are, or are likely to become, competitive - at similar levels of quality or reliability - with those obtainable in comparable organisations or from alternative suppliers.

## Seeking community views policy

**The Christchurch City Council sees it as important to engage in processes which give it an understanding of views within the community.**

Such processes are one of a number of methods of gathering information which may be used to assist the Christchurch City Council with making a decision.

The Christchurch City Council respects all views in conjunction with other sources of information.

The processes will vary with the circumstances and stage of the proposal.

The responsibility for making decisions rests with the Christchurch City Council.

Processes for seeking community views will be managed in accordance with the principles below

The Council will endeavour to seek views by:

Fostering relationships, networks & partnerships as well as consultation on specific issues, so as to be sensitive to changing views

Being honest & open

Being prepared to listen & change our view

Having flexible approaches to seeking community views

Increasing the ability of and making it easy for people to contribute, especially those who would not ordinarily participate

Providing equitable opportunities for stakeholders to participate

Providing the information necessary for informed comment

Being well planned & prepared

Communicating effectively before, during & after seeking views

Being timely & responsive

Giving people sufficient time & notice to contribute

Informing participants of the outcomes of their input

Having clear, transparent processes

The Council will endeavour to seek community views when:

The views of individuals & groups within the community will provide further information valuable to the decision making process

The issue significantly affects existing levels of service  
Issues are controversial

Views may be sought from the following people, as applicable:

Individuals & groups, local & metropolitan, who are likely to be affected by the issue; including stakeholders within Council

The 'silent majority'

Opinion leaders

Children, youth and the elderly

**Note: The Council has statutory requirements to consult with the community in a number of contexts. This policy relates to circumstances where it is not legally required that community input be sought. This Policy is not intended by the Council to create any expectation of legal rights in any person or group of persons.**

## How it will happen



# **Financial policies**

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# Borrowing management policy

## Summary of the borrowing management policy

### Introduction

This policy has been established to ensure the prudent financial management of Council debt. It should be read together with the Investment Management Policy.

This policy is for the Christchurch City Council and includes the Christchurch City Council Sinking Fund Commissioners.

Standard and Poor's has provided a joint credit rating for both the Council and Christchurch City Holdings Ltd. The rating is AA (Long Term) and A1 (Short Term). It is intended that these ratings be maintained as a minimum.

This policy assumes that the Consumer Price Index (CPI) remains in the range 0% – 3% per annum and interest rates in the range 6% – 10% per annum. If the New Zealand economy moves outside these parameters, this policy will be subject to revision.

### Principles

The following principles underlie the policy:

- Debt raised will be repaid over a 20 year period to ensure inter-generational equity.
- Interest costs and annual debt repayments will be funded from operating revenue.
- Management of interest rate exposure is designed to:
- ensure interest costs where possible are below the interest rate projected in the Council's Long Term Financial Strategy
- hedge only for the actual debt and not for speculative purposes
- remain risk averse
- maintain a mix of both fixed and floating rates, where appropriate, to maintain flexibility and advantage in case of interest change.
- Debt will be used to fund capital expenditure as a residual source. Funds generated from depreciation will be applied to fund renewal and new capital expenditure with any surplus being applied towards the reduction of debt.
- Debt financing is recognised as a component in the Council's Funding Policy. It ensures inter-generational equity as it prevents costs being incurred by the current generation which are for the benefit of future generations.

### Limits on total borrowing

- Intended interest rates payable on debt will be budgeted for and disclosed in the Annual Plan.
- Total external debt as a percentage of total assets of the Council and Christchurch City Holdings Ltd shall be no more than 12%.
- The total external debt of the Council and Christchurch City Holdings Ltd combined as a percentage of realisable assets (all assets excluding infrastructural and restricted assets) shall be no more than 33%.
- Net interest paid on term debt by the Council and Christchurch City Holdings Ltd combined will not exceed 8% of the consolidated gross revenue provided interest rates do not rise above 8.5%.
- The ratio of net external debt of the Council and Christchurch City Holdings Ltd combined to funds flow from operations shall not exceed five times, ie an ability to repay debt over five years (medium term) before net capital additions.

**Note: Funds flow from operations is the net cash surplus of gross revenue over operating cash expenses (excludes depreciation).**

### Borrowing

- All external debt of the Council including leases must be authorised by resolution of the Council.
- The aggregate amount the Council determines as not being so significant as to require specific authorisation under Section 122Z (c) (ii) (A) is \$500,000.
- Loans raised by the Council are to be secured by a charge on Rates revenue.
- New loans raised are to be disclosed in the Annual Plan. Loan funding requirements arising subsequent to the Annual Plan require specific Council resolution.
- The term of a loan must not be longer than the economic life of the capital assets it funds and in any event no more than 20 years.
- Cash surpluses from any year will be applied to reduce the borrowing requirement of the subsequent year.
- Subject to a Council resolution from time to time, the Funds Manager may raise loan funds by way of bank overdraft to cover short term cash shortfalls limited to a maximum of \$1M.

### Repayment of debt

- Debt may be repaid by annual sinking fund instalments, annual contributions to a loan repayment reserve, annual table repayment instalments, or repayment from revenue or other sources.
- With the exception of table loans, a minimum of 3% of the aggregate of the initial external debt raised by the Council and Christchurch City Holdings Ltd combined. Initial Debt is defined as the original sum of any loan borrowed which has not been fully repaid.
- The rate of 3% shall be reviewed from time to time.

### Interest rate exposure

- The interest rate policy is to manage the exposure to adverse interest rates. Interest rates are projected in the Council's Annual Plan.
- The interest rate strategy will be supported by an interest rate view based on independent professional advice.
- The Council may have an exposure to both fixed and floating interest rates. It may have up to 100% of the debt in fixed rates and up to 65% in floating rates.
- Hedging can only take place with counterparties who are credit rated 'A-' or better.

### Liquidity policy

- The debt maturity profile shall be maintained such that no more than 35% of the relevant debt matures in any one year.
- Derivatives may be entered into to lock in the cost of and availability of known future borrowings in advance of physical borrowings.

### Credit exposure

- Funds should be raised from brokers or major institutions where the risk of settlement default is minimised.

# Investment policy

## Summary of the Investment Policy

**This policy has been established to ensure prudent financial management of Council investments and should be read together with the Borrowing Management Policy.**

**The policy is for the Christchurch City Council and includes the Christchurch City Council Sinking Fund Commissioners. Investments held by subsidiaries are excluded.**

### Principles

The following principles underlie the policy:

- Investments shall be managed to maximise the return to the Council consistent with the purpose of the investment and risk avoidance.
- Investments made under delegated authority must comply with the policy criteria. Any investments made outside of the policy require a specific resolution of the Council.
- Hedging, if used, is to cover only the protection of the actual physical investment. The intention of the policy is to be risk averse.
- The Council shall maintain a prudent mix of investments.



## Investment categories subject to the policy

### General funds investments

These investments are made up of surplus general funds. They are generally invested on a short term basis in order to produce a financial return. The type of investment made may include cash and short term bank deposits, stocks and bonds, loans to community organisations, and individuals, loans to Council subsidiary companies, and real estate held for investment return purposes only.

### Equity investments in subsidiary companies

The Council holds equity investments in a range of subsidiary companies for the following reasons:

- ▶ Ensuring that ownership of essential infrastructural facilities with monopoly characteristics remain in community ownership.
- ▶ Separating trading activities or services from the ordinary operations of the Council in the interest of transparency, efficiency and competitiveness of pricing.
- ▶ To provide an adequate rate of return in order to ensure that the companies strive to maximise operating efficiencies and have sufficient resources to finance their own capital needs.

These investments are made up of:

- ▶ A majority interest in major utility trading enterprises through a 100% interest in Christchurch City Holdings Limited.
- ▶ 100% interest in LATEs which have been established primarily to provide service delivery to the Council on a commercial basis.
- ▶ Significant interest in trading enterprises primarily for income purposes but recognised as being of benefit to the local economy.

### Investment of Reserve Funds including Trust Funds

- ▶ Reserve and trust funds have been set aside by the Council for a particular purpose. They are generally held in long term investments. Reserve and trust funds may be invested in the same investments as general funds.

### Sinking fund investments

These funds are held by the Sinking Fund Commissioners (Trustees) for the repayment of Council loans. They are held in accordance with the Council's Borrowing Management Policy and are invested in deposits and bonds.

## Management of each type of investment

### General issues

Each type of investment shall be prudently managed having regard for the purpose of the investment and the needs of the Council.

### Short term liquid investments

Investments of this type will be managed to ensure minimum holdings whilst having regard to liquidity needs and investment return. Investments must be in authorised bank instruments. See Section 6 of policy.

### Long term financial investments of authorised stocks and bonds

The objective is to maximise the holding whilst having regard to liquidity needs and investment return. To minimise risk, the investments with any one issuer are subject to the limits as defined in Section 6 of this policy.

### Loans to individuals, and to community organisations

These are subject to specific authorisation by the Council. Interest rates to be charged are set by the Council. Security of Loans will generally be a charge on the borrower's land. Where there is no land the Council or Funds Manager may determine another form of security.

Loan Guarantees may be requested.

Investments in LATEs and Subsidiaries

Investment in shares in subsidiary companies will be made on the authorisation of the Council only after the receipt of professional advice on valuation and acquisition procedures.

The Council will not involve itself directly in the management of its subsidiary companies. Management services may be contracted by the companies from Council staff.

Each company which is defined as a LATE in the Local Government Act will be required to prepare annually a Statement of Corporate Intent (SCI). The SCI sets out the activities and strategic direction of each company. LATEs are required to report in accordance with the reporting requirements for LATEs in the Local Government Act.

Christchurch City Holdings Limited (CCHL) is an investment monitoring company established by the Council to hold its significant trading enterprises. The Board of CCHL will comprise a mix of Councillors and external directors with a majority of Councillors.

Regular monitoring will be carried out by Christchurch City Holdings Limited (CCHL) of the ownership options, business strategy and operating plans, capital structure and risk management affecting the CCHL subsidiaries and other subsidiaries where the shareholding is held directly by the Council.

Investment performance of subsidiary companies will be assessed in comparison to the performance of other similar companies in the same industry.

The CCHL Board will report at least six times a year to the Council's Strategy and Resources Committee on the issues arising from its monitoring role. Ad hoc briefing sessions and seminars for Councillors will also be arranged.

The Council is responsible for the approval of SCIs and the appointment of directors for all subsidiaries held directly by the Council and directly by CCHL.

Directors of all subsidiary companies will be selected according to the policy established by the Council in June 1996.

Ownership of shares in subsidiaries will be transferred to CCHL when a subsidiary has an established viable record of financial performance and it is Council policy to retain the investment in the long term.

### Shares in listed public companies

Specific authorisation is required by the Council to invest in listed equities and then only on brokers advice.

### Real estate held for investment purposes

Acquisition or sale decisions on investment property shall be made by the Council on the advice of the Property Manager. The advice will be based on prevailing market conditions.

## Assessment and management of risks by type of investment

### Authorised bank instruments

The Council may invest in any registered bank in New Zealand with an international credit rating of A- or better. The maximum amount which can be invested with one bank is 20% of the Council's total investment.

Any instrument issued by the bank may be taken up including foreign currency and forward rate agreements.

### Authorised stock or bond investments

The Council may invest in any fixed term stock or bond issued in New Zealand which are guaranteed by the Government. Any investment should be to a maximum of 20% to any one issuer where the stock is issued by a Local Authority and is rate secured. Where the bonds are issued by a company in New Zealand with a long term credit rating (Standard and Poor's) of A- or better, a maximum 20% to any one issuer.

### Purchase, Sale and Settlement of Real Estate Investments

All acquisitions and disposal decisions are to be made by the Council on advice of the Property Manager. The property disposal procedures approved by the Council from time to time shall be used for investment property disposals.

### Purchase, sale and settlement of subsidiary company investments

- In general terms it is the intention of the Council that a majority ownership in these investments will be retained in the long term.
- Any decision to dispose of shares in a subsidiary which would reduce the Council's shareholding to less than 50% will be made only after public consultation as set out in the Local Government Act.
- Where existing assets of the Council are transferred to a new LATE, an Establishment Unit will assess all the options and recommend the methodology, value and other matters according to the established procedure set out in the Local Government Act.
- External professional advice will be sought before making any decision to acquire or dispose of any shareholding in any of the subsidiary company investments.

# Explanatory note regarding the draft status of the strategies

## Draft policies

The following pages contain proposals yet to be finally adopted by Council.

**Bear this in mind when perusing the information herein.**

The Local Government Amendment No. 3 1996 has required the Council to introduce a new legislative framework for financial management and to develop a policy for the way that Council funds its wide range of functions.

**Set out on the following pages are:**

**The Draft Long Term Financial Strategy**

**The Draft Funding Policy**

Both of these documents are to be adopted by Council no later than 1 July 1998 and your views are now sought.

**Set out at the end of this document are summaries of these documents and a submission form for you to complete.**

All submissions will be considered as part of the Council's 1998 Plan Submission Process.



*on the following pages*

# Draft Long Term Financial Strategy

## Overview

- The Council maintains a 20 year financial model which takes account of all plans and financial arrangements. The Model enables the impact of projects and borrowing to be evaluated and monitored to ensure these are sustainable in the long term.
- The Financial Summary tracks revenues and expenditures, borrowings and debt levels up to the year 2007/08.
- At the heart of the Long Term Financial Strategy (LTFS) are four ratios. These ratios provide financial limits which the Council is committed to operating within over a 20 year time frame.
- The four key ratios and the maximum limits are:

Term Debt as a percentage of Total Assets	- Maximum	12%
Term Debt as a percentage of Realisable Assets	- Maximum	33%
Net Interest as a percentage of Operating Revenue	- Maximum	8%
Net Debt in relation to funds flow	- Maximum	5 times
- The graphs on page 33 clearly illustrate that the projected ratios are within the maximum levels.
- A fundamental principle of the LTFS is to reduce the degree of dependence on borrowing.
- The LTFS has built into it provision for inflation at the rate of 2% per annum.
- The LTFS includes an unspecified operating sum of \$550,000 in years 2 and 3 and \$850,000 thereafter.
- The LTFS includes unspecified capital sums in year 2 onwards. The amount available in year 1 and year 2 is \$2.6M.
- The unspecified sums enable new projects to be added without altering the overall financial situation.
- Confirming the strength of the Council's overall financial position is the current AA international credit rating. This was first given by Standard and Poor's in 1993 and re-confirmed in 1995 and 1997.

# Long Term Financial Strategy Forecasts

## Long Term Financial Strategy - Financial Forecasts

	1998/99 \$M	1999/00 \$M	2000/01 \$M	2001/02 \$M	2002/03 \$M	2003/04 \$M	2004/05 \$M	2005/06 \$M	2006/07 \$M	2007/08 \$M
<b>City Council Operating Account</b>										
Operating Expenditure	227.66	234.62	240.03	245.05	253.52	260.33	267.46	273.40	280.42	287.70
Rates	-120.07	-124.82	-129.61	-134.92	-141.65	-148.07	-154.51	-159.40	-166.43	-174.30
Other Revenue	-108.34	-111.45	-114.70	-114.28	-117.80	-119.44	-121.58	-123.92	-125.31	-126.23
Deficit/(Surplus)	-0.75	-1.65	-4.28	-4.14	-5.93	-7.19	-8.63	-9.92	-11.32	-12.83
Percentage Rate Increase	1.94%	2.25%	2.20%	2.51%	3.46%	3.08%	2.96%	1.85%	3.11%	3.49%

## City Council Capital Account

Capital Expenditure	96.48	83.23	99.05	96.39	86.17	88.58	85.54	88.43	91.66	95.07
Provision for Debt Repayment	4.1	1.32	1.52	2.76	3.95	4.79	5.75	6.62	7.55	8.56
Total Capital Cost	100.57	84.55	100.57	99.15	90.12	93.38	91.3	95.04	99.21	103.62

## Funded By :

Depreciation & Surplus(Deficit)On Operations	-43.30	-45.52	-48.45	-48.89	-51.33	-53.03	-54.87	-56.37	-57.88	-59.42
Less Capital from Cchl for Debt Repayment	-123.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Surplus Capital to Reserve for Investment Reserves	77.45	-6.54	-41.46	-39.71	-4.73	0.00	0.00	0.00	0.00	0.00
External Funding for Capital Projects	-2.88	-24.86	-1.56	-3.51	-3.79	-0.69	-0.61	-0.61	-0.61	0.00
Borrowing Required for the Annual Programme	0.00	0.00	0.00	0.00	23.22	32.01	28.77	31.02	33.67	37.16

## Key Assets / Liabilities Of CCC

Gross Debt	143.13	142.81	142.48	142.15	165.04	196.70	225.12	255.78	289.09	325.88
Less Sinking Funds & Debt Repayment Reserves	-99.35	-95.14	-56.07	-20.17	-20.73	-27.24	-35.20	-44.61	-55.65	-68.52
Term Debt	43.78	47.68	86.42	121.98	144.31	169.46	189.92	211.17	233.44	257.36
Less Reserve Funds	-23.99	-22.83	-24.15	-23.93	-24.23	-24.45	-25.33	-26.34	-27.42	-28.58
Net Debt	19.79	24.84	62.27	98.05	120.08	145.01	164.58	184.83	206.02	228.77
Net Debt (CCC & CCHL)	139.93	141.23	173.96	205.16	222.69	243.22	258.48	274.45	291.48	310.2
Total Assets	3,441.38	3,452.85	3,499.37	3,542.25	3,573.98	3,607.32	3,636.73	3,668.18	3,701.98	3,738.28
Realisable Assets	1,864.03	1,852.97	1,874.24	1,896.93	1,905.76	1,908.96	1,911.98	1,914.81	1,917.46	1,919.91

## Financial Ratios

Term Debt/Total Assets	4.76%	4.75%	5.66%	6.47%	6.91%	7.42%	7.80%	8.20%	8.61%	9.06%
Term Debt/Realisable Assets	8.79%	8.85%	10.57%	12.08%	12.96%	14.02%	14.84%	15.71%	16.63%	17.65%
Net Interest Paid/Operating Revenue	5.20%	4.08%	4.43%	5.23%	5.65%	6.05%	6.42%	6.72%	7.01%	7.32%
Net Debt/Funds Flow from Operations	4.61	3.95	3.58	3.40	3.46	3.67	3.77	3.88	4.00	4.13

# Draft Long Term Financial Strategy

## Introduction

The Local Government Amendment No. 3 1996 ('the Act') has introduced a new legislative framework for financial management by local authorities. The need for this legislation was influenced by a number of issues, namely:

- the move to promote greater local autonomy in borrowing decisions, balanced by the strengthening of financial management accountability;
- reports from the Audit Office on the condition of local government infrastructural assets and the absence of long term planning;
- the rating challenges appearing before the Courts; and
- the ongoing debate with the business community about the proper role and scope of local government.

The purpose of the Act is to promote prudent, effective and efficient financial management by local authorities. In essence, its provisions require the Council's decisions on financial matters to take account of some basic principles which include:

- prudent management
- sustainability
- consideration of options
- lawful funding
- maintenance of debt at prudent levels in accordance with policy
- balancing of the books

There is a clear intention under the Act that the Long Term Financial Strategy (LTFS) will reflect the assumptions, objectives and anticipated outcomes set down in the Investment Management Policy, the Borrowing Management Policy, and the Funding Policy. These policies are also included in this Strategic Statement booklet and will be adopted in conjunction with the Christchurch City Council Plan : 1998 Edition.

## (a) Population Growth

The pattern of demographic change can be expected to have a substantial influence on the demand for the Council's services over the next two decades. These changes will include significant increases in the overall population base of the City, a gradual decline in the population aged under 15 years and a progressive ageing of the population.

Recent population growth in the City has exceeded previous projections prepared by Statistics New Zealand during the early 1990s. These projections suggest that the City population would grow to 299,300 by March 1996 then to 308,600 by 2001. Results from the 1996 Census show that the City is already well ahead of this growth path (See Table 1).

Statistics New Zealand's latest population projections (1996 Base) take into account the City's recent high population growth. According to these projections, the population of Christchurch will continue to grow over the next 25 years reaching 352,100 people by 2021. This is an expected increase of 43,000 people (see Table 1).

Although, the City's population is expected to grow substantially, the rate at which growth occurs will gradually decline from an annual average rate of 0.9 per cent in 1996-2001 to 0.3 per cent in 2016-2021. This reflects the expected decline in natural increase and migration from overseas.

For further details on the factors contributing to the population changes, see Appendix 1.

## (b) Urban Growth

The distribution of urban growth and development over the next 10 years will also affect the demand for Council services. Considerable research has been done in this area in order to develop the urban growth strategy which has been incorporated in the City Plan.

The main points of the strategy are:

- An emphasis on urban consolidation through developing vacant land in the existing built up area and redeveloping some suburbs at higher densities. Originally it was intended the majority of projected demand for housing and business over the next 20 years would be met through this process. It is possible secondary development options may now be introduced earlier than expected to meet the higher level of growth which is occurring within the City. The existing contingency plan to accommodate this high level of growth focuses on the Halswell/Wigram area. Details of this plan are contained in Volume II Section 6.3.16 of the City Plan.
- Selected areas of fringe development for urban purposes where adverse effects are minimal. Some additional areas could also be zoned as a result of the submissions to the City Plan.
- Retention of the focus of commercial development on the Central City and suburban focal points.

The existing urban growth strategy has taken into account rates of expansion above those considered to be most likely at the time of formulation (ie 1991 medium projections). However, if population growth continues at the current rate, consideration will need to be given to the possible allocation of additional land for residential and possibly industrial and commercial use.

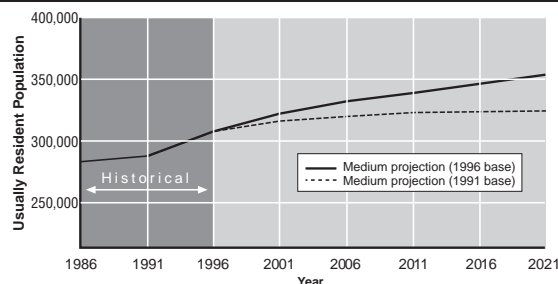
The Council has also begun working with neighbouring districts and the Regional Council to formulate a long term urban development strategy ie beyond the district plan period.

The Environmental Policy and Planning Unit will continue to closely monitor trends in City growth.

## Factors considered when preparing the long term financial strategy (LTFS)

Whereas the Annual Plan tends to focus on specific projects or programmes, the LTFS reflects the Council's vision for the future. It reflects the Council's judgement as to the way in which the changing needs and demands of the community should be accommodated. The factors which were considered when preparing this LTFS are outlined below:

Table 1: Historical and projected population



Source: Statistics New Zealand, 1991 and 1996 Base Population Projections

## (c) Economic Factors

### Real GDP

Nationally the economy is expected to grow by 2.1 per cent in 1998, before peaking at 3.6 per cent in 2000. This growth is underpinned by a tax cut in 1998. The New Zealand Institute of Economic Research (NZIER) has forecast growth of:

	1998	1999	2000	2001	2002
<b>Annual % GDP growth</b> (As at December 1997)	2.1	3.0	3.6	3.2	2.8

### Government

The Government will be spending \$1 billion more in 1997/98 than it intended to spend prior to the coalition agreement. The balance is forecast to increase to \$2.5 billion in 1997/98, then fall to \$1.7 billion in 1999 as a consequence of the tax cut programme, increasing again to \$2.6 billion by the year 2001.

### Inflation

Underlying inflation is expected to fall during 1997/98. Inflation is then expected to rise due to higher government spending and tax cuts. Monetary tightening will keep inflation comfortably under the 3 per cent Reserve Bank upper target for the entire forecast period.

The NZIER forecasts inflation to be:

<b>Prices</b>					
(annual % change)	1998	1999	2000	2001	2002
<b>CPI</b>	0.5	2.5	2.2	1.2	1.6
<b>Underlying Inflation</b> (As at December 1997)	0.6	2.2	2.7	1.9	1.5

### Interest Rates

Interest rates are expected to rise in 1998, as the Reserve Bank acts to protect its inflation target in the face of tax cuts and higher government spending. Current NZIER forecasts for key interest rates are:

<b>Interest Rates</b> (For year ending March)	1998	1999	2000	2001	2002
<b>90 day bills</b>	8.8	9.4	8.6	7.3	7.4
<b>1st Mortgage</b>	7.9	8.3	7.9	7.4	7.2

### Business

Business confidence has fallen in recent months and this reflects fallout from the Asian crisis. Despite this, and the high exchange rate, export volumes are recovering and real output continues to grow. Demand is expected to lift further in the second half of 1997/98 as government spending rises. The tax cut, now scheduled for 1 July 1998, will boost demand in 1998/99. Profits troughed in 1996/97 and investment has weakened, but both are expected to pick up strongly in 1998/99 as demand rises.

### Households

Growth in household spending continues to ease. The tax cuts are expected to generate an upswing in the household sector. Household savings will also pick up with the increase in disposable income.

### Labour Market

Both wage and employment growth are declining. They are expected to pick up over the last two years of the decade as the labour market responds to a tax cut led recovery in the economy. The national unemployment rate is expected to remain largely unchanged at approximately 6 per cent for the rest of the decade.

## Significant Assumptions and Provisions

In establishing the financial forecasts and projections, a number of provisions and assumptions have been made. The main ones are:

- Interest rates of 8.7% for 1998/99 and 8.5% for subsequent years.
- Debt repayment of all borrowings on a 20 year rolling basis.
- Full depreciation of all operating and infrastructural assets.
- Inflation of 2% on both operating projections and capital projections.
- An increase in the rating base of \$2.5M for 1998/99 and \$2M from 1999/00 onwards.
- Costings for 1998/99 capital projects are based on developed plans.
- Costings for capital projects in subsequent years are generally based on estimates which will be revised as more detailed planning work is undertaken.
- The asset management plan work, completed in 1997, has been used to produce renewal programmes for all major infrastructural assets.
- The Council is committed to implementing year 1 of the capital programme.
- The capital programme for subsequent years is supported by the Council but should not be regarded as committed.
- Provision is made for unspecified operating and capital expenditures. These provisions have been made to allow for some flexibility in future years. The unspecified operating provisions are \$550,000 in years 2 and 3 and \$850,000 thereafter. There is an unspecified capital provision of between \$2.6M and \$6.0M per annum.
- Surpluses will be generated from 1999/00 at a minimum of 1.5% of the provision for debt repayment. (The purpose of this assumption is to moderate the dependence on debt for financing capital expenditure.)

## Key Issues

The key issues addressed by the LTFS are described below:

### •Land for Urban Development

The construction of new homes remains high in Christchurch. In 1996 there were 116,000 dwellings in the city and projections suggest that this will increase by almost 20% to 140,000 over the next two decades. It is becoming evident that the provision of land for urban development in existing and proposed district plans for Christchurch and neighbouring authorities is likely to be inadequate to meet needs over this period. As a result the City Council has begun working with surrounding districts and the Canterbury Regional Council to ensure that significant land shortages are avoided.

### •Social Initiatives

Individuals and groups within the community not coping with the pace of change is another key issue. The results of this are crime, and increased anti-social behaviour among all groups but especially children and young people.

The City Council does not accept that it has sole responsibility for addressing this issue. It is vital that central government exercises leadership and also that the community at large, including a very wide range of voluntary groups and the commercial sector recognise that they have a role to play. The Council's primary role will be that of a catalyst and facilitator, although at the margin the Council sees its role as making targeted interventions especially to support initiatives developed within the voluntary sector of the community.

This issue will continue to be a priority for the Council. Examples of the social programmes included in the LTFS include:

- Joint programmes with Central Government to provide supervised work placement for 'high risk' young people.
- Funding social workers attached to schools to work with 'at risk' children and their families.
- Provision of support funding for community development facilitators to strengthen community ties and support community activities.
- Funding of a Youth Advocate.
- Working with the Crime Prevention Unit and the Trust Bank Community Trust to fund programmes to turn around the behaviour of primary school aged disruptive children and truants.



### •Improving the City Basic Infrastructure

During 1996 and 1997 a complete review was undertaken of service standards for all of the Council's main infrastructure functions. This exercise known as the Asset Management Review involved looking in detail at the costs and benefits of different 'levels of service' for assets such as roads, water supply and parks.

The major changes resulting from the Asset Management Review process include the provision of funding for:

- A major upgrade of the capacity, discharge quality and odour control at the Bromley Treatment Plant. The Plant receives the majority of the liquid waste from residences and businesses around Christchurch.
- Starting a major programme of protecting, stabilising, improving and revegetating Christchurch's waterways and wetlands to provide an environmentally sustainable asset condition.
- Increasing the rate of land purchase for new sports grounds, new cemeteries, neighbourhood parks and natural areas such as the Port Hills.

### •An Environmentally Sustainable City

In addition to Kerbside Recycling, the Council in partnership with the private sector and environmental interest groups has established a Recovered Materials Foundation. This organisation will focus on finding the most effective way of reusing and recycling materials. Where possible it will also seed new technology and processes which will provide employment opportunities in Christchurch.

### •A Child Friendly City

Implementation of the Council's children's strategy will continue with further investments in initiatives like safe cycle routes to schools, the Library's pre-school outreach programme and Kidsfun After School Programmes.

### •A Vibrant City Centre

This continues to be a principal objective of the Council and the LTFS provides for a continuation of environmental improvements, notably the refurbishment of Cathedral Square. Central city marketing and other similar initiatives are designed to encourage Christchurch people to continue to see the city centre as the heart of the community.

### •Community Facilities

The 8,500 seat WestpacTrust Centre is now under construction at Addington. Implementation of modern library and swimming pool facilities in those parts of the city which are currently poorly served are provided for within the LTFS. Construction of a new city art gallery on the corner of Worcester Boulevard/Montreal Street is also included within the LTFS with the completion date planned for 2002/03.

The LTFS makes provision for significant expenditure on Queen Elizabeth II Pools. The planned expenditure which totals \$19.3M over a five year period will bring this important facility up to international standards. Included within this sum is a leisure pool.

### •Smog Free City

A total of \$1.9M spread over four years has been included in this Strategy for anti smog initiatives. It will include grants to enable users of open fires and coal burners to convert to cleaner technologies. These grants will also include funding for thermal insulation.

### •A New Landfill

The Council together with the other territorial local authorities in Canterbury and the Canterbury Regional Council have formed the Canterbury Waste Joint Standing Committee (CWJSC) in order to plan for and develop a new landfill site for the region. The City contributes more than 60% of the refuse to landfill in the region and thus has a major interest in this project. The current City landfill at Burwood, in Bottle Lake Forest, has a resource consent that expires in 2002 and the aim of the CWJSC is to have a new site consented and developed by then.

### •Access for All

The LTFS continues to address some of the imbalances in the distribution of facilities and service standards around the city, these are important equity issues. A good example here is sewerage and water reticulation on the rural urban fringe.

## ACTIVITIES

The Act requires each local authority to justify why it is undertaking its range of activities.

The reasons why the Council operates each activity are set out in Appendix 2. Reasons vary and include:

- community choice (arising from consultation with community);
- requirement of legislation (eg regulatory services, democracy costs);
- to maintain or improve the environment;
- not economic for third parties to provide.

## Financial Analysis

The LTFS is a planning document. There are, however, detailed budgets sitting behind the long term financial projections. All the financial data has been keyed into a financial planning model which produces projected balance sheets, cashflows, debt levels, investments and rate requirements. Many scenarios have been modelled and the Council's preferred options relating to each activity are reflected in the strategy.

The overall objective of the financial analysis is to portray the impact of a complex range of decisions in a way that is financially achievable and economically affordable for the city's ratepayers.

The paragraphs which follow explain in detail the financial summary which is included in the introductory section of the Strategy.

### •Operational Expenditure

Operational expenditure includes all the day-to-day costs necessary to run a large multi-function organisation.

Operational expenditure is made up of:

- Direct Operating Costs. These costs include staff costs, insurance, energy, computing and maintenance work on the city's infrastructural assets.
- Debt Servicing Costs. These costs are the interest costs incurred as a result of the Council's borrowing programme. They are projected to remain constant at the \$10M level for the first four years and to increase in subsequent years once the Council commences borrowing in 2002/03.
- An inflation provision. A 2% provision per annum has been incorporated within the Model to ensure that the projections are realistic.
- An unspecified operating sum. This has been allowed for in each year and will enable some new initiatives to be accommodated within the existing programme. The sums vary from \$550,000 in years 2 and 3 to \$850,000 in years 4 to 10.
- Depreciation. Has also been included within the operating costs. Depreciation is explained in more detail in the next section.

### •Depreciation

The charging of depreciation records the wearing out of the assets which contribute to the services provided by the Council. As the Council has progressively valued all of the city's assets and added to them, the amount of depreciation has grown to \$50M in 1998/99. By 2007/08 depreciation is projected to be \$58.6M.

The proceeds from depreciation are used to renew the basic infrastructure. This includes kerb and channels, water mains, sewer pipes and recreation assets such as playgrounds.

By rating for depreciation the Council is ensuring that sufficient money is set aside for renewal of the city's basic infrastructure at a rate which maintains its value and standard of service



### •Operational Revenue

Operating revenues include user charge revenues, Transfund subsidies and dividends from Christchurch City Holdings Limited (CCHL).

User charge revenues are projected to grow by 9% over the 10 year period. This reflects the impact of revenue from the two new swimming pools, increased revenue from the Transfer Stations plus adjustments for inflation.

The dividends from CCHL are explained in the section which follows.

### •Dividends from Christchurch City Holdings Limited (CCHL)

The Council anticipates a growing level of dividends over the next few years due to an increased ratio of dividends to profit, increased rates of return on assets employed and increased profitability. These three factors affect each company to differing degrees. The Council primarily holds its investment in these companies to protect the community's interest. However, it considers that reasonable rates of return should be received to ensure that the companies strive to maximise operating efficiencies and have sufficient resources to finance their own capital needs.

Dividend projections are conservatively assessed to protect the Council from fluctuations from budget and CCHL holds reserves to cope with such fluctuations.

### •Surpluses

The LTFS forecasts operating surpluses. This is in line with the policy adopted in 1994 for the Council to operate an annual surplus.

Surpluses will help to progressively reduce the need to borrow for capital works. They will also provide a significant contribution to the annual repayment of debt.

Surpluses are generated at 1.25 times the level of debt repayment in 1999/00 and 1.50 times from 2000/01 onwards. 2000/01 also includes a special add on of \$2M to help smooth the impact of future rate increases.

These surpluses will increase the rate at which the Council is quitting its debt and reduce the future levels of new debt necessary to maintain and enhance the city's services.

### •Capital Expenditure

The capital expenditure programme includes a number of large projects. These include the Bromley Sewerage Treatment Plant expansion, the new landfill, Centennial Pool, Pioneer Pool and QE II Leisure Pool, Cathedral Square Redevelopment, the Art Gallery, the Pier Terminal Building and the Fendalton and Spreydon Libraries.

Like the operating budgets the capital projects also include a 2% inflation provision and an unspecified provision from year 2 onwards. The unspecified capital provisions are significant (up to \$6M in 2001/02) and they enable the Council to add to the existing programme without increasing the overall cost.

Details of the first five years of the capital expenditure programme are to be found in the capital budget of Volume II.

### •Borrowing and Consolidated Debt

Provision for the repayment of Council debt is made by annual contributions to sinking fund reserves. These contributions are calculated to ensure tranches of debt are repaid no later than 20 years after they are initially borrowed. The financial model assumes sinking funds are accumulated in perpetuity whereas in practice opportunity will be taken to repay portions of the debt from accumulated sinking funds as shorter term maturities are rolled over.

For the purpose of presentation it is essential to recognise sinking funds as an offset against gross debt. The product of the offset is called Term Debt and reflects the actual projected indebtedness.

The Council also has reserve funds set aside for future projects and consistent with normal commercial practice this is offset to determine the Net Debt of the Council.

### •Intergenerational Equity

Intergenerational equity helps to ensure that today's users pay today's costs of utilising Council assets. Such a policy prevents costs being incurred by the current generation which are for the benefit of future generations.

The Council has put in place the following mechanisms to ensure intergenerational equity:

- All assets are depreciated at a rate assessed to reflect the life of particular assets.
- The majority of new capital works are funded by loans which are repaid on a rolling basis over a 20 year period from surpluses generated in the operating account.
- Revenue of the Council is required to be sufficient to meet:
  - depreciation on capital assets employed
  - interest on outstanding debt
  - the proportion of outstanding debt due to be repaid each year.
- Asset Management Plans have been developed for all major assets types to ensure that an appropriate rate of renewal of existing assets is planned for and carried out. This renewal work is generally funded by a first call on depreciation funds generated by revenue.

### •Capital Restructuring

Provision has been made in the LTFS for capital repatriation from subsidiaries. This funding has been applied to reducing Council debt. Any further capital repatriation in subsequent years has not been provided for in the Financial Model at this stage as there is no certainty as to quantum or likelihood.

The Council intends to keep under review the capital structure of its subsidiaries to ensure that trading enterprises are adequately geared.

Appropriate gearing of companies ensures that the capital employed is efficiently funded. Debt incurs interest costs which are a deductible expense to a business and debt is therefore a cheaper form of finance than equity funding.

### •Financial Statement Projections

The detailed long term projections are to be found in Appendix 4. They should be read in conjunction with the Statement of Accounting Policies. The Statement of Accounting Policies is published in Volume II.

The financial projections have been prepared in accordance with the Institute of Chartered Accountants of New Zealand Reporting Standard 29 (FRS 29). Disclosures relating to FRS 29 are detailed in Appendix 3.

### •Credit Rating

In 1993 the Council received an AA international credit rating from Standard and Poor's. This rating was reviewed and confirmed by Standard and Poor's in 1995 and in 1997.

This high rating reflects the strong overall financial position of the Council and the steps taken to eliminate the operating deficit and control the level of debt through a clearly defined debt management policy.

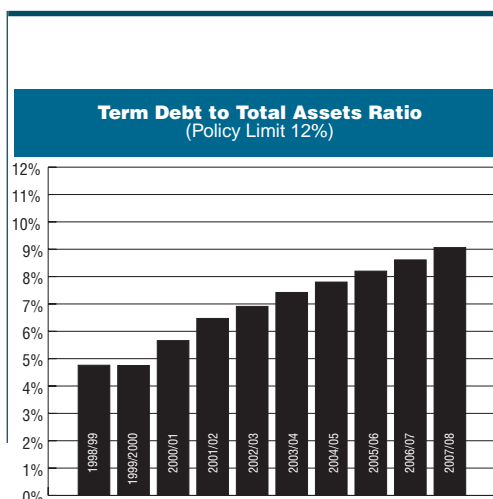
### •Financial Ratios

The impact which the Council's LTFS has on the four key financial ratios are graphed at the right. These ratios relate to the Christchurch City Council and CCHL combined. The policy limits are defined in the statement alongside each graph. These limits represent the outer bench marks for the Council to live within the long term.

**The ratio limits are highlighted by the top line on each graph.**

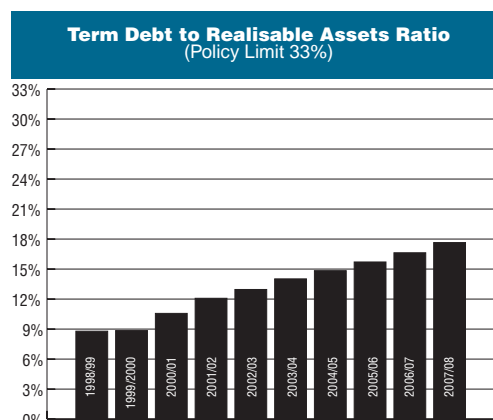
This ratio compares the term debt (ie gross debt, less the dedicated debt repayment reserves) with the total assets of the Council and sets a maximum of 12 per cent.

This is like saying how large your mortgage is compared to the value of all your assets. The ratio is currently 7.76 per cent and reaches a peak of 9.06 per cent in 2006/07.



This ratio compares total debt with a significantly reduced category of assets which are more normal business type assets.

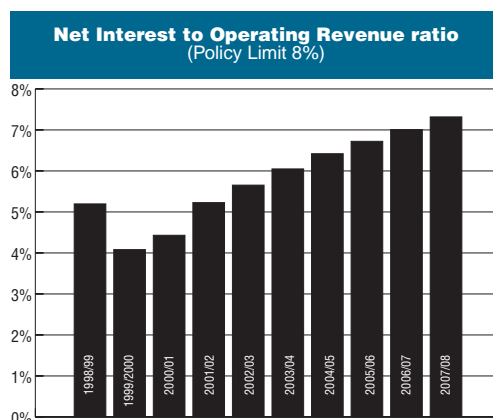
The assets used as the measurement base exclude those which are basic to the needs of the city, such as roads, sewers, parks and water supply but includes property, vehicles and trading investments. The ratio has a maximum of 33 per cent. It is currently 8.79 per cent and reaches a peak of 17.65 per cent in 2007/08.



This ratio measures how much of the Council's income is spent on interest.

It is like comparing how much of your income goes towards servicing your mortgage.

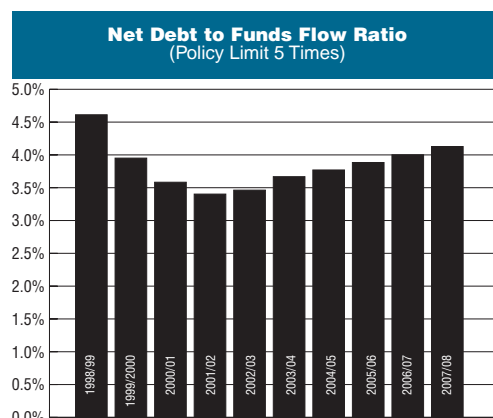
The maximum is 8 per cent. The ratio is currently 5.20 per cent and reaches a peak of 7.32 per cent in 2007/08.



Net debt is total debt less all other cash reserve funds which the Council holds. The ratio compares this with the annual cash flow of the Council.

It is like checking how many years cashflow would be necessary to repay net debt or comparing how many years total income it would take to repay your mortgage.

The maximum of 5 indicates that net debt could be repaid with five times the annual cashflow. Currently the ratio is 4.61. This is the peak for this ratio which declines to 3.40 times in 2001/02 and then moves up to 4.13 times in 2007/08.



# Appendix 1

## Population growth

### 1. Projected Net Migration

Migration is the largest component of the projected population growth. However, it is also the most volatile and is heavily influenced by economic, social and political factors, both nationally and internationally. Based on current trends, Statistics New Zealand predicts that the current level of migration is unlikely to be sustained. Accordingly they have projected a decline in net migration from 7,000 people during 1996-2001 to 4,000 people per five year period until 2021. Although this is a relatively large reduction, the net migration component will remain comparatively high.

### 2. Projected Natural Increase

Natural increase is largely shaped by fluctuations in the number of births. These fluctuations are a result of a variety of demographic and social factors including the number of women in the population of childbearing age and shifts in family formation norms (ie change to later marriage and older parenting).

The net population gain from natural increase is projected to decline from 6,530 for the period 1996-2001 to 1,960 people between 2016 and 2021. This reflects the projected decline in the Total Fertility Rate (TFR) from 1.59 children per woman during 1996-2001 to 1.52 during 2016 to 2021 (Table 2).

**Table 2.**  
**Christchurch City Usually Resident Population Projections,**  
**1996-2021 (Medium Projection)**

Year Ending 31 March	Usually Resident Pop	Pop Change Number	Pop Change Averag Annual Rate(%)	Births Number	Births Annual Rate	Deaths Number	Deaths Annual Rate	Natural Increase	Pop Age Dist(%) 0-14	Pop Age Dist(%) 15-64	Pop Age Dist(%) 65+	Median Age	TFR	Net Migrtn	Life Exp At Birth Male	Life Exp At Birth Female
<b>Historical</b>																
1986	282,216	6,243	0.4	18,272	13.1	12,721	9.1	5,551	20.6	66.9	12.5	31.7	1.6	710	70.3	76.4
1991	289,077	6,861	0.5	20,638	14.5	13,359	9.4	7,279	19.5	67	13.4	32.8	1.76	(400)	71.9	77.8
1996	309,030	19,953	1.3	20,766	13.9	13,405	9	7,361	19.4	67	13.6	33.7	1.69	12,590	73.5	79.1
<b>Medium Projection</b>																
2001	322,600	13,600	0.9	20,150	12.8	13,620	8.6	6,530	19.4	67.3	13.3	35	1.59	7,000	74.7	80
2006	331,800	9,200	0.6	19,290	11.8	14,030	8.6	5,260	18.4	68.2	13.4	36.7	1.55	4,000	75.6	80.7
2011	339,600	7,800	0.5	18,220	10.9	14,460	8.6	3,760	17.4	68.6	14	38.5	1.53	4,000	76.4	81.3
2016	346,100	6,500	0.4	17,510	10.2	14,960	8.7	2,550	16.2	68	15.8	40.2	1.52	4,000	77.2	81.9
2021	352,100	6,000	0.3	17,450	10	15,490	8.9	1,960	15.5	66.9	17.7	41.4	1.52	4,000	77.9	82.5

Assuming medium fertility, medium mortality and medium migration

Source: Statistics New Zealand, 1991 and 1996 Base Population Projections

### 3. Changing Age Structure

In line with national trends, some significant changes have occurred in the age structure of Christchurch's population over recent years. Most notably, there has been a progressive decline in the number and proportion of young people in the City's population and a gradual increase in the elderly.

#### •Decline in Children

The number of children aged under 15 years living in the City declined by 7,000 people between 1981 and 1991 (Table 3). Proportionately, the under 15 years group also declined from 23.1 per cent to 19.5 per cent of the resident population.

In 1996, 59,997 people were aged under 15 years. Latest Census results show a small increase in the actual number of residents in this age group between 1991 and 1996 although proportionately the group continued to decline.

Changes in the under 15 age group are linked more to changes in birth rates and infant and child mortality than to migration, since most migrants are of working age. The slight numeric increase in the under 15 age group between 1991 and 1996, resulted from a brief but significant increase in the number of births in the City during this period. This was a result of the combined effects of women who originally delayed childbearing, choosing to have children during the early 1990s and an increase in the number of women in the childbearing age group.

Age projections for Christchurch suggest that the latest increase in the under 15 age group was merely a temporary departure from the longer term downward trend. It is expected that the number and proportion of children in the City will continue to decline over the next twenty five years (Table 3). By 2021 it is expected that the under 15 age group will number 54,400 and comprise only 15.5 per cent of the population.

#### •Increase in the Elderly

In contrast to the under 15 years age group, the City's elderly population (65 years and over) increased substantially during the 1980s reflecting national trends. In 1981, people aged over 65 numbered 32,070 or 11.6 per cent of the resident population. Ten years later the elderly numbered 38,793 people and comprised 13.4 per cent of the population. At the time of the 1996 Census, 41,904 people were over 65 years. This translated to 13.6 per cent of the population.

Over the next 25 years the City's elderly population will grow significantly. The projected growth is attributable to the movement of the large baby boom generation (ie people born between 1945 and 1965) into the older age groups. By 2011 the first of the baby boomers will be entering retirement ages. The elderly are then expected to comprise 14 per cent of the population. From this point, there will be a dramatic increase in the 65+ population. In 2016, the 65+ age group is projected to comprise 15.8 per cent of the population increasing to nearly 18 per cent by 2021 (Table 3).

**Table 3. Historical and Projected Population**

Year	0-14 years	%	15-64 years	%	65+ years	%	Total
<b>Historical</b>							
1981	63,531	23.1	179,889	65.3	32,070	11.6	275,490
1986	58,020	20.6	187,950	66.8	35,313	12.6	281,283
1991	56,448	19.5	193,662	67.0	38,793	13.4	288,903
1996	59,997	19.4	207,129	67.0	41,904	13.6	309,030
<b>Projected</b>							
2001	62,470	19.4	217,140	67.3	42,950	13.3	322,560
2006	61,170	18.4	226,140	68.2	44,510	13.4	331,820
2011	59,060	17.4	233,020	68.6	47,520	14.0	339,600
2016	56,190	16.2	235,330	68.0	54,610	15.8	346,130
2021	54,400	15.5	235,500	66.9	62,200	17.7	352,100

Source: Statistics New Zealand, 1991 and 1996 Base Population Projections

# Appendix 2

## Rationale for council activities

Local government enables the community to do together what people are not able to do individually.

### 1. Art Gallery

This activity provides for the maintenance and development of some 4,500 pieces of artwork, mounting of regular exhibitions from the permanent collection and temporary touring exhibitions. It also involves the provision of information and advice on the visual arts.

There is no statutory requirement for the Council to be in the business of Art Galleries. However, certain legal obligations have been imposed on the city in respect of bequests and trusts made to the city in the past. This means that the Council becomes responsible for the collection items and donations which have been gifted to the city.

Both the Robert McDougall Art Gallery and the Annex aim to enhance the cultural well-being of the community through the cost effective provision and development of an art museum to maximise enjoyment of visual art exhibitions. This also involves promoting public appreciation of the Canterbury region's art heritage by collecting, conserving, studying and disseminating knowledge of works of art.

### 2. Car Parking

This activity provides for: the management and operation of off-street parking facilities and on-street parking meters; the fair enforcement of traffic regulations and parking by-laws; policing stationary vehicles; administering the removal and disposal of abandoned vehicles; the control of revenue from these activities.

Statutory requirement to engage in these activities is delegated to local authorities by central government through the Transport Act 1962 and pursuant to the provisions of the Local Government Act (1974).

The aim of the car parking activity is to enhance the amenity and accessibility of commercial areas. It also aims to ensure an efficient safe operation of the city's roading system by managing public parking resources and fair enforcement of traffic regulations and parking by-laws.

### 3. City Streets

This activity provides maintenance of the city streets system, including road and footpath surfaces, kerbs and channels, traffic signals and street lighting; traffic safety education, planning of new roads, and provision of the tram tracks to a commercial operator.

Statutory requirements to engage in these activities are contained in the Transit New Zealand Act (1989), the Land Transport Act (1993), the Local Government Act (1974), the Transport Act (1962) and the Resource Management Act (1991).

The long term transport vision of the Council aims to provide a city which has a sustainable, safe, convenient and efficient system of roads, cycleways, footways and passenger transport services ... so that ...

- People are satisfied with the level of service for personal mobility, and they have freedom of choice of transport mode - by car, bus, cycle or on foot.
- Businesses (and therefore the economy) are supported by levels of service for goods movement which are consistent with efficient business operations.
- Christchurch is the safest city in New Zealand, as perceived by road users and as judged by crash data.
- Christchurch is the most cycle friendly city - anywhere.
- People use passenger transport much more than they do today - and it keeps growing as a proportion of all trips.
- Christchurch is the most pedestrian friendly city, anywhere - especially for children, the elderly and the disabled.
- Physical assets on streets meet agreed community expectations and they are managed in the most cost effective way.
- The City's natural and physical environment is protected and enhanced.

### 4. Community Services

This activity is based around the operation of a network of seven suburban service centres - six providing service delivery and technical liaison, one with payment and information services only, and two contracted agencies. It also includes counter services provided at the Civic Offices. Three of the seven service centres act as a decentralised base for the delivery of selected public services. The service centres are responsible for providing administrative support to community boards, organising and managing community activities and facilities for defined

communities and facilitating technical liaison between customers and other Council business units.

The Order in Council which established the Christchurch City Council in 1989 required the Council to establish and maintain, at least until 1 November 1995, six service delivery centres. Although the period specified in the Order in Council has elapsed, the Council sees the suburban service delivery network as a key element to providing accessible local government and better customer service.

The overall service objective of this activity is to effectively respond to local public service needs by providing for and promoting high quality and timely Council service delivery to the public from a network of service delivery centres and community facilities.

## 5. Economic Development and Employment

The Christchurch City Council funds the Canterbury Development Corporation, which facilitates the creation of employment opportunities for young people and adults, assists with employment creation and provides a range of services to enhance the sustainability of small businesses by focusing on improved management capability. As part of its services focused on economic development, the Council also contributes to the work of the Canterbury Tourism Council, which provides services to visitors to the city, including convention marketing, tourism marketing and visitor information services.

These activities are carried out pursuant to the Council's policies; Business Policy - Attracting New Business To Christchurch (1990); and Employment and Economic Development Strategies (1990).

This activity also includes the promotion and operation of the Town Hall, Convention Centre and the soon to be completed Westpac Trust Sport and Entertainment Centre. These multi-functional facilities are designed to attract major sporting and entertainment events and any other shows or exhibitions requiring extensive indoor space.

The aim of these facilities is to provide cultural, social and economic benefits to the Christchurch community by promoting the convention and entertainment facilities as pre-eminent venues for presenting the performing arts, conventions, trade exhibitions, sports and entertainment.

The overall service objective in the economic development and employment area is to provide sustainable economic development and increased employment through ensuring the co-ordinated provision of information, advisory, support and marketing services which result in the level of investment and the number of jobs in the city being greater than would otherwise be the case.

## 6. Environmental Policy and Services

### (a) Environmental Policy and Planning

This activity undertakes to:

- review and monitor the objectives and policies of the City Plan prepared under the Resource Management Act 1991;
- monitor the preparation and administration of policy statements and plans prepared by the Canterbury Regional Council and adjacent local authorities;
- prepare concept plans for urban renewal and environmental improvements of the city, including the Central City;
- provide policy advice on planning and development, conservation, design and heritage, transportation and environmental health issues, that affect the city;
- develop projects and prepare feasibility studies for achieving the objectives and policies of the City Plan, other than by regulation;
- administer funds set aside for promoting heritage retention and the removal of non-conforming activities;
- provide information and analysis of the economic, social and environmental issues of the city;
- promote an awareness of the environmental issues and values of the city; and
- provide a preliminary advice service to businesses on planning and regulatory matters.

This service arises from community desires to maintain and enhance the environment in which we all live, work and play. Specifically the Resource Management Act 1991 requires the Council to prepare a City Plan and to monitor

achievements of the Plan. The Act also requires the Council to consider the achievements of its objectives in ways other than by regulations contained in the Plan. Authority for a number of these is also contained in the Local Government Act. Many of the environmental policy and planning activities are related to identifying and promoting projects in this area.

The service objective of the Council for this activity is to manage and plan the use, development and protection of the natural and physical resources of the city in a sustainable way which:

- meets the reasonable foreseeable needs of future generations;
- provides effective opportunities for business and other economic activities;
- protects and enhances the significant natural environmental qualities of the city;
- provides for a diverse range of housing needs;
- maintains and enhances the amenity values of the city;
- enhances the landscape, visual and heritage qualities of the city;
- limits the adverse effects of activities on the environment;
- provides for a pattern of community, recreation and shopping facilities that effectively services the needs of the city;
- co-ordinates development with the provision of services;
- provides effectively for movement around the city; and
- balances the right of landowners to develop activities and the rights of the community to have external effects minimised.

Further, to apply the principles of environmental health in ways which promote the health, safety, comfort and well-being of the citizens of the city and to monitor the environmental, social and economic well-being of the city.

### (b) Environmental Services

This activity includes the preparation and implementation of the City Plan; the processing of land use and subdivision consents; administration of the Building Act, Building Code, environmental health statutes, animal control; providing information and advice on statutes and regulations, processing information for land information memoranda, and the monitoring and control of adverse environmental effects.

Statutory requirements to engage in these activities are contained in the following:

Resource Management Act (City Plan and planning administration); Building Act 1991; Dog Control Act 1996; Food Act 1981; Health Act 1956; Sale of Liquor Act 1989; Dangerous Goods Act 1974; and the Hazardous Substances and New Organisms Act 1996;

The Council endeavours to manage the use, development and protection of the natural and physical resources of the city in a manner which enables the city, and its communities and people, to provide in a sustainable, healthy and safe way, for their social, economic and cultural needs. It also undertakes to ensure that the statutory purposes and principles of building control, health, dangerous goods and liquor licensing, and of animal control, are achieved with minimal compliance costs.

## 7. Housing

This activity provides for the maintenance and enhancement of Council owned elderly persons housing stock, public rental housing and some general housing and administering of its tenancy.

The Christchurch City Council has chosen as a matter of policy to continue to be engaged in providing affordable quality housing for needy groups. All tenants are of limited means, and most are elderly. Rental levels are such that this function is at least 100% self funding and is therefore not a charge on rates.

The overall service objective of the Housing Unit is to provide personal welfare and contribute to the community's social well-being by ensuring that safe, accessible and affordable housing is available to elderly persons, people with disabilities and people on low incomes.

## 8. Library and Information Services

The Council operates a Central Library, 11 community libraries, one children's library and two mobile libraries which issue over five million items each year to 225,000 registered members. Services include lending a wide range of books, magazines, compact discs, videos and software; access to and assistance with information, both print and electronic; programmes and initiatives which support



literacy, education, culture, arts and literature; and research and reference facilities for Canterbury and New Zealand material.

Statutory reference to libraries is made in the Local Government Act 1974, under S 601 (4), which provides for councils to run libraries. The Act allows for charges to be made for certain services, but states that membership shall be free to all residents.

The overall service objective for this activity is to develop the knowledge, literacy and information skills of the city's residents and to contribute to the city's cultural, economic and social well-being and cultural understanding by providing and promoting accessible, non-exclusive, high quality and cost effective library and information services. There is also an objective to continue to provide effective lending and information services to clients of the library system.

## 9. Parks

This activity includes the maintenance and development of the city's parks and urban tree resource, the provision of sport and recreation facilities and cemeteries, rural fire fighting and related planning, information and regulatory functions.

Statutory requirements to engage in these activities are contained in the Reserves Act, Local Government Act (1974), Resource Management Act (1991), Rural Fires Act and the Burial and Cremation Act.

The overall service objective for this activity is to enhance the quality of life of the city's residents and visitors by providing parks and open spaces so as to conserve natural resources, promote the city's unique identity and service the need for sport and recreation. Also, to ensure that Christchurch remains the country's premier garden city and that our public parks and gardens remain internationally recognised.

## 10. Public Accountability

The public accountability activity provides for the government of the city by the Mayor and Councillors. This function of the Council aims to achieve the purposes of local government, including recognising the identity, values and rights of the Christchurch community, providing for choice in the provision of public facilities and services, and encouraging effective public participation in the governance of the city. Public accountability also includes publishing the Annual Plan and Annual Report to enable the public to assess the effectiveness and performance of the Council. It also covers the monitoring of the Council's trading activities such as Southpower, Christchurch International Airport and the Lyttelton Port Company.

The Council has a statutory responsibility to engage in this activity under the Local Government Act 1974 and the Local Government Official Information and Meetings Act 1987.

The overall service objective for this activity is to achieve the purposes of local government, including recognising identity, values and rights of the Christchurch community, providing for choice in the provision of public facilities and services, and encouraging effective public participation in local government.

## 11. Sewerage

Specific activities regarding the provision of liquid waste services include sewage and other liquid waste collection (reticulation and pumping), sewage treatment and disposal. These activities have a significant impact on the maintenance of the health of the citizens of Christchurch and the quality of their environment and are based on a comprehensive reticulation network for the collection, transport, treatment and disposal of sewage and other liquid wastes, including 1,353 km of sewer mains with 100,000 lateral connections, 80 pumping stations and three sewage treatment works. The latter treat 150 million litres per day of sewage to required standards and includes the operation of effluent disposal and biosolids reuse systems.

Liquid waste services are provided by the Council under the requirements of the Health Act 1956, Local Government Act 1974 and Resource Management Act 1991.

In summary, the aim is the provision of liquid waste management services for the community in a safe and environmentally responsible manner. This will include:

- understanding and meeting customers' needs;
- planning for city growth;
- promotion and implementation of a waste strategy of reduction, reuse, recycling, recovery, and safe residue disposal for liquid waste;

- maintaining appropriate information systems;
- conforming with all statutory requirements;
- promotion of sustainability;
- maintaining cultural sensitivity;
- operating on a cost accountable basis including regularly reviewing operating costs and revenue; and
- a policy of continuous improvement in all areas of operation and management.

## 12. Sport, Leisure, and Events

### (a) Sport and Recreation

This activity provides for the operation and maintenance of a variety of swimming pools, recreation facilities and sports stadia. A range of community services including provision and operation of pre-school facilities, community creches and toilet facilities are also provided.

Maintenance and administration of the city's rest rooms and conveniences is a statutory requirement under the Health Act 1956. The Council has also endorsed a Recreation and Sport Policy Statement (1996).

The overall service objective of this activity is to enhance the health and well-being of the people of Christchurch and their enjoyment of life through the provision and promotion of selected sport and recreation programmes and facilities, and providing access to advice and advocacy on community issues.

### (b) Festivals, Events and City Promotion

This activity includes co-ordinating four annual festivals, along with weekly city centre entertainment, including markets and concerts. Some of these activities receive cash sponsorship from businesses. Around \$150,000 per year is also provided through 'in kind' contributions from various businesses. In addition, the Council core funds a programme of festivals and events through the year, which also receive cash and 'in kind' sponsorships. As part of its service to Christchurch, the Council also promotes retail activity in the city centre, working in partnership with the retailers concerned to standardise and extend opening hours, produce shopping guides, advertise the city centre as a shopping destination and co-ordinate parking promotions.

Council policy is to protect and enhance the viability of the city centre in the best interests of the community.

The overall service objective for this activity is to plan and organise festivals and events.

## 13. Waste Minimisation and Disposal

Specific activities of the Council with regard to refuse are carried out under a Solid and Hazardous Waste Management Strategy which includes the following elements:

- reduction including commercial and in-house cleaner production initiatives;
- reuse including operation of commercial recycling centres at Parkhouse, Metro and Styx Mill Transfer Stations;
- recycling including domestic kerbside recycling collection, partnering with Recovered Materials Foundation for reuse of collected materials, provision of information and publicity, research and local drop-off points for recyclables, compost production at the Metro Place Garden City Compost Facility;
- residue disposal including residential kerbside and inner-city refuse collection, operation of three transfer stations and one landfill; and
- aftercare of various old landfills.

The size of the operation is indicated by the input of approximately 250,000 tonnes per year of refuse to the landfill.

Solid waste services are provided by the Council under the requirements of the Health Act 1956, Local Government Act 1974 (including Amendment No. 4 1996) and the Resource Management Act 1991.

In summary the aim is the provision of solid waste management services for the community in a safe and environmentally responsible manner. This will include:

- understanding and meeting customers' needs;
- planning for city growth;
- promotion and implementation of a waste strategy of reduction, reuse, recycling, recovery, and safe residue disposal for solid waste;
- maintaining appropriate information systems;
- conforming with all statutory requirements;
- promotion of sustainability;
- maintaining cultural sensitivity;
- operating on a cost accountable basis including regularly reviewing operating costs and revenue; and
- a policy of continuous improvement in all areas of operation and management.

#### **14. Water Supply**

Specific activities carried out by the city in this area includes the operation of 81 pump stations to extract potable water from underground aquifers and reticulate the supply via 1,300 km of mains to 102,600 connections. Five storage and 25 secondary reservoirs support the system.

While there is no mandatory requirement that the Council provides these services, empowerment to undertake the activity is provided by the Local Government Act 1974. The ability to fund the services derives from the Rating Powers Act 1988.

The overall service objective for this activity is to provide a sufficient, reliable and cost effective supply of high quality water to the Christchurch community while sustainably managing the city's water resources, and protecting people and property from fire and flood.

#### **15. Waterways and Wetlands**

Waterways and wetlands are managed to provide an effective drainage network for the city comprising 85 km of rivers and streams, 278 km of open waterways, 572 km of piped stormwater drains and seven retention basins. The activity is also responsible for retaining and enhancing those elements of the land drainage system that contribute to the city's landscape, natural environment and recreation values.



# Appendix 3

## Financial Reporting Standard No. 29 (FRS 29) Disclosures

In accordance with the Institute of Chartered Accountants of New Zealand Financial Reporting Standard 29, the following information is provided in respect of the Long Term Financial Strategy:

### **(a) Cautionary Note**

The Long Term Financial Strategy and financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

### **(b) Nature of Prospective Information**

The financial information has been prepared on the basis of best estimate assumptions as to future events which the Council expects to take place.

The financial information presented consists of both forecasts and projections. The financials for 1998/99 are forecasts which reflect the most probable outcome. The financials for 1999/00 and subsequent years are projections. They are based upon varying assumptions about the conditions that might exist and possible courses of action.

### **(c) Assumptions**

The principle assumptions underlying the forecasts and projections are noted on page 30. These assumptions were valid as at 30 June 1998, the date this Plan was adopted.

### **(d) Extent to which Prospective Information Incorporates Actual Results**

Although the period covered by the Long Term Financial Strategy contains no actual operating results, some financial information has however been extrapolated from the Council's audited Financial Statements as at 30 June 1997.

### **(e) Purpose for which the Prospective Information is Prepared**

The Long Term Financial Strategy is in accordance with the Local Government Amendment Act (No. 3) 1996. The purpose of this legislation is to promote prudent, effective, and efficient financial management by local authorities.

# Appendix 4

## Long Term Financial Projections

**Statement of financial performance**

**Statement of financial position**

**Statement of cash flows**

**Statement of movements in equity**

# Statement of financial performance

## STATEMENT OF FINANCIAL PERFORMANCE (LTFs)

	1998/99 \$M	1999/00 \$M	2000/01 \$M	2001/02 \$M	2002/03 \$M	2003/04 \$M	2004/05 \$M	2005/06 \$M	2006/07 \$M	2007/08 \$M
<b>INCOME</b>										
Rates	121.18	125.93	130.72	136.03	142.76	149.18	155.62	160.51	167.54	175.41
Interest	10.23	10.99	11.16	11.36	11.59	11.96	12.45	13.09	13.85	14.74
Petroleum Tax	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90
Dividends	17.80	18.93	22.13	22.97	24.10	25.37	26.72	28.53	29.32	29.53
Levies Grants & Donations	3.50	3.50	3.80	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Sundry Revenue	1.16	1.05	1.13	1.18	1.17	1.17	1.17	1.17	1.17	1.17
Significant Activity Income	73.26	74.57	75.88	77.21	81.06	81.22	81.53	81.42	81.25	81.08
<b>TOTAL INCOME</b>	<b>229.02</b>	<b>236.88</b>	<b>246.72</b>	<b>254.65</b>	<b>266.58</b>	<b>274.81</b>	<b>283.39</b>	<b>290.62</b>	<b>299.03</b>	<b>307.84</b>
<b>EXPENDITURE</b>										
Levies	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84	2.84
Professional Expenses re Subsidiaries	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Sundry Expenditure	2.03	2.11	2.13	2.07	2.10	2.07	2.12	2.08	2.10	2.09
Significant Activity Cost	172.42	178.03	184.44	191.59	200.77	206.96	213.17	218.30	224.43	230.81
Depreciation	50.48	51.75	52.54	53.51	54.43	55.25	56.13	56.98	57.86	58.77
<b>TOTAL EXPENDITURE</b>	<b>228.27</b>	<b>235.23</b>	<b>242.44</b>	<b>250.51</b>	<b>260.65</b>	<b>267.63</b>	<b>274.76</b>	<b>280.70</b>	<b>287.72</b>	<b>295.00</b>
<b>NET OPERATING SURPLUS (DEFICIT)</b>	<b>0.75</b>	<b>1.65</b>	<b>4.28</b>	<b>4.14</b>	<b>5.93</b>	<b>7.19</b>	<b>8.63</b>	<b>9.92</b>	<b>11.32</b>	<b>12.83</b>
Capital Grants - Contributions	2.88	4.86	1.56	3.51	3.79	0.69	0.61	0.61	0.61	0.00
Capital Repatriation from Trading Activities	123.00									
<b>NET ACCOUNTING SURPLUS (DEFICIT)</b>	<b>126.63</b>	<b>6.52</b>	<b>5.83</b>	<b>7.65</b>	<b>9.72</b>	<b>7.88</b>	<b>9.24</b>	<b>10.54</b>	<b>11.93</b>	<b>12.83</b>
<b>RETAINED EARNINGS</b>										
Balance 1 July	154.16	202.66	215.03	261.65	308.32	322.09	329.29	337.84	347.69	358.94
Net Surplus (Deficit) Transferred	126.63	6.52	5.83	7.65	9.72	7.88	9.24	10.54	11.93	12.83
	<b>280.79</b>	<b>209.18</b>	<b>220.87</b>	<b>269.30</b>	<b>318.05</b>	<b>329.97</b>	<b>338.53</b>	<b>348.38</b>	<b>359.63</b>	<b>371.78</b>
Transfer to Funds	(11.57)	(11.57)	(11.57)	(11.57)	(11.57)	(11.57)	(11.57)	(11.57)	(11.57)	(11.57)
Transfer from Funds	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
<b>BALANCE 30TH JUNE</b>	<b>202.66</b>	<b>215.03</b>	<b>261.65</b>	<b>308.32</b>	<b>322.09</b>	<b>329.29</b>	<b>337.84</b>	<b>347.69</b>	<b>358.94</b>	<b>371.09</b>

# Statement of financial position

## STATEMENT OF FINANCIAL POSITION (LTFS)

	1998/99 \$M	1999/00 \$M	2000/01 \$M	2001/02 \$M	2002/03 \$M	2003/04 \$M	2004/05 \$M	2005/06 \$M	2006/07 \$M	2007/08 \$M
<b>CURRENT LIABILITIES</b>										
Accounts Payable	24.03	24.03	24.03	24.03	24.03	24.03	24.03	24.03	24.03	24.03
Provision for Taxation	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Accruals	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69	13.69
Current Portion of Term Liabilities	37.18	20.57	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
<b>TOTAL CURRENT LIABILITIES</b>	<b>75.92</b>	<b>59.30</b>	<b>46.23</b>	<b>46.23</b>	<b>46.23</b>	<b>46.23</b>	<b>46.23</b>	<b>46.23</b>	<b>46.23</b>	<b>46.23</b>
<b>NON-CURRENT LIABILITIES</b>										
Term Debt	105.95	122.24	134.98	134.65	157.54	189.20	217.62	248.28	281.59	318.38
Provision for Gratuity Allowances	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>110.85</b>	<b>127.14</b>	<b>139.89</b>	<b>139.55</b>	<b>162.44</b>	<b>194.10</b>	<b>222.52</b>	<b>253.18</b>	<b>286.49</b>	<b>323.28</b>
<b>RATEPAYERS FUNDS</b>										
Reserves	22.36	23.05	23.73	24.42	25.10	25.79	26.47	27.16	27.84	28.53
Debt Repayment Reserve	92.45	85.91	44.44	4.73	0.00	0.00	0.00	0.00	0.00	0.00
Capital Reserves	1,756.22	1,756.22	1,756.22	1,756.22	1,756.22	1,756.22	1,756.22	1,756.22	1,756.22	1,756.22
Revaluation Reserve	608.89	608.89	608.89	608.89	608.89	608.89	608.89	608.89	608.89	608.89
Retained Earnings	202.66	215.03	261.65	308.32	322.09	329.29	337.84	347.69	358.94	371.09
<b>TOTAL RATEPAYERS FUNDS</b>	<b>2,682.59</b>	<b>2,689.10</b>	<b>2,694.94</b>	<b>2,702.59</b>	<b>2,712.31</b>	<b>2,720.19</b>	<b>2,729.43</b>	<b>2,739.97</b>	<b>2,751.90</b>	<b>2,764.74</b>
	<b>2,869.35</b>	<b>2,875.55</b>	<b>2,881.05</b>	<b>2,888.37</b>	<b>2,920.98</b>	<b>2,960.52</b>	<b>2,998.18</b>	<b>3,039.38</b>	<b>3,084.62</b>	<b>3,134.25</b>
<b>CURRENT ASSETS</b>										
Cash on Hand	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Bank	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Short Term Investments	131.96	106.24	69.93	41.14	49.72	65.65	84.85	107.41	133.64	163.95
Accounts Receivable	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.65	11.65
Other Receivables/ Prepayments	7.49	7.49	7.49	7.49	7.49	7.49	7.49	7.49	7.49	7.49
Inventory	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93
Dividends Receivable	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37
<b>TOTAL CURRENT ASSETS</b>	<b>158.70</b>	<b>132.98</b>	<b>96.66</b>	<b>67.88</b>	<b>76.45</b>	<b>92.38</b>	<b>111.58</b>	<b>134.15</b>	<b>160.37</b>	<b>190.68</b>
<b>NON-CURRENT ASSETS</b>										
General Investments	597.47	597.47	597.47	597.47	597.47	597.47	597.47	597.47	597.47	597.47
Loan Repayment Investments	7.17	9.23	11.63	15.44	20.73	27.24	35.20	44.61	55.65	68.52
Operational Assets	521.51	528.12	558.17	579.11	588.18	605.85	620.88	636.46	656.20	680.81
Infrastructural Assets	1,314.62	1,330.34	1,333.30	1,338.36	1,342.04	1,335.22	1,324.45	1,311.85	1,293.73	1,269.07
Restricted Assets	269.90	277.41	283.83	290.11	296.11	302.36	308.61	314.85	321.20	327.70
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,710.66</b>	<b>2,742.57</b>	<b>2,784.40</b>	<b>2,820.49</b>	<b>2,844.53</b>	<b>2,868.14</b>	<b>2,886.60</b>	<b>2,905.23</b>	<b>2,924.25</b>	<b>2,943.57</b>
	<b>2,869.35</b>	<b>2,875.55</b>	<b>2,881.05</b>	<b>2,888.37</b>	<b>2,920.98</b>	<b>2,960.52</b>	<b>2,998.18</b>	<b>3,039.38</b>	<b>3,084.62</b>	<b>3,134.25</b>

# Statement of cash flows

## STATEMENT OF CASH FLOWS (LTFS)

	1998/99 \$M	1999/00 \$M	2000/01 \$M	2001/02 \$M	2002/03 \$M	2003/04 \$M	2004/05 \$M	2005/06 \$M	2006/07 \$M	2007/08 \$M
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Cash was provided from:										
Rates & Other Revenue	225.31	232.48	240.24	248.47	260.45	268.51	276.80	283.21	291.79	301.29
Interest	9.69	10.45	10.62	10.82	11.05	11.42	11.91	12.55	13.31	14.20
Dividends	17.80	18.93	22.13	22.97	24.10	25.37	26.72	28.53	29.32	29.53
Capital Grants/ Contributions	2.88	4.86	1.56	3.51	3.79	0.69	0.61	0.61	0.61	0.00
Capital Repatriation from Trading Activities	123.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<u>378.68</u>	<u>266.74</u>	<u>274.55</u>	<u>285.76</u>	<u>299.39</u>	<u>306.00</u>	<u>316.05</u>	<u>324.91</u>	<u>335.03</u>	<u>345.02</u>
Cash was disbursed to										
Payments to suppliers and employees	189.53	196.86	204.59	213.02	222.86	228.21	233.41	237.60	242.73	247.91
Interest	12.57	12.14	12.13	12.12	12.91	15.20	17.80	20.33	23.06	26.04
	<u>202.10</u>	<u>209.01</u>	<u>216.71</u>	<u>225.14</u>	<u>235.77</u>	<u>243.41</u>	<u>251.21</u>	<u>257.93</u>	<u>265.78</u>	<u>273.96</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>176.58</u>	<u>57.73</u>	<u>57.83</u>	<u>60.62</u>	<u>63.62</u>	<u>62.59</u>	<u>64.83</u>	<u>66.98</u>	<u>69.25</u>	<u>71.06</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Cash was provided from:										
Proceeds of sale of fixed assets	5.88	3.98	1.86	7.79	1.90	1.67	1.62	1.77	1.65	1.52
Sundry Investments	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	<u>6.28</u>	<u>4.38</u>	<u>2.26</u>	<u>8.19</u>	<u>2.30</u>	<u>2.07</u>	<u>2.02</u>	<u>2.17</u>	<u>2.05</u>	<u>1.92</u>
<b>CASH FLOWS TO INVESTING ACTIVITIES</b>										
Cash was applied to:										
Cash outflow for Fixed & Restricted Assets	57.51	41.69	53.38	53.27	35.57	36.39	32.91	32.33	35.09	37.26
Cash outflow for investment in Sinking Funds	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34	4.34
Cash outflow for infrastructural assets	44.84	41.29	38.19	39.48	40.16	39.51	38.66	40.43	38.81	37.74
Cash outflow for Sundry Investments	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	<u>107.09</u>	<u>87.73</u>	<u>96.31</u>	<u>97.49</u>	<u>80.47</u>	<u>80.64</u>	<u>76.31</u>	<u>77.50</u>	<u>78.64</u>	<u>79.74</u>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>(100.82)</u>	<u>(83.35)</u>	<u>(94.05)</u>	<u>(89.30)</u>	<u>(78.16)</u>	<u>(78.57)</u>	<u>(74.30)</u>	<u>(75.33)</u>	<u>(76.59)</u>	<u>(77.82)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Cash was provided from:										
Proceeds of raising Public Debt	14.80	14.80	14.80	14.80	38.02	46.81	43.57	45.82	48.47	51.96
Withdrawals from Sinking Funds	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10	5.10
	<u>19.90</u>	<u>19.90</u>	<u>19.90</u>	<u>19.90</u>	<u>43.12</u>	<u>51.90</u>	<u>48.67</u>	<u>50.92</u>	<u>53.57</u>	<u>57.06</u>
Cash was applied to:										
Term Borrowing Reduced	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.10)</u>	<u>23.12</u>	<u>31.90</u>	<u>28.67</u>	<u>30.91</u>	<u>33.57</u>	<u>37.06</u>
Increase (Decrease) in cash held	75.66	(25.72)	(36.32)	(28.78)	8.57	15.93	19.20	22.56	26.23	30.30
Opening Cash brought forward	57.60	133.25	107.53	71.21	42.43	51.01	66.94	86.14	108.70	134.93
<b>ENDING CASH FORWARD</b>	<u>133.25</u>	<u>107.53</u>	<u>71.21</u>	<u>42.43</u>	<u>51.01</u>	<u>66.94</u>	<u>86.14</u>	<u>108.70</u>	<u>134.93</u>	<u>165.24</u>
Cash on Hand	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Bank	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
Short Term Investments	131.96	106.24	69.93	41.14	49.72	65.65	84.85	107.41	133.64	163.95
	<u>133.25</u>	<u>107.53</u>	<u>71.21</u>	<u>42.43</u>	<u>51.01</u>	<u>66.94</u>	<u>86.14</u>	<u>108.70</u>	<u>134.93</u>	<u>165.24</u>
<b>RECONCILIATION WITH OPERATING SURPLUS (DEFICIT)</b>										
Operating Surplus (Deficit)	126.63	6.52	5.83	7.65	9.72	7.88	9.24	10.54	11.93	12.83
Depreciation	50.48	51.75	52.54	53.51	54.43	55.25	56.13	56.98	57.86	58.77
Interest accrued to Loan Repayment Investments	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)	(0.54)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>176.58</u>	<u>57.73</u>	<u>57.83</u>	<u>60.62</u>	<u>63.62</u>	<u>62.59</u>	<u>64.83</u>	<u>66.98</u>	<u>69.25</u>	<u>71.06</u>

# Statement of movements in equity

## STATEMENT OF MOVEMENTS IN EQUITY (LTFS)

	1998/99 \$M	1999/00 \$M	2000/01 \$M	2001/02 \$M	2002/03 \$M	2003/04 \$M	2004/05 \$M	2005/06 \$M	2006/07 \$M	2007/08 \$M
<b>RATEPAYERS EQUITY</b>										
Equity at 1 July	2,555.95	2,682.59	2,689.10	2,694.94	2,702.59	2,712.31	2,720.19	2,729.43	2,739.97	2,751.90
Accounting Surplus for year (deficit)	126.63	6.52	5.83	7.65	9.72	7.88	9.24	10.54	11.93	12.83
Equity as at 30 June	<u>2,682.59</u>	<u>2,689.10</u>	<u>2,694.94</u>	<u>2,702.59</u>	<u>2,712.31</u>	<u>2,720.19</u>	<u>2,729.43</u>	<u>2,739.97</u>	<u>2,751.90</u>	<u>2,764.74</u>





# Draft Funding Policy

## Purpose

The purpose of this document is to clearly set out a rationale for the way that the Council funds its wide range of functions in the future.

**This is a draft Policy and is being published so that the people of Christchurch can comment upon it before it becomes adopted Policy.**

The Council consulted the public in late 1997 on the initial findings of its work on this policy and has taken account of that consultation in promulgating this draft for public consultation in conjunction with the 1998/99 Annual Plan. The public have thus been allowed two opportunities for public input.

## Background

Many of the Council's existing funding methods have developed progressively due to a variety of different issues which have influenced the charging mechanisms over time. The work done in the process of establishing this funding policy is to ensure that there is a consistent, rational and fair basis for funding the Council activities in the future.

The Council recognised the need for a major review of its funding policy in about 1994 and in 1995 commenced a review of every output of the Council to determine who benefits from those outputs and what the appropriate funding mechanisms should be in comparison to how they are funded at the present time. There are approximately 260 outputs. While this review was based on the 260 outputs of Council the results have been summarised into 34 functions for the purpose of publication.

## Legislative Requirements

In August 1996 the Local Government Amendment (No.3) Act was passed by parliament formally requiring every local authority to develop and adopt such a policy to take effect no later than 1 July 1998.

The Act describes in detail a process which is required to be followed which in effect requires a systematic review of the funding mechanisms for all activities or functions of the Council so that the funding is derived as closely as possible from the beneficiaries of those activities or functions.

The Act identifies three types of expenditure:

- That which is independent of the number of persons who benefit from the expenditure, or generates benefits which do not accrue to identifiable persons or groups of persons, or which generates benefits to the community generally (general benefits); and
- That which provides direct benefits to persons or categories of persons (direct benefits); and
- That which is needed to control negative effects caused by the action or inaction of persons or categories of persons (negative effects).



The Act then requires local authorities to identify how the costs of the above expenditure should be allocated to the persons or categories of persons to which it delivers services.

The Act then goes on to prescribe how each type of expenditure should be funded:

- Expenditure which gives rise to general benefits may be funded from rates
- Expenditure which gives rise to direct benefits should be funded by contributions from the persons or categories of persons who benefit from that expenditure
- Expenditure necessary to control negative effects should be funded by those whose action or inaction caused the negative effects to occur.

The Act also identifies considerations which may, if the local authority so chooses, allow the local authority to modify the allocation of costs arrived at above:

- The obligation of the local authority to act in the interests of its residents and ratepayers.
- The fairness and equity arising from any allocation of costs
- Any lawful policy of the local authority, to the extent that allocating costs may effectively promote that policy.
- Provide for transition from an existing funding regime to a new funding regime.

Finally, the Act allows local authority to consider issues of practicability and efficiency when choosing funding mechanisms.

The Act also requires that in establishing the Funding Policy it must consult the public before the Policy is finally adopted.

## FUNDING POLICY - GENERAL PRINCIPLES

The Act sets out a range of broad principles which must be considered in establishing a funding policy. The Council in establishing its own specific policy has adopted the following definitions, principles and procedures.

### General Benefits

Defined as expenditure which:

- provides benefits which are independent of the number of persons who benefit from the expenditure; or
- generates benefits which do not accrue to identifiable persons or groups of persons; or
- which generates benefits to the community generally
- These benefits will generally be funded by the Community as whole using a capital value rate because:
- The general benefits relate to the community as a whole
- Capital value represents the stakeholders (general community) interest
- Capital value has a broad correlation with the ability to pay
- Capital value is independently assessed
- It is considered by Council to be the most suitable rating mechanism available to Council through the Rating Powers Act.

### Direct benefits

- Direct benefits are defined as expenditure which provides direct benefits to persons or categories of persons in a manner which matches the extent to which the direct benefits accrue to persons or categories of persons.
- These benefits will be charged to the direct beneficiary through the making of a user charge where this is practicable, and where direct charging is consistent with Council policy, and with fairness and equity for that particular service. In other circumstances, direct benefits will be funded from rates.
- Direct benefits will be largely, if not wholly, funded by user charges for consents processes (to the extent permitted by law), Council housing, refuse disposal (ie the cost of operating transfer stations and the land fill), and certain services delivered directly to individuals or groups.
- Direct benefits will be partially funded from rates for those services the Council wishes to make available to the whole community regardless of ability to pay, where the Council seeks to assist or encourage organisations or individuals, or where the Council is seeking to influence developments and trends in the City.
- User Charges for all of the Council's services are reviewed every year as part of the budget process on the basis of:
  - the cost of the service
  - the market acceptability of the current charge
  - fairness and equity of charges
  - Council Policy regarding the impact of user charges on the community and the Council's purpose in providing the service.
- Where direct benefits will not be fully funded by user charges, then the following mechanisms may be used:
  - Separate rates
  - Uniform charges
  - Capital Value rating to defined user groups
- Separate rates will generally be used as a mechanism for allocation of the cost of direct benefits when:
  - a user group can be defined or benefits are available to a defined area
  - a standard service is available
  - there is generally no alternative supplier
- Uniform Annual Charges (UAGC) will generally be used as a mechanism for allocation of the cost of direct benefits when:
  - The benefit is people related
  - There is a reasonable correlation between the number of properties and the spread of benefits in the community
  - Consumption of Benefits is relatively uniform by the inhabitants of the community.
- Capital value rating to defined user groups will generally be used as a mechanism for allocation of the cost of direct benefits when:
  - Individual beneficiaries are difficult to identify, but are part of one of the ratepaying sectors recognised by the Council
  - services are property related
  - availability of services lead to the enhancement of properties or the amenity of the City as a whole
  - The Council seeks to assist individuals or organisations, or seeks to influence trends and developments in the City.
  - The Council wishes services to be widely available regardless of ability to pay.

## Control of Negative Effects

- Where costs are needed to control negative effects caused by the action or inaction of persons or categories of persons then those costs will be allocated to those persons by:
  - firstly a direct charge to the exacerbator; or
  - where a direct charge is not possible by the use of one of the following rating mechanisms according to similar principle outlined for direct benefits in the preceding section:
    - Separate rates
    - Uniform charges
    - Capital Value rating to defined user groups

## Modifications

- In accordance with the provisions of the Local Government Act, where appropriate, the Council has given consideration to modifying the allocation of costs to take account of:
  - The obligation of the Council to act in the interests of its residents and ratepayers.
  - The fairness and equity arising from any allocation of costs
  - Policies of the local authority which can be effectively promoted through the utilisation of particular charging mechanisms
  - Transition from an existing funding regime to a new funding regime.
  - The suitability of a mechanism to:
    - achieve an appropriate allocation of costs
    - be an efficient mechanism
    - be effective and efficient as a separate funding mechanism
    - help identify the expenditure needs to which costs relate.
- Modifications may be made in respect of particular functions and these are described on the function pages

## Capital Funding

- Capital Expenditure will be funded from the following sources:
  - Surplus Cash Flow principally generated from depreciation plus or minus any operating surplus or deficit
  - Reserve Funds and bequests
  - Capital Grants received from external parties
  - Loans raised as per the Council's borrowing policy.

## Intergenerational Equity

In order to ensure that today's users pay today's costs of utilising the Council's assets and to prevent costs being incurred by the current generation which are for the benefit of future generations the following mechanisms are employed by the Council:

- All assets are depreciated at a rate assessed to reflect the life of particular assets. This depreciation is included in the operating costs of the functions using the assets, along with the annual interest costs. In this way, the capital costs of the assets are annualised to the functions using them.
- The majority of new capital works are funded by reserves or loans which are repaid on a rolling basis over a twenty year period from surpluses generated in the operating account
- Revenue of the Council is required to be sufficient to meet:
  - depreciation on capital assets employed
  - interest on outstanding debt
  - the proportion of outstanding debt due to be repaid each year.
- Asset Management Plans are in the process of being developed for all major assets owned by the Council to ensure that an appropriate rate of renewal of existing assets is planned for and carried out. This renewal work is generally funded by a first call on depreciation funds generated by revenue.
- For more detail reference should be made to the Long Term Financial Strategy of Council.

## Corporate Revenues

- The Council receives a significant amount of corporate revenue, the principal revenue types being dividends, interest and petrol tax.
- These revenues are independent of any specific function of the Council but generally relate to returns on investments which the Council holds on behalf of the community such as its major trading enterprises - Southpower, Christchurch International Airport, Lyttelton Port Company and Christchurch Transport.
- These Revenues are allocated as a credit against general rates in proportion to capital value because capital value reflects the ratepayers stake (share) in the city.

## Details of the Funding Policy

The budgeted costs of the benefits the Council proposes to provide in 1998/99, and their proposed funding, are shown in the following table:

		Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs and Modifications</b>							
<b>Costs</b>							
29.7%	General Benefits		59,286,185	14,793,151	1,755,930	4,490,757	80,326,023
62.7%	Direct Benefits	139,527,090	21,117,012	7,217,147	602,794	1,078,532	169,542,575
7.5%	Negative Effects	20,328,781					20,328,781
	<b>Total Costs</b>	<b>159,855,872</b>	<b>80,403,197</b>	<b>22,010,298</b>	<b>2,358,724</b>	<b>5,569,289</b>	<b>270,197,380</b>
<b>Modifications</b>							
	Transfer User						
	Costs to Rating [1]	-68,100,225	40,444,317	26,053,038	641,512	961,358	0
	Non-Rateable [2]		4,000,170	1,020,667	148,233	-5,169,071	0
	<b>Total Modifications</b>	<b>-68,100,225</b>	<b>44,444,487</b>	<b>27,073,705</b>	<b>789,745</b>	<b>-4,207,713</b>	<b>0</b>
	<b>Total Costs and Modifications</b>	<b>91,755,647</b>	<b>124,847,684</b>	<b>49,084,003</b>	<b>3,148,469</b>	<b>1,361,576</b>	<b>270,197,380</b>
<b>Funded By</b>							
<b>External Funding</b>							
37.5%	User Charges	104,533,427					104,533,427
19.4%	Grants and Subsidies		5,009,018	6,117,121	73,018	36,496	11,235,653
15.3%	Net Corporate Revenues		33,056,286	8,434,509	1,224,957	0	42,715,752
38.1%	Capital Value Rating	0	70,861,779	32,596,034	1,548,854	1,024,794	106,031,461
5.0%	Uniform Annual Charge		12,730,307	1,122,317	183,419	1,336	14,037,380
	<b>Total External Funding</b>	<b>104,533,427</b>	<b>121,657,391</b>	<b>48,269,981</b>	<b>3,030,247</b>	<b>1,062,626</b>	<b>278,553,672</b>
<b>Internal Transfers</b>							
	Surplus from						
	Refuse Disposal	-1,151,710	831,008	212,037	30,794	77,871	0
	User Charges to Offset Rates	-3,269,778	2,359,286	601,986	87,427	221,080	0
	Surplus to Corp Revenue	-8,356,292					-8,356,292
	<b>Total Internal Transfers</b>	<b>-12,777,780</b>	<b>3,190,294</b>	<b>814,022</b>	<b>118,222</b>	<b>298,950</b>	<b>-8,356,292</b>
	<b>Total Funding</b>	<b>91,755,647</b>	<b>124,847,684</b>	<b>49,084,003</b>	<b>3,148,469</b>	<b>1,361,576</b>	<b>270,197,380</b>
<b>Share of Rates:</b>			<b>69.6%</b>	<b>28.1%</b>	<b>1.4%</b>	<b>0.9%</b>	

### Notes

[1] There are circumstances when it is in the community interest, or where Council policy requires it, for the costs of direct benefits received by users to be met from rates. These circumstances, and the rationale for them, are detailed in the following analysis pages.

[2] Benefits are often identified as accruing to the institutional or non-rateable sector. As this sector is exempt paying general rates, the cost of providing benefits to this sector must be met by the residential, commercial and rural sectors. Costs have been allocated to these three sectors in proportion to their capital value.

## Impact of the Draft Funding Policy

### Overall Impact

The changes in total rates for each sector, after adjustments for capital growth, if the Draft Funding Policy were adopted, would be as follows

Residential	<b>Increase</b>	1.88%
Commercial / Industrial	<b>Increase</b>	3.59%
Rural	<b>Decrease</b>	1.44%
Institutions (non-rateable)	<b>Decrease</b>	28.35%

### Uniform Annual Charge

The Council proposes to leave the uniform annual charge unchanged at \$100.00.

### Details

The following details are appended:

- Overall impact, and impact on selected property values (Appendix 1)
- Comparison with 1997/98 rating, as struck, and if the funding policy had been applied (Appendix 2)
- Impact on a wide range of property values. (Appendix 3)

**The figures in this Draft Funding Policy have been built up from a detailed level of the individual outputs recognised by the Council's accounting system. These details are published in a separate volume, which is available from the Council on request.**

## Seeking changes to the Draft Funding Policy

The figures contained in this Draft Funding Policy are the sum of the analyses done at output, sub-function and function levels, as detailed in the analysis pages which follow. No other adjustments have been made at this stage, for example no "global" adjustments have been applied which would make the impact of user charges or rating different from the figures determined by the analysis. This approach has been taken as it is considered that the unadjusted results of the Council's deliberations should form the basis of the public consultation now being undertaken. The public is invited to consider the draft policy and suggest changes.

It must be remembered, however, that the legislation under which this draft funding policy has been prepared is very prescriptive. The procedures the Council must follow, and the matters it can take into account, are spelled out in detail. Submissions will therefore be most effective if they address the issues Council is bound by legislation to consider. These include the Council's obligation to act in the community interest, issues of fairness and equity, and the role funding has to play in implementing Council policy.

It would help the Council reach conclusions on submissions if people seeking change could offer comments on the following areas:

- The "technical allocation" - that is, has the Council correctly allocated the cost of benefits between general benefits, direct benefits and controlling negative effects? Have the costs been correctly allocated to the people who receive the benefits, eg to users and to ratepayers?
- The modifications to the "technical allocations" - that is, has the Council correctly re-allocated costs? In practical terms, that means has the Council achieved
  - The correct balance between user charges and rates?
  - The correct sharing among the classes of ratepayer?

This needs to be considered in the context provided by the legislation - are such reallocations consistent with the Council's obligation to act in the community interest, with fairness and equity, and with giving effect to Council policy?

- And finally, has the Council chosen the most appropriate funding mechanism?

**Submitters are, of course, free to raise any issue they consider important and offer any arguments they may choose in support. Submitters are asked to bear in mind, however, the issues the Council is bound by legislation to address, as discussed above.**

# Function Tables

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*Costs and benefits associated with  
each Council service function*

# Function

## Art Gallery

### Sub-Function Canterbury Collection

#### Description of Service

Preserving Canterbury's art heritage. The work includes maintenance and storage of the collection, and research into Canterbury's art history. It also includes art conservation work done for private clients.

#### Allocation of Costs Pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Conserving Canterbury's art heritage is considered to benefit the entire community generally. The work done is independent of the number of persons who benefit; likewise there are no individuals who specifically benefit, apart clients who have work done on their private art.

Nature and Distribution of General Benefits

Conserving Canterbury's art heritage increases the overall amenity of the city - it part of what makes a city "civilised". It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Providing advice and conservation services to private owners of artworks. This service is provided on a cost recovery basis. It is estimated that 9.6% of the service will be to such owners.

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

Share

#### Modifications of Allocations of Costs Pursuant to Section 122E(1)(b)

None necessary

0%

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Services provided to clients shall be funded by user charges on full cost recovery basis.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

90.4%

9.6%

## Canterbury Collection

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
90.4% General Benefits		481,957	122,974	17,860	45,162	667,953
9.6% Direct Benefits	70,600					70,600
<b>Total Costs</b>	70,600	481,957	122,974	17,860	45,162	738,553
<b>Modifications</b>						
Non-Rateable		34,950	8,918	1,295	-45,162	0
<b>Total Modifications</b>		34,950	8,918	1,295	-45,162	0
<b>Total Costs and Modifications</b>	70,600	516,907	131,892	19,155	0	738,553
<b>Funded By</b>						
9.6% User Charges	70,600					70,600
90.4% Capital Value Rating	0	516,907	131,892	19,155	0	667,953
<b>Total Funding</b>	70,600	516,907	131,892	19,155	0	738,553
<b>Share of Rates</b>		<b>77.4%</b>	<b>19.7%</b>	<b>2.9%</b>	<b>0.0%</b>	

# Function

## Art Gallery

### Sub-Function Exhibitions and Programmes

Share

Control Negative Effects (Section 122F(d)  
Not Applicable

Share  
0%

#### Description of Service

Mounting local, national and international exhibits in the McDougall Gallery; providing educational programmes on the fine arts; operating the Gallery's shop and providing special exhibitions for private functions on request.

#### Allocation of Costs Pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The availability of art for viewing increases the amenity of the City as a whole, and contributes to the unique identity of Christchurch. Local and national exhibitions have therefore been assessed as 50% general benefit. International exhibitions, because they do not contribute to Christchurch's Unique Identity to the same extent have only been assessed as 30% general benefit. Education programmes have been assessed at 10% general benefit. The net general benefit is therefore 44.8%

44.8%

Nature and Distribution of General Benefits

Making art available increases the overall amenity of the city - it is part of what makes a city "civilised". It is considered that such general benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Visitors to the gallery receive a direct benefit from their experience. This has been assessed as 50% of the cost of providing local and national exhibitions, 70% of the cost of providing international exhibitions, 90% of the cost of education providing programmes, and 100% of the cost of special exhibitions and operating the shop. The net direct benefit is assessed as 55.2%

55.2%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to make art readily available to all, including encouraging appreciation of the arts by school children - doing so is included in the Council's Strategic Objectives. User costs shall be allocated to ratepayers using a mix of capital value and the number of properties, the latter being a surrogate for the likely number of users from each sector; the costs of special programmes for schools shall be allocated to the residential sector

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The Gallery Shop and private functions shall be funded by user charges. Admission to local exhibitions shall be at no cost at the present time, although consideration will be given to charging visitors to Christchurch when the new gallery is built. Admission to national and international exhibitions shall be charged for as appropriate to the exhibition. The physical layout of the present Gallery makes it extremely difficult to close of sections to permit charging to specific exhibits. This limits the opportunities for charging for smaller travelling exhibits. The principal beneficiaries of the education programmes are schools. If these were charged, they could simply cease using the service. The cost of direct benefits not recovered from users shall be funded by uniform annual charge as an approximation of the likely number of users from each sector; the cost of direct benefits not recovered from schools shall be funded by capital value rating.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Exhibitions and Programmes

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
44.8% General Benefits		573,174	146,249	21,240	53,710	794,372
55.2% Direct Benefits	976,880					976,880
<b>Total Costs</b>	976,880	573,174	146,249	21,240	53,710	1,771,253
<b>Modifications</b>						
Transfer User						
Costs to Rating	-545,230	353,487	31,164	5,267	155,313	0
Non-Rateable		161,756	41,273	5,994	-209,023	0
<b>Total Modifications</b>	-545,230	515,243	72,437	11,261	-53,710	0
<b>Total Costs and Modifications</b>	431,650	1,088,416	218,685	32,501	0	1,771,253
<b>Funded By</b>						
24.4% User Charges	431,650					431,650
53.6% Capital Value Rating	0	734,929	187,522	27,234	0	949,685
22.0% Uniform Annual Charge		353,487	31,164	5,267		389,917
<b>Total Funding</b>	431,650	1,088,416	218,685	32,501	0	1,771,253
<b>Share of Rates</b>		81.2%	16.3%	2.4%	0.0%	



# Function

## Canterbury Museum

### Description of Service

Statutory levy imposed upon the Council by the Canterbury Museum Trust Board, and used by that Board for the operation of the Canterbury Museum

**Share** Control Negative Effects (Section 122F(d))  
Not Applicable

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Not Applicable

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

This is a levy imposed upon stakeholders by statute; it is therefore taken to benefit the community generally. **100%**

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

General Benefits  
General benefits shall be funded by capital value rating.

Nature and Distribution of General Benefits

The liability of stakeholders to provide revenue is best reflected by their interest in the City, ie capital value.

Direct Benefits (Section 122F(c))

Not Applicable

## Canterbury Museum

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
100.0% General Benefits		1,701,926	434,257	63,068	159,481	2,358,731
Total Costs		1,701,926	434,257	63,068	159,481	2,358,731
<b>Modifications</b>						
Non-Rateable		123,417	31,491	4,573	-159,481	0
Total Modifications		123,417	31,491	4,573	-159,481	0
Total Costs and Modifications		1,825,343	465,747	67,641	0	2,358,731
<b>Funded By</b>						
100.0% Capital Value Rating		1,825,343	465,747	67,641	0	2,358,731
Total Funding		1,825,343	465,747	67,641	0	2,358,731
<b>Share of Rates</b>		<b>77.4%</b>	<b>19.7%</b>	<b>2.9%</b>	<b>0.0%</b>	

# Function

## Car Parking

### Sub-Function Enforcement and Abandoned Vehicles

Share

Control Negative Effects (Section 122F(d))  
None Applicable

#### Description of Service

Ensure equitable use of the on-street parking resource through the enforcement of parking regulations; police vehicle standards such as tyres and warrants of fitness, remove abandoned vehicles from city streets.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

None necessary.

#### Allocation of Costs of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The removal of abandoned vehicles from the streets contributes to the overall amenity of the City; the cost of providing the benefit is independent of the number of residents who benefit. Enforcement of vehicle standards contributes overall motoring safety, which benefits the community generally, and the cost of which is independent of the number of people who benefit. Such enforcement accounts for approximately 30% of the enforcement effort.

31.1%

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Enforcement shall be funded by such fees and fines as may be set from time to time by the Council. General benefits shall be funded from such surpluses as may arise. Residual surpluses after all cost have been met shall be included in corporate revenues for allocation to ratepayers in proportion to their stake in the City.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits arise from enforcing parking regulations so that people who travel by vehicle in the City will have places to park at their destination.

68.9%

## Enforcement and Abandoned Vehicles

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
31.1% General Benefits		574,660	146,628	21,295	53,849	796,433
68.9% Direct Benefits	1,762,209					1,762,209
<b>Total Costs</b>	1,762,209	574,660	146,628	21,295	53,849	2,558,642
<b>Total Costs and Modifications</b>	1,762,209	574,660	146,628	21,295	53,849	2,558,642
<b>Funded By</b>						
100.0% User Charges	2,655,000					2,655,000
User Charges to Offset Rates	-796,433	574,660	146,628	21,295	53,849	0
Surplus to Corp Revenue	-96,358					-96,358
<b>Total Funding</b>	1,762,209	574,660	146,628	21,295	53,849	2,558,642

# Function

## Car Parking

### Sub-Function Parking Services

**Share** Control Negative Effects (Section 122F(d))  
Not applicable

#### Description of Service

Operation of parking buildings and parking lots, administering the on-street parking spaces.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

No modification is necessary

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

None applicable. All benefits accrue to identifiable persons or categories of persons. **0%**

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Direct benefits shall be funded by such fees and charges as the Council may set from time to time. Surpluses shall be included in corporate revenues for allocation to ratepayers in proportion to their stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to users of the parking space, and to businesses through easier access by patrons. **100%**

## Parking Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
100.0% Direct Benefits	5,564,730				0	5,564,730
Total Costs	5,564,730				0	5,564,730
Total Costs and Modifications	5,564,730				0	5,564,730
<b>Funded By</b>						
100.0% User Charges	7,029,925					7,029,925
Surplus to Corp Revenue	-1,465,195					-1,465,195
Total Funding	5,564,730					5,564,730

# Function

## City Streets

### Sub-Function Kerbing, Footpaths and Streetscape

Share

Control Negative Effects (Section 122F(d)  
Not Applicable

Share

0%

#### Description of Service

Maintenance costs for kerbs and channels, footpaths and berms, including depreciation; cleaning and maintaining the pedestrian areas in the central City; and maintaining the city's streetscape, including plantings and other amenity features.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

None Applicable. Such modifications as are necessary arise from the impracticability of recovering costs from users as discussed below.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

A portion of cost of providing the above services is independent of the number of users on a daily basis, but the cost will increase as more facilities are required to cope with growth in the City and the enhance the "garden city" image. Transit New Zealand makes a contribution to the cost of these services on behalf of the user - the balance is therefore considered general benefit.

14.7%

Nature and Distribution of General Benefits

These services increase the convenience and amenity of the City, and contribute significantly to its Unique Identity. It is considered that such general benefits are distributed in the same way as residents' interests or stake in the City.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Grant money shall be applied in the same proportion as costs of direct benefits. As there is no mechanism currently available to local government to recover costs directly from users of these parts of the roading system, these costs shall be recovered from capital value rating. Costs related to footpaths, berms and streetscapes shall be allocated to residential and commercial ratepayers on the basis of the relative number of properties; of kerbs and channels to sectors on the basis of vehicle kilometres travelled; and Central City pedestrian areas to the commercial sector.

General Benefits

These shall be funded by capital value rating as capital value best represents stakeholders' interests.

Direct Benefits (Section 122F(c))

Where Transfund New Zealand provides funding, their contribution is taken as payment on behalf of users. The proportion of the service so funded is therefore regarded as direct benefit. Direct benefits for footpaths berms and streetscapes accrue to property owners and residents; for kerbs and channels to motorists and residents; for cleaning and maintaining Central City pedestrian areas to Central City businesses.

85.3%

### Footpaths, Kerbing and Streetscapes

#### Costs and Modifications

		Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>							
14.7%	General Benefits		1,602,886	408,986	59,398	150,200	2,221,470
85.3%	Direct Benefits	7,405,925	3,102,414	2,077,425	101,719	203,437	12,890,920
<b>Total Costs</b>		7,405,925	4,705,300	2,486,411	161,116	353,637	15,112,390
<b>Modifications</b>							
	Transfer User						
	Costs to Rating	-7,365,925	6,674,989	690,936			0
	Non-Rateable		259,139	66,121	9,603	-334,863	0
<b>Total Modifications</b>		-7,365,925	6,934,128	757,056	9,603	-334,863	0
<b>Total Costs and Modifications</b>		40,000	11,639,429	3,243,468	170,719	18,774	15,112,390
<b>Funded By</b>							
0.3%	User Charges	40,000					40,000
13.0%	Grants and Subsidies		1,594,539	336,807	9,387	18,774	1,959,508
86.8%	Capital Value Rating	0	10,044,890	2,906,660	161,332	0	13,112,882
<b>Total Funding</b>		40,000	11,639,429	3,243,468	170,719	18,774	15,112,390
<b>Share of Rates</b>			76.6%	22.2%	1.2%	0.0%	

# Function

## City Streets

### Sub-Function Lighting, Signs and Signals

#### Description of Service

Operating and maintaining street lighting, traffic signals and street markings and signs.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

##### General Benefits (Section 122F(b))

A portion of the cost of providing these services is independent of the number of users, apart from the increase in demand as the City grows. Streetlighting, signage and markings benefit the community generally through its contribution to the safety of pedestrians and motorists.

##### Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

##### Direct Benefits (Section 122F(c))

Direct benefits accrue to users of the system. The payment by Transit New Zealand is taken to be a payment on behalf of users. Direct benefits are allocated on the basis of vehicle kilometres travelled by the user, excluding rural users for streetlighting purposes.

#### Share

Control Negative Effects (Section 122F(d))  
Not Applicable.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Not applicable. Such modifications as are necessary arise from the impracticability of recovering costs from users as discussed below.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

##### Direct Benefits

There is no practical method for collecting charges from users. The costs of providing direct benefits shall be allocated to sectors on the basis of vehicle kilometres travelled, and be funded by rating on capital value. Grants and subsidies shall be allocated in the same proportion as costs.

##### General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

34.4%

65.6%

## Lighting, Signs and Signals

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
34.4% General Benefits		1,865,316	475,947	69,122	174,792	2,585,177
65.6% Direct Benefits	3,745,881	1,026,911	132,770	15,274	0	4,920,837
<b>Total Costs</b>	3,745,881	2,892,228	608,717	84,397	174,792	7,506,014
<b>Modifications</b>						
Transfer User Costs to Rating	-3,717,881	3,282,235	421,388	14,258	0	0
Non-Rateable		135,265	34,514	5,012	-174,792	0
<b>Total Modifications</b>	-3,717,881	3,417,500	455,902	19,270	-174,792	0
<b>Total Costs and Modifications</b>	28,000	6,309,728	1,064,619	103,667	0	7,506,014
<b>Funded By</b>						
0.4% User Charges	28,000					28,000
39.8% Grants and Subsidies		2,633,345	336,982	16,241	0	2,986,567
59.8% Capital Value Rating	0	3,676,383	727,636	87,427	0	4,491,446
<b>Total Funding</b>	28,000	6,309,728	1,064,619	103,667	0	7,506,014
<b>Share of Rates</b>		<b>81.9%</b>	<b>16.2%</b>	<b>1.9%</b>	<b>0.0%</b>	

# Function

## City Streets

### Sub-Function Planning and Customer Services

Share

Control Negative Effects (Section 122F(d))  
None Applicable

Share  
97.5%

#### Description of Service

Forward planning for the roading system, safety administration and planning, public inquiries on roading matters, roading issues as related to subdivisions and resource management planning.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits arise from participation in the consents processes associated with subdivisions etc. The existence of a consent process benefits the community generally.

2.5%

Nature and Distribution of General Benefits

It is considered that such general benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits arise from services provided to customers, inquirers and seekers of consents for subdivisions or resource management consents and users of the commercial services provided by the Council; the benefits of planning and safety administration accrue to the users of the system proportional to vehicle kilometres travelled, with an allowance for the extra planning effort required for managing heavy vehicles.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is considered in the community interest to make information freely available, and for residents to participate in planning processes.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

It is not practicable to recover costs from inquirers, as most inquiries are of short duration. Nor is it practicable to recover costs directly from the beneficiaries of planning and safety management process. These are therefore allocated to ratepayers proportional to the vehicle kilometres travelled by each sector, adjusted for the fact that extra planning effort is generated by the need to provide for heavy vehicles.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Planning and Customer Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
2.5% General Benefits		86,142	21,980	3,192	8,072	119,385
97.5% Direct Benefits	890,289	2,729,093	975,243	87,384	0	4,682,009
<b>Total Costs</b>	890,289	2,815,235	997,223	90,576	8,072	4,801,395
<b>Modifications</b>						
Transfer User Costs to Rating	-35,045	57,477	-10,099	-3,175	-9,158	0
Non-Rateable		-840	-214	-31	1,086	0
<b>Total Modifications</b>	-35,045	56,637	-10,314	-3,206	-8,072	0
<b>Total Costs and Modifications</b>	855,244	2,871,871	986,909	87,370	0	4,801,395
<b>Funded By</b>						
17.8% User Charges	855,244					855,244
6.4% Grants and Subsidies		223,746	77,171	7,011		307,929
75.8% Capital Value Rating	0	2,648,125	909,738	80,359	0	3,638,221
<b>Total Funding</b>	855,244	2,871,871	986,909	87,370	0	4,801,395
<b>Share of Rates</b>		<b>72.8%</b>	<b>25.0%</b>	<b>2.2%</b>	<b>0.0%</b>	

# Function

## City Streets

### Sub-Function Vehicle Ways

#### Description of Service

Services which are used by vehicles on the road - carriageways, bridges, culverts and storm damage repairs to the right-of-way.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

##### General Benefits (Section 122F(b))

The cost of maintaining carriageway services as a result of weathering is independent of the number of users; likewise for structures such as guard rails, culverts, responses to storm damage, etc. The balance of these services not funded by Transit New Zealand is treated as general benefit.

##### Nature and Distribution of General Benefits

These services are available to all users of the roading system. It is considered that such general benefits are distributed in the same way as residents' interests or stake in the City - a stake best represented by capital value.

##### Direct Benefits (Section 122F(c))

Transit New Zealand makes a contribution on behalf of users for storm damage repairs and gritting, etc - its contribution is considered to represent the proportion of direct benefits where applicable.

#### Share

Control Negative Effects (Section 122F(d))

Negative effects arise from wear and tear caused by vehicles using the system. Details of the calculations are appended. (Appendix 4)

#### Share

92.0%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

None necessary. Such modifications as are necessary arise from the impracticability of recovering costs from users as discussed below.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

##### Direct Benefits

There is no mechanism currently available to local government to recover costs directly from users of the roading system. Costs are therefore allocated to ratepayer sectors in proportion to the vehicle kilometres travelled by each sector as estimates from data provided by the Land Transport Safety Authority.

##### General Benefits

These shall be funded by capital value rating.

#### Share

Negative Effects

Costs cannot be collected directly from users; nor is it feasible to identify heavy transport operators separately from the commercial sector for rating purposes. These costs are therefore allocated to the commercial sector as a whole and shall be recovered from capital value rating. Details are appended as Appendix 4.

## Vehicle Ways

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
7.8% General Benefits		1,120,177	285,820	41,510	104,967	1,552,474
0.2% Direct Benefits	45,390				0	45,390
92.0% Negative Effects	18,413,824					18,413,824
<b>Total Costs</b>	<b>18,459,214</b>	<b>1,120,177</b>	<b>285,820</b>	<b>41,510</b>	<b>104,967</b>	<b>20,011,688</b>
<b>Modifications</b>						
Transfer User Costs to Rating	-18,435,214	113,412	18,210,782	110,974	45	0
Non-Rateable		72,942	18,612	2,703	-94,256	0
<b>Total Modifications</b>	<b>-18,435,214</b>	<b>186,353</b>	<b>18,229,394</b>	<b>113,677</b>	<b>-94,211</b>	<b>0</b>
<b>Total Costs and Modifications</b>	<b>24,000</b>	<b>1,306,530</b>	<b>18,515,213</b>	<b>155,187</b>	<b>10,757</b>	<b>20,011,688</b>
<b>Funded By</b>						
0.1% User Charges	24,000					24,000
27.3% Grants and Subsidies		174,322	5,234,144	36,374	10,757	5,455,597
72.6% Capital Value Rating	0	1,132,208	13,281,069	118,813	0	14,532,090
<b>Total Funding</b>	<b>24,000</b>	<b>1,306,530</b>	<b>18,515,213</b>	<b>155,187</b>	<b>10,757</b>	<b>20,011,688</b>
<b>Share of Rates</b>		<b>7.8%</b>	<b>91.4%</b>	<b>0.8%</b>	<b>0.0%</b>	



# Function

## Community Services

### Sub-Function Community Services

#### Description of Service

Services to the community including community group assistance, advice on community issues, operation of community halls and centres, childcare services, and the Cathedral Square conveniences; administer the Community Grants scheme; customer and community services at Service Centres.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The community as a whole benefits from individuals being better able to meet their own needs, from parents having the opportunity to have their children spend time at childcare centres, from the sense of community arising from the availability of community centres, and the contribution the conveniences make to the amenity of the City Centre.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to users of the services. Direct benefits are also considered to accrue to the residential sector as a whole because of the opportunities and amenity created by the services, and to the commercial sector as a whole because of the increased amenity of the Central City, and through the increased opportunities for parents to engage in commercial activities afforded by the creches.

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

The contribution community services make to the well being of the community is such that they should be available to their target populations without undue constraints arising from low income or other personal circumstances. Costs of direct benefits not to be recovered by user charges shall be allocated to ratepayers by number of properties, as a surrogate for potential usage.

62.2%

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The cost of direct benefits not recovered from users shall be funded by uniform annual charge, this being considered to approximate likely usage by the various sectors; as it is not possible to specifically identify individuals or businesses which receive some of the direct benefits of the service, the costs of providing these benefits shall be allocated to the respective sectors. .

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

37.8%

## Community Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
62.2% General Benefits		3,764,742	940,931	136,900	344,098	5,186,671
37.8% Direct Benefits	2,656,824	237,397	244,905		10,384	3,149,510
<b>Total Costs</b>	2,656,824	4,002,139	1,185,836	136,900	354,482	8,336,180
<b>Modifications</b>						
Transfer User Costs to Rating	-1,717,838	1,540,349	137,454	16,915	23,120	0
Non-Rateable		292,214	74,560	10,828	-377,602	0
<b>Total Modifications</b>	-1,717,838	1,832,562	212,014	27,744	-354,482	0
<b>Total Costs and Modifications</b>	938,986	5,834,701	1,397,849	164,643	0	8,336,180
<b>Funded By</b>						
11.3% User Charges	938,986					938,986
4.6% Grants and Subsidies		282,733	103,318			386,051
63.9% Capital Value Rating	0	4,021,527	1,159,606	148,095	0	5,329,228
20.2% Uniform Annual Charge		1,530,441	134,926	16,548		1,681,915
<b>Total Funding</b>	938,986	5,834,701	1,397,849	164,643	0	8,336,180
<b>Share of Rates</b>		<b>79.2%</b>	<b>18.5%</b>	<b>2.3%</b>	<b>0.0%</b>	

# Function

## Community Services

### Sub-Function Social Initiatives and Services

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

Share  
20.9%

#### Description of Service

Services which improve the social quality of life in Christchurch, including initiatives in the areas of emergency housing, crime prevention, work with youth and disadvantaged communities, and administering the Mayor's Welfare Fund.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

This service gives effect to the Council's Community Development and Social Well-being policy. This Policy can be best implemented if it is funded from rates.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The community as a whole benefits when all members are able to meet their basic needs, take responsibility for their own well-being, and advocate for their interests.

79.1%

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Direct benefits not transferred to rating shall be funded from the uniform annual charge as a surrogate for the likely number of beneficiaries.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Negative Effects

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

Direct Benefits (Section 122F(c))

These accrue to participants in the individual programmes

## Social Initiatives and Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
79.1% General Benefits		973,649	248,432	36,080	91,237	1,349,398
20.9% Direct Benefits	355,521					355,521
<b>Total Costs</b>	355,521	973,649	248,432	36,080	91,237	1,704,919
<b>Modifications</b>						
Transfer User Costs to Rating	-304,521	271,157	23,905	4,040	5,418	0
Non-Rateable		74,798	19,085	2,772	-96,655	0
<b>Total Modifications</b>	-304,521	345,955	42,991	6,812	-91,237	0
<b>Total Costs and Modifications</b>	51,000	1,319,604	291,423	42,892	0	1,704,919
<b>Funded By</b>						
3.0% User Charges	51,000					51,000
79.5% Capital Value Rating	0	1,048,447	267,517	38,852	0	1,354,816
17.5% Uniform Annual Charge		271,157	23,905	4,040		299,103
<b>Total Funding</b>	51,000	1,319,604	291,423	42,892	0	1,704,919
<b>Share of Rates</b>		<b>79.8%</b>	<b>17.6%</b>	<b>2.6%</b>	<b>0.0%</b>	

# Function

## Corporate Revenues and Operating Surplus

### Corporate Revenues

#### Description of Service

Revenues accrue to the Council from the following sources:

Dividends	17,796,000
Interest Income	10,052,348
Cash in Lieu	3,500,000
Petroleum Tax	1,900,000
Rates Penalties	1,111,112
	<hr/>
	34,359,460
Surplus from Car Parking	1,561,553
Surplus from Housing	1,389,398
Surplus from Internal Service Providers	5,405,341
	<hr/>
	8,356,292
	<hr/>
	42,715,752

### Allocation of Revenues

Revenues have been allocated in proportion to stakeholders' interest in the community, that is by capital value.

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Corporate Revenues</b>						
Net Corporate Revenues		32,475,887	8,286,416	1,203,449	0	41,965,752
Reduce Capital Value Rating		-32,475,887	-8,286,416	-1,203,449	0	-41,965,752
<b>Share of Rates Reduction</b>		<b>77.4%</b>	<b>19.7%</b>	<b>2.9%</b>	<b>0.0%</b>	

### Allocation of Surplus

#### Operating Surplus

The Council is budgeting for an operating surplus of \$750,000 for the 1998/99 financial year. The extra rating necessary to generate this surplus has been allocated on the basis of capital value, on the grounds that capital value best represents stakeholders' interests in the City.

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Operating Surplus</b>						
<b>Funded By</b>						
100.0% Capital Value Rating		580,400	148,092	21,508	0	750,000
<b>Share of Rates</b>		<b>77.4%</b>	<b>19.7%</b>	<b>2.9%</b>	<b>0.0%</b>	

# Function

## Economic Development and Employment

### Convention and Entertainment Facilities

#### Description of Service

Council contribution to the Sport and Entertainment Centre now under construction, and to the Convention Centre, for an initial period until they become self-funding; Council contribution to the operation of the Town Hall. These costs are the net cost to the Council of operating grants and management fees; the venues themselves are operated on the Council's behalf by a private contractor.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits accrue to the City through increased economic activity generated by visitors, particularly to the Convention Centre; and to the residents through having access to international class events and productions.

Direct Benefits (Section 122F(c))

Direct benefits accrue to patrons of the venues

Control Negative Effects (Section 122F(d))

Not Applicable

Share

27.2%

72.8%

0%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

The Council believes it is in the interest of the community to attract national and international class conventions, sporting events and other presentations; and the visitors to the City and added business they bring. The venues would not be able to carry out this function were it not for Council support during their establishment phase. The cost of direct benefits is therefore allocated to residents, businesses, rural dwellers and schools in approximate proportion to likely usage, and to businesses for the stimulus the venues will bring through the attraction of visitors to the City.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Costs of benefits accrued to residents shall be allocated to the residential sector. It is not feasible to identify individual businesses which benefit from this function; therefore costs for benefits to businesses shall be allocated to the commercial sector; costs for rural residents shall be allocated to the rural sector, and costs for schools shall be allocated to the institutional sector. Costs so allocated shall be funded by capital value rating. The balance of the cost of providing direct benefits shall be funded by uniform charge as a surrogate for the likely number of users.

General Benefits

General benefits shall be funded using capital value rating as best representing stakeholders' interests

### Convention and Entertainment Facilities

#### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
27.2% General Benefits		664,872	169,646	24,638	62,303	921,459
72.8% Direct Benefits	2,471,511				0	2,471,511
<b>Total Costs</b>	2,471,511	664,872	169,646	24,638	62,303	3,392,970
<b>Modifications</b>						
Transfer User Costs to Rating	-2,371,511	1,981,390	267,638	41,855	80,629	0
Non-Rateable		110,610	28,223	4,099	-142,931	0
<b>Total Modifications</b>	-2,371,511	2,092,000	295,860	45,954	-62,303	0
<b>Total Costs and Modifications</b>	100,000	2,756,872	465,506	70,592	0	3,392,970
<b>Funded By</b>						
2.9% User Charges	100,000					100,000
50.7% Capital Value Rating	0	1,332,122	339,899	49,364	0	1,721,385
46.3% Uniform Annual Charge		1,424,749	125,607	21,228		1,571,585
<b>Total Funding</b>	100,000	2,756,872	465,506	70,592	0	3,392,970
<b>Share of Rates</b>		<b>83.7%</b>	<b>14.1%</b>	<b>2.1%</b>	<b>0.0%</b>	

# Function

## Economic Development and Employment

### Sub-Function Economic Development

**Share** Control Negative Effects (Section 122F(d))  
Not Applicable

#### Description of Service

Promotion of economic development in Christchurch through promoting the City nationally and internationally, providing information on Christchurch business opportunities through business data bases and directories; stimulating exports, attracting new business to Canterbury, and assisting the visitor industry through tourist information and promotion; provision of tracks for the inner city tram; promoting the City as a venue for international events.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Increased economic activity is considered to be in the interest of the entire community, Direct benefits not recovered by user charges have therefore been allocated principally to the business community as that community is the main beneficiary of the service.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Increased economic activity is considered to benefit the entire City generally. **50.7%**

Nature and Distribution of General Benefits

Increased economic activity increases the amenity of the city as a whole. It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to the users of the various services. The portion of general to direct varies from service to service. **49.3%**

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Costs of civic promotions shall be directly recovered from promoters, all other direct benefits shall be funded by capital value rating. Costs of providing benefits to residents shall be allocated to the residential sector; to businesses to the commercial sector, and to rural residents to the rural sector.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Economic Development

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
50.7% General Benefits		1,292,162	329,703	47,883	121,084	1,790,832
49.3% Direct Benefits	1,382,552	134,700	218,277		8,934	1,744,463
<b>Total Costs</b>	1,382,552	1,426,862	547,980	47,883	130,017	3,535,295
<b>Modifications</b>						
Transfer User Costs to Rating	-1,095,402	128,550	964,062	-1,386	4,177	0
Non-Rateable		99,662	25,429	3,693	-128,785	0
<b>Total Modifications</b>	-1,095,402	228,212	989,491	2,307	-124,608	0
<b>Total Costs and Modifications</b>	287,150	1,655,074	1,537,471	50,190	5,409	3,535,295
<b>Funded By</b>						
8.1% User Charges	287,150					287,150
2.3% Grants and Subsidies		57,723	14,728	2,139	5,409	80,000
89.6% Capital Value Rating		1,603,495	1,523,285	48,143		3,174,923
Uniform Annual Charge		-6,145	-542	-92		-6,778
<b>Total Funding</b>	287,150	1,655,074	1,537,471	50,190	5,409	3,535,295
<b>Share of Rates</b>		<b>50.4%</b>	<b>48.1%</b>	<b>1.5%</b>	<b>0.0%</b>	

# Function

## Economic Development and Employment

### Sub-Function Employment and Training

**Share** Control Negative Effects (Section 122F(d))  
Not Applicable

#### Description of Service

Administering the adult community employment schemes, Task Force Green projects, the youth employment initiative, support for community employment initiatives, and various training schemes.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits accrue to the community as a whole through the widely recognised benefits of high levels of employment, including increased physical and mental health, and reduced anti-social behaviour.

**20.5%**

Nature and Distribution of General Benefits

Increased employment is considered to improve the amenity of all City stakeholders in proportion to their interest in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to the participants in the various schemes, whether for the employment and training individuals may receive, or for the assistance given to businesses.

**79.5%**

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Because of the importance of employment to the community as a whole, all of this function will be funded from rating, except for contract services provided to clients. Benefits are considered to accrue to businesses, through increasing the level of skills available in the workforce, from the advice made available on training and employment issues, and from the assistance given to create new jobs; and to residents through increased opportunities for employment.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Contract services provided to clients shall be funded by user charges. All other direct benefits shall be funded by capital value rating.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Employment and Training

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
20.5% General Benefits		433,975	110,731	16,082	40,666	601,453
79.5% Direct Benefits	2,330,079					2,330,079
<b>Total Costs</b>	2,330,079	433,975	110,731	16,082	40,666	2,931,532
<b>Modifications</b>						
Transfer User Costs to Rating	-1,383,446	458,227	1,014,535	-25,311	-64,005	0
Non-Rateable		-18,061	-4,608	-669	23,339	0
<b>Total Modifications</b>	-1,383,446	440,166	1,009,926	-25,980	-40,666	0
<b>Total Costs and Modifications</b>	946,633	874,141	1,120,657	-9,899	0	2,931,532
<b>Funded By</b>						
32.3% User Charges	946,633					946,633
67.7% Capital Value Rating	0	874,141	1,120,657	-9,899	0	1,984,899
<b>Total Funding</b>	946,633	874,141	1,120,657	-9,899	0	2,931,532
<b>Share of Rates</b>		<b>44.0%</b>	<b>56.5%</b>	<b>-0.5%</b>	<b>0.0%</b>	

# Function

## Economic Development and Employment

### Sub-Function Promotion of the City Centre

#### Description of Service

Operating the inner city shuttle bus, marketing the Central City; holding promotional events in the Central City; free bus initiatives.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a) Share

General Benefits (Section 122F(b))

A vibrant Central City, free of the decay that can beset the core of a modern city, is considered to benefit all the stakeholders of Christchurch.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to patrons of the services and programmes, to purchasers of sponsorships, and to those business who benefit from the promotion programmes.

**Share** Control Negative Effects (Section 122F(d))  
None Applicable.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to promote the Central City as essential to the on-going amenity of the City as a whole; direct beneficiaries of the programme are therefore not asked to meet the costs of direct benefits themselves, beyond the benefits arising from sponsorships.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

It is not possible to identify individuals or businesses which benefit from the programmes; nor is it considered feasible or desirable to create a rate for the Central City. There is no generally accepted rigorous definition of the Central City; nor would Council policy of stimulating the Central City in the interests of the whole be assisted by allocating costs only to Central City businesses. The costs of direct benefits will therefore be recovered from the residential sector for the benefit derived from using the services, and from the commercial sector for the benefit derived from the promotional activity.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

### Promotion of the City Centre

#### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
50.0% General Benefits		734,813	187,492	27,230	68,856	1,018,391
50.0% Direct Benefits	1,018,391				0	1,018,391
<b>Total Costs</b>	1,018,391	734,813	187,492	27,230	68,856	2,036,782
<b>Modifications</b>						
Transfer User Costs to Rating	-826,841		826,841			0
Non-Rateable		53,286	13,596	1,975	-68,856	0
<b>Total Modifications</b>	-826,841	53,286	840,437	1,975	-68,856	0
<b>Total Costs and Modifications</b>	191,550	788,099	1,027,929	29,204	0	2,036,782
<b>Funded By</b>						
9.4% User Charges	191,550					191,550
90.6% Capital Value Rating	0	788,099	1,027,929	29,204	0	1,845,232
<b>Total Funding</b>	191,550	788,099	1,027,929	29,204	0	2,036,782
<b>Share of Rates</b>		<b>42.7%</b>	<b>55.7%</b>	<b>1.6%</b>	<b>0.0%</b>	



# Function

## Environmental Planning and Services

### Sub-Function Consents and Applications

#### Description of Service

Processing of consents, permits etc under the Resource Management Act and the Building Act; health licensing, administration of the Sale of Liquor Act, and dangerous goods administration; provision of advice to the public on the above issues; monitoring the impact of consents on the City and considering implications for future plans.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

##### General Benefits (Section 122F(b))

The existence of a consents process and inspection services protect the safety and amenity of the community as a whole, a benefit best represented by stakeholders' interests; likewise monitoring ensures the City's amenity will be protected and enhanced.

##### Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

##### Direct Benefits (Section 122F(c))

Direct benefits accrue to recipients of consents and permits, and to recipients of advice.

Share

Control Negative Effects (Section 122F(d))

Negative effects are controlled through activities under health licensing, dangerous goods administration and certain aspects of the resource consents processes.

Share  
8.8%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is considered to be in the community interest for the different sectors of the community to bear a cost of protecting their interests.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

##### Direct Benefits

Users shall meet the costs of consents and expenses to the extent permitted by the various statutes administered. The balance of direct benefits shall be funded by capital value rating.

16.8%

##### Negative Effects

The costs of controlling negative effects shall be shared by the exacerbator and the community, on the grounds that the community benefits from control of potentially hazardous situations.

74.4%

##### General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Consents and Applications

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
16.8% General Benefits		1,186,522	302,748	43,969	111,184	1,644,423
74.4% Direct Benefits	6,574,929	512,435	169,631	19,632	12,226	7,288,853
8.8% Negative Effects	862,101					862,101
<b>Total Costs</b>	7,437,030	1,698,957	472,379	63,600	123,410	9,795,376
<b>Modifications</b>						
Transfer User Costs to Rating	-104,786	-33,394	115,171	25,089	-2,080	0
Non-Rateable		92,965	23,721	3,445	-120,130	0
<b>Total Modifications</b>	-104,786	59,571	138,892	28,534	-122,210	0
<b>Total Costs and Modifications</b>	7,332,244	1,758,527	611,271	92,134	1,200	9,795,376
<b>Funded By</b>						
74.9% User Charges	7,332,244					7,332,244
0.4% Grants and Subsidies		24,800	12,400	1,600	1,200	40,000
24.7% Capital Value Rating	0	1,733,727	598,871	90,534	0	2,423,132
<b>Total Funding</b>	7,332,244	1,758,527	611,271	92,134	1,200	9,795,376
<b>Share of Rates</b>		<b>71.5%</b>	<b>24.7%</b>	<b>3.7%</b>	<b>0.0%</b>	

# Function

## Environmental Planning and Services

### Sub-Function Environmental Control and Monitoring *Share*

#### Description of Service

Planning for the protection of natural area and heritage values, monitoring the environmental state of the City, promoting sound environmental practices, animal control.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The benefits of this service may all be attributed to one or other sectors of the community. **0%**

Direct Benefits (Section 122F(c))

Direct benefits accrue to sectors through having their amenity protected. The benefits are proportional to a mix of capital value, number of properties, and the Council resources committed to providing the services to the different sectors. **70.1%**

Control Negative Effects (Section 122F(d))

Livestock control and dog control are necessary to control the negative effects of wandering animals. **Share 29.9%**

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is considered to be in the community interest to make these services widely available, including facilitating the receipt and processing of complaints. Benefits accrue to sectors on the basis of the amenity value protected, and the resources required to deliver the service.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

It is not feasible to charge people for reporting environmental incidents. The balance of costs not met by user charges shall be met by capital value rating.

Negative Effects

The cost of dog control shall be entirely self-funding. The balance costs of livestock control not recoverable through inability to trace owners shall be met by capital value rating.

## Environmental Control and Monitoring

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
70.1% Direct Benefits	825,467	631,565	346,621	20,208	11,989	1,835,850
29.9% Negative Effects	781,896					781,896
<b>Total Costs</b>	<b>1,607,364</b>	<b>631,565</b>	<b>346,621</b>	<b>20,208</b>	<b>11,989</b>	<b>2,617,746</b>
<b>Modifications</b>						
Transfer User Costs to Rating	-60,104	47,258	8,633	1,297	2,916	0
Non-Rateable		11,534	2,943	427	-14,905	0
<b>Total Modifications</b>	<b>-60,104</b>	<b>58,792</b>	<b>11,576</b>	<b>1,724</b>	<b>-11,989</b>	<b>0</b>
<b>Total Costs and Modifications</b>	<b>1,547,260</b>	<b>690,358</b>	<b>358,197</b>	<b>21,932</b>	<b>0</b>	<b>2,617,746</b>
<b>Funded By</b>						
59.1% User Charges	1,547,260					1,547,260
40.0% Capital Value Rating	0	669,845	356,388	21,626	0	1,047,859
0.9% Uniform Annual Charge		20,513	1,808	306		22,627
<b>Total Funding</b>	<b>1,547,260</b>	<b>690,358</b>	<b>358,197</b>	<b>21,932</b>	<b>0</b>	<b>2,617,746</b>
<b>Share of Rates</b>		<b>64.5%</b>	<b>33.5%</b>	<b>2.0%</b>	<b>0.0%</b>	

# Function

## Environmental Planning and Services

### Sub-Function Information and Advice

#### Description of Service

Advice to business and the public on environmental matters, collecting and analysing information about the City's environment, including the social and economic environments, provision of land information memoranda, maintaining geographical information.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits accrue from having information on the environment freely available to protect and enhance the amenity of the City.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Recipients of land information memoranda; the benefit the various sectors receive from information and advice.

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

Share  
0%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is considered to be in the community interest for information on the environment and environmental legislation to be widely available and freely given. The entire costs of providing general public advice shall be met by rating. Note: This function is separate from actually processing consents. The advice given may lead to the lodging of a formal consent, for which costs are then recovered from the applicant.

2.8%

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

99% of the costs of land information memoranda and geographic information shall be met by recipients and users. The balance shall be funded by a uniform annual charge, representing likely use of the service. The balance of direct benefits shall be funded by capital value rating.

97.2%

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

### Information and Advice

#### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
2.8% General Benefits		89,446	22,823	3,315	8,382	123,965
97.2% Direct Benefits	3,873,288	355,326	128,312	9,870		4,366,797
<b>Total Costs</b>	3,873,288	444,772	151,135	13,185	8,382	4,490,761
<b>Modifications</b>						
Transfer User Costs to Rating	-1,858,288	1,337,271	344,350	49,971	126,696	0
Non-Rateable		104,532	26,672	3,874	-135,077	0
<b>Total Modifications</b>	-1,858,288	1,441,803	371,022	53,845	-8,382	0
<b>Total Costs and Modifications</b>	2,015,000	1,886,575	522,157	67,030	0	4,490,761
<b>Funded By</b>						
44.7% User Charges	2,015,000					2,015,000
55.3% Capital Value Rating	0	1,905,364	523,814	67,309	0	2,496,487
Uniform Annual Charge		-18,790	-1,657	-280		-20,726
<b>Total Funding</b>	2,015,000	1,886,575	522,157	67,030	0	4,490,761
<b>Share of Rates</b>		76.2%	21.1%	2.7%	0.0%	

# Function

## Environmental Planning and Services

### Sub-Function Plans and Policies

#### Description of Service

Preparing environmental planning policy statements; providing policy advice on City design and heritage values, environmental and transportation issues.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

None. Benefits may be attributed to different sectors of the community.

0%

Direct Benefits (Section 122F(c))

Direct benefits accrue to purchasers of planning documents, and to the community, whose various sectors receive protected and enhanced amenity as a result of this work.

100%

#### Share

Control Negative Effects (Section 122F(d))  
Not Applicable

Share  
0%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Planning and policy development are considered to be in the interest of the community as a whole. It is estimated that the various sectors receive value as follows:

Residential	72%
Commercial	26%
Rural	2%

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Purchasers of planning documents shall pay for the cost of their publishing. The balance of direct benefits shall be funded by capital value rating.

## Plans and Policies

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
100.0% Direct Benefits	80,000	2,932,934	1,059,115	81,470		4,153,519
Total Costs	80,000	2,932,934	1,059,115	81,470		4,153,519
Total Costs and Modifications	80,000	2,932,934	1,059,115	81,470		4,153,519
<b>Funded By</b>						
1.9% User Charges	80,000					80,000
98.1% Capital Value Rating	0	2,932,934	1,059,115	81,470		4,073,519
Total Funding	80,000	2,932,934	1,059,115	81,470		4,153,519
<b>Share of Rates</b>		<b>72.0%</b>	<b>26.0%</b>	<b>2.0%</b>	<b>0.0%</b>	

# Function

## Housing

### Description of Service

Provision of housing for the elderly and people on low incomes.

### Share

Control Negative Effects (Section 122F(d))  
Not Applicable

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Provision of housing for the elderly and people on low incomes is seen as an important community responsibility. Benefits which accrue to the community generally include satisfaction among the community at large that a good standard of housing is available to the elderly, a reduced demand on social services, and the positive impact of the Council's housing operation on urban renewal.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to the occupiers of the housing.

19.7%

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

None necessary - all costs are met by user charges.

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Direct benefits shall be funded by user charges, which shall be set to meet all costs of the operation.

General Benefits

User charges shall be sufficient to meet the cost of providing general benefits as well as the direct benefits.

80.3%

## Housing

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
19.7% General Benefits		1,088,012	277,613	40,318	101,953	1,507,897
80.3% Direct Benefits	6,150,233					6,150,233
Total Costs	6,150,233	1,088,012	277,613	40,318	101,953	7,658,130
Total Costs and Modifications	6,150,233	1,088,012	277,613	40,318	101,953	7,658,130

### Funded By

100.0% User Charges	9,047,528					9,047,528
User Charges to Offset Rates	-1,507,897	1,088,012	277,613	40,318	101,953	0
Surplus to Corp Revenue	-1,389,398					-1,389,398
Total Funding	6,150,233	1,088,012	277,613	40,318	101,953	7,658,130

# Function

## Internal Service Providers

### Description of Service

Services which are charged to internal users on a cost recovery / return on investment basis. Surpluses earned by these services are used to offset rating requirements. The services include accounting, City Design, Commercial Property, General Housing, Corporate Administration, Property Management and Services, Works Operations; and includes counter services provided at Service Centres on behalf of Accounting Services. Also a few miscellaneous services.

### Share

Control Negative Effects (Section 122F(d))  
Not Applicable

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

No allocations are necessary - direct benefits are fully self-funding.

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))  
None applicable. All costs are recovered from users.

100%

**Note: The costs of these services are built into the costs of services delivered to the public by the Council. The costs of these services are therefore, in effect, allocated in the same way as the services they support.**

Direct Benefits (Section 122F(c))

Direct Benefits accrue to the users of the services

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Direct benefits shall be fully met by user charges, which shall include a provision for return on capital as appropriate.

## Internal Service Providers

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
100.0% Direct Benefits	34,966,791					34,966,791
Total Costs and Modifications	34,966,791					34,966,791
<b>Funded By</b>						
100.0% Internal Charges	40,372,132					40,372,132
Surplus to Corp Revenue	-5,405,341					-5,405,341
Total Funding	34,966,791					34,966,791

## Library and Information Services

### Description of Service

Operating the Council's central and suburban libraries, providing access to literature, audio-visual material and information for almost 222,000 members as well as the general public; maintaining a stock of more than 960,000 volumes and 2,000 journal subscriptions and providing services from 49 access points.

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

#### General Benefits (Section 122F(b))

General benefits accrue to the community as a whole through ready access to literature and information. The "standing charges" of the library system have therefore been assessed as general benefits.

#### Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

#### Direct Benefits (Section 122F(c))

Direct benefits accrue to library users. These have been assessed as the operating costs of the library system.

### Share

Control Negative Effects (Section 122F(d))  
Not Applicable

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to make access to libraries widely available, regardless of personal circumstances. The Council considers that information and the free accessibility to it is fundamental to living in a modern democracy; likewise the the benefits of an informed and educated citizenry. Therefore over 90% of the direct cost of operating the library system are allocated to ratepaying sectors using a mix of capital value, number of properties, and estimated benefit derived.

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

#### Direct Benefits

Limited costs of direct benefits shall be charged to users. The balance of the cost of direct benefits not recovered from users shall be funded by a mix of uniform annual charge and capital value rating.

#### General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Library and Information Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
26.8% General Benefits		3,486,546	889,613	129,200	326,711	4,832,069
73.2% Direct Benefits	6,338,044	5,068,943	1,265,439	196,163	344,934	13,213,523
<b>Total Costs</b>	6,338,044	8,555,489	2,155,052	325,362	671,645	18,045,592
<b>Modifications</b>						
Transfer User Costs to Rating	-5,097,444	4,337,882	520,609	96,571	142,382	0
Non-Rateable		629,948	160,735	23,344	-814,027	0
<b>Total Modifications</b>	-5,097,444	4,967,830	681,344	119,915	-671,645	0
<b>Total Costs and Modifications</b>	1,240,600	13,523,319	2,836,396	445,277	0	18,045,592
<b>Funded By</b>						
6.9% User Charges	1,240,600					1,240,600
72.6% Capital Value Rating	0	10,168,679	2,540,648	395,295	0	13,104,622
20.5% Uniform Annual Charge		3,354,640	295,748	49,982		3,700,371
<b>Total Funding</b>	1,240,600	13,523,319	2,836,396	445,277	0	18,045,592
<b>Share of Rates</b>		<b>80.5%</b>	<b>16.9%</b>	<b>2.6%</b>	<b>0.0%</b>	

# Function

## Parks

### Sub-Function Parks, Beaches, Gardens

#### Description of Service

Planning and operating the City's system of parks, gardens, beaches and conservation areas; providing cemeteries; fighting rural fires.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

##### General Benefits (Section 122F(b))

General benefits arise from the contribution parks make to the Unique Identity of Christchurch, particularly to its Garden City image, and to the well being of its residents arising from the availability of green, open space within and surrounding the City; and from protection from rural fires.

##### Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

##### Direct Benefits (Section 122F(c))

Direct benefits arise from a person's enjoyment of parks and from the use of parks facilities such as playground equipment, picnic areas and visitor centres.

#### Share

Control Negative Effects (Section 122F(d))  
Fighting rural fires

Share  
1.6%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Because of the importance of parks to the image of Christchurch and the well-being of its inhabitants, and the Council's policy of ensuring free access to parks, 71% of the cost of general benefits is allocated to the ratepaying population, using a mix of capital value, number of properties, and benefits accrued by the various sectors.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

##### Direct Benefits

Users make a contribution to the operation of cemeteries, some of the facilities associated with garden parks and regional parks, and for the purchase of nursery products. The cost of direct benefits not recovered from users shall be funded by a mix of capital value rating and uniform annual charge. this being considered to approximate the usage by the various sectors.

#### 33.6%

##### Negative Effects

Costs of fire fighting shall be recovered from the Fire Services Commission as per their guidelines, and from persons or organisations responsible for fires, provided these can be identified and convinced to accept liability. The balance shall be funded from capital value rating.

##### General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Parks, Beaches and Gardens

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
64.8% General Benefits		7,239,702	1,847,253	268,279	678,404	10,033,640
33.6% Direct Benefits	4,693,912	444,522	26,616	32,351	3,774	5,201,175
1.6% Negative Effects	254,052					254,052
<b>Total Costs</b>	4,947,964	7,684,225	1,873,870	300,630	682,178	15,488,867
<b>Modifications</b>						
Transfer User Costs to Rating	-1,976,349	1,658,895	223,015	27,232	67,207	0
Non-Rateable		579,648	147,901	21,480	-749,029	0
<b>Total Modifications</b>	-1,976,349	2,238,544	370,916	48,711	-681,822	0
<b>Total Costs and Modifications</b>	2,971,615	9,922,768	2,244,786	349,342	356	15,488,867
<b>Funded By</b>						
19.2% User Charges	2,971,615					2,971,615
0.1% Grants and Subsidies		17,809	1,570	265	356	20,000
70.3% Capital Value Rating	0	8,450,989	2,115,032	327,413	0	10,893,435
10.4% Uniform Annual Charge		1,453,970	128,183	21,663		1,603,817
<b>Total Funding</b>	2,971,615	9,922,768	2,244,786	349,342	356	15,488,867
<b>Share of Rates</b>		<b>79.3%</b>	<b>17.9%</b>	<b>2.8%</b>	<b>0.0%</b>	



# Function

## Parks

### Sub-Function Sports Parks

#### Description of Service

Planning for and operating the Council's parks used by various sporting codes and by private individuals for sports.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits arise from the contribution sports parks make to a healthy lifestyle, and from the amenity of open space within and around the City.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to users of the sports grounds.

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Because of the importance of sports parks to the amenity of the City and their contribution to a healthy lifestyle, Council's policy that sports parks be available to persons of all circumstances, and the fact that sports parks are available for other users, 71% of the direct costs shall be allocated to ratepayers by the number of properties, reflecting the likely usage of sports parks.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The cost of direct benefits not recovered from users shall be funded by uniform annual charge, this being considered to approximate likely usage by the various sectors.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Sports Parks

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
30.0% General Benefits		733,794	187,232	27,192	68,761	1,016,979
70.0% Direct Benefits	2,372,952					2,372,952
<b>Total Costs</b>	2,372,952	733,794	187,232	27,192	68,761	3,389,931
<b>Modifications</b>						
Transfer User Costs to Rating	-2,181,552	1,942,539	171,256	28,943	38,814	0
Non-Rateable		83,249	21,241	3,085	-107,575	0
<b>Total Modifications</b>	-2,181,552	2,025,788	192,498	32,028	-68,761	0
<b>Total Costs and Modifications</b>	191,400	2,759,582	379,730	59,220	0	3,389,931
<b>Funded By</b>						
5.6% User Charges	191,400					191,400
31.1% Capital Value Rating	0	817,043	208,473	30,277	0	1,055,794
63.2% Uniform Annual Charge		1,942,539	171,256	28,943		2,142,738
<b>Total Funding</b>	191,400	2,759,582	379,730	59,220	0	3,389,931
<b>Share of Rates</b>		<b>86.3%</b>	<b>11.9%</b>	<b>1.9%</b>	<b>0.0%</b>	

# Function

## Public Accountability - Elected Member Representation

### Description of Service

Operation of the democratic functions of the Council and Community Boards, including the Mayor, Councillors and Board members; advice and services to the Council, Boards and Councillors; maintaining the Council's media relations, providing for civil defence, and the preparation of public accountability documents such as the Annual Plan and Annual Report.

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The community as a whole benefits from the existence a democratic process for the exercise of community governance, and for dealing with issues and providing services of importance to the community.; the costs of providing these services are largely independent of the number of beneficiaries.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Contact services provided to the Canterbury Regional Council.

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

None necessary

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The cost of providing election services to the Canterbury Regional Council shall be met by user charges.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

99.2%

0.8%

## Public Accountability

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
99.2% General Benefits		6,394,000	1,631,467	236,941	599,157	8,861,565
0.8% Direct Benefits	75,000				0	75,000
<b>Total Costs</b>	75,000	6,394,000	1,631,467	236,941	599,157	8,936,565
<b>Modifications</b>						
Non-Rateable		463,667	118,308	17,182	-599,157	0
<b>Total Modifications</b>		463,667	118,308	17,182	-599,157	0
<b>Total Costs and Modifications</b>	75,000	6,857,668	1,749,775	254,123	0	8,936,565
<b>Funded By</b>						
0.8% User Charges	75,000					75,000
99.2% Capital Value Rating	0	6,857,668	1,749,775	254,123	0	8,861,565
<b>Total Funding</b>	75,000	6,857,668	1,749,775	254,123	0	8,936,565
<b>Share of Rates</b>		<b>77.4%</b>	<b>19.7%</b>	<b>2.9%</b>	<b>0.0%</b>	

# Function

## Sewerage

### Description of Service

Planning and operation of the City's sewerage system. Note: Residents, including businesses and institutions, are required to connect to the system if it is available to them.

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits accrue from the contribution to public and environmental health arising from the safe disposal of liquid effluent.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits arise from the service provided to properties for removing liquid waste.

### Share

Control Negative Effects (Section 122F(d))  
Not Applicable

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Because of the importance to the community of an effective, universally available sewerage system regardless of an individual householder's ability to pay, and because it is compulsory to use the service if it is available, 70% of the cost of direct benefits is allocated to be collected by rating, on a mix of capital value, numbers of properties, and incidences of benefit to the various ratepaying sectors.

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

**Note Rates for liquid waste services are collected by way of a separate rate whose district is the area serviced by the liquid waste system.**

Direct Benefits

The cost of direct benefits not recovered from users shall be funded by a mix of capital value rating, and uniform annual charge.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Sewerage

### Wastewater System

#### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
56.0% General Benefits		8,390,377	1,977,429	44,307	567,149	10,979,261
44.0% Direct Benefits	8,623,330	13,473	3,368			8,640,171
<b>Total Costs</b>	8,623,330	8,403,850	1,980,797	44,307	567,149	19,619,432
<b>Modifications</b>						
Transfer User Costs to Rating	-5,998,185	5,022,222	777,918	18,972	179,072	0
<b>Total Modifications</b>	-5,998,185	5,022,222	777,918	18,972	179,072	0
<b>Total Costs and Modifications</b>	2,625,145	13,426,072	2,758,715	63,280	746,221	19,619,432
<b>Funded By</b>						
13.4% User Charges	2,625,145					2,625,145
86.2% Capital Value Rating	0	13,359,216	2,752,821	62,283	744,885	16,919,205
0.4% Uniform Annual Charge		66,856	5,894	996	1,336	75,082
<b>Total Funding</b>	2,625,145	13,426,072	2,758,715	63,280	746,221	19,619,432
<b>Share of Rates</b>		<b>79.0%</b>	<b>16.2%</b>	<b>0.4%</b>	<b>4.4%</b>	

# Function

## Sports, Leisure and Festivals

### Sub-Function Festivals and Events

**Share** Control Negative Effects (Section 122F(d))  
Not Applicable

#### Description of Service

Coordinating, organising and presenting events and festivals, the Summertimes series, World Buskers Festival, including Cathedral Square concerts, Kids in Town, Summertimes and other festivals; holding free and professionally supervised fireworks displays on appropriate occasions.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Festivals and events benefit the City generally through their contribution to the unique identity of Christchurch;

Nature and Distribution of General Benefits

Contributions to the identity of the City and the vibrancy of the City Centre benefits all stakeholders.

Direct Benefits (Section 122F(c))

Direct benefits accrue to persons who attend the festivals, and to those businesses which purchase sponsorships; the tourism and service sectors benefit from the economic stimulation caused by the events.

**42.9%**

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to promote a sense of community through the provision of free theatre, and to provide safe displays of fireworks. Costs have therefore been allocated among residents and businesses in proportion to benefits they gain, including the benefits of increased economic activity.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Concession holders shall pay fees which reflect the value of their concession. The cost of providing all other direct benefits shall be funded by capital value rating. As it is not possible to identify individual businesses which benefit from this function, the cost of benefits accruing to businesses shall be allocated to the commercial sector.

**57.1%**

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Festivals and Events

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
42.9% General Benefits		636,738	162,468	23,595	59,666	882,467
57.1% Direct Benefits	1,173,699					1,173,699
<b>Total Costs</b>	1,173,699	636,738	162,468	23,595	59,666	2,056,166
<b>Modifications</b>						
Transfer User Costs to Rating	-821,199	374,620	439,832	2,882	3,865	0
Non-Rateable		49,165	12,545	1,822	-63,531	0
<b>Total Modifications</b>	<b>-821,199</b>	<b>423,784</b>	<b>452,377</b>	<b>4,704</b>	<b>-59,666</b>	<b>0</b>
<b>Total Costs and Modifications</b>	352,500	1,060,523	614,844	28,299	0	2,056,166
<b>Funded By</b>						
17.1% User Charges	352,500					352,500
72.5% Capital Value Rating	0	867,094	597,791	25,417	0	1,490,302
10.4% Uniform Annual Charge		193,429	17,053	2,882		213,364
<b>Total Funding</b>	352,500	1,060,523	614,844	28,299	0	2,056,166
<b>Share of Rates</b>		<b>62.2%</b>	<b>36.1%</b>	<b>1.7%</b>	<b>0.0%</b>	

# Function

## Sport, Leisure and Festivals

### Sub-Function Leisure Services

**Share** Control Negative Effects (Section 122F(d))  
None applicable

#### Description of Service

Preparation of recreation plans and policies, operating recreational programmes, including the communities activities programmes operated by the Service Centres; promoting recreational programmes

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is council policy to make such programmes widely available and to make participation possible regardless of personal income.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

The community as a whole benefits from the promotional work. The benefits of this do not accrue to identifiable individuals.

**25%**

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The cost of direct benefits not recovered from users shall be funded by uniform annual charge, this being considered to approximate likely usage by the various sectors.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Negative Effects

Direct Benefits (Section 122F(c))

Direct benefits accrue to the participants in the programmes.

**75%**

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Leisure Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
25.0% General Benefits		429,930	90,512	13,386	31,816	565,644
75.0% Direct Benefits	1,494,603	163,149	30,591		10,197	1,698,540
<b>Total Costs</b>	1,494,603	593,079	121,103	13,386	42,013	2,264,184
<b>Modifications</b>						
Transfer User Costs to Rating	-1,282,303	1,110,716	125,247	12,451	33,889	0
Non-Rateable		58,738	14,987	2,177	-75,902	0
<b>Total Modifications</b>	-1,282,303	1,169,454	140,235	14,627	-42,013	0
<b>Total Costs and Modifications</b>	212,300	1,762,533	261,338	28,013	0	2,264,184
<b>Funded By</b>						
9.4% User Charges	212,300					212,300
49.9% Capital Value Rating	0	926,892	187,667	15,563	0	1,130,121
40.7% Uniform Annual Charge		835,641	73,671	12,451		921,763
<b>Total Funding</b>	212,300	1,762,533	261,338	28,013	0	2,264,184
<b>Share of Rates</b>		<b>85.9%</b>	<b>12.7%</b>	<b>1.4%</b>	<b>0.0%</b>	

# Function

## Sport, Leisure and Festivals

### Sub-Function Sports Facilities and Services

#### Description of Service

Operating and/or administering the leases of Council-owned sporting facilities including swimming pools, stadia, golf courses and camping grounds; operating the QEII Park complex; liaising with sporting codes for scheduling access to Council facilities.

#### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Sporting facilities contribute to the well-being of the community generally. **7.6%**

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to users of the service, principally residents and schools, and to those who gain commercial benefits from activities associated with the various venues. **92.4%**

#### Share

Control Negative Effects (Section 122F(d))  
Not Applicable

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to make access to sporting facilities readily available to all regardless of personal circumstances because of the benefits of a healthy lifestyle to the community as a whole. A net of just over 53% of direct benefits are therefore allocated to rating using a mix of capital value, number of properties, and benefits accruing to specific sectors.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

A portion of direct benefits shall be recovered from users, set sufficiently low as to minimise barriers to use arising from personal circumstances. The balance shall be funded by a mix of uniform annual charge and capital value rating.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Sports Facilities and Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
7.6% General Benefits		465,676	118,820	17,256	43,637	645,389
92.4% Direct Benefits	5,299,660	1,755,038	308,764		472,657	7,836,119
<b>Total Costs</b>	5,299,660	2,220,714	427,584	17,256	516,294	8,481,508
<b>Modifications</b>						
Transfer User Costs to Rating	-1,488,549	1,279,595	127,834	23,350	57,769	0
Non-Rateable		444,248	113,353	16,462	-574,063	0
<b>Total Modifications</b>	-1,488,549	1,723,843	241,187	39,813	-516,294	0
<b>Total Costs and Modifications</b>	3,811,111	3,944,557	668,771	57,069	0	8,481,508
<b>Funded By</b>						
44.9% User Charges	3,811,111					3,811,111
39.4% Capital Value Rating	0	2,739,062	562,493	39,108	0	3,340,663
15.7% Uniform Annual Charge		1,205,495	106,278	17,961		1,329,734
<b>Total Funding</b>	3,811,111	3,944,557	668,771	57,069	0	8,481,508
<b>Share of Rates</b>		<b>84.5%</b>	<b>14.3%</b>	<b>1.2%</b>	<b>0.0%</b>	

# Function

## Waste Minimisation and Disposal

### Sub-Function Refuse Collection Services

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

#### Description of Service

Weekly collection of refuse from domestic properties; daily collection of refuse from commercial properties.

#### Allocation of Costs of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Not applicable. All benefits accrue to identifiable persons or categories of persons.

0%

Direct Benefits (Section 122F(c))

Direct benefits accrue to persons and organisations whose rubbish is removed.

100%

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Because of the importance of household and commercial rubbish collection to the amenity of the City, it is Council policy to provide a specified level of collection paid for from rates. The costs of these benefits have been allocated proportional to the usage made by the various sectors.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The cost of direct benefits not recovered from users shall be funded by capital value rating

## Refuse Collection Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
100.0% Direct Benefits	2,277,903	2,009,111	230,068	38,724		4,555,806
Total Costs	2,277,903	2,009,111	230,068	38,724		4,555,806
<b>Modifications</b>						
Transfer User Costs to Rating	-1,928,407	1,701,825	192,184	32,354	2,045	0
Non-Rateable		1,582	404	59	-2,045	0
Total Modifications	-1,928,407	1,703,407	192,587	32,413	0	0
Total Costs and Modifications	349,496	3,712,518	422,656	71,137	0	4,555,806
<b>Funded By</b>						
7.7% User Charges	349,496	349,496				
89.9% Capital Value Rating	0	3,610,194	413,635	69,612	0	4,093,441
2.5% Uniform Annual Charge		102,324	9,021	1,525		112,870
Total Funding	349,496	3,712,518	422,656	71,137	0	4,555,806
<b>Share of Rates</b>		<b>88.3%</b>	<b>10.0%</b>	<b>1.7%</b>	<b>0.0%</b>	

# Function

## Waste Minimisation and Disposal

### Sub-Function Refuse Disposal Services

**Share** Control Negative Effects (Section 122F(d))  
Not Applicable

#### Description of Service

Operation of the Council's transfer stations and land fill; managing old landfill sites; planning for future landfill sites.

#### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

None necessary.

#### Allocation of Costs of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

Future planning, and the management of old landfill sites, are considered to benefit the community generally.

**9.4%**

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

Direct benefits shall be funded by user charges. The level of user charges shall be such as to meet all the costs of this service, and provide a surplus for supporting waste minimisation services; while considering issues such as setting prices so as to encourage waste minimisation without making the service so expensive people will find illegal dumping an attractive option.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct beneficiaries are the users of the service.

**90.6%**

## Refuse Disposal Services

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
9.4% General Benefits		696,613	177,745	25,814	65,277	965,449
90.6% Direct Benefits	9,324,871					9,324,871
<b>Total Costs</b>	<b>9,324,871</b>	<b>696,613</b>	<b>177,745</b>	<b>25,814</b>	<b>65,277</b>	<b>10,290,320</b>
<b>Total Costs and Modifications</b>	<b>9,324,871</b>	<b>696,613</b>	<b>177,745</b>	<b>25,814</b>	<b>65,277</b>	<b>10,290,320</b>

### Funded By

100.0% User Charges	11,442,030					11,442,030
User Charges to Offset Rates	-965,449	696,613	177,745	25,814	65,277	0
Surplus to Waste Minimisation	-1,151,710					-1,151,710
<b>Total Funding</b>	<b>9,324,871</b>	<b>696,613</b>	<b>177,745</b>	<b>25,814</b>	<b>65,277</b>	<b>10,290,320</b>



# Function

## Waste Minimisation and Disposal

### Sub-Function Waste Minimisation Programmes

#### Description of Service

Commercial waste auditing services; operation of the compost, recycling and resource recovery facilities.

#### Allocation of Costs of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits accrue to the community as a whole through reducing demands on the environment for disposing of refuse, and for minimising the use of expensive landfill facilities.

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to participants in the various minimisation programmes, and to purchasers of compost and other re-cycled materials.

Share

Control Negative Effects (Section 122F(d))  
Not Applicable

Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to keep charges for these services to a minimum to encourage participation in waste minimisation programmes.

#### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

Direct Benefits

The surplus from Refuse Disposal shall be applied to the cost of providing direct benefits in the same proportion as the benefit. Direct benefits not funded by user charges and the surplus shall be allocated to ratepaying sectors on the basis of their capital value, this value reflecting their interest in the amenity of the City.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

42.8%

57.2%

## Waste Minimisation Programmes

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
38.6% General Benefits		1,542,084	393,472	57,145	144,503	2,137,203
61.4% Direct Benefits	3,404,064				0	3,404,064
<b>Total Costs</b>	3,404,064	1,542,084	393,472	57,145	144,503	5,541,266
<b>Modifications</b>						
Non-Rateable		42,514	10,848	1,575	-54,937	0
<b>Total Modifications</b>		42,514	10,848	1,575	-54,937	0
<b>Total Costs and Modifications</b>	3,404,064	1,584,598	404,320	58,720	89,565	5,541,266

### Funded By

64.6% User Charges	3,577,028					3,577,028
20.8% Surplus from Refuse Disposal		831,008	212,037	30,794	77,871	1,151,710
14.7% Capital Value Rating	0	628,789	160,439	23,301	0	812,529
User Charges to Offset Rates	-172,964	124,801	31,844	4,625	11,695	0
<b>Total Funding</b>	3,404,064	1,584,598	404,320	58,720	89,565	5,541,266

Share of Rates

77.4%

19.7%

2.9%

0.0%

# Function

## Fresh Water Supply

### Description of Service

Supply of fresh water to defined standards of pressure and quality, including advocating water conservation, and ensuring water is available for fire fighting.

### Share

Control Negative Effects (Section 122F(d))

The Council administers a set of bylaws to protect the water supply system. The cost of this administration is negligible compared to the overall cost of supplying fresh water.

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

General Benefits (Section 122F(b))

General benefits include protection from water-borne diseases and the availability of adequate water for fire fighting; and the availability of adequate water for maintaining the Garden City image.

22.1%

Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

Direct Benefits (Section 122F(c))

Direct benefits accrue to users of the system.

77.9%

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

It is Council policy to fund the cost of water supply from capital value rating, excluding charges for high volume users. Costs of direct benefits not associated with high volume use have therefore been allocated to rating. The Council further considers it to be in the community interest for residents to be able to access sufficient water, without regard to economic circumstances, to maintain the City's Garden City image.

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

**Note Water supply is funded by a separate rate, whose district is the area serviced by the water supply system. Revenues from this rate may only be used for water supply purposes.**

Direct Benefits

The cost of direct benefits not recovered from users shall be funded by capital value rating.

Negative Effects

As it is not usually practicable to recover the cost of administering the bylaw system from persons who breach the bylaws, the cost of bylaw administration shall be funded by capital value rating.

General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Fresh Water Supply

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
22.1% General Benefits		2,252,959	543,009	25,611	153,029	2,974,608
77.9% Direct Benefits	10,477,615				0	10,477,615
0.0% Negative Effects	966					966
<b>Total Costs</b>	10,478,581	2,252,959	543,009	25,611	153,029	13,453,189
<b>Modifications</b>						
Transfer User Costs to Rating	-7,098,531	6,471,648	349,219	152,834	124,831	0
<b>Total Modifications</b>	-7,098,531	6,471,648	349,219	152,834	124,831	0
<b>Total Costs and Modifications</b>	3,380,050	8,724,607	892,227	178,445	277,859	13,453,189
<b>Funded By</b>						
25.1% User Charges	3,380,050					3,380,050
74.9% Capital Value Rating	0	8,724,607	892,227	178,445	277,859	10,073,139
<b>Total Funding</b>	3,380,050	8,724,607	892,227	178,445	277,859	13,453,189
<b>Share of Rates</b>		<b>86.6%</b>	<b>8.9%</b>	<b>1.8%</b>	<b>2.8%</b>	

# Function

## Waterways and Wetlands

### Description of Service

Planning and operating the City's land drainage system including waterways and piped systems; administration of land drainage bylaws; providing information on land drainage issues and providing land drainage input into the resource consents process.

### Allocation of Cost of Benefits pursuant to Section 122E(1)(a)

#### General Benefits (Section 122F(b))

Benefits accrue to the community generally through the amenity afforded by a well-drained city, including freedom from water borne pests and diseases, protecting the integrity of public and private assets, and the scenic and conservation values of wetlands and waterways; the cost of operating the land drainage system is partially independent of the number of persons benefiting from the service.

#### Nature and Distribution of General Benefits

It is considered that such benefits are distributed in the same way as residents' interests or stake in the City.

#### Direct Benefits (Section 122F(c))

Direct benefits accrue to property owners whose assets are protected, and to users of the information provided.

### Share

### Control Negative Effects (Section 122F(d))

Negative effects on the land drainage system are controlled through administering land drainage bylaws.

### Share

0.1%

### Modifications of Allocation of Costs Pursuant to Section 122E(1)(b)

Because of the importance of land drainage to the well-being of the community as a whole, regardless of income or personal circumstances, all direct benefits except a portion of these those associated with information requests, are to be transferred to ratepayers, distributed by capital value.

### Funding of Expenditure Needs Pursuant to Section 122E(1)(c)

**Note** Rates for land drainage shall be by way of a separate rate whose district reflects the area of benefit of the land drainage system. Revenue collected by this rate may be used only for land drainage purposes.

### 7.3%

#### Direct Benefits

Direct benefits associated with information shall be partially funded by user charges; the balance shall be funded by capital value within the special rating district .

#### Negative Effects

The cost of controlling negative effects shall be funded by capital value rating from within the special rating district, as it is usually not possible to recover costs from persons who offend against bylaws.

#### General Benefits

These shall be funded by capital value rating on the grounds capital value best represents stakeholder interest.

## Waterways and Wetlands

### Costs and Modifications

	Users	Residential	Commercial	Rural	Institutions	Totals
<b>Costs</b>						
92.6% General Benefits		8,242,179	2,003,094	194,051	1,942	10,441,266
7.3% Direct Benefits	823,947				0	823,947
0.1% Negative Effects	15,942					15,942
<b>Total Costs</b>	839,889	8,242,179	2,003,094	194,051	1,942	11,281,156
<b>Modifications</b>						
Transfer User Costs to Rating	-578,639	456,769	111,008	10,754	108	0
<b>Total Modifications</b>	-578,639	456,769	111,008	10,754	108	0
<b>Total Costs and Modifications</b>	261,250	8,698,948	2,114,103	204,805	2,050	11,281,156
<b>Funded By</b>						
2.3% User Charges	261,250					261,250
97.7% Capital Value Rating	0	8,698,948	2,114,103	204,805	2,050	11,019,906
<b>Total Funding</b>	261,250	8,698,948	2,114,103	204,805	2,050	11,281,156
<b>Share of Rates</b>		<b>78.9%</b>	<b>19.2%</b>	<b>1.9%</b>	<b>0.0%</b>	

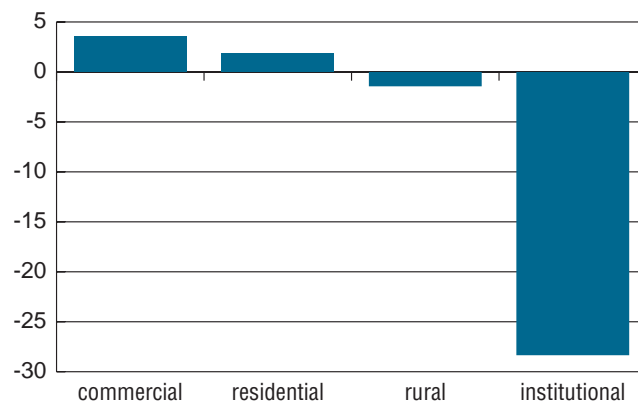
# Appendix 1

## Funding Policy for 1998/99 Appendix 1

Changes in the rates for each sector over 1997/98 actual rates (after adjustment for capital growth)

Increases	Commercial / Industrial rates increase by	\$1,312,931 over 1997/98 adjusted actual or	3.59%
Increases	Residential rates increase by	\$1,735,878 over 1997/98 adjusted actual or	1.88%
Decreases	Rural rates decrease by	-\$28,397 over 1997/98 adjusted actual or	-1.44%
Decreases	Non rateable sector decrease by	-\$455,744 over 1997/98 adjusted actual or	-28.35%

### Rates increases and decreases



### Uniform Annual General Charge

The Uniform Annual General Charge will remain at \$100 per property

### Impact on ratepayers within each sector

#### Residential

For all capital values there would be a rate increase over 1997/98 actual rates charged

At a capital value of \$50,000	\$5pa.
At a capital value of \$100,000	\$10pa.
At a capital value of \$124,000	\$12pa.
At a capital value of \$145,000	\$14pa.
At a capital value of \$240,000	\$23pa.
At a capital value of \$500,000	\$49pa.

#### Commercial / Industrial

For all capital values there would be a rate increase over 1997/98 actual rates charged

At a capital value of \$60,000	\$15pa.
At a capital value of \$100,000	\$24pa.
At a capital value of \$200,000	\$49pa.
At a capital value of \$300,000	\$73pa.
At a capital value of \$500,000	\$122pa.
At a capital value of \$1,000,000	\$245pa.

#### Rural

For all capital values there would be a rate decrease over 1997/98 actual rates charged

At a capital value of \$50,000	-\$10pa.
At a capital value of \$200,000	-\$38pa.
At a capital value of \$1,000,000	-\$190pa.

# Appendix 2

## Rates Summary By Sector

### 1998/99 Rates

#### Impact of Funding Policy on ratepaying sectors

GST Inclusive	Actual 1997/98 Adjusted for Capital Growth	Comparison 1997/98	Proposed 1998/99
Differential scheme:			
Commercial/Industrial	130%	Funding	Funding
Rural	-20%	Policy	Policy
Uniform Annual General Charge	\$100	\$100	\$100
Rates by Sector			
Commercial/Industrial	36,620,215	35,842,973	37,933,145
Residential/Base	92,307,526	90,801,406	94,043,403
Rural	1,977,204	1,911,284	1,948,807
Non-rateable	1,607,835	1,144,619	1,152,091
Total Rates	132,512,779	129,700,282	135,077,447
Sector Percentage			
Commercial/Industrial	27.64%	27.64%	28.08%
Residential/Base	69.66%	70.01%	69.62%
Rural	1.49%	1.47%	1.44%
Non-rateable	1.21%	0.88%	0.85%
	100.00%	100.00%	100.00%

#### Sector Percentage Change (From 97/98 adjusted actual)

Commercial/Industrial	3.59%
Residential/Base	1.88%
Rural	-1.44%
Non-rateable	-28.35%

#### Total Rates Increase (From 97/98 adjusted actual)

1.94%

#### Total Rates by Type

General rate on Cap Val.	76,276,314	57.56%	74,657,396	57.56%	79,699,497	59.00%
Uniform Annual General Charge	12,801,402	9.66%	12,529,700	9.66%	12,529,700	9.28%
Total General Rate	89,077,715	67.22%	87,187,096	67.22%	92,229,197	68.28%
Water Rate	11,572,044	8.73%	11,326,311	8.73%	11,332,282	8.39%
Land Drainage Rate	12,610,163	9.52%	12,342,644	9.52%	12,397,395	9.18%
Sewer rate	19,252,857	14.53%	18,844,231	14.53%	19,118,573	14.15%
Total Separate Rate	43,435,064	32.78%	42,513,186	32.78%	42,848,250	31.72%
Total Rates	132,512,779	100.00%	129,700,282	100.00%	135,077,447	100.00%

#### Impact of Rates on Residential Properties:

	\$	\$	\$
For a dwelling with the median value -	\$124,000	669	673
For a dwelling at the average residential value-	\$145,290	767	771
Where the residential value is -	\$80,000	467	469
Where the residential value is -	\$175,000	903	908

# Appendix 3

## Funding Policy

### City Council Rates on selected property values

Comparing Actual rates of 1997/98 to rating under the proposed Funding Policy

	Actual 1997/98 (Adjusted for capital growth)	Proposed - Funding policy 1997/98	1998/99	Change Over Actual 1997/98 \$ %
Commercial Differential	130%			
Rural Differential	-20%			
UAGC	\$100.00	\$100.00	\$100.00	

### Residential & Base - fully serviced

Total Rates for the Sector	92,307,526	90,801,406	94,043,403	1,735,878 1.88%
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### Rates for a property with Capital values of:

Capital Value	No of Ratepayers	Actual 1997/98	Proposed - Funding policy 1997/98	1998/99	Change Over Actual 1997/98	
50,000	1,391	330	331	334	5	1.48%
60,000	1,803	375	377	381	6	1.55%
70,000	3,895	421	423	428	7	1.62%
80,000	6,279	467	469	475	8	1.66%
90,000	9,220	513	516	522	9	1.70%
100,000	9,833	559	562	569	10	1.74%
110,000	10,789	605	608	616	11	1.77%
120,000	9,956	651	654	663	12	1.79%
124,000	1995 Med'n	669	673	681	12	1.80%
130,000	9,883	697	700	709	13	1.81%
140,000	7,777	743	746	756	14	1.83%
145,290	1995 Ave	767	771	781	14	1.84%
150,000	5,729	789	793	803	15	1.85%
160,000	4,498	834	839	850	16	1.86%
180,000	7,018	926	931	944	18	1.89%
200,000	5,443	1,018	1,023	1,038	20	1.91%
220,000	3,930	1,110	1,116	1,131	21	1.93%
240,000	3,147	1,202	1,208	1,225	23	1.94%
260,000	2,074	1,293	1,301	1,319	25	1.95%
280,000	1,847	1,385	1,393	1,413	27	1.96%
300,000	1,348	1,477	1,485	1,506	29	1.97%
350,000	2,417	1,707	1,716	1,741	34	1.99%
400,000	798	1,936	1,947	1,975	39	2.01%
450,000	616	2,166	2,178	2,210	44	2.02%
500,000	365	2,395	2,409	2,444	49	2.03%
550,000	207	2,625	2,640	2,678	54	2.03%
1,000,000	541	4,690	4,717	4,788	98	2.07%
Over 1,000,000	203					
Total	111,007					

### Commercial - Fully serviced

Commercial - Family Services				Increase		
Total Rates for the Sector	36,620,215	35,842,973	37,933,145	1,312,931		3.59%
60,000	2,402	585	583	599	15	2.52%
100,000	1,010	908	905	932	24	2.70%
140,000	962	1,231	1,227	1,265	34	2.79%
160,000	423	1,392	1,388	1,431	39	2.82%
200,000	750	1,715	1,710	1,764	49	2.86%
300,000	1,163	2,523	2,515	2,596	73	2.92%
400,000	735	3,330	3,321	3,428	98	2.95%
500,000	457	4,138	4,126	4,260	122	2.96%
1,000,000	927	8,175	8,151	8,420	245	3.00%
Over 1,000,000	724					
20,000,000		161,605	161,129	166,497	4,892	3.04%
Total	9,553					

### Rural - Not paying Water, Sewerage, or Land Drainage Rate.

Total Rates for the Sector				Decrease		
	1,977,204	1,911,284	1,948,807	-28,397	-1.44%	
50,000	56	207	197	198	-10	-4.83%
100,000	55	314	294	295	-19	-6.47%
150,000	104	422	391	393	-29	-7.30%
200,000	120	529	487	491	-38	-7.80%
300,000	457	743	681	686	-57	-8.37%
400,000	397	958	875	882	-76	-8.69%
500,000	217	1,172	1,069	1,077	-95	-8.89%
1,000,000	254	2,245	2,037	2,055	-190	-9.33%
Over 1,000,000	57					
Total	1,717					

# Appendix 4

## Roading: An approach to allocating costs

### Wear and Tear outputs

The LTSA have provided the following figures for annual vehicle kilometres for Christchurch:

	V-KM	Car Equivs	Equiv V-KM	Share	
Car	1,923,000	1	1,923,000	0.39%	0.40%
Trailer Combination	35,000	1.6	56,000	0.01%	
Light Commercial	30,000	1	30,000	0.00%	
Rigid Truck	41,000	5000	205,000,000	41.25%	99.60%
Articulated Truck	29,000	10000	290,000,000	58.35%	
	2,058,000		497,009,000		

The figure for Car Equivalents has been arrived at as followed:

<b>Trailer Combination</b>	It has been assumed that a trailer does only 60% of the damage as a car
<b>Light Commercial</b>	Same as for a car
<b>Rigid Truck</b>	Half of an articulated truck
<b>Articulated Truck</b>	An articulated truck can do up to 13,000 times the damage to a road as a private automobile. The figure of 10,000 is used as a realistic conservative weighting factor

### Allocation among Residential, Commercial or Rural ratepayers.

The number of rateable properties in each sector has been used as a surrogate for the number of vehicles owned by each sector

Cars, Trailers Etc		Unweighted Share	Distance Weighting	Equivalents	Weighted Share
	Nr of Prop't's				
Residential	111,273	91.8%	1	111,273	89.3%
Commercial	8,246	6.8%	1	8,246	6.6%
Rural	1,681	1.4%	3	5,043	4.0%
	121,200	100.0%		124,562	100.0%
Trucks		Use	Distance	Equivalents	Weighted Share
	Nr of Prop't's				
Residential	111,273	0	0	0	0
Commercial	8,246	1	1	8,246	99.4%
Rural	1,681	0.01	3	50	0.6%
	121,200			8,296	100.0%

A distance weighting factor of 3 is used to compensate for the fact that a greater length of road must be maintained to provide access to rural properties. A use weighting of 0.01 is used because rural truck owners do not use their vehicles as often as commercial operators

### Overall Allocation

	Cars Trailers	Share of Damage	Cmls Trucks	Share of Damage	Overall Share
<b>Total Damage Share</b>		<b>0.4%</b>		<b>99.6%</b>	
Residential	89.3%	0.4%			0.4%
Commercial	6.6%	0.0%	99.4%	99.0%	99.0%
Rural	4.0%	0.0%	0.6%	0.6%	0.6%
	100.0%		100.0%		100.0%

### Non Wear & Tear Outputs

The LTSA figures can be used unweighted to give the following results:

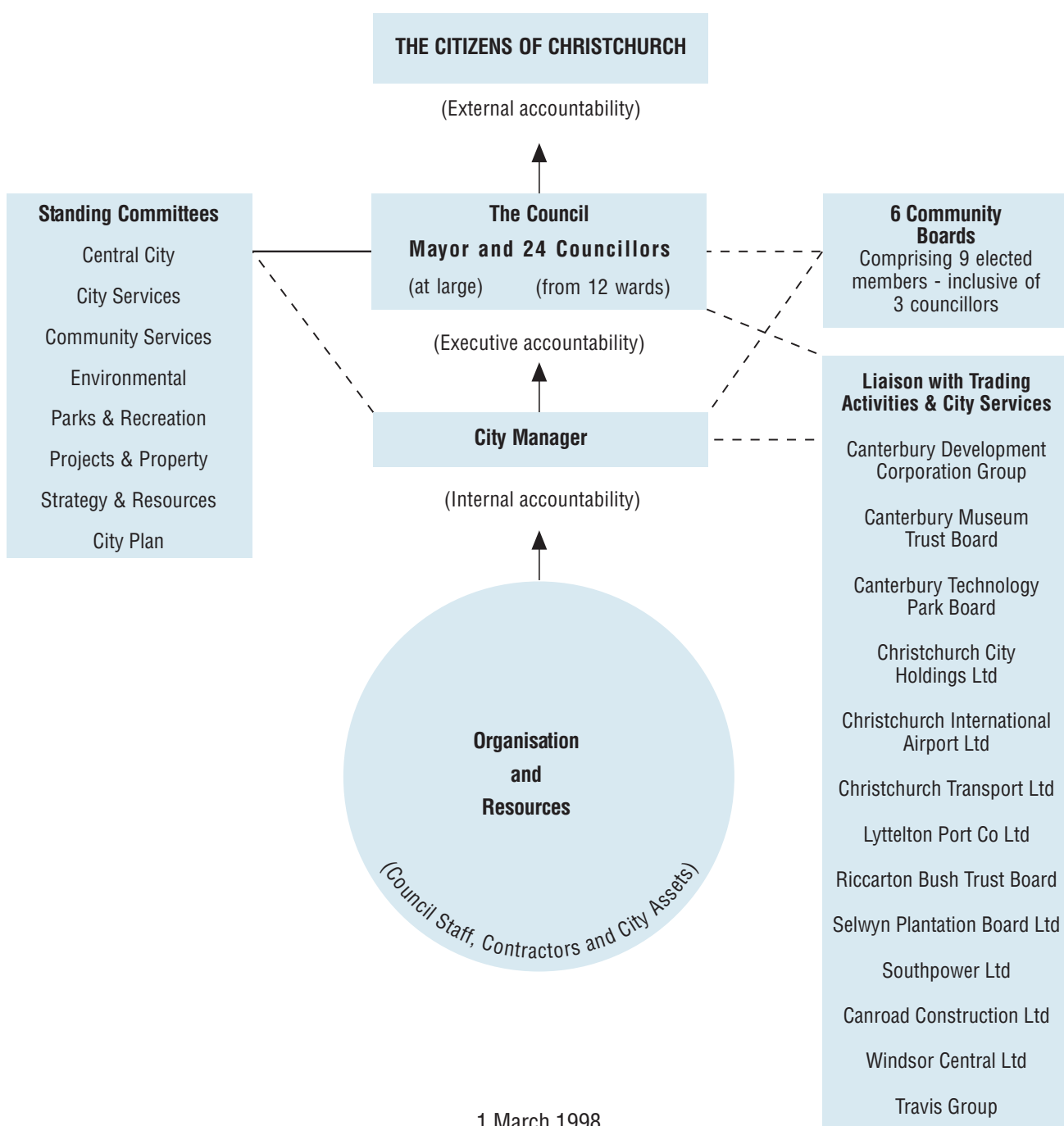
		V-KM	Share	
	Car	1,923,000	93.4%	95.1%
	Trailer Combination	35,000	1.7%	
	Light Commercial	30,000	1.5%	
	Rigid Truck	41,000	2.0%	4.9%
	Articulated Truck	29,000	1.4%	
		2,058,000	100.0%	
Overall Allocation				
	Cars, Trailers			Share
Share of Direct Benefits		95.14%	4.86%	
	Residential	91.8%	87.3%	87.3%
	Commercial	6.8%	6.5%	11.3%
	Rural	1.4%	0.6%	1.3%
	(Unweighted)		(Count)	100.0%

# Information





# Organisational Structure



1 March 1998

## Membership of Community Boards

### Burwood/Pegasus

David Dobbie (Chair)	Gail Sheriff (Cr)
Clare Duff	Alister James (Cr)
David East	Don Rowlands
Jack Travis	Carole Evans JP (Cr)
Chrissie Williams	

### Fendalton/Waimairi

Barbara Stewart (Cr)(Chair)	Graham Catley
Val Carter	Pat Harrow (Cr)
Cheryl Colley	Ian Rivers
Keith Nuttall	Ron Wright JP (Cr)
Hazel Tait	

### Hagley/Ferrymead

Anna Crighton JP (Cr) (Chair)	Aaron O'Brien BA
Richard Boulton Bsc (Hons) BCA	Denis O'Rourke (Cr)
Heather Brown	John Freeman JP MA Dip Tchng TTC
David Cox (Cr)	Bob Todd OBE JP
Liz McRostie	

### Shirley/Papanui

Yvonne Palmer (Chair)	Gordon Freeman JP (Cr)
Judith Bruce	Garry Moore (Cr)
Anne Carroll	Sue Wells BA
Graham Condon JP (Cr)*	Stephen Wright
Newton Dodge (Cr)	

### Spreydon/Heathcote

Oscar Alpers (Cr)(Chair)	Sonia Gill BA ATCC AREINZ
Carole Anderton (Cr)*	Ian Howell (Cr)
Phil Clearwater MA	Trish Hunter
David Drayton	Ann Lewis BA
Morgan Fahey (Cr)	

### Riccarton/Wigram

David Buist (Cr)(Chair)	Lesley Keast JP (Cr)
Graham Berry (Cr)*	Mark Kunnen
Helen Broughton MA Dip Ed (GC)	Mike Mora
Mary Corbett JP TTC	Bob Shearing
Ishwar Ganda (Cr)	

\* Denotes member elected to both Council and Community Board

## The Council

### Mayor

Vicki Buck

### Deputy Mayor

Morgan Fahey OBE MB ChB  
MRCGP FRNZCGP

### COUNCILLORS

Oscar Alpers, LLB Notary Public	Pat Harrow, Dip Hort
Carole Anderton	Ian Howell, OBE FNZIM
Graham Berry, BSc	Alister James, LLB
David Buist	Lesley Keast, JP
David Close, MA (NZ) MA (Essex)	Charles Manning, MA(S'ton)
Graham Condon, QSM JP	Garry Moore, ACA
David Cox	Margaret Murray, JP TTC
Anna Crighton, MA (Hons), JP	Denis O'Rourke LLB
Newton Dodge	Gail Sheriff
Carole Evans, QSO JP	Barbara Stewart
Gordon Freeman, JP	Ron Wright, MPPI JP
Ishwar Ganda	

## Executive Staff

### City Manager

**Mike Richardson,**  
MA (Econ), MA (Town and Reg. Planning),  
MRTPI, AFNZIM, FRS

**Acting Director of Operations: Ken Lawn** BA, Dip TP, MNZPI

**Director of Policy: Jonathan Fletcher,** BE (Hons),  
ME (Environmental Eng), MPP, MIPENZ, MNZAE

**Director of Finance: Bob Lineham,**  
BCom, CA, AFNZIM, MILAM

**Director of Human Resources: Dorothea Brown,** NZLA Cert, FNZLA

# Membership of standing committees

## Central City Committee

Margaret Murray (Chair)  
Graham Berry  
Anna Crighton  
Newton Dodge  
Morgan Fahey  
Alister James  
Charles Manning  
Barbara Stewart

## City Services Committee

Denis O'Rourke (Chair)  
Carole Anderton  
David Buist  
David Close  
Graham Condon  
Carole Evans  
Ian Howell  
Garry Moore  
Ron Wright

## City Plan Hearings Committee

Charles Manning (Chair)  
Rex Arbuckle  
*(Council Appointee)*  
David Buist  
Alex Clark  
*(Council Appointee)*  
David Close  
David Cox  
Anna Crighton  
Newton Dodge  
Cushla Dwyer  
*(Council Appointee)*  
Bill Edwards  
*(Council Appointee)*  
Lesley Keast  
Margaret Murray  
Maurice Nutiva  
*(Council Appointee)*  
Maria Tait  
*(Council Appointee)*

## Community Services Committee

Garry Moore (Chair)  
Carole Anderton  
Graham Condon  
David Cox  
Anna Crighton  
Carole Evans  
Ishwar Ganda  
Pat Harrow  
Lesley Keast  
Barbara Stewart  
(plus two Youth Council  
representatives)

## Environmental Committee

Carole Evans (Chair)  
Oscar Alpers  
Anna Crighton  
Newton Dodge  
Pat Harrow  
Lesley Keast  
Charles Manning  
Barbara Stewart

## Parks & Recreation Committee

Gordon Freeman (Chair)  
Carole Anderton  
Graham Berry  
David Buist  
Graham Condon  
David Cox  
Ishwar Ganda  
Gail Sheriff

## Projects and Property Committee

Ron Wright (Chair)  
Oscar Alpers  
Carole Anderton  
Morgan Fahey  
Ishwar Ganda  
Ian Howell  
Alister James  
Denis O'Rourke  
Gail Sheriff

## Strategy & Resources Committee

David Close (Chair)  
Oscar Alpers  
Carole Evans  
Gordon Freeman  
Pat Harrow  
Ian Howell  
Alister James  
Garry Moore  
Margaret Murray  
Denis O'Rourke  
Ron Wright

The shares of all these trading assets are owned by Christchurch City Holdings Limited. Further information on Christchurch City Holdings Limited can be obtained by calling 371 1475, the Christchurch City Holdings Limited registered office.

# Christchurch City Council Directors of Trading Enterprises

## Christchurch City Holdings Limited

(100% owned)

Owens the shares of the the trading companies listed here.  
P.O. Box 237, Christchurch  
Tel: (03) 371-1475 Fax: (03) 371-1493

### Directors

Cr A G James (Chairman)  
Cr M E Murray  
Cr P C R Harrow  
Cr G A Moore  
P R Taylor

V S Buck  
Cr D C Close  
D J Stock  
C Boyce

## Selwyn Plantation Board Limited

(39% owned)

P O Box 48 Darfield  
Tel: (03) 318-8311 Fax: (03) 318-8812

### Board

D G Marsh (Chairman)  
G J C Clark  
A W Grayburn  
R B Johnson

G Heenan  
W Woods  
Cr D N Buist

## Christchurch International Airport Limited

(75% owned)

P O Box 14-001 Christchurch  
Tel: (03) 358-5029 Fax: (03) 353-7730

### Board

P W Leeming (Chairman)  
Dr B R Mann (Deputy Chairman)  
A I R Jamieson, JP

Cr M F Fahey, OBE  
Cr D J O'Rourke  
S Sheldon

## Lyttelton Port Company Limited

(65.3% owned)

Private Bag, Norwich Quay, Lyttelton  
Tel: (03) 328-8198 Fax: (03) 328-7828

### Board

B Layton (Chairman)  
P J Coakley  
R J Todd OBE

Cr O T Alpers  
Cr I Howell  
D Stewart

## Southpower Limited

(87.625% owned)

Private Bag Christchurch  
Tel: (03) 363-9000 Fax: (03) 363-9001

### Board

J H Gray (Chairman)  
P M Carter (Deputy Chairman)  
K G Nolan  
C S Laurie (Managing)

R H Williams  
L S Constable  
Sir Allan Wright

## Canroad Construction Limited

(100% owned)

PO Box 237, Christchurch  
Tel: (03) 349-4345 Fax: (03) 349-8319

### Board

D A Anderson (Chairman)  
M J Hadlee

W J Fox

## Christchurch Transport Limited

(100% owned)

P O Box 10-171 Christchurch  
Tel: (03) 379-4260 Fax: (03) 366-5643

### Board

D Spence (Chairman)  
Mrs A Urlwin  
C Peter

Cr D G Cox  
Cr I Ganda  
B Waterfield

# Christchurch Profile

## History

Maori oral tradition suggests moa-hunting  
Maori tribes first appeared in Canterbury  
about one thousand years ago.

**The Waitaha tribe is thought to have migrated from the east coast of the North Island to the Pegasus Bay area early in the 16th century, followed by Ngati Mamoe, also from the North Island, towards the end of the century.**

About one hundred years later Ngai Tahu tribespeople also began to move south in a migration that continued until about 1830. By 1832 the population had been decimated by the North Island warrior Te Rauparaha and his supporters.

The first European landed in Canterbury in 1815, 45 years after Captain James Cook sighted Banks "Island", later discovered to be a peninsula. Whaling ships were operating out of Lyttelton by 1835, and in 1840 the first Europeans to settle on the plain arrived.

But it was in 1850 that the English settlers who were to found Christchurch reached Lyttelton. They came in four ships - the Charlotte Jane, the Randolph, the Sir George Seymour and the Cressy.

Christchurch became a city by Royal Charter on 31 July 1856. This makes it the oldest officially established city in New Zealand.

## Recreation

Christchurch has over 3,000 hectares of parkland, comprising 13 major metropolitan parks, including the Botanic Gardens and Hagley Park, 89 major district parks and approximately 330 local and neighbourhood reserves.

Three main beaches - Sumner, New Brighton and Taylor's Mistake - lie close to the city.

There are five multi-purpose sports stadia and centres, including Queen Elizabeth II Park which was built for the 1974 Commonwealth Games and features swimming and diving pools and the Hydroslide. Thirteen other public swimming pools provide outdoor and indoor swimming.

Animal reserves include Orana Park Wildlife Trust and Willowbank Wildlife Reserve.

Eight museums can be visited within or close to the city, and Banks Peninsula and Kaiapoi also have museums. At least 20 art galleries feature works by local and international artists. Sports, social and cultural clubs number well into the hundreds.

## Education

A wide range of private and state-operated pre-school education facilities are available in Christchurch. The city has 23 state and integrated private secondary schools and more than 120 primary and intermediate schools. Numerous schools service the outlying country areas.

Christchurch is the only New Zealand city with two universities. The University of Canterbury, about 5km from the city centre, offers a wide range of disciplines including engineering. Lincoln University, 15km from Christchurch Airport, specialises in agriculture, parks management and other environmentally-oriented courses.

Christchurch Polytechnic also offers a wide range of career and recreational courses.

## Health and Welfare

Christchurch has two general and eight specialist state hospitals, 14 private hospitals and more than 20 community health care services.

More than 100 welfare organisations and support groups are provided to meet the needs of the community.

## General Information

### Location:

Latitude: 43° 31 mins 48 secs South  
Longitude: 172° 37 mins 13 secs East  
East Coast, South Island, New Zealand

### Climate:

#### Temperature

Mean daily maximum	Jan. <b>21.5°C</b>	July <b>10.3°C</b> .
Mean temperature	<b>11.7°C.</b>	
Mean daily minimum	Jan. <b>11.6°C</b>	July <b>1.4°C</b> .
Mean annual maximum	<b>32°</b>	
Mean annual minimum	<b>-4°</b>	

#### Sunshine

Annual average sunshine hours = 2,040

#### Rainfall

Average rain days 1mm or more - 87 per annum  
Average annual rainfall 655mm

#### Frost

Average days of screen frost (minimum air temp. less than 0°C) 36 per annum

#### Relative Humidity

Average relative humidity  
January 3a.m. - 83%  
3p.m. - 57%  
July 3a.m. - 88%  
3p.m. - 70%

#### Wind

Average number of days with gusts reaching 63km/h or more  
- 54 per annum  
Average number of days with gusts reaching 96km/h or more  
- 2.8 per annum

### Sister Cities:

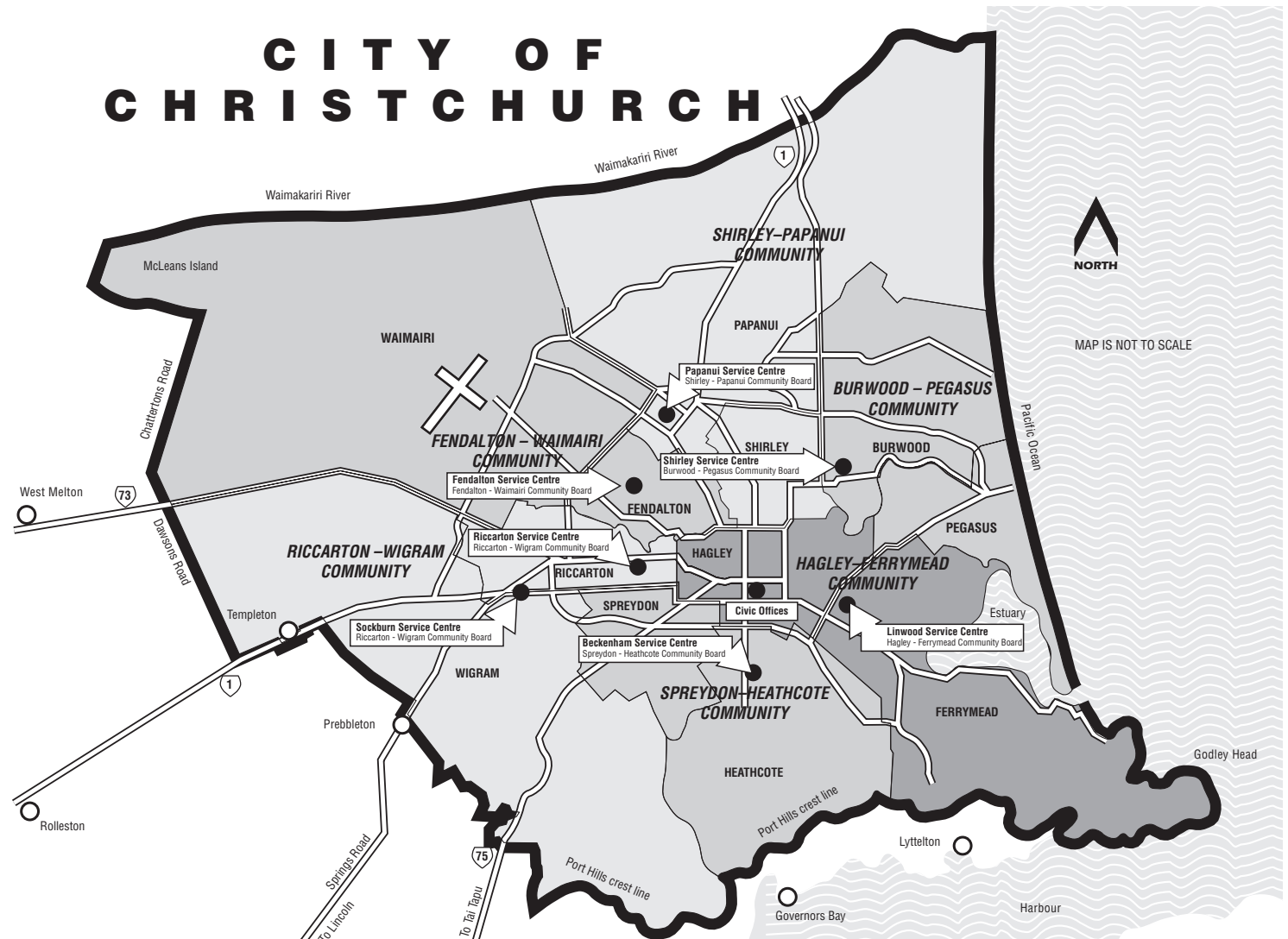
Adelaide, South Australia; Christchurch, Dorset; Kurashiki, Japan; Seattle, USA.;  
Province of Gansu, Peoples Republic of China; Songpa-Gu, Korea

### Area:

Christchurch City: 45,239 hectares



# CITY OF CHRISTCHURCH





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## Christchurch

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