

Council-controlled organisations



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Christchurch City Holdings Limited (CCHL)

Subsidiary companies

- Orion Group Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Red Bus Ltd
- City Care Ltd

Associate Companies

- Selwyn Plantation Board Ltd

(please note there is a description of each of these subsidiaries in following pages)

Nature and scope of activities

CCHL manages the Council's portfolio of shares in key regional infrastructural trading companies. Its activities include:

- Advising the Council on strategic issues relating to its investments;
- Monitoring the governance and performance procedures of its subsidiary companies and other council-controlled trading organizations owned by the Council; and
- Encouraging subsidiary companies to increase shareholder value through growth and investment.

Policies and objectives relating to ownership and control

This company was established to group the Council's interest in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its council-controlled trading organisations. CCHL also borrows in the capital markets to provide a cost-efficient source of funding for the Council.

Key performance targets

- Pay ordinary dividends to the Council totalling \$31.5 million for the 2006/07 fiscal year.
- Retain at least an "AA" credit rating from the international credit rating agency Standard and Poor's.



Orion Group Limited (subsidiary of Christchurch City Holdings Limited)

Subsidiary companies

- Connetics Ltd
- Energetics Pty Ltd
- Envinta (USA)
- 4rf Communications Ltd
- HumanWare Group
- Orion New Zealand Ltd
- Orion NZ Ventures Ltd
- Orion (Whisper Tech) Ltd
- WhisperGen Ltd
- WhisperGen (U.K.) Ltd
- WhisperTech JV
- WhisperTech Ltd

Nature and scope of activities

Orion plans, constructs and maintains a reliable and secure electricity distribution network in the Christchurch and Central Canterbury region. The network's capacity is matched as closely as possible to actual and forecast market demand for electricity.

Orion's network consists of approximately: 175,000 connections, 12,000 km of lines and cables, and 9,500 distribution substations and pole-mounted transformers.

Policies and objectives relating to ownership and control

As Orion is considered a regional strategic asset, the Council wants it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of Orion Group without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

Achieve the following reliability measures for the Orion network overall:

- Duration of supply interruptions per connected customer (SAIDI): 64 minutes in any one year;
- Number of supply interruptions per connected customer (SAIFI): 0.8 interruptions in any one year.

(The above performance measures are based on averages for a five year period. Actual performance for an individual year may vary).

Council-controlled organisations

Christchurch International Airport Limited (subsidiary of Christchurch City Holdings Limited)

Nature and scope of activities

Christchurch International Airport Limited operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence.

The company arranges for the design, provision and maintenance of runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation of New Zealand and other airport users. It also seeks to earn revenue by providing services and facilities meeting the needs of air travellers.

In addition to its primary business of serving the aviation industry and its customers, the company will actively market Christchurch, Canterbury and the South Island as a major destination for overseas visitors.

Policies and objectives relating to ownership and control

Christchurch International Airport Limited is considered a regional strategic asset, and as such the Council wants it to be operated in a commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

- Pay ordinary dividends to the Council totalling \$4.3 million for the 2006/07 fiscal year.
- Handle 4.4 million domestic and 1.7 million international passengers in the 2006/07 year.

Lyttelton Port Company Limited (subsidiary of Christchurch City Holdings Limited)

Nature and scope of activities

This company provides the land, facilities, plant and labour for receiving, delivering, stockpiling, stacking and shipping a wide range of products at the port in Lyttelton Harbour. Its activities also include providing facilities associated with the repair and servicing of vessels.

Policies and objectives relating to ownership and control

Lyttelton Port Company is considered a regional strategic asset and as such the Council wants it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

• Containers	TEUs	180,000
• Fuel – import	Tonnes	1,100,000
• Coal – export	Tonnes	2,400,000
• Cars – import	Units	50,000

(The above figures are based on 2005/06 forecasts and represent anticipated volumes)

Council-controlled organisations

Red Bus Limited (subsidiary of Christchurch City Holdings Limited)

Subsidiary company

CTL Properties Limited

Nature and scope of activities

Red Bus Limited provides scheduled urban public passenger transport services in Christchurch. It also operates bus charter and leasing services.

Policies and objectives relating to ownership and control

The Council is the sole shareholder of this company. While it does not regard Red Bus as a strategic asset it has no plans to sell down or relinquish control of this company. The company has an important role in the city as a provider of quality bus services. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

- Provide economic contributions to the community through taxes paid, dividends and payments to suppliers and employees.
- Operate over 50% of the current fleet with engines complying to Euro-2 emission standards or better.

City Care Limited (subsidiary of Christchurch City Holdings Limited)

Nature and scope of activities

City Care Limited is in the business of management, construction and maintenance of New Zealand's infrastructure and amenity assets. The company is mainly involved in roading and associated services, underground services such as water and sewerage systems, parks and waterways services, facilities maintenance, waste management services and providing miscellaneous services such as project management and plant hire.

City Care Limited operates a profitable, sustainable and innovative business. It maintains a strong market presence in all areas of construction and maintenance of the infrastructure and amenity assets owned by its shareholder, the Council.

City Care ensures that there is capacity in the market to meet the Council's emergency obligations. It is therefore an important contractor to the Council.

Policies and objectives relating to ownership and control

The Council is the sole shareholder of this company. While it does not regard City Care as a strategic asset it has no plans to sell down or relinquish control of this company. The company has an important role in the city as a quality contractor. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

- Provide a quality service as attested by maintaining accreditation to quality standards such as ISO 9000 and ISO 14001.
- Achieve a net operating profit after taxation of \$2.36 million for the 2006/07 fiscal year.

Council-controlled organisations

Selwyn Plantation Board Limited (associate of Christchurch City Holdings Limited)

Nature and scope of activities

The core business of the company is to manage its forests and lands on a commercial basis using environmentally and commercially sustainable methods.

Policies and objectives relating to ownership and control

The City Council has a minority interest in this company and holds it for investment purposes. It does not regard it as a strategic asset.

Key performance targets

Forest operations - harvest of 220,000 tonnes and thinning of 185,000 hectares in the 2006/07 fiscal year.



Transwaste Canterbury Limited

Nature and scope of activities

Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

The company enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

Transwaste will, in due course, invest in alternatives to landfilling for solid waste disposal, should these alternatives be more environmentally sustainable and cost effective.

Policies and objectives relating to ownership and control

It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore the Council has a policy of maintaining a controlling interest in partnership with other local authorities in this trading activity.

Key performance targets

Operate the landfill with no breaches of its Resource Management Act consents.

Christchurch City Facilities Limited (CCFL)

Subsidiary company

Jet Engine Facility Limited
vBase Venue Management Group

Nature and scope of activities

CCFL is a property holding and operating company for certain specialist properties or companies that the Council owns. Its responsibilities include:

- The Westpac Trust Centre
- The Christchurch Town Hall
- The Christchurch Convention Centre
- Overseeing the contracted management of the above facilities
- Jet Engine Facility Limited

Policies and objectives relating to ownership and control

The Christchurch Convention Centre, the Christchurch Town Hall and the Westpac Trust Centre, are all managed by vBase Venue Management Group (of which the Council has a 50% shareholding). These facilities are important to the region in terms of economic development, culture and sport. The Council wants them to be managed on a commercial and co-ordinated basis, and to build profitability while maintaining affordable community access.

CCFL may also undertake other property-related projects that have a commercial focus and/or a regional development impact (eg. Jet Engine Facility Ltd).

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of CCFL, without inhibiting its proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

Achieve a net operating profit before depreciation of and taxation of \$1,278,000 in the 2006/07 fiscal year.

Jade Stadium Limited

Nature and scope of activities

This company manages the affairs of Jade Stadium, a stadium with a fully-seated capacity of 36,000 and a wide range of world-class hospitality facilities. Its activities include active promotion of the stadium as well as its operation and maintenance.

Policies and objectives relating to ownership and control

The Council considers that Jade Stadium Limited is a regional strategic asset and as such wants it to be operated in commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management. To continue to do this the Council has a policy of maintaining a controlling interest in this company.

Key performance targets

Achieve a net operating profit before depreciation and taxation of \$2,024,000 in the 2006/07 fiscal year.

Council-controlled organisations

Canterbury Museum Trust Board

Nature and scope of activities

The Museum undertakes to:

- Collect, preserve, act as a regional repository for, research, display and otherwise make available to the people of the present and future, material and information relating to the natural and cultural heritage of New Zealanders;
- To promote interest and education in the natural and cultural heritage of New Zealanders; and
- To place particular emphasis on those activities as they relate to the greater Canterbury region, the Antarctic and Subantarctic, and, where appropriate, their relationships in a wider global context.

Policies and objectives relating to ownership and control

The Council contributes to the operation of Canterbury Museum by providing annual operational funding towards an approved Canterbury Museum Trust Board Annual Plan; it also contributes capital funding to the museum's Revitalisation Project.

Key performance targets

Comply with the parameters of the Canterbury Museum Trust Board Act 1993.

Central Plains Water Trust

Nature and scope of activities

- To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme, and to hold these consents for the use of Central Plains Water Limited.

Policies and objectives relating to ownership and control

The Council recognises a major regional economic benefit in managing the water resource in the Central Canterbury Plains, including significant employment creation. The Council, through its involvement with the Trust, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

Key performance targets

Obtain resource consents for water use and irrigation by 2009

Other Council Controlled Organisations

Travis Finance Limited – non-operating