

Financial overview



Financial overview



Financial Management Overview

Financial Analysis

The financial overview has been developed within the parameters set out in the Revenue and Financing policy and is supported by detailed budgets for each of the Council's activities. There is an underlying assumption of continuing business.

The paragraphs which follow give an overview of the factors influencing the financial reports as shown in the following tables.

Inflation has been provided on operating revenue, operating expenditure and capital expenditure with the resulting flow through to the balance sheet. Weighted average calculations have been made based on inflation forecasts provided by Business and Economic Research Limited, (BERL). The adjusters used for each year are set out on page 199:

Operational Revenue

The primary operating revenue is and will be property based rates. Rates revenue is projected to grow from a base of \$202.9 million in 2006/07 to \$328.7 million in 2015/16. Other operating revenues include user charges, Land Transport New Zealand subsidies, development contributions, interest, and dividends from Christchurch City Holdings Limited (CCHL). Land Transport New Zealand capital subsidies and development contributions are used to fund the capital projects to which they relate.

Dividends from the Council's subsidiaries are projected to rise gradually from \$33 million in 2006/07 to \$44 million in 2015/16.

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.
- Significant new operating items included within this Community Plan include:
 - New Bio-solids plant - \$1.96 million per annum from 2008/09
 - Bus exchange expansion - \$1.1 million per annum from 2010/11
 - New Botanic Gardens facility - \$450 thousand per annum from 2010/11
 - Waste minimisation initiative - \$1.5 million per annum from 2010/11
 - Metropolitan Christchurch Transport Strategy - \$22.8 million over 10 years
- Debt Servicing Costs. These costs are the interest costs incurred as a result of the Council's borrowing programme. These are projected to increase from \$5.5 million in 2006/07 to \$18.5 million in 2011/12, reducing back to \$17.5 million in 2015/16. This increase reflects the Council's borrowing programme which will be initiated once Debt Repayment Reserve Funds have been fully utilized.
- Depreciation. This has also been included within the operating costs and is explained in more detail in the next section.

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Depreciation

This is charged on both operational and infrastructural assets. Depreciation is on a straight line basis.

The total for all depreciation for 2006/07 is \$83.02 million growing to \$131.85 million by 2015/16. The growth in the depreciation provision can be directly linked to the significant increases in the value of our assets since the 2004/14 LTCCP. The resulting depreciation charge, together with our growing capital programme will add \$10 million extra to our cost structure for the 2006/07 year. The capital programme averages \$189.9 million over the 10 year period

Revenue raised to fund depreciation is used to fund the renewal of assets.

Surpluses

The financial forecasts show (ordinary) operating surpluses, ranging from \$26.42 million to \$76.83 million over the ten year period.

Included within the surplus are capital revenues, such as funding from LTNZ and Development Contributions, which are applied against capital expenditure either in the current year or transferred to a reserve to be used for future capital projects. Because they are “capital” they are not available to subsidise general rates.

The surplus also includes any annual contribution towards the repayment of debt. This figure steadily increases over the 10 year period as debt levels increase.

The Council has confirmed the need to fully account (and rate) for depreciation.

Finally, the surplus also includes the net proceeds of the Council’s Housing and Dogs activities which are not funded from rates.

In the past Council has used funds generated from a combination of depreciation (less funds appropriated back to reserves and separate accounts) plus the balance of the operating surplus (in excess of debt repayment provision) to fund a percentage of the average annual forecast capital expenditure calculated from the next 20 year capital programme. This has resulted in some inconsistencies, one, because of the effect of the averaging on large capital projects, and

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two, because it is difficult to accurately forecast and cost capital projects 20 years in advance

This year the Council has replaced the average figure with the current year's capital programme. It is funded in the first instance with the funds generated by rating for depreciation, (as above), along with capital revenues and specific capital reserves which relate to the projects. The balance is borrowed.

The generation of an operational surplus also ensures that the Council complies with Section 100 of the Local Government Act 2002. This section of the Act, which is sometimes referred to as the 'Balanced Budget Requirement', ensures that the Council has adequate funding for the ongoing maintenance of service levels.

Capital Expenditure

The capital expenditure programme includes a number of large projects which are detailed on page xx of this plan. Details of the first three years only are to be found in the capital works programme on page 71.

Borrowing and Consolidated Debt

Provision for the repayment of Council debt is made by annual contributions to sinking fund and loan repayment reserves. These contributions are calculated to ensure parcels of debt are repaid no later than 30 years after they are initially borrowed.

Our capital programme peaks over the 07/08 – 09/10 period. This sees us having to raise around \$200 million over these three years and hence our term debt increases. For the remaining period through to 2016 debt levels drop slightly as a result of increasing depreciation and lower levels of capital expenditure. Contributing towards our funding of capital expenditure are increasing funds from Development Contributions and LTNZ capital revenues.

By 2015/16 our gross debt is \$251 million, offset by \$403 million in cash and cash equivalents, \$104 million of which is the Capital Endowment Fund, (refer page XX).

The reserve funds which are set aside along with borrowing which is available under our existing

limits means that the Council is well placed to carry out projects which may arise in the future and which will benefit the community.

The financial model assumes sinking funds and loan repayment reserves are accumulated in perpetuity whereas in practice opportunity will be taken to repay portions of the debt from these accumulated funds as shorter term maturities are refinanced, typically each 3 to 5 years.

Intergenerational Equity

This means that ratepayers pay their share of the use of assets plus pay for the acquisition of assets over a reasonable period. The effect of this policy is that current ratepayers will leave a legacy for the future.

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.
- Loans raised to fund capital works are repaid over a 20 to 30 year period. For this plan we have assumed all loans will be repaid over 20 years.
- Revenue of the Council is required to be sufficient to meet the operational expenses in each year including:
 - depreciation on capital assets employed
 - interest on outstanding debt
 - debt repayment contributions sufficient to fund the repayment of outstanding debt over a maximum 30 year cycle.
 - 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.

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Credit Rating

In 1993 the Council received an AA+ international credit rating from Standard and Poor's. This rating was last reviewed and confirmed by Standard and Poor's in 2005.

This high rating reflects the strong overall financial position of the Council and the commitment to achieve an annual operating surplus and control the level of debt through a clearly defined debt management policy.

Financial Ratios

A key part of the Council's risk management strategy is its four key financial ratios. These ratios relate to the Christchurch City Council and CCHL combined and define the limits within which the Council must maintain its balance sheet and borrowing ratios.

The four key ratios and the maximum limits are:

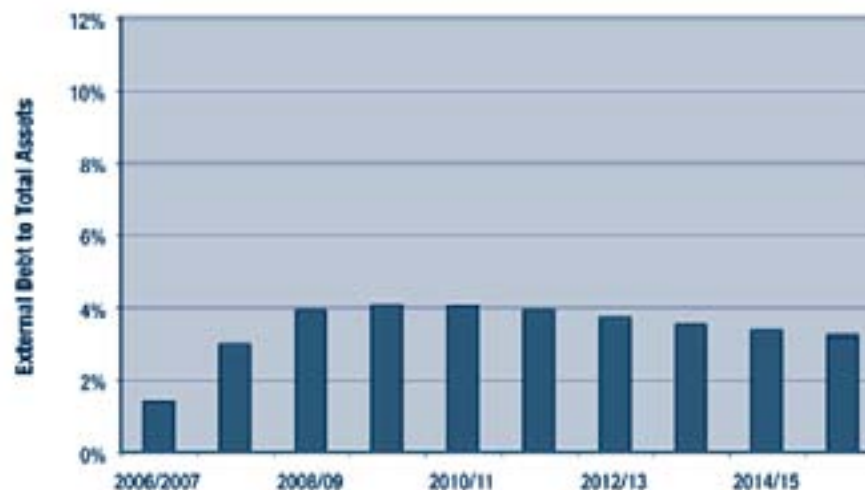
	Policy Limit
Total external debt as a percentage of the total Council/CCHL assets	Maximum 12
Total external debt of the Council/CCHL as a percentage of realisable assets, (all assets excluding infrastructure and restricted)	Maximum 33%
Net interest paid on the total Council/CCHL term debt as a percentage of consolidated gross revenue	Maximum 8%
Net Debt of the Council/CCHL in relation to funds flow from operations	Maximum 5 times

Note 1: 'term debt' is defined as total external debt less dedicated debt repayment reserves, and 'net debt' is total external debt less all cash reserve funds.

Note 2: when calculating financial management ratios, the debt levels and liquid investments of Christchurch City Holdings Limited, parent only, are added to the Council figures. Similarly, any reference to consolidated figures means the sum of the Council and CCHL parent only, numbers.

The 10 year projections are well within the ratio limits (see ratio graphs following).

External Debt to Total Assets
Ratio Policy Limit 12%

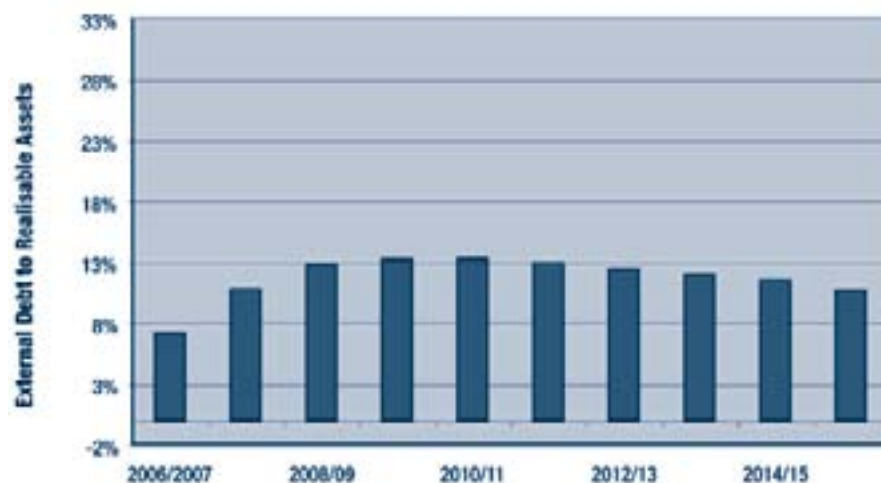


This graph compares the total external debt of the Council with the total assets of the Council/CCHL and sets a maximum of 12%. It is equivalent to measuring your mortgage against all of your assets.

The ratio is currently 1.4%, reaches a peak of 4.1% in 2010/11 and then falls to 3.2% in 2015/16.

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External Debt to Realisable Assets
Ratio Policy Limit 33%



This graph compares total external debt of the Council/CCHL with a significantly reduced category of assets. The assets excluded from the calculation are those which are basic to the needs of the city, such as roads, sewers, parks and water supply; the assets included are property, vehicles and trading investments.

The ratio is currently 7.5% and reaching a peak of 13.7% in 2013/14 before dropping back to 11.0%.

Net Interest to Operating Revenue
Ratio Policy Limit 8%



This graph 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.

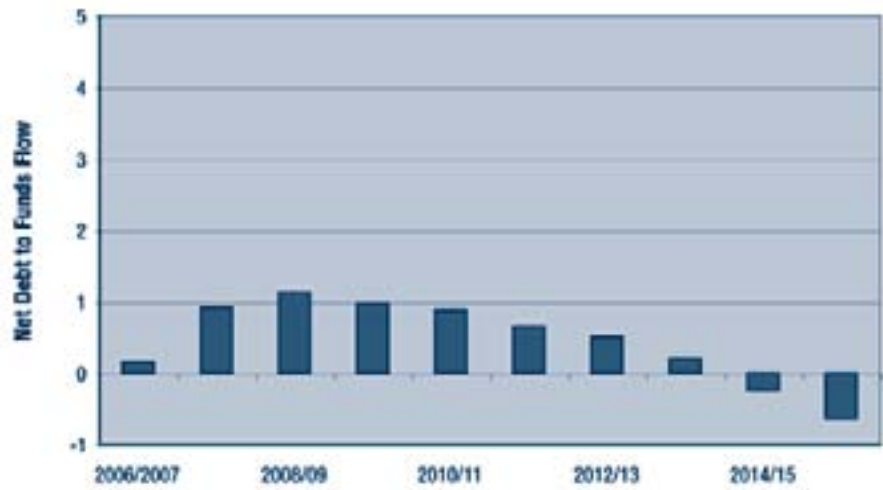
The ratio maximum is 8%.

The ratio is currently -3.9%, peaking at 0.6% in 2010/11 before dropping back to -0.7% in 2015/16.



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Net Debt to Funds Flow
Policy Limit 5 Times



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

It is like checking how many year's total income it would take to repay your mortgage.

The ratio is currently 0.2 times and reaches a peak of 1.1 times in 2008/09. By 2015/16 it has fallen back to -0.6 times.

Financial Statement Projections

The detailed long term projections are to be found in the financial statements beginning on page 169. They should be read in conjunction with the Statement of Accounting Policies which follow the financial statements.

The financial projections have been prepared in accordance with FRS 41 and FRS 42.



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	2006/07 Plan \$000's	2007/08 Plan \$000's	2008/09 Plan \$000's	2009/10 Forecast \$000's	2010/11 Forecast \$000's	2011/12 Forecast \$000's	2012/13 Forecast \$000's	2013/14 Forecast \$000's	2014/15 Forecast \$000's	2015/16 Forecast \$000's
Operating Summary										
Operating expenditure	271,565	279,638	289,006	300,045	315,042	321,729	329,087	336,687	342,522	348,673
Depreciation	83,023	89,552	98,358	106,621	109,105	117,901	123,849	129,485	132,404	131,852
Interest expense	5,534	7,513	13,353	16,764	18,097	18,534	18,506	18,168	17,822	17,531
Total operating expenditure	360,122	376,703	400,717	423,430	442,244	458,164	471,442	484,340	492,748	498,056
funded by:										
Fees, charges and rates penalties	102,502	109,825	115,483	121,873	128,007	130,519	133,324	136,402	138,374	140,687
Grants and subsidies	24,205	32,879	38,666	45,620	39,515	41,360	38,024	36,664	35,795	37,254
Dividends and interest received	56,972	53,861	52,681	55,221	56,560	59,377	60,755	63,548	65,861	68,245
Total operating revenue	183,679	196,565	206,830	222,714	224,082	231,256	232,103	236,614	240,030	246,186
Required operating surplus (before vested assets)	26,422	40,283	53,644	72,260	72,262	75,483	73,368	73,221	73,583	76,830
Rates required	202,865	220,421	247,531	272,976	290,424	302,391	312,707	320,947	326,301	328,700
Net annual impact of activities undertaken:										
Percentage (%) rate increase including growth and inflation	8.55%	7.03%	10.75%	8.93%	5.21%	3.03%	2.37%	1.64%	0.70%	-0.21%
Percentage (%) rate increase including growth only	8.55%	3.11%	7.14%	5.82%	2.42%	0.28%	-0.15%	-0.64%	-1.35%	-2.26%
Required operating surplus consists of:										
Revenues to fund capital expenditure	32,253	43,454	51,910	61,610	58,293	60,264	57,139	55,942	55,177	56,832
Funding for Debt repayment provision	5,482	4,241	7,459	10,048	11,389	12,508	13,372	14,274	15,255	16,303
Funding for landfill aftercare expenditure	165	165	165	165	512	512	512	512	512	512
Removal of separately funded activities results	-1,422	-106	-960	-2,103	-2,422	-2,435	-2,442	-2,448	-2,460	-2,125
Operational transfers to/from special funds	-10,056	-7,471	-4,930	2,540	4,490	4,634	4,787	4,941	5,099	5,308
Operating Surplus (before vested assets)	26,422	40,283	53,644	72,260	72,262	75,483	73,368	73,221	73,583	76,830
Capital Funding Summary										
Capital expenditure	192,435	246,556	220,132	196,399	179,562	182,695	181,631	174,372	159,473	166,067
funded by:										
Depreciation rated for	78,521	84,949	93,701	102,026	104,507	113,292	119,249	124,877	127,786	127,525
Sale of assets	2,310	7,239	1,404	5,871	1,491	1,531	1,569	1,604	1,635	1,667
Landfill aftercare funded from rates and reserves	1,985	694	512	512	512	512	512	512	512	512
Funding from debt repayment reserve	71,562	8,456	718	766	817	871	313	-11,426	-28,497	-23,560
Funding for capital from other reserves	5,054	2,361	2,314	2,142	2,140	2,064	2,098	2,113	2,111	2,341
Revenues for Capital Projects	32,253	43,454	51,910	61,609	58,293	60,264	57,140	55,942	55,176	56,832
Total funding available	191,685	147,153	150,559	172,926	167,760	178,534	180,881	173,622	158,723	165,317
Borrowing required	750	99,403	69,573	23,473	11,802	4,161	750	750	750	750

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Operating Budget Summary

	2006/07 Plan \$000's	2007/08 Plan \$000's	2008/09 Plan \$000's	2009/10 Forecast \$000's	2010/11 Forecast \$000's	2011/12 Forecast \$000's	2012/13 Forecast \$000's	2013/14 Forecast \$000's	2014/15 Forecast \$000's	2015/16 Forecast \$000's
Revenue										
City Development	1,194	1,232	1,269	1,298	1,331	1,362	1,391	1,418	1,442	1,466
Community Support	14,144	14,596	15,034	15,448	15,845	16,218	16,563	16,881	17,162	17,449
Cultural and Learning Services	3,543	3,675	3,806	3,911	4,011	4,106	4,193	4,273	4,345	4,417
Democracy and Governance		330			358			382		
Economic Development	173	179	184	189	194	198	203	207	210	213
Parks, Open Spaces and Waterways	9,012	9,659	10,319	10,983	11,654	12,485	12,863	13,225	13,564	13,910
Recreation and Leisure	8,251	8,619	8,986	9,344	9,697	9,974	10,196	10,401	10,585	10,773
Refuse Minimisation and Disposal	7,311	8,211	8,563	8,799	9,024	9,237	9,433	9,614	9,775	9,938
Regulatory Services	19,072	19,605	20,114	20,669	21,198	21,698	22,158	22,584	22,961	23,344
Streets and Transport	38,657	48,696	55,509	63,509	58,421	60,849	57,956	57,008	56,510	58,346
Wastewater Collection, Treatment and Disposal	8,947	10,165	11,549	12,963	14,417	14,081	14,242	14,374	14,471	14,567
Water Supply	5,569	6,100	6,651	7,228	7,817	7,763	7,876	7,980	8,061	8,145
Total	115,873	131,067	141,984	154,341	153,967	157,971	157,074	158,347	159,086	162,568
Other revenue										
Rates	202,865	220,421	247,531	272,976	290,424	302,391	312,707	320,947	326,301	328,700
Dividends	33,020	34,179	33,865	36,111	36,611	38,611	39,111	41,111	42,611	43,998
Interest	23,952	19,682	18,816	19,110	19,949	20,766	21,644	22,437	23,250	24,247
Other income	10,834	11,637	12,165	13,152	13,555	13,908	14,274	14,718	15,083	15,373
	270,671	285,919	312,377	341,349	360,539	375,676	387,736	399,213	407,245	412,318
Total operating revenue	386,544	416,986	454,361	495,690	514,506	533,647	544,810	557,560	566,331	574,886

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Operating Budget Summary

	2006/07 Plan \$000's	2007/08 Plan \$000's	2008/09 Plan \$000's	2009/10 Forecast \$000's	2010/11 Forecast \$000's	2011/12 Forecast \$000's	2012/13 Forecast \$000's	2013/14 Forecast \$000's	2014/15 Forecast \$000's	2015/16 Forecast \$000's
Expenditure										
City Development	14,185	15,869	15,203	15,645	15,046	15,213	15,282	15,401	15,711	15,803
Community Support	33,755	33,864	34,710	35,486	36,915	37,804	38,641	39,410	40,100	40,291
Cultural and Learning Services	41,831	43,497	46,132	47,637	50,089	51,332	52,617	54,151	55,408	56,521
Democracy and Governance	12,074	13,390	12,875	13,042	14,438	13,750	14,028	15,308	14,492	14,698
Economic Development	10,377	10,120	10,622	11,224	11,912	12,279	12,647	13,002	13,342	13,665
Parks, Open Spaces and Waterways	41,989	43,421	45,041	46,252	48,048	49,243	50,336	51,258	52,134	51,603
Recreation and Leisure	23,883	24,727	26,997	28,245	29,707	30,634	31,429	32,141	32,796	33,258
Refuse Minimisation and Disposal	18,246	19,332	21,405	24,603	25,635	26,129	26,694	27,223	27,700	27,971
Regulatory Services	26,517	27,400	28,078	28,891	29,993	30,650	31,258	31,723	32,158	32,590
Streets and Transport	72,060	77,010	84,072	89,557	94,861	102,218	106,581	110,709	112,974	114,913
Wastewater Collection, Treatment and Disposal	32,031	34,672	38,392	40,856	43,685	45,932	47,995	49,949	51,556	52,368
Water Supply	18,812	19,651	20,903	21,982	22,926	23,752	24,248	24,412	24,990	25,462
	345,760	362,953	384,430	403,420	423,255	438,936	451,756	464,687	473,361	479,143
Other expenditure										
Corporate	14,362	13,750	16,287	20,010	18,989	19,228	19,686	19,653	19,387	18,913
Total expenditure	360,122	376,703	400,717	423,430	442,244	458,164	471,442	484,340	492,748	498,056
Operating surplus	26,422	40,283	53,644	72,260	72,262	75,483	73,368	73,221	73,583	76,830

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Capital Budget Summary

Capital Expenditure Summary	2006/07 Plan \$000's	2007/08 Plan \$000's	2008/09 Plan \$000's	2009/10 Forecast \$000's	2010/11 Forecast \$000's	2011/12 Forecast \$000's	2012/13 Forecast \$000's	2013/14 Forecast \$000's	2014/15 Forecast \$000's	2015/16 Forecast \$000's
City Development	10,517	6,236	5,915	573	590	605	620	634	646	659
Community Support	5,177	7,023	2,935	2,510	3,102	2,561	2,717	2,789	2,798	3,152
Cultural and Learning Services	6,274	6,589	6,377	6,712	7,268	7,441	8,429	8,296	7,504	7,434
Democracy and Governance	16	17	17	18	18	19	19	20	20	20
Economic Development	110	90	80	136	147	83	139	142	95	147
Parks, Open Spaces and Waterways	24,495	35,199	33,887	31,540	27,369	23,212	24,117	24,783	25,733	26,331
Recreation and Leisure	5,610	14,324	5,214	4,339	3,400	2,691	2,617	2,678	2,726	4,686
Refuse Minimisation and Disposal	3,157	973	22,433	856	883	906	913	1,343	1,125	1,007
Regulatory Services	199	389	415	36	117	404	40	40	41	42
Streets and Transport	55,526	75,722	78,324	89,187	78,131	84,338	74,396	71,582	69,533	72,336
Wastewater Collection, Treatment and Disposal	54,935	73,124	39,590	30,750	28,292	28,831	39,645	33,577	20,616	21,243
Water Supply	9,293	11,029	11,926	14,576	17,131	13,315	11,490	13,571	13,522	12,696
Corporate	17,126	15,841	13,019	15,166	13,114	18,289	16,489	14,917	15,114	16,314
Total capital programme	192,435	246,556	220,132	196,399	179,562	182,695	181,631	174,372	159,473	166,067

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Key Assets / Liabilities of Christchurch City Council and Christchurch City Holdings Ltd

	2006/07 Plan \$000's	2007/08 Plan \$000's	2008/09 Plan \$000's	2009/10 Forecast \$000's	2010/11 Forecast \$000's	2011/12 Forecast \$000's	2012/13 Forecast \$000's	2013/14 Forecast \$000's	2014/15 Forecast \$000's	2015/16 Forecast \$000's
Gross debt	73,591	170,577	238,272	259,143	268,776	270,149	264,716	259,701	255,487	251,075
<i>less sinking funds, debt and loan repayment reserves</i>	17,108	12,976	20,476	29,971	41,400	53,530	67,559	94,292	138,449	178,353
Term debt	56,483	157,601	217,796	229,172	227,376	216,619	197,157	165,409	117,038	72,722
Gross debt (CCC and CCHL)	165,253	262,239	329,934	350,805	360,438	361,811	356,378	351,363	347,149	332,737
Total assets (CCC and CCHL)	5,266,951	5,671,327	6,025,348	6,320,757	6,585,259	6,843,576	7,089,773	7,320,560	7,543,011	7,761,732
Realisable assets (CCC and CCHL)	2,214,741	2,350,829	2,478,992	2,560,845	2,628,055	2,705,079	2,774,012	2,845,233	2,933,795	3,012,785

Capital works programme



Capital works programme



Major Capital Projects

The Council has provided \$1.9 billion over the next 10 years for its proposed capital projects programme.

Of this \$1.9 billion, \$132.5 million has been allocated to various projects in Banks Peninsula. This reflects the Council's adoption of the capital projects as agreed in the memorandum of understanding relating to the merger with Banks Peninsula District Council.

Included in the capital projects programme are “base” projects, which relate to the Council's renewal and replacement programme. The large number of renewals and replacements to be done include the ocean outfall, the Blenheim Road deviation, buying Hendersons Basin land for stormwater management, new digesters at the Christchurch Waste Treatment Plant and various upgrades to the sewage treatment, water, roading and stormwater systems.

The Council considered a long list of proposed capital projects which are classified as discretionary. Some of these projects were considered “essential”, some were described as “discretionary” to be further discussed, and others were deemed unworthy of further consideration. The “discretionary” projects were discussed and debated at length, until a short list of priority items was agreed upon, which are included in this LTCCP capital programme. The discretionary projects which failed to make the priority list are listed in this section, but they are not proposed as part of this plan's capital programme.

Base **\$1.635 billion**

- | | |
|---------------|--|
| Discretionary | <ul style="list-style-type: none"> • 100 projects on the list • Essential (Projects worth \$142 million) • Discretionary: priority (Projects worth \$293 million) • Discretionary: non-priority (Projects worth \$65 million) • Projects deemed unworthy of further consideration for the LTCCP |
|---------------|--|

(Please note: projects included in the plan have been adjusted for inflation).

As a rough guide, every extra \$12.5 million of capital expenditure will add approximately 1% to rates. Any operating implications due to new capital projects (excluding depreciation and debt servicing), will also add to rates.

All projects marked with an * will help implement the Council contribution to the proposed Greater Christchurch Urban Development Strategy, which plans for long-term growth and change. This strategy is in partnership with Selwyn and Waimakariri district councils, Environment Canterbury (the Regional Council), and Transit NZ.

Essential Capital Projects

(Please note that funding amounts are adjusted for inflation).

Expansion of Christchurch Waste Treatment Plant. Additional capacity is required at the plant to meet city growth and waste treatment loads. Failure to carry out this project would put the council at risk of breaching consent conditions relating to the quality of the plant's discharge. Funding of **\$18.1 million** has been provided over **2013/2014**.

Biosolids drying facility. The Council proposes a new biosolids drying facility, as it will not be able to dispose of sludge into the Burwood Landfill for capping beyond 2006-07. To transport and dispose of material into Kate Valley after 2006-07 would cost \$2 million a year. The new facility will require **\$23.2 million** from **2007 to 2009**.

New Bus Exchange. The present exchange in Lichfield Street is already inadequate to meet the growth in public transport use. Expansion is necessary in the next three to five years to meet the existing and projected needs at current levels of service. The new facility is scheduled to open in late **2010** at a capital cost of **\$59.5 million**. Capital contributions from Central Government will be received to contribute to this project.

Replacing stormwater pipes. Large sections of the Christchurch sewer network needs replacing. The main concern is 55km of aged timber and concrete-lined drains which are near the end of their useful life. Over the next **10 years** this city-wide project requires **\$11.5 million**.



Capital works programme

Christchurch Art Gallery air-conditioning plant upgrade. This involves spending on a second boiler, and a chiller. An upgrade is required for climate control in the Art Gallery. The current boiler is running at capacity, and a second boiler is needed to meet demand but also to allow for planned maintenance to the existing boiler. This project is timed for completion in 2012/13 with funding of **\$189,000 provided**.

Fitout for new Civic Offices. This involves the normal cost for tenants for fitout of offices, for example office fixtures. It does not include funding/building new Civic Offices, as alternative avenues are being considered for this. There is no provision in the budget for capital expenditure on the present Tuam Street offices should the Council decide not to move. Funding for the fitout of **\$4.3 million** has been provided over 2007 to 2010.

Tree renewal. Many of the city's trees are old and need replacing. The aim is to replace 1.5% of the city's trees each year. Funding of **\$17.2 million** has been provided over the next 10 years.

Replace old waste-water pipelines. Some of the old brick barrel pipelines need renewal. Funding of **\$3.4 million** has been provided in 2015/16.

Civil Defence building. A review of Civil Defence operations in Canterbury carried out with Environment Canterbury identified potential issues. This project includes providing a separate Civil Defence building, and is a cost-share with Environment Canterbury. **\$3.6 million** in funding has been allocated in 2007/08.

Discretionary projects: priority

(Please note that funding amounts are adjusted for inflation).

Strategic land purchases*. The council plans to buy land over time to meet strategic objectives set for city development of open space, conservation, stormwater management and urban regeneration. This will include the recommendations from the Greater Christchurch Urban Development Strategy when agreed to and adopted. A specific loan (**\$60 million**) will be raised to create a revolving reserve fund for land purchases. The funds will be invested until needed. Funding of **\$37.6 million** has been provided for the period 2007 to 2016.

Central City Transport Strategy projects*. The recently-adopted Central City Transport Concept provides a framework for improving our travel to, from and around the central city. A range of improvements to the central city transport system are proposed. These include the development of a core zone focusing on a high-quality pedestrian-friendly environment, improving the Lichfield-Tuam corridor, supporting a new Bus Exchange and introducing themed street designs. Some changes in the way central city parking is managed and developed are also included in the improvements. Overall, these improvements would reduce the impact of traffic on the central city, making it a more enjoyable place to live, work and play. Funding of **\$7.8 million** has been provided over the next 10 years.

Snellings No.2 Drain. Improvements are required to the city's stormwater network and management of the waterways into which it discharges. This particular group of improvements would enhance capacity of the old No 2 Drain that serves the Marshland area. It involves replacing the existing drain through Christchurch Golf Course, which is a top priority for replacement under the Asset Management Plan (due to its age). It is proposed that additional drainage capacity could be provided to meet future growth in the Marshland/Burwood area by using ponds on Christchurch Golf Club land and recently purchased rural land north of Queen Elizabeth 11 Drive. This scheme could also divert surface water away from Snellings Drain, which in high rainfall events takes the overflow from the old No.2 drain. This would reduce the pressure on the Snellings Drain system serving new subdivisions in the Waitikiri area. The diversion would also lessen the impact on the timber-lined drain through the Westhaven subdivision. Funding of **\$2.6 million** has been provided in 2007/08.

School safety zone infrastructure*. A 40 km/h school zone is a designated area around a school, where motorists are legally required to slow down to 40 kilometres an hour when electronic 40 km/h signs are operating. The signs operate at times when children are either arriving or leaving school. In 2000, when the first Christchurch zones were introduced, it was thought that only a small number of schools would require them. Instead, the signs' success at slowing traffic outside schools and raising motorists' awareness of schools and school crossings has meant that after introducing zones for 15 schools, Christchurch City Council has a long-waiting list of schools wanting them. It costs at least \$30,000 to introduce a 40 km/h school zone including static signs on intersecting roads in the zone and flashing 40 km/h electronic signs on either side of school road crossings. Funding of **\$1.05 million** is provided in 2007/08.

Capital works programme



Avon River - Central City Strategy. How should we look after the Avon River and its central city surroundings so that they remain a showpiece of our Garden City? Christchurch City Council has developed a master plan for the river corridor, within the four avenues, that will help us to do this. In February/March 2006, it will gather community feedback on its proposals. The Avon River/Otakaro (Central City) Master plan sets out a course of action for the use and management of the Avon River corridor through the central city so that it remains very much the same as it is today but with a few enhancements. It features improvements to water quality, possible road closures, upgrading of walkways and cycleways including a new promenade, conservation plans for heritage features and places for more artworks along the river banks. The improvements are designed to meet goals for preserving and enhancing natural heritage, cultural heritage, the Garden City image, urban landscape and enjoyment of the river. Implementing all of the work could take 25 years. Funding of \$1.7 million is provided over the next 10 years.

A programme of streets and transport improvements*. This is a package of improvements that is driven by and supports the Metropolitan Christchurch Transport Strategy (MCTS) and other related strategies. It covers all improvements to (as opposed to replacements of) main roads, cycleways and public transport infrastructure, as well as safety improvement projects. These works are needed to cater for our growing city and increasing travel needs. They also aim to address increasing traffic congestion and improve safety on our roads. Funding of \$187.3 million is provided over the next 10 years.

New leisure centres. The proposed Aquatics Facilities Plan (refer page 134) was the first city-wide report to identify current and future needs for aquatic facilities in Christchurch. It looked at the city's needs for the next 30 years. The plan identifies the need to build 3 new aquatic facilities. In the period covered by the LTCCP – 2006 to 2016 – it is proposed to construct a new indoor leisure centre at Papanui, which would be the sixth for the city. This facility would replace existing outdoor swimming pools at Belfast, Papanui and Edgware, all of which are nearing the end of their operational life. The new centre is considered important to serve the current and future population growth in this part of the city. Another facility is needed in the west of the city – at a location yet to be determined, and depending on priorities. These priorities will be reviewed at 5-year intervals. It is proposed that construction of this facility would not begin until 2015. A third new facility required is the new learn-to-swim pool at Pioneer Leisure Centre. Funding of \$12.5 million has been provided from 2007/08 to 2016.

Waste minimisation. The management and reduction of waste is a major issue facing Christchurch. The Council has been revising its Waste Management Plan and considering possible options for the kerbside collection of household waste including recycling and organics collections. In 2005 a new regional landfill was opened at Kate Valley. The equivalent of 50 busloads of Christchurch rubbish is sent to the landfill every day. The draft Waste Management Plan 2005 considered goals and targets to reduce various types of waste going to landfill.

Three options for future kerbside services were put out for public consultation in late 2005. However in February 2006, the Council decided to explore other solutions to achieve its goals of waste reduction, and formed a working party consisting of Councillors, staff and interested parties. While no specific option has yet been decided, it is important to make funding provisions for an important waste-minimisation initiative. The council has budgeted \$21.4 million in 2008/09.

Botanic Gardens project*. During the development of a master plan for the Botanic Gardens and Hagley Park, it has been estimated that \$10 million would be needed to replace the Botanic Gardens visitors' centre and upgrade staff facilities. Money for these two projects was included in the 2004-14 LTCCP. The Hagley Park-Botanic Gardens master plan is expected to be available for public consultation and sign-off from the Council later in 2006. Preparatory planning is underway to celebrate the 150th anniversary of the Botanic Gardens in 2013. Funding of \$11.1 million has been provided from 2007 to 2010.

City Mall renovation. City Mall is one of the downtown's more important streets for both shopping and community life. Despite the important civic and iconic role that the City Mall has within the life of the city, it faces severe competition from suburban development. The City Mall renovation seeks to reverse this tide by re-establishing City Mall as a premier retailing and public destination. Renovation efforts will focus on improving the physical features of the mall and enhancing retail management and co-ordination. This is in the current LTCCP, but councillors have determined the \$10.3 million will be paid for by means of a targeted rate.

Discretionary projects: non-priority

(These are projects considered, but not included. Please note that funding amounts are not adjusted for inflation).

Central City Revitalisation Project*. The success of the central city is integral to the success of Christchurch as a whole. The Central City Revitalisation Project seeks to strengthen the central city by promoting residential development, retaining and expanding commerce and enhancing cultural and leisure activities. Key initiatives within the revitalisation project are the coordination of public and private investments, the development of central city precincts, the preservation of heritage buildings and the marketing of central city businesses. Through this integrated approach, the revitalisation project is advancing the central city as a place to live, work and recreate. The project would require funding of **\$2 million from 2006 to 2008**

Water re-use*. Water is a valuable resource in Canterbury. This project would investigate the possibility of re-using water such as grey water (from off the road and gutters) and waste water for irrigation, industrial cooling and other uses. On hot days the demand for water is up to four times the yearly average. If the city has three hot days in a row, the water supply is placed under severe pressure largely due to residents watering their gardens and lawns. The Council has a legal and moral responsibility to maintain the water supply at a level able to cope with fire-fighting requirements. Grey water and waste water that has been suitably treated could be used for local irrigation and/or industrial uses, reducing the demand on drinkable water from the aquifers. The re-use of water would be a step in the conservation of the city's water supply. The capital spend beyond 2009 is not scoped, but **\$200,000** is required for feasibility studies.

Avon-Heathcote Estuary Ihutai Trust Development. Projects have been identified to restore and enhance the estuary from the Management Plan and Memorandum of Understanding. These projects would require funding of **\$2 million over 2008 to 2011**.

Taylor's Mistake Road upgrade. Efforts have been made to improve the narrow twisting Taylor's Mistake Road during the past few years. It was thought that improving the road and creating footpaths alongside it could be done through a 6 to 7 stage process, with a new stage to be tackled every second year. The first two stages of the project have been completed and the third and most difficult stretch of road was to be upgraded in 2006. Tenders were called for the work but all were

more costly than expected. Costs are being reviewed and the decision to proceed with stage 3 will be made shortly. Funding would be required of **\$617,000 over the period 2007 to 2009**.

Main road planting. Planting trees to improve the ambience of main roads and enhance Christchurch's Garden City image has been part of an ongoing council programme for the last four years. Finding new locations for the trees has however become increasingly difficult due to a variety of considerations including underground wiring and retaining sight lines for motorists. Planting programmes are underway for Colombo and Worcester Streets but generally tree planting occurs only on main roads when the roads are being upgraded. Funding would be required of **\$318,000 over the period 2006 to 2009**.

Walkways development*. Walking is one of the most popular recreational activities for people of all ages in Christchurch. As a result, thousands of people each year take advantage of the city's walking tracks. The Council is working to meet this demand by building new tracks to enable people to enjoy different ways of exploring the expanding network of Christchurch parks. These parks include some of Canterbury's most spectacular coastal, hill, plain and wetland settings. Walking groups, supported by the Council, help people to meet others in their community, while improving their physical and mental health. The ongoing programme to build new tracks is budgeted at **\$2.1 million over the next 10 years**.

Halswell Library*. With the recent and projected population growth in Halswell and the surrounding area, there is increased demand for a larger library to meet the new community's needs. Halswell has undergone significant growth in the last 5 years, and despite the existing library having only undergone an extension in 1995, it no longer meets the needs of the new community. At only 320sqm, it is a small facility. It now sits on the edge of the new community with little street presence or community identity, having been overshadowed by the recent development. Planning for new community facilities in the Halswell area is well underway, including the purchase of additional green space for recreational use and a strategic parcel of land that will centralise the library. This would allow for the development of a 2,000sqm facility to be the focal point for the local community, much in the same way as has occurred with South Christchurch Library. The project requires funding of **\$8.15 million over the period 2014 to 2016**.

Capital works programme



Undergrounding policy. Operational costs are to achieve total city undergrounding of wiring in the next 25 years. The capital cost is for conversion of street lighting at the same time. The project requires funding of **\$18 million over the next 25 years.**

Aranui Learning Centre*. It is planned to establish a learning centre for the Aranui community in an available council-owned building in Wainoni Park. The centre would deliver programmed and individual learning opportunities, provided by a team of employees and volunteers. While the focus of the facility would be on learning – with a strong emphasis on technology – it is also proposed the centre provide a library service focusing on popular materials and learning resources. This facility is important to provide a tailored service for this community that is seeking improved access to enhanced learning opportunities. It requires funding of **\$150,000 in 2006/07.**

New entranceway at QEII. Repositioning of the main public entrance to QEII is essential if the privately-funded ice arena development proceeds. The work would provide a single, custom-designed visitors' entrance for the swimming pool, gym, and ice arena, providing improved public access to the complex and better pedestrian flows. This project would realign the entrance, improving vehicle access to the complex, making the facility more user-friendly and giving it a stronger identity. Additional changing facilities have been identified as important to meet increased and future demand (existing facilities are stretched to capacity during peak times). The new entranceway requires funding of **\$800,000 over 2007 to 2009.**

Implementation of Biodiversity Strategy. The strategy will provide a framework for the Council to work with local communities to protect, restore and celebrate the plants, animals and ecosystems that occur naturally in Christchurch. Costs have been identified to provide for programmes and initiatives to implement the strategy. About 75% of these costs are already provided for in existing Council budgets, however, an additional investment is proposed for ecological restoration of significant sites. The project requires **\$25 million over the next 10 years.**

Upgrade of seating at Cowles Stadium. Replace and upgrade the seating and other facilities at Cowles Stadium to provide the city with a facility that has 1,800-seating capacity. Existing seating at Cowles Stadium is old. While the maintenance is part of the Council's asset management plan, the proposal is to upgrade at the stadium to 1,800-capacity, in line with the Sport and Recreation Strategy requirement for a medium-sized indoor facility in Christchurch. This would provide Christchurch with a facility that would help the city attract key events. Upgrading the facility is

a logical step that looks to the future and creates a stadium that bridges an existing gap in the market. The project requires funding of **\$3.8 million in 2006/07.**

Electronic voting system This system would allow for decisions to be made in a democratic manner, all members vote simultaneously. Included in this number is the ability for the Chair to see the waiting list of questions. Introducing this innovation requires funding of **\$80,000 in 2006/07.**

Cashmere Stream Living Streams development with Environment Canterbury and residents development programme. Linked to the Aidenfield discharge. Funding of **\$1 million** is required in 2010/11.

Projects outside the criteria for inclusion in the LTCCP

The following projects were considered but did not meet the criteria for inclusion, rankings were applied with 5 being the highest ranking and 1 the lowest. Other factors, including financial priorities also came into consideration.

Capital works programme

Project	Comments	Strategic fit/ assessed priority	Level of service gap	Ten-year total capex (\$ million)
Urban regeneration	Funding required for acquisition, consolidation and redevelopment of key sites within the City.	5	5	\$30
Shirley Library fitout	Totally dependent on The Palms and Community/Council discussions.	5	5	\$5
Cycleways projects	Cycleways form part of the Council's key strategies.	5	5	\$19
Safety improvement works	Levels of service for Safety Strategy are on target.	5	5	\$35
Central City revitalisation funding	There is insufficient funding to provide incentives for partnerships for revitalising the Central City.	5	5	
Passenger transport infrastructure	Passenger transport is a key strategy. Current level of service is target 7.5% usage, actual is 3.5%.	5	5	\$45
Sanitary services - cemeteries	Linked to strategic land purchases, this should be part of normal asset management planning.	5	3	
Sanitary services - stormwater	Linked to strategic land purchases, this should be part of normal asset management planning.	5	3	
Policy on earthquake, prone, dangerous and unsanitary buildings	The Building Act requires the development of a policy on earthquake prone, dangerous and unsanitary buildings. This is a legislative requirement. Operating costs are not quantifiable.	4	4	
Latimer Square redevelopment	Redevelop inner city square.	4	4	\$0.5

Capital works programme



Heritage building seismic strengthening incentives programme.	As part of the recent changes to the Building Act, the Council is developing a policy to enable compliance. Likely policy directions will include regulatory and non-regulatory approaches.	4	4	
Sports bid resourcing	To increase ability to bid for sporting events to come to the city.	4	4	
National dog database	The Department of Internal Affairs is developing a National Dog Database in accordance with the Dog Control Amendment Act. Council needs to fund maintenance of the database.	4	4	
Refugee and migrant centre	Rental and operational cost of the new centre for a period of three years.	4	4	
Multi sensory unit	Extension of service by the Multi-sensory room to wider audience.	4	4	
Inner City street cleaning	Up to an additional \$1.5 million required.	4	3	
Legal compliance project	Legal Audit of Council processes and practices to identify risk and non-compliance so as to manage legal risk in a proactive manner.	3	4	
Increase in art works acquisitions budget		3	4	\$0.9
Parks irrigation and drainage	Programme for new irrigation and drainage projects.	3	3	\$2.6
Riverbank landscape/ Estuary conservation projects	Programme of relatively small upgrade and planting projects.	3	3	\$1.6
Biodiversity strategy - implementation of plants and animal pests management strategy	Additional funding above current budget to implement the level one strategy which is to manage pest plants and pest animals.	3	3	
New footpaths	Gaps in Footpath network.	3	3	\$2
Strategic land purchases and development of same	Respond to requests for high-priority conservation land purchases. High rate of development of Port Hills and rural land, including stormwater retention land and esplanade reserves	3	2	\$10

Capital works programme

Linwood Library fit-out	A mixture of basic refurbishment plus choice of improved levels of service i.e. add in a learning centre.	3	2	\$0.3
Relocating of netball from Hagley Park		3	2	\$2
e-Democracy	e-Democracy is proposed to change the way in which councils engage and work with their citizens. E-democracy uses technology to support democratic processes. Delivery through interactive information kiosks at shopping malls/libraries.	3	2	
Rugby league	Shift Rugby League grounds from Addington to AMP Grounds.	3	2	
Cricket	To assist cricket to move from Jade Stadium to own home (AMP).	3	2	
Neighbourhood improvement works	Programme of works to support Metropolitan Christchurch Transport Strategy of 'rooms and corridors' and to slow speeds in local streets.	2	4	\$11.4
Camping grounds	Upgrading of 3 camping grounds and adding new facilities not already there.	2	4	\$0.53
Living streets strategy	This funding is to accelerate the Living Streets programme through the enhancement to Kerb and Channel Renewal Programme	2	4	\$15
Neighbourhood planning	Funding to provide amenities, such as art works, streetscape enhancements and waterway improvements.	2	4	\$3
Major amenity improvements	Improvement programme for pedestrian malls, etc.	2	4	\$16
Art in public places	Council approved funding three years ago for art in Public places. This funding has ended and provision be made for an annual amount.	2	3	\$2.5
Veladrome indoor and outdoor	Denton Park needs upgrading.	2	2	\$3.7
Greenspace link / contribution to Jellie Park redevelopment	Review of park design and functionality plus upgrade assets. Incorporated with Jellie Park Pool upgrade.	2	2	\$0.63
City entrance way upgrade	To upgrade city signage.	2	2	\$1

Capital works programme



Grading of food premises and food safety training	Council may be required by statute/regulation to introduce grading of food premises.	2	2	
Awaroa/Godley Head development	Joint venture with DOC and Trust to develop park and tourism destination.	2	2	\$15
Parks interpretation, artworks, furniture	Programme for a range of signs, art works and new furniture.	2	2	\$21
MacFarlane Park	Funding covers both the upgrade of the park and linked urban renewal projects.	2	2	\$1.4
Whitewater facility	Manmade recreation and leisure facility for white water rafting for events and leisure pursuits	2	2	\$15
Styx planning development and acquisition	Meet Styx vision, strategic acquisition and development.	2	1	\$7
Horners Drain naturalisation	Renewal of utility waterway and identify alternative route to Styx River.	2	1	\$3.5
Gymnastics west side	Help gymnastics provide own facility with increased demand.	1	3	\$1.5
Scarborough to Moncks Bay Walkway / coastal plan	Deals with safety and level of service issues plus foreshore park renewal and development.	1	2	\$4
Library RFID system	Automated self service and material security systems. Main advantage is the speed and ease at which customers can self-issue books.	1	1	\$2.43
Total off-street cycle network	Redirect cycling from main roads to off-road corridors.	1	1	\$60
Mid-Heathcote vision	Address assets condition and prepare renewal and development plan for Hunter Tce and South Christchurch Library.	1	1	\$3
Art Gallery water feature	Painting of water feature to original specifications.	1	1	\$0.26
Flatwater facility	Lake Isaac.	1	1	\$11.5

Capital works programme

RFID project completion	Security tagging of artworks.	1	1	\$0.20
Lowering of New Brighton sand dunes	Review existing resource consent to provide a higher degree of foreshore landscape and views.	0	0	\$1.40
Westminster Street (ex-yard) redevelopment	Provide sports park facilities and community play structures on old yard site.	0	0	\$0.75
Seal extension	Sealing of last remaining unsealed roads (2kms).	0	0	\$0.50
New Brighton beach - artificial reef	Development of off-shore reef - part of New Brighton revitalisation plan.	0	0	\$1.50
Ruapuna track resurfacing	To overlay a new surface at Ruapuna Racetrack.	0	0	\$1.00

Capital works programme



Capital works programme

Where the money will go over the next 10 years

The council has proposed other funding means, separate from the rates take, for some of these projects.

Introducing a Development Contributions scheme is expected to cover the some of the cost of these projects.

To fund strategic land purchases, the council is proposing to raise a specific loan to establish a fund to buy required land parcels. Until the money is spent, borrowing costs will be balanced by interest earned on the fund money. The item will still appear in the LTCCP planned capital programme but will not impact rates until land parcels are actually acquired.

At present the proposed programme of redevelopment of the city mall is not included in the current LTCCP figures. Councillors have determined that a targeted rate can be used to pay for the \$10.3 million renovation of the City Mall.

Many of the projects listed were included in our previous LTCCP for 2004-14. However, the proposed flat water recreation facility and the new Civic building are no longer on the Council's essential or priority capital project lists. Airport safety was a factor contributing to the flat water recreation facility's reassessment on the capital project list but more significantly was its low strategic priority assessment and a scarce capital capacity. The Civic Building is now being built by a Council-controlled trading organisation. The council will be the tenant.

Projects

Essential projects	Discretionary projects: priority	Discretionary projects: non-priority
Waste treatment plant expansion \$18.1 million	Create rolling fund for strategic land purchases \$37.6 million	Central City revitalisation project \$2 million
Biosolids drying facility \$23.2 million	Central city transport projects \$7.8 million	Re-use water \$200,000 for feasibility study

Bus Exchange expansion \$59.5 million	New drainage plan near Christchurch Golf Club \$2.6 million	Avon-Heathcote Estuary Ihutai Trust development \$2 million
Replacing ageing stormwater pipes \$11.5 million	School safety zone infrastructure \$1.05 million	Taylor's Mistake road upgrade \$617,000
Upgrading air conditioning system for Christchurch Art Gallery \$189,000	Implementing Avon River strategy \$1.7 million	Main Road planting \$318,000
Fit-out for Civic Offices \$4.3 million	Transport projects \$187.3 million	Walkways development \$2.1 million
Tree renewal \$17.2 million	New leisure centres \$12.5 million	Halswell Library \$8.15 million
Waste water improvements \$3.4 million	Implementing whichever rubbish collection system the council adopts \$21.4 million	Undergrounding policy \$18 million
Civil Defence building \$3.6 million	Botanic Gardens project \$11.1 million	Aranui Learning Centre \$150,000
	City mall redevelopment \$10.3 million	QE11 Entranceway \$800,000
		Biodiversity Strategy \$25 million
		Cowles Stadium \$3.8 million
		Electronic Voting System \$80,000
		Cashmere Stream \$1 million
Total: \$141.0 million	Total: \$293.4 million	Total: \$64.2 million

In the table which follows, technical projects are for the city's infrastructure, local projects are for individual neighbourhoods and communities and metropolitan projects are for the whole city.

Capital works programme



Capital Works Programme

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
City Development			
Technical Projects	17	18	19
Local Projects	10,500	6,218	5,895
	10,517	6,236	5,914
Community Support			
Technical Projects	371	3,813	630
Local Projects	4,806	2,277	2,305
Metropolitan Projects			
Porritt Park Upgrade	-	933	-
	5,177	7,023	2,935
Cultural and Learning Services			
Technical Projects	5,021	6,304	6,078
Local Projects	990	-	-
Metropolitan Projects			
Artwork Acquisitions	263	285	299
	6,274	6,589	6,377
Democracy and Governance			
Technical Projects	16	17	17
	16	17	17
Economic Development			
Technical Projects	110	90	80
	110	90	80
Parks, Open Spaces and Waterways			
Technical Projects	16,259	27,065	20,127

Local Projects			
Bridges and Buildings	350	321	236
Carparks, Driveways, Pathways	235	104	21
Cemeteries	145	98	102
Landscape and Tree Planting	1,376	1,448	1,551
Park Lighting	103	112	123
Playgrounds and Recreational Facilities	688	738	730
Reserves Development	808	713	823
Revegetation Projects	92	101	93
Walkways and Track Development	58	60	105
Waterways and Wetlands Restoration	2,396	2,311	2,412
Metropolitan Projects			
Inner City Park Developments	100	104	107
Inner City Riverbanks	30	31	32
Strategic Reserve Purchases	800	829	858
Neighbourhood Reserve Purchases	480	497	515
Mona Vale	10	10	11
Remembrance Park	150	155	161
District Sports Park Purchases	-	269	279
Botanic Gardens Entry Pavilion	100	-	5,360
Hagley Park Amenity Landscaping	15	16	16
Coast Care Development	160	176	182
Botanic Gardens	140	41	43
	24,495	35,199	33,887
Recreation and Leisure			
Technical Projects	1,400	1,750	1,998
Metropolitan Projects			
Jellie Park Aqualand Redevelopment	2,710	8,428	-
QEII Pools Plant and Equipment	1,500	4,146	3,216
	5,610	14,324	5,214
Refuse Minimisation and Disposal			
Technical Projects	1,090	166	21,610
Metropolitan Projects			
Closed Landfills Aftercare	1,984	719	549

Capital works programme

SW Kerbside Recycling Bins	82	86	91
Transfer Stations - Renewal Programme	1	2	183
	3,157	973	22,433

Regulatory Services

Technical Projects	199	389	415
	199	389	415

Streets and Transport

Technical Projects	18,529	20,606	25,174
Local Projects			
Street Renewals	22,135	18,840	20,712
Cycleways	410	1,460	1,622
Street Light Upgrading	217	225	232
Neighbourhood Improvements	730	552	965
Metropolitan Projects			
Blenheim Road Deviation	3,299	3,548	-
Kerb Cutdowns	14	15	15
Blenheim Rd Overbridge	-	296	-
Bus Stop Seating	20	21	21
Riccarton Rd Traffic Management	177	-	-
Moorhouse Ave Safety Improvements	405	-	-
Ferry Rd / Humphreys Dr Roundabout	757	1,039	-
Bealey Ave Traffic Management	300	-	-
Ferryroad Bridge	3,097	3,024	-
Keighleys / McGregor	66	-	-
Keighleys / Korora	80	-	-
Memorial / Roydvale	130	-	-
Safety Improvements Contingency	27	751	949
Major Amenity Contingency	3,076	9,035	1,658
Avonside / Fitzgerald	649	829	-
Safe Routes To School	57	59	61
Road Safety At Schools	107	111	115
Pedestrian Safety Initiatives	143	148	153
Minor Safety Projects	88	91	94
Blackspot Remedial Works	114	119	123

Traffic Management Improvements - Wairakei Rd	42	45	47
Latimer Square Stage 2 (Worcester-Hereford)	200	-	-
Project Planning MCTS Funding	470	12,490	22,553
Projects To Be Identified	187	258	522
Lyttelton Marina Rooding	-	2,160	3,308
	55,526	75,722	78,324

Wastewater Collection, Treatment and Disposal

Technical Projects	4,477	4,631	2,161
	-	-	-
Local Projects	2,245	2,880	7,287
Metropolitan Projects			
Ocean Outfall Pipeline	25,100	38,086	12,863
CWTP Digesters	8,190	7,147	-
CWTP Upgrade Projects	5,125	17,183	14,830
Western Interceptor Pipeline	5,390	516	-
WW Pump Stn 11 Tie In	1,145	-	-
WW Pumping Main 11 Investigations	1,200	-	-
Reticulation Network	2,063	2,681	2,449
	54,935	73,124	39,590

Water Supply

Technical Projects	4,438	4,486	5,852
Local Projects	2,175	2,975	2,567
Metropolitan Projects			
Reticulation Network	2,515	2,779	2,975
Headworks	165	789	532
	9,293	11,029	11,926

Corporate

Technical Projects	17,125	15,841	13,020
	17,125	15,841	13,020

Total Capital Programme	192,435	246,556	220,132
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Capital works programme



Capital Works Programme - By Category

	2006/07 \$000's	2007/08 \$000's	2008/09 \$000's
Base Capital Programme			
Infrastructural			
City Water and Waste	63,724	71,380	36,580
Greenspace	10,639	22,489	17,071
Transport and City Streets	40,312	40,994	40,351
Operational	54,750	56,153	41,574
Total Base Capital Programme	169,425	191,016	135,576

Essential Capital Items

Infrastructural			
City Water and Waste			
CWTP BioSolids Drying Facility	400	10,365	12,435
Greenspace			
Ageing Stormwater Pipe Infrastructure	1,000	1,035	1,070
Tree Renewal - 1.5% annual replacement target	875	907	938
Transport and City Streets			
Bus Exchange Expansion	0	10,365	21,439
Street Tree Renewal	625	648	670
Operational			
Civic Building Fit-out	1,000	0	1,072
Civil Defence Building	0	3,628	0
Art Gallery Replacement Chiller with HVAC	0	0	0
Total Essential Capital Items	3,900	26,948	37,624

Priority Capital Items

Infrastructural			
City Water and Waste	0	0	21,439
Waste Minimisation Initiative			
Greenspace	1,250	3,368	1,072
Strategic Land Purchases	150	155	161
Avon River - Central City Strategy	0	0	5,360

Botanic Gardens Facility			
Transport and City Streets	75	767	793
Central City Transport Strategy Projects	0	104	107
40kph School Zones	3,000	7,256	0
City Mall Upgrade	3,135	7,095	9,424
Metropolitan Christchurch Transport Strategy			
Operational	10,000	5,701	5,360
Urban Regeneration Purchases	1,500	4,146	3,216
New North-West Pool	1,500	4,146	3,216
	19,110	28,592	46,932
Total Capital Programme	192,435	246,556	220,132



Council's proposed savings

Proposals to reduce spending and increase revenue in the Council budget

The Council has identified a number of proposals to help minimise rates increases over the next 10 years. These proposals would achieve almost \$2 million per annum of potential savings through service reductions, and generate additional revenue of \$1.6 million per annum through raising Council fees.

The proposals, which were adopted for consultation by the Council during its deliberations of the draft LTCCP in February, include the closing of some suburban outdoor swimming pools, sub-agencies, suburban libraries and community halls. They also include increasing parking fees and cemetery charges, and the sale of Papanui pool land.

Some of these proposals, if adopted, may lead to changes in the levels of service provided. Any decisions on changing levels of service will be made only after the feedback received from public consultation has been considered by the Council.

Services and activities considered for reduction

- 20% fewer community halls – Saving \$397,000.
Some of the city's 42 community halls are run-down and require considerable maintenance. Others are not well used. The Council proposes that the number of community halls could be rationalised.
- Rationalise community libraries (e.g. closing Redwood, Bishopdale and Spreydon) – Saving up to \$450,000.
As part of the early thinking about the 2025 Libraries Plan, rationalisation of some libraries is being considered. A number of new libraries have been built which provides the opportunity to assess whether all of the current libraries are required to meet community needs.
- Exit mobile library – Saving \$80,000.
The number of mobile library stops made, and the number of items issued has been decreasing, especially with the opening of new libraries at Parklands and Upper

Riccarton. This service is therefore to be reviewed.

- Use New Zealand Post for all Council payments – Saving \$300,000.
The Council will investigate the feasibility of outsourcing its payment transactions, such as rates, dog registrations. New Zealand Post has an extensive network of outlets, which would give residents more options for where to pay their accounts.
- Close Riccarton and Hornby sub-agencies – Saving \$77,000.
If payment options are outsourced, there needs to be a rationalisation of sub-agencies at Riccarton and Hornby.
- Close Sockburn pool – Saving \$130,000.
This ageing asset has high operational costs. In 2004/05, the pool had only 23,000 users. Many of the services are now offered by other providers and will also be provided at the redeveloped Jellie Park.
- Close or lease Sockburn Recreation Centre – Saving \$70,000.
This facility no longer provides an acceptable level of service. It has low user numbers, and is in need of \$150,000 of essential repairs. Also, services offered by the centre are replicated by other providers in the locality.
- Close four suburban pools (Edgware, Belfast, Templeton and Woolston) – Saving \$130,000.
These small outdoor suburban pools attract between 2,000 and 6,000 users each year, with a cost per swim of between \$25 and \$35. Current and planned indoor facilities will meet user needs.
- Reduce the number of City Scene – the Council's regular newsletter to residents – issues per year from 10 to 9 – Saving \$22,000.
The Council proposes that reducing the number of issues by one per year would not affect the readership of this publication.

Council's proposed savings



Areas considered for raising fees

- Increase off-street parking charges by 10% to \$2.20 per hour – Increased revenue \$800,000.
It will be two years since the Council increased the fees for its parking buildings. These are considerably lower than in most main cities.
- Raise on-street parking charges to \$2.50 per hour – Increased revenue \$750,000.
It will be two years since the Council increased its fees for on-street parking. These are considerably lower than in most main cities.
- Increase cemetery charges by 10% – Increased revenue \$63,000.
With increases in maintenance, contract and administration costs during the past two years, the Council considers it timely to increase charges. These have remained the same since August 2004.

Sale of assets

- Sell Papanui pool land – \$400,000.
Papanui pool was decommissioned in 2005. This land is now surplus to requirements.

