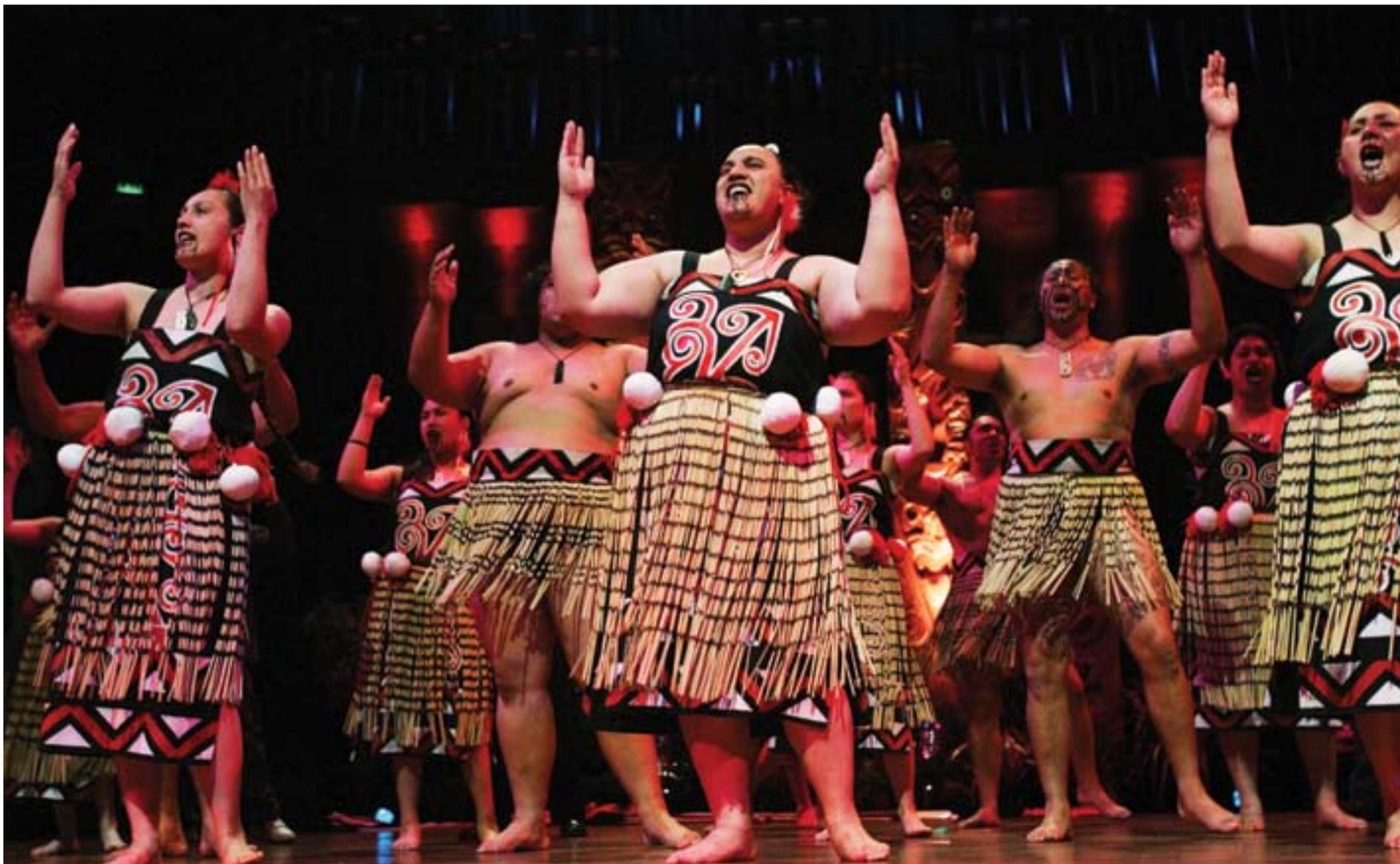




Changes from draft to final



Changes from draft to final



Summary of public consultation

Public consultation on the draft of this LTCCP took place over a 5½ week period, from Tuesday 28 March to Friday 5 May 2006.

Two approaches were used to consult with the public:

1. City-wide discussions with regional or national bodies, large sector groups and interest groups with representation across the city (for example the Canterbury Employers Chamber of Commerce, Manufacturers Association, Sustainable Otago Christchurch, Council of Social Services, Kiwi Able Recreation Network, Ethnic Council). Seventeen meetings were either hosted by the Council or had staff attending a group's meeting.

2. Engagement at local level through Community Boards.
Each Community Board shaped local consultation in their ward to reflect the needs of their communities and special groups within them. Fifty one local meetings or information forums were held in wards across the city.

The approaches described above were supported by the following activities:

- News media advertising and interviews, and discussion (including in languages apart from English);
- Distribution of print materials containing submission forms (16,000 summary documents, 1,000 full draft documents), and flyers in 4 non-English languages;
- Distribution of digital information (1,000 CDs containing both the summary and full document, 50 CDs for the visually impaired);
- Availability of LTCCP documents on the internet, and an on-line submission form; and
- An exhibition, at Our City Otago, of 45 works of art by members of the community representing different areas of responsibility that the Council has for the city.

All submitters were given the opportunity to present their submission at a hearing in front of councillors.

The consultation resulted in around 1,900 submissions from members of the public, 400 of which were also presented at a hearing between 6 and 9 June.

Submissions were received on about 150 different issues. Many of the submissions referred to only one issue, while others cover a wide range of issues. The shortest submission was four words, the longest 138 pages.

All submissions received were considered by the Council and used to inform decisions made and changes that are incorporated into this final LTCCP.



Changes from draft to final

The final LTCCP - What changes were made?

Rates increases

The changes described in this section all have implications for future rates levels – some contribute to rates increases, while others contribute towards offsetting rates increases.

The overall rates increases included in this final LTCCP are shown in the table below, as well as the proposed rates increases that were included in the draft plan (figures include inflation).

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|-------------|---------|---------|---------|---------|---------|
| Final LTCCP | 8.20% | 6.78% | 8.77% | 9.02% | 8.20% |
| Draft LTCCP | 8.55% | 7.03% | 10.75% | 8.93% | 5.21% |

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|-------------|---------|---------|---------|---------|---------|
| Final LTCCP | 2.74% | 2.46% | 1.65% | 0.46% | -0.51% |
| Draft LTCCP | 3.03% | 2.37% | 1.64% | 0.70% | -0.21% |

Libraries

The Council decided against closing any existing community libraries and against ending the mobile library service. Further to this, there will be no closures made or new library buildings developed, until the libraries 2025 plan is completed.

Maintaining the current levels of service including community and mobile libraries adds \$530,000 per year back onto the Council's expenses (which would have been saved under the closure scenario).

Pools and aquatic leisure facilities

Provision for an indoor pool and sports hall in Papanui was confirmed. The Council also decided to:

- Continue to operate the Templeton pool. This will be reviewed in 2011 as part of the first five-year review of the Aquatic Facilities Plan. The cost of running this pool has been added back into the final LTCCP.
- Continue to operate the Belfast pool, until the Papanui pool is complete. The cost of running this pool for 2006/07 and 2007/08 has been added back into the final LTCCP.
- Continue to operate the Woolston pool as a schools-only pool.
- Close Edgeware pool (it has structural faults that cannot be repaired). This avoids spending at least \$360,000 and possibly as much as \$1.6m if it were to be replaced.
- Close Sockburn pool and Sockburn Recreation Centre, due to low attendance numbers, its operating costs and availability of alternatives. This will avoid \$203,000 unbudgeted capital spending and provide \$418,000 to offset operating costs on new facilities at Papanui and Jelly Park.

The overall impact on the 10-year budgets is increased spending of \$1.5 million over the draft LTCCP.

Changes from draft to final



Capital programme schedule changes

The proposed capital programme was reviewed, and a number of projects have been rescheduled to ensure proper planning and allow for resource consent issues. Approximately \$15 million worth of work on 2005/06 projects will remain work in progress at 30 June 2006, with completion in 2006/07. The overall impact is a re-allocation of \$34 million of expenditure from 2006/07 and 2007/08, into 2008/09 and 2009/2010. Please refer to page 26 for more detail.

The financial impact of these schedule changes (including depreciation and interest) is to lower the rate required in 2006/07, 2007/08 and 2008/09, by \$670,000, \$838,000 and \$1.5 million respectively. However from 2009/10, the impact will reverse.

Kerb and channel replacement capital programme

The kerb and channel programme has been adjusted as part of the overall capital programme changes. The current level of service is 21 kilometres per year. As a result of the Land Transport NZ funding criteria and our proposed programme of work being out of alignment, the Council has reviewed the first three years of the programme to meet commitments made to date. This has resulted in the following revised targets:

| | |
|---------|-----------------------|
| 2006/07 | 15 km |
| 2007/08 | 17 km |
| 2008/09 | 19 km |
| 2009/10 | 21 km |
| 2010-16 | 23 km |
| Total | 210 km over ten years |

Budget implications are reflected in the capital reprogramming. See page 26.

Southern Motorway – associated projects

This year's central government budget announced increased funding allocated to roading. One of the results for Christchurch is that our Southern Motorway is now planned for 2009 (earlier than expected). Christchurch City Council has identified a number of projects that are associated with the motorway, however these projects have not yet been costed, or budgeted for. They will be included in the 2009/19 LTCCP.

Waste minimisation

Christchurch City Council has been charging waste minimisation levies since 2004. On 31 March 2006, the High Court ruled that councils in New Zealand could no longer impose waste minimisation levies. This means a loss of projected revenue to Christchurch City Council of \$2.8 million in year 1 and \$3.4 million annually thereafter. The Council had previously used this levy as a "waste minimisation fund" to pay for waste initiatives and activities.

Central government is discussing the concept of a national waste levy, from which councils can obtain funds, however, this idea needs further development before any possible income can be included in our LTCCP.

The financial impact is a loss of income to the Council of \$3.5 million per year, representing about 1.5% of rates.

Loan repayment period

The Council decided to extend its loan repayment period from 20 to 30 years. The 30-year term is in line with the Council's liability policy. This change has a significant financial and rates impact on the year it is introduced; thereafter it is only an incremental change. Repaying debt over a longer term will clearly impact on our debt position, however net debt is still well within our target ratios.

The financial impact is \$2 million in savings from deferred repayments in 2006/07, offsetting rates increases by 1%.

City Mall upgrade

The timing of expenditure on the City Mall upgrade has been changed to reflect likely planning and resource consent processes. The upgrade is still planned for completion in 2008/09, but the timing of spending will be more towards the year of completion.

The Council also determined that as the central city is a place for everyone to use and visit, it is more appropriate to fund an upgrade through general rates rather than a targeted rate. City Mall retailers will be strongly encouraged to buy into a collective marketing and hours of business policy.

Maintenance of Civic Offices building

The Council's Tuam Street offices are sub-standard and conditions are raising significant health and safety concerns. The Council has taken a minimalist approach towards spending money on the building since 2000, in anticipation of moving into new accommodation. However, it is now evident that the current building will be used for another four to five years, and that some funds must be spent to meet fundamental health and safety issues.

The Council will spend an additional \$200,000 per year on maintenance for 2007-2009 and \$2 million per year on capital in 2006/07 and 2007/08.

Tree renewal

The Council reduced the annual capital budget on this from \$1.5 million to \$1 million per year (ex inflation).

Botanic Gardens

Capital expenditure on the visitor centre and upgraded staff facilities was confirmed, and scheduled for completion in 2010.

The Council increased the operating budget by \$100,000 for 2006/07 and 2007/08, to address immediate maintenance issues to meet health and safety requirements.

Museum funding

\$833,000 of capital expenditure budgeted for 2006/07 was deferred to 2007/08.

Akaroa Museum storage funding

\$527,500 of capital expenditure budgeted for 20012/13 was brought forward to 2008/09.

Development Contribution Policy

The policy has been amended to reflect a transitional implementation process for 2006/07. This will effectively see development contributions revenues for 2006/07 at similar levels to the 2004 policy.

The development contribution revenues for 2006/07 will be approximately \$7.0 million less than in the draft LTCCP.

As a result of the capital reprogramming, the amounts and timing of the revenue received have changed in the final LTCCP. Over the 10 years, the forecast contributions have increased by \$11 million to \$241 million due to an increase in the growth component within several Greenspace projects.

Emergency capital fund

Christchurch City Council established an emergency fund many years ago, to set aside funds that would be available in case of an emergency / natural disaster. The fund balance currently sits above the Council's minimum level of \$5 million and is accumulating interest which has not been available for rates. The need for this fund will be reviewed, given the strong balance sheet and other funds (such as the Capital Endowment Fund) which could be drawn upon in an emergency. In the meantime, the Council has determined that interest earned from the fund should be made available to offset rates increases.

Interest earned from the fund will make an additional \$5.9 million available over the 10 year period, to offset rates increases.

Changes from draft to final



Transwaste dividend

Dividend revenue has been increased \$7.7 million over the 10 year period to reflect Transwaste's updated dividend forecasts.

Other changes to net operating expenditure

Various changes have been made to both operating expenditure and revenue to reflect better information which has become available since the draft LTCCP was compiled. Included within the changes are annual figures of \$0.4 million, previously classified as a capital cost, \$0.7 million which is the result of updated contract costs within City Water and Waste and Streets, \$0.5 million relating to changes in depreciation, \$0.3 million of additional landfill gate charges, and \$0.9 million which is the effect of a change in accounting method for City Solutions charges. These changes fluctuate but in total average \$3.4 million each year.

Community Services

Housing rental income have been reduced by \$0.3 million per year to reflect the Council's decision to increase housing rentals by a lower figure than that recommended by the staff. Because housing is separately self funded there is no impact on rates. Maintenance costs have also been reduced by \$0.9 million per year reflecting identified savings in reactive maintenance work.

Land Transport New Zealand funding

Capital revenues have reduced by \$29 million over the 10 year period as a result of changes to the timing of, and funding criteria for the capital programme.

Funding of the new Civic offices

Funding for the new offices will be provided by Christchurch City Holdings Limited to the Council and on lent to the Council controlled company, Tuam Limited, instead of flowing directly between CCHL and Tuam Limited.

As a result the Council's debt is increased by \$113 million with an offsetting increase in the value of its investments. This in turn has the effect of increasing the values of the financial ratios, although all still remain well within their limits. As a result of the change, interest revenue and interest expense have both increased by \$79.3 million over the 10 year period. There is no rates impact from this change.





Changes from draft to final

Capital Programme Adjustments

| | Plan 2006/07 \$000's | Plan 2007/08 \$000's | Plan 2008/09 \$000's |
|---|----------------------------|----------------------------|----------------------------|
| Water Supply | | | |
| Replacement of Rail Tunnel Water Pipeline | | | |
| Draft LTCCP | - | - | 906 |
| <i>Final LTCCP (refer note 1)</i> | - | - | - |
| Rapaki Reservoir | | | |
| Draft LTCCP | 264 | - | - |
| <i>Final LTCCP</i> | 53 | 219 | - |
| Akaroa Water Upgrade | | | |
| Draft LTCCP | 1,055 | 1,094 | 566 |
| <i>Final LTCCP</i> | 158 | 219 | 1,526 |
| Heathcote New Well | | | |
| Draft LTCCP | 47 | 514 | - |
| <i>Final LTCCP</i> | - | 49 | 532 |
| Westmorland Reservoir | | | |
| Draft LTCCP | 100 | 513 | - |
| <i>Final LTCCP</i> | - | 104 | 531 |
| Wastewater | | | |
| Little River Wastewater Reticulation and Treatment Plant | | | |
| Draft LTCCP | 127 | 2,805 | - |
| <i>Final LTCCP</i> | 127 | 132 | 1,131 |
| Wainui - Wastewater Scheme | | | |
| Draft LTCCP | 2,805 | - | - |
| <i>Final LTCCP</i> | 127 | 437 | 2,418 |
| Lyttelton Harbour Basin effluent disposal | | | |
| Draft LTCCP | - | - | 566 |
| <i>Final LTCCP</i> | 158 | 164 | 226 |

| | Plan 2006/07 \$000's | Plan 2007/08 \$000's | Plan 2008/09 \$000's |
|---|----------------------------|----------------------------|----------------------------|
| Western Interceptor Pipeline Stage One | | | |
| Draft LTCCP | 5,390 | 518 | - |
| <i>Final LTCCP</i> | 3,390 | 2,591 | - |
| CWTP Trade Waste Receiving Tanks | | | |
| Draft LTCCP | 450 | 985 | - |
| <i>Final LTCCP</i> | 50 | 1,399 | - |
| CWTP Bio-Solids Thermal Drying Facility | | | |
| Draft LTCCP | 400 | 10,365 | 12,434 |
| <i>Final LTCCP</i> | 400 | 6,219 | 16,722 |
| Reticulation Portable Odour Control Unit | | | |
| Draft LTCCP | 40 | - | - |
| <i>Final LTCCP</i> | - | - | 43 |
| Worsleys Spur Sewage Scheme | | | |
| Draft LTCCP | 675 | - | - |
| <i>Final LTCCP</i> | 500 | 181 | - |
| Transport and City Streets | | | |
| City Mall Upgrade | | | |
| Draft LTCCP | 3,000 | 7,256 | - |
| <i>Final LTCCP</i> | 500 | 3,628 | 6,431 |
| Overall Programme (excl City Mall) | | | |
| Draft LTCCP | 52,815 | 63,695 | 79,497 |
| <i>Final LTCCP</i> | 41,515 | 51,257 | 83,785 |

Changes from draft to final



| | Plan 2006/07 \$000's | Plan 2007/08 \$000's | Plan 2008/09 \$000's |
|---|----------------------------|----------------------------|----------------------------|
| Recreation Facilities | | | |
| Jellie Park Aqualand Development | | | |
| Draft LTCCP | 2,710 | 8,428 | - |
| <i>Final LTCCP</i> | <i>2,100</i> | <i>9,061</i> | - |
| New North-West Pool | | | |
| Draft LTCCP | 1,500 | 4,146 | 3,216 |
| <i>Final LTCCP</i> | <i>300</i> | <i>4,146</i> | <i>4,502</i> |
| Strategy and Planning | | | |
| Urban Regeneration | | | |
| Draft LTCCP | 10,000 | 5,701 | 5,360 |
| <i>Final LTCCP</i> | - | - | <i>5,360</i> |
| General | | | |
| Akaroa Museum | | | |
| Draft LTCCP | | | |
| <i>Final LTCCP (refer note 2)</i> | - | - | <i>566</i> |
| Social Housing | | | |
| Draft LTCCP | 4,810 | 2,281 | 2,309 |
| <i>Final LTCCP</i> | <i>7,245</i> | <i>1,863</i> | <i>1,876</i> |
| Banks Peninsula planning projects | | | |
| Draft LTCCP | 158 | - | - |
| <i>Final LTCCP (refer note 3)</i> | - | - | - |
| Banks Peninsula property maintenance expenditure | | | |
| Draft LTCCP | 272 | 254 | 192 |
| <i>Final LTCCP (refer note 3)</i> | - | - | - |
| Robert McDougall Art Gallery building | | | |
| Draft LTCCP | 833 | - | - |
| <i>Final LTCCP (refer note 4)</i> | - | - | - |

Share Purchase - Tuam Limited

| | Plan 2006/07 \$000's | Plan 2007/08 \$000's | Plan 2008/09 \$000's |
|--------------------|----------------------------|----------------------------|----------------------------|
| Draft LTCCP | - | - | - |
| <i>Final LTCCP</i> | <i>2,000</i> | <i>2,000</i> | - |

Notes:

- (1) This project has been reprogrammed to the 2009/2010 year
- (2) This project was planned for 2012/2013 in the draft LTCCP
- (3) This expenditure has been re-classified as operating since the draft LTCCP
- (4) Expenditure has been deferred for one year and is now planned in 2009/2010

