

Christchurch City
Annual Report

2017

Summary

Christchurch Ōtautahi

Council vision

The Christchurch City Council has a vision for this City:

*Christchurch is a city of opportunity for all.
Open to new ideas, new people and new ways of doing things – a city where anything is possible.*

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What is the summary report?

This is a summary of the Christchurch City Council's 2017 Annual Report. It shows at a glance what the Christchurch City Council (the Council) has been doing for the past financial year.

If you would like more information please refer to the full report, copies of which are at city libraries and service centres, and online at ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/annual-plans/2017-annual-report/. You can also ask our call centre for a copy by phoning (03) 941 8999 or for Banks Peninsula residents, 0800 800 169.

The 2017 Annual Report for the financial year July 2016 to June 2017 sets out what the Council did in the past year, why we did those things, how much they cost, and how they were funded.

It shows how the Council is delivering on the commitments made to our community — after we asked Christchurch residents what they wanted for their city as part of our three year planning process. It also shows how the Council continues to respond to the rebuild of our city.

The report shows our overall financial position and performance, measured against key financial goals.

Since the 2010/2011 Canterbury Earthquakes the Council has received modified audit reports from Audit New Zealand and the Auditor General due to a number of earthquake related issues that prevented the Council from fully complying with accounting standards.

In 2017 the last of the remaining earthquake issues was able to be cleared which has resulted in Audit New Zealand on behalf of the Auditor General providing a clean opinion in relation to the 2017 financial result. However the modifications remain in relation to the 2016 comparative figures.

More about the damage to the Council's assets, how we have accounted for it and the surrounding uncertainty is in the introductory note to the financial statements, *Impact of the rebuild*.

The Council adopted the Annual Report on 10 October 2017.

Published by the Office of the Chief Executive, Christchurch City Council, in compliance with s98(4) of the *Local Government Act 2002*.

Financial results at a glance

The Council's total spend for the year was \$1.4 billion (\$872 million operational expenses and \$525 million capital expenditure).

Rates and other revenue of \$1.1 billion resulted in an operating surplus (before tax) of \$187 million. This surplus was mainly due to recognising as revenue the value of assets provided to Council (vested assets) and the Crown funding of the infrastructure network rebuild.

The Council's total surplus was \$736 million, due to accounting items such as revaluations of infrastructure, investments in subsidiaries and financial instruments (derivatives).

Vested assets revenue and gains from revaluation of assets are not cash items and cannot be used to reduce the Council's rates requirement.

The Council group (including the CCHL group and other subsidiaries) had an operating surplus (before tax) for the year of \$174 million with a total surplus of \$693 million.

From the Mayor and Chief Executive

As we come to the end of another financial year, there is an increasing sense of rejuvenation spreading throughout the city.

We continue to make comparatively good progress, with our finances much more transparent than they were in 2013.

Although our insurance settlement was the largest of its kind in New Zealand, the financial settlement could not match the scale of loss we experienced as a city and region. The completion of the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) programme highlighted the scale of the impact of the earthquakes on our horizontal infrastructure that was not covered by the Cost Sharing Agreement. The plus is that it has provided us with the basis of an excellent asset management programme moving forward.

We have continued to develop strong and effective working relationships with all the strategic partners and range of government agencies and entities that make our city tick. We now have a more collaborative partnership with central government, best exemplified in the regeneration planning and problem-solving processes, which are offering up innovative ways to re-engage our communities throughout.

With Government, we have developed a regeneration eco-system, consisting of Regenerate Christchurch, Development Christchurch Limited (DCL) and Ōtākaro Limited. The organisations meet regularly with Council and Department of the Prime Minister and Cabinet (DPMC) to share information, discuss ideas and to ensure we are all working towards what's best for regenerating our city.

We have also achieved a number of milestones.

Our infrastructure and facility rebuild programmes have continued to make further progress around the city. We completed the repairs to Mona Vale, Sign of the Kiwi and Sign of the Takahē and built new library and community facilities in Sumner and Bishopdale, while construction continues on a number of other projects. The Council will continue to invest in new active travel infrastructure, which is critical to the vision we have of creating travel networks which meet both the current and projected needs of the city.

In February of this year, the Government and the Council announced the creation of a \$6 million Community resilience partnership fund over three years for use in resilience and wellbeing initiatives around the greater Christchurch communities. The Council is working with communities across the city to identify local projects and initiatives that will improve social connectedness and encourage active participation, ultimately promoting a new way of co-investing in communities for the future.

Housing has also been an area where we have done extensive work. The independent Ōtautahi Community Housing Trust was established last year to take over the running of the Council-owned social housing units. The approach we have adopted with this trust represents a shift to a more financially sustainable model for social housing. The announcement in April this year of another co-funded initiative with Government, the \$6 million Christchurch Housing fund, represents a new opportunity towards helping families into their own homes.

As you can see, much has been achieved but there are many challenges that lie ahead. Several milestone projects will come to fruition over the next year, which gives us cause for optimism for the future of our city.



Lianne Dalziel
Mayor of Christchurch
10 October 2017



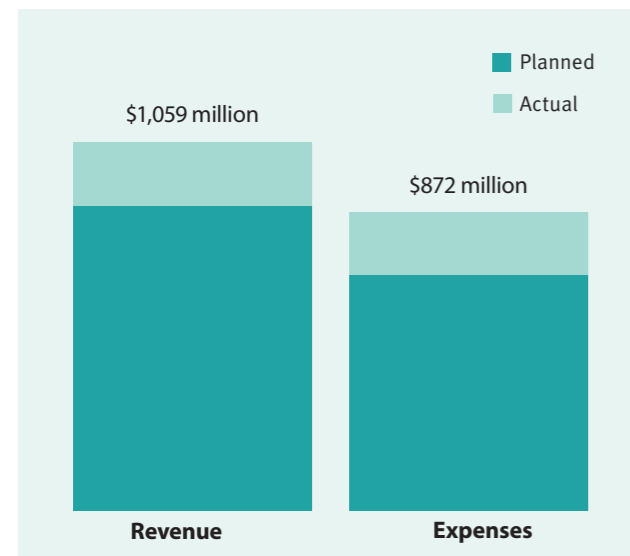
Dr Karleen Edwards
Chief Executive
10 October 2017

Financial Highlights

Operating Result

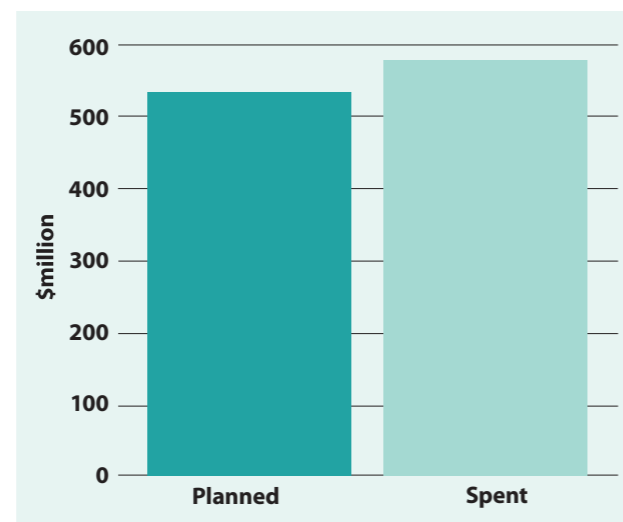
Our revenue was higher due to additional income from development, the ongoing rebuild and dividends.

Our expenses were also higher than plan due to rebuild costs that were planned as capital but needed to be treated as expenses.



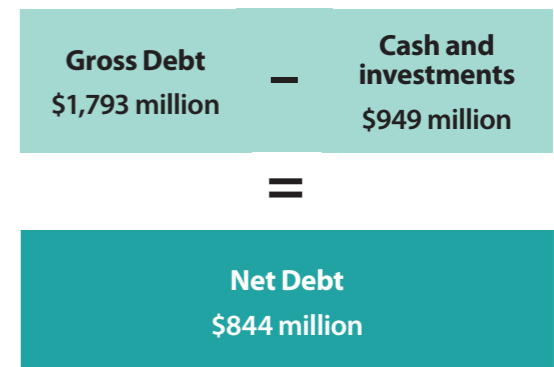
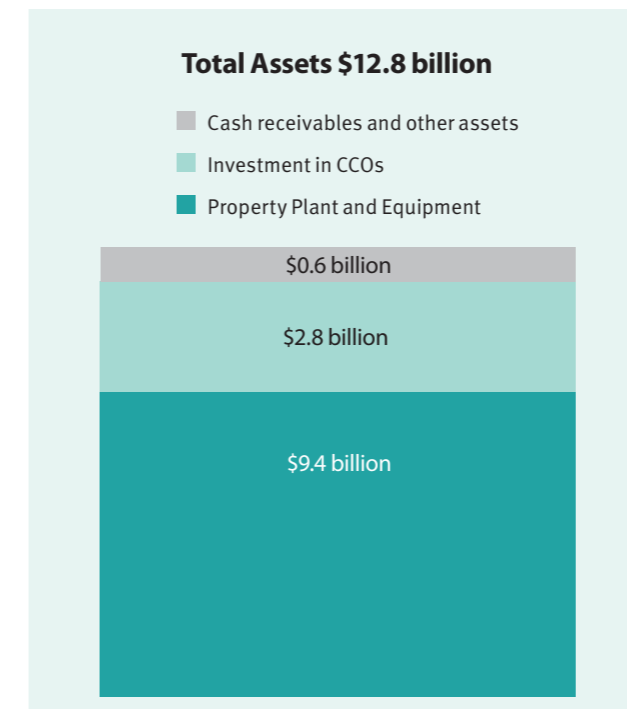
Capital spending

Our asset base continues to grow as we rebuild the city and our investment in our subsidiaries grows.



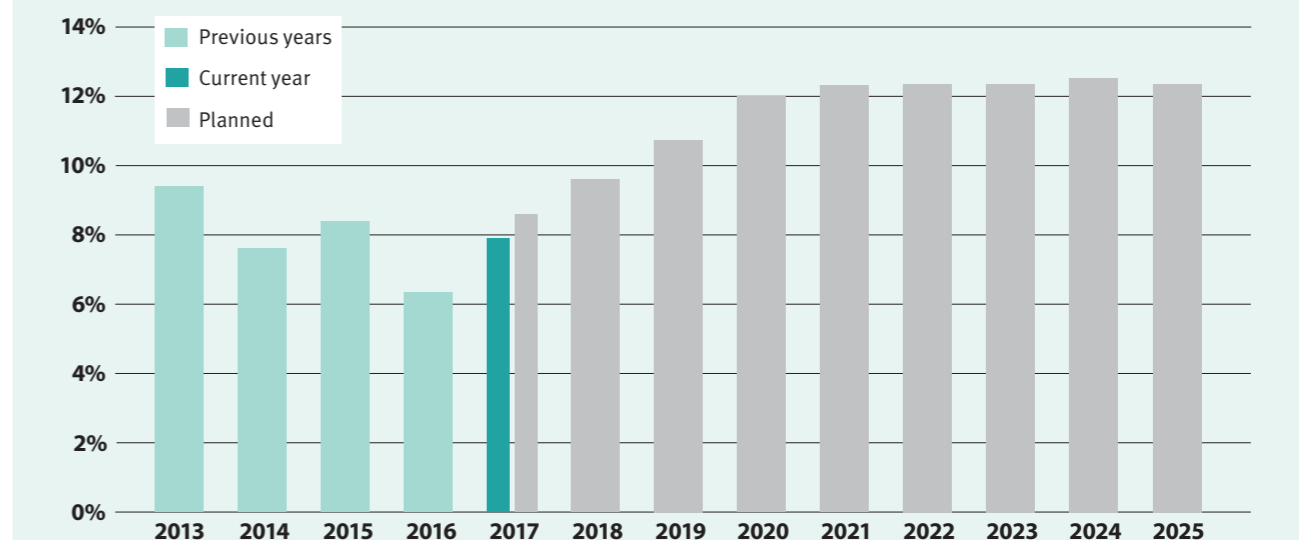
During the year we spent \$581 million on capital projects against a budget of \$536 million. Infrastructure rebuild projects, most relating to sewerage collection and road networks accounted for \$310 million of this spend. Projects deemed repairs accounted for \$56 million of the investment in capital projects (included within expenses above).

Assets and debt



While we continue to borrow to fund the rebuild our net position is better than planned with our city having equity of \$10.6 billion.

Net debt as a percentage of equity



Achievements

Infrastructure rebuild

SCIRT completed its five-year programme to repair and rebuild our earthquake damaged horizontal infrastructure. The SCIRT projects have contributed to the improvement of the resilience of the city's wastewater, drinking water and storm water systems through design and modern materials.

Anchor projects

Council led projects

- Construction has begun on Tūranga - new central library in Cathedral Square. The library is scheduled to open in mid-2018.
- The \$133 million repair and restoration of the Town Hall continues, with the building due to reopen in 2019.
- Restoration of the historic Mona Vale Homestead was completed in 2017.
- Repairs to the historic Sign of the Takahe and Sign of the Kiwi buildings were completed.
- Construction began on the new QEII Recreation and Sport centre in January 2017. The facility is expected to open by May 2018.
- Construction began on stage one of the Ngā Puna Wai Sports Hub. It is expected that the athletics track will open in March 2018 and the hockey turf in May 2018.

Ōtākaro led projects

- Ōtākaro and the Council have completed the design phase for the Metro Sports Facility. Ground remediation works have begun. It is expected to be completed in 2020.
- The Canterbury Earthquake Memorial was completed for the February 2017 anniversary of the earthquake.
- Ōtākaro and Fletcher Living are progressing the East Frame.
- Ōtākaro completed the design work for the Convention Centre during the year and awarded the construction contract in August.
- The Te Papa Ōtākaro/Avon River Precinct encompasses the projects along the central city area of Avon River. These continue to progress.

Other capital projects

Outside the SCIRT projects we continued with and built the following:

- Sewerage and water supply network renewals.
- Replacement of shallow water wells in the north-west of the city.
- Flood protection, stormwater and land drainage recovery projects including the Dudley Creek project.
- Wastewater treatment plant earthquake repairs.
- Road and footpath resurfacing.
- Reopening of the Sumner corridor.
- Major cycleway routes.
- Matuku Takotako: Sumner Centre.
- Orauwata: Bishopdale Library and Community Centre.
- Sports park renewal and improvement projects.
- 16 new housing units and reopened a further 34 earthquake damaged ones.
- Lichfield Street car park.

More detail around the capital projects undertaken during the year are outlined in the *Council activities and services* section of the Annual Report.

Other achievements

Our other significant achievements included:

- Transferring the management of our social housing units to Otautahi Community Housing Trust.
- More than 4 million visits to our recreation and sport centres, stadiums and services.
- We have provided 111,348 affordable swimming lessons.
- Christchurch has become the first city in the southern hemisphere to trial new smart bikes.
- In September 2016 the Resilient Greater Christchurch Plan was released as part of our membership of the 100 resilient cities network.
- We played a major role in the response to both the Kaikoura earthquake and Port Hills fire emergencies.

Looking forward

Our major focus in 2018 is the delivery of our capital programme, delivering the levels of service to the community that we outlined in our Amended LTP, together with the continuing rebuild of the city. We will continue our infrastructure programme and maintain existing assets to meet the community's immediate needs.

We will also be developing our 2018–28 Long Term Plan and engaging with the City on what we should put in that plan.

Our major capital works planned for the year to June 2018 include:

- Ongoing facility rebuilds including:
 - Christchurch Town Hall;
 - Tūranga – new central library;
 - Lichfield Street car park (due to be completed in November 2017).
- The cycleway network throughout the City.
- Delivery of the social housing repair and replacement programme.
- Wastewater treatment plants for Lyttelton Harbour and Akaroa and the completion of repairs at the Christchurch Wastewater Treatment Plant.
- Continuing work to enable Sumner Road (Evans Pass) to be reopened.
- Continued work on the Northern Arterial extension including the Cranford Street upgrade.
- Repairs to the New Brighton Pier.
- Commitments towards the construction of the Metro Sports Facility, a recreation and sport centre in the east, the sporting hub at Ngā Puna Wai and the South West Leisure Centre.

Christchurch will host a range of local, national and international sporting events including hosting games in the Rugby League World Cup, along with Le Race and the Christchurch Marathon.

More detail about future projects is available in the *Council activities and services* section of the Annual Report.



Our financial performance

We made a surplus

We have achieved our goal of having an operating surplus for the year to 30 June 2017. The operating surplus before tax of \$187 million is more than the planned surplus of \$178 million but less than last year's surplus of \$367 million.

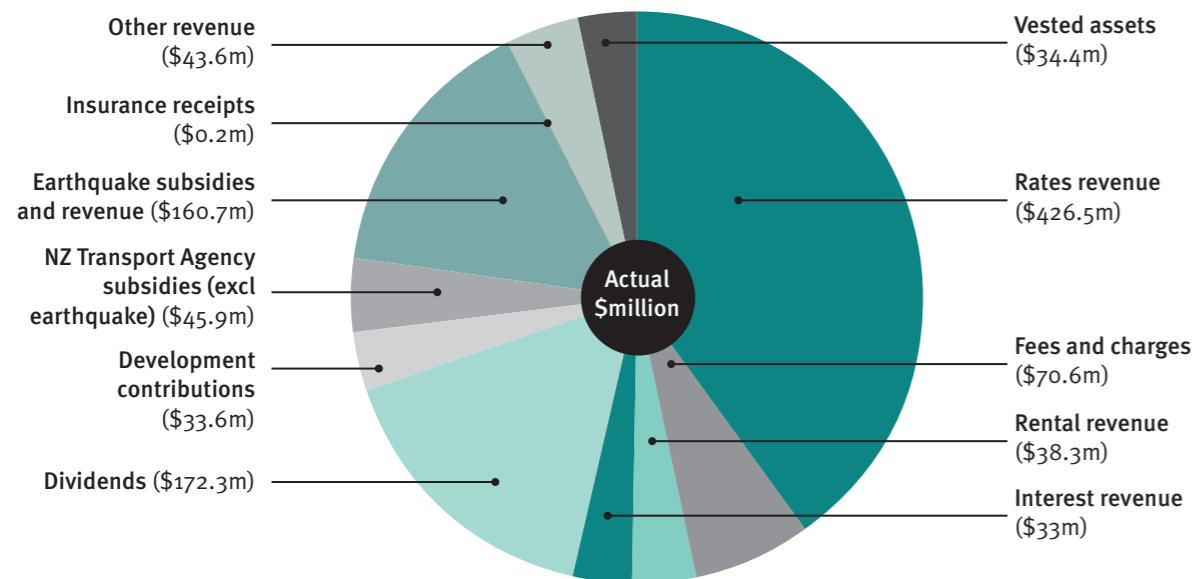
The reason for the higher surplus in 2016 was that it included \$348 million of Crown contributions and insurance receipts. With the settlement last year of the material damage insurance claims and the wind down of SCIRT (the alliance carrying out the infrastructure repair and rebuild), Crown contributions and insurance receipts have reduced in the 2017 financial year to \$161 million.

The \$161 million relates to continuing payments from Crown agencies (DPMC, CERA and NZTA) in relation to earthquake recovery projects.

Our total comprehensive revenue and expense was \$736 million, \$155 million higher than the planned \$581 million and ahead of last year. Revenue and expense differs from operating surplus in that it takes into account the increase in asset value and investments in subsidiaries.

Revenue

Revenue was received from the following sources:

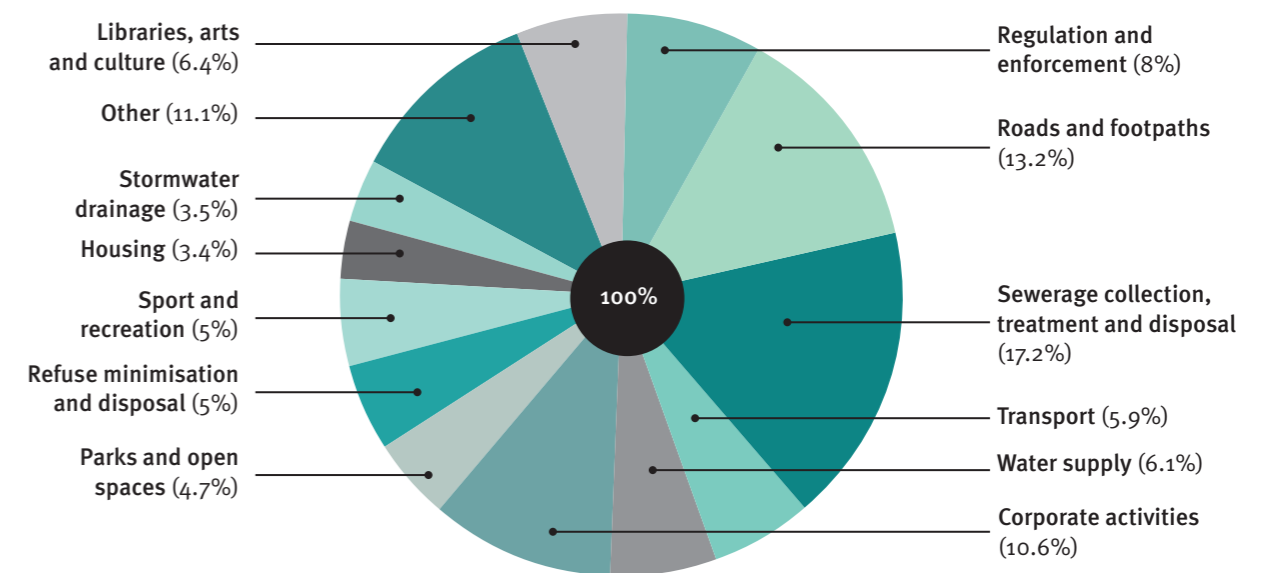


During the year we received total revenue of \$1,059 million, including \$426.5 million from rates, \$161 million from Crown contributions for earthquake recovery and \$172 million from dividends.

The average rate increase last year was 4.9 per cent which equates to an average weekly cost of rates per household of \$44.08.

Operating Expenses

Our total operating expenses for the year were \$872 million (2016: \$863 million) which represents the cost of running the city for the year. The cost is allocated across each of our group of activities as shown below. More detail is in the *Council activities and services* section of the Annual Report.



Strong financial position

The Council is in a strong financial position with total assets of \$12.8 billion and total liabilities of \$2.2 billion, including a debt level of \$1.8 billion. Infrastructure work in progress has a balance of \$197 million, \$648 million lower than 2016 due to the completion and handover of all SCIRT projects during the year.

Insurance of Council assets

\$2.6 billion of our assets are insured at their estimated replacement cost. These assets have a book value of \$1.7 billion. As at 30 June 2017, we had full replacement cover for a number of significant buildings and fire only cover for major buildings which are still unrepaired. The total value of this cover is \$1.8 billion. We self-insure any building with a value below \$250,000.

Since 30 June 2017, we have obtained additional cover on our underground infrastructure assets, and now have \$500 million of insurance cover available for them. This cover allows us to access Crown funding of up to 60 per cent of the cost of reinstating the assets giving us total cover of approximately \$4.3 billion on assets with a replacement value of \$6.3 billion.

Modified Audit Opinion

Audit New Zealand has issued a clean audit opinion in relation to the 2017 financial statements. However, as the 2016 Annual Report received a modified audit opinion the modifications are still relevant to the 2016 comparative numbers only. The modified opinion does not reflect on our financial management or our ability to fund the rebuild of our infrastructure. It simply reflects the fundamental uncertainty around the value of our assets in 2016 due to the impact of the earthquakes.

Council activities and services

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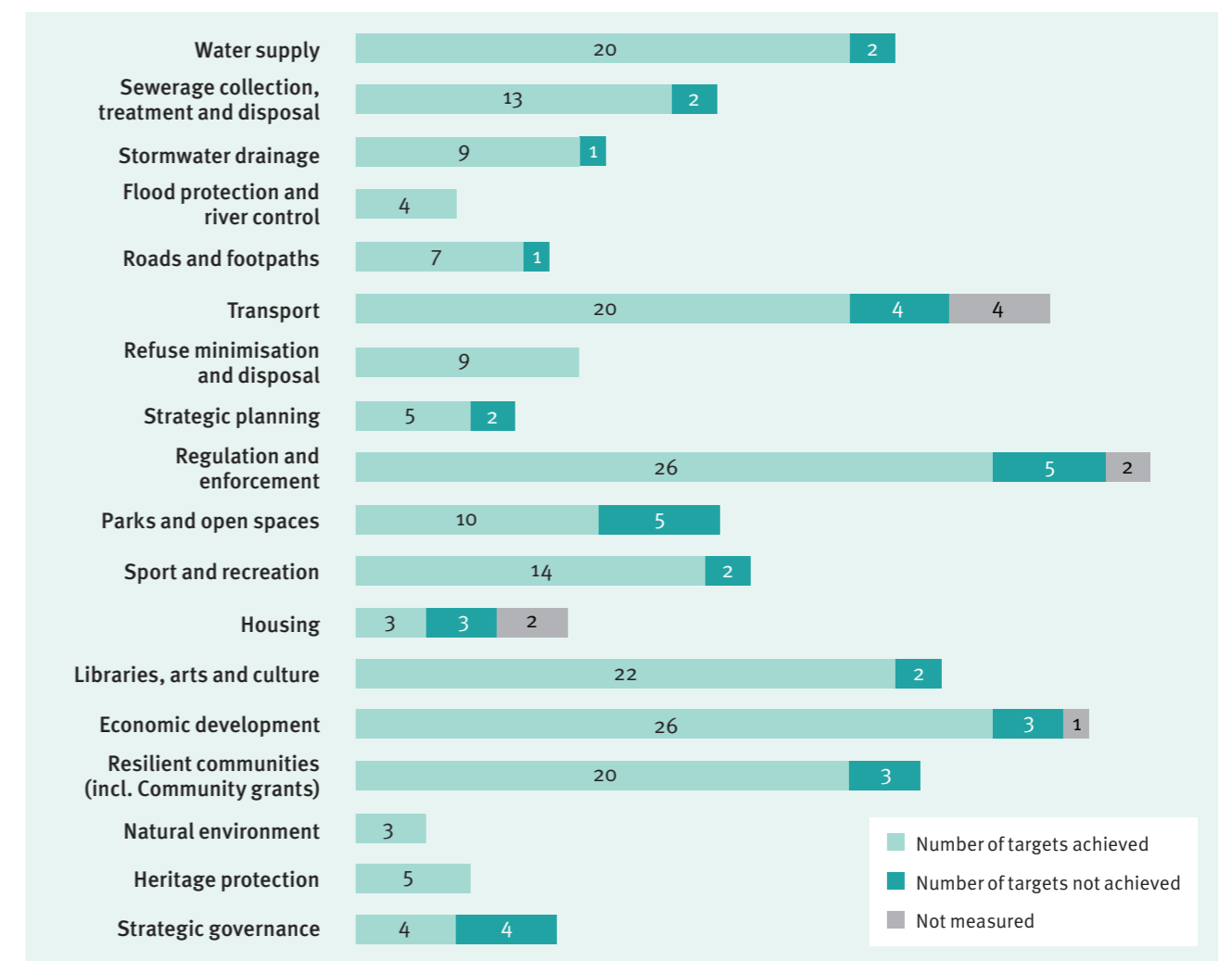
Our activities and performance

We are responsible for a large range and variety of services and activities. For example, we collect rubbish, recycling and green waste, build and maintain roads and the water supply network, and run the Botanic Gardens, Christchurch Art Gallery, city libraries and many festivals and events.

These activities are grouped into 18 Council Activities and Services excluding *Corporate*. You can find out more detail in the *Council activities and services* section of the Annual Report.

The summary graph below shows that, of 268 measures we use to track performance:

- we have met the target for 220,
- we have not met the target for 39, and
- we have 9 measures where they are no longer applicable or there is insufficient data available to report against.



01 Water supply

What we do

We supply clean drinking water to protect the health of our community and aid commercial users.

We also promote water conservation and ensure an adequate supply for fighting fires.

What we have achieved

Christchurch's water supply system continues to expand to meet growing demands.

In total 10.5 kilometres of water supply mains and 15.1km of water supply sub-mains have been renewed.

SCIRT has also completed a five-year programme of repairs and replacement of 90 kilometres of water pipes and 26 pump stations and reservoirs.

The water supply system and pump station feeding the Prestons subdivision have been finished, while work on the water supply mains for greenfield areas in Halswell is nearing completion.

Our shallow wells replacement programme in the city's north-west continues, with the deeper wells improving water quality. Equipment renewals at 16 pump stations have been completed and new flow meters installed.

What you think

90 per cent of residents are satisfied that potable water is supplied in accordance with Drinking Water Standards.



Find out more:
New wells, pump station in pipeline for Aranui:
ccc.govt.nz/news-and-events/newsline/show/1711

02 Sewerage collection, treatment and disposal

What we do

Council infrastructure collects wastewater from city homes and businesses.

Our reticulated wastewater system feeds into treatment plants, where contaminants are removed before wastewater is safely discharged back into the natural environment.

What we have achieved

SCIRT has completed work on the city's earthquake-damaged wastewater network, with 500 kilometres of wastewater pipe and 78 pump stations repaired or replaced over the past five years.

In addition, we have completed wastewater pipe renewals in Akaroa and Christchurch, plus the renewal of seven pump stations in the city.

Project design work to take wastewater from Lyttelton, Diamond Harbour and Governors Bay to the Christchurch treatment plant is under way.

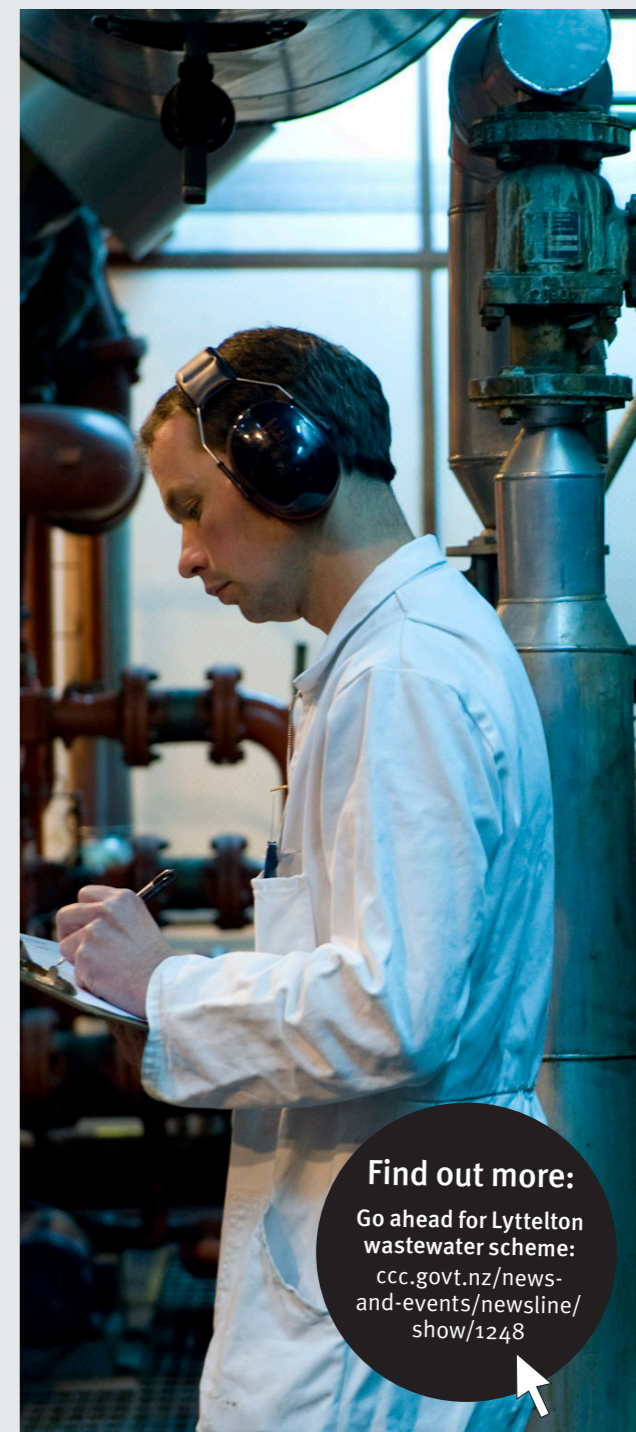
Work continues on the South East Halswell wastewater scheme and the Riccarton Road wastewater upgrade.

We are also undertaking a city-wide project that identifies the best mix of upgrade solutions to reduce wet weather overflows most economically.

Meanwhile, earthquake repairs to the Christchurch wastewater treatment plant have continued.

What you think

79 per cent of residents are satisfied that the city provides wastewater collection in a safe, convenient and efficient manner.



Find out more:
Go ahead for Lyttelton wastewater scheme:
ccc.govt.nz/news-and-events/newsline/show/1248

03 Stormwater drainage

What we do

Protecting our natural waterways and storm water networks by maintaining the drainage systems helps to lessen the flood risk, safeguards public health and ensures other infrastructure networks can function well.

We also continue to focus on water quality and healthy ecosystems.

What we have achieved

Updating the Land Drainage Asset Management Plan provides a strong basis for future investment in network renewals, and the capacity upgrades required to reduce flooding and service growth.

Major investigations of the Avon, Styx and Heathcote rivers and their tributaries are under way.

We are increasing network capacity and reducing regular flooding in Aranui, Bexley, Woolston, Upper Heathcote, Somerfield/Opawa, Heathcote Valley, and Mairehau.

We also continue to fix the earthquake-damaged drainage network.

We are improving inlet structures across Banks Peninsula and replacing brick barrels and pipes.

Several water quality and quantity enhancement projects are also under way.

What you think

52 per cent of residents are satisfied with storm water drainage management, up slightly on the previous year.



Find out more:
Council gives go ahead for pump station work:
ccc.govt.nz/news-and-events/newsline/show/1647

04 Flood protection and river control

What we do

Flood relief remains our focus as we undertake flood mitigation projects in earthquake-affected areas.

Our Land Drainage Recovery Programme helps ensure that we deliver a major works programme in the areas of most need. We continue to accelerate our priority projects, such as Dudley Creek.

What we have achieved

Under the Land Drainage Recovery Programme, major works and investigations have been undertaken across much of the city.

The Dudley Creek project has progressed, benefiting the Flockton area.

Matuku Stage 1 (Heathcote Valley), Eastman Wetland Stage 1 (Heathcote) and the Edmonds Park Basin have been completed, while the flooding intervention policy within Flockton has been implemented. Work on Dudley Creek is nearing completion. Bells Creek (Woolston), Tay Street Drain upgrades (Mairehau) and Wigram Basin Extension (Heathcote) projects are all under way.

We continue to maintain temporary stopbanks while we await a residential red zone decision.



Find out more:
Bypass eases flood risk for hundreds of homes:
ccc.govt.nz/news-and-events/newsline/show/1797

05 Roads and footpaths

What we do

We build and maintain streets, roads and paths so we can easily access our homes and leisure activities, along with shops and businesses.

We also maintain our street lighting, benches, signage, road and cycleway markings and tram infrastructure.

What we have achieved

The SCIRT road repair programme has finished. We have completed an \$8 million road resurfacing programme. In all, 57.2 kilometres have been resealed. In addition 14 kilometres of roads have been built.

City footpaths and five rural bridges have been renewed, along with the Riccarton Road/Deans Avenue intersection upgrade.

In the central city the Accessible City programme has geared up with the completion of St Asaph Street and Tuam Street improvements and progress in Lichfield Street and Colombo Street.

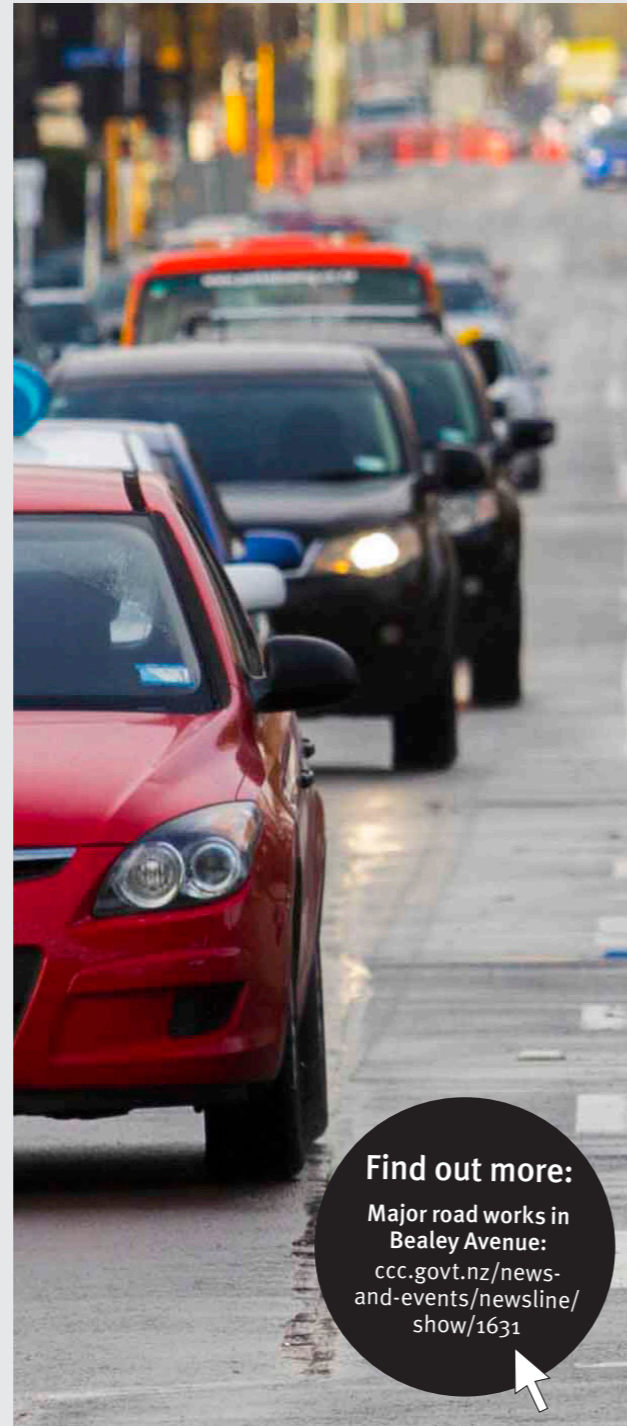
Risk mitigation work to protect the Sumner corridor from rockfall, and restore alternative access to Lyttelton continues.

Work is under way on the Northern Corridor route into the city.

We are also converting city lights to LED technology.

What you think

81 per cent of people believe Christchurch is a walk-friendly city.



Find out more:
Major road works in Bealey Avenue:
ccc.govt.nz/news-and-events/newsline/show/1631

06 Transport

What we do

We plan, operate and maintain Christchurch's major cycleway network, along with the infrastructure that supports the bus network and the trams. We also protect and control road corridor use.

We operate and maintain the traffic lights, traffic cameras and traveller information portals, as well as plan and provide transport education. We also operate and maintain Christchurch's public parking facilities. Equally importantly, we plan, build and maintain harbour and marine structures.

What we have achieved

More communities continue to connect via our popular cycle route network. Both the Little River and Papanui Parallel routes of the Major Cycleways programme have been completed, while an end is in sight for the Uni-Cycle route. Work is also gearing up on the Rapanui/Shag Rock (section one) route.

Our public engagement and consultation programme has been completed for the Heathcote Expressway and Nor'West Arc cycle routes. Further afield, detailed designs have been delivered for the Northern Line and Quarryman's Trail routes.

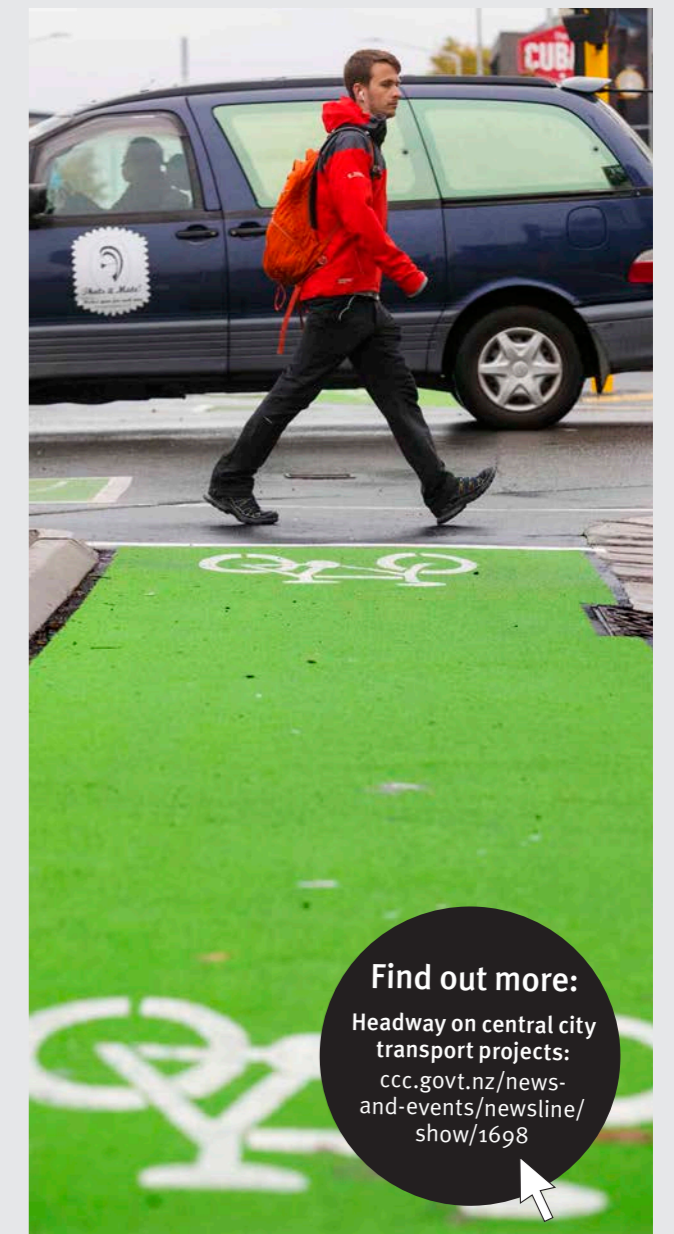
In the central city, the Lichfield Street Car Park is on track to open in November 2017. Meanwhile, the 30kmh central speed zone has ensured a safer environment and lifted network efficiency.

A bus lane in Main North Road has been introduced, while 20 bus passenger shelters have been installed or upgraded. Our commitment to education programmes for school cycling, road safety and travel demand initiatives continues.

The Church Bay jetty has been repaired and work is under way on the earthquake-damaged New Brighton Pier.

What you think

100 per cent of residents are satisfied with the school Cycle Safe education programme.



Find out more:
Headway on central city transport projects:
ccc.govt.nz/news-and-events/newsline/show/1698

07 Refuse minimisation and disposal

What we do

By disposing of rubbish properly and minimising the amount that goes to landfill, we create a healthy and safe city environment.

We collect and dispose of much of the city's solid waste and work with the community to cut landfill waste. Encouraging residents and business owners to reduce and recycle remains one of our core commitments. We also monitor landfill sites and sort, reuse and — via our Burwood Resource Recovery Park — safely dispose of construction and demolition waste.

What we have achieved

Council buildings have benefited from gas extracted from the Burwood landfill. The gas heats, cools and lights the Civic Building. It also heats the Christchurch Art Gallery and dries biosolids at the Christchurch wastewater treatment plant.

Meanwhile, our kerbside collection system continues to rate highly with residents.

Burwood Resource Recovery Park has sorted 185,930 tonnes of construction and demolition waste, compared with 78,270 tonnes the previous year.

We continue to focus on waste minimisation projects.

What you think

92 per cent of residents are satisfied with the kerbside collection service for recyclable materials.



08 Strategic planning

What we do

By protecting our environment, managing growth and guiding the use and development of our infrastructure, we are ensuring that Christchurch is a wonderful place to live, work and visit.

Making our city a smarter, more resilient place to live, work and play continues to be a vital element of our development.

We maintain our focus on finding new ways to improve our quality of life and sustain our environment.

What we have achieved

After identifying our regeneration priorities, we are well-placed for action.

The delivery of our nine suburban master plans continues, supported by public consultation on streetscape projects and work with Development Christchurch on tools for catalysing private development. We have also supported Little River and Diamond Harbour in their plan development.

The Transitional City Programme has been relaunched as the Enliven Places Programme. New terms of reference for the contestable fund and greater community involvement in the temporary use of vacant spaces have been included.

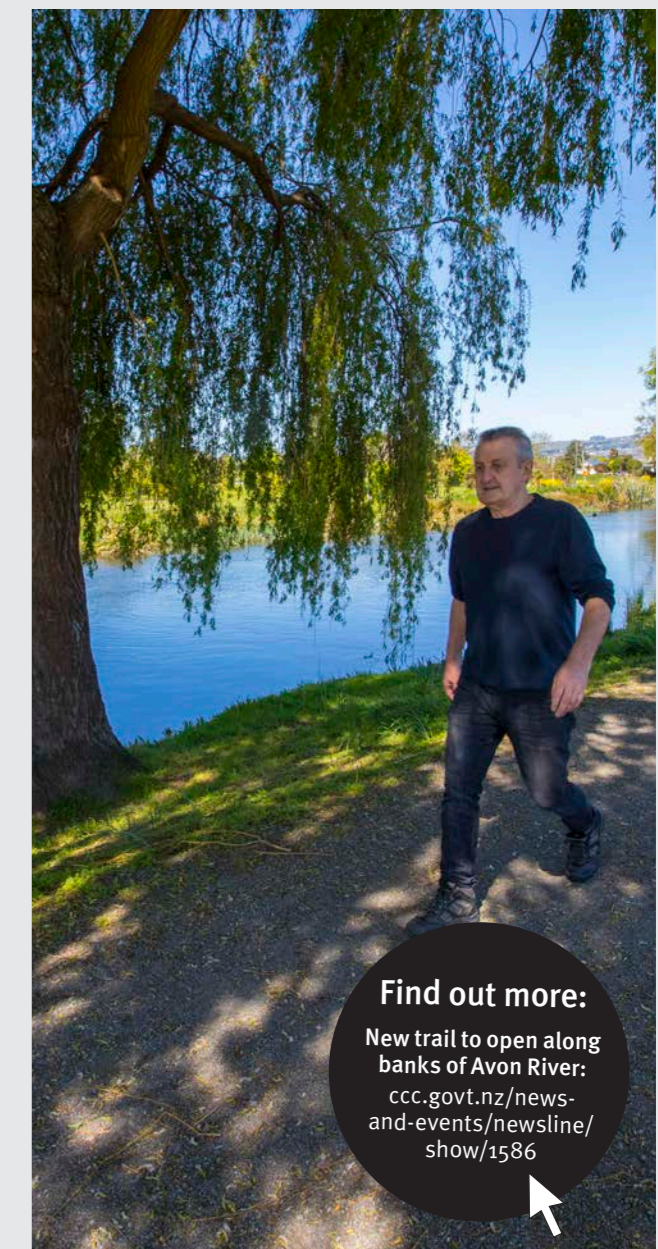
Major achievements include “Tiny Huts” in New Brighton; a temporary community library in Woolston; the lighting of the Upham clock tower, direction signs in the Avon red zone, and creative hoardings.

We have established a cross-Council management group to drive revitalisation in the central city.

We also support Regenerate Christchurch's work on Cathedral Square, and the Central City Business Association.

What you think

87 per cent of residents are satisfied that the city provides Build Back Smarter advice to home owners.



09 Regulation and enforcement

What we do

We prepare plans, policies and regulations under our legal obligation to guide the city's future and support a safe and healthy environment for people to live, work and visit.

Our regulation and compliance teams ensure that we follow all the city-related rules.

Our services can assist as you build a home or commercial premises, open a business, request a property report or make a noise complaint.

We also ensure that where you dine and drink is clean and safe.

What we have achieved

Residential building consent application numbers have fallen in 2017 but remain higher than the historical average. Work levels are forecast to stay strong in the commercial sector.

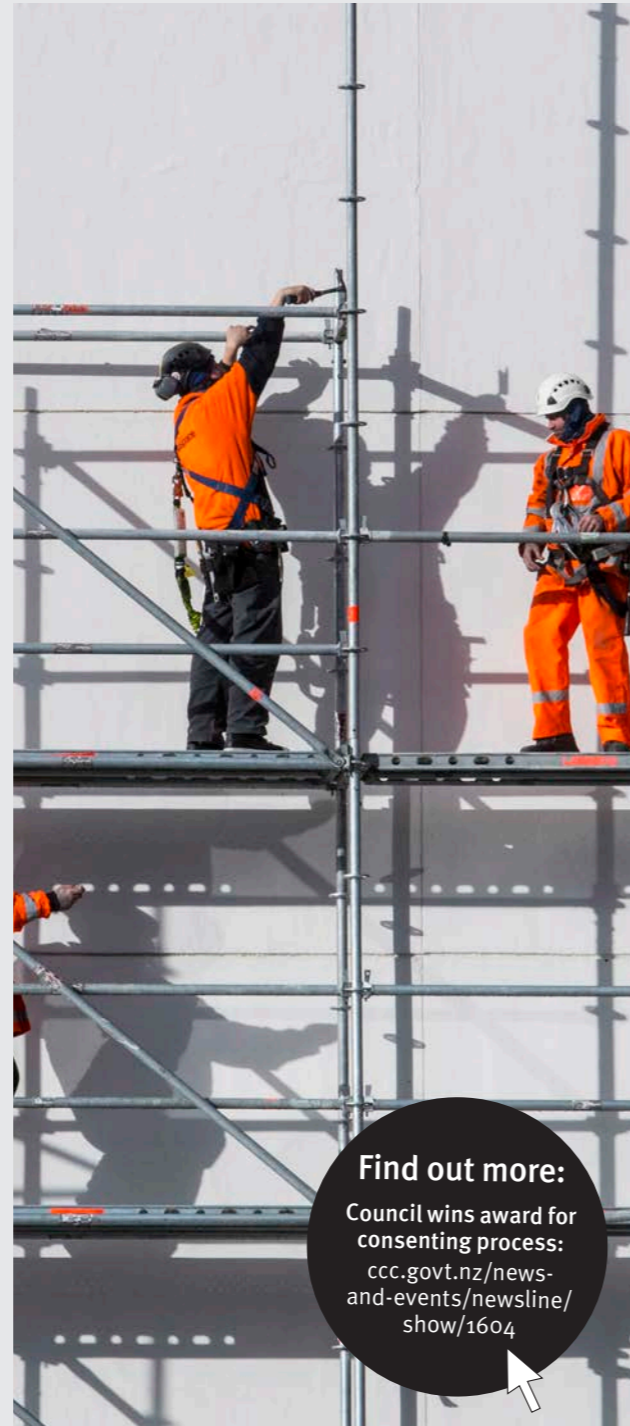
We have granted building consents worth \$2.3 billion in work, along with carrying out nearly 55,000 inspections. The number of inspections delivered within three working days has reached 99 per cent.

We have processed 2011 land use resource consents, and 576 for subdivisions.

Our compliance against statutory processing time frames has been 97 per cent.

What you think

64 per cent of users are satisfied with the resource consent process.



Find out more:
Council wins award for consenting process:
ccc.govt.nz/news-and-events/newsline/show/1604

10 Parks and open spaces

What we do

We manage 1,116 parks and reserves, covering nearly 9,000 hectares in Christchurch and Banks Peninsula.

From the Botanic Gardens and neighbourhood parks to multiple sports grounds and cemeteries, we maintain a range of city spaces.

Our accessible parks and reserves for recreation, leisure and sport provide an attractive urban environment that benefits our community and draws thousands of visitors and tourists.

What we have achieved

As the city returns to a post-earthquake normality, the demand for well-maintained parks has increased.

We also continue to improve our overall services for the upkeep of cemeteries, gardens and heritage parks. We are focusing on gardens in local parks while our upgraded Mona Vale and the Botanic Gardens showcase our city.

Our regional parks team has also delivered an exceptional response to the Port Hills fire.

Our investment in community initiatives includes increased volunteer work and partnerships, a focus on sports parks and a playground safety work programme.

Work continues on more skate parks, playgrounds and associated recreational facilities.

What you think

96 per cent of visitors are satisfied with the Botanic Gardens.



Find out more:
Friends help Botanic Gardens thrive:
ccc.govt.nz/news-and-events/newsline/show/1632

11 Sport and recreation

What we do

We encourage and support a healthy lifestyle, providing all residents with multiple opportunities to be more active and take part in leisure, sport and physical activities.

Our wealth of facilities includes the Pioneer Sport and Recreation Centre, the Jellie Park centre, and the Graham Condon centre.

We also oversee many sports parks around the city, support a range of sport-related groups and host multiple domestic and international events.

What we have achieved

We are boosting the capacity of our sports parks while developing a sports field network plan and management plan in consultation with the community.

The QEII Recreation and Sport Centre is under construction and work is under way on the Ngā Puna Wai Sports Hub.

Residents continue to make the most of local facilities, with more than 4 million visits to our recreation and sport centres, stadiums and services. In collaboration, we have provided 111,348 affordable swimming lessons.

Planning and design work also continues on our Metro Sports Facility, the South West Recreation and Sport Centre and the New Brighton Hot Saltwater Pools.

What you think

64 per cent of residents have expressed a high level of satisfaction with the range and quality of sports parks.



Find out more:
QEII Recreation and Sport Centre takes shape:
ccc.govt.nz/news-and-events/newsline/show/1758

12 Housing

What we do

Since 1938, we have been involved in community housing.

Safe, accessible and affordable social housing contributes to community well-being for those on low incomes, including the elderly and people with disabilities.

What we have achieved

We have built 16 units and repaired and reopened 34 earthquake-damaged units. Essential repairs have also been completed on 262 units.

We have also assessed 1,358 units against insulation standards. Of this number, 548 units have subsequently been insulated.

We lease 2,446 of our social housing units to Otautahi Community Housing Trust to manage. The trust's formation reflects our move to a more financially sustainable model for our social housing, better quality housing stock and new developments.

What you think

64 per cent of Council housing tenants are satisfied with the overall condition of their unit.



Find out more:
Eight new social housing units open in Mairehau:
ccc.govt.nz/news-and-events/news-search/show/997

13 Libraries, arts and culture

What we do

Each time you visit the Christchurch Art Gallery, or local museums and libraries, you can immerse yourself in the experience or utilise a range of our cultural and learning services.

We provide residents and visitors with access to an array of art, historical and educational material, along with exhibitions and public events.

We also provide multiple online services and learning opportunities.

What we have achieved

The Christchurch Art Gallery Te Puna o Waiwhetu continues to draw thousands of visitors, reaching nearly 300,000 in the last year. It has presented 22 exhibitions and two artist projects.

In all, 22,032 visitors have taken part in 127 public gallery programmes, well above the 20,000 target. We have also added 79 works to the city's collection.

In Akaroa, our museum has attracted 24,000 visitors.

Two stunning community centres also signal a new chapter in special spaces for our city. (While both were opened in the 2017–2018 period, much of the work sat within the previous year.)

Matuku Takotako: Sumner Centre is home to the neighbourhood library, community centre and museum while Ōrauwahata: Bishopdale Library and Community Centre offers spaces to meet, read and collaborate.

Turanga, our new Central Library is also well under way. Both the New Brighton Library and the Lyttelton Library have been reopened after earthquake repairs.

What you think

99 per cent of users are satisfied with our library programmes and events, up slightly on the previous year.



Find out more:
Library opening heralds start of new chapter:
ccc.govt.nz/news-and-events/newsline/show/1854

14 Economic development

What we do

Our economic development activities help expand the economy to benefit residents via more jobs, better prospects and quality facilities and services. We also continue to focus on attracting more visitors and tourists to our city.

All our efforts combine to help make Christchurch a wonderful place to work, live and visit as we open the doors to investment and greater business opportunities.

What we have achieved

The Canterbury Development Corporation (CDC) has overseen 26 projects, including the High Growth Launch Programme and the Innovation Precinct branding and website.

CDC has also worked with 332 businesses, assisting them in attending capability building programmes. In addition it has matched 366 businesses with mentors while extending the use of the GreenHouse innovation hub for start-ups.

On the tourism front, two major Christchurch and Canterbury Tourism (CCT) campaigns have highlighted local attractions. CCT has also briefed and trained more than 3,000 international travel sellers on the Christchurch recovery and city developments.

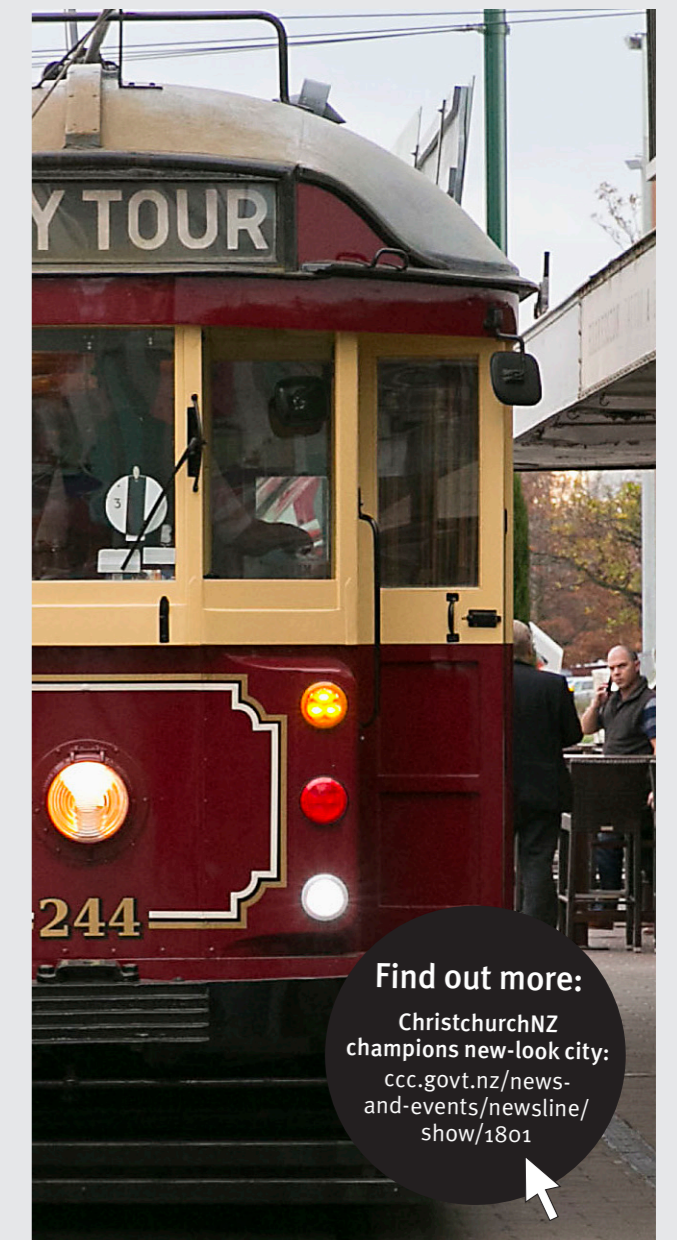
Total guest nights are up 3 per cent for Christchurch and 9 per cent for Canterbury, compared with the previous year. Christchurch international holiday arrivals have increased 8 per cent.

We have also focused on the Australian market, with 10 per cent growth compared with the previous year.

On 30 June 2017 CCT, CDC and the Council's major events and city promotions activities were amalgamated to form ChristchurchNZ.

What you think

79 per cent of residents are satisfied with information on events, activities and attractions.



Find out more:
ChristchurchNZ champions new-look city:
ccc.govt.nz/news-and-events/newsline/show/1801

15 Resilient communities (including community grants)

What we do

In a resilient environment we can live in a safer stronger community. We offer expertise in helping communities develop supportive organisations and networks, along with specialist projects.

We fund projects that nurture community resilience, and provide facilities.

We support a range of events, including New Zealand Cup and Show Week, Sparks, KidsFest, World Buskers Festival, Black Caps internationals, Rugby League World Cup, Christmas in the Park, Guy Fawkes and the Lantern Festival.

What we have achieved

We have distributed \$6.7 million in grants from the Strengthening Communities and Creative Communities funding schemes to 935 applicants.

Our Civil Defence and Emergency Management (CDEM) team has played major roles in the Kaikoura earthquake and the Port Hills fire response and recovery.

The CDEM team also promotes response plan development within communities. We continue to train emergency centre staff and response team and welfare centre volunteers. We also maintain and resource CDEM emergency operations centre (EOC) facilities and welfare centres.

We work with the NZ Fire Service and support multiple community events.

We now have 74 community facilities available, a big increase on last year.

In the customer services area, we have completed 459,719 telephone inquiries, 52,691 email inquiries and processed 124,583 financial transactions.

What you think

90 per cent of residents are satisfied or very satisfied with the “first point of contact” of Council customer service.



Find out more:
Council approves Port Hills recovery plan:
ccc.govt.nz/news-and-events/newsline/show/1741

16 Natural environment

What we do

Our education team runs a range of programmes and initiatives that encourage our residents to use parks and reserves, waterways, facilities, roads and space safely.

We provide information about our multiple challenges in creating a sustainable environment.

Christchurch children can become part of the positive process via our programmes, largely run through local schools.

What we have achieved

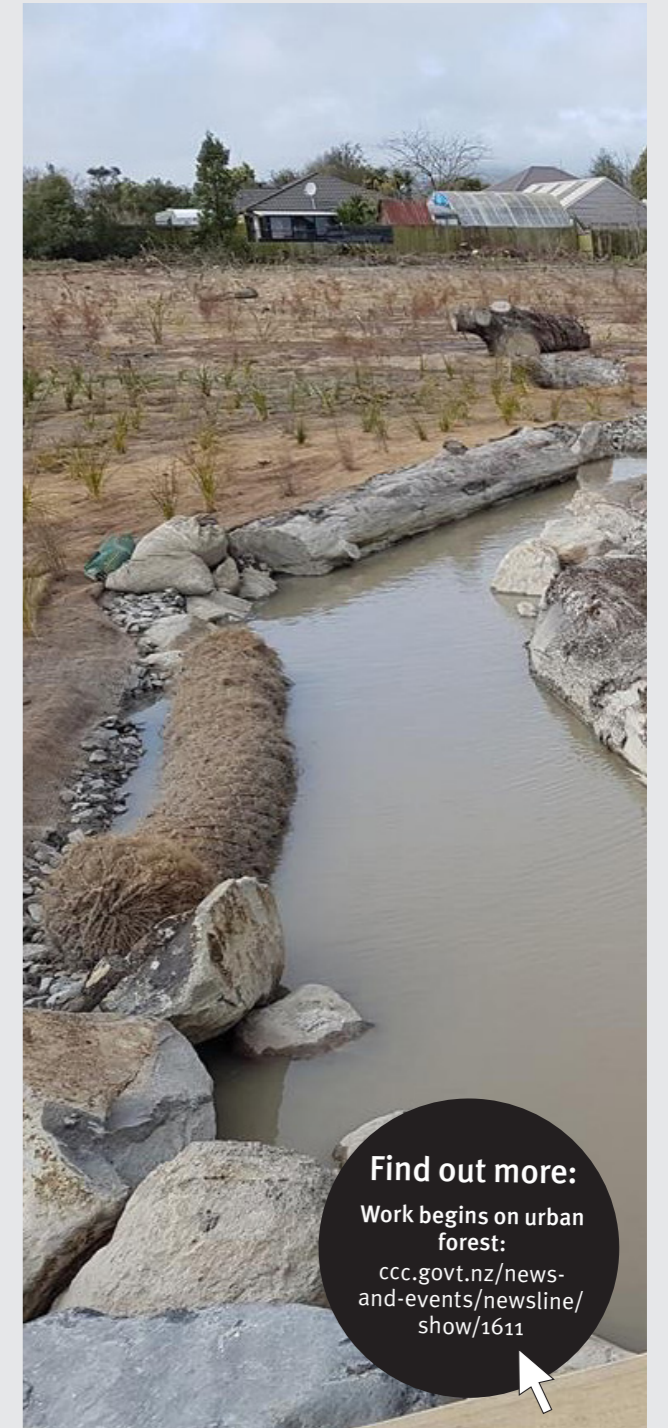
We have helped identify sites of ecological significance and outstanding natural landscapes for the District Plan and contributed to the management of natural hazards.

We have combined water strategies to develop a draft Integrated Water Strategy and provided support to Regenerate Christchurch recovery plans.

More than 9,000 children and teachers have benefited from our environmental education programmes.

What you think

100 per cent of participants are satisfied with environmental education programmes that provide students with knowledge and interest in the importance of biodiversity and ecosystems.



Find out more:
Work begins on urban forest:
ccc.govt.nz/news-and-events/newsline/show/1611

17 Heritage protection

What we do

Our heritage sites embody our community identity, providing links to the past as we focus on a vibrant future.

We maintain our commitment to heritage protection as we work with developers, consultants and landowners to conserve our heritage and find new uses for historical buildings as integral elements of a revitalised city.

What we have achieved

We have advised on heritage places for the replacement District Plan, while our Heritage Incentives Grants and Landmark Grants have helped retain and strengthen several buildings.

We have also supported Heritage Week, which has attracted more than 18,000 people to over 60 events in the last year.

What you think

94 per cent of Incentive Grant recipients are satisfied with heritage advice and the grant process, slightly up on the previous period.



Find out more:
University comes to town:
ccc.govt.nz/news-and-events/newsline/show/1670

18 Strategic governance

What we do

We support active democracy by ensuring individuals and groups have information and many opportunities to be involved in local government decision-making, including local elections.

Residents can provide input via local body elections, and by submitting comment and feedback during public consultations.

What we have achieved

Our last election has brought in boundary changes and more elected members.

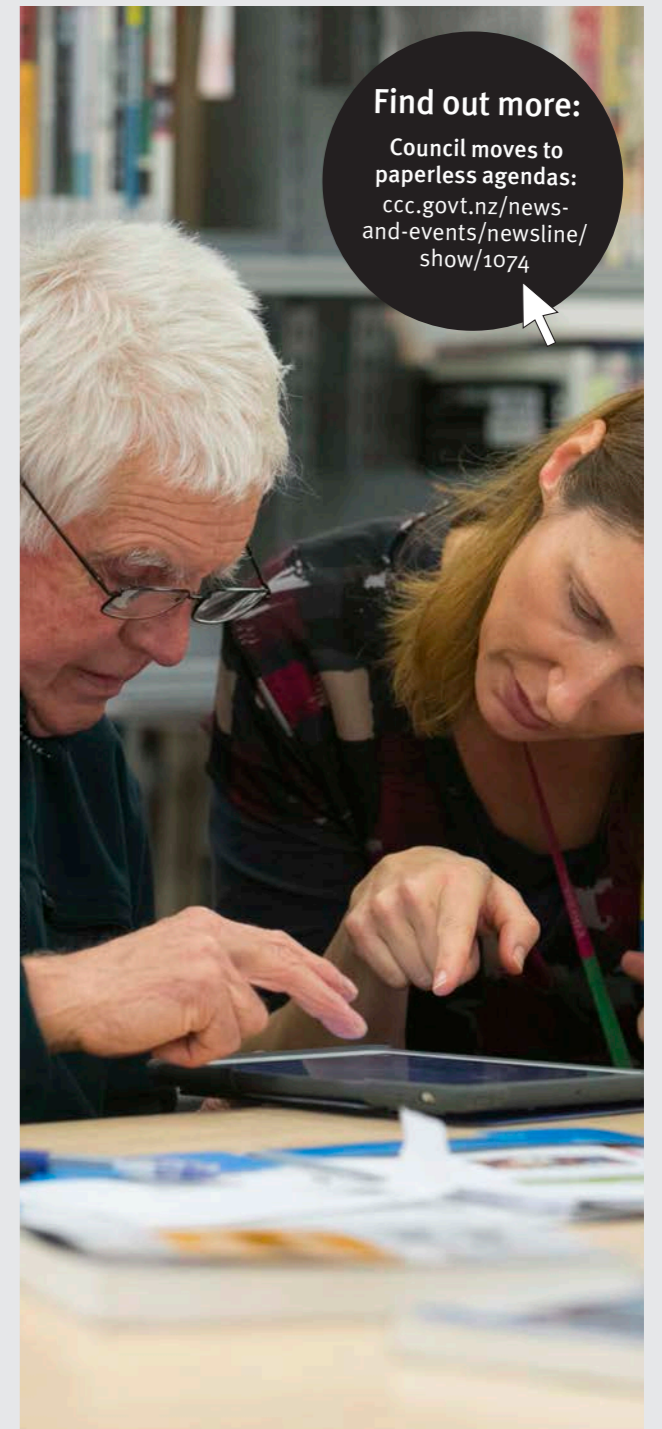
Our elected members and staff have raised levels of engagement regarding key policies and plans, establishing closer working relationships with our community.

We also provide more timely and accurate information on our website, particularly via our digital channel, Newsline. We utilise social media to connect with residents and inform the wider community about Council news and updates, including Civil Defence.

We have also introduced more environmentally friendly paperless meetings at both Council and Community Board level.

What you think

88 per cent of residents are satisfied that community development projects are provided, supported and promoted, up from 79 per cent the previous year.



Find out more:
Council moves to paperless agendas:
ccc.govt.nz/news-and-events/newsline/show/1074

19 Corporate

What we do

Our human resources, legal, finance, and information technology services support our work at multiple levels across our community.

What we have achieved

Overall our corporate activities continue to generate a significant surplus, largely from dividends and interest income.

This surplus is used to either reduce the level of general rates or reduce the level of borrowing required.

What you think

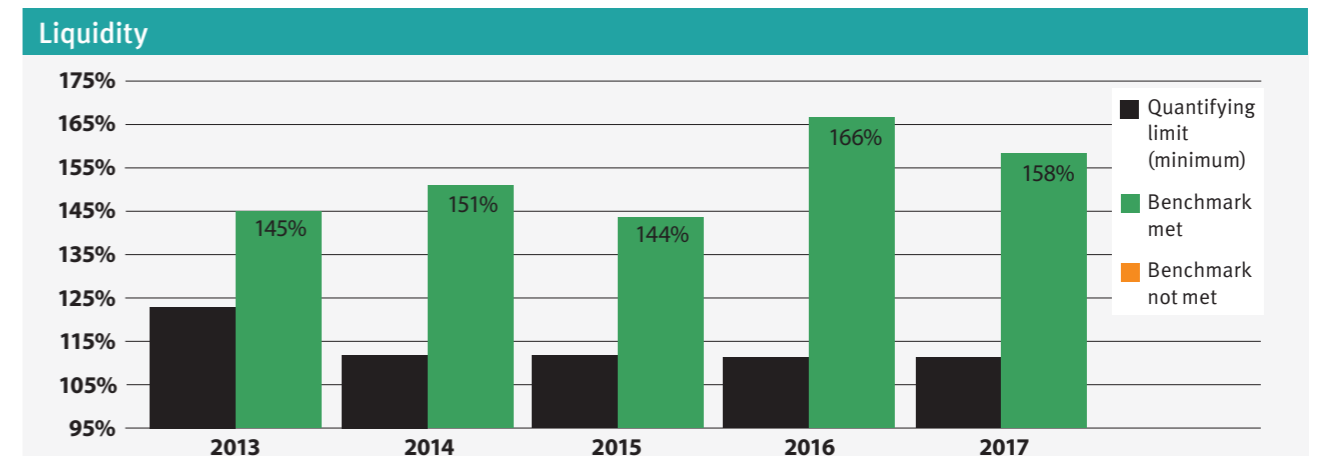
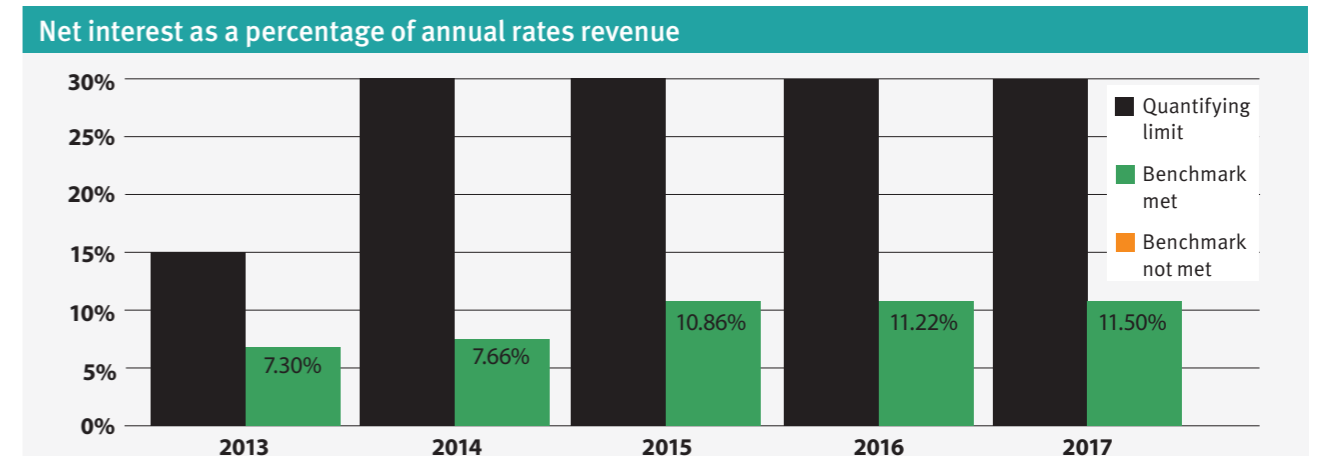
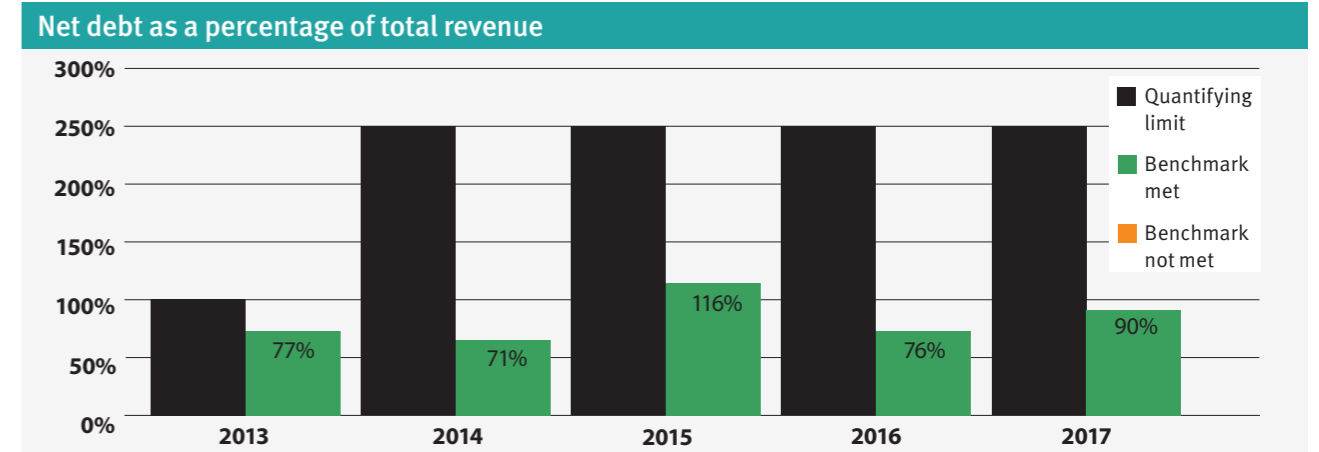
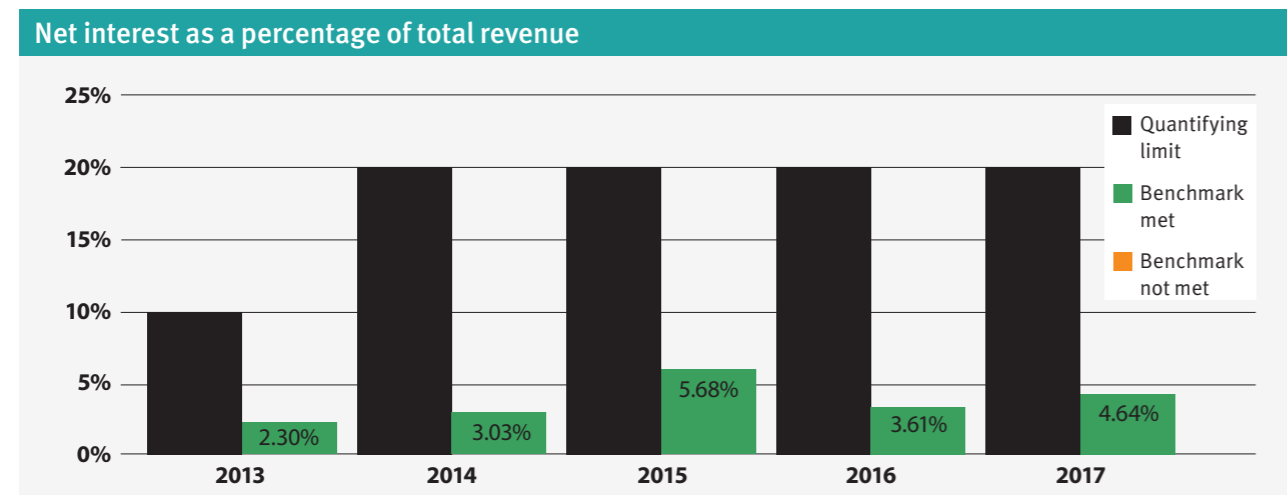
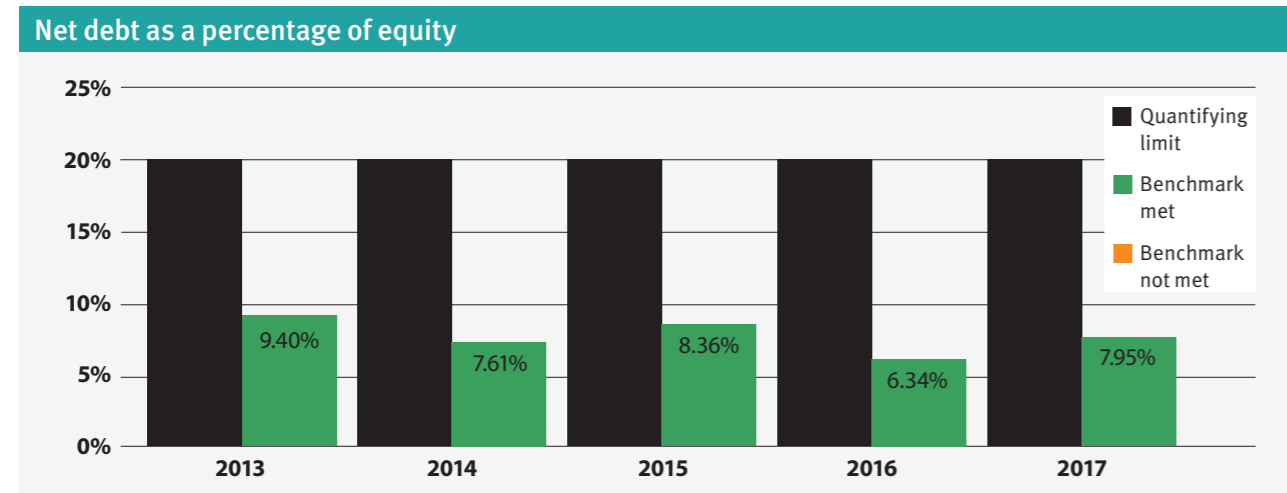
72 per cent of residents are satisfied with the Council performance in delivering services over the last 12 months.



Financial ratios

We have five financial ratios in our financial risk management strategy which also set the limits for our borrowing from the Local Government Funding Agency.

The actual ratios for the year are shown in detail below and in all cases fall well within policy limits.



The Council Group

We have a significant group of trading entities, the majority are owned and monitored by Christchurch City Holdings Ltd.

Results at a glance

Surplus before tax	\$174 million
Total assets	\$13.8 billion

Group financial result

The 2017 operating surplus (before tax) has reduced by \$101 million from 2016. This is due to a number of factors across the group including:

- Insurance recoveries were \$208 million lower as a result of Council's material damage insurance settlement in 2016.
- Assets vested to the group were \$57 million lower.
- The loss on disposal of property plant and equipment, investments, investment property and assets held for sale was \$35 million higher than the 2016 result.
- Net finance costs increased \$15 million as a result of a combination of lower deposit rates and a \$407 million increase in group borrowings.

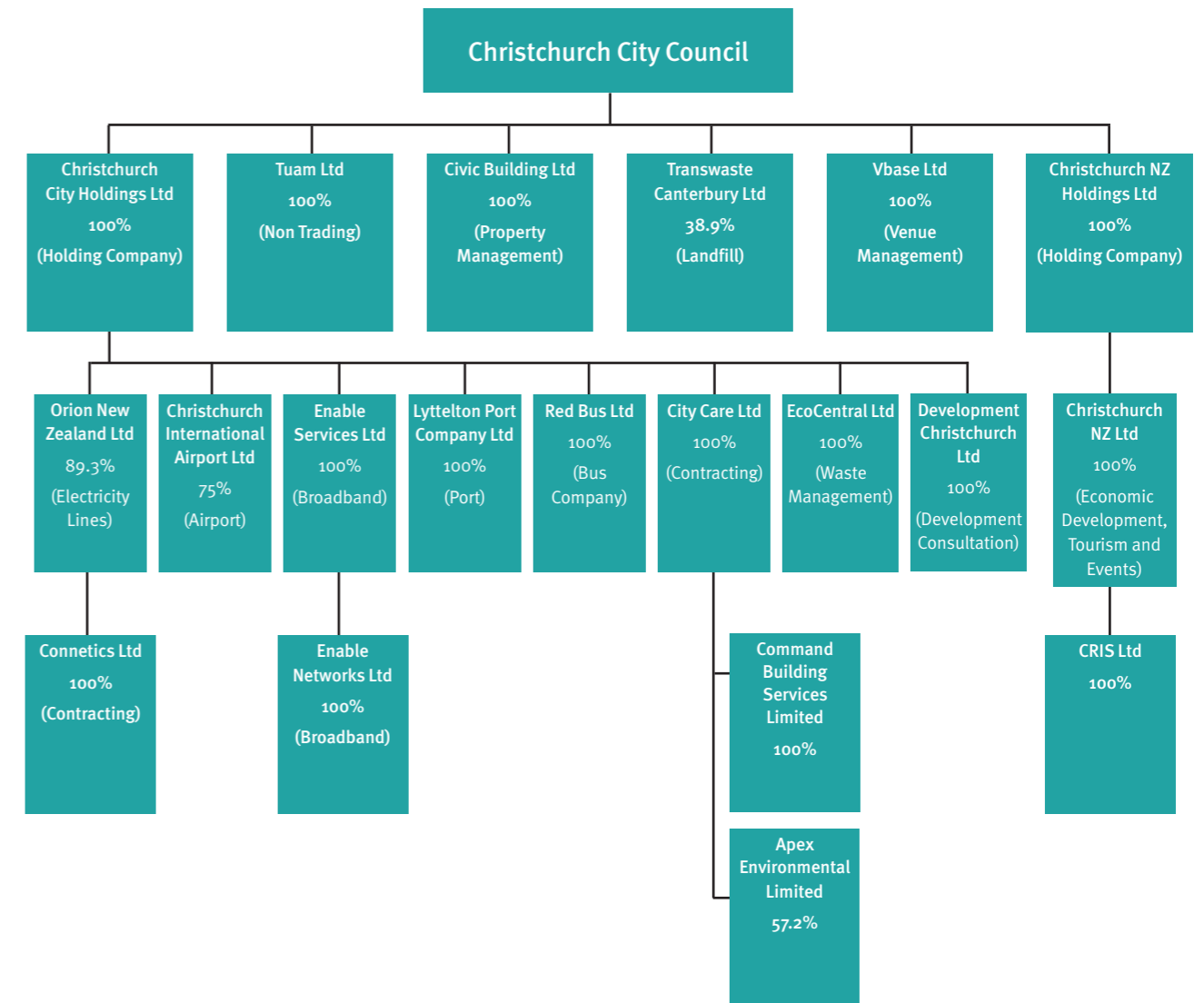
Offset by:

- The gain in relation to investment properties was \$36 million higher than the 2016 gain.
- A reduction in the asset impairment costs compared to 2016 which included a \$100 million impairment of LPC's assets.
- An improvement in CIAL's underlying profit.

The increase in total assets in 2017 reflects the increasing value of the assets held by the city as a result of the revaluation of Council infrastructure assets following rebuild activities.

The increase in total liabilities in 2017 is principally the result of the \$407 million increase in total borrowings. This additional borrowing reflects the investment projects being undertaken throughout the group including the broadband network construction programme, and the rebuild of the Council's assets.

Group structure on 30 June 2017



Independent Auditor's Report

To the readers of Christchurch City Council and group's summary of the annual report for the year ended 30 June 2017

The summary of the annual report was derived from the annual report of the Christchurch City Council (the City Council) and group for the year ended 30 June 2017.

The summary of the annual report comprises the following summary statements on page 15 and pages 44 to 49:

- the summary statement of financial position as at 30 June 2017;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and cash flow statement for the year ended 30 June 2017;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary performance information.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

However, the summary financial statements include a limitation in scope with respect to the comparative information, to the equivalent extent as the full financial statements. The limitation of scope of the full financial statements is described in our qualified audit report dated 10 October 2017 and is explained below in *the full annual report and our audit report thereon* section.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed a qualified audit opinion on the information we audited in the full annual report for the year ended 30 June 2017 in our auditor's report dated 10 October 2017, because our work was limited with respect to the 30 June 2016 comparative information.

Because of the effects of earthquakes on the assets owned by the City Council and group, it had been difficult in previous years for the City Council to prepare audited information that complied with generally accepted accounting practice and legislation. These difficulties have been resolved for the 30 June 2017 audited information, but still affected the 30 June 2016 comparative information presented in the full annual report. The matters that had limited our audit with respect to the 30 June 2016 comparative information, are explained below.

The City Council recorded its roading network assets at \$2.372 billion at 30 June 2016. This carrying value was based on the revaluation of these assets as at 30 June 2015, adjusted for additions, disposals and depreciation for the year ended 30 June 2016. We were not able to gain sufficient appropriate audit evidence to confirm that the 30 June 2015 valuation had adequately accounted for the unrepaired earthquake damage to these assets. In addition, the City Council was unable to revalue its stormwater system assets as at 30 June 2016 with a carrying value of \$392.122 million, because of insufficient information on the condition of these assets to prepare a valuation that complied with generally accepted accounting practice.

Included within the City Council's infrastructural assets capital work-in-progress balance as at 30 June 2016 is \$55.4 million of costs incurred by SCIRT that the City Council had expensed in the statement of comprehensive revenue and expense for the year ended 30 June 2015. These expenses were reversed as vested assets revenue and capitalised to capital work-in-progress during the year ended 30 June 2016 as the City Council considered the costs capital in nature. We considered these costs did not meet the asset capitalisation criteria of PBE IPSAS 17 *Property, Plant and Equipment*. This departure from PBE IPSAS 17 had the effect of overstating capital work-in-progress assets by \$24.2 million at 30 June 2016 and vested assets revenue by \$55.4 million for the year ended 30 June 2016.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS 43 *Summary Financial Statements*.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43 *Summary Financial Statements*.

Independent Auditor's Report

continued

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to reporting on the summary of the annual report, we have reported on the full annual report and have carried out other audit and assurance engagements for the City Council and subsidiary companies. Other than this reporting and these engagements, we have no relationship with or interests in the City Council or its subsidiaries and controlled entities.



Andy Burns,
Audit New Zealand
On behalf of the Auditor General
Christchurch, New Zealand

6 November 2017



Summary financial statements

Summary statement of comprehensive revenue and expense for the year ended 30 June 2017

	Parent			Group	
	30 June 2017 Actual \$000	30 June 2017 Plan \$000	30 June 2016 Actual* \$000	30 June 2017 Actual \$000	30 June 2016 Actual* \$000
Total Revenue	1,059,083	892,685	1,230,556	1,732,630	2,014,064
Finance costs	82,072	78,051	72,396	116,244	106,723
Other expenses	789,579	636,581	790,731	1,442,067	1,632,177
Total operating expenses	871,651	714,632	863,127	1,558,311	1,738,900
Surplus before income tax expense	187,432	178,053	367,429	174,319	275,164
Income tax (credit)/expense	(1,355)	–	5,638	34,177	(11,935)
Surplus for the period	188,787	178,053	361,791	140,142	287,099
Other comprehensive revenue and expense					
Property, plant and equipment valuation movement	458,682	403,084	77,210	473,403	103,956
Investment revaluation gain/(loss)	21,675	–	248,269	(2,172)	1,396
Cash flow hedges (loss)/gain	67,185	–	(113,656)	90,192	(142,971)
Income tax relating to components of other comprehensive revenue and expenses	–	–	–	(9,690)	3,975
Property, plant and equipment impairment loss	–	–	–	(233)	–
Transfers and other	–	–	–	1,574	–
Total other comprehensive revenue and expense	547,542	403,084	211,823	553,074	(33,644)
Surplus for the period attributable to:					
Parent entity	188,787	178,053	361,791	118,359	270,614
Non controlling interests	–	–	–	21,783	16,485
	188,787	178,053	361,791	140,142	287,099
Total comprehensive revenue and expenses attributable to:					
Equity holders of the parent	736,329	581,137	573,614	668,712	234,316
Non controlling interests	–	–	–	24,504	19,139
Total comprehensive revenue and expense	736,329	581,137	573,614	693,216	253,455

* The 2016 result has been restated for a prior period adjustment which is detailed in note 34 in the Annual Report.

The significant variances to budget relate to the Council (parent) and are explained in the financial highlights on pages 147–150 and Note 29 in the Annual Report.

Summary statement of financial position as at 30 June 2017

	Parent			Group	
	30 June 2017 Actual \$000	30 June 2017 Plan \$000	30 June 2016 Actual* \$000	30 June 2017 Actual \$000	30 June 2016 Actual* \$000
Assets					
Current assets	614,489	163,123	547,558	803,495	805,315
Non-current assets	12,190,331	11,760,185	11,425,688	13,009,554	12,038,855
Total assets	12,804,820	11,923,308	11,973,246	13,813,049	12,844,170
Equity and liabilities					
Current liabilities	525,897	324,594	480,140	677,966	567,201
Non-current liabilities	1,665,118	1,337,815	1,615,630	2,790,916	2,617,056
Parent entity equity	10,613,805	10,260,899	9,877,476	10,068,797	9,394,910
Non controlling interest	–	–	–	275,370	265,003
Total equity and liabilities	12,804,820	11,923,308	11,973,246	13,813,049	12,844,170

* The 2016 result has been restated for a prior period adjustment which is detailed in note 34 in the Annual Report.

The significant variances to budget relate to the Council (parent) and are explained in the financial highlights on pages 147–150 and Note 29 of the Annual Report.

Summary financial statements

continued

Summary statement of changes in equity for the year ended 30 June 2017

	Parent			Group	
	30 June 2017 Actual \$000	30 June 2017 Plan \$000	30 June 2016 Actual* \$000	30 June 2017 Actual \$000	30 June 2016 Actual* \$000
Opening equity	9,877,476	9,679,762	9,303,862	9,659,913	9,423,448
Total comprehensive revenue and expenses attributable to:					
Parent entity equity	736,329	581,137	573,614	668,711	234,316
Non controlling interest	–	–	–	24,505	19,139
Total comprehensive revenue and expenses for the period, net of tax	736,329	581,137	573,614	693,216	253,455
Dividends	–	–	–	(14,138)	(14,072)
Other items	–	–	–	5,176	(2,918)
Closing equity	10,613,805	10,260,899	9,877,476	10,344,167	9,659,913

* The 2016 result has been restated for a prior period adjustment which is detailed in note 34 in the Annual Report.

	Parent			Group			
	Retained Earnings \$000	Other Reserves \$000	Total Equity \$000	Retained Earnings \$000	Other Reserves \$000	Non Controlling Interests \$000	Total Equity \$000
Balance at 1 July 2015	3,163,327	6,140,535	9,303,862	4,230,350	4,924,001	269,098	9,423,448
Balance at 30 June 2016*	3,527,806	6,349,670	9,877,476	4,510,159	4,884,751	265,003	9,659,913
Balance at 30 June 2017	3,737,943	6,875,862	10,613,805	4,654,536	5,414,261	275,370	10,344,167

* The 2016 result has been restated for a prior period adjustment which is detailed in note 34 in the Annual Report.

Summary cash flow statement for the year ended 30 June 2017

	Parent			Group	
	30 June 2017 Actual \$000	30 June 2017 Plan \$000	30 June 2016 Actual* \$000	30 June 2017 Actual \$000	30 June 2016 Actual* \$000
Net cash provided by/(used in) operating activities	212,063	256,847	136,104	281,676	165,246
Net cash (used in)/provided by investing activities	(441,944)	(219,552)	(466,607)	(595,239)	(510,849)
Net cash provided by/(used in) financing activities	218,393	(15,827)	326,945	289,051	273,729
Net increase in cash and cash equivalents	(11,488)	21,468	(3,558)	(24,512)	(71,874)
Cash and cash equivalents at beginning of year	64,031	22,386	67,589	112,802	184,676
Cash introduced due to consolidation of CCOs	–	–	–	–	–
Cash and cash equivalents at end of year	52,543	43,854	64,031	88,290	112,802

* The 2016 result has been restated for a prior period adjustment which is detailed in note 34 in the Annual Report.

Summary financial statements

continued

Notes to the summary financial statements for the year ended 30 June 2017

1. Accounting policies

Reporting entity

The Council is a territorial authority governed by the Local Government Act 2002. The consolidated entity comprises the entities listed in the Group structure section.

The primary objective of the Council is to provide goods and services for the community or for social benefit rather than to make a financial return. Accordingly, the Council has designated itself a Public Benefit Entity (PBE) for the purposes of the New Zealand Accounting Standards Framework. The Council is therefore subject to policies and exemptions that may not apply to other entities in the Group. Where PBE treatment of specific issues differs from the usual treatment, this is noted in each policy.

The Council's full financial statements are for the year ended 30 June 2017. We prepared the summary 2017 financial report to offer an overview of our performance. The Council authorised the Chief Financial Officer to produce and publish the summary report on 10 October 2017. The Chief Financial Officer approved the summary 2017 report for issue on 6 November 2017.

The specific disclosures in the summary 2017 financial report have been extracted from the full audited 2017 financial report also dated 10 October 2017.

New accounting standards and interpretations

There have been no changes in accounting policy and disclosures for 2017.

Statement of compliance

The financial statements of the Council have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Section 111, and part 3 of Schedule 10, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand. They comply with the PBE Accounting Standards, and other applicable financial reporting standards, as appropriate for Tier 1 Public Sector PBEs for periods beginning on or after 1 July 2014 with the exceptions of the 2016 comparative numbers in relation to:

PBE IPSAS 17 – Property, Plant and Equipment

- The Council was unable in 2016 to adequately quantify the effect of earthquake damage on the value of its roading network or revalue its stormwater assets.
- The 2016 capital work in progress balance relating to the SCIRT rebuild programme could include projects or costs that should be expensed as operating expenditure.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Council is New Zealand dollars.

We have prepared the financial statements on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

The 2017 summary financial report complies with PBE FRS 43 – Summary Financial Statements. Please note that the

information in the summary financial report does not provide as complete an understanding as the full financial report of the financial and service performance, financial position and cash flows of the Council.

For more information see our full 2017 Annual Report on the website:

ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/annual-plans/2017-annual-report/

You can also ask for a printed version by calling us on (03) 941 8999 or for Banks Peninsula residents, 0800 800 169 or by writing to the:

Chief Financial Officer
Christchurch City Council
PO Box 73015
Christchurch

2. Capital commitments

The Group has commitments to the value of \$700 million (2016: \$875 million) on capital works.

3. Contingent liabilities

These liabilities depend on other future events and, for the Group, total \$297 million (2016: \$305 million). In addition, the Group also has contingencies rebuild cost recoveries that cannot be reliably measured.

4. Legislative requirements

Legislative requirements have been met.

5. Subsequent events

There have been no significant events since balance date.

