

ANNUAL REPORT

2015

CHRISTCHURCH
Ō T A U T A H I

Christchurch City Council

Annual Report 2015

Christchurch Ōtautahi

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Council Vision

The Christchurch City Council has a vision for this City:

Christchurch is a place where anything is possible; a place that is open to new ideas, new people and new ways of doing things.

Introduction

Welcome to the Christchurch City Council's Annual Report 2015. The introduction to this report describes the city we live in and outlines the Council's continued response to the 2010-2011 Canterbury earthquakes and its vision for the future. It includes a message from Christchurch Mayor Lianne Dalziel and Council Chief Executive Dr Karleen Edwards, reflecting on the Council's achievements over the past year.

Introduction

What is the Annual Report?

Introduction

Each year, local bodies across New Zealand are required to present to their community an annual report that includes a set of audited financial statements.

What you will find in the annual report

The annual report sets out what the Christchurch City Council (the Council) did in the past year, why we did those things, how much they cost, and how they were funded.

This report shows how the Council is delivering on the promises made to our community – promises made 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.

About the councillor/management statements

The annual report is adopted by Council on the recommendation of Council staff and the Audit and Risk Management Committee. This ensures that both the management and governance functions have responsibility.

About the Council activities and services statements

The Council activities and services section shows the Council's performance in each activity, measured by its achievement against performance indicators. Performance indicators are the levels of service and their expected net cost, which were agreed in the 2014/15 Annual Plan approved by the Council on 25 June 2014.

About the primary financial statements

The financial statements incorporate four primary statements:

1. The statement of comprehensive revenue and expense

More commonly referred to as the income statement or profit and loss, this summarises the Council's financial performance for the year, listing all income and expenses, and records other comprehensive income such as changes in the fair values of the Council's infrastructure and property, plant and equipment.

2. The statement of financial position

Commonly referred to as the balance sheet, this is a 30 June snapshot of the Council's financial position indicating its assets, liabilities and net wealth.

3. The statement of changes in net assets/equity

Often known as the statement of changes in equity, this details the overall change for the year (in dollars) of the Council's net wealth.

4. The statement of cash flows

This statement indicates where the Council's cash came from and where it was spent.

These four statements also display the Council's original adopted budget to allow comparison between what was projected and what actually occurred.

About the notes to the financial statements

The notes to the financial statements give greater detail and more information on the four primary financial statements.

The content of the four statements and their notes are also directed by the requirements of the accounting standards. The 2015 financial statements are the first we have prepared using Public Benefit Entity (PBE) accounting standards.

About the auditor's report

The Council's external auditor, Audit New Zealand, is required to audit the Annual Report.

In a typical year the Council would expect an unmodified report from Audit New Zealand and the Auditor-General. This would mean, amongst other things, that the financial statements comply with relevant accounting standards and fairly reflect the Council's financial position. However, for the 2015 Annual Report, as was the case in 2014, 2013, 2012 and 2011, there are a number of earthquake-related issues that prevent the Council from complying fully with accounting standards.

The audit was modified for four reasons all in relation to the carrying value of assets.

While land and buildings and sewerage and roading networks were revalued in 2015, Council has been unable to determine what part of the increase in value relates to prior years.

The revaluation of sewerage and roading networks has estimated the impact of the earthquake of the remaining useful life of the network. In making such an estimate a number of assumptions were necessary. The valuer has stated that further information is required which is not available at present to provide an accurate impact of the effect of the earthquakes on the networks as a whole.

The Council has been unable to appropriately categorise its capital work in progress balance to identify completed assets and repair elements.

Lastly the carrying value of insurance receivables recognised in the financial statements is uncertain as the Council continues to negotiate with its insurers.

Consequently the Council has not complied with accounting standards. Our auditors are therefore unable to give an unmodified opinion. This does not reflect on the Council's financial management or its ability to fund the rebuild of its infrastructure. It simply reflects the fundamental uncertainties around the value of assets as a result of the earthquakes.

Introduction

Message from the Mayor and Chief Executive

Much of our focus over the past 12 months has been on preparing the Christchurch City Council to provide leadership in terms of our city's rebuild while at the same time addressing our significant financial challenges.

A major step was to adopt the Long Term Plan (LTP) 2015-25, our first audited budget since the earthquakes. This Plan is the stable platform from which the city will once again return to self-determination. It describes our new direction, one that places the community to the fore, and allows the Council to retain control of its strategic assets while reducing proposed rates increases.

To successfully move into our future, we need an organisation that is customer-focused, strong and efficient. During the past financial year, we announced plans to restructure the council organisation so it would be more community oriented and better placed to lead the city's regeneration.

Meanwhile, the Government announced details of the impending transition of responsibility from the Canterbury Earthquake Recovery Authority (CERA) back to the Council and other agencies. We welcomed the Government's intention to partner with us in setting up the agency that will deliver the city's regeneration - signalling the step-change from recovery that people are looking for. The new joint authority - tentatively titled "Regenerate Christchurch" - signals a new era of collaborative partnership between central and local government.

There is no doubt that our city continues to face significant challenges ahead, but we are confident that the LTP and planned organisational changes will put us in a strong position to resume responsibility for Christchurch's long-term recovery and regeneration.

As an organisation, we can take pride in a number of milestones. After a great deal of work we regained IANZ Accreditation in December 2014, restoring our authority to issue building consents. This is another key step towards the city assuming full responsibility for its future.

Every year, we ask our residents to tell us how we're doing across a range of activities and services through our annual Residents' Survey. We were pleased to see that more of the public understand how we as a Council make decisions, and more are satisfied that those decisions are in the city's best interests. In line with our drive to make the Council more community focused, we found that more residents felt they could take part in and contribute to our decision-making, however we still

have a way to go to ensure our community is fully engaged in the democratic process. The Representation Review, delegations to community boards and the work developing a new partnership model with local communities will enable a new form of participatory democracy to emerge.

We have remained committed to the rebuild, the strengthening of our communities and the restoration of their facilities. Our award-winning Hagley Oval was ready in time to host the opening match of the ICC Cricket World Cup 2015 and we prepared four world class pitches to host the FIFA U20 World Cup 2015, both events attracting world-wide attention.

We upgraded and opened three outdoor pools in Waltham, Lyttelton and Scarborough, and progressed pre-construction on the New Central Library. Repairs on the Christchurch Art Gallery continued, with the opening due in December 2015.

In our infrastructure repairs we completed most water main renewals and many reservoir repairs, and opened the Akaroa Water Treatment Plant. Following the severe floods of the previous year, we installed the Tay Street Drain Pump station to benefit the Flockton area, and consulted the public on options for the downstream Dudley Creek flood prevention measures.

We have been mindful of our commitment to engage more closely with the public on the issues that are close to them. All our major infrastructure and rebuild works have benefitted from better communication and engagement with the community during the planning and execution phases. The District Plan Review is another large, ongoing project where we have been engaging with the public.

SCIRT, the financial partnership between the Council, CERA and the New Zealand Transport Agency, is now 75 per cent through its total repair programme to modernise the city's wastewater, fresh water and storm water system. The multi-billion dollar programme, aimed at making the city more resilient than it was before the earthquakes, is due to be completed by December 2016.

It's clear that we have made a lot of progress in the past year but there still remains a lot of work ahead. We've put in some solid groundwork over the past year to ensure we are ready to regain leadership of the city and face the challenges ahead - there are plenty of issues ahead and we are ready to address them as a community.

Lianne Dalziel
Mayor of Christchurch

Dr Karleen Edwards
Chief Executive

Financial results at a glance

The Council's total expenditure during the year was \$700.5 million.

While the Council had an accounting surplus of \$307.4 million in the 2014/15 year, this surplus is due to non-cash, accounting items. The Council will still face a future funding shortfall if we do continue with the financial strategy we outlined in our Long Term Plan.

The Council's total comprehensive revenue was \$1.4 billion in 2014/15, again, due to non-cash items. The Council group (including the CCHL group and other subsidiaries) had a surplus for the year of \$364.1 million with total comprehensive revenue of \$1.2 billion.

Introduction Statement of compliance

Compliance

The Council and management of the Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with other than the exceptions detailed below.

Section 111 of the Local Government Act requires the Council to prepare information in accordance with generally accepted accounting practice. Generally accepted accounting practice for Council means Public Benefit Entity International Public Sector accounting Standards (PBE IPSAS).

Because of the reasons set out in note 9 to the financial statements (pages 175 to 181) and discussed in the introductory note to the Financial Statements, *Impact of the rebuild* (pages 155 to 159), it has not been possible to comply with:



Lianne Dalziel – Mayor
29 October 2015

- **PBE IPSAS 17 – Property, Plant and Equipment**
Assets due for valuation in 2015 were stormwater, water ways and wetlands infrastructure assets. These assets were not revalued in 2015 and therefore their carrying value represents their 2008 fair value less depreciation. Valuations were undertaken of land and buildings, roading and sewerage infrastructure assets and art works at 30 June 2015. Water supply and marine structures assets were revalued in 2014. Further information about the reasons for this are set out in note 9 to the financial statements.



Dr Karleen Edwards – Chief Executive
29 October 2015

Introduction

Christchurch at a glance

Located on the east coast of the South Island, Christchurch, New Zealand's second largest city, is bounded to the east by the Pacific Ocean. To the west are the vast, fertile Canterbury Plains that spread to the foot of the Southern Alps.

Christchurch experienced a series of earthquakes in 2010-2011 that severely damaged much of the city's infrastructure and has required major repairs and rebuilding of many of the city's dwellings and facilities. Now well under way, the rebuild is approaching a peak in the \$40 billion programme.

The Council, central Government and the private sector have been spending about \$40 million a week on the rebuild. This intensive activity has created a huge demand for skilled workers as engineering and construction works have rapidly expanded.

Annual growth in construction sector employment levelled off during the year at 11.3 per cent, with only the health care and manufacturing sectors employing more staff. At 3.4 per cent, Christchurch unemployment is well below the national average of 6.1 per cent. In addition, an employment rate of 73 per cent has surpassed pre-earthquake levels and the national average of 70 per cent.

Although the earthquakes did extensive damage around Christchurch and nearby towns, the region's main

economic activities were largely unaffected and are continuing to grow. Traditional products such as dairy, meat, machinery and mechanical appliances remain the bulk of the region's exports through the airport and the port of Lyttelton.

At 5,373, international migration into Christchurch is the highest since 1991, contributing to a higher estimated population of 362,000 for 2014. The 2013 census put the population at 341,469.

International visitors avoided Christchurch after the earthquakes but the tourism sector is trending steadily towards pre-earthquake visitor levels. Three airlines added seats to their trans-Tasman routes into Christchurch, raising capacity by 11 per cent to 408,781 seats.

Snapshot of the City

Median house price – \$440,000

Weekly spend on city rebuild – \$40,000,000

Population – 367,800

Climate – mild, with four seasons

Gross Domestic Product – 8.5 per cent of national total

Highlights

The Council provides the services needed to keep the city running, including supplying water, removing wastewater and collecting rubbish. In addition to leading many significant rebuild projects, it also carries out large infrastructure, building and community projects as part of its long-term programme to improve the city. Outlined below are some of the highlights of the past year, along with our earthquake response, recovery and rebuild activities.

Highlights

Our achievements

The Council kept its focus on recovering and rebuilding from the earthquakes while maintaining essential services for the residents. Highlights of our year's achievements were:

Water supply

We completed most water main renewals and many of the reservoir repairs. We are repairing the last leaks on public assets.

We opened the Akaroa Water Treatment Plant in March 2015 and started demolishing the old plants. This has improved water quality and supply to Akaroa and Takamatua townships.

We also started on the Little River water treatment plant, which is on track to open in August 2015.

Stormwater and flood protection

Our main focus has been on asset repairs and planning for the rebuild of damaged assets through SCIRT and our operations team.

We continued investigating the Avon, Styx and Heathcote Rivers and their tributaries, including the Dudley Creek catchment. We also monitored and maintained the temporary stop-banks and are protecting against tidal events.

We built the Tay Street Drain pump station to benefit the Flockton area and consulted the public on downstream Dudley Creek options for flood prevention.

Sewerage collection, treatment and disposal

SCIRT continued their work in repairing and replacing the sewerage network with around 64 per cent of the total network repaired to date. New pressure and vacuum sewerage systems were installed in parts of the city. We started work on new pressure mains for two pump stations and repaired another pump station, while installing smaller pump stations and pressure mains.

We returned the Bromley Waste Water Treatment Plant to operation, having completed most of the major repairs, and we started a number of significant renewal works across the network.

We also started designing the project to convey raw waste water from Lyttelton, Diamond Harbour and Governor's Bay to the Bromley Waste Water Treatment plant. This will divert all treated waste water from Lyttelton Harbour by 2022.

Refuse minimisation and disposal

The Burwood Resource Recovery Park (BRRP) sorted 192,524 tonnes of construction and demolition waste over the year, a significant increase over the previous year.

We joined other councils across the country in the national 'Love Food, Hate Waste' campaign. In addition, we have 112 business projects taking part in Target Sustainability, aimed at using their resources efficiently.

Art gallery and museums

Repairs on Christchurch Art Gallery continued, with the opening due in December 2015. The Outer Spaces programme staged 11 exhibitions and the public programmes attracted over 3,500 people. Over 7,000 children took lessons in the schools programme. Akaroa Museum had over 25,000 visitors while strengthening work continued on the buildings.

Libraries

Pre-construction on the New Central Library got under way with building due to start early 2016.

Planning continued on the new and replacement libraries.

Te Hapua: Halswell Centre will combine library, customer services, community spaces and an outdoor pool, with building started and the opening due in November 2015. In addition, concept design work continued for the Sumner and Bishopdale libraries.

Parks and open spaces

The Christchurch Botanic Gardens continues to be one of the top visitor destinations in the city, with 1.11 million visits over the year.

Our environment education and volunteer engagement programme contributed significantly to restoring the natural environment, particularly in the regional parks. We set up and maintained 30 ecological restoration projects during the year.

Community support

The Strengthening Communities and Creative Communities funds distributed over \$7.5 million to 1,083 projects, up on last year.

Demand for council social housing stayed strong and we housed 313 new households.

We built eight new housing units during the year and repaired and reopened 39 units.

Recreation and leisure

The award-winning development of the Hagley Oval was completed in time to host the opening match of the ICC Cricket World Cup 2015 New Zealand. We also prepared four world class sports pitches to host the FIFA U20 World Cup 2015.

Other notable events we hosted were Te Matatini, NZ Ice Fest and New Zealand Cup and Show week.

Waltham, Lyttelton and Scarborough outdoor pools reopened after repairs and were among the recreation and sport centres that hosted 3.77 million visits in the year.

International relations

After the Mayor attended the first New Zealand/China Mayoral Forum in late 2014, four Mayors from major Chinese cities visited Christchurch, another first. In March the Mayor led a delegation of business, education, tourism and trade representatives to ten cities in China.

We held a special commemoration for the centenary of the Gallipoli Landings and the First World War, before ANZAC Day 2015.

In May HRH Prince Henry of Wales visited the city. We coordinated the visit with central Government and local organisations, and showcased the legacy of the Student Volunteer Army and the community engagement work the University of Canterbury is developing.

Economic development

Christchurch and Canterbury Tourism (CCT) briefed and trained over 800 international travel sellers on the recovery and the message that the city is open for business.

CCT also ran the 'Pockets of Awesome' campaign for domestic visitors which had more than 103,000 video views.

It boosted the city's share of the national conference market from six to nine per cent, bringing more than 80,000 delegate days into Christchurch.

Canterbury Development Corporation (CDC) revised three sector strategies and set up three new business support programmes including the Employers Toolkit and Lean Office.

Roads and footpaths

Despite significant disruption to the road network from repairs, there has been only a slight fall in the proportion of active travel trips such as cycling.

Significantly more residents perceive Christchurch as a cycle friendly city, with this expected to rise as the Major Cycleways project progresses. Resident satisfaction with both footpaths and road quality have also increased since last year.

SCIRT continued their road repairs and have now repaired 1 million square metres or 63 per cent of their total roading repairs.

City planning and development

We supported the development of the Major Cycleways programme and business case and contributed to key aspects of An Accessible City.

These included the Central City Parking Plan and the First Phase Transport Projects at Hospital Corner,

Hagley/Moorhouse, Tuam, Lichfield and Colombo streets.

We publicly notified the Stage 1 proposals of the proposed Replacement District Plan and started hearing public submissions. Stage 2 proposals were also notified.

We developed an early engagement strategy for natural hazards, which include land instability, flooding and coastal hazards. The analysis on them has informed the Replacement District Plan.

We finished the last three of the nine suburban centre masterplans, namely New Brighton, Main Road and Ferry Road.

We continued our rolling review of bylaws with three approved, four out for consultation and another four started. We are also developing a new bylaw for Freedom Camping.

The Council extended the Smokefree Policy during the year, adopted the Psychoactive Products Retail Locations Policy, introduced a Significance and Engagement Policy and reviewed the Development Contributions Policy.

Regulatory services

The Council regained its accreditation as a Building Consent Authority (BCA) in December 2014, after losing it in June 2013. Crown management of the building consent functions ceased in December 2014.

During the year we granted 8,552 residential consents and 1,149 commercial consents at a total value of \$3.09 billion, up 19 per cent on the \$2.5 billion in the previous year.

We processed a record number of resource consents at 2,385 land use and 482 subdivision consents.

The Animal Management staff ran 'Dogsmart', a dog bite prevention programme, at 67 schools and it is now to be used in North Island schools.

Democracy and governance

The proportion of residents who felt the Council made decisions in the best interest of the city rose this year, along with those that felt they had some influence on Council decisions. Further, more residents reported that they understood how the Council makes decisions, which was a key area of focus.

Your Council

Your Council

How the Council works

Elected members

Christchurch residents and ratepayers are represented by the Council and Community Boards. Every three years the Council holds elections for the people who will act and speak for our community. The last full election was on 12 October 2013.

Council

The Mayor and 13 Councillors govern the city and ensure the needs of its residents are met. They make decisions for Christchurch's future, plan the way forward and are accountable for delivering what the community has identified as necessary to provide good quality local infrastructure, local public services and to perform regulatory functions.

The main direction of the Council is outlined in the Three Year Plan, which was adopted following the 2010-2011 earthquake sequence. The Plan expires at the end of the 2014-2015 financial year and will be replaced by the LTP 2015-2025, which the Council consulted on then adopted in June 2015.

In the Three Year Plan operative for the 2014-2015 year, the elected members agree on 'Community Outcomes' which they achieve by setting policy. The outcomes of the Plan are:

- Liveable city
- Strong communities
- Healthy environment
- Prosperous economy
- Good governance

There is more information on Community Outcomes in our Community Outcomes section of this report.

Community Boards

At a local level, eight Community Boards represent and advocate for the interests of their communities. Community Board members advise the Council on local needs, community views and how Council proposals will affect their communities.

The Community Boards span seven wards across the city. The metropolitan wards, each represented by two Councillors and five Community Board Members, are:

- Burwood/Pegasus
- Fendalton/Waimairi
- Hagley/Ferrymead
- Riccarton/Wigram
- Shirley/Papanui
- Spreydon/Heathcote

The Banks Peninsula ward, because of its diversity and size, is represented by one Councillor and two Community Boards – Akaroa/Wairewa and Lyttelton/Mt Herbert, each comprising five Community Board Members.

The Council organisation

The Council employs the Chief Executive, who is the only staff member reporting directly to the Mayor and Council. The Chief Executive employs all other staff in the Council.

Council structure

The Council's organisational structure is designed to ensure its services are provided as effectively as possible. To achieve this, Council activities and services are divided into two focus areas – day-to-day operations and rebuild and recovery. There are four Groups within each:

Day-to-day operations Groups

- Operations
- Transformation Directorate
- Corporate Services
- Community and Democracy Services

Rebuild and recovery operations Groups

- Financial and Commercial
- Strategy and Planning
- Council Facilities and Infrastructure Rebuild
- Building Control and City Rebuild

Each Group has units that provide specific services to the community and organisation.

The Council is responsible for a large range and variety of services and activities. For example, it collects rubbish, recycling and green waste, builds and maintains roads and the water supply network, and runs the Botanic Gardens, Christchurch Art Gallery, city libraries and many festivals and events.

These activities are grouped into 14 Council Activities and Services. Find out more about these groups in the sections: *Our activities at a glance*, or for an *in-depth view*, *Council activities and services*.

Your Council Community Outcomes

What are Community Outcomes?

Community Outcomes describe what the Council aims to achieve in promoting the social, economic, environmental and cultural interests of the district now and in the future. They focus on what the Council is able and can afford to influence, and describe the city's aspirations. Everything the Council does day-to-day focuses on achieving them.

The Community Outcomes come from and align with our key plans including the Greater Christchurch Urban Development Strategy and the Christchurch Central Recovery Plan. The Public Open Spaces Strategy, Biodiversity Strategy and Social Housing Strategy also contribute to our Outcomes. They have all been developed after consulting the community and they reflect the aspirations and goals of the residents.

The Community Outcomes helped set the direction for the *Long-term Plan 2015-2025* and the Three Year Plan. All Council activities described in the Three Year Plan contribute towards them.

The Community Outcomes

The Outcomes relate to four strategic directions – liveable city, strong communities, healthy environment and a prosperous economy. A fifth group, good governance, describes outcomes for how the Council works as an organisation doing the best for its community.

Many Outcomes were strongly influenced by the 2010-2011 earthquakes. In some cases we prepared new Outcomes to meet the changed environment. In other cases, the earthquakes hindered Council progress. The earthquakes also changed how we prioritised some activities. We have reflected this either by changing capital expenditure or taking up different activities to meet the goal.

The Community Outcomes are as follows:

Good Governance

Clear vision, strategic direction and leadership

- The Council provides leadership on issues affecting the community.
- The Council has effective relationships with central government and other key partners.
- The opportunities given by the earthquakes to rethink the shape of the city are fully taken.
- The special position of Ngāi Tahu is recognised.

The public understands and has confidence in decision-making

- The Council's goals and activities are clearly communicated to the community.
- Decisions are transparent and informed by timely, accurate and robust information and advice. Decisions take account of community views.
- Māori have opportunities and the capacity to contribute to decision-making processes.

Effective stewardship of Council resources

- City assets, financial resources and infrastructure are well-managed, now and in the future.
- Statutory obligations are met by the Council.

Liveable City

Christchurch has a strong central city

- The Central City is a vibrant and prosperous business centre.
- More people, including families, live in the Central City.
- The Central City has a distinctive character and identity.
- The Central City is used by a wide range of people and for an increasing range of activities.

An attractive and well-designed urban environment

- Urban areas are well designed and meet the needs of the community.
- Streetscapes, public open spaces and public buildings enhance the look and function of the city.

The transport system meets the needs of the community

- There is a range of travel options that meet the needs of the community.
- The transport system provides people with access to economic, social and cultural activities.
- An increased proportion of journeys is made by active travel and public transport.

Development is focused on well-defined urban areas

- New urban areas are integrated with the existing urban land uses and towns.
- Suburban centres provide the focus for services, employment and social interaction.
- Household location and increased housing density are in line with urban development targets.

Christchurch has a range and choice of housing

- Christchurch has good quality housing.
- Christchurch has a range of housing types.
- There are affordable housing options in Christchurch.
- There is sufficient housing to accommodate residents.
- A safe and reliable water supply
- The Council's water supplies meet the public's reasonable needs.
- Christchurch has clean, safe drinking water.

Strong Communities

Christchurch's culture and heritage are valued

- The city's identity is enhanced in its buildings and public spaces.
- The city's heritage and taonga are conserved for future generations.
- The Garden City image and garden heritage of the district are enhanced.
- Sites and places of significance to tangata whenua are protected.

- Cultural and ethnic diversity is valued and celebrated.
- Arts and culture thrive in Christchurch.

People have a sense of connection to and participate in their community

- People have strong social networks.
- Services are available locally within the urban areas.
- People have the information and skills to enable them to participate in society.
- People are actively involved in their communities and local issues.

People participate in a wide range of recreational activities

- There is increasing participation in recreation and sporting activities.
- People have equitable access to parks, open spaces, recreation facilities and libraries.
- The public has access to places of scenic, natural, heritage, culture and educational interest.

Communities are safe

- Risks from natural hazards, including earthquakes, flooding, tsunami and rock fall are minimised.
- People are safe from crime.
- Injuries and risks to public health are minimised.
- Transport safety is improved.

Healthy Environment

Christchurch's unique landscapes and indigenous biodiversity are protected and enhanced

- Existing ecosystems and indigenous biodiversity are protected.
- A range of indigenous habitats and species is enhanced.
- Landscapes and natural features are protected and enhanced.

Water quality and quantity are protected and restored

- Water quality in rivers, streams, lakes and wetlands is improved.
- Groundwater is safeguarded from the effects of land use.
- Stream and river flows are maintained.

The community values natural resources and uses them sustainably

- Earthquake demolition waste is safely disposed of with minimal adverse effects.
- There is a reduction in waste.
- Water is used efficiently and sustainably.
- Energy is used more efficiently.
- Christchurch is prepared for the future challenges and opportunities of climate change.
- A greater proportion of energy used in the city is from renewable sources.

Prosperous Economy

Christchurch is a good place to do business

- Christchurch's infrastructure supports sustainable economic growth.
- Christchurch is recognised as a great place to work, live, visit, invest and do business.

- There is adequate and appropriate land for residential, commercial, industrial and agricultural uses.
- The Council is responsive to the demands of the rebuild.
- Christchurch has a highly skilled workforce.

Christchurch has a strong economic base

- There is a critical mass of innovative key business sectors.

How do we achieve these outcomes?

Everything the Council does focuses on meeting these outcomes. We align our activities with our strategies and plans. All our capital and operating spending is aimed at moving the city towards these outcomes now or in the future.

The activities, levels of service, capital and operating spending and links to the outcomes are all in the Three Year Plan.

Who do we work with to achieve our outcomes?

We work with a variety of community groups and other agencies to meet our Outcomes. We are more likely to achieve lasting results in the community when we promote partnerships and work with Māori, other local and regional organisations, central government, non-governmental organisations, and the private sector.

Good governance

The Council also has internal Outcomes. Amongst other things, they aim to ensure that we meet all statutory obligations, that we lead key issues for the district, that our decisions are transparent and that they take account of community views. We have strategies informed by community views, and many robust policies and processes to guide our decisions.

Liveable City

A good built environment improves residents' lives by ensuring we have the right mix of houses, buildings and urban spaces. We have a unique chance to rebuild our urban areas in a way that enhances our lives. When planning we need to work very closely with neighbouring councils and Environment Canterbury (ECan), as well as with central government agencies such as the Canterbury Earthquake Recovery Authority (CERA), the Ministry of Transport, the New Zealand Transport Agency (NZTA) and the Ministry of Business, Innovation and Employment (MBIE).

Professional bodies, such as the New Zealand Planning Institute and the New Zealand Institute of Architects, sector organisations such as the New Zealand Historic Places Trust, and educational and research institutes are important partners for planning good urban design.

Working with private developers and the wider community, who plan and build much of the city's urban environment, is also crucial for successful development.

Strong Communities

A strong community includes people having a safe place to live, the chance to take part in a wide range of recreation and feeling connected to the community. We help build strong communities by working with central government agencies such as the:

- Ministry of Social Development
- CERA
- Department of Internal Affairs
- Ministry of Health
- Canterbury District Health Board
- New Zealand Police
- Creative New Zealand
- Sport and Recreation New Zealand.

We also work with many community groups. By working closely with these agencies our programmes are more likely to be complementary and effective.

Healthy Environment

Our district has landscapes and indigenous biodiversity that are unique and important to the area and we work with many groups to protect the environment. Research centres such as the National Institute of Water and Atmospheric Research (NIWA), Landcare Research and Canterbury and Lincoln universities provide technical information. Conservation and recreation groups organise projects to protect and restore the environment. A Māori perspective helps us understand and consider cultural matters.

Prosperous Economy

A prosperous economy is integral to us achieving our goals. Much of our economic development is led by the CDC and CCT. Through CCHL, the Council is a majority shareholder in a number of infrastructure companies including the Lyttelton Port Company Limited (LPC), Christchurch International Airport Limited (CIAL) and Orion New Zealand Limited (Orion).

We work with other organisations such as the Crown Research Institutes, New Zealand Trade and Enterprise, the Foundation for Research, Science and Technology, MBIE and the Ministries of Foreign Affairs and Trade, and Social Development.

We also work with local business groups to give us a strong economic base and make Christchurch a good place to do business.

How do we know if we are achieving our Community Outcomes?

We must be able to measure our Outcomes. We monitor our progress using a variety of indicators. We publish the monitoring results from time to time on our website. You can view the latest online at:

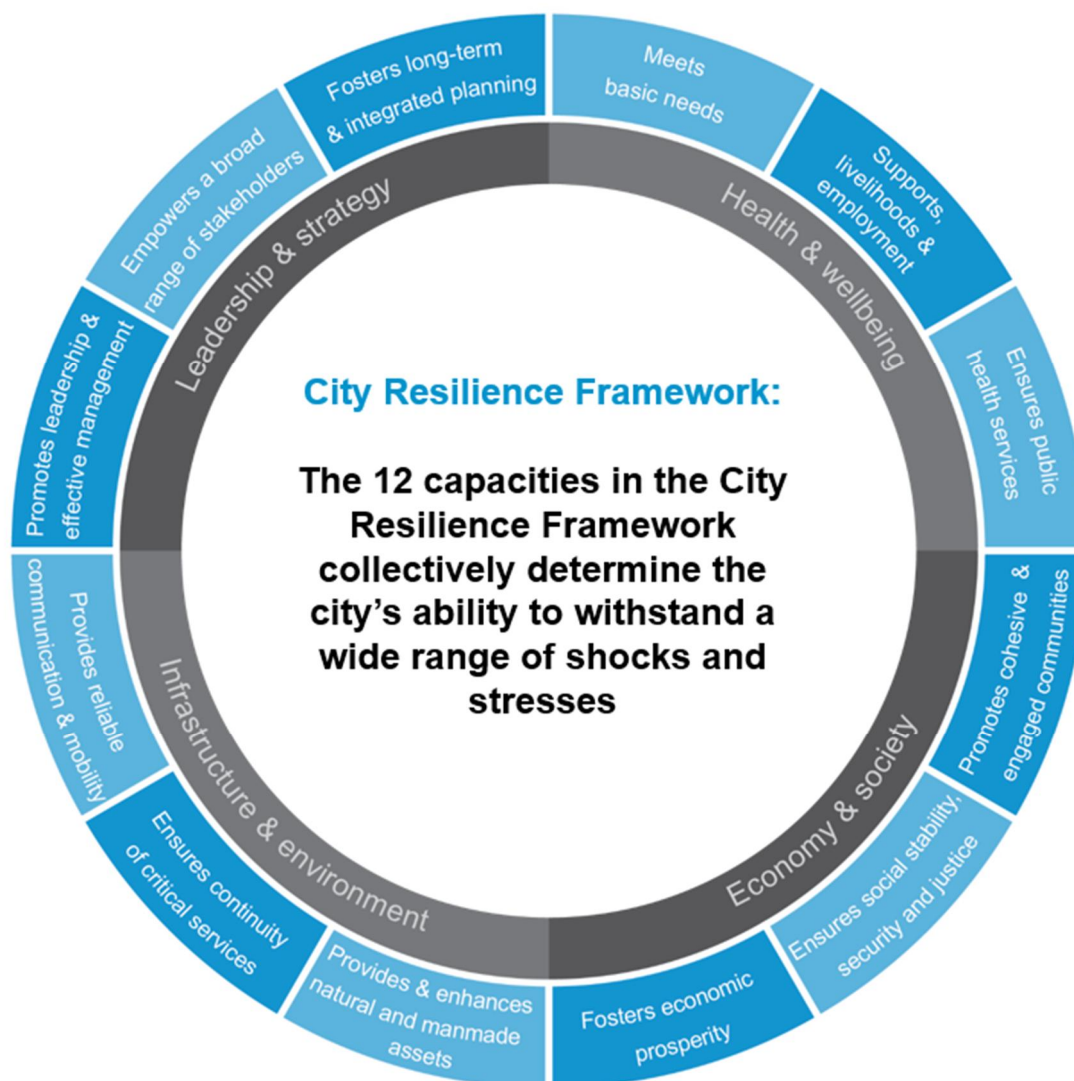
www.ccc.govt.nz

Your Council Community Resilience

How do the Community Outcomes link to the City Resilience Framework?

In January 2015 the Council resolved that reporting against community outcomes in reports and activity management plans should include a resilience assessment that is aligned to the Rockefeller Foundation 100 Resilient Cities, City Resilience Framework, see below.

In 2015/2016 the Council will complete a preliminary resilience assessment that identifies the range of challenges and opportunities for building resilience in the city.



Your Council
The elected Council



Back Row (from left):

Councillor Yani Johanson, Councillor Tim Scandrett, Councillor Raf Manji BA Econ (Manchester), Grad Dip Arts (polSci) Dist (Canterbury), MIntLaw & Pols, First Class Hons (Canterbury), **Deputy Mayor Vicki Buck** MA (Hons), **Councillor Paul Lonsdale, Councillor Ali Jones, Councillor David East** BSc.

Front Row (from left):

Councillor Andrew Turner, Councillor Pauline Cotter Trained Teachers Certificate NZED, **Councillor Phil Clearwater** MA (Hons), **Mayor Lianne Dalziel** LLB, **Councillor Jamie Gough** CMInstD., **Councillor Glenn Livingstone** BA, BTh, **Councillor Jimmy Chen** MCom, BSc.

Your Council
Chief Executive and Executive Leadership Team



Back Row (from left):

Peter Gudsell Chief Financial Officer, **Mike Theelen** Chief Planning Officer, **Peter Sparrow** Director Building Control and City Rebuild.

Front Row (from left):

Brendan Anstiss Director Transformation/Chief of Staff, **Jane Parfitt** Chief Operating Officer, **Dr Karleen Edwards** Chief Executive Officer, **David Adamson** Director Council Facilities and Infrastructure, **Mary Richardson** Director Communications and Democracy Services.

Absent:

Anne Columbus Acting Director Corporate Services.

Your Council
Community Board Members

Community Board members representing Akaroa-Wairewa Ward

Pam Richardson (Chairperson) – MNZM JP
Lyndon Graham (Deputy Chairperson) – JP
Maria Bartlett – Grad Dip Arts (PolSci) Distinction (Canterbury)
Janis Haley
Bryan Morgan

Councillor

Andrew Turner

Community Board members representing Burwood-Pegasus Ward

Andrea Cummings (Chairperson) – BSc, Dip Min
Tim Baker (Deputy Chairperson)
Tim Sintes
Linda Stewart – JP, Dip NVP
Stan Tawa – BCulArts

Councillors

Glenn Livingstone – BA, BTh
David East – BSc

Community Board members representing Fendalton-Waimairi Ward

Val Carter (Chairperson)
David Cartwright (Deputy Chairperson)
Sally Buck – MEd (Dist), Dip Tchg, Dip TESOL
Faimeh, Lady Burke – MA
Bridget Williams

Councillors

Jamie Gough – CMIInstD.
Raf Manji – BA Econ (Manchester), Grad Dip Arts (PolSci) Dist (Canterbury), MIntLaw & Pols, First Class Hons (Canterbury)

Community Board members representing Hagley-Ferrymead Ward

Sara Templeton (Chairperson) – JP
Joe Davies
Islay McLeod (Deputy Chairperson)
Alexandra Davids
Brenda Lowe-Johnson – JP

Councillors

Yani Johanson
Paul Lonsdale

Community Board members representing Lyttelton-Mt Herbert Ward

Paula Smith (Chairperson)
Jane Broughton (Deputy Chairperson) – resigned effective 4 November 2014
Christine Wilson (Deputy Chairperson) – from 5 November 2014 - JP
Denis Aldridge (elected 17 February 2015)
Ann Jolliffe
Adrian Te Patu

Councillor

Andrew Turner

Community Board members representing Riccarton-Wigram Ward

Mike Mora (Chairperson)
Helen Broughton (Deputy Chairperson) – MA (Hons), Dip Ed (Counselling), Dip Tchg
Natalie Bryden
Peter Laloli
Debbie Mora – Dip Acc, Dip HRMngmt

Councillors

Vicki Buck – MA (Hons)
Jimmy Chen – MCom, BSc

Community Board members representing Shirley-Papanui Ward

Mike Davidson (Chairperson) – ANZIIF (Snr Assoc.), CIP
Aaron Keown (Deputy Chairperson)
Jo Byrne (elected 29 August 2014) – BSLT, PGDipHealSc
Emma Norrish – BA, LLB
Barbara Watson – BAM
Gemma Maslin (Deputy Chairperson) – resigned effective 2 June 2014

Councillors

Pauline Cotter – Trained Teachers Certificate NZED
Ali Jones

Community Board members representing Spreydon-Heathcote Ward

Rev Paul McMahon (Chairperson) – BA (Hons), MTh
Karolin Potter (Deputy Chairperson) – JP
Melanie Coker – BSc (Hons), PhD
Dr Helene Mautner – PhD
Rik Tindall – BA (Hons), Cert BusComp

Councillors

Phil Clearwater – MA (Hons)
Tim Scandrett

Your Council Governance and management

The Council works for the people of Christchurch, providing essential services and planning for the future, based on the desires of the community.

The Council's elected members and staff work within a range of systems and processes that help ensure they comply with New Zealand laws and follow good business practice. These checks and balances help the community to interact with the Council, and assure the public that the Council is acting in their best interests. The checks and balances include:

Divisions between Council and management

Governance is about setting direction and achieving the vision and goals of the city. This is the role of the Mayor and Councillors, who set priorities and policies, and review progress. The Mayor and Councillors employ the Chief Executive and delegate to her the management and delivery of Council services. The Chief Executive and her staff are then responsible for implementing the policies and strategies set by the Council.

Training elected representatives

After every election, Council staff and others, such as Local Government New Zealand, assist in the training of the incoming elected members. Training is ongoing and will include meeting procedures, conflicts of interest, and an overview of the boundaries that local authorities operate within.

Listening to the community

On many occasions the Council is required to listen to the community and consider the views of residents and ratepayers when making decisions. It does this by holding formal public consultation on city projects that include public hearings, and will receive petitions and deputations at Council, Committee and Community Board meetings. It is also increasingly receiving public opinion via social media and the internet, through programs such as 'Have Your Say', which actively solicits public views on many matters.

Legislative compliance

The Council uses in-house lawyers and hires consultants to help ensure it complies with the wide range of laws and regulations governing local authority activities.

Accountability

The law requires Council activities to be clear and transparent. The Council does this by holding open meetings, live-streaming full Council meetings on the web and posting meeting agendas and reports on its website for public and media scrutiny. It also distributes printed copies of these documents through its network of service centres and libraries.

The Council complies with the Local Government Official Information and Meetings Act 1987, which provides for Council information to be made available on request unless there is good reason to withhold it. The Council also informs residents of Council decisions and projects through its website, social media, newspaper features, radio interviews, public notices, e-newsletters, at public meetings and by informing the media.

Audit

The law requires the Council to prepare financial statements that fairly reflect the organisation's financial position, performance and cash flows. In addition, the Council must report on how well it achieved non-financial objectives, set three-yearly as part of the LTP process. The Auditor-General contracts Audit New Zealand to audit these financial and non-financial statements on her behalf.

Internal audit

The Council's internal audit monitors its internal controls and the quality and reliability of the information reported to the Council. PricewaterhouseCoopers oversees this activity with the help of internal audit staff.

Risk management

The Council has an Audit and Risk Management Committee, comprising Council representatives and external members, experienced in financial and risk management.

Monitoring Council Controlled Trading Organisations

The Council has financial and governance interests in other organisations. Christchurch City Holdings Limited (CCHL) is, for example, a wholly-owned subsidiary of the Council. It groups trading activities under one umbrella and keeps the Council at arm's length from the activities of Council Controlled Trading Organisations (CCTOs), which operate as profit-making enterprises.

The CCTOs are:

- Orion New Zealand Limited (Orion)
- Christchurch International Airport Limited (CIAL)
- City Care Limited (City Care)
- Lyttelton Port Company Limited (LPC)
- Red Bus Limited (Red Bus)
- Enable Services Limited (ESL)
- EcoCentral Limited (EcoCentral).

The Council also has interests in other smaller CCTOs, being:

- Vbase Limited (Vbase)
- Civic Building Limited (CBL)
- Tuam Limited (Tuam)

Each CCTO is required to produce a Statement of Intent (SOI) that it develops in consultation with the Council. This sets out the objectives, the nature and scope of its activities, its performance targets and how its performance will be measured. CCTOs are required to report to their shareholder bi-annually and annually.

For more detail go to: *Group Structure and Council Controlled Organisations*.

Your Council Māori involvement in decision making

The Council maintains a strong working relationship with local Māori and is actively working to improve its partnership with mana whenua. Ngā Rūnanga o Waitaha have collectively indicated a strong desire to build a stronger relationship with Christchurch City Council at a governance level. Council is working with them to develop to maintain and improve participation in decision-making processes.

In February 2013 the six Rūnanga representing the hapu who hold mana whenua rights across the Christchurch area published the 2013 Mahaanui Iwi Management Plan.

The Iwi Management Plan (the Plan) is a policy framework for the protection and enhancement of Ngāi Tahu values. It is endorsed by the Iwi authority, Te Rūnanga o Ngāi Tahu and applies to the Council's policy and planning processes under the Resource Management Act 1991, as well as its obligations under the Local Government Act 2002.

The Plan is a significant step in the relationship between the Council and Iwi. It describes the areas where Iwi believe Council practices need to improve, and outlines ways forward. The Council remains committed to improving its relationship with the six Rūnanga and welcomed the Plan as a valuable contribution to the evolving process of understanding and protecting Māori culture and values, as acknowledged in the Tiriti o Waitangi.

In 2007, Mahaanui Kurataiao Limited, representing the six Rūnanga, signed a memorandum of understanding (MOU) with the Council, setting out how the Rūnanga could take part in Council decision-making on resource management and in forming policy statements and plans. Through the MOU, the Council also contracted MKT to provide services to build the Council's capacity and knowledge of protocol, translation and relationship building.

The Council and MKT began a review of the MOU in practice, to ensure the relationship was working successfully. The review has been focussing on:

- improving the process by which the Council acquires MKT's advice
- clarifying the content of the service level agreement
- developing a process for prioritising work.

Mana whenua advice on Anchor Projects is provided by a relationship with Ngāi Tūāhuriri.

In November 2008, the Council signed a management MOU with Ngā Maata Waka, who represent the non Ngāi Tahu Māori in the Council's district. As a result, the Council and Ngā Maata Waka have agreed on ways to maintain regular contact and communication.

During the year the Council continued to apply the policies, processes and procedures that have been agreed with local Maori as outlined above.

Your Council Our activities at a glance

The Council organises its work into activities and services, which are summarised below.

City planning and development

City planning and development prepares the strategies, plans and policies that guide the future development of Christchurch. It includes the planning and co-ordination of work on post-earthquake recovery for: natural hazards, transport, suburban centres and the central city, protection of our City's heritage, and initiatives to use energy more efficiently.

Earthquake recovery is an imperative, guiding land use through the District Plan, which includes changes to the Banks Peninsula Plan and the City Plan.

Planning and development is guided by the *Resource Management Act 1991*, the *Local Government Act 2002*, the *Land Transport Management Act 2013*, and the *Canterbury Earthquake Recovery Act 2011*.

Community support

Community support provides:

- social housing
- community facilities
- project funding
- sector co-ordination
- support and advice.

Civil Defence Emergency Management (CDEM) promotes awareness of resilience, understanding of hazards and risks, and emergency preparedness. Along with other organisations and the community, the team responds to emergencies.

Our community facilities, and community development and funding activities support residents to socialise, network and volunteer.

Cultural and learning services

These are the galleries, museums and libraries that give residents access to art, historical and other educational material. We provide accessible and welcoming public buildings, we stage a variety of arts, festivals and events, and we supply books, information and learning programmes.

We run the art gallery and support museums to collect and present the artistic and historical heritage of our region. When open, Christchurch Art Gallery caters to a strong and growing art audience. Akaroa Museum preserves and displays the history of Akaroa and Banks Peninsula. We also fund part of the Canterbury Museum.

City libraries provide recreational and learning material, offer life-long learning and literacy, and give the public community spaces.

Our education team runs programmes to support our community's sustainable, safe and appropriate use of

the city's parks and reserves, waterways, facilities, roads, and spaces.

Democracy and governance

We support and advise the Mayor, Councillors and Community Board members so they can make good decisions on behalf of residents. We ensure that the decision-making process is clear to residents, and meets all legal and policy requirements.

Residents are encouraged to take part in the democratic processes of Council at the three-yearly local elections and by having their say during consultations and decision-making. It is important that elected members take the views of the community into account, in particular from those directly affected.

Economic development

Christchurch is the main business hub for Canterbury and the South Island. We work in three ways:

- regional economic development, leadership and coordination
- city promotions
- civic and international relations.

Regionally, we work in economic development, sector and business development and supporting the innovation system.

We promote information through print, web and digital media to tell residents about the city and why it is an attractive place to live, work, visit and do business. We also promote our key events, attractions and facilities to residents and visitors and encourage them to take part.

We build the city's international relationships, and promote more skilled migrants, international students and tourists coming to Christchurch. We organise important commemorations such as 22 February and ANZAC Day, run regular citizenship ceremonies, annual civic awards and special events for our Antarctic Gateway status.

Parks and open spaces

We maintain and manage 1,040 parks and reserves covering nearly 9,000 hectares in Christchurch City and Banks Peninsula. They include the botanic and heritage gardens, urban and regional parks, cemeteries, heritage, and harbour and marine facilities.

Among them are neighbourhood parks and specialised sports grounds that cater for organised sports and other recreational activities.

There are specialist and heritage gardens for residents and visitors, as well as extensive naturalised parks and reserves on the coast, hills and plains, which help protect the region's natural landscape and biodiversity values.

We provide and maintain cemeteries and administer burials and plot purchases.

We manage piers, wharves, moorings and boat ramps along the coast and in harbours for recreational and commercial use.

We educate the public about fire safety, issue fire permits and prepare and respond to rural fires. We train rural fire officers and fire fighters and manage voluntary rural fire force volunteers.

Recreation and leisure

Recreation and sport centres, swimming pools and stadia enable residents to take part in recreation and sport. As well as running these facilities, we support other groups running recreation and sport programmes, and secure regional, national and international sporting events for Christchurch.

We produce a year-round programme of free and affordable events, support a range of festivals that enhance the city's lifestyle qualities, and our major events attract visitors and support key industries in Christchurch and Canterbury.

Refuse minimisation and disposal

We aim to reduce the amount of rubbish we send to landfill by collecting recycling from homes and public places, educating the public about the benefits of reusing and recycling materials, and by sorting and processing recyclable materials so they can be reused.

We collect kitchen and garden waste from homes and turn it into compost for resale, and encourage people to set up their own compost bins at home.

We collect and transport this remaining waste to landfill and look after old landfills to make sure they don't harm the environment. We capture methane gas from the old landfill site and use it to power city buildings and parts of the Christchurch Wastewater Treatment Plant.

We help businesses with programmes and services such as Target Sustainability to help them reduce waste and be more energy and water efficient.

Regulatory services

Our regulatory compliance teams protect the health and safety of the city by minimising potential hazards such as dogs and wandering stock, controlling where alcohol can be sold, and carrying out health inspections at food outlets. We ensure that residents and businesses comply with rules for building, parking, and the City Plan and bylaws. We also respond to complaints about noise. We also educate the public about these rules.

The processing and issuing of Building Consents, subsequent inspections and the issuing of Code Compliance Certificates and Compliance Schedules are fundamental to ensuring the ongoing development and rebuild of the city.

Resource consents are required when a development or building does not meet the requirements of the City Plan or Banks Peninsula District Plan.

The Building Policy activity includes services to maintain and administer our Earthquake Prone, Dangerous and Insanitary Buildings Policy, BCA registration and accreditation and responding to Building Act-related claims.

Our Land and Property Information service provides property specific information to ensure building or property development decisions are based on good information.

Roads and footpaths

We plan, build, operate and maintain Christchurch streets, parking and transport systems. We encourage sustainable travel alternatives such as walking and cycling.

We maintain road and related assets, and at the same time do earthquake repairs. The Council, CERA, Stronger Christchurch Infrastructure Rebuild Team (SCIRT) and the NZTA are working together to repair and rebuild roads and footpaths in Christchurch.

We protect the roads and footpaths by coordinating when and where contractors can excavate to install and repair utilities like ultrafast broadband, water supply, wastewater pipes and electricity.

Sewerage collection, treatment and disposal

We continuously collect and transport the City's wastewater from properties via an underground sewerage network to treatment plants. The main Christchurch plant is at Bromley, plus there are a number of smaller plants in Banks Peninsula.

The City's wastewater is processed through treatment plants before being disposed of through outfalls to the sea and, at some small plants, to land. An accredited laboratory monitors results from the treatment plants to ensure that discharged treated effluent meets health and environmental standards.

Stormwater and flood protection and control works

We run and maintain the stormwater drainage system to agreed levels for surface water management systems, such as streams, rivers, utility waterways, basins, pumps, structures, pipes and screens.

We maintain natural waterways and associated structures and systems, such as stop banks, flood gates, and the hydrometric network (rain and water level monitoring systems), so they continue to protect vulnerable areas from the effects of flooding.

Water supply

We supply clean drinking water to protect the health of the community, for commercial users, to promote water conservation, and to ensure there is an adequate water supply for fighting fires.

Corporate activities

As with other organisations, we have back office services such as human resources, finance, and information technology which support other Council departments. The cost of these services is charged to the activity that benefits.

In addition, there are also some Council-wide costs and income which cannot be classified as an activity. These items are included as Corporate Activities.

Your Council Annual survey of residents

The Council began surveying residents in 1991 to gauge customer satisfaction and resident perceptions of city issues.

In 2008, the Council changed to two surveys – one measuring general satisfaction and one assessing experiences where people had used a particular service such as the gardens, parks, service centres, cemeteries, libraries, public transport and social housing.

The General Survey was completed using a Computer Assisted Telephone Interview design, incorporating a three-time call back protocol with interviewing conducted at different times over weekdays and weekends. The sample size is 770 respondents. The data set provided a maximum margin of error of ± 3.5 per cent. The Point of Contact surveys were completed using a range of face-to-face interviewing, phone, postal, mail drop and online survey.

Overall satisfaction with the Council's performance rose slightly from 64 per cent last year to 65 per cent, according to the General Resident Satisfaction Survey Results for 2014-2015.

More residents are satisfied with ways to access information about Council decisions, with the proportion rising to 46 per cent this year from 36 per cent two years ago. In November 2013 the Council started live-streaming full Council meetings on the web.

A higher proportion of residents also report that they understand how the Council makes decisions, and just over half are satisfied that the Council is making decisions in the best interests of the city.

There was an increase from 34 per cent to 45 per cent in the proportion of residents who felt that they can take part in and contribute to Council decision-making.

Council's partner, Mahaanui Kurataiao Ltd reported it was satisfied with the opportunities offered for consultation and input into Council decision-making.

A high proportion of residents feel the city is safe during the day at 92 per cent. They are also generally satisfied with the kerbside waste, organic and recycling collections, with all three rising slightly from last year.

Other areas that show improvements in satisfaction are the quality of footpaths (up to 51 per cent this year from 43 per cent last year), and the appearance and quality of city malls, which continues to increase steadily.

The majority of residents report that they see Christchurch as a walking friendly city, and there has also been an increase in those seeing it as cycle-friendly, with the proportion rising to 37 per cent from 26 per cent last year.

Wastewater collection and drinking water satisfaction scores are returning to previous higher levels, although residents remain dissatisfied with Council maintenance

of waterways. Awareness of the need for water conservation has also declined.

Information about events and activities around the city, and the year round programme of events continue to satisfy, with results much the same as last year.

An area of Council performance that continues to decline is resident attendance at disaster preparedness meetings which has fallen to 15 per cent from 31 per cent two years ago.

Results of the survey of residents who used a particular service provided by the city show that in general, the public is very satisfied with the city's community facilities. The majority of users of the Council's walk-in customer service desks remain satisfied, maintaining rates in the mid to high 90s for the last few years.

The standard of service from the customer call centre continues to satisfy the public who phone in, with a rating of 91 per cent. However the Council needs to improve its response to emails from the public, which is showing a year-to-year fall in scores.

The libraries continue to please with satisfaction scores at 97 per cent, Visitors to Canterbury Museum also remain highly satisfied with rates in the high 90s for the last few years.

However the public marked the Council well down for travel planning advisory services, which fell from 100 per cent satisfaction last year to 67 this year.

The Council's external communications service is showing a steady rise in resident satisfaction for the relevance, accuracy and cost effectiveness of information provided to the community.

Although most residents are happy with the appearance of the Botanic Gardens, they are less satisfied with other garden and heritage parks, and also less satisfied with regional parks.

In addition, there was a decline in satisfaction with neighbourhood parks, the range of recreation facilities available at those parks, and with sports parks. However the Council continues to provide recreation and sport programmes and events that meet with public approval, as well as its support to community-based recreation and sport groups.

There has been a steady decline in satisfaction with the maintenance and appearance of the cemeteries, whose score has fallen from 81 to 61 per cent in the past two years. There has also been a significant fall in funeral director perceptions of cemetery services, which dropped 25 points from 100 to 75 per cent satisfaction.

Council efforts to revitalise the Central City spaces with events has found favour with citizens, who rated this with 97 per cent satisfaction.

There has been a slight drop in the proportion of tenants in Council housing who are satisfied with the

condition of their unit, though a majority are happy with the quality of tenancy services.

The majority of consent customers were satisfied with the Council's advice on building consents, rating it up at 97 per cent. Resource consent customers were more satisfied this year with the resource consent process than in the previous two years. However they were less satisfied with the advice and process for subdivision consents.

Council activities and services

The work of the Council is divided into 14 groups of activities and services. Here you will find information about what each group does, how it performed over the past financial year and what work is going to be carried out in the future.

A number of non-financial performance targets, notably those around damaged infrastructure and facilities, were altered during the Three Year Plan from pre-earthquake levels, or new levels of service were set to take into account the level of damage, impact of the earthquakes or reflect the post earthquake environment.

Standard groups of activities

The Local Government Act 2002 Schedule 10, specifies the minimum groups of activities which the Council must report against. The schedule requires stormwater drainage, and flood protection and control works to be two separate groups of activity. The Council, in preparing its Three Year Plan, has combined the two activities on the basis that Flood Protection and Control Works was at that stage an activity with a relatively minor level of funding.

Comparability with prior year performance targets

Normally the Council would include prior year trend comparatives for its levels of service. Since the earthquakes levels of service have been altered, some on an annual basis, to reflect the current environment, or have been suspended. Levels of service were suspended or amended in 2012 and 2013 mainly across the network services (roading, water supply, sewerage and stormwater) as meaningful results were not possible at that time. The levels of service suspended were not included in the Annual Plan for those years.

The year to 30 June 2015 is the second year of the Three Year Plan. The Three Year Plan process allowed the Council to set appropriate measures by amending historic or creating new targets. The Three Year Plan targets take into

account the level of damage, impact of the earthquakes or reflect the post earthquake environment of the city. Where the Annual Plan provided for new measures these have been highlighted.

Where post earthquake comparative trend information is available this has been included. Given the impact of the earthquakes on performance measures, it is not appropriate to provide comparatives prior to 2012.

In the tables where the prior years column is blank or does not have a result for 2014 or earlier it means that the target was not a performance target for that year or there was no trend line performance result for the year.

Council activities and services Summary financial chart

The Council has allocated its service delivery activities into groups, to facilitate management and reporting.

In 2015, Council regrouped voluntary library activity from cultural and learning services to community support.

The following pages contain information on the Council activities and services listed below.

Cost of services for the year to 30 June 2015

	2015				2014
	Costs (After internal recoveries) \$000	Income \$000	Net Cost \$000	Plan Net Cost \$000	Net Cost \$000
City planning and development	34,604	2,903	31,701	23,188	22,237
Community support	53,123	36,725	16,398	36,868	19,443
Cultural and learning services	52,411	5,837	46,574	49,676	52,533
Democracy and governance	15,445	39	15,406	16,994	13,273
Economic development	12,022	178	11,844	12,146	9,356
Parks, open spaces and waterways	46,374	13,720	32,654	34,246	41,424
Recreation and leisure	35,134	19,211	15,923	16,947	16,118
Refuse minimisation and disposal	44,213	12,880	31,333	34,685	27,677
Regulatory services	73,907	52,048	21,859	12,722	21,793
Roads and Footpaths	133,449	107,399	26,050	(86,449)	20,754
Sewerage collection, treatment and disposal	29,041	198,304	(169,263)	(169,191)	(62,726)
Water supply	50,556	22,782	27,774	14,976	8,166
Stormwater and flood protection and control works	30,288	37,753	(7,465)	(19,526)	12,121
Corporate activities	89,793	415,446	(325,653)	(401,836)	(398,821)
Total cost of service delivery	700,360	925,225	(224,865)	(424,554)	(196,652)

Net cost of service variance explanations are provided for each activity in their individual What did it cost? sections.

Depreciation and amortisation by group of activity

	30 Jun 15	Parent 30 Jun 14
	Actual \$000	Actual \$000
City planning and development	48	417
Community support	6,241	6,201
Cultural and learning services	7,032	7,913
Democracy and governance	-	-
Economic development	87	86
Parks, open spaces and waterways	9,952	8,027
Recreation and leisure	2,534	2,741
Refuse minimisation and disposal	2,261	2,199
Regulatory services	13	12
Roads and footpaths	42,561	38,256
Sewerage collection, treatment and disposal	24,108	18,778
Stormwater and flood protection and control works	4,986	4,649
Water supply	25,119	10,679
Corporate activities	13,078	13,623
	138,020	113,581

The table below reconciles the Council's cost of services outlined in this section of the Annual Report with the total revenue and expenses per the financial statements.

	30 Jun 15	Parent 30 Jun 14
	Actual	Actual
	\$000	\$000
Council activities and services revenue excluding Corporate activities	509,779	418,205
Rates revenue	361,864	335,148
Other revenue (primarily interest, dividends, vested assets and development and financial contributions)	135,703	127,101
Total revenue	1,007,346	880,454
Council activities and services expenditure excluding Corporate activities	610,567	620,374
Other expenditure	89,974	56,469
Total expenditure	700,541	676,843

Capital summary for the year to 30 June 2015

	2015		2014
	Net Cost	Plan net cost	Net Cost
	\$000	\$000	\$000
City planning and development	1,322	3,913	585
Community support	6,515	16,709	3,885
Cultural and learning services	34,136	46,228	30,166
Democracy and governance	9	-	-
Economic development	154	183	174
Parks, open spaces and waterways	15,075	17,303	25,766
Recreation and leisure	12,669	7,779	4,633
Refuse minimisation and disposal	2,201	1,066	2,542
Regulatory services	334	217	42
Roads and Footpaths	128,408	272,451	101,928
Sewerage collection, treatment and disposal	313,958	411,905	279,903
Stormwater and flood protection and control works	56,532	82,723	18,458
Water supply	36,612	34,273	34,934
Corporate Activities	(72,068)	128,559	168,157
Gross Capital Cost	535,857	1,023,309	671,173

Capital expenditure variance explanations are provided for each activity in their individual sections.

Council activities and services

City planning and development

What is city planning and development, and what does the Council do?

City planning and development prepares the strategies, plans and policies that guide the future development of Christchurch. It includes the planning and co-ordination of work on post-earthquake recovery for: natural hazards, transport, suburban centres and the central city, protection of our City's heritage, and initiatives to use energy more efficiently. Earthquake recovery is an imperative, guiding land use through the District Plan, which includes changes to the Banks Peninsula Plan and the City Plan. Planning and development is guided by the *Resource Management Act 1991*, the *Local Government Act 2002*, the *Land Transport Management Act 2013*, and the *Canterbury Earthquake Recovery Act 2011*.

Why is the Council involved in city planning and development?

Our aim is to promote the well-being of our community in social, cultural, economic and environmental terms and to ensure that the city's development not only meets the needs of current residents, but the needs of future generations. The purpose of local government is to play a broad role in meeting community needs for good quality local infrastructure, local public services, and performance of regulatory functions.

The *Canterbury Earthquake Recovery Act 2011* guides the recovery strategy and recovery plans. The Land Use Recovery Plan directs residential and business land use development to support recovery and rebuilding across metropolitan greater Christchurch in the next 10–15 years. It covers urban Christchurch, except the central city area covered by the Christchurch Central Recovery Plan, and the residential 'red zone'. Environment Canterbury (ECan), along with the Council and other recovery partners have prepared a preliminary draft Recovery Plan for Lyttelton Port. This will address the Port's recovery and the social, economic, cultural and environmental well-being of surrounding communities.

The Council's performance affects the economic and social well-being of the community by ensuring that there are plans to shape the form and function of the city in years to come, and to protect the city's key environmental resources and assets, including natural and cultural heritage sites.

How does it affect me?

We all want to live in a city that is well laid out and offers exciting opportunities for work and recreation. By protecting our environment, managing growth and guiding the use and development of our infrastructure, we help make Christchurch a great place to live and do business. Further, by actively creating temporary streetscapes, activating vacant spaces and supporting the creative sector in the City, the Council is supporting the early recovery of the City.

City Planning also helps deliver well-planned Council services and infrastructure that meet the needs of the community today and in the future.

What activities are involved in city planning and development?

City and community long-term policy and planning

The Council develops strategies, policies and plans that set out how we intend to work in the future, and guide development across the city and Banks Peninsula. We monitor their effectiveness as well as the city's progress towards achieving our community outcomes.

District Planning

The replacement Christchurch City District Plan encompasses the Banks Peninsula District Plan, and the Christchurch City Plan and aspects of the Christchurch Central Recovery Plan. Its purpose is to promote sustainable resource management through objectives, policies and rules for managing the effects of land use and subdivision in line with the *Resource Management Act 1991*. We expect the Replacement Plan to be operative by April 2016 according to the *Canterbury Earthquakes (Christchurch Replacement District Plan) Order 2014*.

Heritage protection

A city's heritage buildings and places help sustain a sense of community identity, provide links to the past and help attract visitors. We are committed to protecting heritage and work with developers, landowners and other stakeholders to conserve heritage buildings, areas and other items.

Transport Planning

The Christchurch Transport Strategic Plan directs us in ensuring that population growth and the transport infrastructure support a city that is great to live and work in. Reliable and accessible transport networks are key to this. The strategy is supported by the partnership document "Greater Christchurch Transport Statement", where the city and its urban partners have a common view on the current and future priorities for the transport network.

What did we achieve?

Transport

This year we developed a joint public transport infrastructure programme and strategic business case with ECAN and NZTA to support the Christchurch Transport Strategic Plan and the Regional Public Transport Plan.

We worked with our Greater Christchurch Transport Statement partners on a freight study and programme which will:

- introduce a freight management framework that will lead to a freight management action plan for the Council
- develop a freight action plan at the Urban Development Strategy level.

We supported the development of the major cycleway programme and business case. We contributed to the design of cycleways.

We also led or contributed to the following parts of An Accessible City:

- The Central City Parking Plan and the Public Realm Network Plan (Streets and Spaces Design Guide) April 2015.
- The First Phase Transport Projects (TPs):
 - 1a Hospital Corner - early works
 - 5 Hagley/Moorhouse
 - 9 Tuam St
 - 10 Lichfield St
 - 11 Colombo St.
- The Council also approved for consultation TPs:
 - 1b Hospital Corner stage 2
 - TP 3 Durham/Cambridge Tce
 - TP4 (Manchester St).

We will consider more TP's in 2015/16.

Lyttelton Port Recovery Plan

We supported the Lyttelton Port Recovery Plan Working Party comprising local Community Board members and Councillors during the development of the Lyttelton Port Recovery Plan.

Land Use Recovery Plan (LURP)

We progressed all LURP actions, except for the Masterplans for Community Housing Redevelopment Areas, which cover the parts of the city with significant amounts of Housing New Zealand housing.

Natural Environment

We analysed natural hazards for the Christchurch District and developed a preliminary community engagement strategy. The technical work on land instability, flooding and coastal hazards has informed the proposed provisions of the replacement Christchurch District Plan.

We prepared Stormwater Management Plans for the Avon, Styx and Halswell catchments and lodged a comprehensive stormwater discharge consent with Environment Canterbury.

District Plan Review

We publicly notified the Stage 1 proposals of the proposed Replacement District Plan on 27 August 2014 and started hearing public submissions. We notified Stage 2 proposals on 2 May 2015. The Environment Court is dealing with Plan Change 52 (Ruapuna Noise Management), and Plan Change 84 (Special Purpose Airport Zone).

Heritage

We reviewed and updated the schedules of heritage places for the replacement District Plan in line with the guidelines for historic heritage. The Heritage Incentives Grants and the Landmark Grants have supported the retention and seismic strengthening of a number of historic places.

Urban Design and Urban Regeneration

We completed the last three of nine suburban centre masterplans, namely New Brighton, Main Road and Ferry Road. We also supported implementation projects in several masterplan centres including Lyttelton, Sydenham and Sumner.

We ran various transitional projects around the city to activate places and draw people back into areas affected by the earthquakes. The Transitional City Projects Fund and Creative Industries Support Fund supported various transitional and creative projects led by the Community. We also continued our support of the Life in Vacant Spaces Trust, Gap Filler and Greening the Rubble through the grant funding and agreements with each organisation.

Strategic Policy

Bylaws

We reviewed the following bylaws which the Council approved:

- Water Supply, Wastewater and Stormwater 2014
- Urban Fire Safety 2014
- Cruising and Prohibited Times on Roads 2014.

Additionally, the Alcohol Restrictions in Public Places Amendment Bylaw 2009 was amended in 2014.

Reviews on the following bylaws are currently out for public consultation:

- Trade Waste 2006
- Licensed Waste Handling Facilities 2007
- Cleanfill Licensing 2008
- Waste Management 2009.

The following bylaw reviews were started:

- Parks and Reserves Bylaw 2008
- Dog Control Policy and Bylaw 2008
- General Bylaw 2008
- Public Places Bylaw 2008.

We are developing a new Freedom Camping Bylaw to protect the health and safety of campers, local residents and the natural environment and to ensure access to recreational areas.

Community Health and Wellbeing Policies

(a) Smokefree Policy

In June 2015 the Council extended the existing Smokefree Policy to include the principal entrances and exits of Council-owned buildings and passenger bus shelters. The Policy promotes smokefree public places advocating for healthier choices.

(b) Psychoactive Substances Retail Locations Policy

The Council adopted a Local Approved Products Policy (LAPP), the Psychoactive Products Retail Locations Policy, in November 2014. The LAPP guides the Psychoactive Substances Regulatory Authority when it considers licence applications for retail premises in the city.

Significance and Engagement Policy

Amendments to the *Local Government Act 2002* require councils to engage with the community more meaningfully on local decision-making. This Policy came into effect in December 2014. Its intent is to give the community greater clarity and certainty about how and when it can expect to be engaged.

Development Contributions Policy

We reviewed this Policy in parallel with the LTP 2015-25. The revision makes more use of area catchments as the basis for development contributions. In addition, we have undertaken significant work on a stand-alone

development contribution rebate policy for the central city (for both commercial and residential building) and for minor residential units throughout the District.

Visitor Strategy

The Council engaged the CDC to prepare a draft Visitor Strategy for the district. The strategy is aimed at ensuring the city can maximise the economic and social benefits of our visitor sector and takes advantage of the rebuild to create a strong and sustainable visitor economy.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
City and Community Long Term Policy and Planning					
Central City Policy and Planning.	Deliver on Council components of Central City Plan.	Deliver 85% milestones for Central City policy and planning component of the agreed annual work programme.	Achieved	85% of transitional City Programme delivered (streetscape and grant funding; advice provided to support CCDU led components as required.	2014: 100% of milestones delivered.
Monitoring and Research.	Monitoring and reporting programmes are developed for Community Outcomes.	Deliver 85% milestones for monitoring and research component of the agreed annual work programme.	Achieved	86% of key measures have indicators and data.	2014: Household Growth Model is up to date; 85% of Facts, Stats and Figures indicator sheets are up to date; 100% of requests actioned on time.
		Updated Community Outcomes indicators are available to the public.	Achieved	Currently developing public reporting systems for new Council website. The monitoring data is not available through the Council's website at year end due to the website rebuild slowing progress. Monitoring data is currently available to anyone who requests it.	2014: A range of monitoring data is available to the public on the Council's website.
Natural Environment Policy and Planning.	Participate in regional and national policy and planning processes.	Participate in regional and national policy and planning processes, within required time frames, to provide advice that is aligned with Council policies and strategies.	Achieved	Advice provided on regional and national policies and plans.	2014: Achieved - Advice on Freshwater National Policy Statement and regional plan changes delivered on time.
	Prepare Stormwater Management Plans.	Prepare Stormwater Management Plans to meet the programme set out in the Council's Surface Water Strategy.	Achieved	Avon Stormwater Management Plan completed and comprehensive consent application lodged June 2015.	2014: Achieved - Styx plan consented and Avon plan in draft.
	Provision of strategic advice on the natural environment issues facing the city.	Deliver 85% milestones for natural environment policy and planning component of the agreed annual work programme.	Achieved	Delivered 90% agreed programme including stormwater management plans, natural hazards situational analysis, identification of significant ecological sites, and reported on natural environment recovery programme.	2014: 100% delivery of agreed work programme.
		Support the Banks Peninsula, Christchurch-West Melton and Selwyn-Waihora Canterbury Water Management Strategy Zone Committees.	Achieved	Staff support for meetings and seminar event.	2014: Achieved - Staff support for all meetings of zone committee and contribution to workshops.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Regulatory Policy and Planning.	Bylaws and regulatory policies are reviewed to meet statutory timeframes and changing needs.	Develop and review bylaws and regulatory policies to meet changing needs as agreed annually in work programme.	Achieved	4 bylaws reviews adopted by Council, 4 currently out for consultation and another 4 reviews started - on track with bylaw review schedule.	2014: Achieved.
		Maintain a ten-year bylaw review schedule and carry out reviews in accordance with it and statutory requirements.	Achieved	4 bylaws were reviewed in accordance with the bylaw review schedule and statutory requirements.	2014: Achieved - 4 bylaws were reviewed in accordance with the bylaw review schedule and statutory requirements.
Greenfields and Smaller Centres Policy and Planning.	Implementation of Area Plans is monitored and reported to Council.	Progress on the Belfast Area Plan implementation plan is reported once a year plus a bus trip to the area to update elected members.	Not achieved	Other priorities took precedence and the area has been reviewed under the District Plan Review. A bus trip will be held in the new financial year.	2014: Achieved - Implementation progress reported twice.
		Progress on the South West Area Plan implementation plan is reported once a year plus a bus trip to the area to update elected members.	Not achieved	Other priorities took precedence and this area was reviewed under the District Plan Review. However a bus trip was organised through the Urban Development Strategy (UDS) Implementation Manager for the UDS:IC members (elected members of WDS, SDC, CCC, NZTA and Ngai Tahu) that visited this area in early July this year.	2014: Achieved - Implementation progress reported twice.
Social and Economic Policy and Planning.	Provision of strategic advice on the social and economic issues facing the city.	Deliver 85% milestones for social and economic policy and planning component of the agreed annual work programme.	Achieved	Achieved - 88% of projects delivered.	2014: Achieved - 85.7% of projects delivered.
		Review the Gambling and Totalisator Agency Board (TAB) Policy according to statutory requirements.	Achieved	The policy was reviewed and adopted by the Council.	2014: Not applicable.
Strategic Policy and Planning.	Advice is provided on key issues that affect the city.	At least 85% delivery of Three Year Plan activity work programme achieved.	Achieved	85% of 3 Year Plan activity work achieved - 10.3 of 12 agreed projects were delivered.	2014: Achieved - 93% 13 of 14 agreed projects were delivered over the year.
		Deliver 85% milestones for strategic policy and planning component of the agreed annual work programme.	Achieved	85% milestones delivered based on review of project plans - remaining 15% milestones were delayed to accommodate new unplanned regulatory work requested by the Council.	2014: Achieved 100% of projects in work programme delivered as agreed.
		Recommended work programme submitted by 30 June for the following financial year.	Not achieved	The 2015-16 work programme is drafted but submission delayed in order to ensure alignment with two reviews underway.	2014: Achieved.
		Community Outcomes are reviewed according to statutory requirements.	Achieved	Community Outcomes were reviewed and support provided to units across Council as they prepared their AMPs.	2014: Review not required. 2013: Review completed 30 June 2013.
	Development Contributions Policy is reviewed in line with the LTP.	Review the Development Contributions Policy to assist in preparation of the LTP (three-yearly).	Achieved	The development contributions policy was reviewed and signed off as part of the LTP.	2014: Achieved - review completed and reported to Strategy and Planning Committee on 20 May 2014.
Transport Policy and Planning.	Advice and advocacy are provided on strategic transport issues facing the city.	Deliver 85% milestones for transport policy and planning component of the agreed annual work programme.	Achieved	90% of work programme projects were delivered.	2014: Achieved - 85% of milestones completed.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Participate in national and regional transport policy and planning processes.	Participate in regional and national transport policy and planning processes, within required timeframes, to provide advice that is aligned with Council policies and strategies.	Achieved	Timeframes met and advice provided that is in line with the Council strategies.	2014: Achieved - by working with the Urban Development Strategy (UDS) partners and producing a Greater Christchurch Freight Study, Christchurch Public Transport Strategic Business Case and participating in all the UDS meetings.
Urban Design Policy and Planning.	Provide pre-application urban design advice to developers.	Developers are satisfied with the clarity, consistency and timeliness of advice provided – target to be set once baseline established.	Not achieved	Baseline not established however Urban Design Panel Review and Resource Consenting Reviews both underway and have sought input from developers regarding pre-application advice. Due to report to Council with recommendations in July 2015.	2014: Not achieved - Baseline not established.
	Urban design advice is provided on key issues that affect the central city and suburban centres.	Deliver 85% milestones for urban design policy and planning component of the agreed annual work programme.	Achieved	85% milestones delivered: Advice provided to: facilities rebuild, major facilities rebuild, social housing programme, Housing New Zealand, Resource Consents, Anchor Projects including An Accessible City.	2014: Achieved - for District Plan review and other policy projects 100% of advice provided where that had been planned and agreed in advance.
	Urban design advice is provided to review resource consent applications for significant new developments in the city.	An external review of the Urban Design Panel is undertaken as part of the preparation of the LTP (three-yearly).	Achieved	Review started in June 2015. Ongoing reviews of panel process and training have occurred during 2014/2015.	2014: Achieved - review of panel undertaken in June 2013.
		Co-ordinate and support a panel of suitably qualified professionals to provide timely advice on the urban design aspects of resource consent applications.	Achieved	Urban design panel continues to be convened. See Council website for Panel Terms of Reference and Membership: www.ccc.govt.nz/consents-and-licences/resource-consents/before-you-apply/urban-design-panel/ .	2014: Achieved - 24 panellists currently on the panel. 35 panel meetings held reviewing 70 proposals. The panel also reviewed 2 design guides, 1 district plan provision review, pieces of work and 1 exemplar project.
Urban Development Strategy.	Advice and participation in various forums to discuss and agree matters between UDS partners and also to assist CERA work programmes to assist in the city and region's recovery post earthquakes.	UDS partners or their representatives are satisfied with the timeliness and relevance of policy and planning advice provided.	Achieved	No complaints have been received and a staff officer has attended all meetings. UDS and CERA representatives have attended all DPR Steering Group meetings and CAG.	2014: Achieved - No complaints or issues were received from strategic partner organisations.
	Development of policy and plans to implement the Council's components of the Greater Christchurch UDS Action Plan.	Deliver 85% of the milestones for Urban Development Strategy component of the agreed annual work programme.	Not applicable	There have been no milestones set for the UDS action plan in the 2014/15 year as the priority has been the Natural Environment Recovery Programme (NERP) and LURP, and the Lyttelton Port Recovery Plan.	

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Urban Regeneration Policy and Planning.	Advice and support is provided to assist suburban development, recovery and renewal.	Deliver 85% milestones for urban renewal policy and planning component of the agreed annual work programme.	Achieved	100%. All master plans adopted. Transitional and urban regeneration projects delivered or substantially progressed. Recovery coordination services provided.	2014: Achieved - Sumner, Edgware and Ferry Road masterplans have been adopted by Council. New Brighton Community Advisory Group process has been concluded and Main Road Hearing held. 200+ queries relating to masterplan areas were responded to. 2013: Sumner Village centre master plan presented to Council in October 2012. Ferry Road master plan (stage 1) approved by Council in November 2012. 2012: Plans for Lyttelton and Sydenham completed.
District Planning Maintain the operative Christchurch City Plan and Banks Peninsula District Plan - including processing of Council-led plan changes.	Development and processing of all Council-led plan changes complies with statutory processes and timeframes.	100% of development and processing of Council-led plan changes comply with statutory processes and timeframes.	Achieved	100% of council-led plan changes comply with statutory processes and timeframes. For details see below. Ruapuna (PC 53) and the Special Purpose Airport Zone (SPAZ) are the two plan changes that are live. Ruapuna will be heard by the Environment Court on 24 July 2015 and SPAZ has been heard. The decision for each will be inserted into the Christchurch Operative Replacement District Plan. The Council will file a request to strike out an appellant.	2014: Achieved - 100%.
	Maintain a fully operative Christchurch City District Plan.	100% of development and processing of Council-led plan changes comply with statutory processes and timeframes.	Achieved	All statutory deadlines were met.	2014: Achieved - 100%.
		Ensure both territorial sections of the Plan are fully operative.	Achieved	Both the Banks Peninsula District Plans and the City Plan are fully operative. These District Plans will be obsolete once the Replacement District Plan hearings and decisions are completed.	2014: Achieved - both plans fully operative. 2013: The last item for the City Plan (Belfast 293 matter) was resolved and Banks Peninsula Plan was made fully operative. 2012: Not achieved – 2 minor issues outstanding.
Monitor the operation and effect of the District Plan.	Monitor operation and effectiveness of Christchurch City District Plan.	Release Section 35 monitoring report at least every 5 years – next due by 2014/15.	Not achieved	A section 35 was undertaken in 2010 and has been used to identify issues for the District Plan Review. The review is of all objectives, policies and rules in the current operative plans so another s35 was not required.	2014: Not applicable. Unclear whether Community Outcomes monitoring programme reporting will meet requirements.
Prepare the proposed new Christchurch District Plan (combining the Christchurch City Plan and Banks Peninsula District Plan).	Commence review of Christchurch City District Plan.	Draft District Plan is notified within 3 years of commencement.	On track to be achieved	Stage 1 of the District Plan Review was notified on 27 August 2014, Stage 2 on 2 May 2015 and Stage 3 will be notified on 25 July 2015.	2014: On track to be achieved.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Process private proposed changes to the District Plan.	Processing of all privately-requested plan changes complies with statutory processes and timeframes.	100% of processing of privately-requested plan changes comply with statutory processes and timeframes.	Achieved	The only private plan change received was for the Memorial Avenue Investments Limited site. This plan change has met all Order in Council steps and timeframes.	2014: Achieved - 100% of privately requested plan changes in compliance. 2013: All Schedule 1 timeframes met. A number have progressed through to completion. Some are still awaiting decisions.
Heritage Protection Heritage Advice (internal and external).	Implement a programme to ensure a consistent level of built, natural and cultural heritage protection between Banks Peninsula and Christchurch City.	Complete the statements of significance for all notable buildings by June 2015.	Achieved	All statements completed.	2014: On track to be achieved in 2015.
	Provide advice and advocacy on heritage conservation principles and priorities for Christchurch built heritage.	Provide advice as required in a timely manner – within 10 working days.	Achieved	Advice provided within timeframes.	2014: Achieved - advice within timeframes.
Heritage Grants.	All grants meet Heritage Incentives Grants policy and guidelines.	100%.	Achieved	All grants align with policy.	2014: Achieved - 100% of grants approved by Council. 2013: All grants have met the policy.
	Incentive grant recipients satisfied with heritage advice and grant process.	85% of grant recipients satisfied with the heritage advice and grants process.	Not achieved	76% satisfaction (based on 11 responses).	2014: Not achieved - 71% satisfaction (7 of 11 surveyed). 2013: 83% satisfaction.

What assets do we use to deliver these activities?

No major assets are used for these activities.

Where are we heading?

The coming year will see implementation of further temporary streetscape and event projects and further support for vacant building lots and the creative sector in the Central City. As anchor and other recovery projects progress, we will continue to provide advice.

In the natural environment area, work will progress on the preparation of Stormwater Management Plans to support the application for a single comprehensive stormwater discharge consent. A new Three Waters strategy will be developed to update and coordinate the strategic approach to potable water, wastewater and stormwater management, including floodplain management. A natural hazards strategy will be developed and will contribute to the broader Community Resilience work being led by the Chief Resilience Officer.

Implementation of masterplans will continue on priority projects identified within the plans and funded via the LTP; and case management work will be targeted in response to requests for assistance.

We will continue to provide urban design advice on Council and private sector projects both prior to and during regulatory processes.

The District Plan Review process will continue as per the Order in Council. Notification of proposals for both

stages two and three has occurred. All hearings, discussions and appeals are to be completed and resolved by the end of April 2016.

Post implementation of the District Plan review consideration will be given to plan changes agreed within proposals such as wāhi tapu sites.

The Council will work with other transport agencies on the future transport needs of the region, particularly freight and public transport. Council will work with ECan on the review of the Regional Transport Committee and the development of an improved process for the development of the next Regional Land Transport Plan and working with NZTA to embed the Business Case process and the One Network Classification into the organisations planning.

Participating in the review of the Public Transport Governance will continue to be a focus as well as continuing the further development of the joint public transport infrastructure work programme.

Assisting with the implementation of ‘An Accessible City’ will continue to be a focus, including ongoing implementation and monitoring of the parking plan for the Central City. Likewise the implementation of the Christchurch Transport Strategic Plan will continue to be a focus with the next year seeing further development in Freight Management and Parking Management.

The statutorily required review programme of the city’s bylaws will continue with four bylaws scheduled for community consultation and a further four for review in

2015/16. Social and economic policy advice will be provided, along with a rolling review of the Development Contributions Policy.

The Health and Wellbeing and the Managing for Outcomes programmes will continue in the coming year with the Policy team working to enhance the strategic linkages between programme delivery, Council strategies and community outcomes.

Further work is planned for the Development Contributions Policy with a focus on moving to the use of area catchments for the water and wastewater collection activities. There will also be work done on possible scalability of development contribution charges to better reflect the demand placed on infrastructure according to the size and type of dwelling and to aligning non-residential development contributions assessment criteria to the zones of the District Plan (currently aligned to the City Plan zones).

The Visitor Strategy document will be completed in the coming year and attention will turn to implementation.

Council will be involved in further consultation on the Lyttelton Port Recovery Plan with collaboration with ECan, LPC and other strategic partners. Council will continue to be involved in the review of the LURP and continued reporting on its delivery.

Consultation on the draft Heritage Strategy will be undertaken to ensure community input to the vision and goals for the management and conservation of heritage buildings, items and places.

Service delivery in 2015/16

City planning and development activities will continue to have a recovery focus and there will be no change to the Council's capacity to deliver this activity. The focus on the District Plan Review will continue. In addition the activities will continue supporting Central City recovery, suburban centre masterplans and urban regeneration, heritage conservation, transport policy and planning, LURP implementation, completion of a draft Lyttelton Port recovery plan, support for housing development and Bylaw and Policy reviews.

What did it cost?

City Planning and Development

Statement of cost of services for the year ending 30 June

				2015	2014
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Operational outputs					
City & community long-term policy and planning	9,267	285	8,982	10,928	8,900
District plan	17,016	1,853	15,163	7,759	10,404
Heritage protection	8,321	12	8,309	4,501	4,129
Capital revenues	-	753	(753)	-	(1,196)
Cost of service	34,604	2,903	31,701	23,188	22,237
Capital expenditure					
Renewals and replacements			78	-	234
Improved service levels			-	-	-
Increased demand			387	496	203
Infrastructure rebuild			857	3,417	148
Total capital expenditure			1,322	3,913	585

Explanation of significant cost of service variances

City & community long-term policy and planning

The net cost of service was \$1.9 million lower than plan as a result of staff time being redirected into supporting the District Plan Review.

District plan

The cost of the district plan activity was \$7.4 million higher than plan and \$4.8 million higher than 2014. An Order in Council was gazetted 7 July 2014. This Order in Council required a truncated process for the District Plan with a completion date of April 2016. When the 2015 budget was completed normal court costs were included but not the additional costs for attending Environmental Court / hearings. Those extra costs (\$2.6 million) along with consultants required to work on the recommendations given by panel members were additional unbudgeted costs. In 2015 the Independent Hearings Panel operating costs were \$3 million. CERA contributed \$1.8 million towards these operating and capital costs.

On 23 October 2014 Council approved a \$3.6 million overspend to cover additional staff time, expert witnesses and independent hearing costs.

Heritage protection

The net cost of service has increased \$3.8 million from the plan and \$4.2 million from 2014. This increase resulted from a change in the accounting recognition which meant that committed heritage grants are recognised in the year they are committed instead of being carried forward until paid.

Capital revenues

Capital revenues were \$0.8 million higher than plan as a result of receiving further earthquake insurance revenue on several heritage assets.

Capital revenues were \$0.4 million lower than 2014 due to lower earthquake indemnity insurance revenue being received on several heritage assets.

Significant capital expenditure

During the year work on the Ballantynes' Memorial was completed and early works were undertaken on both the Mona Vale Homestead and Sign of the Takahe facilities.

Explanation of significant capital expenditure variances

The \$2.6 million variance to plan is due to delays on the repairs to Mona Vale Homestead and Sign of the Takahe. Both of these projects are now underway and are expected to be completed in the next financial year.

The increased spend compared to the previous year is due to more earthquake repair projects being completed including the Mona Vale Homestead and Ballantynes' Memorial Site.

Council activities and services

Community support

What is community support, and what does the Council do?

Community support provides:

- social housing;
- community facilities;
- project funding;
- sector co-ordination; and
- support and advice.

CDEM promotes awareness of resilience, understanding of hazards and risks, and emergency preparedness. Along with other organisations and the community, the team responds to emergencies.

Our community facilities, and community development and funding activities support residents to socialise, network and volunteer.

Why is the Council involved in community support?

Local government's purpose includes meeting the current and future needs of communities for good quality local infrastructure and public services that are cost-effective.

We do this by supplying community and social infrastructure such as public amenities and facilities that allow residents to meet, socialise and develop strong and inclusive networks.

Community support contributes to the Strong Communities and Liveable City Community Outcomes. We do this through CDEM initiatives, by supporting community groups with development and funding, and by providing services and facilities such as social housing. Community support encourages self determination to build community and individual resilience by involving communities and supporting input into council decision-making.

How does it affect me?

Community support helps you live in a safer, stronger community. We offer communities expert advice on developing groups and projects. We fund projects that make your neighbourhood a better and safer place, and we provide neighbourhood facilities for socialising and recreation.

What activities are involved in community support?

Civil Defence and Emergency Management (CDEM)

We co-ordinate local CDEM and train Emergency Operations Centre (EOC) staff and community volunteers and respond to civil defence emergencies in a collaborative manner with partner agencies. We promote community awareness of the likely impact of a disaster and encourage individuals, community groups, other organisations and businesses to be prepared.

Community grants

We distribute grants to community groups and not-for-profit organisations for projects and initiatives that benefit the city, local communities and communities of interest.

Community facilities

We own many facilities, community centres, halls and cottages that community groups can hire for activities such as public meetings, dance or exercise classes, social gatherings, craft groups and sports workshops.

We support 13 other facilities that are community run.

Social housing

We supply affordable rental houses for those on low incomes, the elderly and for people with disabilities. This housing is not funded by general rates.

The Council's social housing assets are mainly one bedroom and studio units with a few two, three and four bedroom units. Mostly single people and couples live in these units.

Build stronger communities

We draw on specialist expertise in partnership with local communities, resident associations, voluntary organisations, iwi and other stakeholders to help build and promote strong communities. We support and help co-ordinate priority groups including youth/children, people with disabilities, the elderly, multi-cultural groups, the voluntary and not-for-profit sector and public arts/culture.

Safer Christchurch

The Safer Christchurch team works to prevent injury and crime, including minimising graffiti vandalism. Our aim is to make Christchurch the safest city in New Zealand and to maintain our accreditation as an International Safe Community.

Customer services and online channels

Customer services deliver multi-channel services to the Council's customers. A 24/7 contact centre which includes phone, email and social media interaction and face to face services at suburban service desks. Customer Services, provide information, take payments, bookings, registrations and create and manage requests for service for a wide range of Council services. There are walk-in customer service points at 10 sites in greater Christchurch, from Papanui in the north to Akaroa in the south. After the Sockburn Service Centre was closed in 2011, a service centre was set up at the Civic Video site. This was moved during the year to the Hornby library.

What did we achieve?

Safer Christchurch

Safer Christchurch initiated or maintained many projects across the city. The graffiti team worked with over 1,000 community volunteers which resulted in a 51 per cent drop in graffiti vandalism.

Build stronger communities

The Strengthening Communities team continued to work with organisations in the following ways:

- facilitating and supporting Council initiated networks and forums, for example the Older Adults Network and the Hoon Hay Network.
- developed and published 54 local community profiles.
- developed the capacity of new and existing resident associations and interest groups.

We draw on specialist expertise in partnership with local communities, people with disabilities, the elderly, multi-cultural groups, the voluntary or not-for-profit sector and public arts or culture.

Community grants

We distribute grants to community groups and not-for-profit organisations for projects and initiatives that benefit the city, local communities and communities of interest.

We distributed over \$7.5 million to 1,083 projects through the Strengthening Communities and Creative Communities funding schemes, which is an increase from the previous year.

Community facilities

There were 48 community facility sites open over the past year, 5 more than the previous year, but still fewer than the 56 pre-earthquake.

We support 13 other facilities that are community run.

Social housing

City Housing continued to help people in need into affordable rental housing. During the 2014/15 year we housed 313 new households. Demand for Council social housing stayed strong throughout the year, peaking at over 300 households on the waiting list. The occupancy rate for our social housing stayed above 97 per cent for the year.

We built eight new units during the year. Thirty-nine units which had been closed due to earthquake damage were repaired and reopened.

The health of social housing tenants is important. In 2015, the Canterbury District Health Board awarded City Housing the *Health in All Policies* award for its work in making its housing smoke-free. From January 2014, all new council tenants agree not to smoke in their social housing units. Over 440 units are now smoke-free and over time, all will be smoke-free.

Civil Defence and Emergency Management

The CDEM team continued to promote the need for individual communities to develop their own response plans, for example Belfast and Cashmere.

We continued training emergency operations centre staff, Response Team volunteers, and welfare centre volunteers throughout the year. Internal staff changes have resulted in fewer trained and experienced emergency operations centre management positions.

We maintained and resourced facilities for primary and alternate CDEM EOC and welfare centres. We did not follow the procedure for testing CDEM radios which resulted in not meeting the target for this level of service.

Relationships with the Canterbury CDEM Group staff continued to grow stronger through participation at workshops, meetings and similar gatherings.

We reviewed CDEM and contingency plans with two plans needing updating. The District Plan Review proposed new rules on rockfall, and the size of the coastal evacuation zone has expanded based on coastal inundation areas identified in a recent report by the National Institute of Water and Atmospheric Research Ltd.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Build Stronger Communities					
Strengthening Communities through Community Development projects and capacity building.	Community development projects are provided.	Advise and support the successful delivery of at least 60 community development projects in the metropolitan and community board areas each year.	Achieved	60 community development projects were advised and supported.	2014: 74. 2013: At least 3.
	Design, develop, facilitate or support participatory processes.	Successfully develop and facilitate at least 14 participatory meetings across metropolitan and community board areas each year.	Achieved	14 exceeded in local community board areas.	2014: Approximately 30 meetings. 2013: At least 1.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Develop and maintain community profiles.	Develop and publish a minimum of 49 community profiles for community ward areas and update them annually.	Achieved	49 community profiles published.	2014: 52 profiles completed.
	Develop capacity of community groups and resident associations.	Engage with business associations around community issues and value and consider their input.	Achieved	Business associations were engaged on a regular basis throughout the year.	2014: Business associations were engaged on issues affecting the community.
		Undertake at least 22 organisation capacity checks on community groups and residents associations each year to support the work and development of community organisations (16 community groups and six sector-based).	Achieved	More than 22 organisation checks undertaken.	2014: 52 capacity checks completed.
	Facilitate and support Council initiated networks and forums.	Facilitate and support 48 local and six citywide community network meetings, liaison meetings and /or forums, each year.	Achieved	48 local and 6 citywide meetings held.	2014: In excess of 80 meetings / forums completed.
Safety / Prevention projects.	Provide Safety Projects to work towards making Christchurch safer.	At least 66% of respondents perceive that their neighbourhood is reasonably safe in the night time.	Not achieved	60% per residents survey.	2014: 52% per residents survey.
		At least 81% of respondents perceive that their neighbourhood is reasonably safe in the daytime.	Achieved	92% per residents survey.	2014: 91% per residents survey.
		Deliver the agreed programme of projects around the implementation of the Safer Christchurch Strategy, within budget allocation.	Not achieved	Some external funded projects underspent due to other priorities.	2014: All projects successfully delivered and Safer Christchurch Group monitor outcomes through regular governance meetings.
		Maintain 100% of safety standards to achieve Safe City accreditation every 5 years (next application October 2013).	Not achieved	Christchurch is currently working towards full re-accreditation.	2014: Due to the earthquakes, the Safer Communities Foundation has agreed an extension to submit the application. This application is now being prepared.
		Produce a report annually by October on indicators of Safer Christchurch Strategy.	On track to be achieved	On track for October compilation of partner agency and Council contributions for the report.	2014: Achieved.
Operation of early learning centres.	Provide five day a week half, full-day and flexible-hours care at early learning centres.	Between 18-25% of Early Learning Centre customers use Pioneer Recreation and Sport Centre.	Achieved	19%.	2014: 22%. 2013: 24%.

Council activities and services - Community support

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		Provide 70,560 hours of childcare per annum at Pioneer Early Learning Centre.	Not achieved	Hours of childcare in total until 2 June 2015 (time of sale) 63,936, (222 days open x 8 hours x 36 children).	2014: 69,984 hours. 2013: 72,560 hours.
		The Early Learning Centre runs at between 75 - 85% occupancy.	Not achieved	70% occupancy for the year. The occupancy over the year was low which was not unexpected due to the uncertainty surrounding the future of the centre as a result of the Council's decision to sell the operation. A further impact on enrolments was the opening hours of the centre, which did not align with hours for parents returning to full time work i.e. the centre closed at 4.30pm.	2014: 77%. 2013: 80%.
	Provide a quality, high standard of professional childcare that satisfies customer needs.	At least 80% of Early Learning Centre staff are trained, qualified and registered teachers.	Achieved	96% of staff trained and qualified as at end of May 2015.	2014: 98%. 2013: Average 95%.
		At least 85% of early learning centre customers are satisfied with the quality of education and care.	Achieved	Customer satisfaction - 95%.	2014: 92%. 2013: 97%.
	The facility, operations and programmes at the early learning centre comply with Ministry of Education regulations per the Education Review Office audit.	Implement and maintain Education (Early Childhood Services) 2008 Regulations and quality indicators as per Education Review Office.	Achieved	All Ministry of Education regulations were complied with as per the agreements of the Licence.	2014: Regulations and quality indicators implemented and maintained.
		Maintain 100% compliance with the Ministry of Education regulations for all centres over the 3 years of audit.	Achieved	All Ministry of Education regulations were complied with as per the agreements of the Licence.	2014: 100% compliance and classed as well placed.
Civil Defence Emergency Management					
Co-ordinate civil defence readiness, response and recovery.	A facility for use as an EOC is available for the coordination of a multi-agency response in the event of an emergency.	At least two EOC activations undertaken taken per annum (event or exercise).	Not achieved	1 Actual Activation of the EOC for Hei Hei Fire - February 2015. Due to Exercise Pandora being postponed we were not able to have an exercise to use as the second test of the EOC readiness.	2014: Multiple activations of the EOC occurred during the year – Christchurch flooding 4/5 March, 16/17 March, 17/18 April and for Exercise Pandora - May 2014.
		One primary and an alternate facility available to be activated within 60 minutes.	Achieved	Primary EOC - 53 Hereford Street Alternative - Fendalton Service Centre can be activated within 60 minutes.	2014: Both primary and alternate EOC facilities are available and can be activated within 60 minutes.
	CDEM plans and procedures covering local response and recovery arrangements and specific contingency plans are in place.	CDEM plans are reviewed annually by 1 October.	Achieved	All plans reviewed by 1 October. Plans reviewed, however Recovery Plan and Local CDEM Arrangement require further work.	2014: Plans were reviewed by 1 October.
		The EOC Knowledge Base containing processes, procedures, and supporting documentation is reviewed annually.	Achieved	EOC Knowledgebase reviewed. Initial review of the EOC Knowledgebase has revealed the need to remove many documents that are no longer relevant, particularly in the 'supporting document' field.	2014: All documents reviewed and appropriate subject matter experts were engaged.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Relevant hazards and risks are identified and managed in the District Plan and CDEM Plans.	Risks relating to hazards are updated within CDEM plans within six months of receipt of new hazard/risk information.	Achieved	Achieved - updated report issued in November 2014 by ECan on inundation modelling for Canterbury from a South American tsunami. Coastal evacuation zones are being reviewed in light of this report.	2014: Recent research reports for natural hazards of slope stability, tsunami and flooding are available for multi-agency emergency response use.
		New rules relating to rock fall hazard risk are to be identified in the District Plan review (commencing 2014/15).	Achieved	Achieved - District Plan review includes new rule relating to rock-fall hazard.	
	Response Teams (Rescue) meet national registered status.	Three teams.	Achieved	Our three teams are currently meeting national standards.	2014: Three teams. 2013: Three teams.
Public education to increase community awareness and preparedness.	Build upon national/regional initiatives to promote the need for individuals, community groups and organisations to be prepared for when a disaster occurs.	At least 50 CDEM public education activities occur annually.	Achieved	This target has been met, with more than 140 activities taking place during the financial year.	2014: 81 CDEM public education activities occurred. 2013: 2 major promotions.
	Council makes effective use of its alerting systems to inform communities of possible emergencies.	Readynet Communication tested at least twice per annum.	Achieved	Testing of communication module in Readynet occurred in conjunction with Tsunami Siren Testing on Sunday 28th September 2014 and Sunday 5th April 2015.	2014: ReadyNet was tested twice this year at both testings of the tsunami siren system. 2013: Tested with tsunami sirens system and it worked.
		Tsunami sirens tested twice per annum.	Achieved	Testing Occurred on Sunday 28th September 2014 and Sunday 5th April 2015.	2014: Tsunami Sirens have been tested twice. 2013: Tested twice.
	Develop partnerships to increase disaster resilience.	At least 17% of Christchurch residents participate in CDEM meetings to enable their local community to cope better.	Not achieved	15% of Christchurch residents attended meetings that enabled their community to cope better. While over 140 civil defence public education activities occurred during the period, only 15% of respondents in the residents' survey recorded attendance at meetings. The result for 2013/2014 was 23%. This drop may reflect a reduction in the numbers of meetings conducted by other agencies, non-profits and government departments, or could be related to the margin of error in the data set. As time passes since the earthquakes, we also expect this percentage to reduce slowly over time.	2014: 23% of residents have participated in meetings.
Community Facilities					
Provision of community facilities (centres, halls and cottages), which are owned and managed in partnership by Council and the community.	Increase occupancy and hours of use for Council community facilities.	Increase peak hour usage of Council community facilities to at least 60% of available hours.	Not achieved	50.2%. Utilisation has increased by 7% from June 2014.	2014: There has been an increase of peak hour usage across the portfolio. Facilities have not achieved 60% usage during peak time.

Council activities and services - Community support

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		Increase use of Council community facilities to at least 40% of total hours available.	Not achieved	31.4%. Utilisation has increased by 7%.	2014: The majority of facilities have failed to achieve this target with the exception of Waimairi 51% and Templeton 43%.
	Maintain level of customer satisfaction with Council community facilities.	90% of customers are satisfied with the use and ease of booking a Council managed community facility.	Achieved	96%.	2014: 95%.
	Maintain portfolio of community facilities (centres/halls/cottages).	At least 50% of the community facilities that are open are managed through a partnership.	Achieved	85% are managed through a partnership.	2014: 72% are community managed.
		Maintain at least a minimum of 25 community facilities.	Achieved	88 community facilities are open and available to the community.	2014: Total of 54 Halls, 10 are still closed. 44 are open. 2013: 29 open and 23 closed. 2012: 36 open.
Community Grants					
Delivery of the Creative Communities Scheme on behalf of Creative New Zealand.	Effectively administer the grants schemes.	Maintain at least 85% satisfaction with funding advice and the grant process being timely, clear and understandable (across a sample of organisations).	Achieved	88% in the annual Customer Satisfaction Survey.	2014: 90% in the annual Customer Satisfaction Survey.
		Manage and administer grants schemes in a manner consistent with the Strengthening Communities Strategy and Creative NZ guidelines for the Creative NZ scheme (including criteria, eligibility and funding rules for all other grant schemes under management).	Achieved	Grants have been managed and administered in line with the requirements of the specific criteria and requirements.	2014: Achieved. 2013 and 2012: Achieved.
Manage and administer other grant funds as appropriate on behalf of other funding bodies.	Effectively manage and administer all other grant funds under management.	Administer all other grant schemes in a manner consistent with the criteria, eligibility and funding rules of each fund.	Achieved	100% of all eligible applications are processed and assessed in accordance with the criteria, eligibility and funding rules for all grant.	2014: 100% of all eligible applications are processed and assessed in accordance with the criteria, eligibility and funding rules for all grant schemes.
Manage and administer the Mayoral Funds.	Effectively manage and administer the Mayoral Funds.	Administer applications for the Mayoral Funds grant scheme within fund criteria set by committee.	Achieved	100% of all eligible applications are processed and assessed in accordance with the criteria, eligibility and funding rules for the Mayoral Fund grant scheme.	2014: 100%.
		Interview and assess Mayoral Fund applicants and make recommendations to Council/Committee.	Achieved	100%.	2014: 1,052 appointments made for the Mayor's Welfare Fund, with 727 grants provided.

Customer Services and Online Channels

Call centre services managing all 'first point of contact' transactions through core contact channels of phone, e-mail, facsimile and letter.	Customers are satisfied or very satisfied with the call centre service at first point of contact.	At least 80% of customers who contact the call centre via email are satisfied or very satisfied with the service at first point of contact.	Not achieved	78% in Annual Residents Survey.	2014: Resident survey result 81%. 2012: 67%.
		At least 90% of customers who contact the call centre via phone are satisfied or very satisfied with the service at first point of contact.	Achieved	91% in Annual Residents Survey.	2014: Residents survey result 90%. 2012: 89%.
	Ensure Council call centre is available to answer calls.	Council call centre services are maintained 24/7, 100% of the time.	Achieved	Call centre services maintained 24/7.	2014: Call centre services provided in-house 24/7, from March 2014.
	Number of call centre business hours provided.	Council call centre provides 45 business hours per week, 8am-5pm Monday-Friday.	Achieved	Call centre operation now 24/7 - 168 hours provided.	2014: Call centre services provided 24/7, from March 2014.
Walk-in customer services at Council Service Centres and Civic Offices.	Ensure customer satisfaction with walk-in services at Council Service Centres.	At least 95% of customers are satisfied with the walk-in service in Council Service Centres.	Achieved	98% in Annual Residents Survey.	2014: 99%. 2013: 95%.
	Minimise the customer waiting time for walk-in services at Council Service Centres.	Customers wait no more than three minutes for walk-in customer service at Council Service Centres, for 95% of the time.	Achieved	95% achieved - Mystery shopper survey results confirmed less than 3 minute wait time across Service Desk sites.	2014: Average wait time of 13 seconds. 2013: Average wait time 1.31 minutes. 2012: Less than 3 minutes.
	Provide a minimum number of walk-in hours at Council Service Centres.	Seven hours/day (Monday-Friday, 8:30-12:30am; 1:30-4:30pm) of walk-in customer service at Little River.	Achieved	35 hours per week achieved.	2014: Seven hours per day Monday-Friday, customer service at Little River.
		Eight hours/day (Monday-Friday, 9am-5pm) of walk-in customer service at Akaroa, Fendalton, Riccarton, Beckenham, Shirley, Papanui, Linwood.	Achieved	280 hours per week achieved.	2014: Eight hours per day Monday-Friday, customer service provided at Akaroa, Fendalton, Riccarton, Beckenham, Shirley, Papanui, and Linwood.
		8.5 hours/day (Monday-Friday, 8:30am-5pm) of walk-in customer service at Lyttelton.	Achieved	42.5 hours per week achieved.	2014: 8.5 hours per day Monday-Friday, customer service at Lyttelton. Nine hours provided per day at Civic from 19 May 2014.
		9 hours/day (Mon-Fri, 8:00am-5pm) of walk-in customer and regulatory services at Civic.	Achieved	45 hours per week achieved.	

		Provide a total of 464 hours per week of walk-in customer service at Council Service Centres. (based on opening of Halswell).	Not achieved	Total of 385.5 hours per week achieved including services at Hornby location. LOS impacted by delay in opening of new Halswell Centre.	2014: Minimum of 412 hours per week provided.
		52 hours per week of walk-in customer service at Halswell (pro-rated from late 2014).	Not achieved	Opening of Halswell Centre planned for November 2015.	
	Provide a walk-in customer service at Council Service Centres.	Provide walk-in customer services at 12 locations: Permanent walk-in customer services at 9 locations (Civic, Beckenham Shirley, Papanui, Fendalton, Riccarton, Lyttelton, Little River, and Halswell) Temporary walk-in customer services at 2 locations (Akaroa, Linwood). One site closed (Sockburn).	Achieved	Permanent walk in services provided at 9 locations. Services also provided in Akaroa, Hornby and Linwood - accommodation issues under action.	2014: Customer services provided at 10 Council locations. Due to closure of Sockburn, walk-in site rates payment option available at Civic Video agency, Hornby. 2013: 10 service centres.
Social Housing					
Housing complexes.	Maintain portfolio of rental units and owner/occupier units.	Maintain at least 2,100 units in Council housing stock.	Achieved	2,270 units available.	2014: 2,233 units. 2013: 2,186 units.
		Incorporate Council owner occupier units into Council social housing stock as the units become available.	Achieved	11 owner occupier units remain out of 28. The remainder will be purchased when there is a willing seller and buyer arrangement.	2014: Council purchased a further 5 of the owner occupied units during the year. At year end 11 units remain owner occupied with Council having purchased 17 of the original 28.
		Repair and rebuild of facilities undertaken as per the agreed Facilities Rebuild programme.	Achieved	79 units repaired or rebuilt.	2014: Prioritisation process undertaken, repair and rebuild of facilities now underway based on this prioritisation. See Where we are heading section for more information.
Tenancy Services.	Ensure tenants of Council housing complexes are well housed.	At least 30% of tenants participate in activities service; such as providing recreational, educational, emergency preparedness courses promoting tenant participation and inclusiveness.	Achieved	100%. Every tenant attended at least one event. Total of 4,414 tenants attended activities in the financial year. Activities include garden awards, tenant BBQs, tenant morning teas, supply of tomato plants to tenants, indoor bowls, outdoor bowls, bingo, Neighbourhood Support, educational talks (insulation, heating, cessation of smoking, fire safety), mobile library service, housie, quiz events, walking groups, orienteering, picnics, music entertainment, inner city tour, Civil Defence talks, cell phone training, Age Concern presentations.	2014: Approximately 45% based on tenant participation.

	At least 97% average occupancy rate in Council housing.	Achieved	98%.	2014: 97%. 2013: 98%.
Generate housing options for vulnerable sectors of community through partnerships.	At least 90% of social housing partnerships are satisfied with their relationship with Council.	Not achieved	65%. This is based on 40 respondents. 65% were satisfied, 18% were neither satisfied or dissatisfied, with 17% being dissatisfied. Additionally some of the comments which supported the dissatisfied score were about maintenance and vacant unit availability, which was not relevant to this survey.	2014: 89% of partnerships were satisfied with their relationship with Council.
Maintain Council housing rentals at an affordable level and continue to be rates neutral.	Council housing rents are set using a cost of consumption model and are set at no more than 80% of market rentals.	Achieved	47% of market rentals based on a June 2015 rent review.	2014: Approximately 55% across the portfolio. 2012: estimated at 63% of market rates.
Tenants of Council housing are satisfied with quality of tenancy service provided.	At least 80% of Council housing tenants are satisfied with overall condition of their unit.	Not achieved	68%. The current financial position of the Housing Unit has caused the requirement to focus on Health and Safety works only and to cut planned works programmes. This approach has impacted and will continue to impact on tenant's opinions around unit condition. Options to increase funding for social housing over time through the establishment of a Community Housing Provider and accessing Government housing subsidies are currently being explored.	2014: 69%.
	At least 80% of tenants are satisfied with the quality of the tenancy service provided.	Not achieved	76%. Responses indicate concerns from tenants around the level of maintenance works being completed on the City Housing units. Themes from tenants refer to redecoration, insulation and earthquake damage as areas of concern.	2014: 76%. 2013: 77%.

What assets do we use to deliver these activities?

The major assets we use are the social housing portfolio, its facilities, community centres, halls and cottages, and early learning centre facilities.

Social housing

The Council has traditionally maintained over 2,649 social housing units, but due to earthquake damage this fell to 2,233 units as at 30 June 2014. The repair / replacement programme is progressing and at the end of June 2015 2,270 units were open.

Community facilities

As a result of the earthquakes, of the Council's 62 community centre buildings 45 are open and 12 of the 15 early learning centres operating from Council facilities are open.

The South New Brighton Transitional Community Centre opened in late 2013. Eight community centres, two council facilities leased to early learning centres and one link centre have been repaired. Plans for repair or replacement of a further eight facilities are well advanced.

Where are we heading?

Early learning centres

Until the end of May 2015 we ran an early learning centre at Pioneer Sports and Recreation Centre. We sold the day-to-day operation of the centre to Best Start Education and Care Centre.

Build stronger communities

Strengthening Communities teams provide:

- updated community profiles as an evidence base for decision-making
- networking opportunities, support, advice, information and advocacy services to facilitate stronger communities
- direct advice to groups on governance, funding application and strategic planning skills
- sector-based or geographic networking for community organisations
- funding information.

Community grants

We will continue to provide contestable community grants to support community organisations to allow

them to seek and leverage funding opportunities that meet the needs and aspirations of their members.

Civil Defence and Emergency Management

The CDEM team will continue to advise our partners and community stakeholders. This means:

- reviewing and updating CDEM related plans, procedures, guidelines etc.
- testing the tsunami alert system when daylight saving begins and ends
- helping communities develop their own community emergency response plans
- running public education programmes to primary schools and community groups to increase awareness of hazards and their consequences.
- working with Canterbury CDEM Group Emergency Management Office and partner agencies on joint planning, training and community resilience projects.

Social housing and community facilities

The Facilities Rebuild Team is part-way through a five year repair and replacement programme for social housing. By 2017/18 there will be at least 2,366 open units.

The Council will have a minority interest in a new community housing provider which will start managing the units in the 2015/16 year.

Since the Canterbury Earthquakes, as at June 2015, 20 new units have been built, 41 units have been tendered for construction and 470 units repaired including 79 closed units re-opened. The replacement

of the 113 units in the five red zone complexes continues through intensification of other sites.

By December 2016 officers will have presented a Draft Network Plan to Council that will provide a framework for the provision and management of community facilities over the next 30 years. Following Council's instructions in the Activity Management Plan officers will continue to work with community groups and other providers to develop and maintain a sustainable network of community facilities that best meets community need within the resources available.

Safer Christchurch

In the next year, Safer Christchurch will collaborate more closely with stakeholders on measurable safety projects. Crime Prevention through environmental design is a key planning element, and we plan to continue to build expertise and knowledge. There will also be a greater alliance between Safer Christchurch and Healthy Christchurch to develop a resilient city strategy.

Service delivery in 2015/16

In general, services in 2015/16 will not vary significantly from the LTP. We are focused on maintaining services and repairing the extensive damage to social housing and some community facilities. Although we have a repair programme for both, progress is delayed as we try to get agreement from insurers on the appropriate strategy for the over-cap unit repair programme.

What did it cost?

Community support

Statement of cost of services for the year ending 30 June

	2015		2014		
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Operational outputs					
Civil defence and emergency management	1,236	2	1,234	1,534	1,500
Community grants	15,682	566	15,116	10,233	12,251
Social housing	24,996	14,314	10,682	16,393	12,649
Customer services	1,713	35	1,678	2,057	2,009
Building strong communities	5,300	1,051	4,249	5,666	5,117
Community facilities	4,196	1,195	3,001	2,248	2,903
Capital revenues	-	19,562	(19,562)	(1,264)	(16,986)
Cost of service	53,123	36,725	16,398	36,868	19,443
Capital expenditure					
Renew als and replacements			2,481	4,490	1,466
Improved service levels			-	-	72
Increased demand			-	-	-
Infrastructure rebuild			4,034	12,219	2,347
Total capital expenditure			6,515	16,709	3,885

Explanation of significant cost of service variances

Civil defence and emergency management

The net cost was approximately \$0.3 million less than plan due to delayed recruitment, volunteer expenses and training. Costs were lower than 2014 as a result of fewer rural fires in the 2014/15 season.

Community grants

The cost of service for the year was in line with the revised plan of \$15 million. The original plan of \$10 million was updated for the \$2.5 million carry-forward from 2014. The carry-forwards were due to grants planned for 2014 but not made until 2015

resulting in a timing difference, and there were new Mayoral Earthquake grants of \$2.5 million.

Social housing

The actual net cost was \$2 million less in 2015 than 2014 due to less expenditure on earthquake repairs. This also accounts for the net cost in 2015 being \$5.7 million less than budget.

Customer services

The lower cost of service as compared to plan and 2014 was the result of a move to more flexible rostering of staff across service centres.

Building stronger communities

Savings made compared with budget of \$1.5 million were mainly the result of an organisational restructure during the year which resulted in staff moving to Governance & Democracy (Governance & Democracy show a similar cost increase).

The net cost in 2015 was \$0.9 million lower than 2014 due to the carry forward of unpaid grants from 2014 to 2015.

Community facilities

The net cost of service was \$0.8 million higher than plan due to \$0.8 million of asset disposal losses for the Wainoni and Heathcote community centres.

Capital revenues

Capital revenues relate to the Earthquake Commission (EQC) settlement proceeds, the majority of which relate to Social Housing.

Significant capital expenditure

\$1.1 million was spent on housing improvements, \$1.3 million on new social housing units at Knightsbridge Lane, \$1.3 million on various community facility repairs, and \$1 million was spent of various other Social Housing complexes related to earthquake repairs.

Explanation of significant capital expenditure variances

The \$10.2 million variance to plan is due to \$2.5 million of savings on the housing renewals and replacements plan, and \$6.7 million of savings as a result of the delay in the social housing facilities rebuild programme. The Social Housing budget has been carried forward to the new financial year with planned spend on the Harman Courts, Innes Courts and Osborne Street social housing complexes.

Compared to last year, spending has increased as more community facilities have been repaired under the earthquake repairs programme.

Council activities and services

Cultural and learning services

What are cultural and learning services, and what does the Council do?

They are the galleries, museums and libraries that give residents access to art, historical and other educational material.

Why is the Council involved in cultural and learning services?

Local Government is responsible for promoting the cultural and social well-being of communities for the present and future. We contribute to this by running facilities such as art galleries, libraries and museums and by offering various services to those using them.

We contribute to the Community Outcomes by helping make the city a place of diverse and inclusive communities, a city for recreation, fun and creativity and of life-long learning.

We provide accessible and welcoming public buildings, we stage a variety of arts, festivals and events, and we supply books, information and learning programmes.

How does it affect me?

Every time you use the Christchurch Art Gallery's off-site offerings or visit local museums and city libraries, you are using our cultural and learning services. You can find interesting material, collections and other programmes such as exhibitions and public events. There are also many online services and learning opportunities.

What activities are involved in cultural and learning services?

Libraries

City libraries house recreational and learning material, support life-long learning and literacy, and offer community spaces for the public. Our libraries are very well patronised and rated highly in a recent survey, with 96 per cent of surveyed residents satisfied with library services.

Art gallery and museums

We run the art gallery and support museums so that our region's artistic and historical heritage is collected and presented to residents and visitors. When it is open, Christchurch Art Gallery is a vibrant, dynamic space which caters to a strong and growing art audience. Akaroa Museum preserves and displays the history of Akaroa and Banks Peninsula. We also contribute funds to the Canterbury Museum.

Transport and environmental education

The Education Team runs programmes and initiatives that encourage people to use parks and reserves, waterways, facilities, roads and spaces safely and sustainably.

What did we achieve?

Libraries and Information Unit

Libraries met the agreed Levels of Service for the 2014/15 year for library services, spaces and resources.

Libraries were responsible for the Pioneer Early Learning Centre. However, following consultation Council resolved to no longer provide this level of service. On 2 June 2015 the Council transferred its day-to-day management and ownership to Best Start Educare.

A major focus was the planning for new and replacement libraries. Te Hāpua: Halswell Centre will combine library, customer services, community spaces and outdoor pool. Building has started, with the doors planned to open in November 2015. The Council approved the design concept for the new Central Library in March. We formed joint working groups of community board and community members for the Sumner and Bishopdale libraries, as concept design work advanced for both projects. The Hornby Library and Community Centre project focussed on site selection and planning to manage use and community demand.

Residents continued to be satisfied with library services according to two recent surveys. The Council Point of Contact Resident Survey showed 96 per cent of the 300 respondents were satisfied, and the Libraries' Customer Satisfaction Survey reported 92.9 per cent of 1,509 respondents were satisfied or very satisfied with their library experience.

Christchurch Art Gallery Te Puna o Waiwhetu

The Christchurch Art Gallery Outer Spaces programme staged 11 exhibitions and other projects in 2014/15. Public programmes attracted more people than expected with over 3,500 attending 105 events. Education programmes were also popular, with more than 1,500 attending 59 programmes in the Education Space on the same site as 'Burster Flipper Wobbler Dripper...' which closed in the ArtBox Gallery in September 2014. In 2015 more than 7,000 children took part in 289 lessons in schools. In addition, we acquired 81 works of art, 34 bought and 47 being gifts and bequests. We distributed four editions of our publication Bulletin and produced a book for David Cook's exhibition 'Meet me in the Square'.

While repairs on the gallery are under way, staff have worked in Peterborough Street and the Canterbury Museum. The gallery is due to re-open in December 2015, with the 'Summer of Art' planned for the first quarter of 2016. Building in the basement will continue after the reopening, but we expect to gradually resume full levels of service from 2016.

We supported public art in line with Public Art Advisory Group recommendations. A major sculpture was 'Fanfare 2014/15' by Christchurch sculptor Neil Dawson, installed at Chaney's Corner.

Akaroa Museum

Akaroa Museum had over 25,000 visitors in 2014/15, a notable increase attributable to free admission from July. Strengthening of museum buildings began, helped

by a \$500,000 grant from the Ministry for Culture and Heritage. Museum staff are preparing exhibitions for the full reopening in the 2015/16 summer.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Art Gallery and Museums Develop and host Art Exhibitions and present a Range of Public Programmes.	Exhibitions and publications presented.	4-6 publications p.a. with at least 1 significant book or exhibition-related publication every 2 years.	Achieved	6 publications in total. 4 editions of Bulletin. 1 exhibition catalogue: Meet Me in the Square by David Cook. 1 school resource publication: Spinner produced for Art Box programme.	2014: 4 editions of Bulletin. 2 education resources. 1 significant publication; Bill Culbert Front Door Out Back, Venice Biennale 2013. 2013: 4 editions of Bulletin produced and Shane Cotton: The Hanging Sky.
		During period of closure: No fewer than 6 Outer Spaces projects presented annually.	Achieved	12 projects presented. 4 exhibitions at 209 Tuam Street. 3 exhibitions at Peterborough Street Library. 2 installations of Chapman's Homer. 1 pop-up presentation of Cosmo McMurty. 1 continuation of Burster Flipper Wobbler Dripper at Artbox until September 2014.	2014: 17 exhibitions developed as part of Outer Spaces. 2013: 20 Outer Spaces exhibitions.
	Public programmes and school-specific programmes delivered.	No fewer than 7,500 attend school programmes per annum.	Achieved	This year 348 lessons were given to 9,005 teachers and learners at Art Box and through outreach to schools. It was a very successful year in terms of outreach to schools, with at least 3 classes being taught per day. In addition a short story writing competition based on images from the gallery's collection, brought in 298 responses with 37 attending the prize giving.	2014: The total number of participants in the Outreach programme and the ArtBox classroom was 8,461. The pro-rated target of 7,500 was exceeded by 21%. 2013: 8,174 participants.
		No fewer than 1,500 attend advertised public programmes per annum.	Achieved	105 programmes were presented to the public with 3,615 participating. Despite the Art Gallery being closed the public programme continued presenting a range of activities and events for the public of Christchurch.	2014: There were 4,035 participants in public programmes at year end. The Gallery's opening event for the ArtBox contributed significantly to the target of 1,500 being exceeded by 63%. 2013: 4,459 participants.
Develop, maintain and provide access to a collection of nationally-significant art.	Collection items available on web.	98% of collection online, with 90% online with images by end- 2014/15.	Achieved	98% of collection online, with 95% online with images.	2014: 98% of collection online as per target; 94% with images. 2013: 93% with images.
Hold and distribute the Canterbury Museum levy.	Administer the Canterbury Museum levy and report on annual plan targets.	Canterbury Museum annual plan targets reported.	Achieved	Canterbury Museum annual plan targets have been reported.	2014: Canterbury Museum annual plan targets have been reported to Council.
		Canterbury Museum levy funding paid as required.	Achieved	Canterbury Museum levy funding has been paid as required.	2014: Canterbury Museum levies agree with the Annual Plan targets and paid on time as required.
Operate the Akaroa Museum.	Exhibitions presented.	No fewer than 3 exhibitions presented p.a. (pro-rated from time of re-opening).	Achieved	Three exhibitions were presented in the Museum. Fronting Up opened in August and marked the centenary of World War One; Fifty opened in December and celebrated the Museum's 50th anniversary; Tales of Banks Peninsula opened in December to complement Fifty.	2014: Three exhibitions presented during reporting period. 2013: Museum closed.

Council activities and services - Cultural and learning services

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Hours of opening at Akaroa Museum.	Minimum of 2,093 opening hours per annum. (pro-rated from time of re-opening).	Achieved	2,110 hours open 142 days @ 5.5 hours during winter; 221.5 days @ 6 hours during summer; .5 day lost in May 2015 due to a fire alarm outage.	2014: 2,211 opening hours. 2013: Museum closed.
	Visitors per annum to Akaroa Museum.	Visitors per annum within a range 14,250 – 15,750 (pro-rated from time of re-opening).	Achieved	Visitors to Akaroa Museum totalled 25,243 for 2014/15 year. Visitor numbers well exceeded target, largely due to free admission introduced in July 2014.	2014: Total Visitors during the year were 11,309. Despite the presence of cruise ship visitors in Akaroa over summer, visitor numbers for the year were well below pre-quake levels. In part this is a reflection of the Christchurch visitor market; storm and road closures in March and April; and visitor reluctance to pay an admission charge. 2013: Museum closed, 471 attended offsite events and programmes.
Libraries Community spaces through a comprehensive network of libraries, the mobile service and digitally.	Residents have access to a physical library relevant to local community need or profile.	Maintain a mobile library service of a minimum of 40 hours per week. Maintain visits per capita of national average or better, per annum, for level one NZ public libraries (excluding periods of closure).	Achieved Achieved	40 hours was met per week over the year. National average is 7.6, we achieved 10.1.	2014: Minimum of 40 hours per week. 2014: 10.4 visits per capita against the national average of 8.8 (being the national average available at 30 June 2014). 2013: 9.5 visits per capita against the national average of 8.9 visits (2011/12).
		Maintain voluntary library buildings rent free and maintain support for collections.	Achieved	Voluntary library buildings are maintained rent free and support was given for collections.	2014: Voluntary library buildings were maintained rent free and collections supported.
		Provide weekly opening hours for existing libraries: (excluding periods of closure) Neighbourhood 36 to 57 hrs.	Achieved	36-57 hours of opening weekly was provided.	2014: 36 to 57 hrs weekly opening hours have been provided. 2013: Achieved.
		Suburban Medium 48 to 57 hrs.	Achieved	48-57 hours of opening weekly was achieved.	2014: 48 to 57 hrs weekly opening hours have been provided. 2013: Achieved.
		Temporary Metropolitan and Suburban Large 57 to 67 hrs.	Achieved	57 to 67 hours of opening per week was achieved.	2014: 57 to 67 hrs weekly opening hours have been provided. 2013: Achieved.
Equitable access to relevant, timely information and professional services.	Access to information via walk-in, library website, phone, email, professional assistance and online customer self service. In library access to online information using public computing devices and the internet.	Access to online information using public computers is freely available at all libraries. At least 20% of all transactions occur online.	Achieved Achieved	100%. 20.9%.	2014: Free access available at all libraries 100%. 2014: 15%. On track to achieve this by the 2015/16 year.
		Free Wifi access is available at Metropolitan, Suburban, and Neighbourhood Libraries.	Achieved	Free Wifi available at all libraries.	2014: Free Wifi access provided 100%.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years	
Print and digital collections and content readily available for loan, for use in libraries and via the Library's website.	Collections are available to and meet the needs of the community.	Maintain number of reference and research enquiries from customer per year at national average or better. (excluding periods of closure).	Achieved	2.4 against the national average of 1.25.	2014: 3.02 reference and research enquiries – 1.02 is the national average.	
		Maintain ratio of public internet computers at least 2.5 per 5,000 of population.	Achieved	3 public internet computers per 5,000 of population.	2014: 5.4 public internet computers per 5,000 population.	
		Increase current size of purchased e book and downloadable audio book collection by at least 30% per year.	Achieved	100% increase in purchased e-book and downloadable audio book collection.	2014: 180% increase in purchased e-book and downloadable audio book collection.	
		Increase proportion of electronic resource use (measured by sessions, searches and retrievals) to at least 20% of the combined total transactions by the end of 2015/16.	Achieved	20.9%.	2014: Increased to 17.7% in 2013/14. On track to meet at least 20% of the combined total transactions by the end of 2015/16.	
		Maintain collections at 2.9 - 3.5 items per capita.	Achieved	Collections maintained at 3.25 items per capita.	2014: Collections maintained at 3.21 items per capita. 2013: 3.48 items per capita.	
	Library user satisfaction with library service at Metro, Suburban and Neighbourhood libraries.	Maintain number of issues per capita of city population, per year, at national average or better (excluding periods of closure).	Achieved	11.6 issues per capita against the national average of 10.0 (2013/14).	2014: 12.1 against the national average of 10.6. (2012/13). 2013: 12.6 against the national average of 12.1 (2011/12).	
		At least 90% of library users satisfied with the library service.	Achieved	97% of respondents were satisfied with the service provided by Council Libraries.	2014: 96% library user satisfaction.	
		Programmes and events designed to meet customers' diverse lifelong learning needs.	90% of customers satisfied with library programmes and events provided.	Achieved	97%. Customer satisfaction with course content was 96.8% and presenter 97.6%.	2014: 98% satisfaction with library programmes and events provided.
			Maintain participation of 200- 230 per 1000 of population (excluding periods of closure).	Achieved	290.4 participations per 1000 of population. Higher than usual participation rates in public programmes and learning events is directly attributable to increased numbers attending pre-school sessions and increased collaborations and partnerships for specific learning events eg WW100.	2014: 281 participations per 1000 of population. 2013: 230 per 1000 of population.
		Transport and Environmental Education				
Civil Defence Education Programmes.	Deliver Civil Defence and Emergency Management education programmes.	At least six Christchurch primary schools participate in the Civil Defence and Emergency Management programme each year.	Achieved	13 schools participated.	2014: Seven schools over a total of 27 classes participated.	

Council activities and services - Cultural and learning services

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Greenspace Environmental Education programmes.	Deliver greenspace education programmes.	At least 4,000 students participate in the Greenspace education programmes each year.	Achieved	5,480 students participated.	2014: 6,821 students participated in the education programmes during 2013/14.
	Teacher satisfaction with greenspace education programmes.	At least 95% of teachers satisfied with the quality and delivery of Greenspace education programmes.	Achieved	100%.	2014: 99% satisfaction.
Road User Safety programme (including Cyclesafe, school safety programmes, and Road User Campaigns such as intersections, teenage driving, alcohol, distraction, based on NZTA Safer Journeys Strategy).	Deliver Cyclesafe education programmes.	At least 2,600 students participate in the Cyclesafe Programme per year.	Achieved	3,550 students participated in the programme during 2014/15.	2014: 3,202 students participated in the programme during 2013/14.
	Deliver Road User Safety Programmes.	Deliver six road user safety programmes per year.	Achieved	Greater than 6 delivered.	2014: Six programmes delivered to due dates.
	Teacher satisfaction with the Cycle Safe education programme.	At least 95% of teachers satisfied with the Cycle Safe Programmes.	Achieved	100%.	2014: 100%.
Travel Behaviour Change programmes.	Provide travel planning advisory services.	Provide advisory travel planning services to at least four organisations or institutions per year.	Achieved	Advising 27 schools (monitoring 19 with full plans, 8 are preparing plans). Working with 2 institutions, 8 businesses and 6 organisations.	2014: Advising 7 schools (4 plans near completion, 3 commencing processes) and monitoring 15 schools. Working with 2 institutions, 7 businesses, and 4 organisations.
Water and waste education programmes.	Deliver water and waste education programmes.	At least 2,400 students participate in the Water and Waste education programmes each year.	Achieved	2,690 students participated.	2014: 4,181 students participated in the programme during 2013/14.
	Teacher satisfaction with Water and Waste education programmes.	At least 95% of teachers satisfied with the quality and delivery of Water and Waste education programmes.	Achieved	100%.	2014: 99%.

What assets do we use to deliver these activities?

Our main assets are the libraries, the Christchurch Art Gallery and Akaroa Museum, and their collections.

All Council libraries were open except in Sumner and the Central Library in Gloucester Street. We ran temporary libraries in Linwood and Bishopdale and temporary Central Library services in Manchester and Peterborough Streets.

Parks, Reserves, Botanical gardens and water and waste infrastructure are the main assets we use for the environmental education programmes.

Where are we heading?

Art gallery and museums

The Canterbury Museum is fully reopened; the Akaroa Museum has partially re-opened whilst under repair and continues to focus on collection-related activities.

Christchurch Art Gallery is expected to re-open at the end of 2015.

Libraries

Libraries will continue to focus on new and replacement libraries in 2015/16. As noted, Te Hāpua: Halswell Centre is due to open in late November 2015. Pre-construction for the New Central Library will be finished by the end of 2015 with building due to start early 2016. Planning and design continues for replacement libraries for Sumner, Bishopdale and Hornby. Building repairs are due on Papanui Library in August 2015 followed by Lyttelton Library, with more repairs in 2016.

Transport and environmental education

We have been educating and training cyclists in safe cycling to maximise the numbers using the new Major Cycleways routes. We will continue our road safety education and campaigns as Christchurch is one of the top 3 districts on the national risk register for several fatality and injury measures. In addition to the training offered to schools, we are offering Travel Planning Advisory support to developers to reduce car parking requirements by encouraging other options. The Environmental Education team will continue to develop and deliver high quality programmes to schools around greater Christchurch. We are looking at completely redeveloping 2 programmes to better address the post-quake environment, and are working with schools to provide programmes across Banks Peninsula.

Service delivery in 2015/16

Christchurch Art Gallery's building will be repaired with increased seismic capability and re-opened within the 2015-16 financial year.

Libraries will meet the levels of services confirmed in the new Activity Management Plan. Notably, Aranui Library will open on Sundays and Linwood Library will be open later on Thursdays.

What did it cost?

Cultural and learning services

Statement of cost of services for the year ending 30 June

			2015	2014
	Costs (After internal recoveries) \$000	Income \$000	Net Cost Plan Net Cost \$000	Net Cost \$000
Operational outputs				
Libraries	34,265	2,031	32,234	31,897
Art gallery and museums	16,625	219	16,406	17,122
Transport and environmental education	1,520	684	836	1,063
Capital revenues	1	2,903	(2,902)	(406)
Cost of service	52,411	5,837	46,574	49,676
Capital expenditure				
Renewals and replacements			6,745	7,087
Improved service levels			891	312
Increased demand			10,127	11,235
Infrastructure rebuild			16,373	27,594
Total capital expenditure			34,136	46,228

Explanation of significant cost of service variances

Libraries

Net costs came in \$0.3 million over plan, largely due to the Linwood Library \$1 million write-off, off-set by a lower depreciation charge relating to the old Central Library.

Net cost of Services is \$4.1 million lower than in 2014. In 2014 the old Central Library building was written off and this year there has been no depreciation charge, (\$6.3 million). Off-setting this is the write-off of Linwood Library following its demolition (\$1 million), lower revenue receipts (\$0.4 million) and higher debt servicing costs (\$0.5 million).

Art gallery and museums

The cost of providing the art galleries and museums was \$0.7 million lower than planned. This was due to \$0.7 million of cost savings while the Gallery is closed for earthquake repairs/strengthening. The net cost of services was \$1 million higher than 2014. This was due to \$1.4 million of additional costs incurred for the repair of the Art Gallery, \$0.3 million higher levy for the Canterbury Museum, \$0.2 million relating to Exhibition collection costs outside of gallery facilities. Offset by a \$1.1 million saving in depreciation as the building was impaired in 2014 and no depreciation is being charged. The reopening of the Christchurch Art Gallery is currently scheduled for December 2015.

Capital revenues

Capital revenues were \$2.5 million higher than Plan, as a result of \$1.8 million additional insurance recoveries for Libraries and \$0.1 million for the Art Gallery, along with the unplanned receipt of a \$0.5 million grant for the Akaroa Museum repairs.

The \$2.7 million increase from 2014 is the result of \$2 million of insurance recoveries for Libraries and \$0.5 million for the Art Gallery, and the \$0.5 million Akaroa Museum grant off-set by \$0.4 million lower development contributions for Libraries.

Significant capital expenditure

\$13.9 million was spent on Art Gallery repairs, \$9.6 million spent on the new Halswell Library, \$4.8 million on library book purchases, \$1.7 million on the new Central Library, \$0.8 million on library asset renewals and replacements; \$0.8 million on Art in Public places, \$0.6 million on Art Gallery renewals, \$0.5 million on the Akaroa Museum and \$0.5 million on art acquisitions.

Explanation of significant capital expenditure variances

The \$12.1 million variance to plan is due to delays to repairs on the Art Gallery, and delayed construction of the South West, Central, and Halswell library projects.

The \$4.0 million variance on last year is a result of additional expenditure on the new Halswell Library, offset by a decrease in the Art Gallery repairs.

Council activities and services Democracy and governance

What is democracy and governance, and what does the Council do?

Democracy describes government that is run on behalf of the people through their elected representatives. Governance is about how those representatives (mayor, councillors and community board members) collectively solve our problems and meet our city's needs.

Why is the Council involved in democracy and governance?

The people of Christchurch elect a mayor, city councillors and community board members at elections every three years. The Council 'governs' by making strategies, policies and decisions that direct the city's future. The Council regularly seeks community input on many issues, such as draft policies, local capital works projects, and the Annual and Long Term Plans.

Local government is responsible for meeting the residents' current and future needs for good quality local infrastructure, public services and regulatory functions in a cost-effective way for households and businesses.

Democracy and governance activities contribute to active democracy by ensuring that individuals and groups have many opportunities to be involved in local government decision-making.

They also contribute towards achieving the city's Community Outcomes. Democracy and governance activities help make Christchurch a well-governed city and one of diverse and inclusive communities. This is done by ensuring everyone's views are heard before the elected members make decisions and by enabling them to make the best decisions for the city.

How does it affect me?

The activities of the Council have a direct effect on everyone in Christchurch – whether it be by collecting kerbside rubbish, supplying safe drinking water, or maintaining parks, to hosting festivals and events. Residents can influence how the Council runs the city by voting for their representatives in local elections

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
City Governance and Decision-making Effective governance and decision-making by elected members.	Council and community board decisions comply with statutory requirements.	100%.	Achieved	100%. There are no situations in which statutory requirement problems have been brought to our attention.	2014 and 2013: All decisions comply with statutory requirements.
	% of residents satisfied that the Council makes decisions in the best interests of Christchurch.	At least 48%.	Achieved	52%.	2014: 47%. 2013: 46%.
	% of residents that feel the public has some or a large influence on the decisions the Council makes.	At least 55%.	Not achieved	44%. This is up 5% from last year.	2014: 39%. 2013: 36%.
	% of residents who understand how Council makes decisions.	At least 40%.	Achieved	44%.	2014: 36%. 2013: 40%.

every three years, and by becoming involved in the decision-making process by giving comments and feedback during public consultations.

What activities do democracy and governance cover?

City governance and decision-making

Council staff support and advise the Mayor, Councillors and Community Board members so they can make good decisions on behalf of residents. Staff ensure that the decision-making process is clear to residents, and meets all legal and policy requirements.

Public participation in democratic processes

Residents are encouraged to take part in the democratic processes of Council at the three yearly local elections and by having their say during consultations and decision-making. It is important that elected members take the views of the community into account, in particular from those directly affected.

What did we achieve?

The results of our 2014/15 survey of residents detailed below show steady satisfaction with overall performance and a positive trend in the key areas of public participation and decision-making. However, the numbers show that we still have work to do to further improve resident perceptions. We will continue to focus on this in the year ahead.

Overall, the 2014/15 survey showed that 65 per cent of residents were satisfied, or very satisfied, with the Council's performance in the past year.

This is a very pleasing improvement in an area that we have given significant attention to over the past year - but clearly the results show that there is some way to go to gain broader support from our residents.

There has been a concerted effort across the Council and among elected members to get out and about in the community more, engaging with our residents on key policies and plans, and seeking their views and feedback.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Proportion of residents who are satisfied with the opportunities to access information about Council decisions.	At least 40%.	Achieved	46%.	2014: 43%.
Public Participation in Democratic Processes					
Council holds elections.	All elections, polls, and representation reviews are held with full statutory compliance with relevant legislation.	100%.	Achieved	100%.	2014: 100%. 2013: 100%.
Provide feedback to residents relating to Council decisions.	% of residents who feel they can participate in and contribute to Council decision making.	At least 46%.	Not achieved	45%. This is a significant achievement, being 11% up from last year.	2014: 34%.
	Submitters are advised of decision(s) made by the Council.	100%.	Achieved	100% - all submitters notified.	2014: 100%.

What assets do we use to deliver these activities?

No major assets were used in delivering these activities.

Service delivery in 2015/16

There will be no change to service levels for Democracy and Governance activities for 2015/16.

Where are we heading?

The Council is developing a community governance model which proposes to delegate more responsibility to community boards. The model is based on the subsidiarity principle, namely that those most affected by decisions should be making them.

A Representation Review that started last year is to be finished in 2015/16.

What did it cost?

Democracy and governance

Statement of cost of services for the year ending 30 June

	2015			2014	
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Operational outputs					
City governance and decision-making	12,282	30	12,252	11,003	9,694
Public participation in democratic processes	105	-	105	90	830
Communications, engagement and consultation	3,058	9	3,049	5,901	2,749
Cost of service	15,445	39	15,406	16,994	13,273
Capital expenditure					
Renewals and replacements			-	-	-
Improved service levels			9	-	-
Increased demand			-	-	-
Infrastructure rebuild			-	-	-
Total capital expenditure			9	-	-

Explanation of significant cost of service variances

City governance & decision-making

Costs rose \$1.2 million compared to that planned as a result of an internal restructure during the year, which resulted in staff moving from Community Support. Community Support showed similar cost savings. Costs were \$2.6 million higher than 2014 due to the provision of additional support to Community Boards and the creation of a hearings team to hear submissions on bylaws.

Public participation in democratic process

This relates to local body elections including by elections for community boards. 2014 was an election year versus a non-election year in 2015.

Communications, engagement and consultation

The plan included \$1.5 million for Sensing Cities/Open Data Opportunities and \$1 million for Participatory Democracy/Resilience & Environmental Sustainability. These projects have been requested to be carried forward.

Significant capital expenditure

There was no capital expenditure.

Explanation of significant capital expenditure variances

There are no significant capital variances.

Council activities and services

Economic development

What is economic development, and what does the Council do?

Economic development occurs when communities and policymakers act together over time to increase the standard of living by improving the city's economic health. The Council leads economic and key sector development and the regional innovation system, and supports high growth potential businesses. We also aim to attract more visitors and tourists, while our civic and international relations programmes foster international partnerships and extend cultural understanding in the community.

Why is the Council involved in economic development?

For the city to achieve its goals, we need a sound economy. Economic development activities aim to help expand the economy so residents have more employment, better opportunities and good quality facilities and services. These in turn benefit our community's social well-being.

How does it affect me?

A strong economy benefits everyone because there are more jobs and business opportunities. A strong economy and good quality of living also make it easier to attract high-value migrants, returning residents, investment and innovation.

What activities are involved in economic development?

Regional economic development, leadership and coordination

Christchurch is the main business area for Canterbury and the South Island. Regionally, we work in four broad areas:

- economic development
- sector and business development
- supporting the innovation system
- promotion of Christchurch and Canterbury to visitors.

City Promotions

We promote information through print, web and digital media to tell residents about the city and why it is an attractive place to live, work, visit and do business. We also promote our key events, attractions and facilities to residents and visitors and encourage them to take part.

Civic and international relations

Our civic and international relations work aims to build relationships, attracting more skilled migrants, students and tourists, and enhancing economic development and investment. We also promote social and cultural understanding, and strengthen people-to-people links between our communities and cities around the world. We organise civic events, including important commemorations such as 22 February and ANZAC Day, and we hold regular citizenship ceremonies, annual civic awards and special events in respect of our Antarctic Gateway status. We also support ceremonial

and civic work by the Mayor and Councillors, and help with frequent official visits to the city.

What did we achieve?

CDC and its key stakeholders have revised the strategies for the manufacturing, Information and Communication Technology (ICT) and AgBusiness sectors. We also launched the Manufacturing Pathways project for school leavers and are supporting the ICT Graduate School project, led by the South Island Tertiary Alliance.

CDC delivered and expanded a Regional Partner Programme offering business capability, development and support. We also set up new programmes such as the Employers Toolkit, Governance for Growth, Lean Office and an internship.

We are supporting the regional innovation system including the GreenHouse hub, based in the Innovation Precinct, which will also host the Lightning Lab Accelerator Programme. CDC ran two Hi-Growth Launch Programmes, a 10 week course to help develop start-up capability. Work has started on a Regional Innovation Strategy due to begin in 2016.

We supported the Visitor Strategy draft, Suburban Economic Development and the rebuild peak prediction with economic modelling and knowledge. We built a water impact model for scenario testing and maintained the major projects register and prioritisation tool.

CDC ran Economic Update events and published and distributed various reports including the Canterbury Report.

Regionally, CDC supported and advised ECan and the Mayoral forum to develop the draft Canterbury Regional Economic Development Strategy.

CCT maintained focus on the Australian holiday market with two marketing campaigns promoting self-drive holidays. They lifted Australian arrivals in the March quarter by 12 per cent and raised Australian traffic to the website by 16 per cent.

The Christchurch-focused 'Pockets of Awesome' campaign for domestic visitors generated more than 103,000 video views.

CCT briefed and trained over 800 international travel sellers on the Christchurch recovery and the message that the city is open for business.

We also ran the Christchurch & Canterbury Convention Bureau, bid for 28 Christchurch City conferences and raised the city's share of the national conference market from 6 to 9 per cent, generating more than 80,000 delegate days in the city.

We assessed the economic benefits of re-establishing a cruise wharf in Lyttelton and lobbied key stakeholders for a cruise wharf development.

International guest nights into Christchurch increased 16 per cent for the year to June 2015 while international guest nights into all other regions of Canterbury rose by 13 per cent for the same period.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years	
Christchurch Economic Development Leadership and Coordination Coordination and Leadership of Economic Development Programmes (including leadership of the Canterbury Regional Innovation System (CRIS), industry development and business acceleration services and workforce development).	CDC develops Centres of Expertise in Economic Research, Workforce, and Infrastructure.	80% Human Capital and Workforce projects on track per annum.	Achieved	100% of projects delivered on time.	2014: All projects completed on target during the year. 2013: Projects are being scoped and implemented.	
		Economic futures model is applied to inform 12 economic development projects per annum.	Achieved	Model used on three rural projects, two housing projects, GDP, visitor economy, suburban economic development, New Brighton, Rebuild Peak, inflation and tax projects during the year.	2014: Model used on five workforce sector projects, two rural economy projects, regional tax take project, housing project, inflation project, boom and bust model and re-worked long term GDP model. 2013: Model updated.	
		Human Capital Strategy updated annually by 30 June.	Achieved	Strategy update completed.	2014: Completed. 2013: Completed.	
			Prioritisation of infrastructure projects reviewed annually by 30 June, with review distributed to key infrastructure providers.	Achieved	Review completed.	2014: Completed. 2013: Completed.
			Two reports per annum produced on the productivity of the rural sector and its connection to the Christchurch economy.	Achieved	Reports on value added products and crop diversification were produced during the year.	2014: Reports on Rural Productivity and Water and Nutrient Impacts were produced during the year.
			Update and expand the Canterbury economic infrastructure stock take annually by 30 June.	Achieved	Completed.	2014: Completed. 2013: Completed.
	CDC facilitates Business Recovery.		Facilitate 10 local companies per annum to supply goods or services to the recovery programme.	Achieved	Facilitated the following 10 companies: Solar Bright (new product), MWF Manufacturing, Energy Light, Cosgroves, Thermosash, Stahlton, Calder Stewart, UC (New building technology), Vodafone and Samsung.	2014: 10 companies. 2013: 12 companies.
		CDC facilitates the development of key sectors and specific high growth potential businesses within these sectors to achieve national and local government growth agendas.	10 clients per annum will be intensively case managed for each priority sector.	Achieved	10 clients have been case managed for each sector.	2014: 10 clients have been intensively case managed for each priority sector. 2013: Targets met.
			6 businesses utilise the distribution networks and contacts for promoting trade in China per annum.	Achieved	Firms helped: Lincoln hub, Education NZ, University of Canterbury, Arc Active, Ngai Tahu Seafood and Airborne Honey.	2014: Firms Helped: Green Dog Insulation, Serra Natural Foods, Linguis International College, Greenfield, The Cot Store, and Sino NZ.
			Business improvement services are provided to 10 medium to large Christchurch businesses per annum.	Achieved	Services were provided to 15 firms during the year.	2014: Services were provided to 24 firms. 2013: 12 firms.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		For each sector a wider group of at least 25 clients will be engaged within a broader industry sector program.	Achieved	Engaged with over 200 businesses in the sectors.	2014: 364 firms were involved in Power Boost breakfast, Technology CEO forum, or an assessment. 2013: 78 firms.
	CDC initiates and/or implements priority economic development projects identified through Christchurch Economic Development Strategy or Canterbury Regional Economic Development Strategy.	75% of projects completed by 30 June 2022.	On target	80% of original projects on track for completion by June 2022.	2014: Remain on target for all initial projects. 2013: On track to be achieved.
		All projects initiated by 30 June 2015.	Achieved	All original projects now initiated.	2014: Overall CEDS programme on track and well on target for all initial projects to have been started by June 2015.
		Progress with implementation of Christchurch Economic Development Strategy (CEDS) and Greater Christchurch ED Strategy monitored annually: 80% of projects on track for completion.	Achieved	80% on track for completion.	2014: CEDS PMO tracking - 86% are on track for completion.
	CDC leads the CRIS.	10 high-growth-potential businesses and projects that meet investment objectives of Canterbury Economic Development Fund are identified and invested in each year.	Achieved	Investment in 10 businesses: Powerhouse, Clever Med Kits, Hydraworks, Tiro Lifesciences, Veritide, Invert Robotics, Mars Bio Imaging, Innovation Hub, Food Innovation South Island and CDHB health innovation project.	2014: Investment in 12 businesses: Koti, Solar Bright, Hydraworks, Mars, Motim, Syft, Invert Robotics, Crop Logic, IM Able, NZ and Health Innovation Hub. 2013: 11 investments.
		CRIS is responsible for commercialising 5 pieces of innovation per annum through new start-ups or existing local businesses.	Achieved	CRIS assisted: Inventory Tech, Mr Box, Web tools, and Practice Plus Hindin.	2014: CRIS assisted: Deep South IceCream, Red Seed Ltd, Intranel, Gladfield Malt and NightSide Test Design.
	CDC provides economic development leadership for Christchurch.	Agreed work streams in the Economic Recovery Programme are delivered.	Achieved	100% Agreed work streams in Economic Recovery Programme were delivered per the minutes.	2014: Met all CERA delivery targets and have assumed responsibility for economic monitoring and reporting for CERA.
Tourism Development and Visitor Promotion.	CCT actively promote the city in markets with direct air services to Christchurch.	Deliver advertising campaigns in Australia that align with the current market strategy for a period of at least 4 months per annum.	Achieved	Two short break campaigns into Sydney market; 22 Australia hosted media stories; ski season marketing.	2014: Achieved by four campaigns. 2013: Achieved by two campaigns.
	CCT continue an active communication programme with media and trade.	Familiarisations carried out with 140 media individuals, per annum.	Achieved	CCT hosted 150 media individuals during the 2014/15 year. CCT hosted media during 2014/15 including through TNZ International Media Programme, via ICC Cricket World Cup and FIFA U20 World Cup and Convention Bureau familiarisations.	2014: 152 media. 2013: 107 media.
		Familiarisations carried out with 30 trade organisations consisting of a total of 250 individual people, per annum.	Achieved	48 trade familiarisations with 362 individuals.	2014: 453 individuals were hosted from 303 organisations. 2013: 39 trade organisations with 427 agents.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		Sustain presence at offshore trade training functions and sustained levels of media and trade familiarisations (familiarisations) (based at 2011/12 levels).	Achieved	CCT presence at the following functions and familiarisations: Kiwi Link India, Kiwi Link SE Asia, China Frontliners, Kiwi Link China, Australia events, Thailand Trade and Consumer show, Swain Roadshow USA, ITB Berlin, PATA London exchange, Kiwi Link Japan.	
		Trade training delivered to at least four events per annum.	Achieved	Trade training delivered to six events and 860 people.	2014: Trade training delivered to 11 events.
	CCT facilitate to and grow the cruise sector for Christchurch/ Lyttelton and Akaroa.	CCT will develop and agree a cruise season plan with the Akaroa Community and manage its implementation.	Achieved	A plan for the forthcoming season was agreed with the Akaroa/Waiwera Community board and Council officers such as Roading/enforcement/traffic management. Continual liaison with Council and Akaroa community on cruise sector matters pre-cruise season.	2014: CCT continues to be involved with the Akaroa Community Board and has attended cruise planning meetings on a regular basis. Meetings attended: 19 July, 2 August, 5 September and 14 April. 2013: Achieved.
		Cruise NZ satisfaction levels in Akaroa meet or exceed 8.7/10 for cruise passengers arriving at Akaroa.	Achieved	8.7 out of 10 for the 2014/15 season.	2014: Akaroa 6.3 out of a score of 7, equating to an 89.8% rating. 2013: 8.7/10 for 2011/12 season.
		Services provided to support cruise ship visits to Akaroa: Wharf side Visitor Information mobile facility. Printed collateral for arriving cruise passengers on regional activities and information.	Achieved	Services provided at Akaroa information kiosk included: shuttle bus, visitor map, port guides, funding support. Services provided at Lyttelton: economic analysis prepared.	2014: A mobile information kiosk is in place. All Christchurch bound Free Independent Traveler (FIT) and Inbound city tours will be provided with a Christchurch mini map with cruise bus stops clearly defined. 2013: Mobile kiosk in place and cruise brochure developed with first print run of 20,000 copies.
	CCT promotes Christchurch and Canterbury as a desirable destination for business events and trade exhibitions.	Achieve a share of national delegate days for MICE (Meetings, Incentive, Conference and Exhibitions) market in the 3.5% to 5.0% range.	Achieved	Year end March 2015 Convention Activity Survey indicates 9% national market share.	2014: Market share 9%. 2013: Market share 2-4%.
		To host a minimum of four Conference and Incentives (C and I) buyer groups per annum (ongoing).	Achieved	Five Convene South Fams; 25 domestic conference buyers; nine groups with potential conference business and two incentive famils.	2014: 19 meetings hosted. 2013: 12 conference and incentive buyer groups.
	CCT provides leadership to the tourism sector in Christchurch.	Three year strategic plan to be completed annually by 30 April.	Achieved	Five year strategic plan completed in November 2014 and published on CCT website.	2014: Strategic Plan 2014 - 19 was completed in October 2013. 2013: Target achieved.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	CCT provides support to and works collaboratively with tourism business partners and suppliers.	Engage with 15 tourism businesses per year on specific tourism projects and/or provision of marketing advice.	Achieved	72 one on one meetings held with Convention Bureau partners, 30 meetings with leisure tourism operators on new business or marketing advice. Tourism marketing collateral developed for new operators. Lyttelton Port economic impact project consultation interviews.	2014: 27 businesses received advice. 2013: 30 businesses engaged.
		Host at least three Business Partner meetings annually to review progress of visitor recovery strategies and collaboratively identify new initiatives to improve the visitor economy.	Achieved	Three Convention Bureau partners networking, four CCT Industry Updates, 16 Industry Update communications sent out.	2014: 8 Business Partner meetings were held. 2013: 8 meetings hosted.
	CCT work in collaboration with CIAL to deliver promotional activities in markets that have direct air routes or have high potential to have direct air routes.	Contribute to three joint ventures per annum that support or maintain direct air links.	Achieved	Partnered with CIAL and other partners on West Australia campaign and Discover South Island campaign. Two short breaks campaigns.	2014: 4 joint ventures contributed to. 2013: 3 joint ventures contributed to.
	CCT works in collaboration with the visitor industry to develop new and emerging market segments.	CCT hosts a minimum of 12 airline and travel seller management per year on fact finding visits to Christchurch and Canterbury.	Achieved	Eight Singapore Airlines agents, 22 Air New Zealand corporate agents, Briefing to Air New Zealand Tourism Management, city briefing to TNZ Business Events Manager from North America, Presentation to two Qantas Executives, Briefing two China Eastern Executives.	2014: Hosted: Malaysia Airlines (1 pax) Air New Zealand Japan (2 pax) Air New Zealand China (2 pax) Tourism Export Council Inbound Operators (7 pax) China Southern Airlines (2 pax) Cathay Pacific Airlines (2 pax). 2013: 36 airline and traveller seller management staff hosted.
		CCT runs a minimum of two workshops per year with visitor industry participants on the development of new markets and travel segments.	Achieved	Five workshops held. Cruise Berth Lyttelton, Health and Safety Legislation Changes tourism workshop, Pre Convene South workshop -maximising the opportunity, Get your business ready for Cruise, Council Industry Consultation day.	2014: Five workshops were held. 2013: 4 workshops.
		CCT works collaboratively with CIAL to prepare and endorse case studies and marketing proposals to develop new international air links for Christchurch: CCT will contribute to at least two international air link opportunities yearly.	Achieved	CCT worked with CIAL/ Air New Zealand on West Australian Marketing campaign in Oct/Nov 2014 and with CIAL/Air New Zealand / Tourism New Zealand in West Australian trade training Oct 2014 to develop further tourism/air links. CCT contributed to two international air link opportunities including the "Kia Ora South" promotion aimed at a Guangzhou- Christchurch link.	2014: Contributions were made to two international air link opportunities. 2013: Participated in 3 new airlink opportunities.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Visitors utilise the services of the Christchurch and Akaroa Visitor Information Centres.	Akaroa Visitor Centre maintains visitor number levels in the range of 165,000 to 185,000 visitors annually for the duration of relocated cruise ship visits.	Not measured	CCT no longer operate the Akaroa Visitor Centre.	2014: 56,507 visitors have visited July – June. The number of visitors utilising the Visitor Centre has been negatively impacted by its post-Earthquake temporary location and the arrival of a new privately owned Visitor Centre. 2013: 137,212 visitors.
		Akaroa Visitor Centre will be open from 8.30 -5.00 daily (winter hours are 10.00 – 4.00).	Not measured	CCT no longer operate the Akaroa Visitor Centre.	2014: Summer 1 October – 31 March, Winter 1 April – 30 September. 2013: Achieved.
		Christchurch Visitor Centre increase visitor utilization by 5% per annum.	Achieved	228,823 visitors, an 18% increase on same period last year.	2014: 193,499 visitors have visited July – June. The presence of persistent road works and lack of clear signage from the central City meant that the target for the year of 215,000 (5% increase) was not achieved. 2013: 32% increase.
		Christchurch Visitor Centre will be open from 8.30 – 5.00 daily (summer hours are 8.30 – 6.00).	Achieved	Visitor Centre is open in accordance with these hours.	2014: Summer - 28 October – 31 March, Winter – 1 April – 27 October. 2013: Achieved.
		Lyttelton (Community) Visitor Centre will be open 10.00-4.00 Monday-Saturday and 11.00-3.00 Sunday (with opening hours extended as necessary to accommodate cruise ship visits).	Achieved	Visitor Centre open in accordance with this schedule.	2014: Current opening times are 10 am to 4 pm Monday - Saturday. 11 am to 3 pm on Sunday.
City Promotions					
Deliver Christchurch city promotional material with information about living, visiting and doing business in Christchurch (such as brochures, merchandise and web sites).	Maintain (external) Christchurch website.	Continue to provide: http://www.christchurch.org.nz/ , targeting at least 125,000 unique visitors to the site annually.	Not achieved	123,400 unique visitors.	
	Residents are satisfied with the information available about events, activities and attractions in Christchurch.	85%.	Not achieved	83% satisfaction achieved.	2014: 84%. 2013: 83%.
	The Council produces and distributes city promotional material, for residents and visitors.	Provide print, web and digital (social media such as Face Book, You Tube) promotional material across information categories, including: Christchurch Facts, City and Events Guide, City and regional map, City Walks and Drives, City Parks and Gardens.	Achieved	Achieved with a rating of 100% satisfaction by city agencies for the city promotional materials produced.	2014: All print, web, digital promotion material produced as required.
Civic and International Relations					
Delivery of Civic events - Citizenship Ceremonies, Anzac Day, Charter parades.	Annual programme of other civic events delivered.	Deliver Civic Awards, Apprentices Graduation, Charter Parades, Remembrance Day, February 22 commemorations.	Achieved	All civic events delivered.	2014: All civic events delivered.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Citizenship Ceremonies for Christchurch based 'new New Zealand citizens' delivered.	Deliver a regular schedule of Citizenship Ceremonies to confer citizenship for 'new New Zealand citizens' in Christchurch, within budget.	Achieved	Regular Citizenship ceremonies held within budget.	2014: Regular Citizenship Ceremonies held within budget and backlog of waiting citizens fully cleared.
	Support the RNZRSA in the delivery of the ANZAC Day Dawn parade and the Citizens service.	ANZAC Day commemorations in central Christchurch supported with planning and delivery.	Achieved	Supported, planning and delivery of ANZAC Day commemorations within central Christchurch as per requirements.	2014: RSA supported in delivery of ANZAC Day.
Maintain and develop relationships with Antarctic industry partners - USA, NZ and Italy Antarctic Research programmes.	Maintain and develop relationships with international partners currently using Christchurch as a base for Antarctic programmes.	All major support activities delivered annually - season opening function, Antarctic University of Canterbury (UC) scholarship.	Achieved	Delivered annual - Season opening function and Antarctic University of Canterbury Scholarship. Maintained and developed further relationships with international partners (Christchurch based) Antarctic programmes.	2014: Major Antarctic support activities delivered as planned. 2013: Achieved.
		Maintain three active partnerships within Antarctic Link Community: United States of America, New Zealand and Italy.	Achieved	Maintained active partnerships within the Antarctic Link Community. United States of America, New Zealand and Italy.	2014: Three active partnerships maintained with USA, Antarctica NZ and Italy.
Maintain and develop strategic city-city programmes.	All Sister City Committee annual plans are assessed and 'within-budget' funding approved for activities, meeting the requirements of the International Relations Policy for culture, education and business.	100% of plans assessed (by staff) to meet two or more criteria (Best Practice, Business Development, Tourism, Education, Culture and Sport).	Achieved	100% of plans assessed and found to meet criteria.	2014: 100% of plans assessed and found to meet criteria. 2013 and 2012: 100% of plans assessed.
Participate in Resilient Cities Network.	Establish a compelling vision for resilience and lead City dialogue around resilience.	Target date for establishing the vision to be determined once the Chief Resilience Officer position is appointed and in place.	Not achieved	Timeframe for delivering vision and resilience strategy has been extended to September 2015 to enable wider stakeholder engagement.	
	Drive the development of a resilience strategy.	City will complete Phase 1 Resilience Strategy by end of summer 2014/15.	Not achieved	Target will be achieved in September 2015. Consultation and engagement has taken longer than expected. Also had ongoing dialogue with 100 Resilient Cities (100RC) on resilience strategy process fit for Christchurch.	
	Serve as primary point of contact for the 100RC network and platform partners, and be a productive peer contributor in the 100RC network.	As per terms of the grant agreement.	Achieved	Chief Resilience Officer appointed and has been primary contact with 100RC network.	
	City will provide complete and accurate record of how grant monies were spent, including semi-annual fiscal and progress reports.	Reports prepared annually, June 30 and December 31, during life of grant.	Achieved	Financial breakdown has been provided as required.	

What assets do we use to deliver these activities?

We do not use major assets for these activities.

Where are we heading?

CDC's priorities for the coming year are to:

- take responsibility for economic activities in the recovery as part of the transition from CERA
- update the CEDS and help develop a visitor strategy
- get the new innovation hub and food south facilities fully operational and running well
- support business and enable new ideas and ways of doing things
- renew the regional business partner contract with New Zealand Trade and Enterprise and Callaghan Innovation.

We will emphasise bringing more sectors and groups into the regional innovation system and will also engage the health sector as part of the health precinct development. Skills and education work will focus on the postgraduate ICT school planned for the Innovation Precinct.

Over the next year CCT will continue to work on increasing visitor numbers for Christchurch and Canterbury through a broad range of marketing and

What did it cost?

Economic development

Statement of cost of services for the year ending 30 June

	2015			2014	
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Operational outputs					
Civic and international relations	1,217	35	1,182	1,272	1,150
Regional economic development, business support and employment development	7,911	100	7,811	7,934	7,862
City promotions	2,894	43	2,851	2,940	344
Cost of service	12,022	178	11,844	12,146	9,356
Capital expenditure					
Renew als and replacements			154	183	174
Improved service levels			-	-	-
Increased demand			-	-	-
Infrastructure Rebuild			-	-	-
Total capital expenditure			154	183	174

Explanation of significant cost of service variances

City promotions

The net cost was \$2.5 million higher than 2014 as a result of the addition of the production and distribution of marketing materials to the activity. Previously the production and distribution of marketing materials was provided as an internal service the cost of which was allocated to all other activities as overhead.

communication elements. We will also support visitors once they are in Christchurch via visitor information services located at the Botanic Gardens and within Re:Start Mall.

CCT will help prepare the tourism and hospitality sectors with training and research on the Chinese holiday market, which is rapidly expanding.

The Christchurch Convention Bureau aims to maintain Christchurch's share of the domestic conference market in the range of 8-10% and pursue an increasing share of international conferences for our city.

Since the LTP was prepared national changes to funding for the Canterbury Tourism Partnership and the visitor sector generally may have implications for what can be delivered. At the time of annual report preparation we are still working to understand these implications.

Service delivery in 2015/16

Council economic development activities continue to play a critical role in promoting the city's longer term economic growth. The Council will keep delivering economic development services through the CDC and CCT, as well as through its own organisational structure.

Significant capital expenditure

There was no significant capital expenditure.

Explanation of significant capital expenditure variances

There were no significant variances.

Council activities and services

Parks and open spaces

What is parks and open spaces, and what does the Council do?

The Council maintains and manages 1,040 parks and reserves covering nearly 9,000 hectares in Christchurch City and Banks Peninsula. They include the botanic and heritage gardens, urban and regional parks, cemeteries, heritage, and harbour and marine facilities.

Why is the Council involved in parks and open spaces?

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Parks, open spaces and waterways contribute to the environmental and social well-being of the community by providing a network of parks and gardens throughout the city that offer active and passive recreational opportunities and places for burial and remembrance.

They also help achieve our Community Outcomes by supporting Christchurch people as those who value and protect the natural environment, a healthy city, a city for recreation, fun and creativity, and an attractive and well-designed place – four of the nine goals in our Community Outcomes. We do this by providing areas for people to engage in a range of healthy activities, enabling them to contribute to environmental projects and providing a well cared-for environment.

How does it affect me?

Everyone benefits by having access to areas for recreation, leisure and sport. We provide an attractive liveable urban environment and pristine natural areas for all to enjoy up close or from a distance.

What activities are involved in parks and open spaces?

Neighbourhood parks

We maintain neighbourhood parks in the local community for individuals or groups to relax and enjoy informal and spontaneous outdoor recreation and leisure.

Sports parks

We provide and maintain specialised sports grounds to cater for organised sports and other recreational activities.

Garden and heritage parks

We provide and maintain specialist and heritage gardens for community and visitors to enjoy and study botanical diversity, while contributing to plant conservation and research, and contributing to our ongoing Garden City image.

Regional parks

We provide extensive naturalised parks and reserves on the coast, hills and plains for all to enjoy. They protect the region's natural landscape and biodiversity

values while accommodating extensive outdoor recreation.

Cemeteries

We provide and maintain cemeteries and administer burials and plot purchases.

Harbours and marine structures

We manage piers, wharves, moorings and boat ramps along the coast and in harbours for recreational and commercial use.

Rural fire fighting

We educate the public about fire safety, issue fire permits and prepare and respond to rural fires. We train rural fire officers and fire fighters and manage voluntary rural fire force volunteers.

What did we achieve?

We continued to provide a wide range of benefits through our open space network.

The Botanic Gardens is one of the top visitor destinations in the city, with a very high level of satisfaction. We continue to improve the quality of our sports parks in line with the recovery from earthquake damage and will speed up the programme as funding allows. Customer satisfaction with the condition of parks and reserves is steadily rising towards pre-earthquake levels, with the exception of neighbourhood parks. Our future planning will focus on them so the service meets public expectations.

We continued our successful environmental education and volunteer engagement programme. It contributed significantly to restoring the natural environment, particularly in the regional parks. We also helped set up a volunteer engagement programme for the repair and maintenance of our marine structures. Jetties and wharves are of particular interest to communities on Banks Peninsula.

Our cemeteries had a 75% per cent positive response from residents and we expanded capacity to meet future demand.

We maintained a Rural Fire Plan throughout the year and responded to all requests from the New Zealand Fire Service for fire-fighting resources within the 30 minute response time.

We met the target of issuing 90 per cent of fire permits within three days and met all targets for changes to the fire season status such as from open to restricted fire season, to prohibited and back to open fire season.

We did not meet three of the minimum national standards for training rural fire personnel. We offered training to our voluntary rural fire force members, which two of the four Voluntary Rural Fire Force teams did. The national standards require volunteers to get more unit standards. Our volunteers can still work on the fire ground but must be closely supervised.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years	
Garden and Heritage Parks						
Heritage buildings and structures (e.g. fountains, clocks, statues, and outdoor art works).	Garden and Heritage parks, heritage buildings and structures are maintained so they are clean, tidy, functional, safe and fit for purpose.	At least 95% of Facility Maintenance contract technical specifications pertaining to Garden and Heritage parks buildings and structures are met (for buildings and structures that are not closed).	Achieved	100% for open buildings.	2014: Not measured.	
Provide and manage Garden and Heritage parks.	Garden and Heritage Parks are maintained to specifications so parks are clean, tidy, safe and functional.	At least 95% of Urban Parks contract technical specifications pertaining to Garden and Heritage park facilities are met.	Achieved	95%.	2014: Not measured.	
	Proportion of visitors satisfied with the appearance of garden and heritage parks.	At least 85%.	Not achieved	71%.	2014: 76%. 2013: 73%.	
	Proportion of visitors satisfied with the appearance of the Botanic Gardens.	At least 92%.	Achieved	99% from resident's survey.	2014: 98%. 2013: 98%.	
	Provision of a Botanic Garden that is open to the public.	Maintain a minimum number of visitors per annum: At least 1,100,000 visits per annum.	Achieved	1.11 million visitors recorded.	2014: 1.3 million. 2013: 1.1 million.	
	Provision of Botanic Garden Services.	Facilitate 4-6 events and displays in support of the Botanic Gardens and Christchurch's Garden City image per year.	Facilitate at least 25 Environmental and community education activities per year.	Achieved	7 events facilitated including Kids Fest, Matariki, Summertimes, Bandstand, Lazy Sunday, Good Night film festival and Cricket World Cup Display.	2014: 6 events. 2013: 4 events.
		Invest at least 160 hrs per year in science and research partnerships with CRIs, higher learning institutions, and Government departments.	Facilitate at least 25 Environmental and community education activities per year.	Achieved	32 activities facilitated.	2014: 26 education talks and programmes were facilitated.
		Provide the Herbarium and library (for reference and research only).	Invest at least 160 hrs per year in science and research partnerships with CRIs, higher learning institutions, and Government departments.	Achieved	180 hours invested including: Rose Garden plant research Lincoln University Micro fungal research Lincoln University Frost research.	2014: Over 170 hours. 2013: Over 160 hours.
The Botanic Gardens are maintained so they are clean, tidy, safe, functional and fit for purpose.	Visitor Centre open 8.30-5.00pm, 7 days a week.	Provide the Herbarium and library (for reference and research only).	Achieved	Herbarium and library provided in new facility.	2014: Herbarium and library (for reference and research only) services provided.	
	At least 95% of internal monthly checklist requirements pertaining to park facilities are met.	Visitor Centre open 8.30-5.00pm, 7 days a week.	Achieved	Visitor Centre open 8.30-5.00pm, 7 days a week.	2014: New facility now open 8.30 till 5.00pm 7 days a week. 2013: Achieved.	
Harbours and Marine Structures						
Provide, manage and maintain marine structures and facilities.	Proportion of customers satisfied with the state of marine structures provided by Council.	At least 53%, based on 2012/13 results.	Achieved	63%.	2014: 58%.	
	Provide marine structures for public recreation and commercial use.	Existing harbour and marine structures remain open for commercial and recreational use (unless assessment deems the structure unsafe).	Achieved	All safe harbour and marine structures remained open for commercial and recreational use.	2014: All safe harbour and marine structures remained open.	

Cemeteries Cemetery operations, administration and information.	Customer satisfaction with Council cemetery services.	At least 95%.	Not achieved	75%.	2014: 100%. 2013: 89%.
	Interment capacity to meet the city's needs.	Maintain a two year interment capacity based on average demand over the previous three years.	Achieved	Two year capacity was maintained.	2014: 5,065 plots are available.
	Response time to burial plot applications.	All applications for interment will be confirmed within one working day of receiving the application.	Not achieved	Brief period where administration support was not available and some failures to meet targets occurred during this time.	2014: All applications confirmed within one working day.
Provide and manage cemetery grounds.	Cemetery grounds are secured and maintained to specifications so they are clean, tidy, safe and functional.	At least 95% of Urban Parks contract technical specifications pertaining to cemetery grounds facilities are met.	Not achieved	85%.	2014: 97%.
	Customer satisfaction with maintenance and appearance of Council cemeteries.	At least 81%, based on 2012/13 results.	Not achieved	61%.	2014: 67%. 2013: 81%.
Neighbourhood Parks Provide and manage neighbourhood parks.	Customer satisfaction with the range of recreation facilities.	At least 85%.	Not achieved	59%. Consistent with the poor audit results for contractor performance, addressed through new contracts.	2014: 67%. 2013: 63%.
	Neighbourhood parks are maintained to specifications so parks are clean, tidy, safe and functional.	At least 95% of Urban Parks contract technical specifications pertaining to neighbourhood parks are met.	Not achieved	85%. This score is lower than the previous years as a result of introduction of an independent auditing regime. Previous year's results were established via contractor self-auditing.	2014: 97%.
	Overall customer satisfaction with neighbourhood parks.	At least 85%.	Not achieved	56%. Consistent with the poor audit results for contractor performance, addressed through new contracts.	2014: 68%. 2013: 67%.
Regional Parks Provide and manage a network of parks of regional significance.	Biodiversity values are protected.	20 to 30 ecological restoration projects in place and supported by regional parks per year.	Achieved	30 ecological restoration projects in place and supported.	2014: 30 projects. 2013: 30 projects.
		20 to 30 sites monitored per year (fauna counts related to pest control).	Achieved	30 sites monitored.	2014: 30 sites. 2013: 35 sites.
		Nil notices of direction served following inspection of Regional Pest Management Strategy pests.	Achieved	No notices of direction served.	2014: No notices of direction served. 2013: Nil.
	Number of volunteers and community service personnel participating in environmental projects.	At least 40,000 volunteer person hours per year.	Not achieved	36,027 volunteer hours achieved.	2014: Total 30,101 hours.
	Parks Maintenance contract managed to ensure contractor performance meets requirements.	The contract is managed in accordance with the contract management plan's performance criteria.	Not measured	Data not collected.	2014: Contract managed per contract management plan performance criteria.
	Proportion of customers satisfied with their experience of regional parks.	At least 90%.	Not achieved	83%. No change from previous years. More investigation needed to uncover reasons for result.	2014: 83%. 2013: 83%.

	Regional Parks are provided and maintained so they are fit for purpose for recreational use and environmental values.	Ranger service provided 24 hours, seven days per week to meet community needs for: recreation and asset management; conservation and amenity; advocacy, education and information and emergency management.	Achieved	Ranger services provided 24 hours, 7 days a week.	2014: Ranger service provided 24 hours, seven days per week.
Rural Fire Management					
Rural Fire reduction, readiness and response.	An approved and operative Rural Fire Plan is in place.	Plan is reviewed annually, by 1 October.	Achieved	Fire Plan is operative.	2014: The Fire Plan was updated 26th September 2013. 2013: Achieved.
	Issue fire permits.	At least 90% within three working days.	Achieved	100%, with no permits having been issued under the imposed Restricted Fire Season (December/January) due to no permit requests being received. Fire Permits not required during Open Fire Season and not issued under Prohibited Fire Season.	2014: 29 of 30 permits (96.7%). 2013: 100%.
	Public education undertaken to increase communities' awareness and preparedness.	A rural fire communication plan is in place.	Achieved	Public education realised through public notices, advertising led by a Regional Rural Fire Awareness Subcommittee, and general contact with the public by Customer Services representatives, Ranger staff and the Principal Rural Fire Officer.	2014: A specific sub-committee within the Northern South Island Regional Rural Fire Committee is tasked with implementing a communications strategy as per the multi-agency MOU. A Council specific communications plan is in place and will be reviewed.
		Public notice in the daily newspaper prior to fire season change.	Achieved	Notices published in the Press prior to the Restricted (December), Prohibited (January) and Open (April) Fire Season changes. Public notices also posted in The Christchurch Star, Bay Harbour News and The Akaroa Mail as close as practical to the season change.	2014: All fire season changes notified. 2013: Changes notified.
		Signage changed within seven days of any fire season change.	Achieved	All signage for fire season changes were erected within 3-4 days either side of imposition (7 days in total).	2014: Signage changed. 2013: Signage changed.
	Respond to requests from NZ Fire Service (NZFS) requests for fire fighting resources (personnel and equipment).	Response turnout initiated within 30 minutes from NZFS call for assistance.	Achieved	Southern Communications (NZFS) recorded an average response time from the CCCRFA for pager acknowledgement of 03:34 (minutes/seconds) since August 2014.	2014: Council Rural Fire Authority is responding to all requests within the specified timeframes. 2013: No delays identified.
Training of rural fire response personnel including Voluntary Rural Fire Force (VRFF) members.	Fire fighting personnel meet NRFA minimum training standards.	95% of paid personnel meet the relevant training standards for their role.	Achieved	100% of paid personnel comply with the Fire-Ground Entry National Standard. 95.4% competent to the Basic Fire-Fighter National Standard.	2014: 100%.
		At least 50% of VRFF members have obtained the 'Basic Fire Fighter' national training standards.	Not achieved	32.3% competent to the Basic Fire-Fighter National Standard.	2014: 25% of volunteers have achieved the minimum training standards.

Each of the four VRFFs has at least one member who has obtained the 'Crew Leader' national training standard. By 30/06/2015.	Not achieved	Currently only one of the four VRFF has a qualified Crew Leader, with the other three working towards attaining this training standard. This LOS is based on compliance with a National Standard, whereas local arrangements have always seen a qualified staff or contractor deployed for the Crew Leadership role. Meeting the Training Standard requires completion of numerous courses and takes considerable time to achieve.
Each of the four Voluntary Rural Fire Forces has at least one member who has obtained the 'Pump Operator' national training standard. By 30/06/2015.	Not achieved	Only two of the four VRFF has a qualified Pump Operator. Both Governors Bay and Bottle Lake VRFF have multiple members that meet this standard, while Duvauchelle and Waiwera have individuals very close to completing the training requirements.

Sports Parks

Provide and manage sports parks, including the associated facilities.	Customer satisfaction with the range of recreation facilities.	At least 85%.	Achieved	85%.	2014: 88%. 2013: 85%.
	Overall customer satisfaction with sports parks.	At least 85%.	Achieved	86%.	2014: 88%. 2013: 84%.
	Sports Parks are maintained to specifications so parks are clean, tidy, safe and functional.	At least 95% of Urban Parks contract technical specifications pertaining to sports parks are met.	Not achieved	85% across all activities. This score is lower than previous years as a result of the introduction of an independent auditing regime. Previous years results were established via contractor self-auditing.	2014: 97%.

What assets do we use to deliver these activities?

The Council owns about \$1 billion of park and open space assets. Over half of this is land, a quarter is stormwater piping systems and waterways, and the rest is park buildings, structures such as bridges, boardwalks, fences and retaining walls, plantings, play facilities, park furniture, hard surfaces and tracks and paths. It also owns rural fire appliances, tankers, trailers, and fire equipment.

We continued to assess land damage from the earthquakes and can now prioritise repairs. The programme will speed up through 2015/16.

Where are we heading?

We will keep providing a network of safe, accessible and attractive heritage gardens, parks and reserves to help maintain our identity as the Garden City. It will also allow residents and visitors to experience the natural environment and open spaces. We will continue to provide cemeteries to meet the city's current and future needs. We will also carry out the Cemeteries Master Plan.

We have a new competitive parks maintenance contract and will independently assess the contractors and publish their work against the agreed programme. The

new system will include inspecting the quality of their work so we have more transparency of public spending on parks maintenance.

We will be looking carefully at how we use sports parks so we can offer a more efficient service with better results for less money. The aim will be to better match sports fields with the demand and the users.

We will continue to protect and enhance the natural and landscape values on council land.

We will continue to manage and maintain our harbour and marine assets, working with communities to decide the future of damaged and closed structures.

As a Rural Fire Authority, we will continue to ensure that staff, contractors and volunteers meet national standards for fire-fighting, and we will issue fire permits. Rural fire personnel will continue to promote individuals being 'fire wise' and will respond to rural fires.

Service delivery in 2015/16

In general, services in 2015/16 will not vary significantly from the LTP. We are focused on maintaining services and improving resident satisfaction.

What did it cost?

Parks and open spaces

Statement of cost of services for the year ending 30 June

			2015	2014
	Costs (After internal recoveries) \$000	Income \$000	Net Cost Plan Net Cost \$000	Net Cost \$000
Operational outputs				
Neighbourhood parks	13,587	857	12,730	11,559
Sports parks	9,553	208	9,345	9,820
Garden and heritage parks	10,413	1,599	8,814	9,649
Regional parks	8,876	651	8,225	7,794
Cemeteries	1,979	1,058	921	994
Harbours and marine structures	1,236	782	454	(41)
Rural fire fighting	775	221	554	907
Capital revenues	(45)	8,344	(8,389)	(6,435)
Cost of service	46,374	13,720	32,654	34,247
Capital expenditure				
Renewals and replacements			5,004	5,697
Improved service levels			2,455	1,368
Increased demand			1,582	2,858
Infrastructure rebuild			6,034	7,380
Total capital expenditure			15,075	17,303

Explanation of significant cost of service variances

Neighbourhood parks

Net costs were \$1.2 million higher than planned as a result of \$0.6 million lower income from the sale of nursery plants due to delays in the projects they were expected to be used in. Maintenance costs were also \$0.6 million higher than plan as a result of unplanned maintenance costs for the parks handed over to Council in the new subdivisions.

Net cost was \$1.7 million lower than 2014 as the prior year results including the write off of damaged assets \$0.7 million and storm damage events \$0.9 million.

Sports parks

The \$0.5 million lower net cost was the result of maintenance cost savings made in hard service areas.

The net cost was \$1.0 million lower than 2014 due to the planned reduction in level of service in low maintenance areas.

Garden and heritage

Net costs were \$0.8 million lower than planned as a result of \$0.4 million higher revenues received from the new Botanical Gardens Visitor Centre and \$0.4 million received by the gain on sale of a property.

The net cost was \$1.1 million lower than 2014 due to the earthquake related Heritage protection repair costs being significantly higher in the previous year.

Regional parks

The net costs were \$0.4 million higher than planned as a result of higher geotech costs.

The net cost was \$1.4 million lower than 2014 principally due to there being multiple storm damage events in 2014 including the March storm event.

Harbours and marina

Net cost was \$0.5 million higher than planned as a result of higher than anticipated survey costs to ascertain the safety of assets.

The net cost was \$0.3 million higher than 2014 principally due to the survey cost.

Capital revenues

The \$2.0 million over recovery is due to receiving \$2.1 million higher than planned capital insurance recoveries and \$0.6 million unplanned NZTA capital grants. These were offset by \$0.9 million less of capital contributions.

The revenue was \$3.6 million higher than 2014 principally due to \$1.2 million more capital revenues received, \$2.0 million more insurance recoveries and \$0.3 million more NZTA capital subsidies received.

Significant capital expenditure

\$2.0 million was spent on repairs to the Bridge of Remembrance, \$1.3 million on the development of a new civic square in Lyttelton, \$1.0 million on a programme of repairs to earthquake damaged toilets, \$2.0 million on renewal programmes for cemeteries, harbours and marine structures, and garden & heritage parks; \$1.9 million on other parks earthquake repairs, \$1.9 million on neighbourhood reserves renewals programme, \$1.2 million on sport park renewals programmes, \$1.0 million on regional parks renewals programmes, \$0.6 million on repairs to the Port Hills tracks, and \$0.5 million on the Woolston Park Memorial to Fallen Soldiers.

Explanation of significant capital expenditure variances

Capital expenditure was lower than planned as the Infrastructure Rebuild projects were placed on hold while the programme was reviewed and funding issues

were resolved. Projects are now planned for delivery over the next two years.

The \$10.7 million variance on last year is a result of the Botanic Gardens visitor centre, glass houses and staff complex and the Washington Way Skate Park redevelopment being delivered in 2013/14, offset by the earthquake repair programme \$3.7 million increase, includes Bridge of Remembrance and the toilet repair programme previously mentioned in the 'significant capital expenditure' section above.

Council activities and services Recreation and leisure

What is recreation and leisure, and what does the Council do?

These services provide city recreation and sports facilities, and deliver facility and community-based programmes. The Council promotes Christchurch as a city that delivers and hosts major, regional and local events.

Why is the Council involved in recreation and leisure?

The Council aims for a number of outcomes. For recreation and leisure these include that:

- people have equitable access to parks, open spaces, recreation facilities and libraries
- more and more people take part in recreation and sport
- Christchurch is recognised as a great place to work, live, invest and do business
- services are available locally in urban areas
- people are actively involved in their communities, local issues and decision-making
- cultural and ethnic diversity is valued and celebrated.

Recreation and leisure activities contribute to the social and economic well-being of the community by offering a wide range of facilities such as pools, leisure centres, stadia and sporting facilities as well as services, programmes and events, many of which are based around those facilities.

Recreation and leisure services also contribute to achieving four of the city's Community Outcomes:

- People have a sense of connection to and participate in their community
- People participate in a wide range of recreational activities
- Christchurch's culture and heritage are valued
- Christchurch is a good place to do business.

We do this by giving everyone the opportunity and encouragement to take part in leisure, sport and physical activities. We also benefit the city economy with festivals and events and by encouraging residents to live a healthy and active lifestyle.

How does it affect me?

You may use our recreation and leisure facilities like the Pioneer, Graham Condon or Jellie Park Recreation and Sport Centres.

We stage events throughout the year such as New Zealand Cup and Show Week, Sparks, New Zealand IceFest, Guy Fawkes fireworks and KidsFest. We also support events such as the ICC Cricket World Cup 2015, the Federation Internationale de Football Association (FIFA) Under 20 (U20) World Cup and Te Matatini.

What activities are involved in recreation and leisure?

Recreation and sports services

Recreation and sport centres, swimming pools and stadia enable residents to take part in recreation and sport. As well as running these facilities, we support other groups running recreation and sport programmes, and secure regional, national and international sporting events for Christchurch.

Events and festivals

Events strengthen community pride, promote the understanding of different cultures and a healthy lifestyle, and showcase the good quality of lifestyle available here. We produce a year-round programme of free and affordable events, support a range of festivals that enhance the city's lifestyle qualities, and our major events attract visitors and support key industries in Christchurch and Canterbury.

What did we achieve?

The award-winning development of the Hagley Oval was completed and publicised to the world by hosting the opening match of the ICC Cricket World Cup 2015 New Zealand. Similarly we completed four world class sports pitches to host the FIFA U20 World Cup 2015.

Waltham, Scarborough and Lyttelton outdoor pools were upgraded and re-opened, providing a lasting community legacy. This fuelled residents' passion for physical activity, with over 3.77 million visits to recreation and sports centres over the past year.

We collaborated with Water Safety New Zealand to run 108,000 affordable swim lessons to communities that needed them the most.

We supported a full calendar of events through the year either with finances or in kind. We hosted the ICC Cricket World Cup 2015, Te Matatini, the FIFA U20 World Cup, NZ Ice Fest and New Zealand Cup and Show week which allowed us to promote the Christchurch story and attract visitors to the city. We delivered Leverage and Legacy programmes at these events in communities and schools.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Recreation and Sports Services Accessible community-based recreational and sporting programmes and events.	Deliver a high level of participant satisfaction with the range, content and delivery of accessible community-based recreation and sport programmes, events and campaigns.	At least 90% of participants are satisfied with range, content and delivery of accessible community based recreation and sport programmes, events and campaigns.	Achieved	91%.	2014: 90%.
	Deliver accessible community-based recreation and sport programmes, events and campaigns.	900 – 1,100 accessible community-based recreation and sport campaigns, programmes and events delivered per annum.	Achieved	938 campaigns and programmes held.	2014: 2,529 programmes and events delivered. 2013: More than 1,500 programmes and events delivered.
		95 - 100% of campaign programmes and events target populations with accessibility challenges.	Achieved	100%.	2014: 100%. 2013: more than 95% delivered.
		Contract Surf Lifesaving NZ to provide regional surf lifeguard services at Christchurch beaches for 30 days each summer.	Achieved	Completed.	2014: Contract signed 27 September 2013.
Capacity building of recreation and sport in Christchurch at all levels.	Deliver a high level of customer satisfaction with the support provided to community based recreation and sport organisations.	At least 75% of customers satisfied with the support they receive for community based recreation and sport organisations.	Achieved	84%.	2014: 85%.
	Support community based organisations and networks to develop, promote and deliver recreation and sport in Christchurch.	8,300-9,200 staff hours of support provided to at least 500 organisations.	Achieved	8,300 to 9,200 hours of support provided to at least 500 organisations.	2014: 9,785 hours provided. 2013: 8,854 hours provided to 561 organisations.
Facility based recreational and sporting programmes and activities.	Provide well utilised facility-based recreation and sporting programmes and activities.	The number of participations for multi-purpose recreation and sport centres, outdoor pools and stadia: At least 3.11 million (subject to maintenance schedules and rebuild priorities).	Achieved	3.77 million.	2014: 3.65 million. 2013: 3.56 million.
		At least 104,000 participations in Swimsafe lessons (subject to maintenance schedules and rebuild priorities).	Achieved	108,099 participations in Swimsafe lessons.	2014: 107,829 participations in Swimsafe lessons.
		At least 4.46 visits to aquatic facilities/head of population (subject to maintenance schedules and rebuild priorities).	Achieved	6.08 visits per head of population.	2014: 5.21 visits. 2013: 5.45 visits.
Multi-purpose recreation and sport centres, swimming pools, stadia and other recreation and sporting facilities.	Deliver a high level of customer satisfaction by providing facility-based recreational and sporting opportunities and activities.	At least 80% of customers are satisfied with the range and quality of facilities (5.8 on a 7 point scale using CERM international benchmark).	Achieved	91.5% satisfaction or 5.9 out of 7 on the CERM scale.	2014: CERM rating 5.6.
	Provide facilities that have current PoolSafe accreditation and meet national standards for water quality.	Maintain PoolSafe accreditation for all eligible pools.	Achieved	PoolSafe accreditation maintained.	2014: Achieved. 2013: Achieved.
		Pool water quality standards are at least 85% of NZS 5826-2010.	Achieved	NZS 5826 maintained to at least 85%.	2014: 100%.
Provide residents access to fit-for-purpose recreation and sporting facilities.	Eight paddling pools open seasonally: open Nov to Mar (subject to maintenance, public holiday schedules and rebuild priorities).	Achieved	Eight paddling pools open.	2014: Six paddling pools were open. 2013: 3 open.	

Council activities and services - Recreation and leisure

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		Five public outdoor pools open seasonally: Jellie Park, Lyttelton, Halswell and Waltham; open Nov to Mar. Templeton; open Dec to Feb (subject to maintenance, public holiday schedules and rebuild priorities).	Achieved	Five pools open.	2014: Three public outdoor pools were open. 2013: 3 open.
		Four stadia available for hire 364 days per year (subject to maintenance, public holiday schedules and rebuild priorities).	Achieved	4 stadia open.	2014: Four stadia available. 2013: 3 open.
		Graham Condon, Jellie Park and Pioneer (includes new Learn to Swim pool, since Mar 2012): Open 364 days/year 99-106 hrs/week. Mon-Fri: 5.30am-9.30pm. Sat/Sun: 7.00am-8.00pm (opening hrs subject to maintenance, public holiday schedules and rebuild priorities).	Achieved	3 facilities open.	2014: Three facilities, open and available as per target. 2013: 3 open as per target.
		QEII Fitness @ Parklands: Open 364 days/year 70-84 hrs/week. Mon-Thu: 6.00am-9.00pm. Friday: 6.00am-6.00pm. Sat/Sun: 8.00am-2.00pm (opening hours subject to satisfactory levels of demand, maintenance, public holiday schedules and rebuild priorities).	Achieved	QEII Fitness @ Parklands open.	2014: QEII Fitness @ Parklands, was open and available as per target.
		Seventeen sporting and recreation facilities maintained and available for lease (opening hours subject to maintenance, public holiday schedules and rebuild priorities).	Achieved	17 facilities maintained and available.	2014: 17 achieved. 2013: 13 centres leased and maintained.
		Two community outdoor pools open seasonally: Governors Bay and Port Levy (subject to maintenance, public holiday schedules and rebuild priorities).	Achieved	Both community outdoor pools open.	2014: Both Governors Bay and Port Levy community outdoor pools open and available as per target. 2013: 2 open.
Support for major sports events.	Deliver economic benefit to the city by supporting a range of regional, national and international sporting events consistent with Council Policy, in liaison with Council Events Team.	Support a range of regional, national and international sporting events, in line with the Physical Recreation and Sports Strategy and the Events Strategy.	Achieved	Two major events (ICC Cricket World Cup and FIFA U20 Football World Cup) delivered this year. Both engaged the residents and promoted the city through various media.	2014: 12 national events and 14 international events.
Events and Festivals Event promotion and marketing.	Manage and develop iconic events.	NZ IceFest to achieve iconic event criteria by October 2016.	On track to be achieved	This event was held in 2015 and the review of the event is currently under way. The outcome of the review will determine whether it will achieve iconic event criteria by October 2016.	2014: This event is to be held in 2015 and will be assessed and reviewed once the event has finished.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		One event in place. (NZ Cup and Show Week).	Achieved	One event - NZ Cup and Show Week was successfully delivered and marketed in Christchurch and around New Zealand. The event brought new partners to work with the festival stakeholders to strengthen its hold as the biggest spring festival in New Zealand.	2014: Target was achieved. 2013: Delivered.
	Manage and develop major events.	Develop one other metropolitan community event to reach major event status by 2014/15.	Not achieved	None developed. The events have not developed as quickly as expected.	2014: On track for moving FESTA and Lantern Festival into Major Event category.
		Two events in place at major event level.	Achieved	Three events- Participation in two New Zealand wide events- ICC Cricket World Cup, FIFA U20 Football World Cup, NZ Women's Open Golf.	2014: Target was achieved.
	Provide, support and deliver a year-round programme of events.	At least 90% of resident satisfaction with range of events and festivals delivered.	Not achieved	86%. BeThere website was refreshed during year but has yet to be promoted. Planning to promote the BeThere website has started and is expected to increase subscribers to the website, which lists all events and festivals held in Christchurch. Having a full list of events and festivals will assist Council to ensure we are partnering with all events to ensure resident satisfaction.	2014: 86%. 2013: 90%.
Manage the central city event spaces.	Manage and develop the central city events spaces.	90% attendee satisfaction with events in Central City spaces.	Achieved	97%.	2014: 96%.
		Mid-sized events in the central city events space 10 times a year to encourage people into the central city.	Achieved	15 mid-sized events successfully delivered in the central city. There are more events being run in the central city. We will gradually position more events in the central area to attract residents and visitors back over the next three years.	
Production of major festivals and events (run by Council).	Produce top quality events - such as Summertime, Kidsfest, and Guy Fawkes fireworks.	At least 90% attendee satisfaction with the content and delivery across four Council-funded events.	Achieved	90%.	2014: Survey result cannot be provided. 2013: 86.5%

What assets do we use to deliver these activities?

The main assets used for recreation and sports are the Pioneer, Jellie Park and Graham Condon Recreation and Sports Centres, along with 16 sports facilities such as the Hagley Oval. Norman Kirk Memorial Pool, Waltham Lido Pool and Scarborough paddling pool all re-opened during 2014/15.

Where are we heading?

The Council has committed to build a Metro Sports Facility, a Recreation and Sport Centre in the East,

North East and West, and a sporting Hub at Nga Puna Wai. A facilities rebuild process will guide the Council and the community through the repair or replacement of other damaged facilities. We will focus on assisting community organisations to plan ahead and succeed in the changed environment.

We will also continue working with our communities to ensure everyone can take part at whatever level they choose.

Service delivery in 2015/16

Events and festivals activity in 2015/16 will ensure that support continues for economic impact events such as New Zealand Cup and Show Week, The Pioneer (mountain bike race), New Zealand Women's Golf Open and New Zealand Touch Nationals. We have a focus on returning event activity into central city spaces and delivering a quality annual programme of free, accessible events that bring communities, arts groups and people together for shared experiences.

What did it cost?

Recreation and leisure

Statement of cost of services for the year ending 30 June

				2015	2014
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Operational outputs					
Recreation and sports services	29,294	13,808	15,486	14,989	12,395
Events and festivals	5,838	686	5,152	5,171	7,780
Capital revenues	2	4,717	(4,715)	(3,213)	(4,057)
Cost of service	35,134	19,211	15,923	16,947	16,118
Capital expenditure					
Renewals and replacements			3,129	2,930	3,421
Improved service levels			746	-	-
Increased demand			-	-	102
Infrastructure rebuild			8,794	4,849	1,110
Total capital expenditure			12,669	7,779	4,633

Explanation of significant cost of service variances Recreation and sports services

The net cost for 2015 was \$0.5 million higher than plan due to a higher spend in supporting the Cricket World Cup.

The net cost was \$3.1 million higher than for 2014. Depreciation adjustments contributed \$1.2 million and support for the major sporting events, in particular the Cricket World Cup was \$1.6 million higher. Pool programmes also cost \$0.1 million more in 2015 than 2014.

Events and festivals

The net cost of services shows a reduction of \$2.6 million from 2014. This is the result of \$2.9 million lower spending due to the Council withdrawing from the Ellerslie International Flower Show, off-set by \$0.3 million higher costs for the restructure changes, including the Arts and Sports Advisors being included in this activity.

Capital revenues

Capital income was \$1.5 million higher than plan due to higher insurance recoveries for Recreation and Leisure facilities, and \$0.2 million higher Development Contributions for leisure facilities.

The 2015 result is \$0.7 million higher than for 2014 due to higher earthquake insurance recoveries for Recreation and Leisure facilities of \$1.2 million, offset by \$0.7 million lower leisure facilities Development Contributions.

Significant capital expenditure

Significant earthquake repairs were carried out on Waltham Pool (\$3.2 million), Norman Kirk Memorial Pool (\$2.4 million) and Lyttelton Recreation Centre (\$1.7 million). In addition \$1.1 million was spent on pitches for the FIFA U20 World Cup Football, \$0.8 million on community facilities grounds renewals and replacements, \$0.8 million on the Hagley Oval test cricket venue and \$0.6 million on the buildings and plants.

Explanation of significant capital expenditure variances

The \$4.9 million variance to plan is the result of \$1.1 million for the FIFA U20 World Cup Football which was carried forward from last year, and additional works required on the Waltham and Norman Kirk Memorial pool repairs.

The \$8 million additional spend compared to last year is due to the earthquake repairs on Waltham Pool, Norman Kirk Memorial Pool and the Lyttelton Recreation Centre.

Council activities and services

Refuse minimisation and disposal

What is refuse minimisation and disposal, and what does the Council do?

We collect and dispose of the city's rubbish and work with the community to reduce the waste we send to landfill. Encouraging residents and businesses to recycle and reduce their waste is increasingly important.

We monitor disused landfills around the city and are responsible for the capping and aftercare of the old Burwood landfill.

As a shareholder in Burwood Resource Recovery Park Limited (BRRP) we facilitate the sorting, reuse and safe disposal of Canterbury Earthquake construction and demolition waste.

Why is the Council involved in refuse minimisation and disposal?

We provide solid waste collection, treatment and disposal to protect the health of the community. Our involvement in waste reduction, reuse and recycling reflects the importance we place on using resources sustainably.

Refuse minimisation and disposal contribute to the environmental and economic well-being of the community. They ensure the reliable removal of refuse, the recycling of any resources in that refuse, and the disposal of any residue in a cost-effective and environmentally acceptable way.

They also contribute towards achieving two of the nine goals in our Community Outcomes - by helping to make Christchurch a healthy city and a city of people who value and protect the natural environment. We do this by enabling and encouraging waste minimisation and recycling, and by safely collecting and disposing of refuse.

How does it affect me?

When we dispose of rubbish properly and reduce the amount we send to landfill we help create a healthy, safe environment for all to live in.

What activities are involved in refuse minimisation and disposal?**Recyclable materials collection and processing**

We aim to reduce the amount of rubbish we send to landfill by collecting recycling from homes and public places, educating the public about the benefits of reusing and recycling materials, and by sorting and processing recyclable materials so they can be reused.

Organic material collection and composting

We collect kitchen and garden waste from homes and turn it into compost for resale. We also encourage people to set up their own compost bins at home to reduce the amount of waste we send to landfill.

Residual waste collection and disposal

Not everything can be recycled so we collect and transport this remaining waste to landfill. We also look after old landfills to make sure they don't harm the environment. At the old Burwood land fill site, methane gas is captured, piped underground and used to power city buildings and parts of the Christchurch Wastewater Treatment Plant (CWTP).

Commercial and industrial waste minimisation

We discourage businesses from sending waste to landfill. We help them by offering programmes and services, such as Target Sustainability, that assist businesses to reduce waste and to be more energy and water efficient.

What did we achieve?

Gas extracted from the Burwood Landfill is used at the Civic Building and the CWTP for drying biosolids.

The kerbside collection system continues to perform well. Diversion figures are in line with expectations.

BRRP has continued to take construction and demolition waste. Since it opened the site has received about 700,000 tonnes. In 2014/15 the plant successfully sorted 192,524 tonnes.

We continue to work as part of the Canterbury Waste Joint committee towards regional waste minimisation projects.

We are working with other councils across the country on the national 'Love food, Hate waste' campaign.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Commercial and Industrial Waste Minimisation Programmes, tools, events and services that assist businesses with their efficient use of resources, including Target Sustainability Services.	Businesses actively taking part in Target Sustainability.	At least 75 businesses actively taking part in Target Sustainability each year.	Achieved	112 business projects taking part in Target Sustainability.	2014: 152 business projects. 2013: 114 business projects.
	Proportion of businesses actively taking part in Target Sustainability satisfied with the advice and support received.	At least 85% customer satisfaction each year.	Achieved	100% satisfied.	2014: 100%. 2013: 100%.
Organic Material Collection and Composting Domestic kerbside collection for organic material (food and garden waste).	Amount of organic material collected at Council facilities and diverted for composting.	Greater than 175 kg +30%/-10% organic material collected at Council facilities and diverted for composting facility / person / year.	Achieved	187.10 kg of material was collected at Council facilities and diverted for composting - facility/person/year.	2014: 194 kg per person. 2013: 184.5 kg per person.
	Customer satisfaction with kerbside collection service for organic material.	At least 80% of customers satisfied with Council's kerbside collection service for organic material each year.	Achieved	85%.	2014: 82%. 2013: 83%.
	Kerbside wheelie bins for organic material emptied by Council services.	At least 99.5% kerbside wheelie bins for organic material, emptied when correctly placed at the kerbside each week.	Achieved	99.8%.	2014: 99.8%. 2013: 99.8%.
Organics processing, including operation of the composting plant.	Proportion of incoming organic material that is contaminated and sent to landfill.	Less than 2.5% (by weight) contamination of incoming organic material.	Achieved	0.9% (by weight) contamination of incoming organic material sent to landfill.	2014: 0.1% (by weight). 2013: less than 2.5% by weight.
Recyclable Materials Collection and Processing Domestic kerbside collection service for recyclable materials.	Customer satisfaction with kerbside collection service for recyclable materials.	At least 90% customers satisfied with Council's kerbside collection service for recyclable materials each year.	Achieved	95%.	2014: 93%. 2013: 94%.
	Kerbside wheelie bins for recyclables emptied by Council services.	At least 99.5% collection achieved when items correctly presented for collection.	Achieved	99.8%.	2014: 99.8%. 2013: 99.8%.
	Proportion of incoming recyclable materials that are contaminated and sent to landfill.	Less than 10% (by weight) contamination of incoming recyclable materials.	Not achieved	10.6%. System improvements have meant additional contamination is being identified and removed from the recyclable product.	2014: 10%. 2013: 8.8%.
	Recyclable materials collected and received by Council services and received for processing at the Materials Recovery Facility (MRF).	120 kg +40%/-10% recyclable materials / person / year collected and received by Council services.	Achieved	110 kg per person.	2014: 109 kg per person. 2013: 112.2 kg per person.
Residual Waste Collection and Disposal Domestic collection services for residual waste (refuse) for households and businesses (domestic quantities only).	Customer satisfaction with kerbside collection service for residual waste.	At least 90% customers satisfied with Council's kerbside collection service for residual waste each year.	Achieved	92%.	2014: 90%. 2013: 93%.
	Kerbside residual waste collection - emptied by Council services.	At least 99.5% collection achieved when items correctly presented for collection.	Achieved	99.8%.	2014: 99.9%. 2013: 99.9%.
	Tonnage of residual waste collected by Council services.	No more than 120 kg / person / year from collection services disposed to Kate Valley (reflects impact of EQ in short term – target to be revised for LTP 2015).	Achieved	116.2 kg per person.	2014: 109 kg per person. 2013: 106.4 kg per person.
Operation and care of closed landfills.	Consent compliance for closed Council landfills.	No major or persistent breaches of consents for closed Council landfills per year, as reported by ECan or Council.	Achieved	No major or persistent breaches of consents in the past year.	2014: No major or persistent breaches of consents.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Processing, reuse and residual disposal of construction and demolition through the BRRP.	Consent compliance for operations at BRRP.	No major or persistent breaches of consents associated with BRRP per year as reported by ECan or Council.	Achieved	No major or persistent breaches in the past year.	2014: No major or persistent breaches of consents.
Refuse transfer stations receipt and processing of residual waste.	Consent compliance for Council refuse transfer stations.	No major or persistent breaches of consents for transfer stations per year, as reported by ECan or Council.	Achieved	No major or persistent breaches in the past year.	2014: No major or persistent breaches of consents.
		Resource consents are obtained and kept current for refuse transfer stations.	Achieved	All transfer stations have current resource consents.	2014: Resource consents obtained and kept current.
Residual waste transportation to landfill.	Tonnage of residual waste sent to Kate Valley from Christchurch.	Operative Waste Management and Minimisation Plan target 320 kg / person / year by 2020.	On track	Currently 858.2 kg per person. Target to be revised in 2018/19 Waste Management and Minimisation Plan to reflect changing environment due to the earthquake rebuild.	2014: Waste to landfill is higher than anticipated at present.
		Reduction of refuse disposed of to Kate Valley Landfill measured in kg / person / year: 540 kg/person.	Not achieved	858.2 kg per person is actually being disposed (660.6 kg general waste and 197.6 kg special waste). The reason for the increase is demolition and rebuild waste as Kate Valley is the only site in Canterbury able to receive asbestos contaminated materials/soil.	2014: 699 kg per person of which 597 kg/person was general waste and 102 kg/person was special waste. 2013: 598.3 kg per person.

What assets do we use to deliver these activities?

The assets we use for refuse minimisation and disposal are the compost plant, the BRRP and refuse transfer stations. We also rely on vehicles operated by the kerbside collection contractors and the materials recovery facility (recycling centre) owned and run by the subsidiary company EcoCentral.

The Council has awarded a contract for repairs on its three transfer stations.

Where are we heading?

We will continue working with residents to maximise diversion through the kerbside system. Education programmes aim to maximise the amount of organic waste that households divert, and ensure we minimise contamination of the organic and recyclable streams.

We will continue to take an active part in the Canterbury Waste Joint Committee, with programmes for waste

reduction, and monitoring the reduction of waste to landfill from across Canterbury.

The BRRP will continue to sort waste in 2015/16. We expected less construction and demolition waste this year, which did not happen, but expect it will start to drop off in late 2015. Sorting operations will continue over the next three to four years.

Landfill gas from the old Burwood landfill will run the biosolids drying facility at CWTP and the Council's civic offices. When the Christchurch Art Gallery is reopened it will be supplied with landfill gas again.

We continue to work with businesses and the Council to reduce the waste sent to landfill and to be more energy and water efficient.

Service delivery in 2015/16

We will deliver the levels of service detailed in the LTP and Activity Management Plans in the 2015/16 year.

What did it cost?

Refuse minimisation and disposal

Statement of cost of services for the year ending 30 June

			2015	2014	
	Costs (After internal recoveries) \$000	Income \$000	Net Cost \$000	Plan Net Cost \$000	Net Cost \$000
Operational outputs					
Recyclable materials collection and processing	7,642	1,422	6,220	6,559	5,895
Residual waste collection and disposal	18,122	6,658	11,464	13,462	8,924
Organic material collection and composting	17,986	4,592	13,394	14,149	13,692
Commercial and industrial waste minimisation	463	85	378	516	405
Capital revenues	-	123	(123)	-	(1,239)
Cost of service	44,213	12,880	31,333	34,686	27,677
Capital expenditure					
Renewals and replacements			917	1,040	614
Improved service levels			22	26	25
Increased demand			-	-	-
Infrastructure rebuild			1,263	-	1,903
Total capital expenditure			2,202	1,066	2,542

Explanation of significant cost of service variances

Residual Waste Collection and Disposal is \$2.0 million under spent on plan because of \$2.2 million of additional Burwood landfill recoveries, partially offset by a \$0.4 million reduction in the EcoCentral volume rebate as a result of a change in the contract.

Residual Waste Collection and Disposal is \$2.6 million over spent on last year because of a \$1.9 million reduction in net recoveries from Burwood landfill, and the \$0.4 million reduction in the EcoCentral contract as mentioned above.

Organic Material Collection and Composting is \$0.8 million under spent against plan because actual growth in collections was lower than the budget assumptions.

Capital Revenues are under recovered by \$1.1 million against last year because of loan repayments for the \$5 road levy charges which have now been completed.

Significant capital expenditure

\$1.2 million was spent on earthquake repairs at the Organics Processing Plant.

Explanation of significant capital expenditure variances

The \$1.1 million variance to plan is due to earthquake repairs work completed at the Organics Processing Plant. Budget for this project was carried forward from the prior year.

Council activities and services

Regulatory services

What is regulatory services, and what does the Council do?

Our regulatory services teams make sure we follow all the laws and rules that apply in the City to keep our residents healthy and safe. The aim is to protect the public from hazards and nuisances and educate people about their obligations.

Why is the Council involved in regulatory services?

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and the future.

Regulatory services are needed to administer the laws that govern building and development work, the health and safety of licensed activities, and the keeping of dogs. The Council enforces compliance with regulations, monitors individual licences and approvals, investigates complaints and non-compliance, and assesses the potential effects of various activities while still enabling builders, developers and property owners to carry on their business.

Regulatory services activities contribute to the environmental and economic well-being of the community through the provision of resource consents, building consents, licensing approvals, inspections of construction work, and enforcement of health, noise, parking and other bylaws.

They contribute toward the achievement of the City's Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment, a healthy city and an attractive and well-designed city – four of the nine goals for our city that are included in our Community Outcomes. This contribution is made by ensuring legislative requirements are complied with, nuisances are minimised and the consenting process minimises adverse effects and ensures a safe and attractive built environment.

How does it affect me?

You use the Council's regulatory services if you build a new home or commercial building, open a business, request a property report before buying a home, or express concern about noise. These services affect how you handle dogs and farm animals, and where you can buy alcohol. They also ensure that the places you go to eat and drink are healthy and safe.

What activities are involved in regulatory services?

Regulatory Compliance (formerly Licensing and Enforcement)

Our regulatory compliance teams protect the health and safety of the city by minimising potential hazards – this includes controlling dogs and wandering stock, controlling where alcohol can be sold, and carrying out

health inspections at food outlets. The team ensures that residents and businesses comply with rules for building, parking, and the City Plan and bylaws. It also responds to complaints about noise. Educating the public about the rules is a key part of the regulatory compliance team's work.

Building Consenting and Inspections

The processing and issuing of building consents, subsequent inspections and the issuing of code compliance certificates and compliance schedules are fundamental to ensuring the ongoing development and rebuild of the city. Collectively these functions are designed to ensure that new buildings fully meet the requirements of the Building Act 2004, Building Code and various Building Standards and Guidelines. The environment in post-earthquake Christchurch is made more complex by the many hazards that must be taken account of, i.e. flooding, rockfall and other land instabilities. In addition, land damage means that affected buildings must have specific design. Provision of public advice is undertaken through web pages, duty phones and pre application meetings which assist property owners, builders and developers. A number of initiatives have been implemented including the residential streamline consenting process for some of the group home builders' low risk houses resulting in faster processing times. Regular forums are in place with industry professionals and various representative groups in the sector to ensure a heightened level of engagement leading to increased quality and consistency of applications.

Resource Consenting

Resource consents are required when a development or building does not meet the requirements set out in the City Plan or Banks Peninsula District Plan. The Plans have been developed in consultation with the community and set a benchmark for environmental and amenity outcomes. Consents are processed to ensure outcomes are maintained and are required to be processed within statutory time frames to ensure development is not held up by lengthy regulatory processes. Information about the process and requirements can be obtained by viewing Council's website, by phoning the duty planner, or by arranging a pre-application meeting.

Building Policy

The Building Policy activity includes services to maintain and administer Council's Earthquake Prone, Dangerous and Insanitary Buildings Policy, BCA registration and accreditation and responding to Building Act-related claims. This latter service includes WHRS claims, incorporating the Government's Financial Assistance Package (FAP) Scheme, where Council along with the Crown, contribute towards remediation. The sharing of information, collected about buildings, with CERA, is also an essential part of maintaining earthquake prone building records and property information of commercial buildings in the City.

Land and Property Information Services

This service provides Council's customers with property specific information to ensure building or property development decisions are based on good information.

This assists customers in making informed decisions on regulatory related projects. We provide this on a day to day basis through general public advice services, project specific advice via pre-application meetings, and Land Information Memorandum (LIMs) and property file information upon request.

What did we achieve?

Building Consents and Inspections

There were 878 pre-application meetings conducted this year with 47% relating to commercial projects and 53% for residential projects. Customers utilising this service were canvassed and this service achieved an 82% satisfaction result.

During the year there were 9,701 building consents granted.

The total value of building works for the consents granted during the year was \$3,091,232,102, an increase of 19% on the previous year.

8,552 residential consents were granted with a value of \$1,646,826,268, an increase of 13% over 2013/2014. 1,149 Commercial consents were granted with a value of \$1,444,405,834 an increase of 27%.

The number of inspections completed was 58,432, up from 41,397 in 2013/2014. The total number of inspections for the residential sector was 51,904.

During the year there were 6,607 Code compliance certificated issued of which 5,152, 78%, were issued within 20 working days.

The LIMs Team processed a total of 10,984 LIMs during the year. 100% of these LIMs were processed within the statutory timeframe of 10 days. In response to customer feedback a fast track process for LIMs has been implemented which has significantly reduced the processing timeframes for customers.

In December 2014 the building control and city rebuild group re-gained Building Consent Authority accreditation status.

Resource Consents

The 2014/15 year saw the team process a record number of resource consent applications which reflected a peak in the rebuild activity following the Canterbury earthquakes. The unit processed 2,385 land use resource consents and 482 subdivision resource consents. The application numbers increased from 2,197 and 399 respectively.

The unit achieved 99.9% compliance against statutory processing timeframes for the year.

The unit also performed well against a stretch target of processing straightforward applications within 10 working days instead of 20 working days. For the 2014/15 year, 99% of straightforward applications were processed within the shortened timeframe of 10 working days.

Planning advice was provided for 653 pre-application meetings for the year and the unit maintained a duty planning phone line to provide instant planning advice

to the public. Overall the customer satisfaction of the service ranged from 71% to 89%.

Regulatory Compliance Unit

The Animal Management Team re-inspected 58 properties for dogs classified as dangerous and 243 high risk or menacing dog properties to check for compliance. 100% of the 86 priority one complaints, involving aggressive behaviour by dogs or wandering stock were responded to within 10 minutes. Three dog complaints involving serious injury were referred to the Police within five minutes of confirmation. Animal Management Staff also ran "Dogsmart" a dog bite prevention programme in schools, this year the programme was provided to 67 schools and rolled out across the North Island.

The Animal Shelter is open weekdays 1.00pm to 5.30pm and on Saturdays 11.00am to 1.00pm, with Animal Control open 8.00am to 5.00pm weekdays. In addition to providing shelter facilities, during 2014/15 1,050 dogs were micro-chipped for free.

The Environmental Health Team handle matters such as noise and health risks. Of the 11,495 noise complaints received 90% were responded to within one hour. Of those noise complaints where a visit was conducted and noise found to be excessive (1,954) an excessive noise direction was issued in 97% of instances. Where reports of matters that pose a serious risk to public health were received 100% of the investigations (eight) were started within 24 hours (these include complaints such as Asbestos, P- Labs, contaminated land and Hazardous Substances and New Organisms - HSNO).

Licensing & enforcement public advice is provided at the Civic Offices, where counter service is available between 8.30 and 5.00pm Monday to Friday, excluding public holidays.

Parking compliance services are provided on weekdays Monday to Friday between 7.00am to 6.30pm and on weekends between 8.00am and 4.00pm, excluding public holidays. The Parking Compliance Team responded to 2,088 high priority complaints averaging 13 minutes in the city and 16 minutes in the suburbs. Of the six parking matters resulting in a court hearing all cases were proven.

The Alcohol Licensing Team completed 36 monitoring visits at premises identified as high risk, 100% of those premises identified were visited twice within 12 months. The Team dealt with 112 applications for new on/off and club licences, 100% were reported upon within 28 days of receipt (subject to receipt of all objections, oppositions and statutory reports).

Food Safety & Health Licensing re-inspected 56 non-compliant food premises twice within 6 months. Over 87% of the 1,984 registered food premises were inspected by an Environmental Health Officer during the year.

The Compliance & Investigations Teams have completed monthly inspections of clean-fill over 16 sites and the shared service Waste and Environmental Management Team have completed 37 inspections of all known earthquake waste demolition sites. All 883 of the temporary accommodation permits recorded in the

Council's database have been inspected prior to the expiry date of their permit. 82 investigations into reports of matters that pose a risk to public safety were commenced within 24 hours of the Compliance & Investigations Teams being notified. Where staff have identified non-compliance with the City Plan, Resource

Management Act, Building Act and Bylaws 4,094 corrective actions were taken.

42% of swimming pools on the Councils register have been inspected, comprising 2,177 visits.

How did we measure up?

During the year within the Building Consenting and Inspections activities further work has been undertaken to monitor and measure the performance targets outlined below. This work has meant that it has not been possible to accurately measure compliance with those measures that require performance within a certain number of days. These issues have been identified by management and corrective actions were put in place and it is expected that accurate full year results will be available in 2016.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Building Consenting and Inspections					
Annual building Warrants of Fitness.	Ensure that building Warrants of Fitness are accurate through the use of desktop and physical audits.	Audit of 200 commercial sites per annum (once the new operational processes are in place, new quantitative levels of service will be set).	Achieved	204 audits were completed for the year.	2014: Not measured. 2013: 195 audits.
Building consenting public advice.	% satisfaction with building consenting public advice provided.	Provide 90% satisfaction to build project customers with concept and consent preparation advice services.	Achieved	97%.	2014: 96%. 2013: 94%.
	Provide public advice service to support building consenting customers.	Counter service at Civic Offices between the hours of 8.00am – 5.00pm, Monday to Friday (excluding public holidays).	Achieved	Public advice counter was staffed between the hours of 8:00am to 5:00pm Monday to Friday excluding public holidays all year.	2014: 100%. Counter hours were provided between 8:30am-5:00pm throughout the majority of year. These changed to 8:00am-5:00pm when the target was amended. 2013: No year end data provided.
Building consents.	Develop and implement consenting processes to improve the quality of building consent applications to enable faster issue of consents.	The minimum level of service is the statutory requirement to issue 100% of building consents within 20 working days from the date of lodgement (note: once the new processes are in place, new quantitative levels of service will be set with Council).	Not achieved	2015: A total of 9,911 consents were issued. New monitoring processes were implemented during the year which indicate that up to 89% of consents were issued within the statutory timeframe of 20 working days. An accurate figure is not available as the processes were implemented throughout the year.	2014: A total of 9,332 consents were issued of which 57% were completed within 20 working days.
Building inspections and Code Compliance Certificates.	Carry out building inspections in a timely manner.	Carry out 99% of inspections within three working days.	Not achieved	51,903 residential inspections and 6,523 commercial inspections were completed. Monitoring was implemented in March 2014 and was further amended during the year. As a result an accurate full year result is not available. The data available indicates that residential inspections on average were carried out within 6 days and commercial inspections on average were carried out within 4 days.	2014: Formal monitoring of turnaround time for inspections only began in March 2014, consequently a full year result is not available. Current performance averages a 7.5 working day turnaround. 2013: 100%.

Council activities and services - Regulatory services

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Develop and implement processes to enable Commercial Code Compliance Certificate (CCC) applications to be processed in a timely manner, to enable faster issue of CCCs.	The minimum level of service is the statutory requirement to issue 100% of CCCs within 20 working day from the date of request (note: once the new processes are in place, new quantitative levels of service will be set with Council).	Not achieved	6,859 total for the year 5,289 = 77% within 20 days. 1,570 = 23% over 20 days. Residential: 6,184 YTD = 76% in 20 working days Commercial: 673 YTD = 86% in 20 working days.	2014: 71% of total CCC decisions were completed within 20 working days – 5,856 CCCs issued. 2013: No whole of population reporting available.
Building Policy					
Building accreditation review.	Achieve Building Consent Authority status for all building works (except dams).	Achieve 'Building Consent Authority' status.	Achieved	BCA Accreditation regained 17 December 2014.	2014: Accreditation was revoked on 1 July 2013 and a Crown Manager appointed.
Building policy development.	Council building policy meets Building Act requirements.	Council building policy meets Building Act requirements at all times.	Achieved	Building Act requirements were met at all times by Council's building policy.	2014: Building Act requirements were met at all times by Council's building policy.
	Council provides input into the development of new or amendment of national building legislation, standards and codes.	Agree programme of policy review including timeframes with the appropriate Committee/ Council, annually by 31 May.	Achieved	Supplementary Submission on Earthquake Prone Buildings Amendment Bill to Government, and Building Act Emergency Management Proposal Feedback to MBIE.	2014: The programme of policy review was agreed by 31 May and a submission to the select committee on proposed earthquake prone building legislation was presented in person on 26 June 2014.
		Deliver 100% of the agreed programme.	Achieved	No active building act/regulation/code legislation currently being consulted on.	2014: The programme was agreed on 26 June 2014. Delivery is currently underway.
	Maintain a public register of earthquake-prone buildings in Christchurch.	(To be determined when legislation enacted) Interim LOS is: Update the proposed Earthquake Prone Building Register whenever the Council becomes aware of a change of a building's earthquake-prone status.	Achieved	The register is up to date as at 17 June 2015.	2014: The register is up to date as at 1 May 2014.
Claim management - building related.	Manage the processing of general negligence (building-related) claims under the appropriate forum.	Process the general negligence (building-related) claims to agreed timeframes to settle or remove Council as a party.	Achieved	All claims are being managed with Council's legal partners.	2014: All claims are being managed with Council's legal partners.
		Settlement contributions are agreed in accordance with Financial Delegation Authority (FDA) prior to attending negotiations.	Achieved	All activities are being undertaken in accordance with the delegation standard.	2014: All activities are being undertaken in accordance with the delegation standard.
	Notify relevant building related claims to insurer.	Notify 100% of building related claims to brokers within 10 working days.	Not achieved	43% of building related claims were notified within 10 working days.	2014: 27% of building related claims were notified within 10 working days. 2013: No year end data supplied.
	Review the causes of settled claims and put steps in place to limit future events.	Ensure that the outcomes of annual reviews lead to updating of policies, where and if required, to reduce the number of new general negligence (building - related) claims.	Not achieved	New automated processes have been built but no annual report was undertaken due to lack of claims, therefore no policy updates were made.	2014: New level of service set in June. 2014 and process is yet to be implemented.
		Identify and report, with appropriate recommendations, on the contributing factors in claims that have settled in the fund year.	Not achieved	No official report undertaken but training given to staff on the possible contributing factors in claims. New automated processes have been built.	2014: New level of service set in June. 2014 and factors are yet to be identified and reported with recommendations.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Claim management - planning related.	Manage the processing of general negligence (planning-related) claims under the appropriate forum.	Process the general negligence (planning-related) claims to agreed timeframes to settle or remove Council as a party.	Achieved	No general negligence claims notified.	2014: Achieved. No claims received.
		Settlement contributions are agreed in accordance with FDA prior to attending negotiations.	Achieved	No general negligence claims.	2014: Achieved. There were no claims that required the exercise of FDA.
	Notify relevant building related claims to insurer.	Notify 100% of planning related claims to brokers within 10 working days.	Achieved	No general negligence claims notified.	2014: Achieved. No claims received.
	Review the causes of settled claims and put steps in place to limit future events.	Ensure that the outcomes of annual reviews lead to updating of policies, where and if required, to reduce the number of new general negligence (planning-related) claims.	Achieved	No claims in the 2014/15 year.	2014: Achieved. No claims received.
Weathertight claims resolution.	Manage the processing of weathertight-related claims under the appropriate forum.	Identify and report, with appropriate recommendations, on the contributing factors in claims that have settled in the fund year.	Achieved	No claims in the 2014/15 year.	2014: New level of service set in June 2014 and factors are yet to be identified and reported with recommendations.
		Process weathertight-related claims to settle or remove Council as a party, to agreed timeframes (timeframes are those agreed to by both parties).	Achieved	All weathertight related claims were processed to settle or remove Council as a party to agreed timeframes.	2014: All weathertight related claims were processed to settle or remove Council as a party to agreed timeframes.
		Settlement contributions are agreed in accordance with the FDA prior to attending negotiations.	Achieved	All activities are being undertaken in accordance with the appropriate delegation.	2014: All activities are being undertaken in accordance with the appropriate delegation.
	Manage the resolution of Weathertight Homes Resolution Services (WHRs) Financial Assistance Package (FAP) Scheme claims.	Assess and process 100% of WHRS FAP claims within timeframes stipulated in the MBIE FAP contracts.	Achieved	Processes have been refined to focus on resolution of known issues. No matters have been escalated to MBIE.	2014: 37.5% are processed within timeframes (Out of 8 applications, 3 were processed within 20 days).
	Review the causes of settled weathertight-related claims and put steps in place to limit future events.	Ensure that outcomes of annual reviews lead to updating of appropriate policies to reduce the number of new weathertight-related claims.	Not achieved	New automated processes have been built but no annual report was undertaken due to lack of claims, therefore no policy updates were made.	2014: New level of service set in June 2014 and policies are yet to be updated.
		Identify and report on the contributing factors in weathertight-related claims that have settled in this Fund Year with appropriate recommendations.	Not achieved	No official report undertaken but training given to staff on the possible contributing factors in claims. New automated processes have been built.	2014: New level of service set in June 2014 and factors are yet to be reported with recommendations.
Land and Property Information Services					
General public advice.	Ensure customers satisfied with Regulatory Services public advice provided at Civic Offices.	Ensure 90% of customers satisfied with service provided.	Achieved	97% satisfaction.	2014: 95%. 2013: 94%.
	Provide counter service operations for Regulatory Services customers.	Counter service at Civic Offices between the hours of 8.00am – 5.00pm, Monday to Friday (excluding public holidays).	Achieved	100% of Counter Service Hours 8:00am to 5:00pm.	2014: 100%. Counter hours were provided between 8:30am-5:00pm throughout the majority of year. These changed to 8:00am-5:00pm when the target was amended. 2013: 100%.

Council activities and services - Regulatory services

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Issuing property files.	Provide residential property files to customers in electronic format.	Provide 90% of residential property files to customers in electronic format within three working days of request.	Achieved	91%.	2014: 99%. 2013: 87%.
	Provide viewing services to customers requesting to view commercial property files.	Access to documents available between the hours of 8.30am – 5.00pm, Monday to Friday (excluding public holidays).	Achieved	100%.	2014: 100%. 2013: 100%.
	Retrieve and provide commercial property files in hard copy for customers.	Retrieve and provide 90% of commercial property files within three working days of request.	Achieved	99%.	2014: 98%. 2013: 95%.
		Retrieve and provide 95% of optional requests for scanning of records within five working days (charges apply).	Achieved	100%.	2014: 100%. 2013: 94%.
Land Information Memoranda.	Process LIM applications within statutory timeframes.	Process 100% of LIM applications within 10 working days (excl Christmas period of closure).	Achieved	100% of the 10,984 LIMs processed within the statutory timeframe.	2014: 99.9% of LIMs were produced within the statutory timeframe. 2013: 100% of 9,944.
Manage the consent preparation process meetings.	Ensure consent preparations customers are satisfied with meeting service provided.	Ensure consent preparation customers are satisfied (Note: once the new processes are in place, new quantitative levels of service will be set with Council).	Achieved	82%. No target satisfaction level was set for the year the result is a 4% increase on 2014.	2014: 78%. There is no % target stated but the previous target was 99%. We have reframed how these meetings are managed, including minute taking through to ensuring customers gets value for money.
	Provide meeting records to all parties in attendance.	Provide meeting records within two working days of the meeting date for 90% of consent preparation meetings.	Not achieved	86% of records provided within two working days.	2014: 75%. 2013: 65%.
Project Information Memoranda (PIMs).	Process PIMs.	Process 100% of PIM applications within 20 working days (excl Christmas period of closure).	Not achieved	99% of PIM applications were processed within 20 working days.	2014: 87%. 83% BC/PIM/ Development report combined applications were processed within 20 days.
Licensing and Enforcement					
Animal control.	Annually re-inspect properties of dogs classified as dangerous and high risk or menacing to check for compliance.	95%.	Achieved	100%.	2014: 100%.
	Percent of priority one complaints (aggressive behaviour by dogs and wandering stock) responded to within 10 minutes.	95%.	Achieved	100%.	2014: 96%.
	Priority one dog complaints involving serious injury are referred to the Police within five minutes of confirmation of serious injury.	100%.	Achieved	100%.	2014: 100%. 2013: 100%.
	Provide animal control services, including the Animal Shelter.	Free micro-chipping for dogs.	Achieved	1,050 dogs micro-chipped free of charge.	2014: 1,067 microchips inserted into dogs.
		Opening hours for Animal Control Weekdays 8.00am to 5:00pm (Weekends Closed).	Achieved	100%.	2014: 100%.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		Opening hours for Animal Shelter Weekdays 1:00pm to 5.30pm Weekends, Saturday only 11:00am to 1:00pm.	Achieved	100%.	2014: 100%.
		School dog education programmes provided for approximately 20 schools per annum.	Achieved	67 dog bite presentations to children in schools.	2014: 44 bite prevention presentations at schools and seven adult presentations to Post workers, Police and bailiffs.
Enforcement relating to legislative breaches including City Plan and bylaws.	A minimum percentage of swimming pools are inspected annually.	25%.	Achieved	41.9%.	2014: 36.9%. 2013: 52.5%.
	All known earthquake waste demolition storage sites and clean fill sites inspected bi-monthly.	95%.	Achieved	100%. 16 sites inspected monthly this year.	2014: 100%. All known sites have been inspected more frequently than bimonthly with most sites subject to monthly inspections.
		Report periodically to Regulatory and Planning Committee.	Achieved	Quarterly Waste and Environment Management Team report to Transport, Infrastructure & Environment Committee.	2014: The Waste management report is currently in the process of being presented to Environmental Committee.
	Court proceedings taken by the Council are fair and in the public interest.	100%.	Achieved	The Unit presented 14 prosecutions before the Court in 2014/15. Of those 14 prosecutions 13 were successful and 1 was discharged without conviction.	2014: 10 prosecutions were initiated during the 2013/14 year with all decisions to prosecute meeting the Solicitor General Guideline tests for evidential sufficiency and public interest factors. 2013: 1 prosecution.
	Investigations into reports of matters that pose a serious risk to public safety are commenced within 24 hours (for matters such as: dangerous buildings, non-consented dangerous works - buildings/evacuations).	100%.	Achieved	100%.	2014: 100%. 77 matters were, reported as posing serious risk. They were all investigated within a 24 hour period. 2013: 100%.
	Monitoring of temporary accommodation permits - all permit holders inspected at least 12 months prior to expiry of permit.	95%.	Achieved	97%.	2014: Analysis of temporary accommodation permits completed and those with expiry dates pre April 2016 identified and inspected.
	Upon confirmation by Council staff of non-compliance, at least one written advice regarding corrective action (warnings) to be given for breaches of City Plan, Resource Management Act, Building Act and bylaws breaches within 30 days.	95%.	Achieved	100%.	2014: 100%. 2013: 95%.
Environmental compliance, including noise control and environmental health.	Complaints in relation to noise are responded to within one hour.	90%.	Achieved	90%.	2014: 90%. 2013: 91%.

Council activities and services - Regulatory services

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Investigations into reports of matters that pose a serious risk to public health are started within 24 hours (for matters such as Asbestos, P- Labs, contaminated land and HSNO).	100%.	Achieved	100%.	2014: 100%.
	Noise direction notices issued immediately upon first visit and confirmation of "excessiveness".	95%.	Achieved	97%.	2014: 93%. This is a new KPI for which the target was not met for the first month, but averaged 95% for all subsequent months.
Health licensing.	Identified non-compliant food premises to be re-inspected twice within six months.	100%.	Not achieved	Target not able to be measured.	2014: 100%. 76 premises were identified for re visit, of which all premises were scheduled and visited.
	Inspect all food premises once per year.	75%.	Achieved	87%. Of the 1,984 registered premises, 1,725 were visited. The additional length of time associated with the Audit process for Food Control Plans resulted in increased inspection times, resulting in less premises being inspected.	2014: 98%. 1,775 premises were visited of a total 1,805 registered. 2013: 100%, 1,724 premises.
Licensing and enforcement public advice.	Provide public advice service to support licensing and enforcement customers.	Counter service at Civic Offices between the hours of 8.30am to 5:00pm, Monday to Friday (excluding public holidays).	Achieved	Public Advice counter was staffed between the hours of 8:00am to 5:00pm Monday to Friday excluding public holidays all year.	2014: 100%. Counter hours were provided between 8:30am-5:00pm throughout the majority of year. These changed to 8:00am-5:00pm when the target was amended.
Liquor licensing.	Inspect all high risk liquor premises (assessed using Council Liquor Licensing Team risk assessment methodology) at least twice per year.	95%.	Achieved	100%.	2014: 100%. 2013: 100%.
	Report on all new On/Off/Club applications under the Sale and Supply of Alcohol Act within 28 working days of receipt of application with the District Licensing Committee (subject to receipt of all objections, oppositions and statutory reports).	Report on 95% of all new On/Off/Club applications under the Sale and Supply of Alcohol Act within 28 working days of receipt of application with the District Licensing Committee.	Achieved	100%.	2014: 99%.
Parking enforcement and administration.	Parking enforcement officers average response time to requests for service.	City: 95% response within 15 minutes.	Not achieved	69.5% (212/305). High priority complaint response times in the City were on average 13 minutes. 93 complaints not attended within 15 minutes.	2014: High priority complaint response times were responded to, on average, in 14 minutes.
		Suburbs: 95% response within 20 minutes.	Not achieved	75.4% (1,345/1,783). High Priority complaints in suburbs were responded to, on average in 16 minutes. 438 complaints not attended within 20 minutes.	2014: High priority complaints in the suburbs were responded to, on average, in 16 minutes.
	Parking enforcement services provided.	Weekdays: Monday to Friday (7:00am to 6.30pm) and Weekends: (8:00am to 4:00pm) excluding public holidays.	Achieved	Parking enforcement services were provided at all times stipulated.	2014: Achieved.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Percentage of parking court defended hearings proved.	80%.	Achieved	100%.	2014: 87.5%.
Resource Consenting					
Development contributions assessment.	% development contributions assessments completed.	98% within 10 working days.	Not achieved	At present formal monitoring systems are not in place to measure this target for all development contribution assessments. Of those originating from building consents 99% of assessments are completed within 10 working days (excluding estimates and where additional information was required to complete assessments).	2014: Not measured. 2013: 100%.
Resource consenting public advice.	% satisfaction with resource and sub-division consenting public advice provided.	90% of customers satisfied with service provided.	Not achieved	89%. A project has been initiated targeting improvement opportunities in the customer experience area.	2014: 94%. 2013: 95%.
	Provide electronic portal for submission of resource consent and sub-division consent applications.	On-line portal available 24/7 (except for maintenance requirements).	Achieved	Portal maintained 24/7.	2014: 100%. 2013: No year end data supplied.
	Provide public advice service to support resource and sub-division consenting customers.	Counter service at Civic Offices between the hours of 8.00am – 5.00pm, Monday to Friday (excluding public holidays).	Achieved	Support provided for the counter service during the hours of 8.00am to 5.00pm Monday to Friday.	2014: 100%. Counter hours were provided between 8:30am-5:00pm. 2013: Figures not available.
Resource consents (notified, non-notified, appeals and temporary accommodation).	% of Central City land use consents processed within timeframes.	100% within 10 working days.	Not achieved	87%. 106 of 122 consents processed within time frames. This is a difficult target to consistently achieve as it includes processing of complex applications and involves consultation with the Joint Management Board to make a decision.	2014: 86%. 122 of 142 consents processed within the time frames. 2013: 73%.
	% of complex resource consents processed within statutory timeframes.	100% within the statutory timeframes.	Not achieved	99%. 2,150 of 2,169 consents processed within the time frames.	2014: 99%. 1,938 of 1,943 consents processed within the time frames. 2013: 98%.
	% of permitted temporary accommodation applications processed in timeframes.	100% within three working days.	Not achieved	80%. 4 of 5 applications processed within the time frames.	2014: 73%. 22 of 30 applications processed within the time frames. 2013: 72%.
	% of simple resource consents processed within statutory timeframes.	100% within 10 working days.	Not achieved	99%. 214 of 216 consents processed within the time frames.	2014: 99%. 251 of 254 consents processed within the time frames. 2013: 100%.
	% of site specific temporary accommodation applications processed within timeframes.	100% within five working days.	Not achieved	52%. 17 of 34 processed within five days. Complexity of application increased over the year and target has been amended for 2015/16 year to reflect added complexity.	2014: 44%. 55 of 133 applications processed within the time frames. 2013: 35%.
	% satisfaction with resource consenting process.	75% satisfaction.	Achieved	81%.	2014: 75%. 2013: 75%.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Ensure resource consent decision-making is robust and legally defensible.	No applications for judicial review of decisions are upheld.	Achieved	No judicial reviews received or upheld.	2014: No applications were received for judicial review. 2013: No applications successfully reviewed.
Subdivision consents.	% 'engineering sign-off of infrastructure' subdivision certification (s223) issued.	100% within 10 working days.	Not achieved	99%. 197 of 199 applications processed within the time frames.	2014: 99%. 185 of 187 applications processed within the time frames. 2013: 100%.
	% of complex subdivision consents within statutory timeframes.	95% within statutory timeframes.	Achieved	99%. 470 of 473 consents processed within the time frames.	2014: 99%. 377 of 380 consents processed within the time frames. 2013: 98%.
	% of simple subdivision consents processed within statutory timeframes.	100% within 10 working days.	Not achieved	89%. 8 of 9 consents processed within the time frames.	2014: 95%. 18 of 19 consents processed within the time frames. 2013: 97%.
	% satisfaction with subdivision consenting process.	75% satisfaction.	Not achieved	71%.	2014: 79% 2013: 74%.
	% subdivision completion certification (s224) issued.	100% within 20 working days.	Achieved	100%. 339 of 339 certificates issued within the time frames.	2014: 99%. 285 of 287 certificates issued within the time frames. 2013: 99.6%.

What assets do we use to deliver these activities?

No major assets are used in the delivery of these activities.

Where are we heading?

The city will experience a prolonged period of rebuild during the years ahead and we remain committed to delivering consenting, licensing and compliance/enforcement activities that will assist with the rebuild and support the normal ongoing needs of the Christchurch community. To assist in achieving this we will continue to promote pre-application meetings, electronic processing, streamlined building consent processes, allow temporary relocation of businesses in accordance with the Permitted Activities Order in Council and manage our compliance/enforcement activities in a sensitive and focussed manner.

Service delivery in 2015/16

These activities are expected to continue to have an earthquake recovery focus, particularly for building consent processing. There will be associated increases in building inspections and applications for code compliance certificates. During 2015/16 it is forecast that there will continue to be strong demand for consents. Focus is on quality process improvements which will deliver streamlined processes, efficiency gains, data accuracy and customer focussed service delivery.

The implementation of the new alcohol licensing legislation from December 2013 significantly changed the regulatory process associated with licensing

decision making. 2015/16 will see a focus on education and increasing compliance through the requirement for all new licence applications to go through a lodgement meeting process. The new fee regime will see further movement towards Council's costs associated with alcohol licensing activities being fully recovered.

2014/15 introduced the Food Act 2014 governing food hygiene and regulations are currently being developed to support the implementation of this legislation in March 2016. The legislation moves from an inspectorate regime into a more risk based approach to assessing food safety in our communities. To date 300 food premises have voluntarily implemented Food Control Plan's, 2015/16 will see a strong focus on transitioning an additional 400 premises under the Act. An appropriate fee structure which ensures Council's costs associated with delivering this new service are currently being developed.

A revised approach to Resource Management Act (RMA) compliance will see increased monitoring activity and better cost recovery processes in place with consent holders. The provisions of the Order in Council (OIC) have been extended to 2018 in some areas requiring continued monitoring of remaining sites established under the temporary accommodation rules.

2015/16 may see the implementation of a Freedom Camping Bylaw. This will result in an additional compliance work-stream in place with the ability for Council to better cost recover through the issue of infringement notices, for the monitoring activities it will need to undertake.

What did it cost?

Regulatory services

Statement of cost of services for the year ending 30 June

				2015	2014
	Costs (After internal recoveries) \$000	Income \$000	Net Cost \$000	Plan Net Cost \$000	Net Cost \$000
Operational outputs					
Licensing and enforcement	12,499	9,780	2,719	4,387	3,597
Building consenting and inspections	35,621	29,970	5,651	2,540	13,617
Resource consenting	8,015	6,286	1,729	2,000	1,649
Building policy	14,000	691	13,309	4,302	3,412
Land and property information services	3,772	5,321	(1,549)	(507)	(482)
Cost of service	73,907	52,048	21,859	12,722	21,793
Capital expenditure					
Renewals and replacements			-	56	42
Improved service levels			334	161	-
Increased demand			-	-	-
Infrastructure Rebuild			-	-	-
Total capital expenditure			334	217	42

Explanation of significant cost of service variancesLicensing and enforcement

Financial performance was better than plan by \$1.7 million as the result of delayed recruitment and policy changes. (For example \$1 million saving through stricter enforcement of noise control resulted in fewer call-outs and therefore less costs from our call-out provider.) In addition there was \$0.7 million of additional revenue made up of \$0.4 million from increased Alcohol Licensing fees, \$0.2 million from Animal Management and \$0.1 million from Parking Enforcement.

The cost of providing Licensing and Enforcement services in 2015 was \$0.9 million lower than 2014. This was as a result of increased revenues of \$0.6 million (Health Licensing \$0.2 million (increasing numbers of outlets), Alcohol licensing \$0.2 million (increasing numbers of outlets) and Animal Control \$0.2 million (more vigilant pursuit of unregistered dogs)). In addition there were also cost savings of \$0.3 million in professional advice and \$0.6 million in service contracts. The increase in revenue and cost savings was offset by a \$0.3 million increase in staff costs.

Building consenting and inspections

Building Consenting and Inspections net cost of service was \$3.1 million over plan.

Consenting net cost of service was \$2.3 million over plan. Lower volumes resulted in \$4.5 million less revenue. This shortfall was partially covered by a reduction of \$2.0 million in costs. \$2.6 million was saved in specialist professional input and outsourced processing, however, internal staff costs increased by \$0.6 million and some unbudgeted process improvement costs incurred up till December 2014 in regaining IANZ accreditation. Doubtful debts and legal fees added a further \$0.2 million.

Inspections net cost of service was \$0.9 million over plan. This was largely driven by higher staff and outsourced service contract costs incurred in an effort to deliver the higher than expected inspection volumes.

The net cost of service was \$8 million lower than the previous year. This was due to increased revenue collection and not incurring the one off Crown Manager's costs as a result of losing accreditation. The response included a restructure to create the new Building Control Group and required substantial unbudgeted expenditure.

Resource consenting

The \$0.3 million decrease in costs compared to the plan is the result of receiving more applications than planned. The increased cost of processing the applications was more than offset by the increased fee revenue.

Building policy

The provision for future weathertight homes, building act and general negligence claims was increased on the results of an actuarial assessment of the Council's risks. This resulted in the net cost of service for building policy being \$9 million higher than planned.

The net cost of service was \$9.9 million higher than 2014 due to the increase in the provisions discussed above offset by a decrease in accreditation-related costs of \$0.3 million reflecting the one-off nature of the 2014 costs of regaining accreditation to issue building permits.

Land and property information service

The target of 10,000 LIM sales was comfortably exceeded in 2015, with net costs exceeding budget and also last year's result by \$0.3 million. A similar result for PIM where stronger than expected consent volumes enabled revenue to exceed budget by \$0.9 million and exceed last year's result by \$0.6 million. The net cost of pre-application meetings was below budget by \$0.2 million in 2015 as the proportion of residential customers was greater than expected.

Significant capital expenditure

There was no significant capital expenditure.

Explanation of significant capital expenditure variances

There were no significant variances.

Council activities and services

Roads and footpaths

What is roads and footpaths, and what does the Council do?

We plan, build, operate and maintain Christchurch streets, parking and transport systems. We encourage sustainable travel alternatives such as walking and cycling.

We maintain road and related assets, and at the same time do earthquake repairs. CERA, SCIRT and NZTA are working together to repair and rebuild roads and footpaths in Christchurch.

We protect the roads and footpaths by coordinating when and where contractors can excavate to install and repair utilities like ultrafast broadband, water supply, wastewater pipes and electricity.

Why is the Council involved in roads and footpaths?

We provide streets and transport so that people have safe, easy and comfortable access to homes, shops, businesses and leisure activities.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Streets and transport activities contribute to the social, environmental and economic well-being by planning, providing and maintaining a road network for the city, as well as cycle and pedestrian linkages, malls and parking.

These activities also help achieve our Community Outcomes by:

- ensuring there are travel options that meet community need
- providing people with access to economic, social and cultural activities
- increasing the proportion of active travel journeys.

How does it affect me?

A well run transport system makes it easier to get around the city. Promoting active travel leads to residents rediscovering that biking and walking are pleasant and easy sustainable travel options. The Central City Development Unit Avon River Precinct project includes a colourful, active travel pathway, winding along the Avon River from the Antigua Street Bridge to the Fitzgerald Avenue twin bridges.

What activities are involved in roads and footpaths?

Road network

We are responsible for the road network, including the planning, building, and maintenance of roads, drainage and landscaping, street lighting and running the traffic safety programmes.

Active travel

We promote active travel including providing safe footpaths, pedestrian malls, open spaces for recreation, and on- and off-road cycle lanes.

Parking

We provide on- and off-street parking facilities that are safe, accessible and attractive, and allow easy access to work and leisure activities.

Public transport infrastructure

We provide the integrated bus infrastructure used by the bus companies that operate public passenger transport. This includes the central bus exchange (for the majority of the year), bus stops including suburban hubs and super stops, seats, shelters, bus priority and Passenger Real-Time Information Systems.

What did we achieve?

Despite significant disruption to the road network from repairs there has been only a slight fall in the proportion of all active travel trips such as cycling. However, the perception that Christchurch is a cycle friendly city has significantly increased and we expect the major cycleway route programme will further improve this perception.

Traffic congestion continues to pose challenges, however we have made it a priority to manage planned and unplanned events to minimise network disruption. We also aim to keep the processing and quality of temporary traffic management plans to a high standard.

Resident satisfaction with footpath quality is rising as repairs progress. Similarly satisfaction with roadway quality has also improved from last year. Response times to investigate repairs is within 24 or 48 hours depending on the road classification. Satisfaction with public transport infrastructure including the temporary Bus Interchange has stayed the same. When the new Interchange is finished we expect satisfaction levels to rise.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Year
Active travel Walking networks (including public footpaths, public pedestrian malls and open spaces).	Amenity: ensure perception of Christchurch as a walking friendly city.	At least 82% agree or strongly agree.	Achieved	82%.	2014: 77% based on results from the Council general Service Satisfaction Survey.
	Ensure resident satisfaction: with footpath quality.	Maintain resident satisfaction with footpath quality at least baseline from 2012/13 (excluding red zoned areas).	Achieved	51% satisfaction.	2014: Satisfaction survey result 43% a decrease from 2013. 2013: 45%.
	Mode Share: ensure proportion of all trips made by active means (walking).	Increase baseline from 2013/14 by 0.5%.	Not achieved	Moved from 3.2% 2012/13 Household Residents Survey to 3.6 % in the 2013/14 survey.	2014: Based on the Ministry of Transport Household Residents Survey, walking is 15.8% of all trips.
Cycling networks and facilities.	Amenity: ensure perception of Christchurch as a cycle friendly city.	At least 42% agree or strongly agree.	Not achieved	37% based on satisfaction survey.	2014: 26%. Based on general Service Satisfaction Survey.
	Mode Share: ensure proportion of all trips made by active means (cycling).	Increase baseline result from 2013/14 by 0.5%.	Not achieved	2013/14 survey received in February 2015 2.8% of trips made by cycling. This is a decrease from 3.1% in 2012/13.	2014: Baselines redefined as: Driver 51%, Walking 15.8%, Public Transport 3.2%, Cycling 3.1%, Passenger 25.8%, Motorcycle 0.1% and Other 0.9%. These are from the MOT household survey. The Census reports cycling commuters at 6%.
Parking On-street parking.	Customer satisfaction with ease of use of meters.	There is still more work to do in aligning councils parking objectives with the high level principles contained in both the draft "An Accessible City" chapter and the Christchurch Transport Strategy Plan.	Achieved	54% up from 50% in 2014.	2014: 50%. The drop in the rate compared to 2013 and 2012 appears to be due to issues with private car park operators, provision of parking at the Hospital/Airport and parking enforcement, not meters. 2013: 62%.
	Metered on-street parking spaces provided.	There is still more work to do in aligning councils parking objectives with the high level principles contained in both the draft "An Accessible City" chapter and the Christchurch Transport Strategy Plan.	Achieved	1,867 Spaces.398 space average increase compared to last year. This growth will slow as the Accessable City chapter reduces car parks.	2014: 1,485 metered parking spaces. 2013: 944 spaces.
	Metered on-street parking spaces usage.	There is still more work to do in aligning councils parking objectives with the high level principles contained in both the draft "An Accessible City" chapter and the Christchurch Transport Strategy Plan.	Achieved	852,398. Rate of increase will slow in 2015/16 as the Accessible City chapter reduces car park spaces.	2014: 717,615 this year for on-street. 2013: 610,000.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Year
Off-street parking (Council operating car parks).	Off-street, short term parking usage.	There is still more work to do in aligning councils parking objectives with the high level principles contained in both the draft "An Accessible City" chapter and the Christchurch Transport Strategy Plan.	Not achieved	529,000 cars parked compared to 588,000 last year due to the loss of Hospital on-site parking. 36,643 Transactions - 31% decline on same month 2014.	2014: 1,485 spaces. 2013: 687 spaces.
Public transport infrastructure					
Public transport infrastructure (stops, shelters (Council, Adshel), travel information services, priority systems).	Amenity: ensure user satisfaction with the number, quality of, and personal safety at bus shelters.	Satisfaction with number of bus stops: Increase baseline result from 2013/14 by 5%.	Achieved	60%.	2014: Baseline 54%.
		Satisfaction with personal safety at bus stops: Increase baseline result from 2013/14 by 5%.	Achieved	75%.	2014: Baseline 70%.
		Satisfaction with quality of bus stops: Increase baseline result from 2013/14 by 5%.	Not achieved	66%. An improvement of 3% on previous year but short of the 68% target.	2014: Baseline 63%.
	Congestion: manage peak travel times (7:30am to 9:30am and 4:00pm to 6:00pm) over 10 km of the public transport network travelled by buses.	Peak Travel Time no more than 26 minutes 4 seconds.	Achieved	Peak travel time is 24 minutes, 10 seconds.	2014: Peak travel time is 24 minutes 10 seconds. 2013: 25 minutes 4 seconds.
Transport interchanges.	Amenity: ensure user satisfaction with the appearance and safety and ease of use of the Central Transport Interchange (Bus Exchange).	Satisfaction with appearance of Central Transport Interchange (Bus Exchange): Increase baseline result from 2013/14 by 5%.	Not achieved	84%. While improved it is not the 5% increase required to meet the target.	2014: Baseline 83%.
		Satisfaction with ease of use of Central Transport Interchange (Bus Exchange): Increase baseline result from 2013/14 by 5%.	Not achieved	86%. A reduction on the 2014 baseline.	2014: Baseline 91%
		Satisfaction with safety at Central Transport Interchange (Bus Exchange): Increase baseline result from 2013/14 by 5%.	Achieved	79%.	2014: Baseline 72%.
Road network					
Road infrastructure (including roadways, kerbs, channels, bridges, structures and street lighting).	Resident satisfaction with roadway quality.	Residents satisfied with roadway quality: maintain at least the same as baseline result from 2012/13.	Not achieved	30%. The 2012/13 result was 35%.	2014: Satisfaction survey score of 27%. 2013: 35%.
	Response times: time taken to investigate repairs to road surface, once problem is identified.	Time taken to investigate repairs to road surface: Arterial roads: At least 95% within 24 hours.	Achieved	98.4% average across all contracts.	2014: 99.41%.
		Time taken to investigate repairs to road surface: Collector/local roads: at least 95% within 48 hours.	Achieved	98.4% average across all contracts.	2014: 99.4%. 2013: 51%.
	Street lights operating at night.	At least 99% street lights operating city wide.	Achieved	99.1%.	2014: 99.1%.
Traffic operations.	Congestion: interpeak travel times over 10km of the arterial road network travelled by private motor vehicles (10.00am to 12.00pm).	Interpeak travel times over 10km of the arterial road network travelled by private motor vehicles: no more than 15 minutes 20 seconds.	Not measured	No result provided.	2014: 14 minutes 46 seconds. 2013: 14 minutes 45 seconds.

Council activities and services - Roads and footpaths

Activity and Service	Level of Service	Target	Achieved	Result	Prior Year
	Congestion: peak travel times over 10km of the arterial road network travelled by private motor vehicles (7.30am to 9.30am and 4.00pm to 6.00pm).	Peak travel times over 10km of the arterial road network travelled by private motor vehicles at no more than 19 minutes 40 seconds.	Achieved	19 minutes, 27 seconds.	2014: 19 minutes 11 seconds. 2013: 17 minutes 45 seconds.
	Mode share: proportion of trips by private motor vehicles.	The proportion of private trips made by private vehicle: Decrease baseline result from 2013/14 by 1.5%.	Not achieved	76.3% in the 2013/14 Household Travel Survey.	2014: Baseline 77%. 2013: 77%.
Traffic systems (including signals).	Traffic information systems remain functional.	Decreasing number of hours of ITS (Intelligent Transport System) system failures: 2014/15 – Establish baseline.	Achieved	91.7% Camera Uptime 12 months.	
		Decreasing number of hours of communications failures: 2014/15 – Establish baseline.	Achieved	Total of 218 days of cumulative communication failure.	
		Decreasing number of non-functioning Intelligent Transport System assets: 2014/15 – Establish baseline.	Achieved	3666 RAMM Jobs (faults) in 12 months.	
	Unplanned network incidents (crashes, weather events etc.) are responded to.	Time from validation of incident to notification of appropriate agencies/resources less than 2 minutes.	Not measured	Not measured.	
		Decreasing time from resource notification to response onsite: 2014/15 – Establish baseline.	Not measured	No measurement method identified yet.	
		Decreasing time from response onsite to incident cleared: 2014/15 – Establish baseline.	Not measured	No measurement method identified yet. Measure changed in new asset management plan.	
	Productivity (transport system efficiency) of the road network improves.	Increasing volume of people and freight tonnes travelling on strategic routes 2014/15 – Establish baseline.	Achieved	Site Chosen as count site - Waimakiriri Bridge Southbound. Volume count last 12 months - 326,051 (light and heavy vehicles combined).	
	Real time road network operational state improves through decreased travel times.	Travel times on strategic routes trending downwards (includes core Public Transport corridors): 2014/15 – Establish baseline.	Achieved	Route Used - Belfast to Bealey Ave. Peak (7am - 9am), Monday - Friday (excluding public holidays). Average travel time 17.87 minutes.	
		Travel time reliability trending upwards (includes core Public Transport corridors): 2014/15 – Establish baseline.	Achieved	Only 1 route-Belfast to Bealey Ave. Peak (7am-9am) Monday - Friday, fastest time 65km/hr slowest time 12km/hr. School holidays still have an impact on the variance.	
	Customer requests for travel information are responded to in a timely manner.	More than 95% of responses are delivered within 10 days.	Achieved	98%.	

Activity and Service	Level of Service	Target	Achieved	Result	Prior Year
	Customer complaints about transport operations reduce over time.	Reducing number of complaints as assessed by time of day, by network classification: 2014/15 – Establish baseline.	Achieved	Requests for service have reduced from 350 per month on average to 250 per month on average during 2015.	
	Customer are satisfied with road network operations.	Increasing trend in number of people who are satisfied with how efficiently the transport system operates: 2014/15 – Establish baseline.	Achieved	48% satisfied or very satisfied.	
	Traffic Management Plans are processed in a timely fashion.	100% of Traffic Management Plans processed in less than 4 days.	Not achieved	57% of Traffic Management Plans processed within four days. 73% were processed within 5 days, 86% within 6 days, 91% within 7 days, and 96% within 10 days. National standard processing timeframe is up to 10 days for a business as usual environment.	
	Traffic Management Plans are of high quality.	More than 99% Traffic Management Plan applications are of a high quality.	Not achieved	Acceptance rate of Traffic Management Plans has increased from 86% to 91%.	
	Limit the percentage of the network not available due to planned events.	Targeting a downward trend of lane kilometres not available on strategic routes during peak periods: 2014/15 – Establish baseline.	Not measured	Not measured.	
	Planned event travel time information is made available to enable smart travel choices.	Planned event information is made available via appropriate channels in less than 3 days for 98% of planned events.	Achieved	100% for all major public events and 99.9% for all planned worksites.	
	Unplanned event travel time information is made available to enable smart travel choices.	Upon validation, unplanned event information is made available via appropriate channels in less than 3 minutes, between the hours of 0600 – 1800.	Achieved	100%.	

What assets do we use to deliver these activities?

The Council has nearly \$2.2 billion of street assets, 36 per cent being the value of road formation, sub-base, basecourse and surface. Other major parts of the network are the land underneath roads and footpaths at 19 per cent, roading kerb and channel at 14 per cent, and footpaths at 14 per cent. The other essential assets are traffic signs and markings, bridges, street lights, traffic signals, bus shelters, street furniture and plantings.

The Council also has a significant investment in on and off-street parking. We plan to have the 190 space Art Gallery car park repaired and ready for Christmas 2015. We have about 1,400 other temporary off-street car parks in different places that will change as the rebuild progresses. We also have 2,000 on-street car parks.

Where are we heading?

We will continue to plan, build, and maintain the public road network to provide a safe, sustainable, integrated, attractive and affordable link for all users to all parts of the city.

We will continue to encourage people out of private passenger cars into public and active travel. Building has started on the major cycleway network and the new central city bus interchange is now open. More bus priority measures are programmed for key transport routes.

We have a new focus on journey time reliability and we are using new technologies that allow us to measure journey times between key points across the city. This comes in "real-time" and is on the internet and on road signs in some places.

The SCIRT repair programme will continue. The Council will keep maintaining streets and transport assets to meet the community's immediate needs. In some cases we are deferring road maintenance until underground services have been repaired.

Along with the SCIRT rebuild, we continue to work on roading assets and improvements to meet growth and road safety. We will continue with bridge repairs and plan to upgrade intersections.

Service delivery in 2015/16

While most roads are now open, repairs continue to cause inconvenience with travel times and congestion on some parts of the network. We carefully co-ordinate Traffic Management Plans to reduce the actual and potential effects on traffic flow. We will continue to reseal and renew roads in close consultation with SCIRT to minimise inconvenience and promote the most effective use of resources.

What did it cost?

Roads and footpaths

Statement of cost of services for the year ending 30 June

				2015	2014
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Road network	107,264	17,429	89,835	64,207	64,043
Active travel	14,381	84	14,297	14,643	13,251
Parking	4,345	3,964	381	(1,480)	(128)
Public transport infrastructure	7,451	700	6,751	2,373	326
Capital revenues	7	85,222	(85,215)	(166,191)	(56,738)
Cost of service	133,448	107,399	26,049	(86,448)	20,754
Capital expenditure					
Renewals and replacements			13,438	17,298	13,964
Improved service levels			11,063	9,428	7,636
Increased demand			20,142	34,599	21,501
Infrastructure rebuild			83,765	211,126	58,827
Total capital expenditure			128,408	272,451	101,928

Explanation of significant cost of service variances

Road network

The Road Network net cost of service was \$25.6 million higher than plan. The main reasons for the variance are \$20.2 million of rebuild work which was deemed not to be capital, along with \$4.5 million additional depreciation as a result of the increased asset values. Storm events for the previous year increased remedial costs by \$0.3 million. These costs were partially offset by delays in the SCIRT works programme resulting in \$0.7 million fewer repairs.

The results were \$25.8 million higher than the previous year due to the additional depreciation of \$5.7 million and an additional \$18 million of cost associated with the rebuild.

Active travel

Net cost of active travel was \$1 million higher than the previous year due to additional depreciation and higher interest cost.

Parking

As well as repairs, we will improve the road network to address road safety and efficiency. For example, we are planning several intersection improvements. Some major pedestrian crossings will get signals, such as Waimairi Road at the University of Canterbury and two places along Riccarton Road.

We are reviewing central city car parking and the Council has adopted a parking plan. We are scheduled to finish rationalising on-street spaces this year to match the current environment.

Parking revenues are improving as the city comes back on line, however they are lower than the levels included in the 2015 plan resulting in a net \$0.6 million shortfall compared to budget. The balance of the \$1.8 million variance relates to amortisation costs associated with new parking investments.

Compared to 2014 parking revenue was \$0.6 million higher which was offset by \$1 million of amortisation on new parking investments.

Public transport infrastructure

The final transactions to write off the old Bus Exchange have accounted for a \$4.4 million variance against the 2015 plan. This also accounted for \$6.4 million of the increase in costs when compared to the prior year.

Capital revenues

Revenues were down \$81 million against Plan due to delays in Roding related rebuild activities and growth projects.

Revenues are up against 2014 as the Roding Rebuild activity has increased resulting in an additional \$28.5 million recoveries.

Significant capital expenditure

Key projects were: SCIRT Programme \$79.7 million, Transport Plan \$11.7 million, Ferrymead Bridge replacement \$6.4 million, Carriageway sealing \$5.1 million, Wigram Magdala grade separation \$4.6 million, Improved Cycleway \$3.2 million, Tram Base \$2.0 million, Wigram Road extension \$1.8 million, Footpath resurfacing \$1.5 million and Main Road three laning \$1.1 million.

Explanation of significant capital expenditure variances

Capital Expenditure was \$144 million lower than planned, \$69.8 million of which relates to delays in the commencement of the Sumner Road Corridor rebuild programme. This programme was placed on hold until Government Funding was confirmed in February 2015. Construction works have been reprogrammed over the next few years.

Additional budget variances were due to delays in a number of projects including Replacement Carparking, \$20.1 million, the SCIRT roading programme \$17.6 million, Wigram Magdala grade separation \$3.8 million, Greers/Northcote/Sawyers Arms intersection improvements \$2.4 million, Birmingham to Wrights route upgrade \$2.2 million, Marshland Road bridge renewal \$2.1 million, Northcote Road four laning \$1.5 million, Lower Styx / Marshland intersection improvements \$1.5 million and Burwood / Mairehau intersection improvements \$1.0 million. These works have been reprogrammed to future years.

There was also \$14.6 million decrease due to SCIRT overheads being recognised as operating expenditure while the budget was in capital.

The increased spend compared to the prior year is due to the increase in earthquake repairs delivered by SCIRT.

Council activities and services

Sewerage collection, treatment and disposal

What is sewerage collection, treatment and disposal, and what does the Council do?

Sewerage is grey water and sewerage collected from household drains and sewerage pipes. It is delivered through an underground network of pump stations and pipes to treatment plants, where contaminants are removed before it is discharged into the ocean.

Why is the Council involved in sewerage collection, treatment and disposal?

We collect wastewater from Christchurch homes and businesses to protect public health.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Wastewater collection and treatment contribute to the environmental, economic and cultural well-being of the community. We collect wastewater in a reliable and safe way that protects public health, and treat and dispose of it efficiently and acceptably for the environment.

The service also contributes toward the achievement of the City's Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment and a healthy city – three of the nine goals for our city that are included in our Community Outcomes. This contribution is made by providing a sanitary wastewater collection and treatment service.

How does it affect me?

The collection and treatment of our wastewater keeps our city healthy and protects our environment.

What activities are involved in sewerage collection, treatment and disposal?

Wastewater collection

We provide for the continuous collection and transportation of the City's wastewater from properties, via an underground sewerage network, to treatment plants. The main Christchurch plant is at Bromley, plus there are a number of smaller plants in Banks Peninsula.

Wastewater treatment and disposal

The City's wastewater is processed through treatment plants before being disposed of through outfalls to the sea and, at some small plants, to land. An accredited laboratory monitors results from the treatment plants to ensure that discharged treated effluent meets health and environmental standards.

What did we achieve?

Work on repairing and replacing the City's damaged sewer network continues with SCIRT having replaced 398 kms of sewer pipe to date (approximately 64% of the total repair work). Alternate sewer technology in the

form of pressure sewer systems and vacuum sewer technology are presently being commissioned in areas of the city where the liquefaction risk and network damage necessitates replacement of the old gravity systems. CCTV operations are substantially completed in support of final wastewater network design work.

A new pressure main for Pump Station 11 (Corner Randolph and Bass Streets) is in commissioning phase and a new pressure main for Pump Station 136 (Shuttle Drive off Pages Road) is under construction. Repairs to Pump Station 15 (Alport Street) are ongoing. Several new smaller pump stations and associated pressure mains have been constructed and put in service as part of earthquake works. With the completion of the earthquake repairs to Digesters 1 to 4 all repairs required to reinstate full functionality to the Bromley Waste Water Treatment Plant have been completed. The next tranche of repair projects (earthquake repairs required to restore structural capacity) are underway with the Trickling Filter repair contract awarded and around 60% of work on Trickling Filter 1 completed. Repair of structures which do not present an immediate risk have been deferred until agreement has been reached with the Insurers.

Relocation of pressure main 15 (which failed within the CWTP site in February) has been completed with consequential works due to be completed in August 2015. The Grit Trap upgrade contract was awarded in May 2015 and the contractor has ordered the slide gates with delivery expected to enable work to start in July 2015. The work on the Trade Waste facility has been deferred as SCIRT continue to work on the installation of Pressure Main 136 into the plant, restricting access to the location of the new facility. Significant renewal works undertaken over the year include; installation of slides gates and channels to Primary Settling Tanks, replacement of the main bearing to Trickling Filter 1, installation of the small biogas boiler previously at QEII and award of the contract to replace the grit tank system at the CWTP.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Wastewater collection Collecting wastewater from properties by maintaining and operating a network of underground pipes and pumping stations, that conveys wastewater to the wastewater treatment plants.	Maintain consent compliance for wet weather overflows.	Report to ECan the number of "sewer overflows to local waterways relating to wet weather sewer overflows each year".	Achieved	One overflow reported to ECan. This was the lowest equal number of wet weather overflows since 2003.	2014: 67 wet weather overflows were reported to ECan over 7 rain events.
	Minimise odour complaints.	Minimise odour complaints per 10,000 properties served per year: No more than 20 complaints.	Achieved	4 odour complaints per 10,000 properties served.	2014: 1.8 odour complaints per 10,000 properties served. 2013: 2.
	Provide wastewater collection in a safe, convenient and efficient manner (customer satisfaction).	Maintain customer satisfaction with wastewater services: at least 80%.	Not achieved	78%. Customer satisfaction targets are difficult to meet given the ongoing SCIRT works and UFB roll out. There is also the negative perception by some toward the local pressure tanks in areas where the tanks are being installed on properties.	2014: 74%. 2013: 84%.
	Provide wastewater collection in a safe, convenient and efficient manner (blowbacks).	Manage number of properties affected by wastewater blowbacks per year due to network operations and maintenance activities: No more than 500 properties.	Achieved	4 properties affected.	2014: 14 properties affected.
	Provide wastewater collection in a safe, convenient and efficient manner (blockages).	Respond to a percentage of blockages within one hour within urban areas: at least 70%.	Achieved	97.4%.	2014: 88.20%. 2013: 86.6%.
		Respond to a percentage of blockages within two hours within urban areas: at least 90%.	Achieved	99.4%.	2014: 91.60%. 2013: 93.7%.
Respond to a percentage of blockages within two hours within rural areas: at least 90%.		Achieved	100%.	2014: 100%. 2013: 100%.	
Respond to at least 99% blockages within four hours within rural areas.		Achieved	100%.	2014: 100%. 2013: 100%.	
Wastewater treatment and disposal Operate and maintain treatment plants, discharge structures/outfalls and biosolids reuse/disposal.	Maintain consent compliance for wastewater treatment plants.	No major or persistent breaches of resource consent for wastewater treatment plants and associated discharges each year, as reported by ECan.	Achieved	There have been no major/persistent breaches of resource consent conditions reported by ECan.	2014: No Major/persistent beaches reported by ECan. 2013: Nil.
	Minimise odour complaints from wastewater treatment plants.	Maintain no more than 0.1 odour events per 10,000 properties served per year.	Achieved	0.063 odour events per 10,000 properties served per year.	2014: No odour events reported. 2013: Nil.
		Meet ECan conditions of air discharge consent.	Achieved	Air discharge consent (conditions met).	2014: ECan air discharge consents were met. 2013: Fully compliant.

What assets do we use to deliver these activities?

The Council's wastewater collection activity uses the network of sewer pipes throughout the City along with the associated laterals (which connect Council pipes to individual properties at the property boundary), manholes, flush tanks, pump stations and other structures.

The wastewater treatment and disposal activity relies on the sewer treatment plant at Bromley, along with smaller treatment plants on the Banks Peninsula, and the ocean outfall.

Where are we heading?

Work to repair damaged city infrastructure will continue to progress as SCIRT complete more redesign of sewer catchments and associated infrastructure services. The rebuild is estimated to be complete at the end of 2016. Council and CERA continue to work very closely with SCIRT in the delivery of the infrastructure rebuild.

Physical works to relocate two critical sewer pressure mains at CWTP will be completed this year.

The existing deep gravity systems in damaged land areas will continue to be replaced with low pressure sewer systems and vacuum sewer systems in the next year thereby increasing resilience. These technologies are installed at a shallower depth and are faster to install, less disruptive to the community during installation and more cost effective over their life than the badly damaged deep gravity sewers they replace.

Earthquake repairs will continue at CWTP during 2015/16. It is anticipated that damage to the processing plant will be fully repaired by the end of the 2015 calendar year. Some building damage will remain and is subject to final insurance claim outcomes.

The second stage of the Wainui Sewerage Scheme has now been deferred until 2018. This stage will see a new treatment plant constructed on the Council forestry block and all areas of the Wainui Township connected to this plant through new reticulation systems.

Design of the project to convey raw waste water from Lyttelton, Diamond Harbour and Governors Bay to the City Waste Water Treatment Plant at Bromley started in April 2015. This will remove discharges of treated waste water into Lyttelton Harbour by 2022, within the time frame demanded by the current Resource Consent.

Design of the project to provide trunk sewer infrastructure to the South East Halswell LURP priority greenfield area commenced May 2015. This project is due for completion and commissioning in the 2017/18 financial year.

Service delivery in 2015/16

In parts of the City where the network is not performing as it should (remaining occupied properties in red zones) the Council will continue to provide temporary services until policy decisions are confirmed on the long term use of these areas. Maintenance of service to these isolated properties is very expensive in comparison to the rest of the City. Levels of service detailed in the LTP and Activity Management Plans will be delivered in 2015/16 year.

What did it cost?

Sewerage collection, treatment and disposal

Statement of cost of services for the year ending 30 June

	2015		2014		
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Wastewater collection	50,889	4,413	46,476	33,066	40,588
Wastewater treatment and disposal	(21,394)	5,815	(27,209)	16,781	58,284
Capital revenues	(455)	188,076	(188,531)	(219,038)	(161,598)
Cost of service	29,040	198,304	(169,264)	(169,191)	(62,726)
Capital expenditure					
Renewals and replacements			5,197	11,910	4,610
Improved service levels			4,277	7,292	16,796
Increased demand			17,633	28,706	6,340
Infrastructure rebuild			286,851	363,997	252,157
Total capital expenditure			313,958	411,905	279,903

Explanation of significant cost of service variancesWastewater Collection

The net cost of service for wastewater collection was \$13.4 million higher than plan due to additional depreciation expense as a result of increased asset values, reduced crown recoveries from reduced operational rebuild work and rebuild work which was not able to be capitalised.

The net cost of service was \$5.9 million higher than 2014 as a result of a reduction in temporary response work and its associated recoveries increased depreciation, a \$1.1 million increase in debt servicing costs and rebuild work being expensed.

Wastewater treatment and disposal

The net cost of service was \$44.0 million lower than plan because \$42.2 million of the asset impairment recorded in 2014 was reversed following the outcome of the 2015 revaluation. In addition, \$0.9 million of laboratory costs were unspent.

The net cost of service was \$85.5 million lower than in 2014 primarily because of the \$84.4 million variance which resulted from reversing the 2014 devaluation. In addition laboratory costs were \$0.3 million lower due to vacancies and time charged out and trade waste revenue was \$0.3 million higher.

Capital Revenues

Capital revenues were down against plan by \$31 million due to delays in rebuild activities and some growth projects.

They were \$26.9 million higher than the previous year as rebuild activity has increased and more growth work has been undertaken.

Significant capital expenditure

The projects constructed during 2014/15 included: SCIRT delivered waste water reticulation projects \$283 million; Wigram pressure main and pump station \$10.2 million, Wairakei diversion \$2.9 million, earthquake repairs at the wastewater treatment plant \$3.7 million and resilience works \$2.0 million, Prestons infrastructure provision agreement \$1.9 million and wastewater system Belfast Area Growth \$1.6 million.

Explanation of significant capital expenditure variances

This year's under spend against budget is partly due to the deferral of the Northern Relief Grassmere (\$5.4 million) and the Wainui sewer (\$4.2 million) projects and delays in the trade waste reception facility (\$3.4 million), the Halswell sewer (\$3.0 million) and the primary sedimentation tank upgrades (\$2.7 million). Earthquake repairs have also been delayed due to revised delivery timeframes on SCIRT projects (\$26 million), and ongoing discussions with insurers have delayed repairs to the Treatment Plant (\$16 million). These projects have been reprogrammed for delivery in future years.

There was also a \$38.8 million decrease due to SCIRT overhead being recognised as operating expenditure while the budget was in capital.

The increased spend compared to the previous year is due to more earthquake repair projects completed by SCIRT.

Council activities and services

Stormwater and flood protection and control works

The Council separates stormwater drainage from flood protection and control works as required by law. However for the purposes of our Three Year Plan the two were combined on the basis that flood protection and control works were at that time a relatively minor expense.

What is stormwater and flood protection and control works, and what does the Council do?

Stormwater and flood protection and control protect the community from the harmful effects of surface flooding within levels defined in the LTP. They also minimise the adverse effects of stormwater on the environment.

We have been focussing on the investigations from the Land Drainage Recovery Programme (LDRP), which are helping us to understand the effects of the earthquakes on land drainage. We will then know what to restore and where we need to adapt to land changes to lessen the damaging effects.

Why is the Council involved in stormwater and flood protection and control works?

Looking after natural waterways and keeping a well maintained stormwater drainage and flood protection system helps to decrease flood risk, safeguard public health, and allow transport and other infrastructure networks to function. They also help to protect water quality and maintain the health of ecosystems.

How does it affect me?

Good quality stormwater and flood protection infrastructure better protects residents against the likelihood of flood damage to their homes and property in typical storms. Such infrastructure also protects public health by reducing the potential for pollution to get into natural waters.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Flood protection and control works					
Maintaining the natural waterways and associated structures and systems.	Ensure dwellings are safe from flooding during normal rain events.	Less than 0.25% of dwellings (4 per 1,000) are flooded per year (based on a 50 year rain event).	Achieved	No notifications received of habitable dwellings being flooded over the period.	2014: 0.20%.
		Minimum floor levels specified for new dwelling consent applications meet Building Act and District Plan requirements.	Achieved	Minimum floor level requirements are checked as part of the Building Consent process.	2014: 100%.
Stormwater drainage					
Provide and maintain the stormwater drainage system.	Customer satisfaction with the maintenance of waterways and their margins.	At least 66% customers satisfied with the maintenance of waterways and their margins.	Not achieved	45%.	2014: 51%. 2013: 56%.
	Resource consent compliance.	No major or persistent breaches of Resource Consent conditions regarding the management of waterways and the land drainage	Achieved	Zero major or persistent breaches of resource consents for waterways and land drainage.	2014: 100%.

What activities are involved in stormwater and flood protection and control works?

Stormwater drainage

This runs and maintains the stormwater drainage system to agreed levels for surface water management systems, such as streams, rivers, utility waterways, basins, pumps, structures, pipes and screens.

Flood protection and control works

We maintain natural waterways and associated structures and systems, such as stop banks, flood gates, and the hydrometric network (rain and water level monitoring systems), so they continue to protect vulnerable areas from the effects of flooding.

What did we achieve?

We kept our main focus on asset repairs, and planning for the rebuild of damaged assets through SCIRT and our operations team.

Under the LDRP we are doing major investigations of the Avon, Styx and Heathcote Rivers and their tributaries including the Dudley Creek catchment, which is a priority. We continued to monitor and maintain temporary stop banks and are protecting against tidal events in the short term while we await a decision on the Residential Red Zone.

We finished building a pump station in the Flockton area. We also finished several CERA/Council funded projects to fix some of the earthquake damage to the drainage network, for example removing accumulated silt from parts of the network.

We completed the Tay Street Drain Pump Station in Kensington Avenue, which will benefit the Flockton area.

The first of the Dudley Creek upstream works is the Shirley Stream Culvert improvement. We developed the downstream Dudley Creek options and consulted with the public before the Council decides on its preferred option.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
	Response times to drainage faults and Surface Water Management issues.	system per year, resulting in court action by ECan.			
		Achieve 100% contract compliance re response times specified in the Waterways and Land Drainage Maintenance contract – Emergency Works: Urban 2 hours; Rural 6 hours.	Achieved	100% compliance with the contract requirements for emergency response times.	2014: 100%.
		Urgent Works: Urban 24 hours; Rural 24 hours.	Achieved	100% compliance with the contract requirements for urgent works response times.	2014: 96%.
		Priority Call Outs: Urban 3 working days; Rural 5 working days.	Achieved	Achieved 100% compliance with the contract requirements for priority call out response times.	2014: 97% and 94% respectively.
		Routine Call Outs: Urban 5 working days; Rural 10 working days.	Achieved	Achieved 100% compliance with the contract requirements for routine call out response times.	2014: 92% and 91% respectively.

What assets do we use to deliver these activities?

The stormwater and flood protection activity manages and maintains 860 km of underground stormwater pipes, 11,741 manholes, 59 km of boxed surface drains, 112 km of unlined surface drains, 35 pump stations, 105 detention basins, and 158 km of rivers and tributaries.

Where are we heading?

The 2011/12 earthquake sequence has altered the way in which many parts of the City drain and in many cases has exacerbated flood hazard. The main response to these changes was the formation of the LDRP, which is developing a prioritised capital works programme to address these effects. This includes a number of projects that were defined as part of the Mayoral Flood Taskforce work.

Service delivery in 2015/16

The Mayoral Flood Taskforce projects will all be finished in the 2015 calendar year and the LDRP will see design work well under way with many projects starting. We will deliver the levels of service detailed for the 2015/16 year in the LTP and Activity Management Plans. Investigations associated with a number of high priority LDRP projects will also be completed in the current year. This information will be used to guide both prioritisation and costing of modifications to the Land Drainage network and flood protection measures to address these issues, some of which will be fast-tracked to maximize their benefit to the community with works commencing in 2015/16. These include capacity improvements to Dudley Creek that will address flooding in the Flockton area and, subject to agreement, projects in Heathcote Valley, lower Avon River, Southshore and Sumner.

What did it cost?

Stormwater and flood protection and control works

Statement of cost of services for the year ending 30 June

			2015	2014	
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Stormwater drainage	30,097	2,694	27,403	20,868	19,556
Flood protection and control works	206	-	206	365	562
Capital revenues	(15)	35,059	(35,074)	(40,758)	(7,997)
Cost of service	30,288	37,753	(7,465)	(19,525)	12,121
Capital expenditure					
Renewals and replacements			1,214	2,179	2,018
Improved service levels			1,129	42	856
Increased demand			4,484	10,793	4,566
Infrastructure rebuild			49,705	69,709	11,018
Total capital expenditure			56,532	82,723	18,458

Explanation of significant cost of service variances

Stormwater drainage net cost was \$6.5 million more than planned. Recoveries were \$1.1 million less than planned because of an under spend on earthquake related costs. Spend for the year was \$5.4 million more than planned because of increased waterway utilities maintenance work which resulted from flooding taskforce recommendations and rebuild costs deemed not to be capital.

Stormwater drainage spend was \$7.8 million higher than last year. This was because of \$3.0 million of additional waterway utilities maintenance work which resulted from flooding taskforce recommendations and \$1.8 million of earthquake related spend relating to the flooding taskforce and Land Drainage Recovery Plan planning. In addition there was \$3.6 million of rebuild costs deemed not to be capital.

Capital revenues

Capital revenues were \$27.1 million higher than last year because of accrued Crown (\$21.7 million) and insurance (\$3.6 million) recoveries. There was also an additional \$1.3 million from development contributions.

Capital revenues were \$5.7 million under recovered against plan because of \$7.6 million of reduced earthquake related insurance and Crown recoveries, partially offset by an additional \$1.7 million from development contributions.

Significant capital expenditure

\$42.5 million was spent on SCIRT delivered stormwater projects, \$5.6 million on Kensington Avenue pump station, \$2.2 million on Dudley Creek remediation works, \$2 million on Land Drainage investigations, and \$1.9 million on waterways detention and treatment facilities at Prestons/Clare Park.

Explanation of significant capital expenditure variances

Capital Expenditure was lower than planned due to delays in the Infrastructure Rebuild - Land Drainage Programme (\$17.6 million). Investigations to determine the final scope of the programme are still being completed. In addition \$2.1 million was not spent for the waterways detention and treatment facility at Styx due to the withdrawal of the developer.

There was also \$3.4 million decrease due to SCIRT overhead being recognised as operating expenditure while the budget was in capital.

Capital Expenditure has increased \$38 million compared to last year due to SCIRT delivered projects \$28.4 million, Kensington Avenue pump station \$5.6 million, and Dudley Creek remediation \$2.1 million.

Council activities and services

Water supply

What is water supply, and what does the Council do?

The water supply is the network of treatment facilities, wells, pump stations, reservoirs and underground pipes that distribute clean drinking water in the city.

Why is the Council involved in water supply?

We supply clean drinking water to protect the health of the community, for commercial users, to promote water conservation, and to ensure there is an adequate water supply for fighting fires.

Local government is responsible for promoting the cultural, economic, environmental and social well-being of communities for the present and future.

Water supply contributes to the environmental and economic well-being of the community by giving the community and industry a reliable water supply.

It also supports our Community Outcomes by helping to make Christchurch a safe city, a city of people who value and protect the natural environment, a prosperous, healthy, attractive and well-designed city – five of the nine goals in our Community Outcomes. We do this by reliably supplying enough drinking water and encouraging water conservation.

How does it affect me?

Ideally when you turn on your tap at home the water that flows is fresh and clean. We make sure that the supply is reliable, the quality maintained, and that any interruption to the service is as short as possible.

What activities are involved in water supply?

Water conservation

We promote the efficient use of water to protect the resource for future generations. We work with the community to reduce the amount of water we use and to maintain the quality of our drinking water.

Water supply

We aim to provide a clean and reliable water supply. We monitor and control water quality and maintain the network of supply assets.

How did we measure up?

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Water conservation Detect water leaks.	Detect leaks.	By detecting leaks, aim to return leakage rates to no more than average of 155 litres / connection / day* by 2020 (based on city pressure zones) - * Returning to 2009/10 performance standard.	Achieved	134 litres / connection / day. SCIRT programme has reduced city leakage to 134 litres / connection / day. Banks Peninsula supplies are being surveyed at the moment, hence no actual results yet available.	2014: Preliminary SCIRT result: 133 litres / connection / day.
Educate the community to minimise water use and encourage better utilisation.	Increase/maintain public awareness of water conservation.	At least 70% public awareness of sustainable water use.	Achieved	74% in residents survey down 5% from 2014.	2014: 79% public awareness. 2013: 50%.

What did we achieve?

Earthquake repairs to the water network continued in 2014/15, and we completed and recommissioned most water main renewals and many of the reservoir repairs. The Stronger Christchurch Infrastructure Rebuild Team (SCIRT) surveyed leaks across the whole city and the Council is repairing the last leaks on public assets and working with owners to repair leaks on private property. Repairs continue on wells and well heads, which should be finished in late 2016 to meet consumer demand.

We discussed the transfer of repair/replacement works on two suction tanks with SCIRT. This will be programmed for future years, along with the repair/replacement works of Bexley and Averill Pump Stations and wells.

Construction has started on a new water supply system to feed Prestons subdivision. Two wells have been drilled and building on a pump station will start in July 2015.

The Akaroa Water Treatment Plant started running in March 2015. The old plants will be demolished by August 2015. This project will improve the security of water supply and quality to the Akaroa and Takamatua townships.

The Little River water treatment plant is underway and will be commissioned in August 2015. A new water well, pump station and reticulation system for Little River and Cooptown were commissioned in 2013/2014.

The Council continues to test the drinking water in line with the Drinking Water Standards for New Zealand.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
Water supply Supplying potable water to properties, through the provision of infrastructure to treat (where appropriate), store, pipe and monitor the supply.	Manage the supply of potable water for Christchurch.	Manage the supply of water, so no more than 55 million cubic metres of potable water abstracted per year.	Achieved	50.765 million cubic metres.	2014: 49 million cubic metres.
		Manage the supply of water, so no more than 339m ³ +10% water is abstracted per property served per year.	Achieved	323 m ³ per property.	2014: 315m ³ . 2013: 326m ³ .
	Manage risk to potable water supply (backflow prevention).	Install at least 100 backflow prevention devices (at owners cost) for highest risk premises each year.	Achieved	106 installed.	2014: 149 installed. 2013: 151 installed.
	Manage risk to potable water supply (customer satisfaction).	At least 90% customers satisfied with the water supply service.	Not achieved	88%.	2014: 84%.
	Manage risk to potable water supply (grading).	Maintain 'Ba' grading for all City supplies, excluding the Northwest supply zone.	Achieved	Ba grading maintained (per Water Information New Zealand (WINZ) database maintained by the Ministry of Health) excluding the Northwest zone (Da).	2014: Ba grading maintained. 2013: Ba.
		Move 'Da' to 'Ba' grading for the Northwest supply zone by December 2015.	Not achieved	Work not completed, area remains with Da grading Programme of work still continuing.	2014: Progress on track, well drilling programme for 2013/14 completed. 2013: On target.
		Undertake improvements to achieve 'Cc', or better, risk grading from the Ministry of Health for all rural area water supplies by December 2014.	Not achieved	Little River and Akaroa upgrades not completed by December 2014. Currently these are being ungraded. The upgrades to these treatment plants will be completed in 2015 and once upgraded 12 months of testing is required before a water grading is received.	2014: Improvements are underway or planned to ensure that all Banks Peninsula plants meet the Cc grade or better. 2013: All plants on Peninsula would not be regraded by December 2013.
	Manage risk to potable water supply (microbiology).	Microbiological and health significant chemical water quality meets current NZ Drinking Water Standards for rural supplies each year as assessed by Community and Public Health.	Not achieved	All supplies except Pigeon Bay and Little River complied with the DWSNZ E. coli requirements. Pigeon Bay: 0 transgressions allowed, 1 transgression at water treatment plant and 1 transgression in the distribution system Little River: 0 transgressions allowed, 1 transgression at water treatment plant.	2014: Results were not available as at 30 June 2014. However the assessment was undertaken in July 2014. The assessment found some minor non-compliances in outlying areas. 2013: Not measured.
		Microbiological and health significant chemical water quality meets current NZ Drinking Water Standards within the City each year as assessed by Community and Public Health.	Achieved	All city supplies complied with the DWSNZ E. coli requirements.	2014: Results were not available as at 30 June 2014. However the assessment was undertaken in July 2014. The assessment found some minor non-compliance areas. 2013: Not measured.
	Supply continuous potable water to all customers.	Ensure major leaks have a Council representative on site to assess and confirm repair options within one hour of being reported to Council for urban areas: at least 80%.	Achieved	98.2%.	2014: 96.9%. 2013: 88.1%.

Activity and Service	Level of Service	Target	Achieved	Result	Prior Years
		Ensure major leaks have a Council representative on site to assess and confirm repair options within two hours of being reported to Council for rural areas: at least 80%.	Achieved	97.5%.	2014: 98.3%. 2013: 97.0%.
		Ensure medium leaks are repaired within one working day of being reported to Council for urban and rural areas: at least 80%.	Achieved	92.3%.	2014: 83.9%. 2013: 89.4%.
		Ensure minor leaks are repaired within three working days of being reported to Council for urban and rural areas: at least 80%.	Achieved	94.5%.	2014: 83.2%. 2013: 74.8%.
		Ensure unplanned interruptions of greater than four hours, on average per week each year: no more than 1.5.	Achieved	1 unplanned interruption of greater than four hours, on average per week.	2014: 1.6 unplanned interruptions of greater than four hours, on average per week. 2013: 1.4 unplanned interruptions.
		Ensure unplanned interruptions per 1000 properties served per year: no more than 30.	Achieved	16.2 unplanned interruptions per 1000 properties served.	2014: 17.2. 2013: 16.4.

What assets do we use to deliver these activities?

The Council's water supply network is made up of wells and pump stations, water mains and sub-mains, and water meters and connections. The total value of the network is just under \$1.1 billion, with 86 per cent of that being mains and sub-mains, 8 per cent in wells, reservoirs and pump stations, and 5 per cent in service connections and meters.

Where are we heading?

The Council will continue to renew water mains and sub-mains in line with its annual programme. SCIRT now have very little work to complete on the water network.

The well drilling programme put in place after the earthquake sequence to refurbish and/or replace damaged wells will continue. This programme also includes new wells for growth as well as deepening of wells both in the North West of the City to improve the Ministry of Health risk grading for this supply zone.

The *Health (Drinking Water) Act 2007* requires public water supplies to meet the drinking water standards. This is the reason for the water treatment plant upgrade on Banks Peninsula. The Little River plant is now substantially complete and Akaroa plant was completed just prior to the end of June. A water sampling programme will be undertaken on both plants this coming year in order to receive the higher grading required

The Prestons subdivision water pump station and well field will be completed in 2015. They will support further development in the area.

The Council is trialling a measure of the costs and benefits of a water pressure management project in the Rawhiti Water Zone, which will run for about 12 months. When the trial is over, the Council will decide whether to carry out the project across the city.

Service delivery in 2015/16

The Council anticipates providing continuous potable water to all customers in 2015/16. Working with the SCIRT rebuild team we expect to complete much of the water infrastructure rebuild by 2016. Levels of service in the LTP 2015/25 and Activity Management Plans will be met in 2015/16 year.

What did it cost?

Water supply

Statement of cost of services for the year ending 30 June

			2015	2014
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost
	\$000	\$000	\$000	\$000
Water supply	50,592	6,712	43,880	26,650
Water conservation	15	-	15	107
Capital revenues	(51)	16,070	(16,121)	(11,781)
Cost of service	50,556	22,782	27,774	14,976
Capital expenditure				
Renew als and replacements			5,146	3,617
Improved service levels			12,750	9,756
Increased demand			5,070	5,834
Infrastructure rebuild			13,646	15,066
Total capital expenditure			36,612	34,273
				8,166

Explanation of significant cost of service variances

Water supply

The Water supply net cost of service was \$17.2 million higher than plan as a result of; the revaluation of water supply assets in 2014 which increased the depreciation charge by \$14.3 million, \$3.4 million of rebuild costs which were expensed as the works were not capital in nature, and an additional \$1.3 million of rebuild expenditure. Offsetting this was an additional \$1.2 million of excess water charges and \$0.8 million fewer operating costs.

The net cost of service was \$16.6 million higher than the previous year. The key variances are the same as above with, \$14.5 million increased depreciation , \$3.8 million for rebuild works adjustment, \$0.6 million for water supply repairs, \$1.2 million additional excess water revenues and \$1.1 million savings in operating costs.

Capital revenues

Higher volumes of new water connections resulted in revenue being \$1.1 million higher than plan and \$0.7 million higher than 2014. Development contribution revenue also increased, in line with growth, with actual results being \$2.1 million higher than plan and \$1.8 million higher than 2014.

Significant capital expenditure

Major expenditure included: Akaroa water treatment plant \$8.3 million, SCIRT water supply programme \$6.8 million, Keyes pump station \$4.7 million, wells earthquake repairs \$3.1 million, McCormacks Bay reservoir \$2.7 million, new water supply connections \$1.6 million, Prestons pump station \$1.0 million, Birdlings Flat water supply reinstatement \$1.0 million, Wilmers pump station \$1.6 million, Westmorland 3 Reservoir \$1.3 million and upgrade of water supply system at Little River \$1.1 million.

Explanation of significant capital expenditure variances

Capital expenditure was over spent against budget as \$3.4 million was carried forward from 2013/14 for the Akaroa water treatment plant because of delays in the project. The remaining over spend is because of delays in the new Westmorland reservoir and in the new water well, pump station and reticulation system for Little River which were also carried forward from the previous year's programme.

These over spends were offset by a \$2.5 million decrease due to SCIRT overhead costs been recognised as operating expenditure while the budget was in capital expenditure.

Compared to the previous year there has been a decrease in the SCIRT delivered programme by \$2.9 million, offset by increased costs for the Akaroa water upgrade \$6.2 million and Westmorland reservoir \$1 million.

Council activities and services

Corporate

What are Council's corporate activities?

As with other organisations we have back office services such as human resources, legal, finance, and information technology which provide support to other Council departments. We call these units Internal Service Providers (ISPs). The cost of providing these services is charged to the activity receiving the benefit of that service.

In addition, there are also some Council wide costs and income which cannot meaningfully be classified into a standalone activity. These items are included within this Corporate activities section.

What revenue and costs are included in corporate activities?

- revenues and costs relating to Council Controlled Organisations (CCOs):
 - dividend income received from CCOs
 - interest income from funds lent to CCOs
 - interest costs relating to borrowing taken out to either:
 - on-lend to CCOs, or
 - invest in the equity (shares) of CCOs.

- rates income
- interest income from Council investment of general funds and special purpose reserves
- income from services provided by ISPs to organisations outside of Council
- costs incurred in providing the services above
- non-operational property costs
- earthquake related legal, interest, rates remission and land resolution costs, and
- other income, such as revenue from regional fuel tax.

Overall our corporate activities generate a significant surplus, largely from dividends and other payments from CCOs and interest income. This surplus is used to reduce the level of general rates collected from ratepayers.

What capital expenditure is included in corporate activities?

Corporate capital expenditure includes the budgets for strategic land purchases, costs relating to Council's office accommodation, information and communication technology, and investment in CCOs, as well as work in progress as part of the infrastructure rebuild.

What did it cost?

Corporate

Statement of cost of services for the year ending 30 June

	2015			2014	
	Costs (After internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Cost of proposed services					
Interest - onlending and equity investments	45,060	-	45,060	42,263	39,802
Internal service providers	17,650	-	17,650	9,526	18,171
Property costs and other expenses	32,124	-	32,124	41,785	6,476
	94,834	-	94,834	93,574	64,449
Revenue from services					
Rates	-	363,352	(363,352)	(360,776)	(332,829)
Dividends	-	51,432	(51,432)	(55,504)	(56,265)
Interest from onlending	-	16,103	(16,103)	(11,889)	(10,867)
General and special fund interest	-	7,840	(7,840)	(7,493)	(8,573)
Internal service providers	-	17,650	(17,650)	(9,526)	(15,228)
Earthquake cost recoveries	-	(50,666)	50,666	(44,628)	(24,525)
Other revenue	-	4,147	(4,147)	(2,815)	(16,986)
Subvention receipts (income tax)	-	10,628	(10,628)	(2,779)	2,003
Net cost of services	94,834	420,486	(325,652)	(401,836)	(398,821)
Capital expenditure					
Renew als and replacements			7,890	18,325	5,728
Improved service levels			8,926	8,200	2,423
Increased demand			(1,068)	13,360	18,723
Infrastructure rebuild			(87,816)	88,674	141,283
Total capital expenditure			(72,068)	128,559	168,157

Explanation of significant cost of service variances

Interest costs were \$2.8 million higher than plan due to unbudgeted borrowing for on-lending to CCHL and finance lease costs which had been treated as rental payments. These were partly offset by lower than planned 2015 borrowing. The \$5.3 million increase from 2014 is for the same reasons.

The Internal Service Provider expense was \$8.1 million higher than planned largely due to the unbudgeted cost of providing management services to Vbase, (\$6.5 million). Internal Service Provider revenue fully offsets the cost.

Property and other costs were \$9.7 million lower than planned because of \$22 million additional rock fall provision for Port Hill residential red zones offset by decreases due to the Port Hills land remediation taking longer than initially planned. The \$25.6 million increase in costs compared to 2014 is due to the additional rock fall provision and the increased number of Port Hills land remediation settlements made in 2015.

Rates income was \$2.6 million higher than plan due to higher than expected rating growth during the year from rebuild work. The \$30 million increase from 2014 is the combined result of the year on year rates increase and the higher than expected rating growth during 2015.

Dividend revenue is \$4.1 million lower than plan and \$4.8 million lower than 2014. The lower dividends were the result of higher subvention income being available.

Subvention income is \$7.8 million higher than plan as a result of increased taxable profits within the Council group that allowed Council to sell more tax losses than was planned. The \$12.6 million increase in subvention income from 2014 was the result of an under accrual in 2014 due to the group having higher tax profits than expected.

Interest revenue was also \$4.6 million higher than plan and \$4.5 million higher than 2014. This was due to the increased on-lending to CCHL.

Earthquake cost recoveries were \$95.3 million lower than planned and the \$75.2 million lower than 2014, due to recoveries being transferred in parallel with the cost of completed works to the appropriate infrastructure Group of Activity. The recoveries were initially recognised in the Corporate group of activities, mostly in prior years, because at that stage the detail of the work was not known and could not be correctly accounted for.

Other income is \$12.8 million lower than 2014 as a result of some one-off items in 2014 including \$5.2 million of interest accrued on outstanding earthquake subsidy recoveries and \$5.9 million of gains on asset disposals.

Significant capital expenditure

Expenditure included \$15 million of Information Management and Communications Technology (IM&CT) related spend and \$5 million of land remediation costs.

The remaining negative \$92 million is due to completed SCIRT rebuild and other capital works initially recognised in prior years being transferred to the relevant Group of Activities (largely Sewerage).

Explanation of significant capital expenditure variances

Renewals are \$10.4 million lower than plan as the plan included a catch up provision for prior year's work which did not occur. Vehicle renewals were \$1 million less than plan due to a rationalisation of the fleet.

The increased demand underspend of \$14.4 million is a timing issue relating to strategic land purchases. These will still occur but in future years.

The infrastructure rebuild variance is mainly a transfer issue between Groups of Activities (as previously mentioned). It also had a timing component with spend occurring at a slower rate than expected. This principally relates to SCIRT infrastructure, but includes the Performing Arts Centre. There is also some provisional budget here for Rebuild work where actual spend has occurred against the appropriate Group of Activities once repair priorities/strategies were confirmed.

Overall capital expenditure was \$240 million lower than 2014. This was primarily the result of the \$229.1 million decrease in infrastructure rebuild costs as a result of the handover of completed SCIRT projects resulting in a credit to the Corporate group of activities. The other primary cause was a \$19.8 million reduction in expenditure on increased demand projects.

Council activities and services Funding impact statements

The funding impact statements show the source and application of funds for activities of the Council and are a requirement of the Local Government Act 2002.

As the Crown did not require the Three Year Plan to be audited the plan numbers included have not been subject to audit.

The purpose of the funding impact statements is to present the capital and operating expenditure separately. The format is prescribed in the Local Government (Financial Reporting and Prudence) Regulations 2014. The format of the statements is prescribed in legislation and is designed to improve the ability to compare the results across different councils.

The regulations prescribe the layout and comparative periods to be provided. For each group of activities it is necessary to provide 2013/14 Three Year Plan numbers, 2014/15 Three Year Plan numbers and 2014/15 actuals. For the Council wide Funding Impact Statement we are required to provide 2013/14 Annual Plan, 2013/14 actuals, 2014/15 Annual Plan and 2014/15 actuals. Because of the volatility of Council's financial position the 2014/15 Annual Plan figures have been added to the Group of Activity funding impact statements, as we believe this provides a more meaningful comparison to the 2014/15 numbers.

As a result of changes in the Local Government (Financial Reporting and Prudence) Regulations 2014 the Council's capital earthquake recoveries are included as Other Dedicated Capital Funding. To assist with the ability to compare results across councils footnotes have been added to each table to enable the reader to identify the impact of the earthquake and rebuild on the sources of and application of operating and capital funding.

Funding impact statement for year ending 30 June 2015 (whole of Council)

	2013/14	2013/14	2014/15	2014/15
	Annual Plan	Annual Report	Annual Plan	Actual
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	233,473	228,616	246,946	242,121
Targeted rates	101,515	76,672	111,180	119,743
Subsidies and grants for operating purposes	20,555	23,956	21,321	17,377
Fees and charges	88,656	118,849	97,344	114,284
Interest and dividends from investments	64,816	80,957	74,886	75,410
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	31,652	28,435	36,460	47,725
Total operating funding (A)	540,667	557,485	588,137	616,660
Applications of operating funding				
Payments to staff and suppliers	390,571	423,216	414,558	431,226
Finance costs	40,637	50,423	60,482	63,279
Other operating funding applications	64,007	34,074	67,346	65,526
Total applications of operating funding (B)	495,215	507,713	542,386	560,031
Surplus (deficit) of operating funding (A-B)	45,452	49,772	45,751	56,629
Sources of capital funding				
Subsidies and grants for capital expenditure	21,546	17,081	20,615	65,087
Development and financial contributions	13,000	23,922	18,766	33,155
Increase (decrease) in debt	281,065	(17,494)	453,986	332,693
Gross proceeds from sale of assets	75,792	35,360	6,763	935
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	416,194	269,077	454,335	211,754
Total sources of capital funding (C)	807,597	327,946	954,465	643,624
Application of capital funding				
Capital expenditure				
- to meet additional demand	63,007	65,052	107,881	58,357
- to improve the level of service	60,286	53,261	36,585	42,602
- to replace existing assets (3)	808,712	552,861	878,842	434,900
Increase (decrease) in reserves	(78,956)	(100,861)	(21,892)	(24,252)
Increase (decrease) of investments	-	(192,595)	(1,200)	188,646
Total applications of capital funding (D)	853,049	377,718	1,000,216	700,253
Surplus (deficit) of capital funding (C-D)	(45,452)	(49,772)	(45,751)	(56,629)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	20,721	32,048	24,456	17,549
2 Earthquake recoveries	416,194	269,077	454,335	260,164
3 Earthquake rebuild application of capital funding	744,069	503,230	804,030	383,507

Funding impact statement for year ending 30 June 2015 for City planning and development

	2013/14	2014/15	2014/15	2014/15
	<i>Three</i>	<i>Three</i>	<i>Annual</i>	<i>Actual</i>
	<i>Year Plan</i>	<i>Year Plan</i>	<i>Plan</i>	
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	18,283	21,891	20,412	20,013
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	12
Fees and charges	-	-	-	20
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	944	697	527	2,118
Total operating funding (A)	19,227	22,588	20,939	22,163
Applications of operating funding				
Payments to staff and suppliers	20,287	20,244	19,294	26,009
Finance costs	-	-	-	-
Internal charges and overheads applied	1,344	1,294	1,095	1,095
Other operating funding applications	4,041	4,061	3,289	7,402
Total applications of operating funding (B)	25,672	25,599	23,678	34,506
Surplus (deficit) of operating funding (A-B)	(6,445)	(3,011)	(2,739)	(12,343)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	6,938	3,507	6,652	12,998
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	-	-	-	753
Total sources of capital funding (C)	6,938	3,507	6,652	13,751
Applications of capital funding				
Capital expenditure				
- to meet additional demand	418	496	496	387
- to improve the level of service	75	-	-	-
- to replace existing assets (3)	-	-	3,417	935
Increase (decrease) in reserves	-	-	-	86
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	493	496	3,913	1,408
Surplus (deficit) of capital funding (C-D)	6,445	3,011	2,739	12,343
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	-	-
2 Earthquake recoveries	-	-	-	753
3 Earthquake rebuild application of capital funding	-	-	3,417	857

Funding impact statement for year ending 30 June 2015 for Community support

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	20,604	20,953	19,039	18,667
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	945	971	1,090	1,278
Fees and charges	14,758	15,921	14,085	14,990
Internal charges and overheads recovered	1,831	2,083	2,282	2,279
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	-	-	1,077	895
Total operating funding (A)	38,138	39,928	37,573	38,109
Applications of operating funding				
Payments to staff and suppliers	26,607	27,146	40,464	33,929
Finance costs	71	125	167	167
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	11,170	8,824	9,023	14,192
Total applications of operating funding (B)	37,848	36,095	49,654	48,288
Surplus (deficit) of operating funding (A-B)	290	3,833	(12,081)	(10,179)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	405
Increase (decrease) in debt	1,212	314	2,347	3,133
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	5,141	8,906	1,264	19,157
Total sources of capital funding (C)	6,353	9,220	3,611	22,695
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	1,145	-	-	-
- to replace existing assets (3)	9,202	13,642	16,708	6,515
Increase (decrease) in reserves	(3,704)	(589)	(25,178)	6,001
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	6,643	13,053	(8,470)	12,516
Surplus (deficit) of capital funding (C-D)	(290)	(3,833)	12,081	10,179
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	1,064	1,145
2 Earthquake recoveries	5,141	8,906	1,264	19,075
3 Earthquake rebuild application of capital funding	5,273	9,134	12,218	4,034

Funding impact statement for year ending 30 June 2015 for Cultural and learning services

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	43,724	46,255	47,183	46,261
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	904	1,057	980	739
Fees and charges	1,850	2,875	1,694	1,514
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	274	136	712	681
Total operating funding (A)	46,752	50,323	50,569	49,195
Applications of operating funding				
Payments to staff and suppliers	30,121	32,785	33,681	33,098
Finance costs	715	1,054	1,624	1,624
Internal charges and overheads applied	2,672	2,756	2,521	2,519
Other operating funding applications	6,722	6,826	7,021	7,003
Total applications of operating funding (B)	40,230	43,421	44,847	44,244
Surplus (deficit) of operating funding (A-B)	6,522	6,902	5,722	4,951
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	281	378	406	1,094
Increase (decrease) in debt	28,461	39,816	40,100	26,208
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	4,750	-	-	1,810
Total sources of capital funding (C)	33,492	40,194	40,506	29,112
Applications of capital funding				
Capital expenditure				
- to meet additional demand	7,527	8,098	11,235	10,127
- to improve the level of service	998	312	312	891
- to replace existing assets (3)	31,489	38,686	34,681	23,118
Increase (decrease) in reserves	-	-	-	(73)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	40,014	47,096	46,228	34,063
Surplus (deficit) of capital funding (C-D)	(6,522)	(6,902)	(5,722)	(4,951)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	150	-	590	459
2 Earthquake recoveries	4,750	-	-	1,810
3 Earthquake rebuild application of capital funding	24,832	31,494	27,594	16,373

Funding impact statement for year ending 30 June 2015 for Democracy and governance

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	13,198	12,886	14,494	14,211
Targeted rates			-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	350	-	-	30
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	-	-	-	9
Total operating funding (A)	13,548	12,886	14,494	14,250
Applications of operating funding				
Payments to staff and suppliers	12,725	12,127	16,121	14,131
Finance costs	-	-	-	-
Internal charges and overheads applied	779	715	873	873
Other operating funding applications	44	44	-	-
Total applications of operating funding (B)	13,548	12,886	16,994	15,004
Surplus (deficit) of operating funding (A-B)	-	-	(2,500)	(754)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	761
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	-	-	-	-
Total sources of capital funding (C)	-	-	-	761
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	9
- to replace existing assets (3)	-	-	-	-
Increase (decrease) in reserves	-	-	(2,500)	(2)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	-	-	(2,500)	7
Surplus (deficit) of capital funding (C-D)	-	-	2,500	754
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	-	-
2 Earthquake recoveries	-	-	-	-
3 Earthquake rebuild application of capital funding	-	-	-	-

The increase in debt in 2014/15 represents the internal funding of operating surpluses and deficits between groups of activities.

Funding impact statement for year ending 30 June 2015 for Economic development

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	8,216	8,346	10,227	10,027
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	5	5	5	26
Fees and charges	17	17	17	111
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	-	-	-	41
Total operating funding (A)	8,238	8,368	10,249	10,205
Applications of operating funding				
Payments to staff and suppliers	1,652	1,681	3,890	3,711
Finance costs	-	-	-	-
Internal charges and overheads applied	566	572	628	628
Other operating funding applications	7,541	7,928	7,548	7,567
Total applications of operating funding (B)	9,759	10,181	12,066	11,906
Surplus (deficit) of operating funding (A-B)	(1,521)	(1,813)	(1,817)	(1,701)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	(146)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	-	-	-	-
Total sources of capital funding (C)	-	-	-	(146)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	-	-	-	-
- to replace existing assets (3)	179	187	183	154
Increase (decrease) in reserves	(1,700)	(2,000)	(2,000)	(2,001)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(1,521)	(1,813)	(1,817)	(1,847)
Surplus (deficit) of capital funding (C-D)	1,521	1,813	1,817	1,701
Funding balance ((A-B) + (C-D))	-	-	-	-

Footnotes

1 Earthquake related operating recoveries	-	-	-	-
2 Earthquake recoveries	-	-	-	-
3 Earthquake rebuild application of capital funding	-	-	-	-

The decrease in debt in 2014/15 represents the internal funding of operating surpluses and deficits between groups of activities.

Funding impact statement for year ending 30 June 2015 for Parks and open spaces

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	34,811	35,185	34,920	34,238
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	11	11	11	17
Fees and charges	3,214	3,344	3,472	3,758
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	148	152	2,668	1,600
Total operating funding (A)	38,184	38,692	41,071	39,613
Applications of operating funding				
Payments to staff and suppliers	33,547	30,913	33,490	33,225
Finance costs	785	1,163	1,654	1,654
Internal charges and overheads applied	2,328	2,248	2,032	2,032
Other operating funding applications	867	878	849	819
Total applications of operating funding (B)	37,527	35,202	38,025	37,730
Surplus (deficit) of operating funding (A-B)	657	3,490	3,046	1,883
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	657
Development and financial contributions	4,458	5,990	6,435	5,514
Increase (decrease) in debt	21,148	6,395	7,508	(3,696)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	-	-	-	2,173
Total sources of capital funding (C)	25,606	12,385	13,943	4,648
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,884	2,918	13,077	1,582
- to improve the level of service	9,601	1,254	1,368	2,455
- to replace existing assets (3)	13,798	12,017	2,858	11,038
Increase (decrease) in reserves	(3,020)	(314)	(314)	(8,544)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	26,263	15,875	16,989	6,531
Surplus (deficit) of capital funding (C-D)	(657)	(3,490)	(3,046)	(1,883)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	2,500	1,362
2 Earthquake recoveries	-	-	-	2,830
3 Earthquake rebuild application of capital funding	8,852	6,598	7,380	6,034

Funding impact statement for year ending 30 June 2015 for Recreation and leisure

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	16,729	18,815	18,171	17,816
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	1,573	2,027	595	706
Fees and charges	12,549	12,893	11,219	11,766
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	110	113	774	2,022
Total operating funding (A)	30,961	33,848	30,759	32,310
Applications of operating funding				
Payments to staff and suppliers	25,725	27,603	24,689	27,716
Finance costs	265	385	542	542
Internal charges and overheads applied	1,901	1,947	1,568	1,568
Other operating funding applications	2,901	2,651	2,908	2,720
Total applications of operating funding (B)	30,792	32,586	29,707	32,546
Surplus (deficit) of operating funding (A-B)	169	1,262	1,052	(236)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	551	740	795	1,134
Increase (decrease) in debt	17,271	105,701	2,104	6,603
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	5,824	2,418	2,418	3,583
Total sources of capital funding (C)	23,646	108,859	5,317	11,320
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	50	523	-	746
- to replace existing assets (3)	25,425	111,008	7,779	11,923
Increase (decrease) in reserves	(1,660)	(1,410)	(1,410)	(1,585)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	23,815	110,121	6,369	11,084
Surplus (deficit) of capital funding (C-D)	(169)	(1,262)	(1,052)	236
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	661	80
2 Earthquake recoveries	5,824	2,418	2,418	3,583
3 Earthquake rebuild application of capital funding	23,596	108,336	4,849	8,794

Funding impact statement for year ending 30 June 2015 for Refuse minimisation and disposal

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	12,498	12,844	13,220	12,962
Targeted rates	21,182	21,506	21,224	22,859
Subsidies and grants for operating purposes	1,030	1,058	1,030	-
Fees and charges	7,154	7,350	6,615	6,629
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	800	822	1,200	5,392
Total operating funding (A)	42,664	43,580	43,289	47,842
Applications of operating funding				
Payments to staff and suppliers	39,045	39,716	39,560	39,231
Finance costs	202	297	399	399
Internal charges and overheads applied	2,506	2,456	2,219	2,219
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	41,753	42,469	42,178	41,849
Surplus (deficit) of operating funding (A-B)	911	1,111	1,111	5,993
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,060	(197)	26	(3,838)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	1,667	223	-	123
Total sources of capital funding (C)	3,727	26	26	(3,715)
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	25	26	26	22
- to replace existing assets (3)	4,542	1,040	1,040	2,180
Increase (decrease) in reserves	71	71	71	76
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	4,638	1,137	1,137	2,278
Surplus (deficit) of capital funding (C-D)	(911)	(1,111)	(1,111)	(5,993)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	-	-
2 Earthquake recoveries	1,667	223	-	123
3 Earthquake rebuild application of capital funding	3,702	-	-	1,263

Funding impact statement for year ending 30 June 2015 for Regulatory services

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	10,111	8,674	12,618	12,371
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	32,182	35,803	47,009	46,890
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	4,065	4,690	5,015	5,157
Total operating funding (A)	46,358	49,167	64,642	64,418
Applications of operating funding				
Payments to staff and suppliers	43,063	45,774	60,585	67,058
Finance costs	-	-	-	-
Internal charges and overheads applied	2,665	2,729	3,275	3,275
Other operating funding applications	670	670	820	1,057
Total applications of operating funding (B)	46,398	49,173	64,680	71,390
Surplus (deficit) of operating funding (A-B)	(40)	(6)	(38)	(6,972)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	109	104	-	6,675
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	-	-	-	-
Total sources of capital funding (C)	109	104	-	6,675
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	264	161	161	334
- to replace existing assets (3)	45	57	56	-
Increase (decrease) in reserves	(240)	(120)	(255)	(631)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	69	98	(38)	(297)
Surplus (deficit) of capital funding (C-D)	40	6	38	6,972
Funding balance ((A-B) + (C-D))	-	-	-	-

Footnotes

1 Earthquake related operating recoveries	-	-	-	-
2 Earthquake recoveries	-	-	-	-
3 Earthquake rebuild application of capital funding	-	-	-	-

The increase in debt in 2014/15 represents the internal funding of operating surpluses and deficits between groups of activities.

Funding impact statement for year ending 30 June 2015 for Roads and footpaths

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	45,214	49,231	51,659	50,650
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	10,038	10,311	11,294	11,962
Fees and charges	5,015	6,743	5,707	7,131
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	3,933	3,807	3,705	3,176
Total operating funding (A)	64,200	70,092	72,365	72,919
Applications of operating funding				
Payments to staff and suppliers	49,275	50,238	50,913	52,138
Finance costs	3,725	5,241	7,216	7,216
Internal charges and overheads applied	4,933	4,834	4,421	4,421
Other operating funding applications	-	-	-	54
Total applications of operating funding (B)	57,933	60,313	62,550	63,829
Surplus (deficit) of operating funding (A-B)	6,267	9,779	9,815	9,090
Sources of capital funding				
Subsidies and grants for capital expenditure	20,769	22,238	20,615	64,430
Development and financial contributions	1,302	1,749	1,879	4,697
Increase (decrease) in debt	128,238	106,235	96,445	50,191
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	103,253	143,697	143,697	33
Total sources of capital funding (C)	253,562	273,919	262,636	119,351
Applications of capital funding				
Capital expenditure				
- to meet additional demand	22,448	31,342	34,599	20,142
- to improve the level of service	18,735	25,620	9,428	11,063
- to replace existing assets (3)	218,646	226,736	228,424	97,203
Increase (decrease) in reserves	-	-	-	33
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	259,829	283,698	272,451	128,441
Surplus (deficit) of capital funding (C-D)	(6,267)	(9,779)	(9,815)	(9,090)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	3,363	3,221	3,135	2,258
2 Earthquake recoveries	103,253	143,697	143,697	65,764
3 Earthquake rebuild application of capital funding	205,831	209,826	211,126	83,765

Funding impact statement for year ending 30 June 2015 for Sewerage collection treatment and disposal

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	(9,583)	(6,705)	(7,065)	(6,927)
Targeted rates	39,564	42,442	43,578	46,934
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	5,046	4,567	4,221	7,002
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	12,918	8,803	9,014	3,225
Total operating funding (A)	47,945	49,107	49,748	50,234
Applications of operating funding				
Payments to staff and suppliers	42,481	38,116	38,220	31,544
Finance costs	1,757	2,570	3,629	3,629
Internal charges and overheads applied	2,481	2,452	2,260	2,259
Other operating funding applications	-	-	-	(451)
Total applications of operating funding (B)	46,719	43,138	44,109	36,981
Surplus (deficit) of operating funding (A-B)	1,226	5,969	5,639	13,253
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	3,713	4,988	5,361	12,372
Increase (decrease) in debt	157,159	174,904	187,227	112,629
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	229,988	213,678	213,678	175,704
Total sources of capital funding (C)	390,860	393,570	406,266	300,705
Applications of capital funding				
Capital expenditure				
- to meet additional demand	13,463	14,701	28,706	17,633
- to improve the level of service	8,590	8,931	7,292	4,277
- to replace existing assets (3)	370,033	375,907	375,907	292,048
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	392,086	399,539	411,905	313,958
Surplus (deficit) of capital funding (C-D)	(1,226)	(5,969)	(5,639)	(13,253)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	12,650	8,528	8,523	4,280
2 Earthquake recoveries	229,988	213,678	213,678	175,704
3 Earthquake rebuild application of capital funding	362,207	363,997	363,997	286,851

Funding impact statement for year ending 30 June 2015 for Water supply

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	(7,093)	(7,423)	(7,267)	(7,125)
Targeted rates	23,804	25,140	28,162	30,331
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	2,990	3,071	339	4,501
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	2,509	1,849	1,800	2,286
Total operating funding (A)	22,210	22,637	23,034	29,993
Applications of operating funding				
Payments to staff and suppliers	18,125	17,222	17,239	18,355
Finance costs	1,042	1,528	2,082	2,082
Internal charges and overheads applied	1,482	1,463	1,336	1,257
Other operating funding applications	4	4	4	(61)
Total applications of operating funding (B)	20,653	20,217	20,661	21,633
Surplus (deficit) of operating funding (A-B)	1,557	2,420	2,373	8,360
Sources of capital funding				
Subsidies and grants for capital expenditure	777	798	-	-
Development and financial contributions	1,270	1,706	1,833	3,977
Increase (decrease) in debt	21,937	16,986	20,119	12,257
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	4,230	4,240	9,948	12,018
Total sources of capital funding (C)	28,214	23,730	31,900	28,252
Applications of capital funding				
Capital expenditure				
- to meet additional demand	6,572	6,105	5,834	5,070
- to improve the level of service	12,192	9,362	9,756	12,750
- to replace existing assets (3)	11,007	10,683	18,683	18,792
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	29,771	26,150	34,273	36,612
Surplus (deficit) of capital funding (C-D)	(1,557)	(2,420)	(2,373)	(8,360)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	2,509	1,849	1,800	2,165
2 Earthquake recoveries	4,230	4,240	9,171	10,092
3 Earthquake rebuild application of capital funding	7,777	7,066	15,066	13,646

Funding impact statement for year ending 30 June 2015 for Stormwater and flood protection and control works

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	(2,327)	(2,438)	(2,553)	(2,503)
Targeted rates	16,965	17,455	18,216	19,619
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	20	21	20	225
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	-	-	4,320	2,469
Total operating funding (A)	14,658	15,038	20,003	19,810
Applications of operating funding				
Payments to staff and suppliers	18,636	18,999	19,059	19,943
Finance costs	-	-	905	905
Internal charges and overheads applied	977	962	877	877
Other operating funding applications	-	-	-	(82)
Total applications of operating funding (B)	19,613	19,961	20,841	21,643
Surplus (deficit) of operating funding (A-B)	(4,955)	(4,923)	(838)	(1,833)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	1,425	1,915	2,057	3,962
Increase (decrease) in debt	41,858	46,402	42,802	23,913
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding (2)	38,102	38,702	38,702	31,096
Total sources of capital funding (C)	81,385	87,019	83,561	58,971
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,605	9,956	10,793	4,484
- to improve the level of service	153	42	42	1,129
- to replace existing assets (3)	70,672	72,098	71,888	50,919
Increase (decrease) in reserves	-	-	-	606
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	76,430	82,096	82,723	57,138
Surplus (deficit) of capital funding (C-D)	4,955	4,923	838	1,833
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	-	-	4,320	2,675
2 Earthquake recoveries	38,102	38,702	38,702	31,096
3 Earthquake rebuild application of capital funding	68,427	69,709	69,709	49,705

Funding impact statement for year ending 30 June 2015 for Corporate

	2013/14	2014/15	2014/15	2014/15
	<i>Three Year Plan</i>	<i>Three Year Plan</i>	<i>Annual Plan</i>	<i>Actual</i>
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	29,088	33,827	21,888	21,461
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	6,049	6,845	6,316	2,638
Fees and charges	3,511	3,594	2,946	9,717
Internal charges and overheads recovered	22,925	22,495	20,823	20,742
Local authorities fuel tax, fines, infringement fees, and other receipts (1), (2)	70,767	69,026	80,534	94,063
Total operating funding (A)	132,340	135,787	132,507	148,621
Applications of operating funding				
Payments to staff and suppliers	29,282	28,286	17,353	31,137
Finance costs	32,075	45,114	42,264	45,060
Internal charges and overheads applied	122	150	-	-
Other operating funding applications	30,047	28,177	35,884	25,306
Total applications of operating funding (B)	91,526	101,727	95,501	101,503
Surplus (deficit) of operating funding (A-B)	40,814	34,060	37,006	47,118
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(145,326)	23,833	48,656	85,004
Gross proceeds from sale of assets	75,792	14,268	6,763	935
Lump sum contributions	-	-	-	-
Other dedicated capital funding (3)	23,239	38,041	44,628	(34,696)
Total sources of capital funding (C)	(46,295)	76,142	100,047	51,243
Applications of capital funding				
Capital expenditure				
- to meet additional demand	1,090	13,325	13,360	(1,068)
- to improve the level of service	8,458	8,362	8,200	8,926
- to replace existing assets (4)	53,674	82,869	106,999	(79,926)
Increase (decrease) in reserves	(68,703)	5,646	9,694	(18,217)
Increase (decrease) of investments	-	-	(1,200)	188,646
Total applications of capital funding (D)	(5,481)	110,202	137,053	98,361
Surplus (deficit) of capital funding (C-D)	(40,814)	(34,060)	(37,006)	(47,118)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Earthquake related operating recoveries	2,049	1,541	1,863	3,125
2 Interest and Dividends from investments	64,816	63,733	63,733	75,410
3 Earthquake recoveries	23,239	38,041	44,628	(50,666)
4 Earthquake rebuild application of capital funding	33,572	64,239	88,674	(87,816)

Financial statements

This section contains details about the Council's finances over the past year, where additional funding came from and some of the year's financial highlights.

Financial statements
Financial highlights

Financial result - Parent

Operating performance

	2015	Statutory reporting items	Underlying 2015 result	Underlying 2014 result	Increase
	\$000	\$000	\$000	\$000	%
Total revenue	1,007,346	-	1,007,346	880,454	14%
Total surplus for the period, before income tax expense	306,804	66,596	240,208	242,288	-1%
Total surplus for the period, after income tax expense	307,390	66,596	240,794	243,793	-1%
Total comprehensive revenue and expense	1,354,830	1,114,622	240,208	243,793	-1%

Financial Summary

	2015	2014	Variance
	\$000	\$000	%
Total revenue	1,007,346	880,454	14%
Total surplus for the period, before income tax expense	306,804	203,611	51%
Total comprehensive revenue and expense	1,354,830	810,946	67%
<i>Statutory reporting items:</i>			
(Impairment)/reversal of impairment on other assets	-	3,762	
(Impairment)/reversal of impairment on property, plant and equipment	69,028	(44,213)	
Gains/(losses) through ineffectiveness of cash flow hedges	(1,603)	2,391	
Transfer from equity for cashflow hedges	(35)	(332)	
Gains / (Losses) through ineffectiveness of fair value hedges	(4)	(1)	
Gains/(losses) on investments held at fair value through surplus and deficit	-	(284)	
Fair value through income statement financial assets fair value change	(790)	-	
Property, plant and equipment valuation movement	935,630	482,723	
Investment revaluation gain	199,341	116,790	
Cashflow hedges gain(loss)	(86,950)	6,317	
Transfers and other	5	-	
Total statutory reporting items	1,114,622	567,153	
Income tax relating to components of statutory reporting items	(586)	-	
Statutory reporting items, net of tax	1,114,036	567,153	

The Council had an operating surplus of \$307 million for 2014/15 compared to a planned surplus of \$428 million and prior year surplus of \$205 million.

Statutory reporting items include an increase from revaluation of property, plant and equipment (\$936 million), an increase in the value of subsidiaries (\$199 million), and a reversal of impairment on property, plant and equipment (\$69 million), offset by a decrease in the value of derivative hedges (\$87 million) and a number of decreases in the fair value of financial assets (totalling \$2 million). This resulted in a surplus of \$1.4 billion in our total comprehensive revenue and expense.

The planned surplus was \$484 million, (2014: \$452 million) with the improvement being the result of the greater than expected asset and investment revaluations.

Operating surplus breakdown

Sources of operating revenue

Total revenue for the year ended 30 June 2015 is \$1.0 billion including vested assets. Vested assets are non cash revenue such as parcels of land received from developers in lieu of cash development contributions.

Revenue was received from the following sources:

Sources of operating revenue	Actual	Plan
	\$million	\$million
Rates revenue	361.9	358.1
Sale of goods / services	73.5	71.2
Rental revenue	32.9	24.8
Interest revenue	23.9	19.4
Dividends	51.4	55.5
Development contributions	33.2	18.8
NZ Transport Agency subsidies (excl earthquake)	29.9	36.5
Earthquake subsidies & revenue	232.7	395.6
Insurance receipts	43.4	83.9
Other revenue	42.2	16.2
Vested assets	82.3	3.7
Total	1,007.3	1,083.7

Categories of operating expenditure

Our total operating expenditure for the year ended 30 June 2015 was \$700.5 million. Key components include:

Sources of operating expenditure	Actual	Plan
	\$million	\$million
Depreciation, amortisation and impairment	138.0	115.9
Finance costs	63.3	60.5
Personnel costs	167.5	166.3
Grants / donations	43.5	34.7
Provision of services and maintenance of assets	170.1	178.5
Consultants and legal fees	40.3	30.5
Other	77.9	71.9
Total	700.5	658.2

Financial Position

Our statement of financial position shows a strong position with total assets of \$10.9 billion, total liabilities of \$1.6 billion, including debt level of \$1.2 billion, and net assets of \$9.3 billion.

At \$10.9 billion, total assets are \$1.4 billion higher than plan. The increase in assets is primarily the result of:

- the upward revaluation of :
 - subsidiaries, of \$199.3 million; and
 - property, plant and equipment of \$935.6 million; and
- additional lending to CCHL of \$107.6 million.

Infrastructure work in progress has a balance of \$975 million, \$304 million lower than 2014.

Our total liabilities are \$37 million lower than plan primarily as a result of the delays in the rebuild of the city requiring the Council to borrow less than planned.

Crown and Insurance Funding

Crown contributions and insurance proceeds of \$276 million (2014: \$288 million) were received in 2015. These relate to continuing payments from insurers and Crown agencies (CERA and NZTA). At year end the Council had a receivable from CERA of \$28.7 million and from insurers of \$132.5 million.

We are still in negotiation with our insurers and the insurance receivable represents the receivable that can be recognised under accounting standards. It does not represent the total amount of the claims, (\$921 million) that the Council has with its insurers.

Achievements

Details of Council's non-financial achievements for the year are included in the *Our Achievements* section of the Annual Report.

Revaluation

This year we continued the process commenced in 2014 when we revalued the water infrastructure network and undertook the revaluation of land and buildings, sewerage and roading network assets. This resulted in an increase in value of \$936 million. We have now revalued all major assets and all infrastructure other than stormwater.

However, there is still a level of uncertainty regarding:

- the impact of the completion of the SCIRT rebuild programme on the overall value of the networks;
- the value of work in progress; and
- the impact of the earthquakes on the networks.

More detail on the financial impact of the rebuild is outlined in the *Impact of the rebuild* and note 9 of the *Financial Statements* later in the Annual Report.

Modified Audit Opinion

As a result the Council remains unable to fully comply with IPSAS accounting standards in respect of its property, plant and equipment (as has been the case since 2011) and has received a modified audit opinion.

The opinion has also been modified in relation to the level of insurance receivables recognised.

The modified opinion does not reflect on the Council's financial management or its ability to fund the rebuild of its infrastructure, it simply reflects the fundamental uncertainty around the actual value of its assets due to the impact of the earthquake.

Looking forward

The major focus of the Council in 2016 will be delivery of the Council's capital programme, delivering the levels of service to community that were outlined for year one of the LTP together with the continuing rebuild of our city. In conjunction with the SCIRT alliance, the infrastructure rebuild continues in line with SCIRT's published programme of works. While SCIRT has the responsibility for the rebuild and repair of the horizontal infrastructure networks over the forthcoming years, Council will continue to maintain existing assets to meet the immediate needs of the community.

Major capital works planned for the year to June 2016 include continuation of the following:

- The ongoing facilities rebuild.
- The delivery of the Social Housing repair and replacement programme.
- The repair of the Art Gallery and rebuild of the new Central and Halswell libraries.
- The three-laning of the Causeway and Main Road to Sumner, the Wigram Magdala overbridge.
- The development of options to enable Sumner Road (Evans Pass) to be reopened.
- 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.
- Earthquake repairs at CWTP in the expectation that the plant will be fully repaired by the end of 2015.
- Restoration of the Bridge of Remembrance and Triumphal Arch.
- The Wigram wastewater pressure main and the Wairakei diversion wastewater upgrade.
- The cycleway network throughout the City.

The District Plan Review will continue.

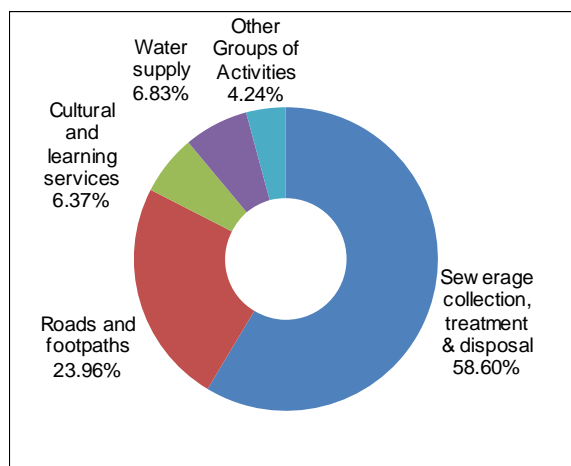
Christchurch will host a range of local, national and international sporting events including the Pioneer (mountain bike race), New Zealand Women's Golf Open and New Zealand Touch Nationals, along with Le Race and the Airport Marathon.

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

Investing in the assets of the city

The Council has spent \$536 million across a wide range of capital projects, compared to the budget of \$1.0 billion. The under-spend is the result of delays in the infrastructure and facilities rebuild programme and the Council's other capital projects. A large portion of the capital spend relates to the infrastructure rebuilding programme which is funded through insurance recoveries and Crown contributions.

Highlights are below with more detail in the *Council activities and services* pages.



The Other Groups of Activities category comprises Parks and open spaces, 2.81%, Stormwater and flood protection and control works, 10.55%, Refuse Minimisation and Disposal, 0.41%, Recreation and Leisure, 2.36%, Community Support, 1.22%, City Planning and Development, 0.25%, Economic development, 0.03%, and Regulatory Services, 0.06%, and Corporate activities, -13.45%. Corporate capital investment is negative because SCIRT Work In Progress costs are held in Corporate until the project is handed across by SCIRT at which point the detail of the project can be determined. The cost is then transferred out of Corporate and into the appropriate activity.

Capital projects

A total of \$384 million (2014: \$509 million) has been spent on infrastructure build projects during the year; the majority is in relation to the sewerage collection treatment and disposal, water supply and roading networks.

Water supply capital projects during the year included \$7 million on the Keyes, Prestons and Wilmers pump stations, \$4 million on the McCormacks Bay and Westmorland 3 reservoirs and \$3.1 million on well earthquake repairs.

Within the sewerage network, \$10 million was spent on the Wigram sewerage pressure main and pump station and \$3.7 million on earthquake repairs to the wastewater treatment plant. \$5 million on

Work continued on the Ferrymead Bridge, \$6 million; carriageway sealing and surfacing, \$5 million, Wigram Magdala overbridge, \$5 million, cycleways, \$3 million and repairs to the Bridge of Remembrance, \$2 million.

Stormwater flood protection and control projects included \$3 million for projects arising from the flooding taskforce recommendations. In addition further land remediation was undertaken, \$12 million.

Recreation and Leisure projects included the Waltham Pool, \$3 million, Norman Kirk Memorial Pool, \$2 million, Lyttelton Recreation Centre, \$2 million, and pitches for the FIFA U20 World Cup Football, \$1 million.

Within the Art Gallery and Library, art gallery repairs totalled \$14 million, the new Halswell Library \$10 million, library books \$5 million and the new Central Library \$1 million.

Social Housing projects included housing improvements and new units, \$3 million.

Council's information technology unit renewals, replacements and developments totalled \$15 million.

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

Insurance of Council Assets

	2015 \$000	2014 \$000
Total book value of property Plant and Equipment	8,132,347	6,663,092
Book value of assets covered by insurance	1,083,220	1,091,852
Book value of assets covered by financial risk sharing arrangements	2,696,376	1,667,434
Insured value of assets covered by insurance	1,558,507	673,132
Insured value of assets covered by financial risk sharing arrangements	125,000	200,000
The maximum amount to which assets are insured under Council insurance policies	1,683,507	873,132

The table above represents the insurance position at 30 June 2015. Subsequent to balance date the Council has renewed its Material Damage cover for buildings which increased the maximum amount of insurance coverage to \$2 billion.

The book value of assets covered by insurance excludes land and land under roads of \$1.5 billion (2014: \$1.5 billion) and work in progress of \$1.1 billion (2014: \$1.3 billion) for which cover is not available.

At 30 June 2015 Council had insurance cover for a number of significant buildings. It also had fire only cover for significant assets which are still unrepaired and for which normal material damage cover is unavailable. The renewal of the buildings policy was based on the insurance valuations at 30 June 2015. The Council self-insures any buildings with a value below \$250,000.

The Council is a member of the Local Authority Protection Programme (LAPP) which is a Financial Risk Sharing arrangement. At 30 June 2015 LAPP provided limited cover over the \$4.4 billion of infrastructure assets. In addition Council had cover for \$583 million of pump stations and wastewater treatment plant assets under its building policy, discussed above. The Council is unable to obtain more extensive cover for its underground assets until the full condition assessments and valuations of infrastructure assets are complete. While our knowledge improves annually it may be a further three years before we have sufficient information. It is Council's intention to seek cover for infrastructure assets as they are handed over by SCIRT.

In addition to the Council's insurance cover it is assumed that in the event of a further natural disaster Central Government will continue to contribute 60 per cent towards the restoration of underground water, waste and drainage assets and NZTA will continue to contribute 44-54 per cent towards the restoration of road assets.

Financial statements Group results

The Group includes the Council and its trading operations. The financial results, after all inter-company transactions have been eliminated, reflect the financial strength and size of the organisation as a whole.

Group results	2015	2014
	\$000	\$000
Revenue from operations	1,872,080	1,990,643
Operating surplus (before tax)	402,609	556,060
Total assets	12,187,824	10,536,354
Total liabilities	2,764,376	2,233,507
Total equity	9,423,448	8,302,847

The decrease in operating surplus in 2015 is due to a number of one-off factors which occurred in 2014 in particular the \$438.3 million of insurance recoveries being recognised by LPC on the settlement of its insurance claim. Partially offsetting this is the improved profitability of some members of the CCHL Group including CIAL, Orion and LPC.

The increase in total assets in 2015 reflects the increasing value of the assets held by the city as a result of the revaluation of Council infrastructure assets following rebuild activities.

Financial statements

Financial ratios

The Council has five financial ratios which form a key part of its financial risk management strategy and are the key limits for the Council's borrowing from the Local Government Funding Agency (LGFA).

The five ratios are:

- Net debt as a percentage of equity;
- Net interest as a percentage of total revenue;
- Net debt as a percentage of total revenue;
- Net interest as a percentage of annual rates revenue; and
- Liquidity.

These ratios define the limits within which the Council must maintain its balance sheet and borrowing ratios. In the Three Year Plan the limits for a number of ratios were reviewed to better reflect the expected future financial constraints on the Council.

The actual ratios for the year are set out in the *Financial prudence benchmarks* section on page 142.

Financial statements Financial prudence benchmarks

The Local Government (Financial Reporting) Amendment Regulation 2013 came into force on 1 February 2014. These regulations introduced seven financial prudence benchmarks for local authorities organised around three elements of financial prudence – affordability, sustainability and predictability, against which the Council is required to report.

The regulations set out the detail and the format for the disclosures including the layout of the graphs. To assist readers additional information has been provided to explain the results.

Disclosure statement

Annual report disclosure statement for the year ending 30 June 2015

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's financial performance in relation to required benchmarks in order to assess whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Should you require more information, including definitions of some of the terms used in this statement, please refer to the regulations.

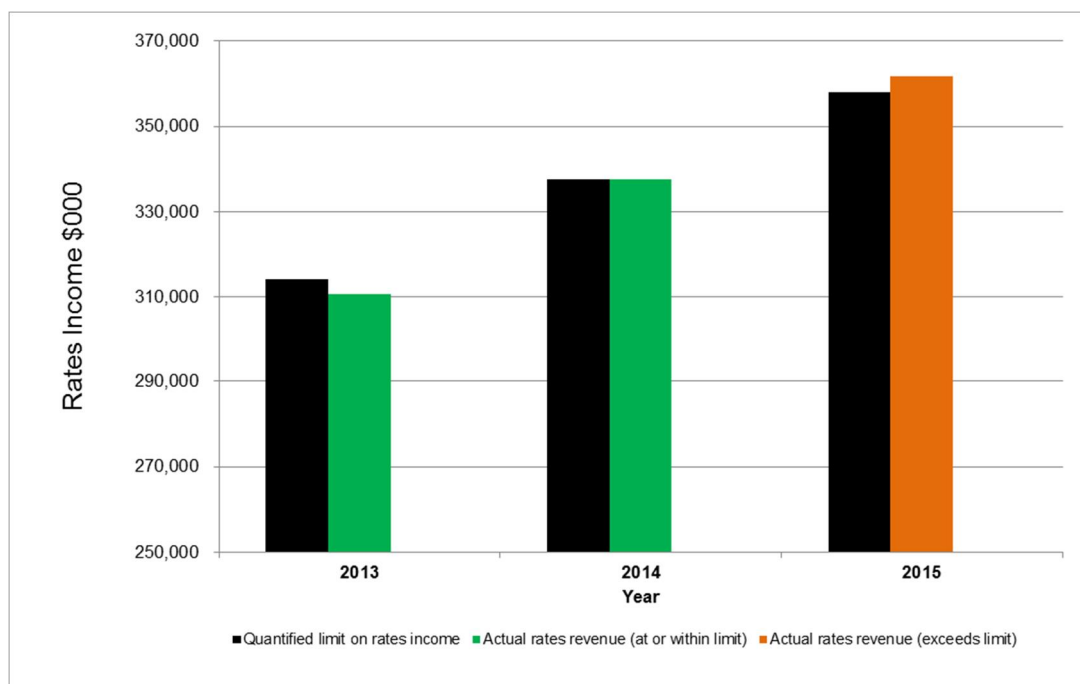
Rates affordability benchmark

The Council meets the rates affordability benchmark if –

- its actual rates revenue equals or is less than each quantified limit on rates; and
- its actual rates increase equals or is less than each quantified limit on rates increases.

Rates (revenue) affordability

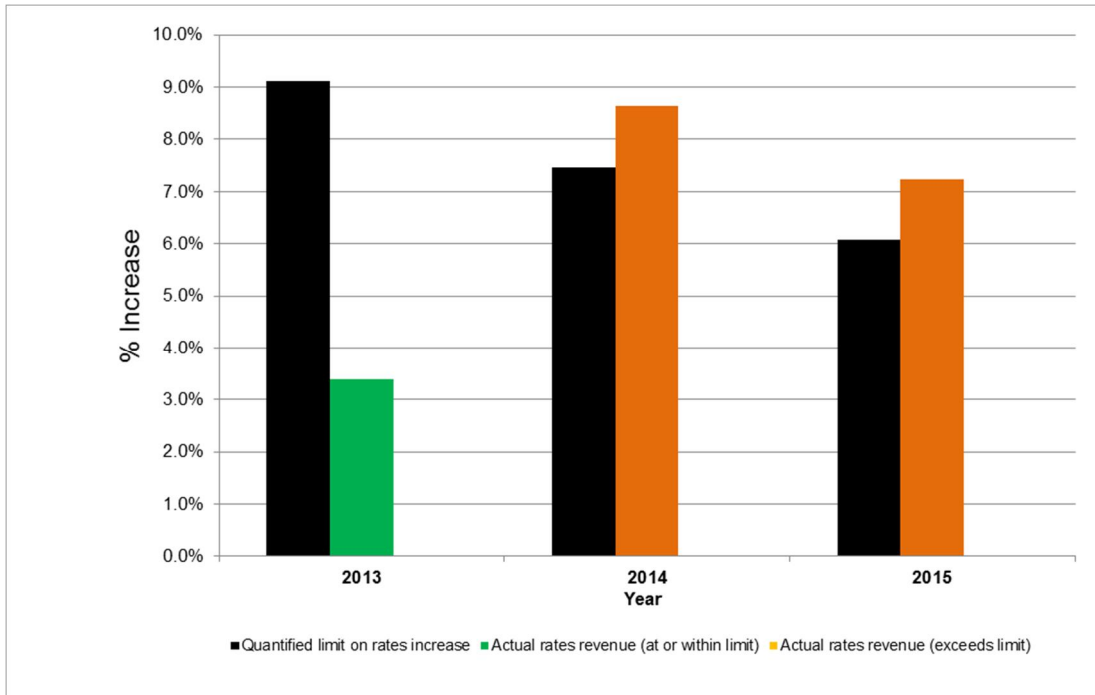
The following graph compares the Council's actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council's Three Year Plan and 2013 and 2015 Annual Plans. The quantified limit for 2015: \$358,126,000, 2014: \$337,638,000 and 2013: \$314,225,000.



Actual rates revenue exceeded the quantified limit in 2015 as a result of higher than expected rating growth during the year as ratepayers complete their rebuild work. While the Order in Council remains in place the Council can on the completion of new buildings levy rates immediately rather than from the start of the next rating year.

Rates (increases) affordability

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Three Year Plan and 2013 and 2015 Annual Plans. The quantified limit is: 2015: 6.1%, 2014: 7.5%, 2013: 9.1%.



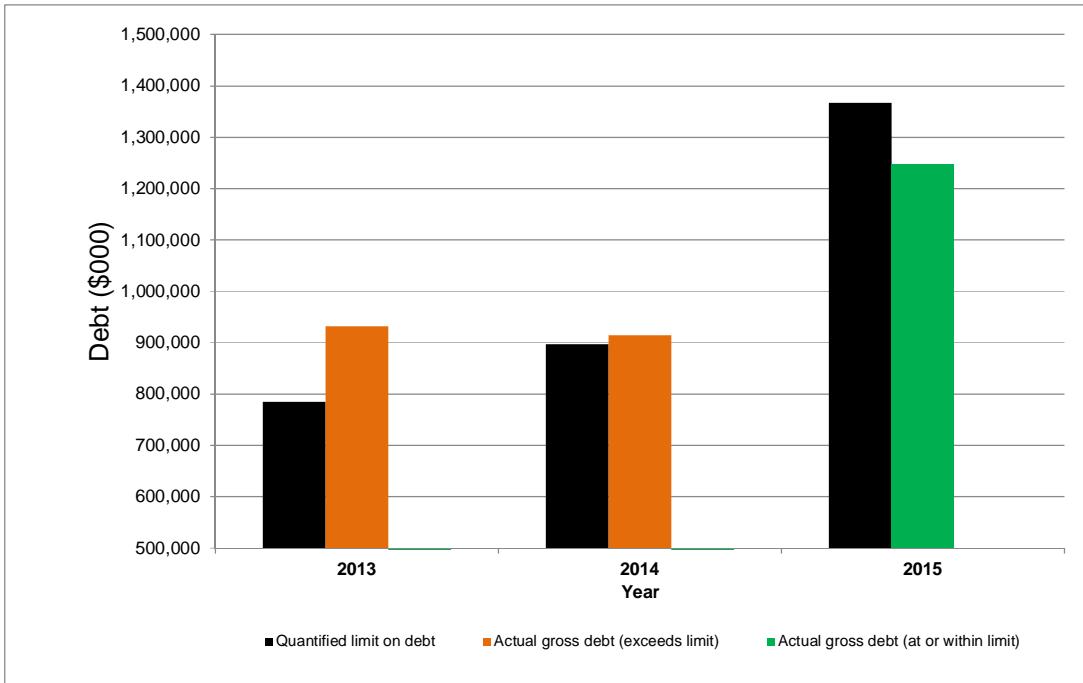
This benchmark looks at the year on year percentage increase in rates revenue. In 2013 rates revenue was lower than planned as the expected level of population growth was not achieved. In 2014 actual rates revenue was in line with the planned revenue but the actual percentage increase in rates revenue exceeded the set limit because it was measured against the 2013 actual result. In 2015 a higher than expected in-year growth in rates revenue resulted in the actual percentage increase exceeding the set limit.

Debt affordability benchmark

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has six measures for debt affordability and these are set out below.

Total borrowing

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Three Year Plan and 2013 and 2015 Annual Plans. The quantified limit is 2015: \$1,366,286,000, 2014: \$897,675,000 and 2013: \$784,855,000.

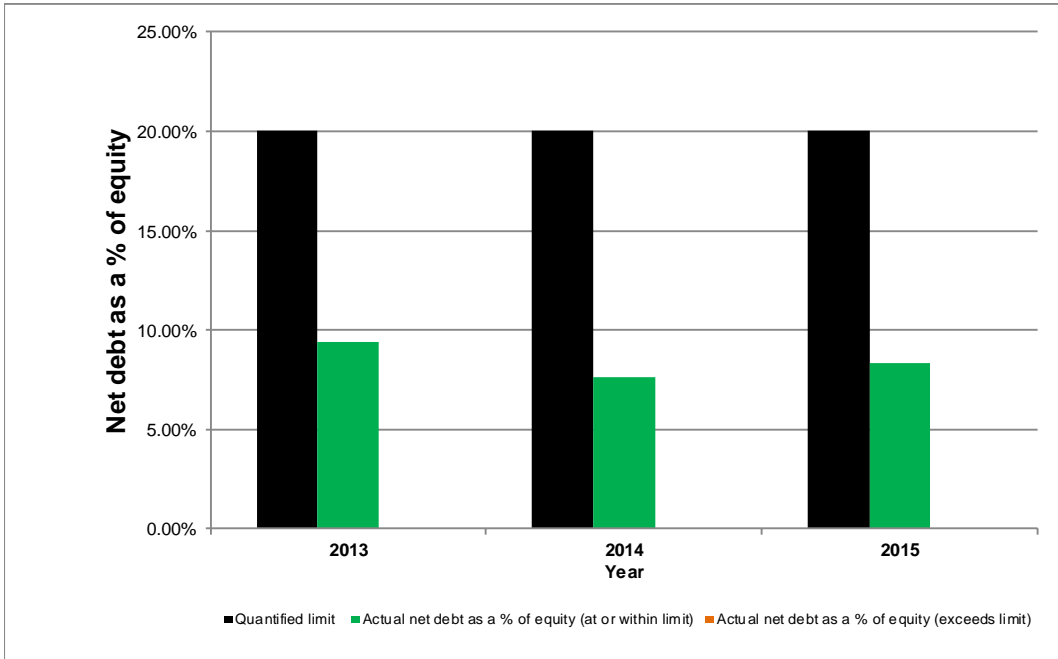


The quantified limit set in the financial strategy for 2013 and 2014 was the total projected borrowing. In 2013 actual borrowing exceeded the quantified limit due to \$115 million of debt which matured early in the 2013/14 year and required pre funded at 30 June 2013.

In 2015 there was a significant increase in the quantified limit to take into account the funding requirements of the rebuild. The delays in the rebuild have meant that Council has not needed to borrow as expected.

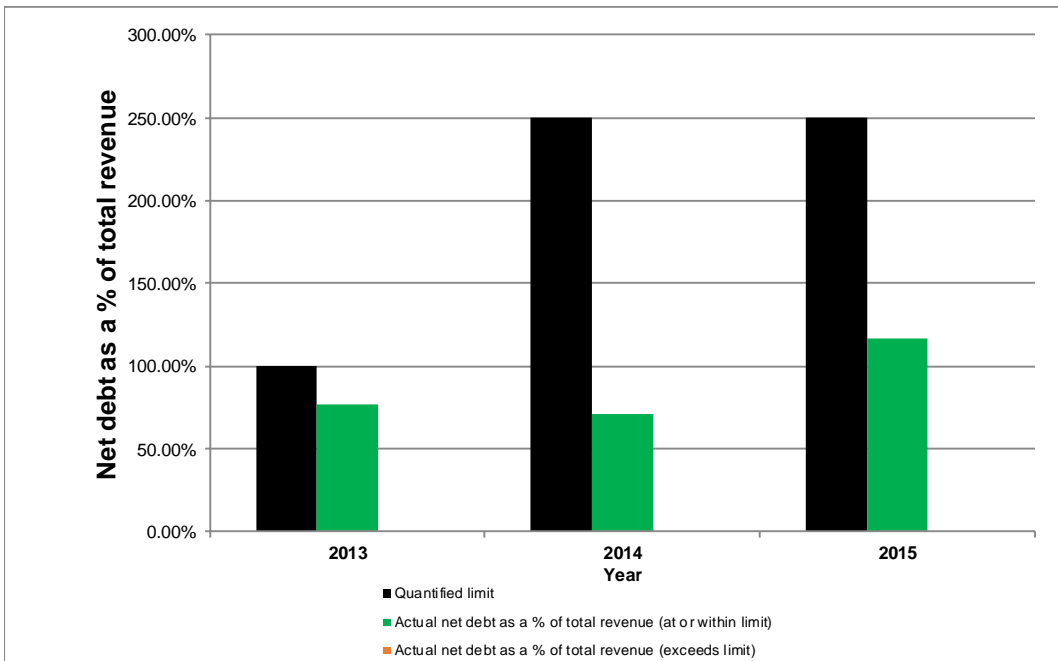
Net debt as a percentage of equity

The following graph compares the Council's actual ratio of net borrowing as a percentage of equity with a quantified limit stated in the financial strategy as included each year in the Council's Plan. The quantified limit is net debt comprised of total borrowings less liquid assets and investments (excluding shares and advances to subsidiaries) as a percentage of equity being less than or equal to 20%.



Net debt¹ as a percentage of total revenue²

The following graph compares the Council's actual ratio of net borrowing as a percentage of total revenue with a quantified limit on borrowing stated each year in the financial strategy of the Council's Plan. The quantified limit is net debt as a percentage of total revenue being less than or equal to 250% for 2015 and 2014 (2013: 100%).

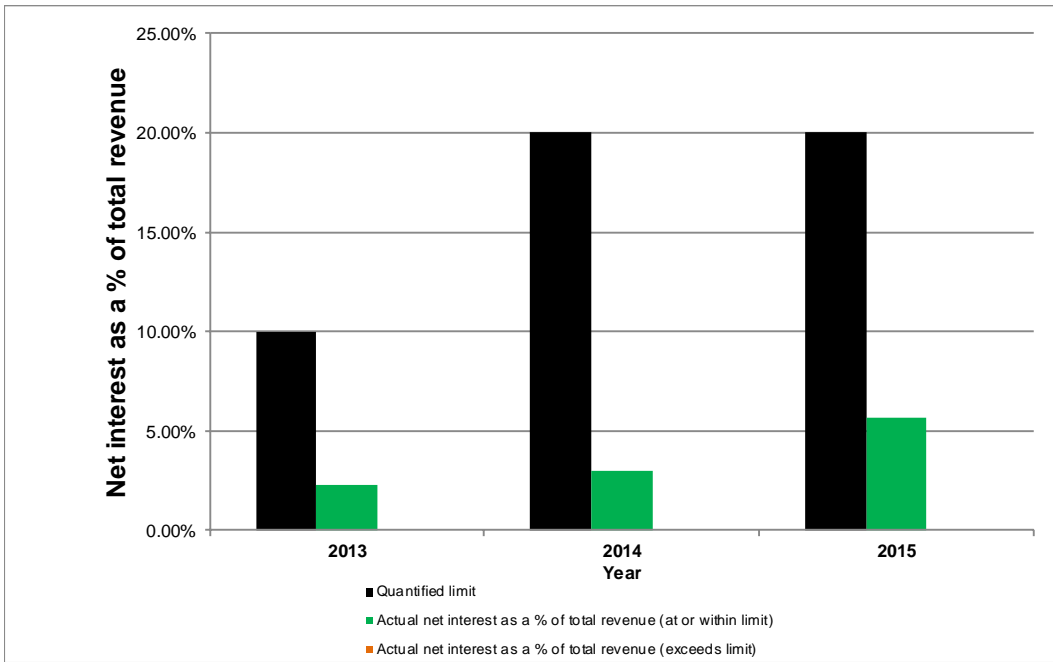


¹ Net debt is defined as total financial liabilities less financial assets (excluding trade and other receivables).

² Total revenue is total cash operating revenue excluding development contributions and non government capital contributions.

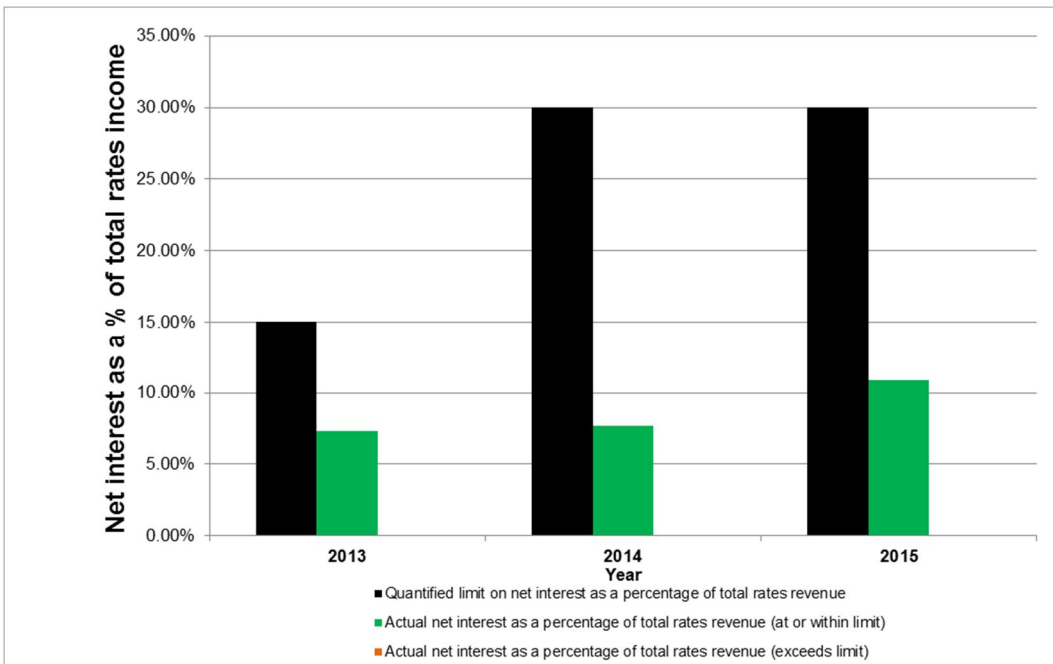
Net interest as a percentage of total revenue

The following graph compares the Council's actual ratio of net interest as a percentage of total revenue with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is net interest as a percentage of total operating revenue being less than or equal to 20% for 2015 and 2014 (2013: 10%).



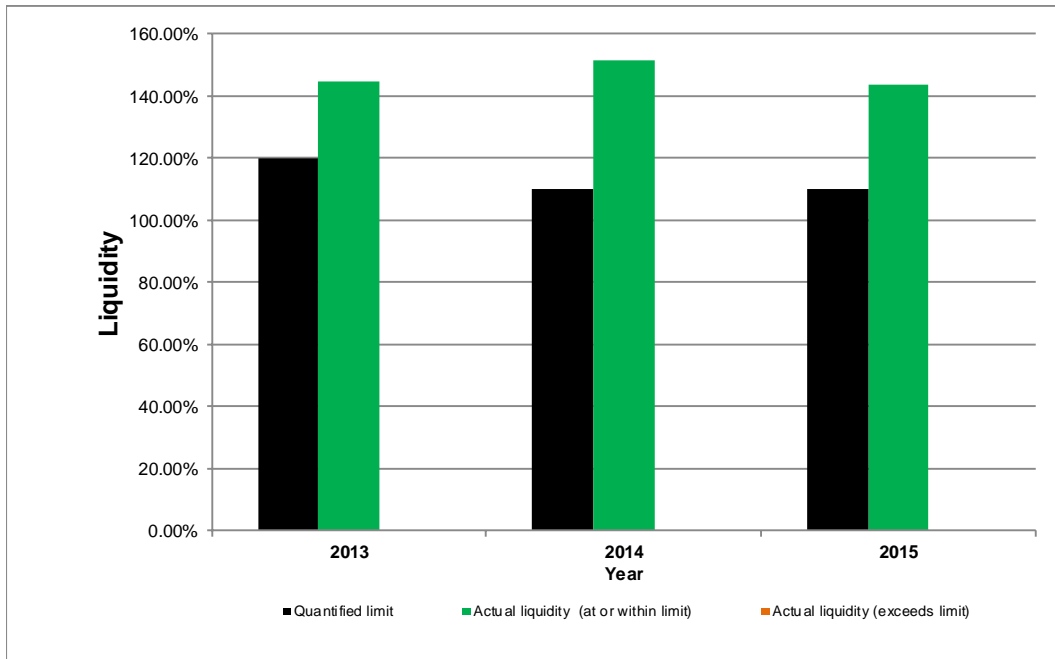
Net interest as a percentage of annual rates revenue

The following graph compares the Council's actual ratio of net interest as a percentage of annual rates revenue with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is net interest as a percentage of annual rates revenue being less than or equal to 30% for 2015 and 2014 (2013: 15%).



Liquidity

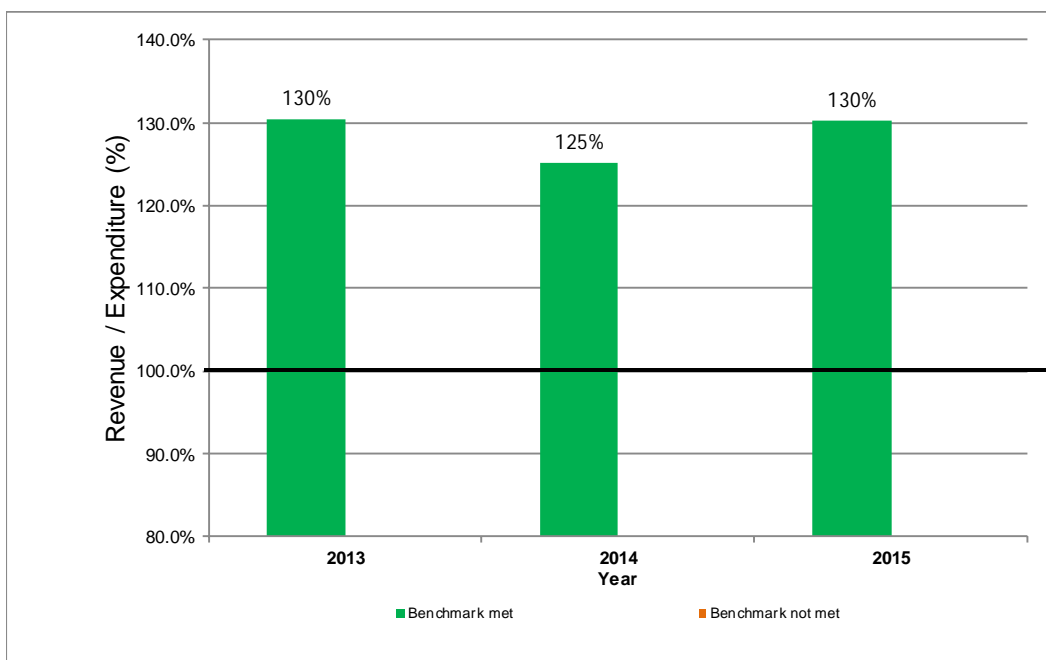
The following graph compares the Council's actual liquidity with a quantified limit stated in the financial strategy included each year in the Council's Plan. The quantified limit is liquidity being greater than 110% for 2015 and 2014 (2013: 120%). For debt affordability liquidity is calculated as total borrowings including committed but undrawn facilities plus liquid assets and investments compared to total term borrowings.



Balanced budget benchmark

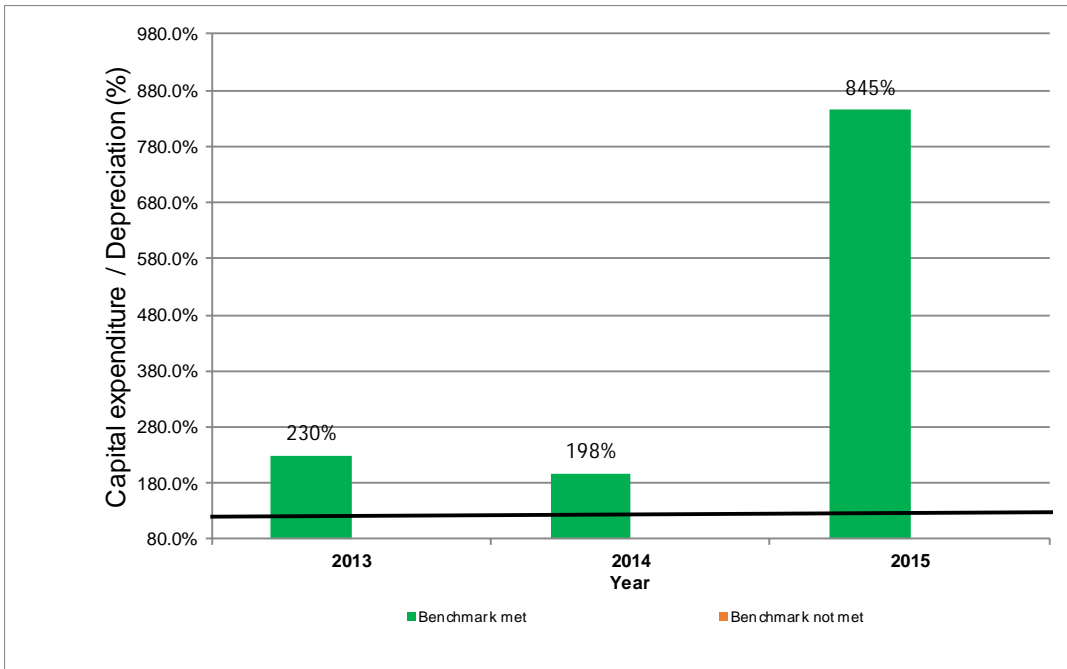
The following graph displays the Council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

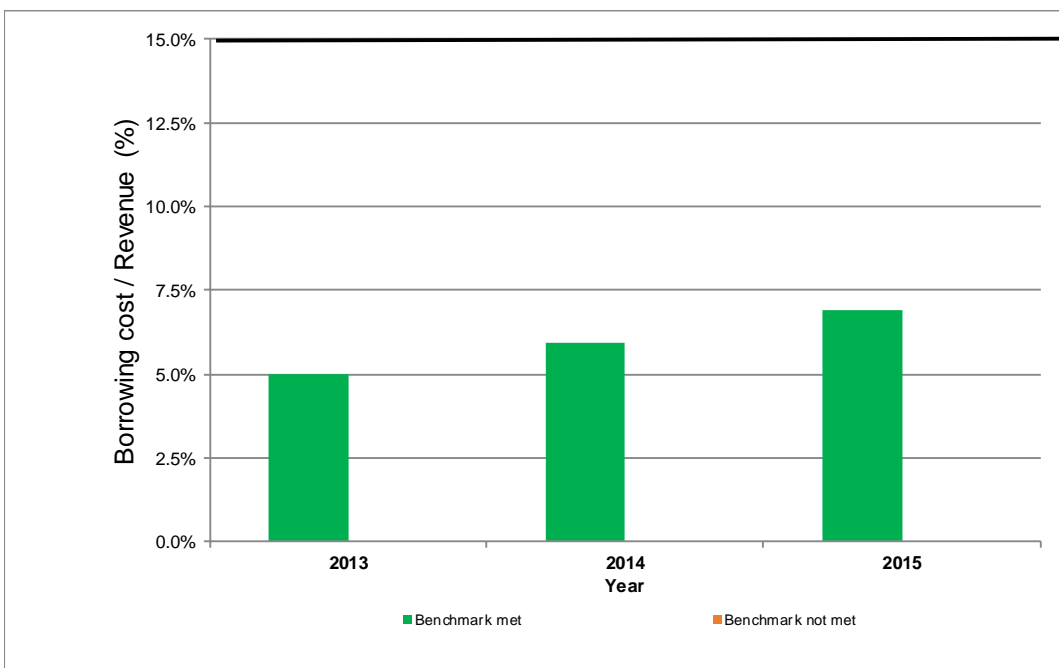
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment).

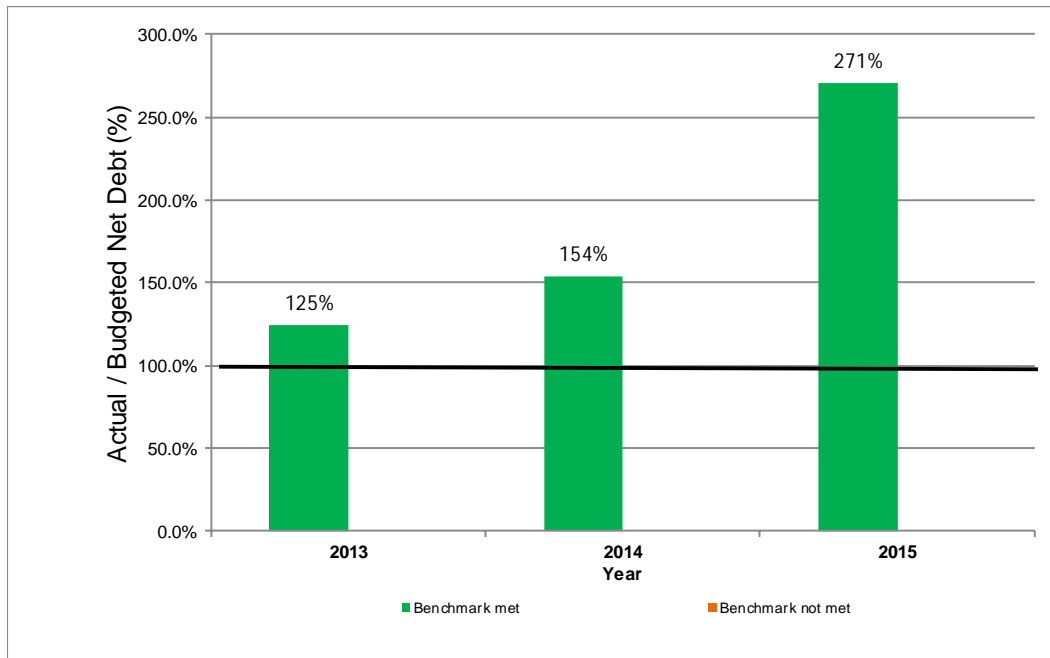
Because Statistics New Zealand projects the Council's population will grow as fast as, or faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs are equal to or are less than 15% of its revenue.



Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

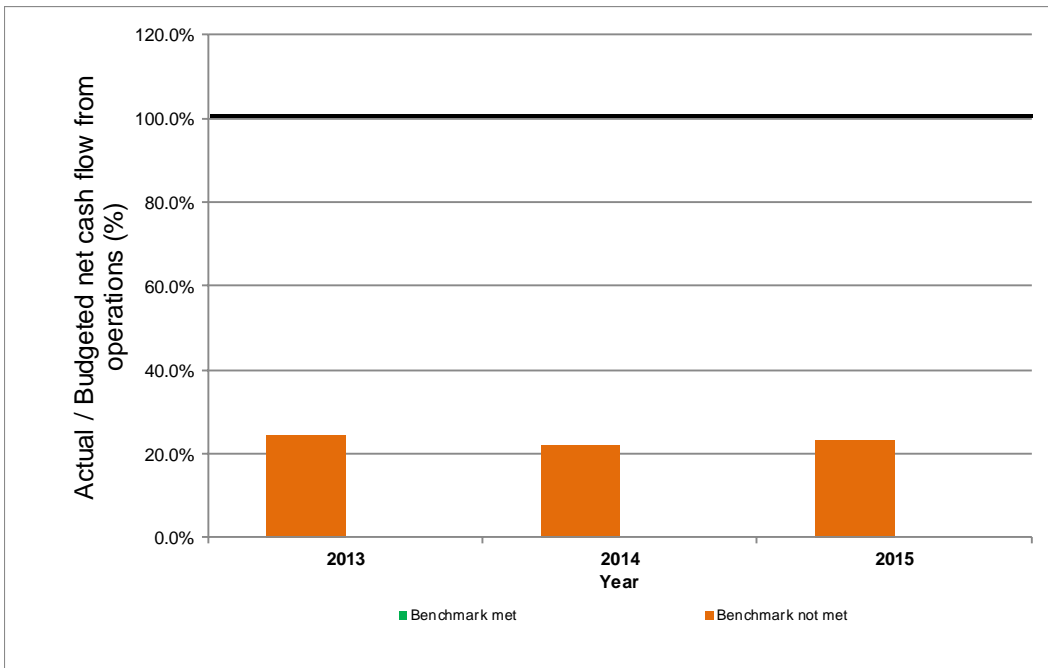
The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt as set out each year in the Council's Plan . However where the Council has net assets (its financial assets (excluding trade and other receivables) exceeds financial liabilities) it meets the benchmark if its net financial assets exceed its planned net financial assets.



Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Council did not meet the benchmark level in respect of its net operating cashflow being equal to or greater than planned in 2013, 2014 and 2015 as the planned operating cashflow included cash inflow from insurance and Crown earthquake contributions which have been recognised as investing cashflow in the financial statements. This mis-match has (finally) been resolved for the Long Term Plan.

Financial Statements
Independent Auditor's Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

**To the readers of
Christchurch City Council and group's
annual report
for the year ended 30 June 2015**

The Auditor-General is the auditor of Christchurch City Council (the City Council) and group. The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand to carry out the audit of the City Council and group's financial statements, statement of service provision and other statements required by legislation.

Because of the effects of the earthquakes on the assets owned by the City Council and group, it has been difficult to prepare financial statements that comply with generally accepted accounting practice and legislation. These difficulties include determining the full extent of the damage arising from the earthquakes, and matters that have arisen because of the extensive rebuild activities that have been underway to repair that damage. These matters, which have limited our audit, are outlined in more detail below.

Qualified opinion – Our work was limited in a number of respects

Financial statements

In our opinion, except for the possible effects of the matters that are outlined in 1 to 3 below, the City Council and group's financial statements, including the notes to the financial statements that include accounting policies and other explanatory information about the financial statements, on pages 161 to 223:

- present fairly, in all material respects:
 - the City Council and group's financial position as at 30 June 2015;
 - the results of their operations and cash flows for the year ended on that date; and
- comply with generally accepted accounting practice in New Zealand.

Statement of service provision

In our opinion, the City Council and group's statement of service provision on pages 31 to 118, except for the "what did it cost" sections and the associated variance explanations, including the reported comparative information, which have been possibly affected by the matters outlined in 1 to 3 below:

- presents fairly, in all material respects, the City Council's levels of service for the year ended 30 June 2015, including:

- the levels of service as measured against the intended levels of service adopted in the City Council's three-year plan;
- the reasons for any significant variances between the actual service and the expected service; and
- complies with generally accepted accounting practice in New Zealand.

Other statements required by legislation

In our opinion, except for the possible effects of the matters outlined in 1 to 3 below, the City Council and group's other statements on pages 8 to 256 present fairly, in all material respects, the information drawn from the City Council and group's audited information.

Compliance with the other requirements of schedule 10

The City Council and group's annual report complies with the other requirements of schedule 10 that are applicable to the annual report.

Matters that have led to our qualified opinion

1. Valuation of property, plant and equipment

The City Council was unable to quantify the financial impact of unrepaired earthquake damage to the roading system, the sewerage system and the stormwater system

Information has been disclosed on pages 155 to 159 and pages 179 and 180 about the effects of the earthquakes on the City Council and group's assets and operations. We consider that the City Council's approach to reporting these matters in the annual report is reasonable and the information disclosed on these pages is the best information that is currently available about the financial effects of the damage.

As explained in note 9 on page 175, the City Council has recorded its roading network and sewerage system assets at \$3.737 billion based on revaluations of these assets as at 30 June 2015. We have not been able to gain sufficient appropriate audit evidence to confirm that the valuations have adequately accounted for the unrepaired earthquake damage to these assets.

In addition, the City Council has been unable to revalue its stormwater system assets with a carrying value of \$358 million because of insufficient information on the condition of these assets to prepare a valuation that complies with generally accepted accounting practice.

Because we were unable to carry out practicable audit procedures to confirm that the City Council has appropriately accounted for the financial

impact of the unrepaired earthquake damage to its roading network, sewerage system and storm water system asset classes, the scope of our audit was limited.

This matter also affected the comparative information presented by the City Council for the land, buildings, roading network, sewerage system and storm water system asset classes carried at \$4.145 billion, and the associated depreciation expense of \$82 million recognised in the statement of comprehensive revenue and expense for the year ended 30 June 2014.

The City Council was unable to determine the amount of revaluations and depreciation expense that relate to prior reporting periods for certain property, plant and equipment.

As a result of the limitations outlined in the matter above, the City Council was unable to accurately determine the amount of the revaluation increment and the depreciation expense recognised in the 30 June 2015 statement of comprehensive revenue and expenses that should have been recognised in the prior reporting periods for these asset classes.

As a result, the revaluation increment for these asset classes is likely to be materially overstated and the depreciation expense materially understated, in the statement of comprehensive revenue and expense for the year ended 30 June 2015 as the carrying values of these asset classes could have been higher in 2014.

In respect of the comparative information for water supply assets, we were unable to obtain evidence to confirm the amount of the revaluation increment and the depreciation expense that should have been recognised in prior reporting periods.

2. The City Council was unable to accurately classify the capital work in progress balance

Included within the City Council's infrastructural assets is capital work-in-progress of \$804 million (2014: \$1.105 billion) related to work completed by the Stronger Christchurch Infrastructure Rebuild Team. As outlined on pages 158 and 159, the City Council was unable to accurately classify this balance into completed assets, assets still under construction and operating expenditure which would otherwise be recognised in the statement of comprehensive revenue and expense.

As the City Council was unable to identify completed assets within the capital work-in-progress balance, the completed assets have not been depreciated, in keeping with the requirements of generally accepted accounting practice, and the City Council has not written off the old and damaged assets that have been replaced.

This matter also affects the comparative information which has been presented by the City Council and group.

3. We were unable to obtain sufficient audit evidence over the carrying value of insurance receivables recognised in the financial statements

The City Council and group have significant insurance claims at balance date that are being negotiated with the insurers. Information about the status and amounts of these claims is disclosed in the insurance recoveries section on page 158.

As stated in note 6 on page 171, the City Council has recognised insurance receivables of \$131 million (2014: \$120 million) within total insurance receivables of \$161 million and the City Council and group have recognised \$256 million (2014: \$266 million) within total receivables of \$286 million that are still in negotiation with the insurers. The City Council and group's accounting policy is to recognise insurance proceeds as a receivable and revenue when their receipt is considered virtually certain.

We were unable to obtain sufficient appropriate audit evidence to confirm that the receipt of these receivables is virtually certain in keeping with the City Council's and group's accounting policy. The City Council and group have also disclosed in the insurance recoveries section on page 158 and in note 27 on pages 205 and 206 contingent assets in respect of insurance proceeds not recognised in the financial statements because their receipt is not considered virtually certain. The City Council and group's claims lodged at balance date are significantly greater than the carrying amount of insurance receivables recognised.

Due to the complex nature of the City Council and group's insurance claims, there are significant uncertainties associated with the timing and amount over the receipt of future insurance proceeds. There are no practicable audit procedures that could be undertaken to reliably determine the timing and amount of any insurance receivables.

The City Council and group have taken the position that the Lancaster Park stadium is irreparable and that a replacement stadium will be built. If this position changes then there could be a material increase in the City Council and group's current and deferred tax liabilities. We are unable to determine whether or not the current and deferred tax balances are materially correct until such time as the decision over the future of the Lancaster Park stadium is made. This decision is subject to the negotiations between the City Council and its insurers.

This matter also affects the comparative information which has been presented by the City Council and group.

Our audit was completed on 29 October 2015. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the

Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service provision. We are unable to determine whether there are material misstatements because the scope of our work was limited, as we referred to in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City Council and group's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- the appropriateness of the reported statement of service provision within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the other requirements of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720: *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result we do not

express an audit opinion on the City Council's compliance with the other requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on.

As explained above, we were unable to obtain all the information and explanations we have required to provide a basis for our opinion on the financial statements and the statement of service provision.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and a statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - present fairly the City Council and group's financial position, financial performance and cash flows;
 - present fairly their service performance, including achievements compared to forecast; and
- a funding impact statement that presents fairly the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- funding impact statements in relation to each group of activities that presents fairly by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's three-year plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that present fairly by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's three-year plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council's responsibilities arise under the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the other requirements of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001.

Independence

When carrying out this audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. In addition to this audit, which includes our report on the other requirements, we have carried out other audit and assurance engagements for the City Council and subsidiary companies. These audit and assurance engagements, as described in note 4 on page 168, are compatible with those independence requirements.

Other than this audit and other audit and assurance engagements, we have no relationship with or interests in the City Council or any of its subsidiaries.



Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Financial statements

Impact of the rebuild

PARENT

This summarises the progress made to date on earthquake-related repairs and Anchor Projects, and the effect of the earthquakes and the subsequent rebuild on the financial statements.

Rebuild Progress

The rebuild

CERA has estimated recovery construction to be 41 per cent finished by the end of March 2015, with activity expected to begin to ease during 2018. The total recovery construction cost is valued at approximately \$33 billion (2012 dollars).

The value of the Public Sector Rebuild is about \$6.8 billion for 62 major infrastructure projects. By 31 March, 23 of those projects were under construction or finished, against a target of 30.

CERA modelling suggests rebuild work will continue at near current levels for around three years and the higher level of construction jobs is expected to remain over that time. From September 2010 to January 2015 the number of contracts allocated in the construction sector grew at over double pre-earthquake levels; this job growth however, appears to have slowed slightly in the nine months to 31 March 2015.

Economic activity

Economic activity information provided by CERA shows that:

- Canterbury is ahead of other major centres in economic growth and employment. The latest economic growth figure is 4.7 per cent at 30 June 2015.
- Regional growth in Canterbury was driven by the construction sector at 13.8 per cent and other underlying sectors such as a hospitality (5.9 per cent) and agriculture, forestry and fishing (4 per cent).
- At 31 March 2015, Canterbury unemployment was 3.3 per cent compared with the national average of 5.9 per cent.

Residential demolition and building

Within the residential rebuild sector the following has been achieved:

- CERA and CDEM have managed the full or partial demolitions of about 1,600 buildings in the central city. These consisted of both commercial and residential buildings in the Central Business District (CBD) and the greater Christchurch area, excluding the residential red zone.
- The dwellings on about 7,000 properties in the flat lands Residential Red Zones have been

demolished or relocated. The properties have been sold to the Crown. A further 167 Crown owned properties have also been demolished in the Port Hills Residential Red Zone.

- 1,010 consents have been issued in the CBD since September 2010 and before July 2015, 25 per cent being residential and 75 per cent non-residential.

Infrastructure rebuild

Stronger Christchurch Infrastructure Rebuild Team (SCIRT)

In 2014/15 SCIRT continued its extensive work rebuilding Christchurch's horizontal infrastructure, creating a more resilient network that gives people security and confidence in the city's future. Completed SCIRT projects have already modernised the city's wastewater, fresh water and stormwater system, making it more resilient than it was before the earthquakes.

In August 2014, SCIRT reached the halfway mark of its entire horizontal infrastructure rebuild programme, which is scheduled to end December 2016. The central city was prioritised, and by June 2015 SCIRT had substantially completed underground infrastructure work within the four avenues, enabling the vertical rebuild to proceed with confidence.

SCIRT commissioned one of the country's first vacuum wastewater systems in the eastern suburbs. SCIRT workers ensured the complex repairs of the wastewater system progressed well, with the new state-of-the-art vacuum wastewater system in Aranui well advanced. Repairs to the Southern Relief pipeline, which carries wastewater from around 200,000 homes and businesses, began in Linwood as repairs on another major pipeline, the Wairakei Diversion, neared completion.

Above ground, repaired bridges emphasised the importance of SCIRT's work to the recovery of the city, reconnecting communities. SCIRT reopened the central city Armagh St bridge to traffic, including Christchurch's iconic trams. Fendalton's Kahu Road bridge also reopened and Bridge Street bridge in South Brighton reopened to trucks and pedestrians. In April 2015, Associate Minister for Canterbury Earthquake Recovery and Christchurch Central MP Nicky Wagner officially reopened the Antigua Street footbridge.

As part of its legacy, SCIRT introduced a programme to encourage women to work in construction, which included launching a range of hi-visibility safety gear for women at a joint event with the Ministry for Women. The SCIRT Women in Construction Group (SWIC) won the Helen Tippet award for actively promoting the participation of women in construction.

As part of SCIRT's rigorous review process, in October a comprehensive Morrison Low report found SCIRT's procedures to assess costs and set project budgets to be appropriate, sound and best practice, and recommended no changes be made. Based on new

design guidelines, SCIRT reviewed the remaining programme to ensure the best use of the available funds.

By 30 June 2015, SCIRT had completed more than 72% of construction work. This year, the SCIRT programme spent \$401.6 million. The programme to date, including design, construction and administrative costs, totalled \$1.7 billion.

After delivery completion in December 2016, SCIRT's legacy will be a stronger, fully functioning, more resilient infrastructure for Christchurch.

SCIRT Progress from 1 July 2014 to 30 June 2015
 12% of design was completed
 21% construction was completed
 32% of central city work was completed
 22% of the whole SCIRT programme was completed

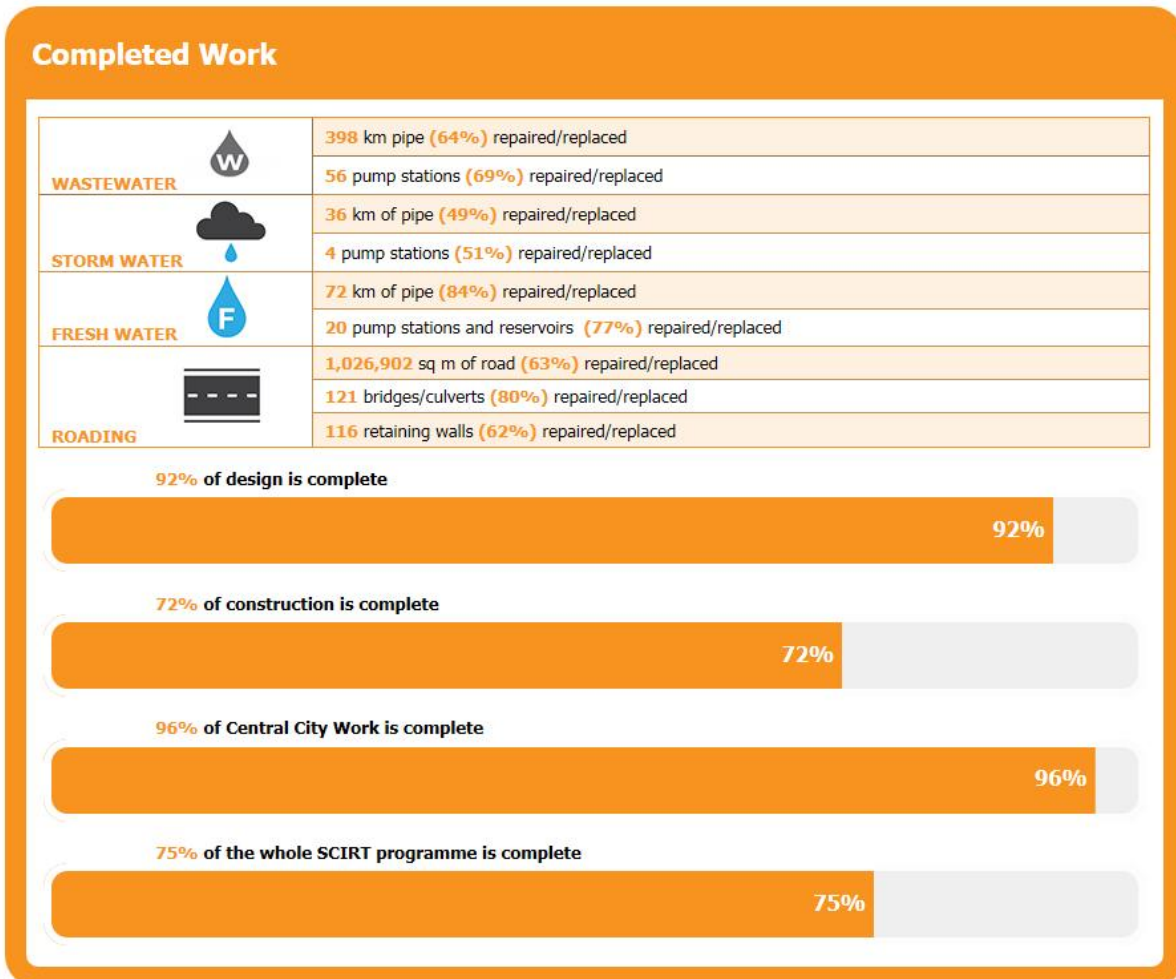
Wastewater
 92 km of pipe repaired/replaced
 29 pump stations repaired/replaced

Storm water
 22 km of pipe repaired/replaced
 1 pump station repaired/replaced

Fresh water
 24 km of pipe repaired/replaced
 5 pump stations repaired/replaced

Roading
 470,000 sq m of road repaired/replaced
 30 bridges/culverts repaired/replaced
 76 retaining walls repaired/replaced

SCIRT Progress Statistics to June 2015



Anchor projects

CERA Projects and update

- The \$53 million Bus Interchange is now open to the public. The second and final stage of the project is due to be opened on 20 August 2015.
- The first section of the Avon River Precinct, Watermark, and the in-river works are finished, and work continues on the Terraces section of the Avon River Precinct.
- Fletcher Residential has been chosen as the preferred developer to work with the Government on the \$800 million North and East Frame residential precinct development, providing around 940 new townhouses and apartments accommodating up to 2,200 residents. Multiple private developments are under way or planned in the Retail and Innovation Precincts, including those by Vodafone, Kathmandu, the Wynyard Group, and retail/office/hospitality developments such as The Crossing, the BNZ Centre, the ANZ Centre and The Terrace.
- The Margaret Mahy Playground, part of a 2.5 hectare block bound by Otakaro/Avon River, and Manchester, Madras and Armagh Streets, is now under construction. It will be one of the largest outdoor playgrounds in the world, and is aimed at attracting young people and their families back into the central city. The playground is expected to be open to the public in December 2015.
- The Government confirmed funding arrangements for the Metro Sports Facility, a high quality sports and recreation facility in central Christchurch that will cater for a broad range of uses. The Government has already bought most of the land for the facility on a central Christchurch site spanning over 70,000 square metres. Additional funding recently approved by Cabinet for the facility is on top of the \$70 million already committed by the Government, and \$147 million committed by the Council. CERA will be going to the market later this year as the project moves into design phase. The intention is to have some of the facility open to the public in 2019, and the remainder in 2020.
- The Convention Centre will attract high-value conference and convention visitors into the heart of Christchurch. Aside from the Convention Centre, the wider Precinct will feature elements such as hotels, hospitality, retail and residential. The Government has bought more than 20,000 square metres of land for the new Precinct. CERA is now in a phase called Master Planning and Development with its partners, the preferred developer Plenary Conventions New Zealand and the preferred Convention Centre operator Accor. From that phase, decisions will be made around the design and makeup of the Convention Centre and wider Precinct.
- The Performing Arts Precinct, just north of Cathedral Square and east of Colombo Street, has already seen the restoration of the Isaac Theatre Royal, and the build is now underway for The

Piano: Centre for Music and Arts. The Council and CERA are working together with the performing arts sector to identify opportunities for further organisations to set up in the Precinct.

- The design for the Canterbury Earthquake Memorial has been chosen. Called 'The Memorial Wall', it will be built on the stretch of the Otakaro/Avon River between Montreal Street and Rhododendron Island. The designer, Slovenian architect Grega Vezjak, will work with a New Zealand-based design partner and bereaved families and other parties on evolving his design. It is expected the different elements of the Memorial will be completed in stages before an official dedication on 22 February 2017. Funding of up to \$10 million from the Government, and \$1 million from the Christchurch Earthquake Mayoral Relief Fund, will be used for the development of the Memorial.

Council Projects and update

- In March 2015, the Council approved the design concept for the new Central Library and pre-construction is now underway, with building due to begin in early 2016.
- The Council agreed in June 2015 to go ahead with the full restoration of the Christchurch Town Hall at a cost of \$127.5 million. Restoration is expected to take three years and to be completed in June 2018.
- In June 2015 work began on the New Aranui Community Centre, our first new community centre to be built from scratch since the earthquakes, which is due to open in 2016.
- The New Eastern Recreation and Sport Centre is to be built on QEII Park for \$30.5 million, replacing the demolished facility. The Christchurch Earthquake Appeal Trust has also given \$6.5 million for water attractions at the facility, which is due to open in 2018.
- Building began on the new Te Hapua: Halswell Centre in July 2014 which will house the Halswell library and community centre. This is due to open in November 2015.
- Restoration of the historic Mona Vale Homestead has commenced and is expected to be complete in 2016.
- The Sign of the Takahe restoration commenced during the year and is expected to be complete in 2016.
- The Council has approved the concept design for the Sumner Community Facility and Library.
- Both the Scarborough Paddling Pool and the Norman Kirk Memorial pool reopened during the year.

Financial impacts

Insurance recoveries

The Council's financial statements include revenue from insurance recoveries of \$43.4 million (2014: \$1.4 million) and an insurance receivable of \$161.2 million (2014: \$140.7 million). These amounts reflect the costs incurred and recoveries recognised based on information available to 30 June 2015. Insurance recoveries for the year reflect the value of claims for demolished and damaged buildings and facilities.

The Council has lodged claims and pro-forma claims with its insurer for damage to its buildings and facilities and continues to collate supporting evidence. Claims are submitted on an asset by asset basis with the necessary engineering and technical evidence to support each claim. At 30 June 2015 approximately \$920 million of claims had been lodged (30 June 2014: \$476.5 million).

Insurance recoveries are only recognised as revenue when there is virtual certainty of receiving the recovery.

During the year the Council settled its claim with EQC receiving a further \$20.9 million in addition to the \$38.3 million which had been received in 2012 and 2014.

Settlement was reached with the insurer on a number of small claims and part payment has been received for these settlements.

The Council continues to negotiate with the insurer to advance a settlement of the balance. At year end Council was unable to reliably measure what the settlement for each asset would be. These have been treated as contingent assets. A note to this effect has been included in note 27 Contingent liabilities and contingent assets in the financial statements.

Because of the delay in reaching settlement Council is undertaking the repair and rebuild of some facilities in advance of an insurance agreement being reached. In these cases the repair/rebuild is funded through the Building and Infrastructure Improvement Allowance which is borrowed for. To date the actual rebuild spend is minimal as designs are still being finalised.

It is anticipated that the cost of rebuilding the Council's assets is likely to exceed the insurance recoveries.

Cost Share Agreement

The Cost Share Agreement between Council and the Crown which was signed in June 2013 defines the funding and delivery responsibilities of each party for the rebuild. This includes funding for the infrastructure rebuild that SCIRT is carrying out, and claims for response and recovery costs incurred in maintaining the damaged infrastructure network.

During the year the Council incurred \$400.5 million (2014: \$472.0 million) of infrastructure rebuild costs for work completed by SCIRT. This cost was funded by both the Crown and Council.

For the year 30 June 2015 the Council has received the following from the Crown:

- \$15.6 million (2014: \$14.0 million) was claimed for response / recovery costs. A further \$7.1 million (2014: \$14.9 million) has been incurred and will be claimed in the 2015/16 year.
- \$200.0 million (2014: \$286.4 million) of cost recoveries from NZTA and CERA for SCIRT infrastructure rebuild projects. At 30 June 2015 the Council had as a receivable a further \$21.5 million (2014: \$5.7 million).

The Council is recognising Crown funding as revenue when the amount can be reliably measured and there is virtual certainty of receiving it.

For a number of anchor projects the final ownership structure remains uncertain. Until the Council knows if it will own the completed projects it is unable to recognise the associated Crown funding or liability for the Council's share of the funding. As such, future recoveries of Crown funding have been treated as contingent assets and potential liabilities for the Council funding as contingent liabilities. A note to this effect has been included in note 27 Contingent liabilities and contingent assets in the financial statements.

Impact on property plant and equipment

Revaluations

The Council holds a number of its assets (including infrastructure networks and land and buildings) at fair value which requires them to be revalued on a regular basis. The revaluation programme had been largely suspended over the past few years due to the inability to determine the condition of underground assets and the absence of an effective market for above ground assets.

This year Council completed the valuations of its sewerage and roading networks and land and buildings, resulting in an increase in value of \$936 million. In 2014 it revalued the water supply network and marine structures. The only significant infrastructure asset class yet to be revalued is the stormwater network.

Work in progress

The SCIRT programme will be completed in December 2016. The Council recognises the cost of these projects as WIP while the assets are being constructed. As projects are completed and handed over the asset value is transferred from WIP to the appropriate asset class.

In 2014/15 the Council spent \$383.5 million (2014: \$492.2 million) on the repair and rebuild of its infrastructure, the majority of this was through SCIRT.

At 30 June 2015 the value of WIP was \$975 million (2014: \$1.3 billion) of which \$804 million relates to SCIRT (2014: \$1.1 billion).

The nature of the infrastructure rebuild programme means that some projects have been completed and are being used by the Council prior to being formally transferred to the Council and out of WIP. This means

that the WIP balance includes completed assets that should be part of the value of the infrastructure network assets in the statement of financial position.

The WIP balance also include projects that are operational in nature. Council does not have sufficient details to identify these project and expense them. Based on information to date this is believed to be around 1.2% or \$12 million.

These completed and in-use projects in the WIP balance have not been capitalised as the Council does not have sufficient detail to identify the individual assets created and those which the completed projects replace, and it does not have the final costings.

Impairment

Following the earthquake events the value of Council's assets has been a key accounting issue. The Council's policy has been to write off assets that have been destroyed / demolished.

While a number of demolitions have occurred, a significant number of Council's assets have suffered damage or are expected to have suffered damage (in the case of the underground networks) as a result of the earthquakes. To take account of this the value of these asset classes has been reduced (known as impairment).

The sewerage and roading network assets revaluations took the current condition of these assets into account, and included an assessment of earthquake damage. As a result the impairment provision previously taken for roading has been reversed. However, the impairment provision for the sewerage network has been increased, as it was felt that the valuation, while allowing for the deterioration did not adequately reflect the network's condition.

The impairment of water and stormwater infrastructure assets continues to be estimated based on the percentage of each network that SCIRT will be repairing and replacing.

As at 30 June 2015 the impairment of infrastructure assets totalled \$439.4 million (2014: \$551.8 million). There remains an impairment for the repairs yet to be completed at the CWTP. The existing impairments to the water and stormwater networks were reviewed and a further \$61.1 million of impairment was recognised. Previous impairments were also reversed when assets were replaced.

Buildings and facilities were valued as if repaired with provision being made for those which are damaged. The impairment is based on knowledge obtained as part of the insurance claims programme. The Council believes that a number of its buildings and facilities have been damaged beyond repair, but until the insurance position of each building/facility is agreed they cannot be written off. At 30 June 2015 the impairment of buildings and facilities was \$98 million (2014: \$142 million) a decrease of \$44 million from 2014. The decrease in the impairment provision is the result of the revaluation of the buildings and further refinement of estimated repair costs.

GROUP

Continuing impact on assets held by Council's subsidiaries

Several of the Council's subsidiaries have significant physical asset holdings which have been, and continue to be impacted by the series of earthquakes. Specifically:

Lyttelton Port Company Limited

LPC settled its insurance claim in December 2013 for \$438.3 million (less payments already received).

LPC has generally elected to reinstate its damaged or destroyed assets, and the rebuild programme has commenced.

Vbase Limited

Vbase has an insurance receivable balance of \$125 million at 30 June 2015 (2014: \$148 million) relating to its claims for damage to the former Convention Centre and Lancaster Park. The movement in the receivable over the year is the result of a \$23 million reduction to reflect the current fair value of the receivable. In addition it also has a claim under its business interruption and increased cost of working policies. Vbase is still in negotiation with its insurer on its insurance claims.

Orion New Zealand Limited

Orion has completed the two eastern suburbs high voltage underground projects and expects to remove the temporary overhead lines in spring.

Over half the underground cable repairs and the replacement of 70 per cent of the damaged power poles has been completed.

Orion also settled its insurance claims during the year adding \$24 million to its after tax surplus as a result. Total earthquake insurance claims proceeds of more than \$53 million have been received.

Financial statements

Financial statements

Statement of comprehensive revenue and expense

For the year ended 30 June 2015

	<i>Note</i>	30 Jun 15	30 Jun 15	Parent	30 Jun 15	Group
		Actual	Plan	30 Jun 14	30 Jun 15	30 Jun 14
		\$000	\$000	Actual	Actual	Actual
				\$000	\$000	\$000
Rates revenue	1.1	361,864	358,126	335,148	353,546	328,350
Subsidies and grants	1.2	265,302	435,251	321,278	269,808	321,362
Development and financial contributions		33,155	18,766	24,027	33,155	24,027
Other revenue	1.3	323,046	252,160	175,309	1,215,571	1,316,904
Finance revenue		23,979	19,382	24,692	26,271	23,217
Share of associate's surplus/(deficit)	17	-	-	-	7,353	2,895
Total revenue		1,007,346	1,083,685	880,454	1,905,704	2,016,755
Depreciation and amortisation		138,020	115,856	113,581	242,601	217,615
Finance costs	2	63,279	60,482	50,423	100,838	88,331
Personnel costs	24.1	167,479	166,313	159,251	434,898	406,179
Other expenses	3	384,718	315,590	302,515	780,314	666,235
Net (gains) / losses	5	(52,954)	-	51,073	(55,556)	82,336
Total operating expenses		700,542	658,241	676,843	1,503,095	1,460,696
Surplus before income tax expense		306,804	425,444	203,611	402,609	556,059
Income tax expense/(credit)	8.1	(586)	(2,779)	(1,505)	38,483	38,147
Surplus for the period		307,390	428,223	205,116	364,126	517,912
Other comprehensive revenue and expense						
Property, plant and equipment valuation movement	9	935,630	55,627	482,723	936,139	673,240
Gains/(losses) from:						
Investment revaluation gain/(loss)		199,341	-	116,790	1,152	(80)
Cash flow hedges gain/(loss)		(86,950)	-	6,317	(102,280)	20,044
Income tax relating to components of other comprehensive revenue and expense		(586)	-	-	5,375	(48,602)
Transfers and other		5	-	-	4,364	-
Total other comprehensive revenue and expense		1,047,440	55,627	605,830	844,750	644,602
Total comprehensive revenue and expense		1,354,830	483,850	810,946	1,208,876	1,162,514
Surplus for the period attributable to:						
Parent entity		307,390	428,223	205,116	345,341	438,515
Non controlling interests		-	-	-	18,785	79,397
		307,390	428,223	205,116	364,126	517,912
Total comprehensive revenue and expense attributable to:						
Equity holders of the parent		1,354,830	483,850	810,946	1,192,037	1,057,279
Non controlling interests		-	-	-	16,839	105,235
		1,354,830	483,850	810,946	1,208,876	1,162,514

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of changes in net assets/equity

For the year ended 30 June 2015

	Asset revaluation reserve \$000	Available for sale reserve \$000	Hedging reserve \$000	Reserve Fund \$000	Capital reserve \$000	Accumulated comprehensive revenue and expense \$000	Attributable to equity holders of parent \$000	Non Controlling interests \$000	Total \$000
Parent									
Balance as at 1 July 2013	1,243,626	1,366,580	(10,356)	301,904	1,733,853	2,502,479	7,138,086	-	7,138,086
Surplus for the period	-	-	-	-	-	205,116	205,116	-	205,116
Other comprehensive revenue and expense for year	482,723	116,790	6,317	-	-	-	605,830	-	605,830
Transfer to/from acc. compr. revenue and expense	(16,254)	-	-	(102,858)	-	-	(119,112)	-	(119,112)
Transfer to/from reserves	-	-	-	-	-	119,112	119,112	-	119,112
Balance as at 30 June 2014	1,710,095	1,483,370	(4,039)	199,046	1,733,853	2,826,707	7,949,032	-	7,949,032
Surplus for the period	-	-	-	-	-	307,390	307,390	-	307,390
Other comprehensive revenue and expense for year	935,635	199,341	(86,950)	-	-	(586)	1,047,440	-	1,047,440
Transfer to/from acc. compr. revenue and expense	-	-	-	186,368	-	69,565	255,933	-	255,933
Transfer to/from reserves	(5,564)	-	-	(210,620)	-	(39,749)	(255,933)	-	(255,933)
Balance as at 30 June 2015	2,640,166	1,682,711	(90,989)	174,794	1,733,853	3,163,327	9,303,862	-	9,303,862
Group									
Balance as at 1 July 2013	1,602,273	(640)	(22,654)	302,414	1,734,934	3,250,732	6,867,060	274,591	7,141,651
Surplus for the period	-	-	-	-	-	438,516	438,516	79,396	517,912
Other comprehensive revenue and expense for year	605,255	(80)	13,588	-	-	-	618,763	25,839	644,602
Transfer to/from acc. compr. revenue and expense	(16,708)	-	-	(102,768)	-	-	(119,476)	-	(119,476)
Transfer to/from reserves	-	-	-	-	-	119,477	119,476	-	119,476
Other items	10	-	-	-	-	4,801	4,811	(454)	4,357
Issue of shares	-	-	-	-	-	29	29	-	29
Dividends paid or provided for	-	-	-	-	-	-	-	(5,704)	(5,704)
Balance as at 30 June 2014	2,190,830	(720)	(9,066)	199,646	1,734,934	3,813,555	7,929,179	373,668	8,302,847
Surplus for the period	-	-	-	-	-	345,341	345,341	18,785	364,126
Other comprehensive revenue and expense for year	936,146	1,152	(94,331)	-	-	3,729	846,696	(1,946)	844,750
Transfer to/from acc. compr. revenue and expense	(3,848)	-	-	186,368	(1,151)	74,339	255,708	-	255,708
Transfer to/from reserves	(5,564)	-	-	(210,395)	-	(39,749)	(255,708)	-	(255,708)
Other items	-	-	-	-	-	6,379	6,379	-	6,379
Issue of shares	-	-	-	-	-	-	-	-	-
Dividends paid or provided for	-	-	-	-	-	-	-	(12,644)	(12,644)
Adjustment to minority interests for share acquisitions	-	-	-	-	-	26,756	26,756	(108,766)	(82,010)
Balance as at 30 June 2015	3,117,564	432	(103,397)	175,619	1,733,783	4,230,350	9,154,351	269,097	9,423,448

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of financial position

As at 30 June 2015

	Note	30 Jun 15 Actual \$000	30 Jun 15 Plan \$000	Parent 30 Jun 14 Actual \$000	30 Jun 15 Actual \$000	Group 30 Jun 14 Actual \$000
Current assets						
Cash and cash equivalents	15	67,589	24,400	86,495	184,676	325,040
Recoverables from non-exchange transactions	6	112,394	123,269	86,402	113,143	86,942
Receivables from exchange transactions	6	138,449	26,247	128,110	356,286	263,878
Investment in CCOs and other similar entities	16	18,902	-	13,251	-	-
Other financial assets	19.1	79,005	40,205	11,342	197,051	150,602
Inventories	22	3,664	6,024	3,236	23,415	22,303
Current tax assets	8.2	-	-	-	-	-
Assets classified as held for sale	13	7,824	-	12,192	26,105	31,062
Other assets		-	-	-	185	59
Total current assets		427,827	220,145	341,028	900,861	879,886
Non-current assets						
Recoverables from non-exchange transactions	6	-	-	11,850	-	11,850
Receivables from exchange transactions	6	-	-	-	115,739	164,971
Investments in associates	17	6,196	-	6,196	59,013	50,149
Investment in CCOs and other similar entities	16	2,265,841	1,844,437	1,959,877	18,443	12,668
Other financial assets	19.1	39,156	86,582	68,770	152,023	119,254
Inventories	22	-	-	-	879	575
Property, plant and equipment	9	8,132,347	7,274,791	6,663,092	10,569,733	9,003,187
Investment property	14	-	-	-	246,287	184,370
Intangible assets	10	57,383	78,634	49,055	99,312	86,121
Deferred tax assets	8.3	4,624	-	3,982	25,534	23,319
Other assets		-	-	-	-	4
Total non-current assets		10,505,547	9,284,444	8,762,822	11,286,963	9,656,468
Total assets		10,933,374	9,504,589	9,103,850	12,187,824	10,536,354
Current liabilities						
Taxes and transfers payable	7	62,951	-	10,705	66,892	17,181
Payables under exchange transactions	7	112,870	113,748	99,809	210,527	171,909
Borrowings and other financial liabilities	19.2	77,752	160,993	41,266	247,310	118,134
Employee entitlements	24.2	16,313	14,551	15,300	48,091	43,861
Current tax liabilities	8.2	-	-	-	14,846	17,464
Provisions	25	4,041	3,372	4,088	4,041	4,088
Other liabilities	26	41,884	-	49,676	44,353	51,342
Total current liabilities		315,811	292,664	220,844	636,060	423,979
Non-current liabilities						
Borrowings and other financial liabilities	19.2	1,264,631	1,333,132	896,380	1,695,822	1,392,896
Employee entitlements	24.2	5,637	5,884	5,913	7,829	7,795
Deferred tax liabilities	8.3	4,624	3,931	3,982	391,457	386,741
Provisions	25	30,889	21,874	18,833	30,889	18,833
Other liabilities	26	7,920	9,076	8,866	2,319	3,263
Total non-current liabilities		1,313,701	1,373,897	933,974	2,128,316	1,809,528
Total liabilities		1,629,512	1,666,561	1,154,818	2,764,376	2,233,507
Net assets		9,303,862	7,838,028	7,949,032	9,423,448	8,302,847
Equity						
Parent entity interest		9,303,862	7,838,028	7,949,032	9,154,350	7,929,179
Non controlling interest		-	-	-	269,098	373,668
Total equity		9,303,862	7,838,028	7,949,032	9,423,448	8,302,847

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Cash flow statement

For the year ended 30 June 2015

	Note	30 Jun 15	30 Jun 15	Parent 30 Jun 14	30 Jun 15	Group 30 Jun 14
		Actual	Plan	Actual	Actual	Actual
		\$000	\$000	\$000	\$000	\$000
Cash flows from operating activities						
Receipts from rates revenue		361,311	358,126	332,745	352,994	325,947
Receipts from other revenue		206,406	647,007	179,333	1,103,500	998,465
Interest received		20,932	19,382	24,818	10,333	18,128
Dividends received		51,432	55,504	56,265	5,423	114
Subvention receipts		10,099	2,779	1,081	-	-
Earthquake recoveries		20,864	-	17,250	31,740	30,253
Payments to suppliers and employees		(493,083)	(482,253)	(452,527)	(1,154,794)	(1,078,045)
Interest and other finance costs paid		(60,315)	(60,482)	(49,949)	(88,408)	(87,823)
Income tax paid		-	-	-	(30,312)	(21,768)
Net GST movement		7,678	-	1,893	7,764	1,875
Net cash provided by/(used in) operating activities	28	125,324	540,063	110,909	238,240	187,146
Cash flows from investing activities						
Proceeds from sale of investment		95,381	32,027	55,095	187,165	135,745
CEEDF Vesting		-	-	-	-	609
Proceeds from repayment loans and advances		-	-	19,988	-	-
Proceeds from sale of fixed assets		935	6,763	36,018	10,851	42,890
Proceeds from sale of investment properties		-	-	-	5,708	16,879
Insurance recoveries		67,094	-	373,094	85,218	756,334
Payment for investment		(156,541)	-	(3,324)	(277,774)	(162,850)
Payment for investment in associates		-	-	-	(500)	(3,750)
Loans made to external parties		-	-	-	(2,636)	(20,208)
Payment for purchase of fixed assets		(378,188)	(1,028,643)	(534,442)	(679,675)	(676,956)
Amounts advanced to related parties		(106,500)	-	(101,500)	-	(2,867)
Payment for investment properties		-	-	-	(41,536)	(14,569)
Other		-	-	-	1,301	(29)
Net cash (used in)/provided by investing activities		(477,819)	(989,853)	(155,071)	(711,878)	71,228
Cash flows from financing activities						
Proceeds from borrow ing		366,000	465,532	229,291	401,200	247,491
Repayment of borrow ings		(31,515)	(11,546)	(244,456)	(54,087)	(335,943)
Repayment of finance leases		(896)	-	(776)	(896)	(825)
Dividends paid - non controlling interests		-	-	-	(12,644)	(5,704)
Other - specify		-	-	-	(1)	-
Net cash provided by/(used in) financing activities		333,589	453,986	(15,941)	333,572	(94,981)
Net increase in cash and cash equivalents		(18,906)	4,196	(60,103)	(140,066)	163,393
Cash introduced due to consolidation of CCOs		-	-	-	(301)	-
Cash and cash equivalents at beginning of year		86,495	20,204	146,598	325,043	161,646
Cash and cash equivalents at end of year		67,589	24,400	86,495	184,676	325,040

The accompanying notes form part of and are to be read in conjunction with these financial statements

Notes to the financial statements

Reporting entity

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

The primary objective of the Council is to provide goods or 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 financial reporting purposes. 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 fact is noted in each policy.

The financial statements of the Council are for the year ended 30 June 2015. The financial statements were approved by the Council on 29 October 2015.

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 (NZ GAAP). They comply with the Public Benefit Entity Accounting Standards (PBE 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 following exceptions:

While land and buildings and sewerage and roading networks were revalued in 2015, Council has been unable to determine what part of the increase in value relates to prior years.

The revaluation of sewerage and roading networks has estimated the impact of the earthquake of the remaining useful life of the network. In making such an estimate a number of assumptions were necessary. The valuer has stated that further information is required which is not available at present to provide an accurate impact of the effect of the earthquakes on the networks as a whole.

The Council has been unable to appropriately categorise its capital work in progress balance to identify completed assets and repair elements.

Lastly, the carrying value of insurance receivables recognised in the financial statements is uncertain as the Council continues to negotiate with its insurers.

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1. Revenue

1.1 Rates revenue

	Parent		Group	
	30 Jun 15 Actual \$000	30 Jun 14 Actual \$000	30 Jun 15 Actual \$000	30 Jun 14 Actual \$000
General rates	242,121	225,689	236,467	218,891
Targeted rates attributable to activities:				
- water	29,208	25,384	28,541	25,384
- land drainage	18,393	16,781	17,973	16,781
- sewerage	44,008	40,447	43,004	40,447
- active travel	3,069	3,034	3,069	3,034
- waste minimisation	21,283	20,649	20,797	20,649
- fire service	81	89	79	89
- targeted loan servicing	41	41	40	41
Rates penalties	3,660	3,034	3,576	3,034
Total rates revenue	361,864	335,148	353,546	328,350
Less remissions	(5,041)	(4,476)	(5,041)	(4,476)
Rates revenue net of remissions	356,823	330,672	348,505	323,874

The annual rates revenue of the Council for the year ended 30 June 2015 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is the "Rates revenue net of remissions" shown above.

Rating base information

Rating units within the district or region of the local authority at the end of the preceding financial year.

	30 Jun 14 Actual	30 Jun 13 Actual
Number of rating units	164,421	163,832
Total land value of rating units	40,234,021,579	38,302,802,512
Total capital value of rating units	86,283,108,031	76,842,639,271

1.2 Subsidies and grants

	Parent		Group	
	30 Jun 15 Actual \$000	30 Jun 14 Actual \$000	30 Jun 15 Actual \$000	30 Jun 14 Actual \$000
NZ Transport Agency (excl. earthquake)	29,870	32,569	29,870	32,569
Earthquake subsidies	232,731	286,411	232,731	286,411
Other grants and subsidies	2,701	2,298	7,207	2,382
Total subsidies and grants	265,302	321,278	269,808	321,362

1.3 Other revenue

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Fees and charges	73,487	60,935	71,768	36,309
Vested assets	82,317	6,959	82,317	7,568
Sale of goods and services	-	-	599,361	532,841
Construction contract revenue	-	-	241,034	206,562
Rental revenue on investment property	-	-	16,087	18,040
Rental revenue	32,944	30,535	85,336	88,632
Dividends	51,432	56,264	134	113
Subvention receipts	10,628	(2,003)	-	-
Petroleum tax	3,869	3,596	3,869	3,596
Insurance receipts	43,421	1,402	72,102	364,976
Sundry revenue	24,948	17,621	43,563	58,267
Total operating and other revenue	323,046	175,309	1,215,571	1,316,904

Insurance receipts

Insurance receipts arise from earthquake related insurance claims. These receipts are recognised on settlement of a claim or where there has been agreement with the insurer.

Subvention receipts

The Council has accrued \$2.8 million of subvention receipt revenue for 2015. A further \$7.8 million was recognised relating to 2014 tax losses which were not accrued at 30 June 2014.

1.4 Exchange and non-exchange revenue

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Revenue from non-exchange transactions				
<i>Revenue from taxes</i>				
General rates	242,121	225,689	236,467	218,891
Targeted rates	119,743	109,459	117,079	109,459
	<u>361,864</u>	<u>335,148</u>	<u>353,546</u>	<u>328,350</u>
<i>Revenue from transfers</i>				
Subsidies and grants	265,302	321,278	273,096	321,362
Vested assets	82,317	6,959	82,331	7,568
Petroleum tax	3,869	3,596	3,869	3,596
Other transfer revenue	65,609	59,700	54,993	60,689
	<u>417,097</u>	<u>391,533</u>	<u>414,289</u>	<u>393,215</u>
Revenue from exchange transactions				
Sale of goods	-	-	36,411	30,739
Rendering of service	-	-	810,561	708,664
Development contribution	33,155	24,027	33,155	24,027
Building consents	29,970	20,429	29,970	20,429
Social housing	14,314	13,301	14,314	13,301
Dividends	51,432	56,265	134	113
Insurance	43,421	1,402	72,102	364,976
Finance revenue	23,979	24,692	26,271	23,217
Other exchange transactions	32,114	13,657	107,598	106,829
	<u>228,385</u>	<u>153,773</u>	<u>1,130,516</u>	<u>1,292,295</u>
Other				
Share of associates surplus/(deficit)	-	-	7,353	2,895
Total revenue	1,007,346	880,454	1,905,704	2,016,755

2. Finance costs

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest expense				
Interest on bank borrowings	55,950	43,033	69,809	62,267
Interest on debt instruments	-	-	25,371	20,480
Interest on finance leases	7,323	7,384	5,346	5,464
Other interest expense	6	6	312	120
Total finance costs	63,279	50,423	100,838	88,331

3. Other expenses

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Audit fees	4 602	311	1,663	1,277
Directors' fees	-	-	2,121	2,170
Donations and grants	43,457	34,051	42,775	34,395
Minimum lease payments under operating leases	4,167	2,928	13,731	11,372
Raw materials and consumables used	-	-	57,150	55,592
Provision of services and maintenance of assets	170,141	189,128	186,645	266,637
Consultants and legal fees	40,265	35,110	51,114	42,388
Other operating expenses	126,086	40,987	425,115	252,404
Total other expenses	384,718	302,515	780,314	666,235

4. Remuneration of auditors

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Fees to Audit New Zealand				
- For audit of financial statements	329	309	1,140	1,049
- For other assurance services	273	2	366	98
Fees to KPMG				
- For audit of financial statements	-	-	92	76
- For other assurance services	-	-	15	16
Fees to Grant Thornton for audit of financial statements	-	-	50	38
Total	602	311	1,663	1,277

The auditor of the Council and the rest of the Group, excluding LPC and CDCH is Audit New Zealand. LPC is audited by KPMG and CDCH is audited by Grant Thornton. All are appointed by the Auditor-General.

Other assurance services principally comprised of:

Audit New Zealand

Parent:

- Audit of the Debenture Trust Deed.
- Audit of the LTP and Consultation Document in 2015.

Group:

Orion New Zealand Limited:

- review of Annual Compliance Statement for Default Price - Quality Path; and
- review of Electricity Distribution Information Disclosure.

Christchurch International Airport Limited:

- audit of the Specified Airport Services Information Disclosure, and
- audit of the company's bond registry.

KPMG

Lyttelton Port Limited:

- assessment of City Depot revenue processes and controls.

5. Other gains and losses

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Non-financial instruments				
Gains/(losses) on disposal of property, plant and equipment	(13,642)	(12,396)	(9,752)	(10,730)
Gains/(losses) on disposal of investment	-	-	-	4
Gains/(losses) on disposal of investment property or held for sale assets	-	-	18,086	23,423
Gains/(losses) on revaluation of property, plant and equipment	-	-	-	(24,489)
(Impairment)/reversal of impairment on other assets	-	3,762	(150)	552
(Impairment)/reversal of impairment on property, plant and equipment	69,028	(44,213)	73,673	(42,923)
	<u>55,386</u>	<u>(52,847)</u>	<u>81,857</u>	<u>(54,163)</u>
Financial instruments				
Gains/(losses) through ineffectiveness of cash flow hedges	(1,603)	2,391	(1,786)	(205)
Transfer from equity for cashflow hedges	(35)	(332)	(35)	-
Gains / (Losses) through ineffectiveness of fair value hedges	(4)	(1)	168	(1)
Gains/(losses) on investments held at fair value through surplus and deficit	-	(284)	-	1,024
Fair value through income statement financial assets fair value change	(790)	-	(24,648)	(28,991)
	<u>(2,432)</u>	<u>1,774</u>	<u>(26,301)</u>	<u>(28,173)</u>
Net other gains/(losses)	<u>52,954</u>	<u>(51,073)</u>	<u>55,556</u>	<u>(82,336)</u>

6. Receivables and prepayments

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Recoverables from non-exchange transactions				
- Current	112,394	86,402	113,143	86,942
- Non-current	-	11,850	-	11,850
Receivables from exchange transactions				
- Current	138,449	128,110	356,286	263,878
- Non-current	-	-	115,739	164,971
Total debtors and other receivables	250,843	226,362	585,168	527,641
<i>This comprises of:</i>				
Rates receivables	15,770	15,175	15,770	15,175
Non-exchange receivables from user charges	4,634	4,211	4,634	4,211
Other trade receivables	58,722	41,099	129,570	92,647
Insurance receivables	161,184	140,720	286,199	288,840
Related party receivables	3,299	4,964	50,991	1,724
Prepayments	2,755	3,985	18,019	22,898
Chargeable work in progress	-	-	65,201	66,296
Contract retentions	-	-	4,416	3,489
GST receivables	2,100	5,302	-	1,200
Other	4,249	12,784	12,419	33,193
Finance lease receivable	-	-	187	218
	252,713	228,240	587,406	529,891
Provision for impairment				
Individual impairment	(628)	(1,459)	(996)	(1,831)
Collective impairment	(1,242)	(419)	(1,242)	(419)
	(1,870)	(1,878)	(2,238)	(2,250)
Total receivables and prepayments	250,843	226,362	585,168	527,641
Movement in provision for impairment of receivables				
At 1 July	(1,878)	(1,206)	(2,250)	(1,622)
Provisions made during year	(927)	(882)	(1,105)	(943)
Provisions revised during year	935	210	963	293
Receivables Written off during year	-	-	154	22
At 30 June	(1,870)	(1,878)	(2,238)	(2,250)

Credit risks aging of trade receivables

	2015			2014		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	76,867	-	76,867	47,982	-	47,982
Past due 1-60 days	2,792	-	2,792	1,960	(197)	1,763
Past due 61-120 days	1,252	(671)	581	3,531	-	3,531
Past due over 120 days	1,514	(1,199)	315	11,976	(1,681)	10,295
Total	82,425	(1,870)	80,555	65,449	(1,878)	63,571
Group						
Not past due	185,483	-	185,483	86,805	-	86,805
Past due 1-60 days	11,566	-	11,566	8,012	(197)	7,815
Past due 61-120 days	2,384	(1,035)	1,349	5,599	-	5,599
Past due over 120 days	1,532	(1,203)	329	13,341	(2,053)	11,288
Total	200,965	(2,238)	198,727	113,757	(2,250)	111,507

For the purpose of aging analysis, trade receivables above includes rates receivables, non-exchange receivables from user charges, other trade receivables and related party receivables.

As debtors and other receivables are non-interest bearing and receipt is normally on 30 day terms, the carrying value of debtors and other receivables approximates their fair value.

No impairment is provided on rates receivables as the Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

An allowance has been made for estimated irrecoverable amounts from trade debtors, determined by reference to past default experience. The balance of the movement was recognised in net surplus and deficit for the current financial year.

Insurance receivable**Parent**

Insurance receivables include \$130.8 million (2014: \$120.1 million) due from the Council's insurers. The Council is still in negotiation with its insurers and the amount represents the receivable that can be recognised under accounting standards and does not necessarily represent the total amount of claims that the Council has with its insurers.

As the insurance negotiations are ongoing it is uncertain when a settlement will be reached and what that settlement will be. As a result, the Council is unable to recognise the present value of the receivables as required by accounting standards.

Given the potential range of settlement possibilities the present value of the balance could range from \$124 million if received in twelve months to \$111 million if received in thirty-six months. This is using a discount rate of 5.5 per cent.

Group

The current and non-current insurance receivables include \$256 million (2014: \$266 million) due from the Council's insurers. Within this balance is \$21 million of current receivables and \$104 million of non-current receivables which represent the present value of receivables for which it has been possible to estimate the timing of future cash receipts. This resulted in an amortised cost adjustment of \$52 million recognised in other expenses in the Statement of Comprehensive Revenue and Expense.

The remaining \$132.5 million of receivables are those of the Council.

7. Payables

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Taxes and transfers payable	62,951	10,705	66,892	17,181
Payables under exchange transactions	112,870	99,809	210,527	171,909
Total creditors & other payables	175,821	110,514	277,419	189,090

This comprises of:

Trade payables and accrued expenses	142,428	80,857	243,035	165,228
Amounts due to related parties	10,220	11,150	156	-
GST payable	-	-	3,637	-
Interest payable	8,128	5,164	11,816	8,307
Deposits held	-	-	1,108	164
Retentions	15,045	13,343	17,667	15,391
Total creditors and other payables	175,821	110,514	277,419	189,090

8. Income taxes

8.1 Components of tax expense

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current tax expense/(income)	-	-	43,235	41,259
Adjustments to current tax of prior years	-	-	(12,628)	3,284
Deferred tax expense/(income)	56	51	2,432	(6,839)
Impairment of deferred tax asset	-	-	-	(34)
Benefit arising from previously unrecognised tax losses	(642)	(1,556)	(642)	(1,556)
Adjustments to deferred tax of prior years	-	-	5,238	(2,634)
Deferred tax expense relating to use of prior year losses	-	-	848	4,667
Total tax expense/(income)	(586)	(1,505)	38,483	38,147

Reconciliation of prima facie income tax:

Surplus/(deficit) before tax	306,804	203,611	402,609	556,059
Income tax expense at 28% (2014: 28%)	85,905	57,011	112,731	155,697
Non-deductible expenses	-	-	4,151	4,710
Non-assessable income and non-deductible items	(64,817)	(36,679)	(81,228)	(121,674)
Tax loss not recognised as deferred tax asset	-	-	-	(671)
Deferred tax assets on previously unrecognised and unused tax losses	-	-	4,622	(4,241)
(Over)/under provision of income tax in previous year	-	-	(336)	390
Imputation adjustment	(21,674)	(21,837)	-	-
Other	-	-	(1,457)	3,936
Total tax expense/(income)	(586)	(1,505)	38,483	38,147

Income tax recognised in other comprehensive income
Deferred tax

Asset revaluations	(586)	-	(619)	(44,001)
Revaluations of financial instruments treated as cash flow hedges	-	-	5,994	(4,601)
	(586)	-	5,375	(48,602)

The tax rate in the above reconciliation is the corporate tax rate of 28 per cent (2014: 28 per cent) payable by New Zealand companies on taxable profits under New Zealand tax law.

\$10 million of the 2015 losses will be transferred to other entities in the Group by way of loss offset and subvention payment. A subvention receipt of \$2.8 million (2014: \$2.3 million) has been accrued.

Council has tax losses for the current financial year of \$48 million (2014: \$40 million). It is expected that

8.2 Current tax assets and liabilities

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current tax assets				
Tax refund receivable	-	-	-	-
Total current tax assets	-	-	-	-
Current tax payables				
Income tax payable	-	-	14,846	17,464
Total current tax liabilities	-	-	14,846	17,464

8.3 Deferred tax balance

	Parent				Group			
	Charged to:			Closing balance	Charged to:			Closing balance
Opening balance	Net surplus and deficit	Other compr. revenue and expense	Opening balance		Net surplus and deficit	Other compr. revenue and expense	Opening balance	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2015								
Deferred tax liabilities:								
Fair value hedges	-	-	-	-	1,092	(210)	82	964
Property, plant and equipment	3,982	56	586	4,624	347,798	(4,444)	619	343,973
Intangible assets	-	-	-	-	969	(482)	-	487
Other	-	-	-	-	36,882	9,151	-	46,033
	<u>3,982</u>	<u>56</u>	<u>586</u>	<u>4,624</u>	<u>386,741</u>	<u>4,015</u>	<u>701</u>	<u>391,457</u>
Deferred tax assets:								
Cashflow hedges	-	-	-	-	1,930	(81)	6,076	7,925
Provisions and employee entitlements	-	-	-	-	5,906	1,292	-	7,198
Doubtful debts and impairment losses	-	-	-	-	86	9	-	95
Tax losses	3,982	642	-	4,624	14,990	(5,996)	-	8,994
Other	-	-	-	-	407	915	-	1,322
	<u>3,982</u>	<u>642</u>	<u>-</u>	<u>4,624</u>	<u>23,319</u>	<u>(3,861)</u>	<u>6,076</u>	<u>25,534</u>
Net deferred tax liability/(asset)	-	(586)	586	-	363,422	7,876	(5,375)	365,923

	Parent				Group			
	Charged to:			Closing balance	Charged to:			Closing balance
Opening balance	Net surplus and deficit	Other compr. revenue and expense	Opening balance		Net surplus and deficit	Other compr. revenue and expense		
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
30 June 2014								
Deferred tax liabilities:								
Fair value hedges	-	-	-	-	56	367	669	1,092
Property, plant and equipment	3,931	51	-	3,982	292,142	11,655	44,001	347,798
Intangible assets	-	-	-	-	602	367	-	969
Other	-	-	-	-	42,663	(5,781)	-	36,882
	<u>3,931</u>	<u>51</u>	<u>-</u>	<u>3,982</u>	<u>335,463</u>	<u>6,608</u>	<u>44,670</u>	<u>386,741</u>
Deferred tax assets:								
Cashflow hedges	-	-	-	-	5,863	(1)	(3,932)	1,930
Provisions and employee entitlements	-	-	-	-	5,351	555	-	5,906
Doubtful debts and impairment losses	-	-	-	-	175	(89)	-	86
Tax losses	2,426	1,556	-	3,982	2,477	12,513	-	14,990
Other	-	-	-	-	381	26	-	407
	<u>2,426</u>	<u>1,556</u>	<u>-</u>	<u>3,982</u>	<u>14,247</u>	<u>13,004</u>	<u>(3,932)</u>	<u>23,319</u>
Net deferred tax liability/(asset)	<u>1,505</u>	<u>(1,505)</u>	<u>-</u>	<u>-</u>	<u>321,216</u>	<u>(6,396)</u>	<u>48,602</u>	<u>363,422</u>

8.4 Unrecognised tax losses

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
The following tax losses have not been brought to account as assets:				
Tax losses	<u>21,870</u>	<u>18,724</u>	<u>-</u>	<u>-</u>
Tax effect	<u>6,124</u>	<u>5,243</u>	<u>-</u>	<u>-</u>

8.5 Imputation credit balances

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Imputation credits available for use in subsequent reporting periods	<u>-</u>	<u>-</u>	<u>61,432</u>	<u>43,332</u>

9. Property, plant & equipment

	Opening balances			Current year movements						Closing balances		
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Net disposals/ Transfers*	Impairment charged to surplus	Net movement in WIP	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation	Carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council 2015												
Operational assets												
Freehold land	482,933	(13,487)	469,446	3,884	(11,578)	-	-	(2,575)	(56,880)	411,141	(8,844)	402,297
Buildings	492,025	(90,124)	401,901	16,591	2,080	-	-	(11,859)	181,649	592,021	(1,659)	590,362
Plant & equipment	154,028	(109,554)	44,474	6,294	(234)	-	-	(9,238)	-	160,088	(118,792)	41,296
Work in progress	28,597	-	28,597	-	-	-	32,680	-	-	61,277	-	61,277
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	108,827	(92,802)	16,025	4,250	-	-	-	(4,643)	-	113,077	(97,445)	15,632
	1,274,627	(314,184)	960,443	31,019	(9,732)	-	32,680	(28,315)	124,769	1,345,821	(234,957)	1,110,864
Infrastructure assets												
Roading network	1,654,277	(145,373)	1,508,904	176,238	(1,236)	-	-	(40,289)	560,156	2,203,773	-	2,203,773
Sewerage	793,819	(86,278)	707,541	511,453	(1,337)	69,028	-	(24,269)	270,952	1,533,368	-	1,533,368
Water	1,040,996	(274)	1,040,722	55,870	(27)	-	-	(25,093)	(4,430)	1,092,409	(25,367)	1,067,042
Stormwater	351,918	(27,114)	324,804	55,729	-	-	-	(4,943)	(17,927)	389,720	(32,057)	357,663
Work in progress	1,284,396	(5,252)	1,279,144	-	-	-	(304,210)	-	-	974,934	-	974,934
	5,125,406	(264,291)	4,861,115	799,290	(2,600)	69,028	(304,210)	(94,594)	808,751	6,194,204	(57,424)	6,136,780
Restricted assets												
Land and buildings	756,806	(24,412)	732,394	34,004	2,123	-	-	(6,745)	6,934	798,282	(29,572)	768,710
Artworks	72,605	(145)	72,460	1,541	-	-	-	(74)	(4,824)	69,103	-	69,103
Heritage assets	21,119	(206)	20,913	5,498	-	-	-	(40)	-	26,617	(246)	26,371
Library books	6,826	-	6,826	217	-	-	-	-	-	7,043	-	7,043
Work in progress	8,941	-	8,941	-	-	-	4,535	-	-	13,476	-	13,476
	866,297	(24,763)	841,534	41,260	2,123	-	4,535	(6,859)	2,110	914,521	(29,818)	884,703
Total Parent PPE	7,266,330	(603,238)	6,663,092	871,569	(10,209)	69,028	(266,995)	(129,768)	935,630	8,454,546	(322,199)	8,132,347

* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year. Buildings valued at \$113,410,000 (2014: \$102,950,000) are acquired under finance lease.

	Opening balances			Current year movements						Closing balances		
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Net disposals/ Transfers*	Impairment charged to surplus	Net movement in WIP	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation	Carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council 2014												
Operational assets												
Freehold land	482,178	(10,986)	471,192	10,345	(9,456)	-	-	(2,635)	-	482,933	(13,487)	469,446
Buildings	591,215	(88,962)	502,253	33,343	(15,198)	-	-	(13,698)	(104,799)	492,025	(90,124)	401,901
Plant & equipment	146,244	(103,016)	43,228	10,913	(523)	-	-	(9,144)	-	154,028	(109,554)	44,474
Work in progress	8,284	-	8,284	-	-	-	20,313	-	-	28,597	-	28,597
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	104,055	(88,173)	15,882	4,772	-	-	-	(4,629)	-	108,827	(92,802)	16,025
	1,340,193	(299,354)	1,040,839	59,373	(25,177)	-	20,313	(30,106)	(104,799)	1,274,627	(314,184)	960,443
Infrastructure assets												
Roading network	1,632,771	(114,052)	1,518,719	29,275	(2,028)	-	-	(37,062)	-	1,654,277	(145,373)	1,508,904
Sewerage	764,769	(68,427)	696,342	74,423	(2,083)	(42,220)	-	(18,921)	-	793,819	(86,278)	707,541
Water	469,701	(30,457)	439,244	32,761	(1)	-	-	(10,651)	579,369	1,040,996	(274)	1,040,722
Stormwater	347,326	(22,516)	324,810	4,601	-	-	-	(4,607)	-	351,918	(27,114)	324,804
Work in progress	861,739	(5,252)	856,487	-	-	-	422,657	-	-	1,284,396	(5,252)	1,279,144
	4,076,306	(240,704)	3,835,602	141,060	(4,112)	(42,220)	422,657	(71,241)	579,369	5,125,406	(264,291)	4,861,115
Restricted assets												
Land and buildings	722,483	(20,393)	702,090	27,547	-	-	-	(5,396)	8,153	756,806	(24,412)	732,394
Arts works	72,070	(72)	71,998	535	-	-	-	(73)	-	72,605	(145)	72,460
Heritage assets	20,407	(168)	20,239	712	-	-	-	(38)	-	21,119	(206)	20,913
Library books	6,534	-	6,534	292	-	-	-	-	-	6,826	-	6,826
Work in progress	12,147	-	12,147	-	-	-	(3,206)	-	-	8,941	-	8,941
	833,641	(20,633)	813,008	29,086	-	-	(3,206)	(5,507)	8,153	866,297	(24,763)	841,534
Total Parent PPE	6,250,140	(560,691)	5,689,449	229,519	(29,289)	(42,220)	439,764	(106,854)	482,723	7,266,330	(603,238)	6,663,092

	Opening balances			Current year movements						Closing balances		
	Cost/ valuation	Accumulated depreciation	Carrying amount	Additions	Net disposals/ Transfers*	Impairment charged to surplus	Net movement in WIP	Depreciation	Revaluation movement	Cost/ valuation	Accumulated depreciation	Carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Group 2015												
Operational assets												
Freehold land	918,374	(13,605)	904,769	50,547	(20,646)	-	-	(2,583)	(56,487)	884,569	(8,969)	875,600
Buildings	1,038,700	(222,533)	816,167	21,037	6,065	4,645	-	(35,204)	181,649	1,151,994	(157,635)	994,359
Plant & equipment	531,106	(301,751)	229,355	28,813	1,745	-	-	(36,115)	-	557,769	(333,971)	223,798
Electricity distribution	903,975	(4)	903,971	45,632	(1,155)	-	-	(35,529)	116	948,518	(35,483)	913,035
Specialised assets **	404,250	(74,695)	329,555	44,660	7,152	-	-	(14,581)	-	454,801	(88,015)	366,786
Work in progress	100,696	-	100,696	-	-	-	58,344	-	-	159,040	-	159,040
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	108,827	(92,802)	16,025	4,250	-	-	-	(4,643)	-	113,077	(97,445)	15,632
	4,014,145	(713,607)	3,300,538	194,939	(6,839)	4,645	58,344	(128,655)	125,278	4,277,985	(729,735)	3,548,250
Infrastructure assets	5,125,406	(264,291)	4,861,115	799,290	(2,600)	69,028	(304,210)	(94,594)	808,751	6,242,661	(105,881)	6,136,780
Restricted assets	866,297	(24,763)	841,534	41,260	2,123	-	4,535	(6,859)	2,110	915,351	(30,648)	884,703
Total Group PPE	10,005,848	(1,002,661)	9,003,187	1,035,489	(7,316)	73,673	(241,331)	(230,108)	936,139	11,435,997	(866,264)	10,569,733
Group 2014												
Operational assets												
Freehold land	918,294	(12,413)	905,881	13,983	(18,749)	-	-	(2,650)	6,304	918,374	(13,605)	904,769
Buildings	1,144,782	(260,175)	884,607	45,745	(15,087)	-	-	(37,943)	(61,155)	1,038,700	(222,533)	816,167
Plant & equipment	489,158	(277,899)	211,259	52,329	607	-	-	(34,840)	-	531,106	(301,751)	229,355
Electricity distribution	830,231	(56,784)	773,447	61,135	(4,028)	-	-	(30,782)	104,199	903,975	(4)	903,971
Specialised assets **	376,075	(75,129)	300,946	19,137	14,639	-	-	(18,767)	13,600	404,250	(74,695)	329,555
Work in progress	67,708	-	67,708	-	-	-	32,988	-	-	100,696	-	100,696
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	104,055	(88,173)	15,882	4,772	-	-	-	(4,629)	-	108,827	(92,802)	16,025
	3,938,520	(778,790)	3,159,730	197,101	(22,618)	-	32,988	(129,611)	62,948	4,014,145	(713,607)	3,300,538
Infrastructure assets	4,076,306	(240,704)	3,835,602	141,060	(4,112)	(42,220)	422,657	(71,241)	579,369	5,125,406	(264,291)	4,861,115
Restricted assets	833,641	(20,633)	813,008	29,086	-	-	(3,206)	(5,507)	8,153	866,297	(24,763)	841,534
Total Group PPE	8,848,467	(1,040,127)	7,808,340	367,247	(26,730)	(42,220)	452,439	(206,359)	650,470	10,005,848	(1,002,661)	9,003,187

** Specialised assets include finance lease assets, airport sealed surfaces, harbour structures and other specialised assets.

9.1 Work in progress

Property, plant, and equipment under construction by class of asset is detailed below:

	2015	Council
	\$000	2014
		\$000
Wastewater	679,713	833,582
Water	40,433	85,593
Stormwater	56,945	73,432
Roading	197,843	286,537
Total infrastructural	<u>974,934</u>	<u>1,279,144</u>
Intangibles	9,610	4,722
Building	74,753	37,538
Total work in progress	<u>1,059,297</u>	<u>1,321,404</u>

9.2 Core Assets

Included within the infrastructure assets above are the following core Council assets.

	Closing	Assets	Assets	Replacement
	Book Value	constructed	transferred	Cost as at
		for the year	for the year	year end
	\$000	\$000	\$000	\$000
2015				
Treatment Plants	3,597	-	-	7,279
Reticulation	1,063,445	50,510	5,360	1,766,755
Water Supply	<u>1,067,042</u>	<u>50,510</u>	<u>5,360</u>	<u>1,774,034</u>
Treatment Plants	332,424	5,244	-	515,162
Reticulation	1,200,944	495,345	10,864	2,925,163
Sewerage	<u>1,533,368</u>	<u>500,589</u>	<u>10,864</u>	<u>3,440,325</u>
Stormwater Drainage	357,663	42,431	13,298	453,175
Flood Protection and Control Works	-	-	-	-
Roads and Footpaths	2,203,773	146,337	29,901	3,290,011
2014				
Treatment Plants	3,711	6	-	7,279
Reticulation	1,037,011	32,089	666	1,766,755
Water Supply	<u>1,040,722</u>	<u>32,095</u>	<u>666</u>	<u>1,774,034</u>
Treatment Plants	133,138	13,598	-	197,394
Reticulation	574,403	59,980	845	1,025,432
Sewerage	<u>707,541</u>	<u>73,578</u>	<u>845</u>	<u>1,222,826</u>
Stormwater Drainage	324,804	3,683	918	453,175
Flood Protection and Control Works	-	-	-	-
Roads and Footpaths	1,508,904	25,992	3,283	2,287,198

The assets for flood protection and control works are included in stormwater.

including flood protection and control works (2008) and roads and footpaths (2015).

The Council completed the construction of \$739.9 million (2014: \$135.4 million) of assets relating to its core infrastructure assets and received a further \$59.4 million (2014: \$5.7 million) of assets. These assets are carried at their net book value using their respective historical costs or deemed costs as revalued.

The replacement cost is based on the replacement cost estimate at the last valuation of the asset class, water supply (2014), sewerage (2015), stormwater drainage

9.3 Revaluations and review for impairment

Revaluations

Land and buildings were valued at 30 June 2015 by Quotable Value (QV). The fair value of the land was determined in accordance with PBE IPSAS 17 using market based evidence with adjustments to reflect the designation of the land.

Residential and commercial buildings were valued using market based evidence while specialised buildings such as libraries, swimming pools and heritage assets were valued using depreciated replacement cost in accordance with PBE IPSAS 17. Quantity surveyors were engaged to determine the replacement cost of material assets. The fair value of all land and buildings is \$1.7 billion.

Roading assets were revalued by GHD at 30 June 2015. The fair value of the roading assets was determined using the depreciated replacement cost method in accordance with PBE IPSAS 17. The roading class of assets includes \$421 million of land under roads which has not been revalued. Council's policy is not to revalue land under roads. Depreciated replacement cost was calculated using the following assumptions:

- Useful lives of assets were reviewed using accepted national standards and comparison to other councils. Current asset condition data was used to adjust useful lives.
- Unit costs were calculated with reference to the unit rates to reproduce the assets. The unit rates include all incidental costs such as project costs including reinstatement costs. These have been reviewed for the local market.
- Red Zone assets have been valued as a subset of the other assets given the uncertainty of the future use of the assets. The value of these assets has been assessed at \$0.9 million.

The fair value of roading assets was revalued to \$1.8 billion excluding land under roads.

Sewerage assets were valued as at 30 June 2015 by GHD. The fair value of sewerage infrastructure assets was determined using the depreciated replacement cost method in accordance with PBE IPSAS 17. Depreciated replacement cost was calculated using the following assumptions:

- Replacement costs have been calculated based on the cost of modern equivalent assets. Cost data is based on standard rates and reviewed by quantity surveyors with local knowledge.
- Allowance has been made for spare capacity of the assets, in particular assets in the red zone.
- The remaining useful life is based on standard economic life for each element type with adjustments for the age and condition of each element. The remaining useful life of pipes laid before September 2010 have been adjusted to reflect an expected reduced useful life as a result of the earthquakes.

The fair value of sewerage assets was revalued to \$1.9 billion.

Works of art have been valued as at 30 June 2015 by Art + Object Limited. The fair value of the art works is assessed at the estimated market value. The market value has been assessed at \$69.1 million.

The most recent valuations in these financial statements were as follows:

Water supply infrastructure assets were revalued by Beca Projects NZ Limited (Beca) at 30 June 2014 to a fair value of \$1.0 billion using depreciated replacement cost method. Depreciated replacement cost was calculated using the following assumptions:

- Construction costs were calculated with reference to the unit rates to reproduce the assets with modern equivalents. The unit rates include all incidental costs such as project costs including reinstatement costs. These have been reviewed for the local market.
- Useful lives of assets are determined from information provided in the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines 2006 and the Council's current estimates of service life.
- Assets in the red zone areas of the City and not being used to supply water to the surrounding green zone areas were removed from the valuation.

Marine structure assets were revalued by Beca at 30 June 2014 to a fair value of \$16.9 million using depreciated replacement cost method.

Heritage and public art assets were valued by Plant & Machinery Valuers Limited and Dunbar Sloane Limited with a value of \$20.4 million as at 30 June 2009. Heritage assets were valued at a depreciated reproduction cost, with public art being valued at fair value.

Stormwater, Waterways and Wetlands infrastructure assets were revalued by GHD Limited at 30 June 2008 to a fair value of \$336.9 million using the depreciated replacement cost method.

Stormwater, water ways and wetlands infrastructure assets were due to be revalued in 2015 but were not, due to insufficient information being available to valuers. This is the result of continuing uncertainties around the extent of damage and the cost of replacement.

Accounting for earthquake damage

Accounting standards require that when an asset has been destroyed it should be de-recognised, or written off. Similarly, where there is an indication that the value of an asset as recorded in the financial statements is greater than its actual value, the value of that asset must be reduced (this is known as impairment). As the Council revalues its assets it, technically, does not have impairment but rather a revaluation that reduces the value of asset. Given the general understanding of the term, impairment continues to be used in these financial statements. It is clear from the Council's work to date that:

- some of Council's infrastructural and building assets have been damaged beyond repair, and PBE IPSAS 17 – Property, Plant and Equipment requires Council to write off those assets. The write off is expensed in the net surplus or deficit in the Statement of Comprehensive Revenue and Expense for the year, and
- much of Council's infrastructural and building assets have been impaired. The impairment is recognised in other comprehensive revenue and expense against revaluation reserves for each class of asset. Any excess of impairment above the revaluation reserve is expensed in the net surplus or deficit in the Statement of Comprehensive Revenue and Expense.

Council has been able to write off a number of individual assets where they are damaged beyond repair and have been demolished or sold to the Crown.

Recognition of impaired assets in these financial statements

The table below detail the impairment that has been taken against property plant and equipment since the earthquakes.

	2015	2014	2013	2012	Total
	\$000	\$000	\$000	\$000	\$000
Buildings/ facilities	(44,351)	100,269	29,973	11,792	97,683
	(44,351)	100,269	29,973	11,792	97,683
Infrastructural assets					
Roading	(263,213)	(10)	243,813	19,410	-
Sewerage	138,096	38,795	80,220	121,154	378,265
Water	(3,838)	(2,124)	-	15,194	9,232
Storm water	16,529	(64)	-	35,451	51,916
	(112,426)	36,597	324,033	191,209	439,413
	(156,777)	136,866	354,006	203,001	537,096

The negative amounts in 2015 and 2014 relates to reversals of previous impairments or disposals of properties for which an impairment was recognised in prior years.

Infrastructure

The infrastructure assets of Council have been impaired since 30 June 2012 with the impairment provision being reviewed annually. The basis of the provision is an estimate of the percentage of each infrastructure network that will be replaced or repaired by SCIRT. The impairment of each network is detailed above.

The valuers for the sewerage and roading network assets took the current condition of these assets into account, and included an assessment of earthquake damage. As a result the impairment provision previously taken for roading has been reversed. However, the impairment provision for the sewerage network has been increased, as it was felt that the valuation, while allowing for the deterioration did not adequately reflect the network's condition.

As SCIRT replaces the infrastructure assets and delivers them to Council the impaired assets will be written off in the financial statements and the new assets added.

Buildings / Facilities

The Council has impaired those buildings and facilities in the following situations:

- where it has received insurance indemnity payments as this is a reflection that the insurer considers the building to be damaged beyond repair or the cost of fixing the damage is higher than the indemnity value.

From 2013 onwards an impairment provision has been determined based on the following information:

- it is possible to estimate of value of damage incurred;
- insurance recoveries received and/or agreed with insurers indicate the level of damage;
- payments received from EQC; and
- the Cost Share Agreement with the Crown transferred social housing complexes in residential red zone.

The value of the land on which residential red zone, housing complexes stood has also been written down to \$0 as agreed in the Crown Cost Sharing Agreement.

The impairment of the affected buildings was recognised by reducing the value of the assets in the Council's financial statements and by reducing the value of the Council's asset revaluation reserves by an equal amount.

Group

Orion New Zealand Limited

Electricity distribution network and substation buildings (the network)

The network was revalued to fair value of \$904 million as at 31 March 2014 by Ernst & Young Transaction Advisory Services Limited (the valuer). The valuer used a discounted cash flow methodology and based their forecast cash flows on Orion's forecasts. Including capital work in progress this resulted in a total network valuation of \$939 million.

Land and non-substation buildings

Orion's land and non-substation buildings were revalued by CBRE Limited, to fair value as at 31 March 2014. The valuer selected a representative sample of Orion's substation sites and revalued the land at those sites using sales comparisons and unit metre frontage methodology to develop standard site multipliers which were applied to the rateable land values for approximately 2,200 substation sites.

Land at the two largest substation sites were valued using discounted cashflow and/or sales comparison approaches.

The head office land and buildings were valued using a market rental assessment and capitalisation rate of 7.75 per cent. The valuer confirmed the fair value of the land and buildings was their carrying value.

The valuer reviewed these values at 31 March 2015 using similar methodology and concluded that there were no indicators that carrying value was materially different to fair value.

Christchurch International Airport Limited

As at 30 June 2014 car parking assets and commercial building assets were revalued by Independent Valuers, Crighton Anderson Property and Infrastructure Limited. Terminal and specialised facilities, sealed surfaces and infrastructure assets were valued by Opus International Limited at 30 June 2014. The revaluation of these assets resulted in an increase in value in 2014 by \$76.5 million. Land was last revalued on 30 June 2013 with an increase in value of \$29.8 million. No adjustment for impairment was deemed necessary for these assets.

Lyttelton Port Company Limited

Assets are carried at 2006 valuation (or cost for subsequent additions) less accumulated depreciation and impairment charges. During the course of the 2015 year LPC management assessed that there was no change in the useful economic lives of major items of property, plant and equipment (2014: Nil).

Vbase Limited

The Horncastle Arena was revalued in 2015 on an optimised depreciated replacement value for the purposes of group reporting. The valuation was undertaken by QV with quantity surveyors engaged to provide a replacement cost estimate. The revaluation resulted in a decrease in value of \$4.6 million from 2014.

10. Intangible assets

	Opening balances			Current year movements						Closing balances		
	Cost/ valuation	Accumulated amortisation	Carrying amount	Additions	Additions from internal	Net disposals/ Transfers*	Net movement in WIP	Impairment charged to Surplus	Amortisation	Cost/ valuation	Accumulated amortisation	Carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Council 2015												
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets												
Software	75,251	(31,396)	43,855	8,120	-	-	-	-	(6,707)	83,371	(38,103)	45,268
Work in progress	5,895	(1,173)	4,722	-	-	-	4,888	-	-	9,610	-	9,610
Trademarks	3,304	(3,299)	5	-	-	-	-	-	-	3,304	(3,299)	5
Other	742	(269)	473	3,572	-	-	-	-	(1,545)	4,314	(1,814)	2,500
	85,192	(36,137)	49,055	11,692	-	-	4,888	-	(8,252)	100,599	(43,216)	57,383
Total Parent intangibles	85,192	(36,137)	49,055	11,692	-	-	4,888	-	(8,252)	100,599	(43,216)	57,383
Group 2015												
Goodwill	28,201	(6,724)	21,477	553	-	-	-	-	-	28,754	(6,724)	22,030
Other intangible assets												
Easements & resource consents	1,062	(87)	975	7,473	-	-	-	-	(58)	9,415	(1,025)	8,390
Software	113,681	(57,308)	56,373	14,436	308	1	-	(3,474)	(10,887)	129,174	(72,417)	56,757
Work in progress	6,624	(1,173)	5,451	-	-	-	4,160	-	-	9,611	-	9,611
Trademarks	3,304	(3,303)	1	-	4	-	-	-	-	3,304	(3,299)	5
Other	5,124	(3,280)	1,844	3,572	-	(1,349)	-	-	(1,548)	4,337	(1,818)	2,519
	129,795	(65,151)	64,644	25,481	312	(1,348)	4,160	(3,474)	(12,493)	155,841	(78,559)	77,282
Total Group intangibles	157,996	(71,875)	86,121	26,034	312	(1,348)	4,160	(3,474)	(12,493)	184,595	(85,283)	99,312

	Opening balances			Current year movements					Closing balances			
	Cost/ valuation	Accumulated amortisation	Carrying amount	Additions	Additions from internal	Net disposals/ Transfers*	Net movement in WIP	Impairment charged to Surplus	Amortisation	Cost/ valuation	Accumulated amortisation	Carrying amount
	\$000	\$000	\$000	\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000
Council 2014												
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets												
Software	68,252	(25,047)	43,205	7,048	-	(1)	-	-	(6,397)	75,251	(31,396)	43,855
Work in progress	3,848	(1,173)	2,675	-	-	-	2,047	-	-	5,895	(1,173)	4,722
Trademarks	3,304	(1,078)	2,226	-	-	-	-	(1,993)	(228)	3,304	(3,299)	5
Other	402	(167)	235	340	-	-	-	-	(102)	742	(269)	473
	75,806	(27,465)	48,341	7,388	-	(1)	2,047	(1,993)	(6,727)	85,192	(36,137)	49,055
Total Parent intangibles	75,806	(27,465)	48,341	7,388	-	(1)	2,047	(1,993)	(6,727)	85,192	(36,137)	49,055
Group 2014												
Goodwill	28,201	(6,724)	21,477	-	-	-	-	-	-	28,201	(6,724)	21,477
Other intangible assets												
Easements & resource consents	441	(43)	398	621	-	-	-	-	(44)	1,062	(87)	975
Software	104,249	(46,807)	57,442	9,266	335	(1)	-	-	(10,669)	113,681	(57,308)	56,373
Trademarks	2,038	(1,173)	865	4,602	-	(16)	-	-	-	6,624	(1,173)	5,451
Work in progress	3,304	(1,081)	2,223	-	-	-	-	(1,993)	(229)	3,304	(3,303)	1
Other	4,761	(3,178)	1,583	363	-	-	-	-	(102)	5,124	(3,280)	1,844
	114,793	(52,282)	62,511	14,852	335	(17)	168	(1,993)	(11,044)	129,795	(65,151)	64,644
Total Group intangibles	142,994	(59,006)	83,988	14,852	335	(17)	168	(1,993)	(11,044)	157,996	(71,875)	86,121

10.1 Goodwill

The carrying amount of goodwill allocated to cash-generating units for the purposes of goodwill impairment testing is as follows:

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Christchurch City Holdings Ltd	-	-	22,030	21,477
	-	-	22,030	21,477

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised, but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

No impairment losses were determined to be required for the 2015 financial year (2014: Nil).

CCHL goodwill increased by \$0.55 million as a result of acquisitions by City Care.

10.2 Other intangible assets

In 2014 the Council recognised an impairment charge of \$1.99 million against intangible assets relating to the Ellerslie International Flower Show. The continued losses suffered by the event and the announcement by Council in June 2014 that no show will be held in 2015 provide a clear indication that the intangible asset is impaired. Currently no show is expected to be held in

2016 and the level of impairment is still appropriate. The impairment charge is included within *Depreciation, Amortisation and Impairment* expenses in the statement of comprehensive revenue and expense.

11. Service concession arrangements

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Service concession asset				
Fair value of service concession asset on initial recognition	11,037	11,037	-	-
Accumulated depreciation to date	(3,290)	(2,777)	-	-
Net book value	7,747	8,260	-	-
Service concession liability				
Opening balance	6,316	7,051	-	-
Service concession revenue recognised	(736)	(735)	-	-
Closing balance	5,580	6,316	-	-

On 16 May 2008 the Council (as grantor) entered into an arrangement with Meta Processing Limited (Meta) (as operator) to construct the Material Recovery Facility (MRF) located at 21 Parkhouse Road. The arrangement required the operator to build, own and operate the service concession assets (composing of building and plant & machinery) for a period of 15 years. After 15 years, the ownership of the service concession assets will be transferred to the Council at no cost.

During the 15 year period, the operator will earn revenue from operating the MRF while the Council continues to control the use of the service concession assets as specified in the agreement.

There have been no changes in the service concession arrangement during the current period.

Service concession asset

The service concession assets were completed in February 2009 and were recognised at fair value by the Council as part of its property, plant and equipment (see Note 9). The building and plant & machinery had an estimated useful life of 30 years and 20 years, respectively, and are depreciated on a straight-line basis.

Service concession liability

The Council also recognised \$11.0 million of liability in relation to the service concession arrangement at the same time it recognised the service concession assets. This liability is reversed as a revenue equally over the term of the arrangement consistent with the Grant of a right to the operator model under PBE IPSAS 32. The service concession liability is included in the Council's *Other liabilities* under Note 26.

Service concession arrangement is covered by PBE IPSAS 32, Service Concession Arrangements: Grantor effective 1 July 2014 and was previously accounted for by the Council in accordance with NZ IFRIC 12, Service Concession Arrangements. Please refer to Note 38 for details of the effect of transition to PBE IPSAS 32.

12. Capital commitments and operating leases

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
(a) Capital and other operating commitments				
Capital commitments				
Property, plant and equipment	230,750	107,107	261,004	178,912
Electricity distribution network	-	-	26,047	10,939
Intangible assets	534	212	534	2,094
Ultra-Fast Broadband Network	-	-	247,000	286,000
Total capital commitments	231,284	107,319	534,585	477,945
Other operating commitments				
Other operating commitments	52,202	74,483	52,218	74,561
(b) Non cancellable operating lease liabilities				
No later than one year	3,448	2,982	9,363	8,641
Later than one year and not later than five years	7,051	8,291	15,917	19,462
Later than five years	5,187	7,662	17,693	12,682
Total non-cancellable operating lease liabilities	15,686	18,935	42,973	40,785
(c) Non cancellable operating lease receivables				
No later than one year	5,938	6,086	57,854	59,796
Later than one year and not later than five years	20,755	14,042	172,885	181,117
Later than five years	96,484	32,742	189,887	161,873
Total non-cancellable operating lease receivables	123,177	52,870	420,626	402,786

Capital commitments

Rebuild

The Council as a party to the Cost Share Agreement with the Crown has made commitments to fund anchor projects and the repair of the Council's horizontal infrastructure networks. Given the ongoing uncertainty regarding the final ownership of the projects and the Council's contribution, these have been disclosed as contingencies in Note 27 of the financial statements rather than capital commitments.

Ultra-Fast Broadband Network

CCHL has committed funding to ESL to meet the costs of building the UFB network prior to sale to Enable Networks Limited (ENL) and its share of the funding obligations to ENL.

Other

Council has a capital commitment with Hawkins Construction to perform a full restoration and repair of the Town Hall. Council is undertaking this on Vbase's behalf.

Non-cancellable operating lease liabilities

Parent

The Council leases computer equipment, property, and a number of car parks across the City. These leases have terms of renewal, but no purchase options and escalation clauses. There are no restrictions placed upon the Council by entering into these leases.

Non-cancellable operating lease receivables

Parent

The Council leases properties to various parties.

Group

CIAL and LPC lease properties to various parties. The terms of the leases vary and the majority are renewable.

13. Assets held for sale

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Land and buildings held for sale	7,824	12,192	26,105	30,696
Plant and equipment held for sale	-	-	-	366
Total amounts held for sale	7,824	12,192	26,105	31,062

Parent

During 2015, a number of properties have been transferred to asset held for sale including the Electrolux site (\$5.0 million), and the Sydenham square (\$2.8 million). These resulted in a closing balance of assets held for sale of \$7.8 million (2014: \$12.2 million).

During 2014, the Council transferred \$7.4 million of asset relating to the Crossing car park from property, plant and equipment to current assets held for sale. These properties have been sold during 2015 financial year.

14. Investment property

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at beginning of financial year	-	-	184,370	169,383
Net transfer from property, plant & equipment	-	-	14,754	275
Additional capitalised expenditure	-	-	31,261	5,489
Disposal	-	-	(2,184)	-
Net gain/(loss) from fair value adjustments	-	-	18,086	9,223
Balance at end of financial year	-	-	246,287	184,370

Group

Christchurch International Airport Limited

The valuation as at 30 June 2015 was completed by Crighton Anderson Property and Infrastructure Limited. The basis of valuation is fair value, being the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. The valuation methodologies used were a direct sales comparison or a direct capitalisation of rental revenue using market

comparison of capitalisation rates, supported by a discounted cash flow approach. The valuation methodologies are consistent with the prior year.

Included in the amount above is \$26.8 million (2014: \$10.5 million) relating to investment properties under construction but sufficiently advanced to enable a fair value to be assessed. These properties are carried at fair value on completion less estimated costs to complete.

15. Cash and cash equivalents

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Cash and cash equivalents	67,589	86,495	184,553	323,650
Cash and cash equivalents (USD)	-	-	8	1,262
Cash and cash equivalents (EUR)	-	-	110	-
Cash and cash equivalents (AUD)	-	-	1	128
Other	-	-	4	-
Total cash and cash equivalents	67,589	86,495	184,676	325,040

16. Investment in CCOs

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current				
Loans advanced	18,902	13,251	-	-
	<u>18,902</u>	<u>13,251</u>	<u>-</u>	<u>-</u>
Non-current				
Loans advanced	281,373	179,373	-	-
Investment in debt securities	14,920	9,144	14,919	9,144
Share Investment in CCOs	1,966,024	1,767,836	-	-
Unlisted shares	3,524	3,524	3,524	3,524
	<u>2,265,841</u>	<u>1,959,877</u>	<u>18,443</u>	<u>12,668</u>
Total investment in CCO	<u>2,284,743</u>	<u>1,973,128</u>	<u>18,443</u>	<u>12,668</u>

Fair value

Loans to related parties

The fair value of the Council's loans to related parties is \$320 million (2014: \$200.5 million). Fair value has been determined using cash flows discounted at a rate based on the borrowing rates ranging from 3.50%-8.16% (2014: 4.08%-9.22%). The average effective interest rate on the loans to related parties is 6.28% (2014: 7.24%).

Shares in subsidiary companies

The fair value of the Council's investments in its subsidiary companies was assessed by independent valuers, Ernst and Young, as at 30 June 2015.

It is important to note that the value of the Council's investment in its subsidiaries is the value based on financial accounting standards and may not reflect what the value would be in a sale process.

The Council's investment in CCHL increased in the year by \$262 million (2014: \$105.6 million) to \$1.8 billion, as a result of the Ernst and Young review which was on a sum of the parts approach.

The remaining major subsidiary (Vbase) was assessed as at 30 June 2015 by Ernst and Young. It was considered that the value of the investment had reduced \$61.5 million to \$125.3 million on a net asset value basis. This reduction was due to an impairment of its buildings and work in progress as a result of a value in use valuation approach.

The value of the Council's investment in CDCH was reviewed as at 30 June 2015 by Ernst and Young. This review concluded that there were no significant indicators of value change. There has been no change in the value of the investment in 2015 (2014: nil).

The value of the investment in Tuam was reviewed by Ernst and Young at 30 June 2015. This review concluded that there were no significant indicators of value change. There has been no change in the value of the investment in 2015 (2014: \$14.8 million).

The value of the investment in CBL was reviewed by Ernst and Young as at 30 June 2015. CBL owns 50 per cent of the joint venture between CBL and Ngāi

Tahu Property Limited (NTPL) - see note 18. Although the current net book value of CBL is negative, the review concluded that there were no significant indicators of value change. Council has decided not to revalue its investment as CBL's major source of revenue is rental on the Civic Building, and since the Council is the tenant, there is no reason to consider this to be in doubt. Based on modelling carried out for the Council, it is believed that when the loan is due for repayment, CBL will be able to repay the loan.

Investment in debt securities

Investment in debt securities includes LGFA borrower notes.

Unlisted shares

Unlisted shares in CCOs include \$1.7 million (2014: \$1.7 million) in New Zealand Local Government Insurance Corporation (NZLGIC) and \$1.9 million (2014: \$1.9 million) in LGFA.

Due to the size and nature of the Council's investment in LGFA, the Council has estimated the fair value of this investment based on their net asset backing as at 30 June.

The fair value of unlisted shares of NZLGIC has been determined by using the asset valuation from their latest published accounts.

17. Investments in associates

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at start of year	6,196	6,196	50,149	43,601
Acquisitions	-	-	6,800	7,804
Share of total recognised revenues and expenses	-	-	7,353	2,895
Dividends from associates	-	-	(5,289)	(4,151)
Balance at end of year	6,196	6,196	59,013	50,149

There is no goodwill included in the carrying value of associates (2014: Nil).

The following entities are equity accounted by the Group:

Name of entity	Country of Incorporation	Effective Ownership Interest	
		30 Jun 15	30 Jun 14
		Transwaste Canterbury Ltd - Parent	NZ
Enable Networks Ltd	NZ	44%	49%

No public price quotations exist for these investments.

Transwaste Canterbury Limited

The Council has a 39 per cent ownership interest in Transwaste. Transwaste was incorporated on 31 March 1999 to select, consent, develop, own and operate a non-hazardous regional landfill in Canterbury. The landfill opened in June 2005.

With a 39 per cent interest the Council has significant influence but cannot control the operations therefore accounts for it as an associate.

Enable Networks Limited

CCHL's 100 per cent owned subsidiary ESL entered into an agreement with Crown Fibre Holdings Limited (CFH) and ENL on 31 May 2011 relating to the construction, deployment and operation of the UFB network for the greater Christchurch area.

Although ESL holds the substantial majority of total shares issued in ENL, it only holds approximately 44 per cent (2014: 49 per cent) of the voting shares and does not control ENL. It is deemed to hold significant

influence over ENL through its holding of A and B shares and therefore accounts for ENL as an associate.

Funding arrangements are summarised as follows:

A Shares

A shares have voting rights but do not receive dividends. ESL funds approximately 33 per cent of the cost of the Communal Infrastructure in return for A shares in ENL as a non-cash transaction. The remaining 67 per cent is funded by CFH to ENL in cash.

B Shares

B shares have dividend rights but do not have voting rights. Where free cash flow in ENL is insufficient to purchase UFB network, ENL is funded by ESL using a hierarchy of specified equity, then debt through note instruments and if required through B shares. All A shares and B shares in ENL convert to ordinary shares in 2021.

Summarised financial statements of associates

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Assets	105,370	86,374	249,741	178,736
Liabilities	56,143	50,289	153,535	102,864
Revenue	70,596	57,957	79,088	63,191
Net surplus/(deficit)	26,742	20,298	20,605	12,157

18. Joint venture

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current assets	-	-	197	150
Non-current assets	-	-	62,025	57,616
Current liabilities	-	-	31,871	36,388
Revenue	-	-	5,060	5,145
Expenses	-	-	5	7

CBL is in a joint venture partnership with NTPL. The amount above represents the 50% share of CBL in the joint venture.

19 Financial instruments

19.1 Other financial assets

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Loans and advances (excl CCOs)	7,032	4,149	69,112	49,057
Investment in debt securities	110,057	57,233	269,059	194,072
Investment in equity securities (excl CCOs)	1,072	1,850	9,239	5,437
Derivative instruments - Asset	-	16,880	1,664	21,290
Total other financial assets	118,161	80,112	349,074	269,856
Total current other financial assets	79,005	11,342	197,051	150,602
Total non-current other financial assets	39,156	68,770	152,023	119,254
	118,161	80,112	349,074	269,856

Loans and advances

Loans and advances disclosed above relate to community, special funds and other loans made by the Council to various communities and entities to fund specific activities or purposes. This includes non-interest bearing loans with a face value of \$7.3 million (2014: \$3.6 million) which are discounted over the term of the loan using the Council's effective borrowing cost.

These are classified as *Loans and receivables* in the financial statements and carried at amortised cost.

The group's balance includes \$28.1 million of advances to ENL in the form of Senior Notes (2014: \$16.4 million).

Investment in debt securities

Investment in debt securities include the following:

Term deposits

These include bank term deposits with original terms of more than 90 days and are classified as *Loans and receivables*. The face value of term deposits approximates their fair value.

The Council's term deposits amounted to \$69 million (2014: \$11 million) while Group's term deposits amounted to \$228 million (2014: \$147.8 million).

Local authority stock

The face value of local authority stock amounted to \$5 million (2014: \$10 million) and are classified as *Loans and receivables*. These represents interest-bearing debt securities issued by other local authorities.

Stocks and bonds

These represent interest bearing debt securities issued by other entities. The carrying value of stocks and bonds held by the Council amounted to \$36 million (2014: \$36.2 million) and are classified as *Loans and receivables*.

The Group's balance include \$25.7 million (2014: 19.4 million) of loans advanced by CCHL to Christchurch Engine Centre which is carried at fair value and contracted in USD. This investment is classified as a *financial asset through surplus or deficit*.

Investment in equity securities

This relates to equity investments in other entities which are held by the Council for trading purposes. This is classified as *financial asset through surplus or deficit* in the financial statements and are carried at their fair value.

Derivative financial instruments

This includes interest rate swaps and forward foreign exchange contracts. These are discussed in detail under note 19.3.

19.2 Borrowings and other financial liabilities

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Borrowings from external parties	1,126,066	797,477	1,754,944	1,407,744
Borrowings from group entities	19,487	14,487	-	-
Finance lease liabilities	21 102,054	102,950	66,681	68,573
Total borrowings	1,247,607	914,914	1,821,625	1,476,317
Derivative instruments - Liability	94,776	22,732	121,507	34,713
Total borrowings and other financial liabilities	1,342,383	937,646	1,943,132	1,511,030
Total current borrowings	77,161	41,109	245,976	116,641
Total non-current borrowings	1,170,446	873,805	1,575,649	1,359,676
	1,247,607	914,914	1,821,625	1,476,317
Total current borrowings and other financial liabilities	77,752	41,266	247,310	118,134
Total non-current borrowings and other financial liabilities	1,264,631	896,380	1,695,822	1,392,896
	1,342,383	937,646	1,943,132	1,511,030

Parent

During the year, the Council issued \$366 million (2014: \$341 million) of debt instruments primarily to advance to subsidiaries, finance the rebuild, and refinance debt maturities. A total of \$30 million (2014: \$225.0 million) of debts were repaid during the year.

Borrowings

The Council's external borrowings are comprised of bonds and bank loan advances issued at either fixed or floating interest rates. These borrowings mature at different intervals ranging from 2016-2027.

The Council's related party borrowing will mature in 2016.

Total fixed rate borrowings (excluding finance lease) of \$196.8 million (2014: \$174.7 million) have an average interest rate of 6.22% (2014: 6.49%).

Total floating rate borrowings amounted to \$948.7 million (2014: \$637.2 million). The underlying interest rates are based on three-month bank bill reference rate (BKBM) plus a margin. The margin averaged 75 basis points (2014: 84 basis points) over BKBM.

Council also has an undrawn \$100 million standby bank facility which will mature in December 2015.

Council has entered into interest rate swap (IRS) contracts to hedge its exposure to interest rate risk. The Council's risk management strategy is discussed further in note 19.5 below.

Security

The Council's debts are secured over either special or general rates of the City.

Internal borrowings

Council has borrowed a total of \$54 million (2014: \$39 million) from its Capital Endowment Fund with terms ranging between 1 - 3 years. Interest of \$1.8 million (2014: \$0.7 million) was charged by the Fund. These borrowings and any associated interest

charges are eliminated on consolidation of activities in the Council's financial statements.

Group

Christchurch City Holdings Limited

CCHL's borrowings comprised:

- Bonds and floating rate notes of \$215 million (2014: \$230 million) maturing at various intervals until November 2019. Interest on floating rate bonds is based on BKBM plus a margin. The weighted average borrowing cost at balance date is 4.51% (2014: 4.35%). Bond coupon rates are at 6.87% (2014: 6.87%);
- Commercial paper of \$65 million (2014: \$53 million) with a 90 day rollover period based on prevailing BKBM rate; and
- CCHL also has an undrawn \$100 million (2014: \$150 million) standby facility. This matures in December 2015.

The borrowings have been put in place under a \$650 million debt issuance programme. The borrowings are unsecured, but the loan documentation imposes certain covenants and restrictions on CCHL. CCHL has entered into IRS contracts to hedge its exposure to interest rate fluctuations.

Orion New Zealand Limited

Orion's bank debt of \$70 million (2014: \$59 million) is unsecured. However, a deed of negative pledge and guarantee requires Orion to comply with certain covenants. The underlying rate on the facility is based on BKBM rates plus a margin. Orion has entered into IRS contracts to hedge its exposure to interest rate fluctuations. Daily commitment fees are also payable on the facilities.

Christchurch International Airport Limited

CIAL has a \$235 million (2014: \$205 million) funding facility with its banks, a subordinated loan of \$25 million (2014: \$50 million) from CCHL to fund the ongoing business and future property and commercial development and an overdraft facility of \$1 million (2014: \$1 million). Total bond funding is \$125 million (2014: \$125 million) \$75 million is held at fair value on

the statement of financial position as it is subject to a fair value hedge relationship.

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. Interest rates paid during the year, including offsetting interest rate swaps, ranged from 6.2% to 6.5% (2014: 6.1% to 6.7%).

City Care Limited

Bank loans of \$8.6 million (2014: \$18.7 million) are secured by a debenture over the assets and undertakings of City Care. The loans were made under a committed cash advance facility of \$50 million (2014:

\$50 million) structured as a two year rolling facility maturing on 28 February 2017. Interest rates on the floating rate debt are based on BKBM plus a margin and averaged 4.35% for the year (2014: 3.75%).

Lyttelton Port Company Limited, Enable Services Limited, Red Bus Limited, EcoCentral Limited, Vbase Limited, Civic Building Limited and Tuam Limited

These companies have no external debt at 30 June 2015 (2014: Nil). ESL and EcoCentral are party to borrowing arrangements with CCHL and Vbase and CBL have borrowing arrangements with Council.

19.3 Hedging activities and derivatives

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Derivatives not designated as hedging instruments	-	15	-	15
Derivatives designated as hedging instruments				
Interest rate sw aps	-	16,865	1,568	21,167
Forw ard exchange rate contracts	-	-	96	108
Total derivative financial instrument assets	-	16,880	1,664	21,290
Derivatives not designated as hedging instruments	(2,980)	(2,501)	(3,825)	(3,485)
Derivatives designated as hedging instruments				
Interest rate sw aps	(91,796)	(20,231)	(117,682)	(31,228)
Total derivative financial instrument liabilities	(94,776)	(22,732)	(121,507)	(34,713)
Net derivative financial instrument assets (liabilities)	(94,776)	(5,852)	(119,843)	(13,423)
Total current derivative assets	-	342	96	555
Total non-current derivative assets	-	16,538	1,568	20,735
Total current derivative liabilities	(354)	(157)	(1,097)	(1,493)
Total non-current derivative liabilities	(94,422)	(22,575)	(120,410)	(33,220)

The notional values of interest rate swaps are summarised below:

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest rate swaps				
Less than 1 year	36,000	76,500	136,000	176,500
1 to 2 years	61,500	36,000	243,500	196,000
2 to 5 years	92,000	153,500	481,000	412,500
More than 5 years	1,291,400	1,129,400	1,632,125	1,391,125
	1,480,900	1,395,400	2,492,625	2,176,125

Derivative financial instruments are carried at fair value based on the prevailing market rates as at valuation date. Any changes in the value of derivative instruments from inception date are included in either the net surplus or deficit (for fair value hedges, ineffective portion of cash flow hedges and any derivative instruments not designated in a hedging relationship) or in net asset / equity (for effective portion of cash flow hedges).

Derivative contracts are primarily entered into to hedge against any exposure to underlying risks associated with the hedged item. The risk management strategy of the Council and Group are discussed in note 19.5 of the financial statements.

Council and Group derivative financial instruments include the following:

Interest rate swaps

Council and Group enter into interest rate swap contracts to hedge their interest rate exposure on outstanding borrowings. The interest rate fluctuation impacts the fair value (for fixed-rated) and cash flow settlement (for floating) relating to the underlying hedged item.

IRS contracts are carried at their fair value based on prevailing market interest rates at valuation date.

Forward exchange rate contracts

Forward exchange rate contracts are intended to hedge exposure to changes in foreign exchange rates on underlying foreign-currency denominated assets and liabilities.

These contracts are carried at their fair value based on prevailing market foreign exchange rates at valuation date.

19.4 Classification and fair value of financial instruments

The table below summarises the classification of financial assets and liabilities as to their respective categories including their relevant carrying and fair values:

	Fair value level	Measurement basis	Carrying amount		Parent Fair value		Carrying amount		Group Fair value	
			30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
			\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Loans and receivables										
Cash and cash equivalents		Amortised cost	67,589	86,495	67,589	86,495	184,676	325,040	184,676	325,040
Debtors and other receivables		Amortised cost	250,843	226,362	250,843	226,362	585,166	527,641	585,166	527,641
Loans and advances		Amortised cost	287,326	192,538	287,326	192,538	49,129	29,656	49,118	26,114
Investment in debt securities		Amortised cost	124,890	66,377	124,890	66,377	283,892	206,758	149,071	57,542
			730,648	571,772	730,648	571,772	1,102,863	1,089,095	968,031	936,337
Financial assets through surplus or deficit										
<i>Held for trading:</i>										
Derivative assets not designated as hedging instrument	2	Fair value	-	15	-	15	1,568	353	1,568	353
Loans and advances	2	Fair value	19,981	12,111	19,981	12,111	19,983	19,401	19,981	19,401
Investment in debt securities	2	Fair value	87	86	87	86	87	1,850	87	1,850
Investment in equity securities	2	Fair value	1,073	1,850	1,073	1,850	1,073	-	1,073	-
<i>Not held for trading:</i>										
Derivative assets designated as hedging instrument	2	Fair value	-	16,865	-	16,865	96	20,937	96	20,937
			21,141	30,927	21,141	30,927	22,807	42,541	22,805	42,541
Available for sale										
Share investment in subsidiary CCOs	3	Fair value	1,966,024	1,767,836	1,966,024	1,767,836	-	-	-	-
Unlisted shares	3	Fair value	3,524	3,524	3,524	3,524	3,528	3,539	3,528	3,539
			1,969,548	1,771,360	1,969,548	1,771,360	3,528	3,539	3,528	3,539
Financial liabilities through surplus or deficit										
<i>Held for trading:</i>										
Derivative liabilities not designated as hedging instrument	2	Fair value	2,980	2,501	2,980	2,501	3,825	447	3,825	447
<i>Not held for trading:</i>										
Derivative liabilities designated as hedging instrument	2	Fair value	91,796	20,231	91,796	20,231	117,682	34,266	117,682	34,266
Borrowings	2	Fair value	-	30,327	-	30,327	74,499	30,327	74,499	30,327
			94,776	53,059	94,776	53,059	196,006	65,040	196,006	65,040
Financial liabilities carried at amortised cost										
Creditors and other payables		Amortised cost	175,821	115,236	175,821	115,236	276,367	193,690	292,346	193,690
Borrowings		Amortised cost	1,247,607	884,587	1,190,682	845,776	1,747,126	1,445,990	2,022,214	1,084,202
			1,423,428	999,823	1,366,503	961,012	2,023,493	1,639,680	2,314,560	1,277,892

Categories of financial assets and liabilities

Financial instruments are classified into one of the following categories:

- Loans and receivable financial assets
- Financial assets and liabilities through surplus and deficit
- Fair value through equity
- Financial liabilities carried at amortised cost.

The classification into each category depends on the nature and management's intention over the financial instruments.

There were no transfers between categories during the year (2014: nil).

Fair value of financial instruments

Financial instruments carried at fair value in the financial statements are categorised within the fair value hierarchy described below:

- Level 1: the fair value is calculated using quoted prices in active markets
- Level 2: the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data

The following methods and assumptions were used to estimate fair value for each class of financial instrument for which it is practicable to estimate such value:

Interest bearing financial assets and liabilities

Fixed rated instruments with quoted market prices are based on the quoted market price as of valuation date (Level 1) and for non-quoted securities, fair values were determined using discounted cash flow based on market observable rates (Level 2).

Instruments with floating interest rates approximate fair value because of recent and regular repricing based on market conditions (Level 2).

The fair values of non-interest bearing debt securities and loans are determined using discounted cash flow based on Council's effective cost of borrowing for the year (calculated based on applicable market rate plus Council's credit spread) (Level 2).

Foreign-currency denominated debt instruments are valued based on discounted future cash flows using the prevailing foreign exchange rate at valuation date (Level 2).

Derivative financial instruments

The fair values were computed as the present value of estimated future cash flows using market interest rates as at valuation date. The valuation techniques consider various inputs including the credit quality of counterparties (Level 2).

The fair value forward exchange rate contracts are determined based on the discounted future cash flow using the market currency exchange and interest rates between the New Zealand dollar and relevant foreign currency at valuation date.

Investments in equity instruments

Available-for-sale financial investments consist of equity investments in subsidiaries, associates and other entities. Fair value of equity instruments with quoted market prices were determined using the quoted prices (Level 1).

Where there is no active market, investments are revalued based on available market inputs observable and unobservable entity specific information affecting the assets being revalued less any accumulated impairment losses. These investments primarily include investments in subsidiary entities where Council and Group have involved external valuers to perform the valuation. These investments are classified as Level 3 financial instruments for purposes of fair value determination.

The table below summarises the reconciliation of movements in the Level 3 financial instruments:

	30 Jun 15 \$000	30 Jun 14 \$000
Parent		
Opening carrying value	1,771,360	1,650,989
Valuation movements	198,188	120,371
Closing carrying value	<u>1,969,548</u>	<u>1,771,360</u>
	30 Jun 15 \$000	30 Jun 14 \$000
Group		
Opening carrying value	3,539	3,607
Shares acquired during the year	-	-
Valuation movements	(11)	(68)
Closing carrying value	<u>3,528</u>	<u>3,539</u>

Due to the short-term nature of the transactions, the fair value of cash and cash equivalents, short-term investments, trade and other receivables, accounts payable, accrued expenses and other current liabilities and dividends payable approximate their carrying values as at the end of the reporting period.

19.5 Financial risk management

Financial risk management objectives

The Council and Group have a series of policies to manage the risk associated with financial instruments.

The Council and Group do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Group's policies, which provide written principles on the use of financial derivatives.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, and the basis of measurement applied in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 35 to the financial statements.

Financial risks

The risks associated with the financial assets and liabilities of the Council and Group include market risk, liquidity risk and credit risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate risk relates to the risk that the fair value of a fixed debt instruments or future cash flows of a floating debt instrument will fluctuate due to changes in the underlying market interest rate.

The Council and the Group are exposed to interest rate risk as they borrow funds at both fixed and floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating rate borrowings, by the use of interest rate swap contracts and forward interest rate contracts.

Currency risk

Currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Council has little exposure to foreign currency risk and under normal circumstances has no exposure to hedge.

The Group is exposed to currency risk as a result of transactions that are denominated in a currency other than New Zealand dollars. These currencies are primarily Australian dollars, US dollars and Euros. The Group's policy is to hedge any material foreign currency exposure, usually with forward exchange contracts.

Group enter into forward foreign exchange contracts or currency swap contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on Group's results and cash flows.

The Group has assessed that a reasonably possible change in foreign exchange rates (a 10% variance

either way) would not have a significant impact on surplus or equity

Other price risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group in 2014 was mainly exposed to equities price risk on its investments in LPC a company listed on the New Zealand Stock Exchange (NZX). The investment in LPC was classified as a financial asset held at fair value through equity, and revalued annually on the basis of its quoted share price. LPC was delisted from NZX on 7 November 2014. At 30 June 2015, it was revalued based on an independent valuation.

19.5(a) Interest rate risk management

The following tables summarise the Council's and Group's interest rate re-pricing analysis with respect to its financial assets and liabilities subject to interest rate risk:

	Parent					Group				
	Carrying	Less than	1 to 2	2 to 5	5+ years	Carrying	Less than	1 to 2	2 to 5	5+ years
	amount	1 year	years	years		amount	1 year	years	years	
30 Jun 15	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	67,589	67,589	-	-	-	184,676	184,676	-	-	-
Loans and advances - CCOs	300,275	82,902	-	58,888	158,485	-	-	-	-	-
Loans and advances	7,032	6	-	67	6,959	69,112	10,367	-	67	58,678
Investment in debt securities	124,977	111,127	-	11,546	2,304	283,979	230,129	40,000	11,546	2,304
Borrowings (exclude hedging)	(1,145,553)	(353,789)	(55,423)	(401,000)	(335,341)	(1,754,944)	(718,902)	(114,908)	(550,499)	(370,635)
Finance lease liability (net settled)	(102,054)	(7,909)	(17,372)	(17,372)	(59,401)	(66,681)	(19,608)	(8,686)	(8,686)	(29,701)
	(747,734)	(100,074)	(72,795)	(347,871)	(226,994)	(1,283,858)	(313,338)	(83,594)	(547,572)	(339,354)
30 Jun 14										
Cash and cash equivalents	86,495	86,495	-	-	-	325,029	325,029	-	-	-
Loans and advances - CCOs	192,624	16,000	-	72,139	104,485	-	-	-	-	-
Loans and advances	1,275	818	-	85	372	43,014	25,220	-	85	17,709
Investment in debt securities	66,377	38,117	15,000	11,748	1,512	66,377	38,117	15,000	11,748	1,512
Borrowings (exclude hedging)	(811,964)	(185,069)	(50,257)	(260,123)	(316,515)	(1,087,306)	(49,884)	(120,007)	(550,900)	(366,515)
Finance lease liability (net settled)	(102,951)	(7,909)	(8,451)	(25,352)	(61,239)	(6)	(5,441)	(4,226)	(16,019)	(42,889)
	(568,144)	(51,548)	(43,708)	(201,503)	(271,385)	(652,892)	333,041	(109,233)	(555,086)	(390,183)

Council and Group have entered into interest rate swap contracts to hedge against the risk due to interest rate fluctuations. The notional amount and maturities of interest rate swap contracts are presented in note 19.3 of the financial statements.

Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's surplus before tax is affected through the impact on floating rate borrowings, as follows:

	Parent				Group			
	30-Jun-15		30-Jun-14		30-Jun-15		30-Jun-14	
	Surplus or deficit (pre-tax)	Net asset / equity (pre-tax)	Surplus or deficit (pre-tax)	Net asset / equity (pre-tax)	Surplus or deficit (pre-tax)	Net asset / equity (pre-tax)	Surplus or deficit (pre-tax)	Net asset / equity (pre-tax)
100 basis points increase	7,742	81,257	2,747	64,580	9,272	90,898	2,056	71,292
100 basis points decrease	(7,822)	(90,851)	(2,491)	(72,275)	(9,380)	(101,489)	(1,764)	(79,439)

19.5(b) Currency risk management

The Group's exposure to foreign currency transactions are stated in note 15.

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in relevant foreign currency exchange rates, with all other variables held constant.

	30-Jun-15		Group 30-Jun-14	
	Surplus or deficit (pre-tax)	Net asset / equity (pre-tax)	Surplus or deficit (pre-tax)	asset / equity (pre-
10% increase in underlying currency	(9)	-	(123)	-
10% decrease in underlying currency	9	-	123	-

The impact on the Group's surplus before tax is due to changes in the fair value of the underlying foreign-currency denominated assets after hedging while the impact on the Group's equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges.

19.5(c) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

In meeting its liquidity requirements, the Group manages its investments and borrowings in accordance with its written investment policies. In general the Group generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding arrangements in place to cover potential shortfalls.

The Council and Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

LGFA Guarantee

The Council is exposed to liquidity risk as a guarantor of all of LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. The exposure relating to the guarantee is classified as a contingent liability by the Council and is explained further in note 27.

The table below summarises the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments.

	Parent					
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	5+ years
30 Jun 15	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	67,589	67,589	67,589	-	-	-
Debtors and other receivables	89,659	89,659	89,659	-	-	-
Insurance receivables and other assets	161,184	161,184	161,184	-	-	-
Loans and advances - CCOs	300,275	390,108	21,493	16,946	122,466	229,203
Loans and advances	7,032	8,107	26	20	28	8,033
Investment in debt securities	124,977	116,070	82,682	1,621	31,607	160
Creditors and other payables	(175,821)	(175,821)	(175,821)	-	-	-
Borrowings	(1,145,553)	(1,417,496)	(69,383)	(99,960)	(662,225)	(585,928)
Finance lease liability (net settled)	(102,054)	(224,185)	(8,997)	(8,997)	(48,877)	(157,314)
Derivative financial instrument assets	(94,776)	(142,945)	(12,510)	(15,381)	(46,328)	(68,726)
	(767,488)	(1,127,730)	155,922	(105,751)	(603,329)	(574,572)
30 Jun 14						
Cash and cash equivalents	86,495	86,676	86,676	-	-	-
Debtors and other receivables	85,642	85,642	85,642	-	-	-
Insurance receivables and other assets	140,720	140,720	140,720	-	-	-
Loans and advances - CCOs	183,480	249,113	11,878	16,371	85,516	135,349
Loans and advances	13,293	15,168	635	636	6,050	7,847
Investment in debt securities	66,377	79,712	15,219	18,516	40,222	5,754
Creditors and other payables	(110,636)	(110,636)	(110,636)	-	-	-
Borrowings	(811,964)	(1,094,311)	(85,295)	(121,966)	(490,247)	(396,803)
Finance lease liability (net settled)	(102,950)	(204,771)	(8,218)	(8,218)	(35,215)	(153,120)
Derivative financial instruments	(5,852)	47,475	2,474	3,509	16,981	24,511
Net contractual inflows / (outflows)	(455,395)	(705,212)	139,095	(91,152)	(376,693)	(376,462)
						Group
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	5+ years
30 Jun 15	\$000	\$000	\$000	\$000	\$000	\$000
Cash and cash equivalents	184,676	184,676	184,676	-	-	-
Debtors and other receivables	302,967	303,105	303,105	-	-	-
Insurance receivables and other assets	285,092	343,874	185,743	31,018	-	127,113
Loans and advances	69,112	96,723	6,845	2,969	17,891	69,018
Investment in debt securities	283,979	275,392	242,004	1,621	31,607	160
Creditors and other payables	(277,419)	(277,419)	(277,326)	(61)	(32)	-
Borrowings	(1,754,944)	(2,007,225)	(265,447)	(269,838)	(831,324)	(640,616)
Finance lease liability (net settled)	(66,681)	(151,240)	(9,355)	(6,745)	(30,648)	(104,492)
Derivative financial instruments	(119,843)	(154,010)	(18,582)	(25,098)	(38,814)	(71,516)
Net contractual inflows / (outflows)	(1,093,061)	(1,386,124)	351,663	(266,134)	(851,320)	(620,333)
30 Jun 14						
Cash and cash equivalents	325,040	325,911	325,911	-	-	-
Debtors and other receivables	238,583	258,325	152,472	14,185	91,668	-
Finance lease receivable (net settled)	218	2,607	180	180	743	1,504
Insurance receivables and other assets	288,840	317,624	152,344	34,633	38,979	91,668
Loans and advances	49,057	68,790	2,566	2,570	16,526	47,128
Investment in debt securities	203,216	220,870	154,977	19,916	40,222	5,754
Creditors and other payables	(193,690)	(193,718)	(193,718)	-	-	-
Borrowings	(1,407,744)	(1,796,893)	(191,578)	(399,648)	(643,328)	(562,339)
Finance lease liability (net settled)	(68,573)	(144,805)	(7,809)	(6,466)	(24,036)	(106,494)
Derivative financial instruments	(13,423)	46,379	(2,405)	146	18,625	30,013
Net contractual inflows / (outflows)	(578,476)	(894,910)	392,940	(334,484)	(460,601)	(492,766)

19.5(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity.

Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and short-term investments, trade receivables, loans and interest rate swaps. The Council and Group places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with the treasury policies of the respective members of the Group.

The Council's investment policy includes parameters for investing in financial institutions and other organisations including where applicable entities that have the required Standard and Poor's credit ratings.

The carrying value is the maximum exposure to credit risk for bank balances, accounts receivable and interest rate swaps. No collateral is held in respect of these financial assets.

The Group has not renegotiated the terms of any financial assets which would result in the carrying amount no longer being past due to avoid a possible past due status other than trade receivables.

Debtors and other trade receivables

The Council's receivables mainly arise from statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings.

The Council has no significant concentrations of credit risk in relation to these receivables, as it has a large number of credit customers, mainly ratepayers, and the Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts.

Council's trade debtors and other receivables amounted to \$86.7 million (2014: \$81.7 million).

Orion has a concentration of credit risk with regard to its trade receivables, as it only has a small number of electricity retailer customers. CIAL also has a concentration of credit risk on a small number of customers, with 86% (2014: 79%) of trade receivables due from 10 customers.

City Care has a concentration of credit risk in respect of its transactions with its ultimate shareholder the Council, with 26% (2014: 55%) of its revenue derived from this source (including transactions with SCIRT).

Red Bus has a concentration of credit risk with ECan, which provides 84% (2014: 85%) of its revenue. Notwithstanding this concentration of credit risk, all of these major customers are considered to be of high credit quality.

The Group manages its exposure to credit risk arising from trade receivables by performing credit evaluations on all significant customers requiring credit, wherever practicable, and continuously monitors the outstanding credit exposure to individual customers. The Group does not generally require collateral security from its customers.

The Group's trade debtors and other receivables amounted to \$213.4 million (2014: \$215.9 million).

Insurance receivables

The Group has a concentration of credit risk with respect to its insurance receivables as it has a relatively small number of counterparties from which such receivables are claimed. Nevertheless, the Group does not consider that such concentration of risk affects the recoverability or collectability of its insurance claims as the reinsurers backing the claims have credit ratings of AA to A-.

Council's insurance receivables amounted to \$161.2 million (2014: \$140.7 million) while the Group's insurance receivables amounted to \$286.2 million (2014: \$288.8 million).

The following table summarises the Council and Group's counterparty credit risks:

	Credit rating	Parent		Group	
		30 Jun 15 \$000	30 Jun 14 \$000	30 Jun 15 \$000	30 Jun 14 \$000
Cash and cash equivalents					
	AA	67,589	97,495	183,196	469,479
	A	-	-	1,480	2,400
	BBB	-	-	-	500
	< BBB / unrated	-	-	-	500
Loans and advances					
	AA	-	9,144	11	21,441
	A	208,000	101,500	-	-
	< BBB / unrated	99,307	95,273	98,069	24,074
Investment in debt securities					
	AA	101,933	30,196	256,533	42,882
	A	20,494	8,500	21,174	8,500
	BBB	-	-	50	-
	< BBB / unrated	2,550	7,537	2,550	7,537
Derivative financial instrument assets					
	AA	-	16,880	1,568	21,290
		499,873	366,525	564,631	598,603

20. Finance lease receivables

	Parent		Group	
	30 Jun 15 Actual \$000	30 Jun 14 Actual \$000	30 Jun 15 Actual \$000	30 Jun 14 Actual \$000
No later than one year	-	-	180	180
Later than one year and not later than five years	-	-	765	743
Later than five years	-	-	1,288	1,504
Minimum lease receivables	-	-	2,233	2,427
Less future finance charges	-	-	(2,045)	(2,209)
Present value of minimum lease receivables	-	-	188	218
Present value of future minimum lease receivables				
No later than one year	-	-	25	25
Later than one year and not later than five years	-	-	49	(3,115)
Later than five years	-	-	114	3,308
Present value of future minimum lease receivables	-	-	188	218
Represented by				
Current portion	-	-	25	25
Non-current portion	-	-	163	193
Total	-	-	188	218

21. Finance lease liabilities

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
No later than one year	8,997	8,997	9,354	8,199
Later than one year and not later than five years	48,877	47,551	32,893	32,561
Later than five years	157,314	167,637	104,492	113,752
Minimum lease payments *	215,188	224,185	146,739	154,512
Less: future finance charges	(113,134)	(121,235)	(80,058)	(85,939)
Present value of minimum lease payments	102,054	102,950	66,681	68,573
Minimum future lease payments				
No later than one year	7,909	7,909	5,974	5,441
Later than one year and not later than five years	34,743	33,802	21,004	20,244
Later than five years	59,402	61,239	39,703	42,888
Total present value of minimum lease payments	102,054	102,950	66,681	68,573
Represented by:				
Current portion	7,909	7,909	5,974	5,441
Non-current portion	94,145	95,041	60,707	63,132
Total finance leases	102,054	102,950	66,681	68,573

* Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

Parent

Effective 13 August 2010, the Council leased the Civic Building in Worcester Boulevard from the NTPL and CBL Joint Venture (CCBJV). CBL is a wholly owned Council subsidiary which owns a 50% interest in the unincorporated joint venture with NTPL. The lease has an initial term of 24 years with three rights of renewal of 24 years and the note above includes only the first lease term. The annual lease payment is \$9 million plus GST.

Group

The finance lease liability above primarily relates to agreements between Orion and Transpower New Zealand Limited (Transpower) for Transpower to construct assets at its local grid exit points. The agreements are for terms of between 8 and 35 years. Orion does not own the assets at the end of the lease term and there is no residual value. There is no security provided for the arrangements. The monthly payment amounts are reviewed annually by Transpower and the assessed risk free portion of the lease interest rate may be adjusted.

22. Inventories

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
(a) Current inventories				
Inventory - raw materials and maintenance items	-	-	15,742	15,009
Inventory - finished goods	3,664	3,236	8,132	7,340
	3,664	3,236	23,874	22,349
Inventory - allowance for impairment	-	-	(459)	(46)
Total current inventories	3,664	3,236	23,415	22,303
(b) Non current inventories				
Inventory - work in progress	-	-	879	575
	-	-	879	575
Total Non current inventories	-	-	879	575

Certain inventories are subject to security interests created by retention of title clauses.

23. Construction contracts

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Contract costs incurred	-	-	483,450	242,308
Progress billings	-	-	388,954	155,801
Gross amounts due from customers	-	-	16,778	9,685
Gross amounts due to customers	-	-	64	-
Retentions included in progress billings	-	-	-	2,170

24. Employee benefits

24.1 Personnel cost

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Salaries and wages	163,470	156,212	423,417	395,642
Defined contribution plan employer contributions	3,272	2,261	6,295	5,072
Increase/(decrease) in employee entitlements/liabilities	737	778	3,322	3,767
Other personnel costs	-	-	1,864	1,698
Total personnel costs	167,479	159,251	434,898	406,179

24.2 Employee entitlements

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	3,039	2,392	9,223	7,381
Annual leave	11,923	11,754	31,569	30,492
Sick leave	256	256	451	449
Retirement and long service leave	1,095	898	2,943	2,159
Bonuses and other	-	-	3,905	3,380
	<u>16,313</u>	<u>15,300</u>	<u>48,091</u>	<u>43,861</u>
Non-current portion				
Retirement and long service leave	5,637	5,913	7,351	7,333
Bonuses and other	-	-	478	462
	<u>5,637</u>	<u>5,913</u>	<u>7,829</u>	<u>7,795</u>
Total employee entitlements	21,950	21,213	55,920	51,656

Employee benefits

The provision for long service leave is an assessment of entitlements that may become due to employees in the future. The provision is affected by a number of estimates, including the expected length of service of

employees and the timing of benefits being taken. Most of the liability is expected to be incurred over the next five years.

25. Provisions

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
(a) Current provisions				
Landfill aftercare provision	1,819	1,866	1,819	1,866
Building related claims provision	2,222	2,222	2,222	2,222
	<u>4,041</u>	<u>4,088</u>	<u>4,041</u>	<u>4,088</u>
(b) Non-current provisions				
Landfill aftercare provision	14,938	14,893	14,938	14,893
Building related claims provision	15,951	3,940	15,951	3,940
	<u>30,889</u>	<u>18,833</u>	<u>30,889</u>	<u>18,833</u>
Total provisions	<u>34,930</u>	<u>22,921</u>	<u>34,930</u>	<u>22,921</u>

Landfill aftercare

As operator of several closed landfill sites, including Burwood, the Council has a legal obligation to provide ongoing maintenance and monitoring services at these sites after closure. These include:

Closure responsibilities:

- final cover application and vegetation;
- incremental drainage control features;
- completing facilities for leachate collection and monitoring;
- completing facilities for water quality monitoring; and
- completing facilities for monitoring and recovery of gas.

Post-closure responsibilities:

- treatment and monitoring of leachate;
- ground monitoring and surface monitoring;
- implementation of remedial measures needed for cover and control systems; and
- ongoing site maintenance for drainage systems, final cover and vegetation.

Closed landfills

The liability has been estimated, based on a monitoring period of 35 years. The estimated cost for all closed landfills, including the Burwood landfill is \$16.8 million (2014: \$16.8 million). The discount rate used to calculate this provision is 5.5% (2014: 5.72%).

The Council participates in the regional waste disposal joint venture run by Transwaste through its Kate Valley landfill site. This site has been granted resource consent for 35 years from the opening date of 8 June 2005. The Council's ownership share of Transwaste is 38.9%.

Calculation method

The provision is calculated based on:

- the estimated amount required by the Council to meet its obligations for all equipment, facilities and services. The estimated amounts are based on costs of closure of similar landfills by other local authorities with an allowance for inflation.
- the estimated costs have been discounted to their present value using a discount rate of 5.72% (2014: 5.72%).
- the estimated length of time needed for post-closure care is 35 years.
- the Council's legal obligation to provide ongoing maintenance and monitoring services for the closed landfill sites of the former amalgamating authorities.

The estimated future costs of meeting this obligation have been accrued and charged. The calculations assume no change in the legislative requirements for closure and post-closure treatment.

Building related claims

A provision has been recognised for the estimated cost of known weathertight and other building related claims currently outstanding. This includes those claims that are being actively managed by the Council as well as claims lodged with Council, WHRS and the High Court, but not yet being actively managed.

The Council engaged Melville Jessup Weaver to conduct an independent actuarial calculation of their liability for weathertight and other building related claims not yet lodged. The provision has been determined on the basis of that advice and is net of any third party contributions including insurance, where applicable.

The provision is calculated based on:

- the number of known claims.
- the average actual settlement costs.
- the average actual claims settled per year.

	Landfill aftercare \$000	Building related claims \$000	Total \$000
Balance at 1 July 2013	19,433	6,495	25,928
Additional provisions made	(2,361)	1,508	(853)
Amounts used	(313)	(1,841)	(2,154)
Balance at 30 June 2014	16,759	6,162	22,921
Additional provisions made	45	12,647	12,692
Amounts used	(47)	(636)	(683)
Balance at 30 June 2015	16,757	18,173	34,930

26. Other liabilities

	30 Jun 15 Actual \$000	Parent 30 Jun 14 Actual \$000	30 Jun 15 Actual \$000	Group 30 Jun 14 Actual \$000
(a) Other current liabilities				
Income in advance	41,148	48,941	44,353	51,342
Service concession agreement	11 736	735	-	-
	<u>41,884</u>	<u>49,676</u>	<u>44,353</u>	<u>51,342</u>
(b) Other Non-current liabilities				
Income in advance	2,340	2,550	2,319	3,263
Service concession agreement	11 5,580	6,316	-	-
	<u>7,920</u>	<u>8,866</u>	<u>2,319</u>	<u>3,263</u>
Total other liabilities	<u>49,804</u>	<u>58,542</u>	<u>46,672</u>	<u>54,605</u>

Income in advance

Income in advance from non-exchange transactions:

Grants and other revenue subject to condition	310	25	413	206
Advanced receipts	30,957	40,751	30,957	40,751
	<u>31,267</u>	<u>40,776</u>	<u>31,370</u>	<u>40,957</u>
Income in advance from exchange transactions	12,221	10,715	15,302	13,648
Total income in advance	<u>43,488</u>	<u>51,491</u>	<u>46,672</u>	<u>54,605</u>

Parent

The Council's revenue in advance includes prepaid building inspections of \$10 million (2014: \$8 million) and advanced Crown funding of \$24 million (2014: \$33 million).

Group

The Group's revenue in advance includes prepayments from Solid Energy New Zealand Limited provided to LPC for coal handling.

Service concession liability

The Council's service concession arrangement relates to the Material Recovery Facility. Please refer to note 11 for the details of the arrangement including the amount of service concession assets and liabilities recognised by the Council.

27. Contingent liabilities and assets

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Contingent liabilities				
Performance bonds	-	-	49,375	52,432
Lyttelton Port Company Ltd - Port noise mitigation	-	-	1,200	1,200
Uncalled capital in LGFA	1,880	1,880	1,880	1,880
Uncalled capital in CCHL	650,138	650,138	-	-
Uncalled capital in Tuam Ltd	7,000	7,000	-	-
Uncalled capital in Civic Building Ltd	10,000	10,000	-	-
Uncalled capital in Transwaste Canterbury Ltd	1,556	1,556	1,556	1,556
Other professional indemnity claims	-	200	-	200
Christchurch Symphony Orchestra guarantee	200	200	200	200
Legal disputes	870	890	870	890
Total contingent liabilities	671,644	671,864	55,081	58,358
Contingent assets				
Other	75	80	75	80
Total contingent assets	75	80	75	80

Parent

Contingencies

New Zealand Local Government Funding Agency

The Council is a shareholder of LGFA. LGFA was incorporated in December 2011 for the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard and Poor's of AA.

The Council is one of 30 local government shareholders of LGFA (2014: 30). In that regard, it has uncalled capital of \$1.66 million. When aggregated with the uncalled capital of other shareholders, \$20.0 million is available in the event that an imminent default is identified. Also together with the other shareholders, the Council is a guarantor of all of LGFA's borrowings. At 30 June 2015, LGFA had borrowings totalling \$5,359 million (2014: \$3,695 million).

Financial reporting standards require the Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- we are not aware of any local authority debt default events in New Zealand; and
- local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Associate contingencies

The Council's share of the contingencies of associates is \$5.1 million (2014: \$4.7 million). The contingencies relate to bonds with Transwaste's bankers in terms of resource consents granted to Transwaste. It is anticipated that no material liabilities will arise.

Current legal proceedings

There are current legal proceedings against the Council for four specific issues and the potential for claims in eleven others. The amounts claimed in some proceedings and issues raised in respect of Council decisions in other proceedings are disputed.

Included in Council's current legal proceedings are proceedings on a number of building related matters. These matters span a variety of buildings and situations including earthquake related circumstances.

While every effort is made to calibrate Council response to the situation, the Council may have further liability which it has not yet been made aware of. For further detail on the Council's provisioning for Building related matters see note 25.

Rebuild costs, recoveries and insurance revenue

The Council is committed to expenditure. Rebuild and recovery costs will in part be met from insurance and Crown contributions. The balance will be funded by the Council and is a future liability. The value of this remains uncertain as it is dependent on insurance recoveries and Crown contributions together with the final construction costs. The Council has not yet concluded any major insurance settlements but has recognised insurance receivables where it is virtually certain of receiving funds. The nature of the damage, and insurance claim process, means it is not yet possible to estimate with any certainty the amount of recoveries that will be received.

The Council has lodged claims and pro-forma claims with its insurer for damage to its buildings and facilities and continues to collate supporting evidence. Claims are submitted on an asset by asset basis with the necessary engineering and technical evidence to support each claim. At 30 June 2015 approximately \$920 million of claims had been lodged (30 June 2014: \$476.5 million).

The Council continues to negotiate with the insurer to advance a settlement of the balance. At year end Council was unable to reliably measure what the settlement for each asset would be.

The Council has agreed with the Crown the rebuild cost sharing arrangements for the horizontal infrastructure rebuild and anchor projects. Accounting standards require that revenue, including funding contributions, can only be recognised where there is virtual certainty of receiving the payment. While the Council considers this hurdle has been met, the quantum of the funding remains uncertain as does the final ownership of the anchor projects. There may also be potential liability associated with the cost sharing agreement. The quantum of this liability remains uncertain.

The Council has a contingent asset in relation to these recoveries. The Council is working with the Government and its insurers and the Crown to determine the amount of the recoveries, but it is not yet possible to estimate that amount with any certainty.

Suspensory loan

In 2006 the Council entered into an agreement with the Housing New Zealand Corporation (HNZ) to borrow \$2.4 million from HNZ's Local Government Housing Fund. The loan is for a term of 20 years at 0% interest from the date of drawdown (2008) and will cease to be repayable at the end of the term. The loan has a number of conditions which if not met require it to be repaid.

The Council considers that it will continue to meet the conditions of the loan and as such has not recognised a liability. Should Council fail to continue to meet the conditions of the loan it will need to repay the \$2.4 million plus interest for the remaining term.

Group

Contingent liabilities

Performance bonds

The following contingent liabilities exist in respect of contract performance bonds:

- CCHL \$40 million (2014: \$42.5 million);
- City Care \$8.0 million (2014: \$8.4 million);
- Red Bus \$0.9 million (2014: \$0.9 million); and
- Orion \$0.5 million (2014: \$0.7 million)

CCHL entered into a \$50 million performance bond with ANZ bank in June 2011 in support of ESL's obligation under the UFB initiative. The amount of the bond decreases annually and terminates in 2022.

None of the above companies expect to have these contingent liabilities called upon by external parties and hence no provision has been made.

Lyttelton Port Company Limited

LPC has contingent liabilities in respect of potential commitments for noise mitigation measures. These could give rise to a maximum amount payable of \$1.2 million (2014: \$1.2 million) in total over the next seven years.

National Provident Fund's Defined Benefit Plan Contributors Scheme

Some members of the Group are participating employers in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit superannuation scheme. In the unlikely event that the other participating employers ceased to participate in the scheme, the Group could be responsible for the entire deficit of the scheme. Similarly, if a number of employers ceased to participate in the scheme, the Group could be responsible for an increased share of the deficit.

The Fund has advised that insufficient information is available to use defined benefit accounting.

Enable Services Limited

The Network Infrastructure Project Agreement signed between ESL, ENL, CFH and CCHL provides that, if ESL fails to achieve any milestone to which liquidated damages (LDs) apply on or before the applicable milestone date, ENL will be entitled to claim applicable to that milestone. LDs are potentially payable to ENL but to date no demand for LDs payment has been made.

Orion New Zealand Limited

Orion has a contingent liability related to the sale of the company's former head office site in the Christchurch CBD to the Crown in September 2013. The amounts and timing of the resolution of this potential issues cannot be reliably estimated. Accordingly \$2.5 million of the sale price is held in solicitors' trust account pending resolution of the issue.

Contingent assets

Lyttelton Port Company Limited

On 29 June 2015, LPC filed a statement of claim against Aon Limited in the High Court. The claim centres on Aon's responsibilities in relation to LPC's insurance policies during the Canterbury earthquakes. Aon files its Statement of Defence, which refutes LPC's claims, on 4 August 2015. The LPC board is confident of its case, but is unable to estimate the company's chance of success or the final amount which may be awarded.

Enable Services Limited

Transfield Services Limited has lodged a \$22.5 million performance bond with ESL under the Network Delivery Alliance agreement (2014: \$22.5 million).

As at 30 June 2015 ESL was in dispute with a key service provider on a range of issues relating to delivery of services specified in the contract. After taking legal advice it has been concluded that ESL has a strong case and that an inflow of economic benefits is likely, although the quantum remains uncertain.

Vbase Limited

Vbase had business interruption insurance in place which entitled it to recover any lost revenues for a maximum 24 month period from the date of an event adversely affecting one or more of its venues. The February 2011 earthquake event triggered the claim process under the policy in relation to three of its closed venues. Vbase has received payments under the policy but the quantum of the future recoveries cannot be

reliably measured until negotiations with the insurer are concluded.

Tuam Limited

As at 30 June 2015, Tuam is still unable to reliably measure its insurance recoveries due. In line with the

sale and purchase agreement, Tuam has accrued a receivable of \$14.2 million which is the minimum amount it will receive on settlement of its insurance claim.

28. Reconciliation of surplus for the period to net cash flows from operating activities

	Parent		Group	
	30 Jun 15	30 Jun 14	30 Jun 15	30 Jun 14
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Surplus for the period	307,390	205,116	364,126	517,912
Add/(less) non-cash items				
Depreciation and amortisation	138,020	154,032	242,601	259,984
Vested assets	(82,317)	(6,959)	(82,317)	(6,959)
Impairment (gains)/losses	(69,028)	-	(73,520)	-
(Gains)/losses in fair value of investment property and assets held for sale	-	-	(18,086)	(23,423)
(Gains)/losses in fair value of derivative financial instruments	1,642	(2,058)	1,653	206
Share of associates' (surplus)/deficit (less dividends)	-	-	(7,353)	1,256
Net foreign exchange (gains)/losses	-	-	(361)	(152)
Deferred tax charged/(credited) to surplus	(586)	(1,505)	7,876	(6,396)
Finance lease revenue	(896)	(776)	(896)	(776)
(Gains)/losses in fair value of Investments	790	284	24,648	(1,024)
Shares received as consideration for UFB build	-	-	(16,421)	(17,826)
Non-cash asset acquisition	(153,992)	(123,828)	(153,992)	(123,828)
Other non cash movements	(276)	88	2,613	2,320
Net changes in non-cash items	(166,643)	19,278	(73,555)	83,382
Add/(less) items classified as investing or financing activities				
(Gain)/loss on disposal of non-current assets	13,642	12,396	9,752	35,215
Movement in capital creditors	(6,651)	(6,316)	(5,191)	(23,745)
Recognition of service concession arrangement	(736)	(946)	(736)	(946)
Insurance proceeds classified as investing activities	(67,094)	(373,094)	(85,218)	(756,334)
Other	-	(3)	3	13,984
Net changes in investing/financing activities	(60,839)	(367,963)	(81,390)	(731,826)
Add/(less) movement in working capital items				
Receivable and prepayment	(24,482)	10,997	(57,526)	(26,888)
Inventories	(428)	2,788	(1,416)	817
Other assets	-	233,115	(122)	265,363
Payables	65,307	592	83,138	16,572
Provisions and employee entitlements	13,022	(2,229)	16,273	760
Income tax receivable/(payable)	-	-	(2,618)	21,863
Other liabilities	(8,003)	9,215	(8,669)	39,191
Net changes in net assets and liabilities	45,416	254,478	29,060	317,678
Net cash from operating activities	125,324	110,909	238,241	187,146

29. Related parties

Council is the ultimate parent of the Group. Details of subsidiaries and associates over which Council has significant influence, are set out on in the *Group structure and Council Controlled Organisations* section of the Annual Report.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Council and Group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

The Council provides grants and operational funding to a number of group entities and entities or organisations where the Mayor, Councillors or Executive Leadership Team are members of the organisations or their governing bodies. Such funding is agreed by Council on the same basis as other organisations with no such direct links.

[Related Party Transactions required to be disclosed:](#)

Provision of accounting/administration services

The Council provided accounting and administrative services to the group entities outlined below. The Council does not provide such services to non-group entities.

Group entity	2015		2014	
	Transaction	Balance at 30 Jun	Transaction	Balance at 30 Jun
	\$000	\$000	\$000	\$000
CCHL	779	120	829	83
CBL	20	-	20	-
CAfE	25	-	45	-
RBT	30	4	20	4
RDBPT	6	-	2	-
Tuam	72	85	28	5
Vbase	751	244	564	174
WBFT	25	25	140	-

Grants

The Council has provided a number of grants/subsidies to the group entities, and some of these are considered non-arm's length transactions. These grants are outlined in the table below.

Group entity	2015 \$000	2014 \$000	Reason for non-arm's length
CAfE	420	458	Under appointers' agreement
RBT	297	292	In accordance with the Riccarton Bush Act
WBFT	195	234	Non-contestable funding

No balances were outstanding at year end (2014: nil).

SCIRT

The Council is a party to the SCIRT alliance. The alliance was developed to provide a single delivery unit for the rebuild of the Council's horizontal infrastructure. City Care which is a Group company is one of the five delivery partners. The contract to SCIRT was not tendered.

In 2014/15 the Council paid \$247 million (2014: \$350 million) to SCIRT and at year end \$23 million (2014: \$24 million) was outstanding.

Other commercial contracts

The Council has a contract with EcoCentral for waste collection and management. This contract was not tendered. In 2014/15 the Council paid \$7.8 million (2014: \$8 million) to EcoCentral and at year end \$0.7 million (2014: \$0.7 million) was outstanding.

Subventions

The Council expects to transfer losses of \$9.9 million to other members of the Council group (2014: \$10 million) by way of subvention payment of \$2.8 million (2014: \$2.8 million). The final council group tax position for the 2014 tax year resulted in Council transferring losses of \$14.6 million and receiving a payment of \$10.1 million.

30. Major budget variations

Comprehensive revenue and expense

Total revenues are \$76 million less than plan.

- Subsidies and grants are \$170 million less than planned mainly as a result of the SCIRT rebuild and Sumner Road project running behind schedule. The corresponding funding has therefore been delayed.
- Insurance recoveries are \$40 million less than planned. \$60 million is due to no settlement been reached, offset by the \$19.5 million EQC housing settlement which was not in the 2015 plan.

Offset by:

- Development and financial contributions are \$14 million higher than plan and vested assets are \$78 million higher than plan all due to increased subdivision volume.
- There was \$15 million of unplanned revenue items totalling including Vbase on-charges and Cricket World Cup and Replacement District Plan independent hearings panel cost recoveries.
- Actual subvention receipts are \$7.8 million higher than planned due to group taxable revenue being higher than expected.
- Finance revenues are \$4.6 million higher than planned due to a combination of increased investments levels, interest changes, and the additional unplanned lending to CCHL.

Total expenses are \$42 million higher than planned.

- Council made an unplanned provision of \$9 million for building related claims. A liability of \$22 million has been recognised for Council's share of Port Hill Residential Red Zone buyouts.
- Depreciation and amortisation costs are \$22 million higher than plan as a result of the 2014 infrastructure asset revaluations.
- Finance costs are \$2.8 million higher than plan mainly due to a difference in classification of finance lease interest offset by a reduction in interest rates.
- Other expenses are \$69 million higher than plan due to the following reasons:
 - \$55.2 million additional operating expenses relating to SCIRT rebuild which were budgeted for as capex;
 - \$4.1 million additional grants expense due to enforcement of accounting policy;
 - \$2.5 million grants carried forward from 2014 and \$2.5 million additional Mayoral earthquake grants;
 - \$5.7 million increase in consultants fees due to higher cost of district plan review and additional consultancy required for the "Great for Christchurch" project and the preparation of the 2015-25 LTP;
 - \$4 million increase in legal fees mainly due to the increased cost of the district plan review, social housing trust establishment, and corporate support; and
 - \$3.2 million increase in venue hire and events expenses because of the major sport events in 2014/15 (e.g. Cricket World Cup).

Offset by decreases in:

- Port Hills land settlements are occurring slower than planned - \$31 million decrease;
- Cost savings on earthquake repairs for Council's social housing - \$5.8 million decrease; and
- The finance lease interest was planned in other expenses but has been reported as a finance cost - \$6.6 million decrease.
- Net gains/losses of \$53 million were not planned. These relate to the fair value adjustments of financial instruments, loss on disposal of PPE and reversal of devaluation of PPE.

Total other comprehensive revenue and expenses are \$992 million higher than plan.

- Actual PPE valuation gains are \$880 million higher than plan.
- Other items included in other comprehensive revenue and expenses are not planned for. These include gains/losses on investment revaluation and cashflow hedges, income tax adjustment, and other transfers.

Financial position

Total assets are \$1,428 million higher than plan.

- Property, plant and equipment is \$857 million higher than plan mainly result from the revaluation increase.
- Investments and other financial assets are \$438 million higher than plan due to a combination of revaluation increase and additional investments made to CCOs.
- Accounts receivables are \$101 million higher than plan due to a combination of unbudgeted insurance receivables and timing of invoicing and payment.
- Actual year end cash and cash equivalents are \$43 million higher than plan.
- \$4.6 million of deferred tax are not planned for.

Total liabilities are \$37 million lower than plan.

- Borrowings are \$118 million lower than plan largely due to capital rebuild projects being behind schedule.
- Derivative liabilities are \$34 million lower than plan due to market movement on interest rates.
- Payables are \$62 million higher than plan due to provision made for the Council's share Port Hill Residential Red Zone buyouts and timing of invoicing and payment.
- Other liabilities and provisions are \$52 million higher than plan mainly due to additional provision made for building related claims and unbudgeted income in advance in relation to prepaid building inspections, NZTA funding, and overpaid rates accounts.

31. Remuneration

31.1 Chief Executive

The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

Dr Karleen Edwards was appointed as the Chief Executive of the Council on 15 June 2014.

The total cost to the Council of the remuneration package paid or payable to the Chief Executive for the year to 30 June 2015 was \$395,000.

The corresponding amount paid in 2014 was:

	\$
Tony Marryatt	803,164
1 July 2013 - 30 November 2013	
Jane Parfitt	346,411
3 July 2013 - 15 June 2014	
Dr Karleen Edwards	16,233
16 June 2014 - 30 June 2014	
	<u><u>1,165,808</u></u>

31.2 Cost of severance payments

In accordance with Schedule 10, section 19 of the Local Government Act 2002, the Council is required to disclose the number of employees who received severance payments during the year, and the amount of each severance payment made as defined under the legislation.

For the year ended 30 June 2015 the Council made six severance payments - \$20,000, \$15,000, \$7,200, \$6,500, \$5,250, \$5,000. This compares with the year ended 30 June 2014 when the Council made five severance payments - \$269,264, \$15,000, \$14,500, \$10,000 (2).

31.3 Key management personnel

	30 Jun 15	30 Jun 14
	Actual	Actual
	\$000	\$000
KMP compensation		
Salaries and other short term benefits	4,020	3,606
Termination benefit	-	965
Total	<u><u>4,020</u></u>	<u><u>4,571</u></u>

Total key management personnel remuneration includes that of the Mayor, Councillors, Executive Leadership Team of the Council and Mayor's Chief of Staff. The total key management compensation of

\$4.1 million includes the Mayor and Councillors \$1.5 million (2014: \$1.5 million) and the Chief Executive and Executive Team \$2.6 million (2014: \$3.1 million).

Termination benefits include severance payments and other payments made to key management personnel when ceasing employment.

The remuneration details of the Chief Executive, Mayor and Councillors are set out in notes 31.1 and 31.4.

Key management personnel represent 24 full time equivalents.

31.4 Elected members

	Jun 15 Council Remuneration \$	Jun 15 Directors Fees \$	Jun 15 Total \$	Jun 14 Council Remuneration \$	Jun 14 Directors Fees \$	Jun 14 Total \$
Alison (Ali) Jones	95,300	17,385	112,685	62,659	-	62,659
Andrew Turner	95,300	-	95,300	62,659	-	62,659
David East	95,300	25,427	120,727	62,659	-	62,659
Glenn Livingstone	95,300	-	95,300	91,595	-	91,595
James (Jamie) Gough	95,300	-	95,300	91,595	12,734	104,329
Jimmy Chen	95,300	17,385	112,685	91,595	-	91,595
Lianne Dalziel	179,350	-	179,350	118,029	-	118,029
Paul Lonsdale	95,300	-	95,300	62,659	-	62,659
Pauline Cotter	95,300	-	95,300	62,659	-	62,659
Phil Clearwater	95,300	-	95,300	62,659	-	62,659
Raf Manji	95,300	-	95,300	62,659	-	62,659
Tim Scandrett	95,300	-	95,300	62,659	-	62,659
Vicki Buck	109,900	-	109,900	72,337	-	72,337
Yani Johanson	95,300	-	95,300	91,595	-	91,595
Aaron Keown	-	-	-	28,936	12,734	41,670
Barry Corbett	-	-	-	28,936	16,834	45,770
Bob Parker	-	-	-	60,847	16,834	77,681
Claudia Reid	-	-	-	28,936	11,596	40,532
Helen Broughton	-	-	-	28,936	11,596	40,532
Ngairé Button	-	-	-	33,411	12,734	46,145
Peter Beck	-	-	-	28,936	-	28,936
Sally Buck	-	-	-	28,936	17,111	46,047
Sue Wells	-	-	-	28,936	16,834	45,770
Tim Carter	-	-	-	28,936	16,834	45,770
	1,432,850	60,197	1,493,047	1,383,764	145,841	1,529,605

See note 29 Related Parties for detail on transactions between Council and elected members and key management personnel that were not at arm's length.

Councillors who are directors of CCHL do not receive directors' fees. Councillors Jones, and Chen donated their directors fees to the Mayor's Welfare Fund.

31.5 Council employees

At balance date, the Council employed 2,995 (2014: 2,905) staff members. These comprised 1,638 (2014: 1,646) full time employees with the balance of employees representing 300 (2014: 378) full-time equivalent employees. An employee is a full-time employee if they normally work more than 37.5 hours per working week.

The tables below provides the total annual remuneration by band for employees at 30 June. Total remuneration also includes non-financial benefits such as superannuation benefits provided to employees.

	30 Jun 15		30 Jun 14
	Actual		Actual
Less than \$60,000	1,852	Less than \$60,000	1,818
\$60,000 - \$79,999	492	\$60,000 - \$79,999	454
\$80,000 - \$99,999	324	\$80,000 - \$99,999	313
\$100,000 - \$119,999	178	\$100,000 - \$119,999	178
\$120,000 - \$139,999	86	\$120,000 - \$139,999	90
\$140,000 - \$159,999	32	\$140,000 - \$159,999	24
\$160,000 - \$179,999	15	\$160,000 - \$179,999	13
\$180,000 - \$219,999	7	\$180,000 - \$219,999	7
\$220,000 - \$299,999	6	\$220,000 - \$319,999	6
\$300,000 - \$399,999	3	\$320,000 - \$399,999	2
Total employees	2,995	Total employees	2,905

32. Capital management

The Council's capital (equity or ratepayer's funds), comprises retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.

Intergenerational equity

The Council's objective is to manage the balance between rating (for funds) and borrowing to achieve intergenerational equity, which is a principle promoted in the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but not expecting them to meet the full cost of long term assets that will benefit

ratepayers in future generations. Additionally, Council has in place asset management plans for the renewal and maintenance programmes of major classes of assets to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the Council to make adequate and effective provision in its LTP/ Three Year Plan and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and level of funding are set out in the funding and financial policies of the Three Year Plan.

33. Legislative requirements

Council

The Local Government Act 2002, Schedule 10 specifies the minimum groups of activities which the Council must report against. The schedule requires stormwater drainage and flood protection and control works to be two separate groups of activity. The Council in preparing its Three Year Plan and Annual Report has combined the two activities on the basis that Flood Protection and Control Works was at that stage an activity with a relatively minor level of expense.

Council Controlled Organisations

The Local Government Act 2002 requires CCOs to submit their half year accounts and an SOI to their Boards and to their shareholders within specified timeframes. For the 2014/15 financial year all CCOs submitted half year accounts within the specified timeframes as set out in the legislation.

34. Subsequent events

There are no subsequent events.

35. Statement of significant accounting policies

Basis of preparation

Measurement base

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 and Group is New Zealand dollars.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. The accrual basis of accounting has been used unless otherwise stated.

The Canterbury Earthquakes of 2010 and 2011 have impacted the council's ability to account for its property, plant and equipment and insurance receivables in accordance with PBE Standards. Details of these departures are outlined on page 8.

Except where specified, the accounting policies set out below have been applied consistently to all periods presented in these financial statements. Further information about these exceptions is set out in the *Rebuild* note set out in pages 155 to 159 and note 9 to the financial statements.

New accounting standards and interpretations

Effect of first-time adoption of PBE standards on accounting policies and disclosures

This is the first set of financial statements of the Council and Group that is presented in accordance with PBE standards. The Council and Group have previously reported in accordance with NZ IFRS (PBE).

The accounting policies adopted in these financial statements are consistent with those of the previous financial year, except for instances when the accounting or reporting requirements of a PBE standard are different to requirements under NZ IFRS (PBE) as outlined below.

The changes to accounting policies and disclosures caused by first time application of PBE accounting standards are as follows:

PBE IPSAS 1: Presentation of Financial Statements

There are minor differences between PBE IPSAS 1 and the equivalent NZ IFRS (PBE) standard. These differences have an effect on disclosure only. The main changes in disclosure resulting from the application of PBE IPSAS 1 are the following:

Receivables from exchange and non-exchange transactions:

The 2014 financial statements had receivables presented as a single total in the statement of financial position. However, PBE IPSAS 1 requires receivables from non-exchange transactions and receivables from exchange transactions to be presented separately in the statement of financial position. This requirement affects the presentation of both 2015 and 2014 receivables figures.

PBE IPSAS 23: Revenue from Non-Exchange Transactions

PBE IPSAS 23 prescribes the financial reporting requirements for revenue arising from non-exchange transactions. There is no equivalent financial reporting standard under NZ IFRS. The application of this standard only had presentation impact on the Council's financial statements.

PBE IPSAS 32: Service Concession Arrangements: Grantor

PBE IPSAS 32 prescribes the accounting treatment of service concession arrangements by the grantor. A service concession arrangement is a binding arrangement between a grantor and an operator, in which:

- the operator uses the service concession asset to provide a public service on behalf of the grantor for a specified period of time; and
- the operator is compensated for its services over the period of the service concession arrangement.

Previous to the application of PBE IPSAS 32, there was no specific accounting standard covering service concession arrangements for grantors; the Council, however, applied the guidelines in NZ IFRIC 12 - Service Concession Arrangements (which primarily applies to operators of service concession arrangements) in accounting for the arrangement with EcoCentral regarding the material recovery facility. This includes recognition of the service concession asset in the Council's books and the relevant liability arising from the arrangement.

PBE IPSAS 32 is based on NZ IFRIC 12, modified to apply to grantors. The underlying requirements and guidelines under PBE IPSAS 32 are not significantly different to those in NZ IFRIC 12 and Council has assessed that the application of PBE IPSAS 32 did not require any adjustment with respect to recognition and measurement of the underlying service concession assets and liabilities. New disclosure requirements, however, have been prepared as a result of the adoption of PBE IPSAS 32 including comparative information. This is covered under Note 11.

PBE IPSAS 20: Related Party Disclosures

PBE IPSAS 20 requires public sector PBEs to disclose only those related party transactions and balances which have been entered into on terms other than arm's length. Application of this standard has significantly reduced the level of disclosures for transactions with Council's related parties disclosed in the financial statements.

Accounting standards and interpretations issued but not yet effective

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. The Council has applied these standards in preparing the 30 June 2015 financial statements.

In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. The Council will apply these updated standards in preparing its 30 June 2016 financial statements. The Council expects that there will be minimal or no change in applying these updated accounting standards.

Principles of consolidation

Subsidiaries

Subsidiaries include special purpose entities and those entities where the Council has the power to govern financial and operating policies, generally accompanying a shareholding of at least half of the voting rights. The potential to exercise or convert voting rights are considered when assessing whether the Council controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Council and de-consolidated from the date control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Council. This includes the application of PBE accounting standards for those entities reporting under NZ IFRS.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive revenue and expense and the statement of financial position.

Associates

Associates are entities over which the Council has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for in the parent's financial statements using the cost method and in the consolidated financial statements using the equity method, after initially being recognised at cost. The Council's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Council's share of its associates' post-acquisition profits or losses is recognised in the surplus or deficit, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent's surplus or deficit, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Council and its associates are eliminated to the extent of the Council's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Council.

Joint ventures

Joint ventures are those over whose activities the Group has joint control and established by contractual agreement. The Group's share of the assets, liabilities, revenues and expenses of any joint venture is incorporated into the Group's financial statements on a line-by-line basis using the proportionate method.

Revenue

Revenue comprises rates, revenue from operating activities, investment revenue, gains and finance revenue and is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Revenue from exchange transactions

Revenue from exchange transactions arises where the Group provides goods or services to another entity and directly receives approximately equal value (primarily in the form of cash) in exchange.

Revenue from non-exchange transactions

Revenue from non-exchange transactions arises from transactions that are not exchange transactions. These are transactions where the Group receives value from another party without giving approximately equal value directly in exchange for the value received.

Approximately equal value is considered to reflect a fair or market value, which is normally akin with an arm's length commercial transaction between a willing buyer and willing seller. Some services which Council provides for a fee are charged below market value as they are subsidised by rates. Other services operate on a cost recovery or breakeven basis which may not be considered to reflect a market return. A significant portion of the Council's revenue will be categorised non-exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Group satisfies an obligation which has been recognised as a liability, it reduces the carrying amount of the liability and recognises an amount of revenue equal to the reduction.

Specific accounting policies for the major categories of revenue are outlined below:

Rates

Rates are set annually by a resolution from Council and revenue is recognised through surplus or deficit at the time of invoicing.

Goods sold and services rendered

Revenue from the sale of goods is recognised through surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised through surplus or deficit in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised through surplus or deficit in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed.

An expected loss on a contract is recognised immediately through surplus or deficit.

Finance revenue

Finance revenue comprises interest receivable on funds invested and on loans advanced. Finance revenue, is recognised through surplus or deficit as it accrues, using the effective interest rate method.

Rental revenue

Rental revenue from investment and other property is recognised through surplus or deficit on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue.

Rental revenue is classified as exchange revenue where it is considered to reflect a market/arm's length rental.

Grants revenue (including government grants)

Grant revenue is recognised on receipt, except to the extent that a liability is also recognised in respect of the same inflow. A liability is recognised when the resources received are subject to a condition such as an obligation to return those resources received in the event that the conditions attached are breached. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.

Grant revenue is categorised as non-exchange revenue.

Dividend revenue

Dividend revenue is classified as exchange revenue and is recognised when the shareholder's right to receive payment is established.

Finance lease revenue

Finance lease revenue is classified as exchange revenue and is allocated over the lease term on a

systematic basis. This revenue allocation is based on a pattern reflecting a constant periodic return on the Council's net investment in the finance lease.

Development contributions

Development contributions are classified as exchange revenue and recognised as revenue in the year in which they are received.

Other gains

Other gains include gains from the sale of property, plant and equipment and investments and gains arising from derivative financial instruments (see Hedging Policy).

Earthquake subsidies, recoveries, and insurance receipts

Earthquake subsidies and recoveries include payments from Government agencies, Ministries and Departments as well as payments from Council's insurers. Earthquake subsidies and recoveries are recognised in the financial statements when received or when it is probable or virtually certain that they will be received under the insurance contracts in place.

The classification of earthquake subsidies and recoveries as exchange or non-exchange is dependent on the nature of the subsidy or recovery.

Vested assets

Where a physical asset is received for no or minimal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council and goods donated are recognised as revenue when control over the asset is obtained. Vested assets and donated goods are categorised as non-exchange revenue.

Expenses

Specific accounting policies for the major categories of expenditure are outlined below:

Operating lease payments

Payments made under operating leases are recognised through surplus or deficit proportionally over the term of the lease. Lease incentives received are recognised through surplus or deficit as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method. The interest expense component of finance lease payments is recognised through surplus or deficit using the effective interest rate method. Interest payable on borrowings is recognised as an expense through surplus or deficit as it accrues.

Other losses

Other losses include revaluation decrements relating to investment properties (see Investment Property Policy), losses on the sale of property, plant and equipment and

investments and losses arising from derivative financial instruments (see Hedging Policy).

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant and any grant criteria are met.

Income tax

Income tax on the surplus or deficit for the year includes current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Research and development costs

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs with a finite useful life that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit, not exceeding 10 years.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling on the day of the transaction.

Foreign currency monetary assets and liabilities at balance date are translated to NZ dollars at the rate ruling at that date. Foreign exchange differences arising on translation are recognised in the surplus or deficit, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZ dollars at rates ruling at the dates the fair value was determined.

Translation differences on equities held at fair value through surplus or deficit are reported as part of the fair value gain or loss. Translation differences on equities classified as available-for-sale financial assets are included in the fair value reserve in equity.

Derivative financial instruments

The Council uses derivative financial instruments to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities. In accordance with the treasury policies of the respective Group entities, the Council does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially and subsequently at fair value. Changes in fair value are recognised immediately in surplus or deficit. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see Hedging Policy).

Property, plant and equipment

The following assets are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation:

Land (other than land under roads)
Buildings
Electricity distribution network
Airport sealed surfaces
Infrastructure assets
Heritage assets
Works of art

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Valuations are performed with sufficient regularity to ensure revalued assets are carried at a value that is not materially different from fair value.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from

equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to surplus or deficit during the financial period in which they are incurred.

Where the Council has elected to account for revaluations of property, plant and equipment on a class of asset basis, increases in the carrying amounts arising on revaluation of a class of assets are credited directly to equity under the heading revaluation reserve. However, the net revaluation increase shall be recognised in surplus or deficit to the extent it reverses a net revaluation decrease of the same class of assets previously recognised in surplus or deficit.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

Assets to be depreciated include:

	Estimated Useful Life
Operational assets:	
Buildings	1-100 yrs
Office and computer equipment	1-10 yrs
Mobile plant including vehicles	2-30 yrs
Buses	17-26 yrs
Sealed surfaces (other than roads)	9-100 yrs
Container cranes	30 yrs
Harbour structures	3-50 yrs
Seawalls	100 yrs
Telecommunications infrastructure	12-50 yrs
Electricity distribution system	60 yrs
Electricity load control equipment	60 yrs
Leasehold land improvements	5-100 yrs
Library books	3-8 yrs
Vessels	5-25 yrs
Resource consents and easements	5-10 yrs
Infrastructure assets:	
Formation	Not depreciated
Pavement sub-base	Not depreciated
Basecourse	40-120 yrs
Footpaths and cycleways	20-80 yrs
Surface	1-25 yrs
Streetlights and signs	15-40 yrs
Kerb, channel, sumps and berms	80 yrs
Landscape/medians	8-80 yrs
Drain pipes/culverts/retaining walls	20-100 yrs
Bridges	70-100 yrs
Bus shelters and furniture	15-30 yrs
Water supply	55-130 yrs
Water meters	20-25 yrs
Stormwater	20-150 yrs
Waterways	15-120 yrs
Sewer	50-150 yrs
Treatment plant	15-100 yrs
Pump stations	10-100 yrs
Restricted assets:	
Planted areas	5-110 yrs

Reserves – sealed areas	10-40 yrs
Reserves – structures	25-150 yrs
Historic buildings	100 yrs
Art works	1000 yrs
Heritage assets	1000 yrs

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date in accordance with the requirements of PBE IPSAS 17 – Property, Plant and Equipment.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in accordance with the requirements of PBE IPSAS 21 – Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 - Impairment of Cash-Generating Assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Distinction between capital and revenue expenditure

Capital expenditure is defined as all expenditure incurred in the creation of a new asset and any expenditure that results in a significant restoration or increased service potential for existing assets. Constructed assets are included in property, plant and equipment as each becomes operational and available for use. Revenue expenditure is defined as expenditure that is incurred in the maintenance and operation of the property, plant and equipment of the Group.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. Those assets and

liabilities shall not be offset and presented as a single amount.

Intangible assets

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units (CGUs) and is tested annually for impairment (see Impairment Policy). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Negative goodwill arising on an acquisition is recognised directly in surplus or deficit.

Computer software

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are capitalised and recognised as intangible assets. Capitalised costs include the software development employee direct costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives.

Other intangible assets

Other intangible assets that are acquired by the Council are stated at cost less accumulated amortisation (see below) and impairment losses (see Impairment Policy).

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates, and it meets the definition of, and recognition criteria for, an intangible asset. All other expenditure is expensed as incurred.

Amortisation

An intangible asset with a finite useful life is amortised on a straight-line basis over the period of that life. The asset is reviewed annually for indicators of impairment, and tested for impairment if these indicators exist. The asset is carried at cost less accumulated amortisation and accumulated impairment losses.

Estimated useful lives are:

Software	1-10 yrs
Resource consents and easements	5-10 yrs
Patents, trademarks and licenses	10-20 yrs

An intangible asset with an indefinite useful life is not amortised, but is tested for impairment annually, and is carried at cost less accumulated impairment losses.

Hedging

The method of recognising movements in the fair value of derivatives depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Council designates certain derivatives as either; fair value hedges (hedges of the fair value of recognised assets or liabilities or a firm commitment); or cash flow hedges (hedges of highly probable forecast transactions).

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the surplus or deficit together with any changes in the fair value of the hedged asset or liability.

Cash flow hedge

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in other comprehensive revenue and expense in the hedging reserve.

When the derivative is no longer an effective hedge or is sold or cancelled the cumulative gain or loss recognised to date on the derivative is recognised in surplus or deficit.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the surplus or deficit.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the surplus or deficit.

Investments

The Council classifies its investments in the following categories:

Financial assets at fair value through surplus or deficit
This category has two sub-categories: financial assets held for trading and those designated at fair value through surplus or deficit at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

Financial assets at fair value through equity

Financial assets at fair value through equity are non-derivatives that are either designated in this category or not classified in any of the other categories. This category also includes available-for-sale assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Parent company investment in subsidiaries

For the purposes of the parent company financial statements, the Council's equity investments in its subsidiaries are designated as financial assets at fair value through equity. They are measured at fair value, with valuations performed by an independent, external valuer with sufficient regularity to ensure no investments are included at a valuation that is materially different from fair value. The valuation changes are held in a revaluation reserve until the subsidiary is sold.

Investments in debt and equity securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised through surplus or deficit.

General and community loans are designated as loans and receivables. They are measured at initial recognition at fair value, and subsequently carried at amortised cost less impairment losses.

Financial instruments classified as held-for-trading or fair value through equity investments are recognised/derecognised by the Council on the date it commits to purchase/sell the investments. Securities held-to-maturity are recognised/derecognised on the day they are transferred to/by the Council.

Investment property

Investment properties are properties which are held either to earn rental revenue or for capital appreciation or for both. Investment properties generate cash flow largely independent of other assets held by the entity.

Properties leased to third parties under operating leases are generally classified as investment property unless:

- the occupants provide services that are integral to the operation of the Council's business and/or these services could not be provided efficiently and effectively by the lessee in another location.
- the property is being held for future delivery of services.
- the lessee uses services of the Council and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

Investment properties are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property

being valued, values the portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

Any gain or loss arising from a change in fair value is recognised through surplus or deficit.

Rental revenue from investment property is accounted for as described in the Revenue Policy.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately before transfer and its fair value is recognised directly in equity if it is a gain. Upon disposal, the gain is transferred to retained earnings. Any loss arising in this manner is recognised immediately in surplus or deficit.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for subsequent recording. When the Council begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property, which is measured based on the fair value model, and is not reclassified as property, plant and equipment during the re-development.

Trade and other receivables**Construction work in progress**

Construction work in progress is stated at cost plus profit recognised to date (see Revenue Policy) less a provision for foreseeable losses and less progress billings. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in contract activities based on normal operating capacity.

Other trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment (see Impairment Policy).

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories held for distribution at no charge, or for a nominal amount, are stated at the lower of cost and current replacement cost.

The cost of other inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Impairment

For the purpose of assessing impairment indicators and impairment testing, the Group classifies non-financial assets as either cash-generating or non-cash-generating assets. The Group classifies a non-financial asset as a cash-generating asset if its primary objective is to generate a commercial return. All other assets are classified as non-cash-generating assets.

Property, plant and equipment assets, measured at fair value are not required to be reviewed and tested for impairment. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

The carrying amounts of the Council's other assets, other than investment property (see Investments Policy) and deferred tax assets (see Income Tax Policy), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

Impairment losses are recognised through surplus or deficit, unless the asset is carried at a revalued amount in which case any impairment loss is treated as a revaluation decrease and recorded within other comprehensive revenue and expense.

For goodwill, other intangible assets that have an indefinite useful life, and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs (group of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in surplus or deficit even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in surplus or deficit is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit.

Calculation of recoverable amount

The recoverable amount of the Council's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their market value less cost to sell and value in use.

As a PBE, Council uses depreciated replacement cost to assess value in use where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where Council would, if deprived of the asset, replace its remaining future economic benefits or service potential. For the Group, where an asset does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs.

The value in use for cash-generating assets is the present value of expected future cash flows. The discount rate used reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through surplus or deficit. If the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss shall be reversed, with the amount of the reversal recognised in surplus or deficit.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of Council's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and in current liabilities on the balance sheet.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised through surplus or deficit over the period of the borrowings on an effective interest basis.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Employee entitlements

The Group's employee compensation policy is based on total cash remuneration: a single cash payment in compensation for work, where the employee is responsible for and able to individually decide how best to use their remuneration to meet their needs over time in the mix and type of benefits purchased. Provision is made in respect of Council's liability for the following short and long-term employee entitlements.

Short-term entitlements

Liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately before the balance sheet date.

Liabilities for accumulating short-term compensated absences (e.g. sick leave) are measured as the amount of unused entitlement accumulated at the pay period ending immediately before the balance sheet date, that the entity anticipates employees will use in future periods, in excess of the days that they will be entitled to in each of those periods.

Long-term entitlements

The retiring gratuity and long-service leave liabilities are assessed on an actuarial basis using current rates of pay taking into account years of service, years to entitlement and the likelihood staff will reach the point of entitlement.

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit when incurred.

Superannuation is provided as a percentage of remuneration.

Leases

As lessee

Leases in which substantially all of the risks and rewards of ownership transfer to the lessee are classified as finance leases. At inception, finance leases are recognised as assets and liabilities on the balance sheet at the lower of the fair value of the leased property and the present value of the minimum lease payments. Any additional direct costs of the lessee are added to the amount recognised as an asset.

Subsequently, assets leased under a finance lease are depreciated as if the assets are owned.

As lessor

Leases in which substantially all of the risks and rewards of ownership transfer to the lessor are classified as finance leases. Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Equity

Equity is the community and rate payers' interest in the Council. It is measured as the difference between total assets and total liabilities. Equity includes the following components:

- Asset revaluation reserve.
- Fair value through equity reserve.
- Hedging reserve.
- Reserve funds.
- Capital reserves.
- Retained earnings.

Third party transfer payment agencies

Council collects monies for many organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the balance sheet. Amounts collected on behalf of third parties are not recognised as revenue, but commissions earned from acting as agent are recognised in revenue.

Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

The net GST paid to, or received from the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Donated goods and services

Council receives the benefit of many services provided by volunteers. These services are greatly valued. They are, however, difficult to measure in monetary terms and for this reason, are not included in the financial statements, as their value from an accounting point of view is considered immaterial in relation to total expenditure.

Cost allocations

The costs of all internal service activities are allocated or charged directly to external service type activities.

External service activities refer to activities which provide a service direct to the public. Internal service activities provide support for the external service activities.

Where the recipient of an internal service can be identified, the cost recovery is made by way of a direct charge. Where this is not practical or the linkage is indirect, the costs are allocated by way of corporate overhead.

Two primary drivers for allocating corporate overhead are used. Services related to people are reallocated based on employee costs, and those related to finance are reallocated based on external service activity gross cost.

Plan values disclosed

The plan values shown in the financial statements represent the 2014/15 budget included in the 2014/15 Annual Plan.

Critical judgements, estimates and assumptions in applying Council's accounting policies

Preparing financial statements to conform with PBE IPSAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. The estimates and associated assumptions have been based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions have formed the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the period if the change affects only that period, or into future periods if it also affects future periods.

In the process of applying these accounting policies, management has made the following judgements, estimates and assumptions that have had the most significant impact on the amounts recognised in these financial statements:

- The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value.
- The valuation of the Council's facilities and infrastructural assets at depreciated replacement value involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets. Independent valuers were commissioned to perform the valuation and valuations of these asset classes will

continue on a regular basis to ensure that the depreciated replacement value does not differ materially from their carrying value.

- The determination of the impairment of the water supply and stormwater networks required the Council to estimate the proportion of the networks that need replacing and to exercise judgement when considering the uncertainty in the estimate of damage and the impairment determination.
- The determination of the impairment of facilities required the Council to estimate the expected repair cost of earthquake damage.
- Management are required to exercise judgement when determining whether earthquake related expenditure to assets is repairs and maintenance and should be expensed in the current year or capital expenditure. In making this assessment they make judgements about the expected length of service potential of the asset and the likelihood of it becoming obsolete as a result of other more permanent repairs.
- Management are required to exercise judgement when determining whether insurance payments and recoveries from Government agencies and insurers are probable or virtually certain and should be recognised as revenue in the current year. In making this assessment they make judgements about the likelihood of payment by insurers or Government agencies based on the agreements in place.
- The non-current provisions note discloses an analysis of Council's exposure in relation to estimates and uncertainties surrounding the landfill aftercare and building related claims provisions.
- Management are required to exercise judgement in calculating provisions for doubtful debts, assessing the level of unrecoverable work in progress and calculating provisions for employee benefits.
- Management of subsidiary companies determine useful lives for particular assets. In making this assessment, they make judgements about the expected length of service potential of the asset, the likelihood of the asset becoming obsolete as a result of technological advances and the likelihood of the company ceasing to use the asset in its business operations.
- Management of the subsidiary companies assess whether individual assets or groupings of related assets (which generate cash flows co-dependently) are impaired by estimating the future cash flows that those assets are expected to generate. Assumptions such as rates of expected revenue growth or decline, expected future margins and the selection of an appropriate discount rate for discounting future cash flows are required.
- Management of most of the subsidiary companies use independent valuers to determine the fair value of certain assets. The valuation process requires the use of assumptions and estimates which are based on market conditions at the time. Any

changes in market conditions subsequent to balance date will impact future valuations. A movement in fair value of an asset is subsequently recorded within the Statement of Comprehensive Revenue and Expense or other comprehensive revenue and expense depending on asset classification.

In addition to the above factors, the following areas specific to individual companies within the Group require critical judgement estimates and assumptions.

CIAL use judgement in identifying which components of property, plant and equipment are to be reclassified as investment property. A key factor for this classification is whether the property is used for aircraft-related activities. The classification has implications as to whether revaluation gains and losses are recognised through net surplus or deficit or through other comprehensive revenue and expense.

LPC has identified areas of estimation uncertainty in relation to the carrying value of land, building and harbour structures; and the possible impairment of assets.

ESL's investment in ENL represents an investment in a start-up infrastructure company. The investment is recognised as an investment in an associate for ESL. ESL is required to assess the value of its investment in ENL for impairment. Assessment of the value of ENL requires significant assumptions including the levels of uptake, averages rates of sales, operating cost level, depreciation rates and financing costs.

ESL is contracted to build the UFB network for Enable Networks Limited (ENL) over a build programme concluding by December 2019. A project of this nature has a number of up-front costs, including initial design, resourcing of staff, and investment in total project infrastructure. These costs are required to be recovered throughout the build programme. ESL has exercised its judgement as to whether these costs will be recoverable through the life of the project.

Vbase has assumed that Lancaster Park stadium is irreparable and the Company intends to rebuild a replacement stadium. Treating the asset as irreparable results in the venue being treated as sold for income tax purposes. This assumption has significant implications to Vbase's current and deferred tax balances.

Group structure and Council Controlled Organisations

In order to achieve the Council's objectives it has established or invested in a number of companies and trusts. These organisations are managed independently to deliver significant services including the operation of infrastructure assets or enable administrative efficiencies to be achieved.

Through its wholly owned investment arm CCHL, the Council has invested in a number of infrastructure assets which are considered strategic assets for the City.

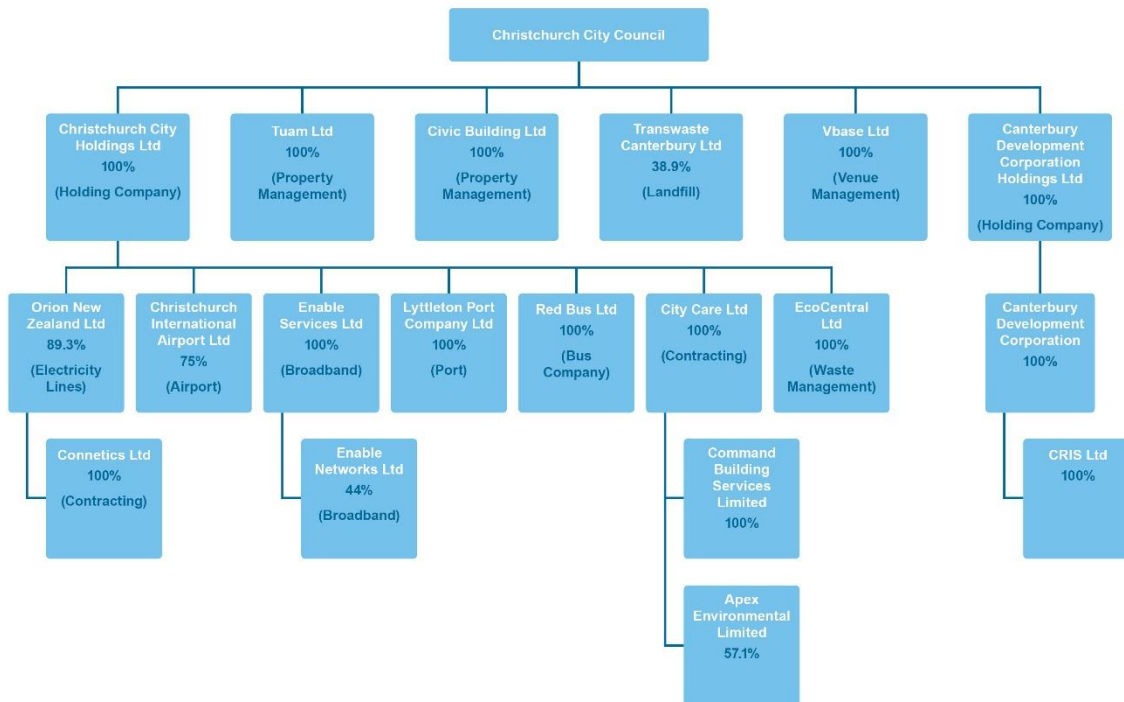
The Council also has invested directly in other CCTOs; Vbase, Tuam, CBL and CDCH to enable administrative efficiencies to be achieved.

In addition to these trading organisations the Council has interests in a number of trusts which were set up to deliver specific services, events, facilities or benefits to the City.

This section explains what the organisations do, how their performance is measured and how they performed during 2014/15.

Group structure and Council Controlled Organisations
Group structure

as at 30 June 2015



Group structure and Council Controlled Organisations
Summary financial table

	Income	Net result (after tax and minority interest)	
	2015 \$000	2015 \$000	2014 \$000
Christchurch City Holdings Ltd (parent)	97,468	68,815	37,088
Orion New Zealand Ltd	333,088	82,615	50,455
Lyttelton Port Company Ltd	121,298	20,574	343,226
Christchurch International Airport Ltd	177,383	39,274	15,694
City Care Ltd	333,545	10,225	12,892
Enable Services Ltd	76,117	(9,995)	(7,469)
EcoCentral Ltd	38,905	1,969	891
Red Bus Ltd	18,291	18	(616)
Vbase Ltd	28,397	(28,002)	(38,991)
Civic Building Ltd	4,952	(1,168)	(860)
Tuam Ltd	(203)	(304)	13,829
Canterbury Development Corporation Holdings Ltd	7,330	168	331
Riccarton Bush Trust	604	32	(701)
The World Buskers' Festival Trust	1,180	49	(34)
Rod Donald Banks Peninsula Trust	142	(213)	21
Christchurch Agency for Energy Trust	490	429	327
Transwaste Canterbury Ltd	70,596	26,100	20,298
Gardens Event Trust	-	-	-
Central Plains Water Trust	53	-	-

For more detail refer to individual company reports.

Group structure and Council Controlled Organisations
 Christchurch City Holdings Ltd
www.cchl.co.nz



CCHL is the wholly owned investment arm of Council, holding shares in various trading companies and monitoring other trading companies and their subsidiaries on the Council's behalf.

Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Services Ltd
- City Care Ltd
- Red Bus Ltd
- EcoCentral Ltd

Nature and scope of activities

CCHL's key purpose is to invest in and promote the establishment of key infrastructure, and this now extends to assisting the Council in the rebuild and redevelopment of Christchurch following the Canterbury earthquakes. CCHL will continue to invest in existing and new infrastructural assets such as the electricity distribution network, the airport, port, transport and high speed broadband.

Their strategic approach is to identify infrastructural needs that cannot be filled by the private sector or existing Council operations, then take a role in helping to meet those needs through joint ventures, public-private partnerships, establishing new entities or simply acting as a catalyst for others.

CCHL also encourages and, if necessary facilitates, appropriate investment by its trading companies when significant upgrades are required to existing infrastructural assets – recent examples being the funder of ENL, and the provision of some of the funding requirements for the construction of the new airport terminal.

Policies and objectives relating to ownership and control

This company was established to group the Council's interest in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its CCTOs.

Key performance targets

	2015 Target	2015 Actual
CCHL financial and distribution performance meets the shareholder's expectations.	CCHL pays a dividend for the 2015 financial year that meets or exceeds budget, and achieves the other budgeted key performance measures.	Achieved – CCHL paid a budgeted ordinary dividend of \$52.0 million, less a deduction of \$6.0 million agreed with the Council in relation to subvention receipts voluntarily foregone by CCHL.
CCHL's capital structure is appropriate for the nature of its business.	CCHL will monitor the level and composition of its debt facilities to ensure it remains appropriate in the context of its funding commitments (in particular Enable Services Ltd), (Enable).	Funding structures are reviewed on an ongoing basis. CCHL has secured further longer term funding from Council to assist with funding the Enable broadband rollout.
CCHL's investments provide an appropriate return in relation to their business risk, and against external benchmarks.	CCHL will periodically review the performance of subsidiary companies and other investments against external benchmarks, and assess the value of the investment in the individual company in relation to its inherent business risk and community benefits.	The performance of the major infrastructure companies was benchmarked against their Australasian peers. Additionally, investment returns from the subsidiaries were compared with expected equity returns derived from independently assessed WACCs. The review noted that some companies continued to be affected by the aftermath of the earthquakes, and hence equity returns were lower than would normally be expected.
CCHL's treasury management policies and practices are consistent with best practice.	CCHL's treasury management policy will be reviewed in the 2014 calendar year.	The treasury policy was reviewed by management late in the 2014 calendar year, and approved by the Board in 2015.

Financial summary – Parent

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	97,468	58,265
Operating and other expenses	28,653	21,177
Operating profit before tax	68,815	37,088
Tax (benefit)	-	-
Net profit for the year	68,815	37,088

The CCHL parent company's profit for the period was higher than forecast, primarily as a result of special dividends received from Orion (CCHL share \$8.9 million) and LPC (CCHL share as part of takeover process \$16.3 million).

Revenue has increased from \$58.3 million in 2014 to \$97.5 million in 2015. The main contributors to this increase were increases in dividends from subsidiaries of \$36 million and finance income of \$3.4 million.

Operating expenses have increased from \$21.2 million in 2014 to \$28.6 million in 2015. The main contributor to this increase was increased finance costs of \$6.8 million.

Group structure and Council Controlled Organisations

Orion New Zealand Ltd

www.oriongroup.co.nz

Orion is an energy network management company in which Council has an 89.3% shareholding through CCHL. Orion owns the electrical contracting business Connetics Ltd. Connetics is a contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers.

Subsidiary companies

- Connetics Ltd

Nature and scope of activities

Orion owns and operates one of the largest electricity distribution networks in New Zealand. The network covers 8,000 square kilometres in central Canterbury between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass.

Key performance targets

Network reliability targets

Overall network - Duration of supply interruptions in minutes per year per connected customer (SAIDI).

Overall network - Number of supply interruptions per year per connected customer (SAIFI).

SAIDI and SAIFI measures are international industry standards which enable assessment of network performance.

Financial summary

Statement of financial performance for the year ended 31 March 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	333,088	269,671
Operating and other expenses	223,043	200,589
Operating profit before tax	110,045	69,082
Tax expense	27,430	18,627
Net profit for the year	82,615	50,455

Orion achieved a net profit of \$82.6 million, \$32.16 million higher than last year.

Revenue has increased from 269.7 million in 2014 to \$333.1 million in 2015. Contributing to this were increases in electricity delivery services of \$28 million, contracting revenue of \$6.3 million, and earthquake insurance claim proceeds of \$29 million.

Expenses have increased from \$200.6 million in 2014 to \$223.0 million in 2015. The main contributor to this movement were increases in transmission expenses of \$8.4 million, depreciation, amortisation and other impairment expenses of \$5.5 million, and other operating expenses of \$5.1 million.

Orion's network delivers electricity to around 190,000 homes and businesses. This number has reduced from pre-earthquake levels because of earthquake related demolitions.

Policies and objectives relating to ownership and control

Orion is considered a regional strategic asset, operating in a commercial manner and in a way that benefits the region as a whole.

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

2015 Target	2015 Actual
3 years average to 31 March 2017: 104	126
3 years average to 31 March 2017: 1.4	1.2

Group structure and Council Controlled Organisations Lyttelton Port Company Ltd

www.lpc.co.nz



LPC was established under the Port Companies Act 1988 operating the Port of Lyttelton. Through CCHL, the Council at 30 June 2015 had a 100% shareholding in the company.

LPC is New Zealand's third-largest deep-water port. It provides a vital link in international trade routes and plays a key role in the global transport network.

Summary of the year's highlights include:

Total container volumes dropped by 1% to 372,019 (TEUs).

Operating revenues dropped by 5% to \$109 million.

Dry bulk imports dropped by 26% to 772,835 tonnes.

Log exports dropped by 10% to 543,814 tonnes.

Vehicle imports increased by 17% to 47,858 units.

Coal exports dropped by 21% to 1,637,482 tonnes.

Nature and scope of activities

LPC is involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipping of a wide range of products; the ownership of land and facilities necessary to maintain LPC's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

Policies and objectives relating to ownership and control

LPC is considered a regional strategic asset and as such the Council's policy is for it to be operated in a commercial manner, but also in a way that benefits the region as a whole.

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

Key performance targets

Because it was a public listed company when performance measures for 2014/15 were set, these have not been published.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	121,298	473,451
Operating and other expenses	91,823	111,497
Operating profit before tax	29,475	361,954
Tax expense	8,901	18,728
Net profit for the year	20,574	343,226

LPC continues to be in a strong financial position with trading being ahead of budget for the year, with improvements in operational performance starting to be realised and the port redevelopment plan moving forward.

Revenue has decreased from \$473.4 million in 2014 to \$121.3 million in 2015. The main contributors to this decrease was the one-off insurance revenue of \$357.6 million recognised in 2014.

Expenses have decreased from \$111.5 million in 2014 to \$91.8 million in 2015. The main contributors to this change was a \$6.7 million decrease in materials and consumables utilised combined with one-off earthquake related costs of \$20.9 million recognised in 2014.

Group structure and Council Controlled Organisations

Christchurch International Airport Ltd

www.christchurch-airport.co.nz

The company is jointly owned by CCHL (75%) and the Crown (25%). The primary activity of the company is to own and operate Christchurch International Airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users and in accordance with the terms of the aerodrome licence which defines standards and conditions laid down by the Ministry of Transport.

Nature and scope of activities

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

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

In addition to its primary business of serving the aviation industry and its customers, the company actively markets Christchurch, Canterbury and the South Island as a major destination for overseas visitors, and develops airport land for retail, commercial and freight logistics businesses.

Policies and objectives relating to ownership and control

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

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

Following are some of the highlights achieved during the year:

- Total passenger movements 5.93 million, up 4.2%. Domestic passenger movements are up 3.3% and international passenger movements are up 7.0%.

Key performance targets

CIAL's key performance objectives and targets include:

- To deliver sustainable growth in revenue and earnings.
- Grow South Island tourism and position CIAL as a shaper of future tourism growth.
- Deliver superior customer service.
- Provide "fit for purpose" infrastructure with the flexibility to meet future growth.
- Operate in a sustainable manner and be recognised as a positive contributor to the community.

	2015 Target	2015 Actual
Aircraft movements (excluding general aviation)	66,713	66,487
Domestic passengers	4,496,110	4,482,026
International passengers	1,408,290	1,446,894

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	177,383	139,880
Operating and other expenses	127,178	116,359
Operating profit before tax	50,205	23,521
Tax expense	10,931	7,827
Net profit for the year	39,274	15,694

Revenue has increased from \$139.9 million in 2014 to \$177.4 million in 2015. The main contributors to this increase were increases in landing and terminal charges (\$20.6 million), rent and lease income (\$2.8 million), gain on disposal of assets (\$4.1 million) and fair value gain/(loss) on investment properties (\$8.8 million).

Expenses have increased from \$116.4 million in 2014 to \$127.2 million in 2015. The main contributors to this increase were investment property development costs (\$6.5 million) and professional services and levies (\$1.5 million).

Group structure and Council Controlled Organisations

City Care Ltd

www.citycare.co.nz



City Care is a CCTO, 100% owned by Council through CCHL.

Nature and scope of activities

City Care is in the business of constructing, maintaining and managing infrastructure and property assets. The company's main service offerings are as follows:

- Constructing and maintaining property buildings and facilities for central and local government and for private asset owners and developers.
- Maintaining parks infrastructure, predominately for local authorities.
- Constructing and maintaining road networks and associated civil assets for both central and local

authorities and for private asset owners and developers.

- Constructing and maintaining water and wastewater infrastructure predominately for local authorities.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. The company has an important role in the City as a quality contractor. Through the negotiation of an annual SOI, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

Performance measure

Maintain current client satisfaction through annual survey

2015 Target
Maintain

2015 Actual
The absolute measure of client satisfaction declined during the year. Although statistically there is no change between 2014 and 2015 due to sample sizes at 95% confidence level, we take any measure of decline seriously. The outcomes from a recently completed in-depth brand study across our total client base are now being actioned at all levels of management to improve our performance in this most important level.

Accreditation of:
ISO 14001 Environment Management, ISO 9001 Quality Management, NZS 4801 Health and Safety Management and ISO 14064 Greenhouse Gas Reporting.

Maintained Maintained

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	333,545	350,804
Operating and other expenses	319,289	332,856
Operating profit before tax	14,256	17,948
Tax expense	4,031	5,056
Net profit for the year	10,225	12,892

Operating revenue was slightly down in 2015 with \$333.5 million compared to \$350.8 million in 2014. The main contributor to the revenue movement between the two years was a decrease of \$37 million in revenue from rendering of services offset by an increase in construction contract revenue of \$19.9 million.

Overall expenses have decreased \$13.6 million from 2014 to 2015. The significant contributors to this movement were decreases in subcontractor costs of \$10.4 million and other expenses of \$11.6 million offset by an increase in employee benefits expense of \$8.6 million.

Group structure and Council Controlled Organisations

Enable Services Ltd

www.enablenetworks.co.nz

This company is a CCTO, 100% owned by CCHL and trades as Enable Networks.

Associate companies

Enable Networks Limited

Nature and scope of activities

ESL commenced operations in January 2007 to deliver open access high-speed fibre optic networks to metropolitan Christchurch, changing its name in October 2011.

In May 2011, the Crown awarded ESL the UFB contract covering 180,000 businesses and homes in Christchurch and the surrounding areas. This once-in-50-year infrastructure initiative will see an investment in partnership with the Crown of \$440 million over the next 10 years and will contribute significantly to economic growth in Christchurch.

Policies and objectives relating to ownership and control

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

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

Key performance targets

	2015 Target	2015 Actual
Revenue	\$58.4 million.	\$74.4 million.
Number of premises passed (cumulative).	63,732.	67,501. The Network Delivery Alliance continued to improve its build productivity rate and quality of deployment throughout the year. Improvements in productivity across the build resulting in 15% more premises than targeted being delivered by year end. Kilometres built per utility strike being well above target is a reflection of the improvements in build quality throughout the year.
Aggregate demand from schools in order to assist in the transformation of educational services.	107.	104.

Financial summary**Statement of financial performance for the year ended 30 June 2015**

	2015 Actual \$000	2014 Actual \$000
Operating revenue	76,117	64,439
Operating and other expenses	88,729	72,805
Operating (loss) before tax	(12,612)	(8,366)
Tax (benefit) expense	(2,617)	(897)
Net (loss) for the year	(9,995)	(7,469)

ESL's 2015 financial performance continues to reflect a dual role in the delivery of fibre broadband to greater Christchurch – investment in ENL as it grows, and network build and operation services provider to ENL.

ESL's revenue grew ahead of target, with an increase of \$11.7 million to \$76.1 million. The majority of this revenue came directly from the ENL network build and operational contracts. The net loss increased – as it has year-on-year since the fibre broadband roll-out began – to \$10 million. Increases in net loss early in the investment in fibre broadband are expected, before these begin to taper and the business moves towards a NPAT-positive position in the next five years.

Group structure and Council Controlled Organisations

EcoCentral Ltd

www.ecocentral.co.nz



EcoCentral is a CCTO, 100% owned by CCHL.

EcoCentral oversees the processing of refuse and recycling collections of waste from households and commercial premises throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finds ways to ensure Christchurch is a leader in recycling.

a recycling centre, household hazardous waste drop off area and a refuse area for general waste, green waste and hardfill.

- EcoShop, on Blenheim Road, is the retail outlet for the recycled goods rescued from the EcoDrop transfer stations, thereby diverting material from landfill.

Nature and scope of Activities

EcoCentral manages:

- EcoSort, a large facility that receives all the 'Yellow Bin' recycling from Christchurch and surrounding areas where it is automatically sorted, baled and sold as reclaimed material. Material is sold either domestically or internationally to be made into new products.
- EcoDrop, three transfer stations for managing Christchurch's recycling and refuse for both domestic and commercial waste. Each station has

Policies and objectives relating to ownership and control

Following purchase from the Council in January 2011, CCHL is now the sole shareholder of this company. The company has an important role in the City as a quality handler and processor of recycled material. Through the negotiation of an annual SOI, the Council, via its 100% ownership of CCHL, establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

	2015 Target	2015 Actual
Residual waste from the EcoSort recycling facility.	8% of total waste received.	10.81%.
Eco Drop – Recovered tonnes for resale.	1,500 tonnes.	1,690 tonnes.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	38,905	35,717
Operating and other expenses	36,017	34,446
Operating profit (loss)	2,888	1,271
Tax expense (benefit)	919	380
Net profit (loss) for the year	1,969	891

Operating revenue increased from \$35.7 million in 2014 to \$38.9 million in 2015. This movement was almost entirely due to the increase in service rendering revenue during the year of \$3 million.

Operating expenses increased from \$34.4 million in 2014 to \$36.0 million in 2015. The principal driver of the increase related to other operating expenditure which increased by \$1.5 million in 2015.

Group structure and Council Controlled Organisations

Red Bus Ltd

www.redbus.co.nz

Red Bus is a CCTO, 100% owned by CCHL. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

Red Bus operates a large passenger transport business in Canterbury with approximately 230 employees and 132 buses. The urban public transport services provided by Red Bus are predominantly operated under contract to ECan, the planner and regulator for Canterbury public transport. The company also operates high quality charter services and commercial urban services that are not ratepayer subsidised.

Nature and scope of activities

Red Bus provides scheduled urban public passenger transport services in Christchurch. The company also delivers a broad base of charter services and operates some commercial urban services.

Key performance targets

Number of urban passengers.

Percentage of service trips starting on time.

Percentage of bus fleet with Euro 2 or higher emission compliant engines.

Drivers holding a NZQA qualification.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. Through the negotiation of an annual SOI, the Council establishes broad parameters for this company without inhibiting proper commercial management.

	2015 Target	2015 Actual
Number of urban passengers.	≥3.5 million.	3.8 million.
Percentage of service trips starting on time.	≥ 97%.	97%.
Percentage of bus fleet with Euro 2 or higher emission compliant engines.	≥ 85%.	94%.
Drivers holding a NZQA qualification.	> 55% of drivers.	55%.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	18,291	17,408
Operating and other expenses	18,266	18,261
Operating (loss) profit before tax	25	(853)
Tax (benefit)	7	(237)
Net (loss) profit for the year	18	(616)

Red Bus made an after tax profit of \$18,000. Although this is a small profit it is a significant improvement on the \$0.62 million loss in 2014.

Revenue increased from \$17.3 million last year to \$18.3 million this year mainly the result of contract renegotiation with ECan, additional revenue from Red Travel and leasing of surplus depot space

Expenses remained similar to the 2014 level.

Group structure and Council Controlled Organisations
Vbase Ltd

www.vbase.co.nz



Vbase is a 100% subsidiary of the Council. The Council has entrusted Vbase with ownership and management of the three premier entertainment and event venues – Lancaster Park (formerly AMI Stadium), Christchurch Town Hall for Performing Arts and Horncastle Arena (formerly CBS Canterbury Arena).

- Horncastle Arena (owned and managed);
- AMI Stadium Addington (managed);
- Wigram Air Force Museum (managed);
- Ilex Café and Functions Botanic Gardens (managed); and
- Hagley Cricket Oval Pavilion (managed).

Nature and scope of activities

While the 2011 earthquakes have led to the demolition and or closure of all but Horncastle Arena, the company has secured various management agreements post earthquake to operate alternative/temporary sporting, event space and convention venues. The current list of Vbase venues are:

Policies and objectives relating to ownership and control

Through the SOI, the Council establishes broad parameters reflecting the public benefits which the Vbase operations facilitate.

Key performance targets

Objective and Strategy	Performance Measure 2015	Result 2015
Great Stages – Vbase will tailor a great stage for any event: <ul style="list-style-type: none"> • Maximise the number of events at Horncastle Arena. • Maximise the number of event days at Horncastle Arena. 	At least 90 events are delivered at Horncastle Arena. At least 54% of available event days utilised at Horncastle Arena.	91 events. Target achieved. 51% utilisation for the year to 30 June 2015. Repair work in January and February adversely impacted the Arena availability. Not achieved.
Great Hosting - Guest satisfaction with events delivered at Vbase venues (client satisfaction survey).	Achieve greater than 80% satisfaction during year.	Of the survey respondents an average 91% client satisfaction level has been achieved with a survey response rate of 18%. Target achieved and exceeded.
Secure events that will encourage high usage of the venues.	At least 250,000 visitors at Horncastle Arena.	308,570 visitors for the year. The target was exceeded due to a large amount of popular entertainers performing at the Arena during the summer months. Target achieved and exceeded.
Facilitate access to the venues for local sporting, charitable and cultural organisations.	Total venue discounts exceed \$300,000.	Vbase provided a total of \$444,156 venue discounts during the year for organisations meeting the criteria. Target achieved.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	28,397	22,561
Operating and other expenses	57,490	65,953
Operating profit (loss) before tax	(29,093)	(43,392)
Tax (benefit) expense	(1,091)	(4,401)
Net (loss) profit for the period	(28,002)	(38,991)

Revenue increased \$5.8 million from \$22.6 million in 2014 to \$28.4 million in 2015. The main contributors to this increase were the addition of the Hagley Oval Pavilion to the Vbase portfolio during the year and a \$1.3 million property, plant and equipment impairment reversal in 2015. Across all venues service revenue increased by \$10.7 million over that of 2014. The 2014 operating revenue included one-off insurance revenue of \$5.7 million.

Expenses decreased by \$8.5 million to \$57.5 million in 2015. This is mainly due to reductions in property, plant and equipment impairment and the changes in fair value of insurance receivables in 2015 compared to 2014. These were offset by an increase in operating expenses, the main contributor being \$4.9 million associated with the Hagley Oval Pavilion and the hosting of the 2015 Cricket World Cup.

Group structure and Council Controlled Organisations Civic Building Ltd

CBL is a CCTO, 100% owned by the Council. The company was incorporated on 12 October 2007 and amalgamated with its wholly owned subsidiary Tuam 2 Limited on 30 June 2009.

Nature and scope of activities

CBL owns a 50% interest of the Christchurch Civic Building Joint Venture with Ngai Tahu Property (CCC-JV) Limited. The joint venture owns the new civic building in Hereford Street.

Policies and objectives relating to ownership and control

Through a SOI, the Council established broad parameters around the design and refurbishment milestones, and management of the financial targets.

Key performance targets

	2015 Target	2015 Actual
Meet the financial targets contained within the SOI.	Budgeted key performance indicators are met or exceeded.	No debt repayment was made however, lease income was met and all other performance indicators were met or exceeded.
Manage the investment in a commercially astute and prudent manner.	Ensure the civic building is managed in accordance with the management agreement.	The building is being managed in accordance with the management agreement.
The civic building was designed to achieve a high standard in terms of environmental and energy sustainability.	Ensure the civic building operates in a manner that preserves 6 Green Star accreditation features.	Council facilities management team considers that the building is operating in a manner consistent with a 6 star facility.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	4,952	5,066
Operating and other expenses	6,399	6,488
Operating (loss) profit before tax	(1,447)	(1,422)
Tax (benefit)	(279)	(562)
Net (loss) profit for the year	(1,168)	(860)

Both revenue and expenses remained at similar level to 2014. The increased net loss in 2015 is mainly the result of a lower tax benefit.

Group structure and Council Controlled Organisations Tuam Ltd

Tuam is a CCTO, 100% owned by the Council.

Nature and scope of activities

This company formerly owned the old civic building and related Tuam Street properties which were sold to the CCDU during 2014. Tuam is now reviewing its long term strategies which will be consistent with Council's strategies and plans.

Policies and objectives relating to ownership and control

Through an SOI, the Council established broad parameters reflecting the public nature of this company without inhibiting commercial management. To continue to do this the Council maintains a controlling interest in this company.

Key performance targets

	2015 Target	2015 Actual
The company will distribute capital to Council.	The company will maximise its capital distribution to Council.	No returns of capital have taken place.
The company meets all relevant legislative and contractual requirements.	No breach of legislative or contractual requirements are recorded.	There have been no breaches recorded.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	(203)	14,422
Operating and other expenses	108	200
Operating profit before tax	(311)	14,222
Tax (benefit)	(7)	393
Net profit for the year	(304)	13,829

Revenue is impacted in both years as a result of significant one-off items. The 2015 negative revenue amount related to an adjustment to insurance recoveries. The 2014 revenue amount of \$14.2 million includes a \$14.2 million gain on disposal of the Tuam Street investment properties.

Operating expenses remained at a similar level to 2014.

Group structure and Council Controlled Organisations Canterbury Development Corporation Holdings Ltd

www.cdc.org.nz

CDCH is 100% owned by Council. It was incorporated on 4 May 2012 as CCC Four Limited and on 1 July 2012 it acquired full ownership of Canterbury Development Corporation (CDC).

CDC was set up as a limited liability trust company by Council on 5 December 1983. In 2003 the CDC Trust was settled by Council as the shareholder of CDC Limited. This charitable trust was subsequently found to be invalid by the High Court so ownership of CDC was transferred to CDCH.

Subsidiary and associate entities

As part of delivering against its objective to develop the economy, CDC has been instrumental in the establishment of a number of entities and is the sole shareholder of Canterbury Regional Innovation System Limited (CRIS). New Zealand Food Innovation (SI) Limited is a fully owned subsidiary of CRIS and forms part of a National Network that attracts significant funding from the MBIE.

CDC is also a Joint Venture partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partner Limited, a regional vehicle funded by the MBIE to drive increased capability in the small to medium entity sector; and the Canterbury Business Recovery Group Ltd, founded following the 2010 and 2011 earthquakes to support small

businesses through their recovery from events subsequent to the earthquakes.

Nature and scope of activities

- CDC provides economic development leadership for Christchurch.
- CDC maintains Centres of Expertise in Economic Research, Workforce and Infrastructure.
- CDC initiates and/or implements priority economic development projects identified through Christchurch Economic Development Strategy (CEDS).
- CDC leads the CRIS.
- CDC facilitates the development of key sectors and specific high growth potential businesses within these sectors to achieve national and local government growth agendas.
- CDC works to optimise the long term benefits of the significant investment in the city rebuild.

Policies and objectives relating to ownership and control

The Council is the sole shareholder of CDCH. CDCH has an important role in the City by being responsible for the development and stewardship of the CEDS. Through the negotiation of an annual SOI, the Council establishes broad parameters for CDCH without inhibiting proper commercial management.

Key Performance Targets

Outcome	Activity	2015 Target	2015 Actual
Decision making that supports our economic future is enabled.	Knowledge & information is shared, progress & issues are communicated.	4 quarterly updates.	Achieved
CDC and other lead agencies are engaged in delivering projects that support the CEDS vision.	CEDS is re-endorsed by council.	Achieved.	Achieved
	CEDS projects are completed, reviewed & closed out as appropriate.	10.	Achieved
	New CEDS projects are scoped & commenced.	2.	Achieved
Businesses in Christchurch have access to support services.	Business mentoring services are provided to local companies & organisations.	600.	Achieved
Resources are available to early stage businesses.	Investment funds are available to powerHouse ventures (CRIS Ltd).	The CRIS fund is recapitalised.	Achieved

Financial Summary

Statement of financial performance for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	7,330	6,845
Operating and other expenses	7,186	6,466
Operating profit before tax	<u>144</u>	<u>379</u>
Tax expense	(24)	48
Net profit for the year	<u><u>168</u></u>	<u><u>331</u></u>

Both revenue and expenses have increased slightly from 2014. The increase in revenue mainly related to an increase in other funding.

Group structure and Council Controlled Organisations

Riccarton Bush Trust

www.riccartonhouse.co.nz

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains.

Incorporated under a 1914 Act of Parliament, a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012 give the Riccarton Bush Trust the power to negotiate with the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds. The Council appoints five of the eight members on the Trust Board.

Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Key performance targets

Performance measures	Target 2015	Actual 2015
Management Plan for Riccarton House and Bush as required by the new amendment to the Riccarton Bush Act.	Draft Management Plan available for public consultation by June 2015.	A final draft of the management plan was approved at the 22 July 2015 Board meeting, and is expected to be available for public consultation in August 2015. Target will be achieved, but later than planned.
Replace downstairs carpet in Riccarton House using Asset Renewal Fund monies.	Downstairs carpet replaced by June 2015.	No work to date. The state of the carpet is not as bad as was previously thought and does not need replacing. This situation will continue to be monitored. Target not achieved.
Review catering licence outcomes mid-term.	Catering licence reviewed by December 2014.	The catering licence was reviewed in February 2015. A new catering licence was being drafted as at 30 June 2015. Target achieved, but later than planned.
That the Trust use its best endeavours in developing with the Council, an agreed option for the Council's proposed Uni Cycle Route through the Riccarton Bush site as a matter of priority.	Agreement reached on the Uni Cycle Route through the Riccarton Bush site prior to 30 June 2015.	An agreed option has been developed following meetings between the Trust and the Council, facilitated by the Trust's Cycleway Working Party. An access agreement between the Trust and the Council was signed on 8 July 2015. Target will be achieved, but later than planned.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	604	1,068
Operating and other expenses	572	1,769
Operating (loss) profit before tax	<u>32</u>	<u>(701)</u>
Net (loss) profit for the year	<u><u>32</u></u>	<u><u>(701)</u></u>

Revenue decreased by \$0.5 million from 2014. This was mainly due to a one-off gain on reversal of impairment in 2014.

Expenses decreased by \$1.2 million from 2014, which was also due to one off expense items in 2014 for earthquake related repairs.

Group structure and Council Controlled Organisations

The World Buskers' Festival Trust

www.worldbuskersfestival.com

The World Buskers' Festival Trust is a charitable trust established by the Council on 1 July 2010. The primary purpose of the Trust is to hold an annual international buskers festival in Christchurch and apply surplus funds generated by the festival towards promoting street theatre as a performing art in New Zealand.

Nature and scope of activities

The Trust is established for charitable objectives that include the following:

- Holding an annual buskers festival in Christchurch.
- Fostering the growth of street theatre as a performing art in New Zealand.

- Encouraging the participation of the wider community as audiences and performers in street theatre as a recreational activity.
- Increasing the importance of street theatre as part of our cultural community.
- Furthering the objects and activities of the Trust.
- Generating capital and income to further the aims and objects of the Trust.
- Working in conjunction with other groups, bodies and organisations having aims and objects in common with the Trust.

Key performance targets

	2015 Target	2015 Actual
Visitor attendance.	Attract at least 250,000 visits.	245,000 visits. Slightly less than target due to 1 rain day.
Customer satisfaction.	90% of visitors are satisfied with the festival (independent research on a three year cycle) reviewed in 2015.	96 % of customers rated the event as very good or good overall.
Festival development.	Festival business plan to include succession planning for key roles to reduce risk of non-performance. Any surplus generated to be for future festival development.	Business plan includes KPIs and performance reviews for all management staff (Festival Director, Producer, Sponsorship and Development Manager). 2015 Festival surplus are planned to be used towards office set up expenses, development of buskers road show and workshop/education development.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual	2014 Actual
	\$000	\$000
Operating revenue	1,180	1,450
Operating and other expenses	1,131	1,484
Operating profit	49	(34)
Net profit for the year	49	(34)

WBFT made a small profit of \$49,000 in 2015 compared to a small loss of \$34,000 in 2014.

Operating revenue and expenses are slightly down from 2014. The reduction in expenses was the result of a smaller buskers pack and a review of festival expenses.

Group structure and Council Controlled Organisations

Rod Donald Banks Peninsula Trust

www.rodtonaldtrust.co.nz

The Rod Donald Banks Peninsula Trust is a charitable trust and was created by the Council on 12 July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region. The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

Nature and scope of activities

The Trust recognises the community as being of critical importance to the achievement of its Charitable Objects and focuses its efforts on engaging with groups and projects which have similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups and projects in the pursuit of their common goals. The Trust's hallmark is entrepreneurship and practical achievement, values important to Rod Donald, and it uses its funds to assist individual groups and projects to achieve goals that they cannot otherwise achieve on their own.

Key performance targets

2015 Target

2015 Actual

Inform the public and relevant interest groups about on-going activities and progress of the Trust.

Send a newsletter at least once per year to people who have registered on the Trust website.

Achieved

In March the Trust's annual newsletter Storehouse Stories was sent out to those who had registered interest on the Trust's website and to contacts and organisations the Trust works with.

Send press releases to local media when significant events have occurred.

Achieved

Press releases were sent to and published in the Akaroa Mail newspaper in September 2014 announcing the appointment of Bob Webster and Brian Patrick as Trustees and the purchase of the new hut; March 2015 . announcing Garry Moore's decision to step down, the retirement of Claudia Reid and Nuk Korako at the end of the year, highlighting that the Trust was seeking expressions of interest in new Trustees and describing a number of the Trust's projects.

Provide tangible support for the key projects and leadership building the Access pillar

Keep the comprehensive inventory and map of walks up to date and keep visitor centres supplied with information.

Akaora Village Walks brochure updated and reprinted in October, Akaroa Country Walks brochure updated and reprinted in February. The Banks Peninsula Walks Overview book containing the inventory was updated and reprinted in October 2014, February 2015, and April 2015.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	142	178
Operating and other expenses	355	157
Operating (loss) profit	(213)	21
Net (loss) profit for the year	(213)	21

Operating revenue decreased by \$36,000 from 2014. The main contributors to this change were a \$29,000 decrease in interest revenue and a \$9,000 decrease on reversal of loan discount.

Expenses increased by \$198,000 from 2014. The main contributors to this increase were \$160,000 increase in grants expense and \$41,000 increase in professional fees.

Group structure and Council Controlled Organisations Christchurch Agency for Energy Trust



CAfE is a charitable trust established by the Council on 13 July 2010. The primary purpose of the Trust is to promote energy efficiency initiatives and the use of renewable energy in Christchurch.

Nature and scope of activities

In order to pursue its charitable objects CAfE has committed to support the uptake of renewable energy and enhanced energy-efficiency in rebuild projects. It is currently undertaking:

- The provision of the Christchurch Energy Grant Scheme, which aligns with the Climate Smart and Sustainable Energy Strategies of Council. The scheme provides a grant for plant purchase and

installation for renewable energy initiatives, district energy scheme and energy efficiency measures that go well beyond the building code minimum in new and/or renovated buildings. To be eligible projects must be located in the Central City and have a combined floor area greater than 1,000m².

- The provision of Energy First grants in conjunction with the Energy Efficiency and Conservation Authority (EECA). These are provided within the existing EECA and Council Target Sustainability programmes. CAfE provides additional project funding where the EECA national programme does not currently support a grant.

Key performance targets

	2015 Target	2015 Actual
Christchurch Energy Grants Scheme.	Allocating at least \$400,000 in incentive grants for initiatives within the Central City through the Christchurch Energy Grants Scheme.	Five applications were received and approved. Total grant allocated of \$1,228,200.
EECA plus CAfE EnergyFirst Project.	At least 40 EnergyFirst applications received.	40 EnergyFirst applications received for 2014/15 financial year.
	At least 40 EnergyFirst design reports completed.	43 reports completed.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	490	612
Operating and other expense	61	285
Operating profit	429	327
Net profit for the year	429	327

Both revenue and expenses remained at a similar level to 2014.

The decrease in revenue related to slight decreases in appointer contributions, Council project contributions, and EECA subsidy.

The change in expenses is due to a decrease in project costs of \$0.05 million and energy first grants of \$0.1 million.

Group structure and Council Controlled Organisations Transwaste Canterbury Ltd



Transwaste was incorporated on 31 March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened on 8 June 2005. Transwaste is a joint venture between local authorities in the region and Waste Management NZ Limited, with Council owning 38.9 per cent.

Nature and scope of activities

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

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

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

Policies and objectives relating to ownership and control

It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest in residual waste disposal activities.

Key performance targets

	2015 Target	2015 Actual
No proven breaches of Resource Management Act consents.	Nil proven consent breaches.	ECan responded to a number of the Kate Valley odour complaints lodged on their pollution hotline, but were unable to substantiate them. ECan conducted audits on three of the Transwaste resource consents, and noted two non-compliances. One of these required no action and related to a Peer Review Panel recommendation to have the rehabilitation plan reviewed. The second related to a planned variation to a condition on groundwater sample trigger levels. The non-compliance required an action to lodge the variation "in a reasonable time". This has been done and includes a number of other variations.
Reliability of access to the Kate Valley landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Achieved. The landfill was closed due to high wind or snow on 13 days for 44.5 hours in total, representing 99.1% performance.
Reliability of access to the BRRP facilities.	BRRP is available to demolition contract transporters for more than 99% of normal annual transport access hours.	Achieved. No disruption of waste transport services occurred.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015	2014
	Actual	Actual
	\$000	\$000
Operating revenue	70,596	57,957
Operating and other expenses	34,346	29,624
Operating profit before tax	36,250	28,333
Tax expense	10,150	8,035
Net profit for the year	26,100	20,298

Revenue increased by \$12.6 million from \$58 million in 2014 to \$70.1 million in 2015.

Expenses increased by \$3.8 million from \$29.6 million in 2014 to \$33.5 million in 2015. The contributors for this increase were increases in depreciation and amortisation of \$1.7 million and landfill and facilities operating expenses of \$2.0 million.

Group structure and Council Controlled Organisations Gardens Event Trust

The Gardens Event Trust is a Charitable Trust established by the Council on 18 December 2008. The primary purpose of the Trust is to raise the community's awareness of the benefits of good horticultural, floricultural and landscape construction and design practices and encourage active participation in these practices across all cultures and age groups. The Trust has been dormant in 2014/15.

Nature and scope of activities:

In order to pursue its Charitable Objects the Trust focuses on the following activities:

- Fostering, promoting and increasing the knowledge of the public as to horticulture, floriculture, landscape construction, landscape design and cuisine.
- Providing support for schools of learning and establishing scholarships and prizes in areas of horticulture, floriculture, landscape design and construction.
- Promoting gardening as a leisure activity across all cultures, genders and age groups in New Zealand.
- Promoting and maintaining the health and safety of the public or any section of the public.

Financial summary

Statement of financial performance for the year ended 30 June 2015

	2015 Actual \$000	2014 Actual \$000
Operating revenue	-	124
Operating and other expenses	-	124
Operating profit (loss)	-	-
Net profit (loss) for the year	-	-

Group structure and Council Controlled Organisations Central Plains Water Trust

www.cpw.org.nz



The Central Plains Water Trust (CPWT) was established by the Christchurch City and Selwyn District Councils to facilitate sustainable development of Central Canterbury's water resource.

Trustees of the CPWT were appointed by the two Councils to reflect a broad range of skills and experience in areas such as governance, agriculture, engineering, commerce and resource management. Some Trustee appointments were made following recommendations from the Parliamentary Commissioner for the Environment and Te Runanga O Ngāi Tahu.

The resource consent process has taken over 11 years with the 'take' consents for the Rakaia and Waimakariri Rivers having been lodged in 2001. Since this date there has been a lengthy hearing and appeal mediation process resulting in the Rakaia consent being extended by 10 years to 35 years which now makes it consistent with the Waimakariri term.

Central Plains Water Limited (CPWL), with assistance from the Trust, has successfully negotiated and settled with all appellants and a final memorandum was filed in the Environment Court so that it could issue the final consents. As part of the settlement process the Trust agreed to an agreement made with Ngāi Tahu for additional Ngāi Tahu representation on the Trust Board, and the settler councils have now endorsed this.

The final resource consents were issued by the Environment Court on 25 July 2012.

In April 2014, a significant milestone was achieved with the commencement of the construction of Stage 1 of the CPWL Scheme. Following this, the Trust's priority is now focused on reviewing the funding arrangements to continue in assisting CPWL in the construction of the scheme and monitor CPWL's activities especially compliance with the Water Use Agreements.

Nature and scope of activities

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

Policies and objectives relating to ownership and control

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

Key performance targets

2015

Performance indicators

Develop methods to effectively monitor the performance of CPWL in constructing, commissioning and operating the Scheme, and communicate the results to the public.

To consult, and develop scheme recreational opportunities for the headrace canal and its margins and establish and support the Environmental Management Fund (EMF).

To establish and support the Community Liaison Group in its ongoing functions.

2015

Actual

The Trust has monitored progress with regard to the various resource consent applications, funding and other priority matters through regular reports, briefings and meetings between the company, the Trust, project management and consultants.

The Trust has also monitored legal matters undertaken by the company and where necessary has obtained independent legal advice. It has obtained and recorded copies of all agreements in relation to the Scheme which concern the Trust and the consent process and in relation to legal proceedings and settlements, and of other relevant documentation to which it is entitled. The Trust is currently establishing a new website so that its annual Environmental Scheme Performance Report can be effectively published for public information and comment. This will become operational during the 2015 – 2016 year.

Strategic plan implementation. Two EMFs are included in the resource consent conditions, as a result of the settlement agreement with Ngāi Tahu. One specifically deals with Te Waihora, and the other with all of the other purposes of the EMF within the scheme area. Ngāi Tahu manages and applies the funds required for Te Waihora. The Trust established a committee required for the wider area, which decides how the Fund is spent. Plans for the use of the headrace canal and its margins for recreational use have been developed and implemented during the year.

The Community Liaison Group was established in December 2013 and is being supported as required.

**2015
Performance indicators**

The Trustees' will prepare an annual budget and will report the financial results.

**2015
Actual**

Achieved. Financial statements were provided to the settlers for the quarters ending 30 September, 31 December, 31 March and 30 June.

[Financial summary](#)

Statement of financial performance for the year ended 30 June 2015

Both revenue and expenses are slightly decreased from 2014. The main contributor these movement was a reduction in legal expenses. The reduction in cost was then reflected in a reduction in revenue as the costs are fully funded.

	2015 Actual \$000	2014 Actual \$000
Operating revenue	53	80
Operating and other expenses	53	80
Operating profit (loss) before tax	-	-
Tax expense (benefit)	-	-
Net profit (loss) for the year	-	-

Group structure and Council Controlled Organisations Canterbury Economic Development Co. Ltd

Canterbury Economic Development Co. Ltd (CED Co) was formed in October 2008 by the ten Canterbury local and regional authorities. The core purpose and mission of the company is to act as a promoter for transformational economic development projects that will benefit Canterbury and to utilise the Canterbury Regional Economic Development Strategy (CREDS) to co-ordinate strategic economic development initiatives.

Nature and scope of activities

CED Co will act as a liaison with Central Government regarding economic development on behalf of the councils and community of Canterbury. Its objectives are to:

- Receive, review and select the most appropriate projects for funding application for the Regional Strategy Fund.
- Act as the clearing house of correspondence between projects and the Ministry of Economic Development (MED) and New Zealand Trade and Enterprise (NZTE).

- Provide feedback regarding project proposals.
- Communicate shifts and changes in MED/NZTE policy to the regional economic development role players.
- Provide a governance and leadership entity to stimulate collaborative efforts to transform the Canterbury economy.
- Drive the review of the CREDS.
- Stimulate regional collaboration.
- Support medium to long term strategic planning to lift regional economic development outcomes – such as increased competitiveness.

CED Co remained dormant throughout the financial year to 30 June 2015. Participating Councils have been formally asked to provide their opinions on how best to use the Company going forward. In addition discussions will be held at upcoming Council Chief Executives forums on the possibility of utilising the Company as a possible shared service mechanism for the Canterbury area.

Monitoring

This section contains information about the Council's reserve and trust funds including the capital endowment fund and includes a directors listing for subsidiary companies.

Monitoring Reserves and Trust Funds

The Council maintains a number of special reserves and trust funds which have a specific purpose.

The table below shows the movement in the funds for the year to 30 June 2015:

Reserve	Activities to which the reserve relates to	Balance 1 July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2015 \$000
Trusts and bequests					
ChCh Earthquake Mayoral Relief Fund	Bequests made for Mayoral Earthquake Relief Fund.	2,228	126	(1,630)	724
Earthquake Memorial	Bequests made towards Earthquake Memorial.	1,077	(77)	(1,000)	-
Housing Trusts & bequests	Bequests made for the provision of social housing.	418	15	-	433
Cemetery bequests	Various bequests made for the maintenance of cemeteries.	62	2	-	64
CS Thomas Trust - Mona Vale	Funds set aside for restoration work at Mona Vale.	35	1	-	36
Woolston Park Amateur Swim Club (WPASC)	Scholarship programme including an Annual Talented Swimmer Scholarship and an Annual Potential Swimmer Scholarship utilising the former Woolston Park Amateur Swimming Club monies gifted to the Council.	26	1	(5)	22
Parklands Tennis Club	Residual funds passed to the Council from the windup of the Parklands Tennis Club.	18	1	-	19
19th Battalion Bequest	Funds passed to the Council by the 19th Battalion and Armoured Regiment to help fund the maintenance of the 19th Battalion and Armoured Regiment Memorial area.	7	-	-	7
Yaldhurst Hall Crawford Memorial	Funds left by Mr Crawford for capital improvements to the Hall.	10	-	-	10
Sign of Kiwi Restoration Fund	Funds set aside for restoration work at the Sign of the Kiwi.	4	-	-	4
Fendalton Library Equipment Bequest	Bequest made to fund equipment at the Fendalton Library.	3	-	-	3
Art Gallery Trusts & Bequests	Bill Sutton expressed a desire that any proceeds and benefits from any copyright fees that might be charged and accrue be utilised for the acquisition and advancement of Canterbury Art.	1	-	-	1
Mayor's Welfare Fund	Bequests made for Mayor's Welfare Fund intended to provide assistance to families and individuals in the community who are in extreme financial distress.	940	69	-	1,009
		4,829	138	(2,635)	2,332

Reserve	Activities to which the reserve relates to	Balance 1 July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2015 \$000
Special Funds & Reserves					
Earthquake Recovery Fund	To hold and apply funds and recoveries received for the earthquake recovery and rebuild.	20,117	122,667	(142,784)	-
Capital Endowment Fund	An inflation protected fund that generates an ongoing income stream which is applied to economic development and civic and community projects.	104,907	5,061	(8,836)	101,132
Capital Endowment Fund 2	Invested in the Endeavour I-Cap Fund to fulfil the requirements of the main Capital Endowment fund that a proportion of that fund be invested locally.	1,867	-	(777)	1,090
Housing Development Fund	A fund used for funding the Council's Social Housing activity.	36,282	15,499	(3,816)	47,965
Wairewa Reserve 3185	To enable drainage works relative to Lake Forsyth	289	10		299
Wairewa Reserve 3586	To enable letting out Lake Forsyth into the sea in times of flood	85	3		88
Development & Financial Contributions - Reserves	Development and financial contributions held for growth related capital expenditure.	19,288	1,860	(10,407)	10,741
Development & Financial Contributions - Leisure	Development and financial contributions held for growth related capital expenditure.	-	945	(945)	-
Development & Financial Contributions - Roading	Development and financial contributions held for growth related capital expenditure.	11	4957	(4,944)	24
Development & Financial Contributions - Water supply	Development and financial contributions held for capital expenditure.	-	4,299	(4,299)	-
Development & Financial Contributions - Waste water	Development and financial contributions held for capital expenditure.	-	13,635	(13,635)	-
Development & Financial Contributions - Storm water	Development and financial contributions held for capital expenditure.	1,732	3,739	(3,146)	2,325
Development & Financial Contributions - Libraries	Development and financial contributions held for capital expenditure.	441	428	(501)	368
Development & Financial Contributions - Cemeteries	Development and financial contributions held for capital expenditure.		142	(142)	-
Historic Buildings Fund	To provide for the purchase by Council of listed heritage buildings threatened with demolition, with the intention of reselling the building with a heritage covenant attached.	1,162	27	-	1,189
Community Loans Fund	Fund used to help community organisations carry out capital projects by lending funds at low interest rates.	2,763	101	-	2,864
Dog Control Account	Statutory requirement to set aside any Dog Control surpluses.	1,583	2,355	(2,986)	952
Non Conforming Uses Fund	To enable Council to purchase properties containing non-conforming uses causing nuisance to surrounding residential areas and inhibiting investment and redevelopment for residential purposes.	1,663	59	-	1,722

Monitoring - Reserves and Trust Funds

Reserve	Activities to which the reserve relates to	Balance 1 July 2014 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2015 \$000
Special Funds & Reserves (continued)					
Income Equalisation Fund	To hold funding for approved operational projects that have been delayed.	420	-	(420)	-
Conferences Bridging Loan Fund	To provide bridging finance to organisers to allow them to promote, market and prepare initial requirements for major events and conferences, repaid by first call on registrations.	510	-	-	510
Cash in Lieu of parking	To hold contributions from property developers in lieu of providing parking spaces. Used to develop parking facilities.	571	20	-	591
Loan Repayment Reserve	Fund used for facilitating repayment of rate funded loans.	-	10,346	(10,346)	-
Sandilands Contaminated Sites Remediation	Fund used for remediation work at Social Housing sites.	254	-	-	254
Businesscare - Commerical Waste Minimisation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill by 2020.	68	-	-	68
Burwood Landfill Cell A Remediation	Fund used for investments in initiatives that assist in the achievement of the Council's goal of zero waste to landfill by 2020.	133	76	-	209
Bertelsman Prize	Fund for the provision of in-house training programmes for elected members and staff which have an emphasis on improving excellence within the Council.	20	-	-	20
WD Community Awards Fund	To provide an annual income for assisting in the study, research, or skill development of residents of the former Waimairi District (within criteria related to the Award).	21	1	-	22
Miscellaneous reserves	Minor or obsolete reserves	30	-	-	30
		<u>194,217</u>	<u>186,230</u>	<u>(207,984)</u>	<u>172,463</u>
TOTAL RESERVE FUNDS		<u>199,046</u>	<u>186,367</u>	<u>(210,619)</u>	<u>174,794</u>

Monitoring

The capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development and civic and community projects.

The investment objectives of the fund were met during 2014/15. Council elected to utilise additional capital of

the fund and the income to fund civic and community grants. All funds were held as cash investments during the year other than a small venture capital investment. This approach was consistent with the objectives outlined in Council's Investment Policy.

Capital endowment fund – funding allocations	2015 Actual \$000	2014 Actual \$000
Total income from fund	5,061	4,986
Economic development 70%	2,421	2,230
Brought forward from previous year	171	441
Available to allocate	2,592	2,671
Less allocated:		
Economic development projects	(1,000)	(850)
Iconic events	(1,300)	(800)
Marketing initiatives	(1,000)	(850)
Balance available for economic development projects	(708)	171
Civic and community 30%	1,038	2,653
Brought forward from previous year	4,635	3,580
Available to allocate	5,673	6,233
Less allocated:		
Events & festivals	(285)	(235)
Community projects	(3,719)	(1,363)
Balance available for civic and community projects	1,669	4,635
Unallocated income	961	4,806
Fund capital		
Inflation protection	1,602	103
Less allocated:		
Community projects	(1,003)	-
Suburban Masterplans debt servicing	(529)	(103)
Movement in core fund	70	-

Fund capital	2015 Actual \$000	2014 Actual \$000
Fund capital at 1 July:		
Core fund	96,601	96,602
Fluctuation reserve	3,500	3,500
Unallocated income	4,806	4,021
Total fund balance at 1 July	104,907	104,123
During the year:		
Total income received by the fund	5,061	4,986
Less distributed	(8,836)	(4,201)
Less transferred to capital of the fund	(70)	103
Movement in unallocated income	(3,845)	888
Fund capital at 30 June		
Core fund	96,671	96,601
Fluctuation reserve	3,500	3,500
Unallocated income	961	4,806
Total fund balance at 30 June	101,132	104,907

Monitoring Subsidiary and associate companies

Listed below are the trading enterprises which the Council has an interest in, together with the directors of the trading enterprises, for the period ended 30 June 2015.

Christchurch City Holdings Ltd (100% owned)

Bruce Irvine	Sarah Smith
William (Bill) Dwyer	Andrew Pearce
Vicki Buck (Cr)	Yani Johanson (Cr)
Raf Manji (Cr)	James (Jamie) Gough (Cr)

Enable Services Ltd (100% owned)

William (Bill) Luff	Mark Bowman
Brett Gamble	Charlotte Walshe
Owen Scott	Chris Birkett

Christchurch International Airport Ltd (75% owned)

David MacKenzie	Catherine Drayton
George Gould ⁱ	André Lovatt
Laura Palomino Forbes ⁱⁱ	
Justin Murray	Christopher Paulsen

City Care Ltd (100% owned)

Hugh Martyn	Margaret Devlin
Anthony King ⁱⁱⁱ	Craig Price
Mark Todd	Gary Leech ^{iv}
Jen Rolfe ^v	

Lyttelton Port Company Ltd (100% owned)

Trevor Burt	Roderick Carr
William (Bill) Dwyer	Lindsay Crossen ^v
Brian Wood	Karl Smith
Jim Quinn	

Orion New Zealand Ltd (89.3% owned)

Jeremy Smith	Paul Munro
Robert Simpson	Nicola Crawford
Geoffrey Vazey	Thomas Austin

Red Bus Ltd (100% owned)

Paul Kiesanowski	Tony Mountford
Timothy Keenan	Robert (Bob) Lineham
Peter Rae ^{vi}	

Canterbury Development Corporation Holdings Ltd (100% owned)

Garth Carnaby	Peter Barrowclough
Grant Ryan	Louise Edwards
Paul Lonsdale (Cr)	David East (Cr)
Andrew Turner (Cr)	

Vbase Ltd (100% owned)

Tim Scandrett (Cr)	James (Jamie) Gough (Cr)
Paul Lonsdale (Cr)	Dr Karleen Edwards

Tuam Ltd (100% owned)

Dr Karleen Edwards ^{vii}	Peter Gudsell ^{vii}
Diane Brandish ^{viii}	Jane Parfitt ^{viii}

Civic Building Ltd (100% owned)

James (Jamie) Gough (Cr)	
Paul Lonsdale (Cr)	Tim Scandrett (Cr)

EcoCentral Ltd (100% owned)

David Kerr	Paul Anderson
Sarah Smith	Gregory Campbell

Transwaste Canterbury Ltd (38.9% owned)

W. Gill Cox	Gareth James
Thomas Nickels	Robert McKenzie
Richard Davison	Ian Kennedy
David East (Cr)	Trevor McIntyre

ⁱ Resigned 31 December 2014

ⁱⁱ Appointed 1 May 2015

ⁱⁱⁱ Resigned 31 October 2014

^{iv} Appointed 31 October 2014

^v Resigned 13 August 2015

^{vi} Resigned 22 October 2014

^{vii} Appointed 12 March 2015

^{viii} Resigned 12 March 2015

Glossary

BCA	Building Consent Authority
BRRP	Burwood Resource Recovery Park
CafE	Christchurch Agency for Energy Trust
CBD	Central Business District
CBL	Civic Building Limited
CCBJV	Christchurch Civic Building Joint Venture
CCDU	Christchurch Central Development Unit
CCHL	Christchurch City Holdings Limited
CCOs	Council Controlled Organisations
CCT	Christchurch and Canterbury Tourism
CCTOs	Council Controlled Trading Organisations
CDC	Canterbury Development Corporation
CDCH	Canterbury Development Corporation Holdings Limited
CDEM	Civil Defence Emergency Management
CEDS	Christchurch Economic Development Strategy
Central City Plan	a recovery plan for the Central City
CERA	Canterbury Earthquake Recovery Authority
CFH	Crown Fibre Holdings Limited
CGU	Cash Generating Unit
CIAL	Christchurch International Airport Limited
City Care	City Care Limited
Council	Christchurch City Council
Cr	Councillor
CRIS	Canterbury Regional Innovation System
CTOC	Christchurch Transport Operations Centre
CWTP	Christchurch Wastewater Treatment Plant
DEE	detailed engineering evaluations
ECE	early childhood education
EcoCentral	EcoCentral Limited
ELC	early learning centres
ENL	Enable Networks Limited
EOC	emergency operations centre
EQ	earthquake
EQC	Earthquake Commission
ESL	Enable Services Limited
FAP	financial assistance package
FIT	Free Independent Traveler
FDA	financial delegation authority
Group	as outlined in Group Structure section of the Annual Report
IM&CT	Information Management and Communications Technology
IPSAS	International Public Sector Accounting Standards
ISP	internal service providers
LGFA	New Zealand Local Government Funding Agency Limited
Three Year Plan	Christchurch City Three Year Plan 2013-16
LDRP	Land Drainage Recovery Programme
LIMs	Land Information Memorandums
LIU	Libraries and Information Unit
LOS	level of service
LFC	Local Fibre Company
LPC	Lyttelton Port Company Limited
LTP	Long Term Plan
LURP	Land Use Recovery Plan

MBIE	Ministry of Business, Innovation and Employment
MKT	Mahaanui Kurataiao Limited
Minister CER	Minister for Canterbury Earthquake Recovery
MOU	memorandum of understanding
NABERSNZ	National Australian Built Environment Rating System New Zealand
NBS	new building standard
NPS	national policy statement
NRFA	National Rural Fire Authority
NTPL	Ngāi Tahu Property Limited
NZFS	New Zealand Fire Service
NZ GAAP	general accepted accounting practice in New Zealand
NZ IAS	New Zealand equivalent to International Accounting Standard
NZ IFRS	New Zealand equivalents to International Financial Reporting Standards
NZLGIC	New Zealand Local Government Insurance Corporation
NZTA	New Zealand Transport Agency
NZTE	New Zealand Trade and Enterprise
NZX	New Zealand Stock Exchange
OIC	Order in Council
Orion	Orion New Zealand Limited
PBE	public benefit entity
PIM	Project Information Memorandum
PRFO	Principal Rural Fire Officer
PVL	Powerhouse Ventures Limited
Red Bus	Red Bus Limited
RFID	radio frequency identification
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCIRT	Stronger Christchurch Infrastructure Rebuild Team
SOI	Statement of Intent
Transpower	Transpower New Zealand Limited
Transwaste	Transwaste Canterbury Limited
Tuam	Tuam Limited
UDS	Urban Development Strategy
UFB	ultra-fast broadband
Vbase	Vbase Limited
WHRS	Weathertight Homes Resolution Services
WIP	work in progress
WINZ	Water Information New Zealand

Definition of Terms used for the Financial Prudence Benchmarks¹

Net debt	Total financial liabilities less financial assets (excluding trade and other receivables).
Total revenue	Total cash operating revenue excluding development contributions and non government capital contributions.
Annual rates income	Total rates income (including targeted water supply rates) less rates remissions.
Net interest	The difference between interest income and interest expense recognised by the Council in its financial statements.

¹ The definition set-out in this section and as used in the relevant sections of this Annual Report is based on the Local Government (Financial Reporting and Prudence) Regulations 2014.

