



Local Elections 2019

Pre-election Report





Powhenua Te Pou Herenga Waka, outside the Christchurch City Council Civic Offices.

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Introduction

Local government elections will be held in October this year. This is your opportunity to help shape the future of your community and the city, either as a candidate for election or by voting for the people you want to represent you.

This pre-election report gives voters and candidates a picture of Christchurch City Council's key financial measures from the past three years and projections for the next three. Along with providing a snapshot of the Council's financial performance, it sets out the challenges facing our city and some of the major decisions the new council might have to make. It highlights issues that matter most to our communities – drinking water, transport, the effects of climate change and social issues created by changing demographics, diversity and inequality – as well as some of our major projects.

The Council plays a critical role in providing for the current and future wellbeing of Christchurch's diverse communities. It deals with the issues that impact people's lives every day. Whether it's planning and zoning, providing essential infrastructure, managing libraries, pools, recreation and other community facilities, caring for the city's parks, rivers and open spaces, acting as stewards for our art and heritage or attracting business – the Council is responsible for creating cohesive and prosperous communities and providing opportunities for all.

But the Council's functions extend beyond managing services and assets. The purpose of local government is to enable local decision-making and action by, and on behalf of, communities. The Council has a strong community governance model comprising community boards and the council. Our approach is for decisions to be made closest to those affected by them, whereby citizens can shape local policies and programmes. This gives local elected representatives an opportunity to make a real difference in their communities and make sure citizens are included in Council decision-making in a meaningful way.

Key to our success is partnering with our communities and key stakeholders. The Council has strengthened its relationship with the six papatipu Rūnanga in our district in recognition of the role and contribution of Ngāi Tahu to our city. The Council has strengthened its working relationship with central government and continues to work with the business sector and community organisations.

As staff we are proud to work for the Council and the people of Christchurch. We are a great team of people from many professions, backgrounds and cultures who put the people and the communities we serve at the forefront of what we do. We are welcoming our new chief executive Dawn Baxendale later this year.

We work to support the city's elected representatives to make decisions which promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. We look forward to working with our future elected representatives for the people of Christchurch.

I encourage both voters and potential candidates to engage in debate about the issues facing our city and its many communities and what should be the priorities for the next three years.



Mary Richardson
Acting Chief Executive
Christchurch City Council

Why do we have the Pre-election Report?

As defined by the Local Government Act, "The purpose of the pre-election report is to provide information to promote public discussion about the issues facing the local authority."

This means the report has two main goals:

"To facilitate and foster electoral participation leading up to and during local election campaigns."

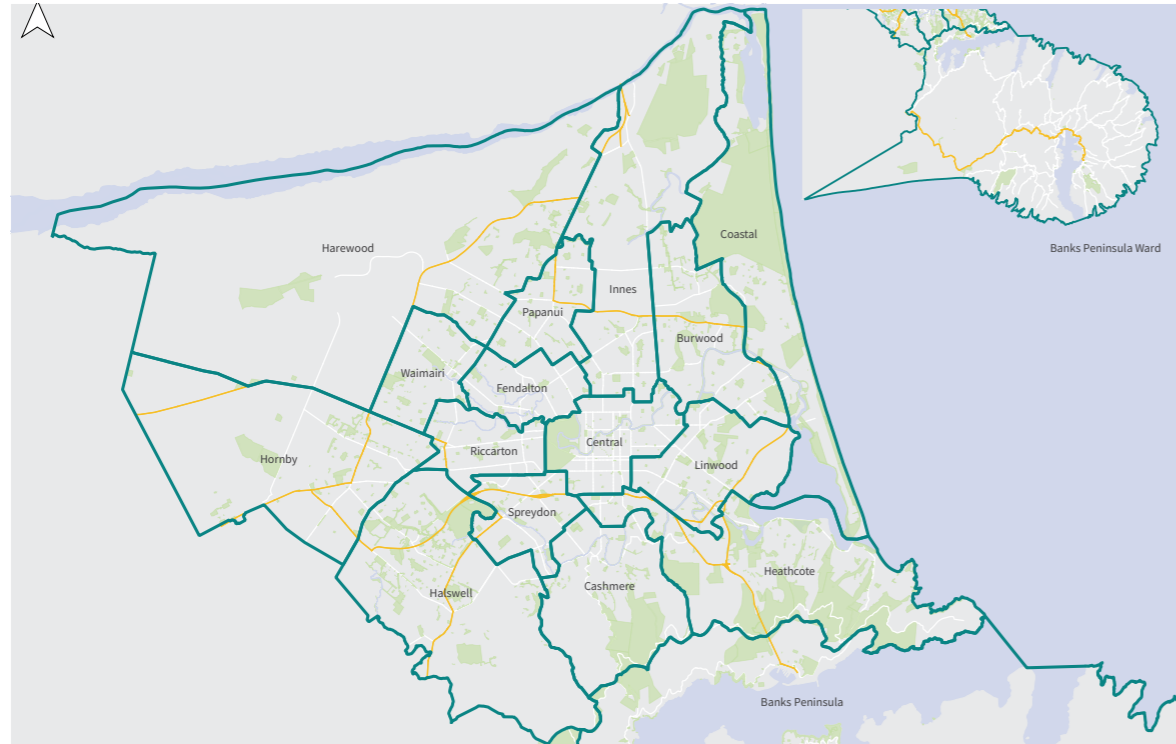
"To stimulate informed debate about local authority funding and expenditure issues during local election campaigns."

These are two key issues that all local authorities face, namely participation (standing and voting) and finances (funding and expenditure). To make sure the citizens have informed debate on key issues, critical information on Council activities and performance is made available. However, this information is distributed across a number of the Council's publications. To make things easier, this pre-election report summarises relevant information from multiple Council publications in a single document.



Our governance structure

The elected Council consists of the mayor and 16 councillors (including the deputy mayor). The mayor represents the city at large, while each councillor represents one of the 16 geographical wards. Although the councillors are elected from their respective wards, they have an obligation and a duty to represent the interests of the city as a whole.



Christchurch also has seven community boards. These are:

- **Te Pātaka o Rākahautū/Banks Peninsula**
One councillor and seven board members representing an estimated population of 8710
- **Waitai/Coastal-Burwood**
Two councillors and four board members representing an estimated population of 52,300
- **Waimāero/Fendalton-Waimairi-Harewood**
Three councillors and six board members representing an estimated population of 71,600
- **Waipuna/Halswell-Hornby-Riccarton**
Three councillors and six board members representing an estimated population of 79,600
- **Waikura/Linwood-Central-Heathcote**
Three councillors and six board members representing an estimated population of 77,800
- **Waipapa/Papanui-Innes**
Two councillors and four board members representing an estimated population of 49,800
- **Waihoru/Spreydon-Cashmere**
Two councillors and four board members representing an estimated population of 48,700

Community boards are part of the Council's governance structure and are responsible for representing the interests of their communities. Christchurch City Council delegates a number of powers to community boards in relation to local issues.

Our partnership with mana whenua

The Christchurch City district falls within the takiwā of Ngāi Tahu which extends over 80% of Te Waipounamu.

The governing body, Te Rūnanga o Ngāi Tahu was created by virtue of the Te Rūnanga o Ngāi Tahu Act in 1996 to represent Ngāi Tahu whānui for all purposes including protecting and advancing the collective interests and assets of the tribe.

Papatipu Rūnanga are the tribal institutions of Ngāi Tahu and are the mandated representatives of whānau and hapū who hold mana whenua.

Within the Council's administrative area there are six Papatipu Rūnanga; Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga and Te Taumutu Rūnanga. Papatipu Rūnanga have a traditional responsibility, as kaitiaki (guardian), to uphold the mana of their people and care for the whenua (land), the sea and natural resources, to keep alive their cultural traditions and stories and to keep the home fires burning within their takiwā (area).

Te Tiriti o Waitangi (Treaty of Waitangi) guarantees mana whenua the right to fulfil their kaitiaki obligations to protect and care for taonga in the environment, including land, waterways and springs, natural features, wāhi tapu and flora and fauna within tribal areas.

Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga, Te Taumutu Rūnanga and Te Rūnanga o Ngāi Tahu are working with the Council to develop collaborative relationships and to maintain and improve participation in its decision-making processes. This has been formalised into a Committee of Council: Te Hononga. This Committee comprises representatives from the six Papatipu Rūnanga, the Mayor and the Chairpersons of the Council's committees and the Chair of the Council's Multicultural Working Party.

The Council also works closely with Mahaanui on resource planning matters and with Matapopore on urban design issues.

We have genuine desire within the Council to continue to increase opportunities for partnership with mana whenua. A strong relationship with mana whenua is essential to the long term future and wellbeing of the people of Christchurch.



Our strategic framework

Strategic Framework

Council's Vision – Christchurch is a city of opportunity for all.

Open to new ideas, new people and new ways of doing things – a city where anything is possible.

Whiria ngā whenu o ngā papa Honoa ki te maurua tāukiuki

Bind together the strands of each mat
And join together with the seams of
respect and reciprocity.

The partnership with Papatipu Rūnanga
reflects mutual understanding and
respect, and a goal of improving the
economic, cultural, environmental and
social wellbeing for all.

Overarching Principle

Partnership – Our people are our taonga
– to be treasured and encouraged. By
working together we can create a city that
uses their skill and talent, where we can
all participate, and be valued.

Supporting Principles

Accountability	Collaboration
Affordability	Prudent Financial
Agility	Management
Equity	Stewardship
Innovation	Wellbeing and
	resilience
	Trust

Community Outcomes

What we want to achieve together as our city evolves

Strong communities

Strong sense of community
Active participation in civic
life
Safe and healthy
communities
Celebration of our identity
through arts, culture,
heritage and sport
Valuing the voices of
children and young people

Liveable city

Vibrant and thriving central
city,
suburban and rural centres
A well connected and
accessible city
Sufficient supply of, and
access to,
a range of housing
21st century garden city we
are proud to live in

Healthy environment

Healthy waterways
High quality drinking water
Unique landscapes and
indigenous
biodiversity are valued
Sustainable use of
resources

Prosperous economy

Great place for people,
business
and investment
An inclusive, equitable
economy with broad-based
prosperity for all
A productive, adaptive and
resilient
economic base
Modern and robust city
infrastructure
and community facilities

Strategic Priorities

Our focus for improvement over the next three years and beyond

Enabling active citizenship and connected communities

Maximising opportunities to develop a vibrant,
prosperous and sustainable 21st century city

Climate change leadership

Informed and proactive
approaches to natural
hazard risks

Increasing active, public
and shared transport
opportunities and use

Safe and sustainable water
supply and improved
waterways

Community outcomes

What are community outcomes?

We are required to have community outcomes under the Local Government Act 2002.

Community outcomes are a high-level set of desired goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental, and cultural well-being of our city, now and for the future.

Community outcomes are used to guide and inform the planning process and set out priorities.

Our community outcomes

There are 17 outcomes grouped under four key themes:

Community outcomes	
Strong communities	Liveable city
<ul style="list-style-type: none"> Strong sense of community Active participation in civic life Safe and healthy communities Celebration of our identity through arts, culture, heritage, and sport Valuing the voices of children and young people 	<ul style="list-style-type: none"> Vibrant and thriving central city, suburban and rural centres A well connected and accessible city Sufficient supply of, and access to, a range of housing 21st century garden city we are proud to live in
Healthy environment	Prosperous economy
<ul style="list-style-type: none"> Healthy waterways High quality drinking water Unique landscapes and indigenous biodiversity are valued Sustainable use of resources 	<ul style="list-style-type: none"> Great place for people, business, and investment An inclusive, equitable economy with broad-based prosperity for all A productive, adaptive and resilient economic base

You can find more detailed information on our community outcomes at ccc.govt.nz

How do we know if we're achieving our community outcomes?

We monitor our progress using a variety of indicators, and publish the results from time to time on our website. You can view the latest report online at:

ccc.govt.nz/the-council/how-the-council-works/20182028-vision/community-outcomes

Council decision-making processes

The Local Government Act 2002, defines a ‘decision’ as an agreement to follow a particular course of action, including agreement not to take action on an issue.

The Local Government Act 2002 requires that councils undertake a number of steps when making a decision:

- seek to identify all reasonably practicable options for the achievement of the objective of a decision;
- assess the options in terms of their advantages and disadvantages;
- give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter;
- provide opportunities for Māori to contribute to decision-making and if the decision involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga;
- identify any significant inconsistency between the decision and any of the council’s policies or plans, and to provide reasons for the inconsistency.

Council decision-makers can decide how to fulfil these requirements – the more significant a decision is, the stricter the compliance.

Seeking community views and consultation

The Council and its community boards engage with our communities, working in partnership and seeking the views of our residents and communities as we develop plans, identify priorities and make decisions.

We work with our local communities to develop localised community board plans. We hear from a diverse group of people through our annual plan and long term plan community engagement and consultation. We hear and consider the views of residents and organisations on a range of other matters. We thank all those who share their views and ideas.

The Council undertakes a full consultative process for significant decisions.

For example, the Council must follow the special consultative procedure before it:

- adopts a Long Term Council Community Plan or Annual Plan
- amends a Long Term Council Community Plan
- adopts, revokes, reviews or amends a bylaw
- changes the way it delivers a significant activity.

The Council may choose to use the procedure in other circumstances.

The Council is also required to consult and/or use the special consultative procedure under other legislation, for example the Resource Management Act 1991.

Forward planning

Long Term Plan

The Council is required to develop a Long Term Plan (LTP) every three years.

The Long Term Plan sets the strategic direction for the Council – where we’re going and what we want to achieve in the community. The Plan also sets the direction for all the activities and services the Council provides, and what levels of service will be provided. It also includes how the Council wants to pay for these services; by setting rates and fees and developing the Council’s financial management strategies. The next Long Term Plan will need to be signed off by the Council by 30 June 2021.

The LTP has a 10 year horizon with the first three financial years outlined in detail. If necessary, the Council can adjust the LTP. The processes for developing and amending the LTP are prescribed by the legislation and require us to undertake community consultation.

Annual Plan

An Annual Plan is the Council’s budget for one financial year and is produced in the years between Long Term Plans. It explains how the Council intends to finance the activities and services it provides during that year, as directed by its Long Term Plan. The Annual Plan focuses on the adjustments the Council needs to make in light of the previous year’s financial performance, updated financial figures, cost increases and inflation.

Like the Long Term Plan, the Council is required by the Local Government Act 2002 to produce an Annual Plan. An Annual Plan supports the Council’s Long Term Plan by providing integrated decision-making and coordination of the Council’s resources. The next Annual Plan will need to be adopted by the Council by 30 June 2020.

Reporting

Our Long Term and Annual plans are the basis on which the community can monitor and review our performance. An Annual Report provides information on the financial and service performance against the Long Term Plan and the Annual Plan.

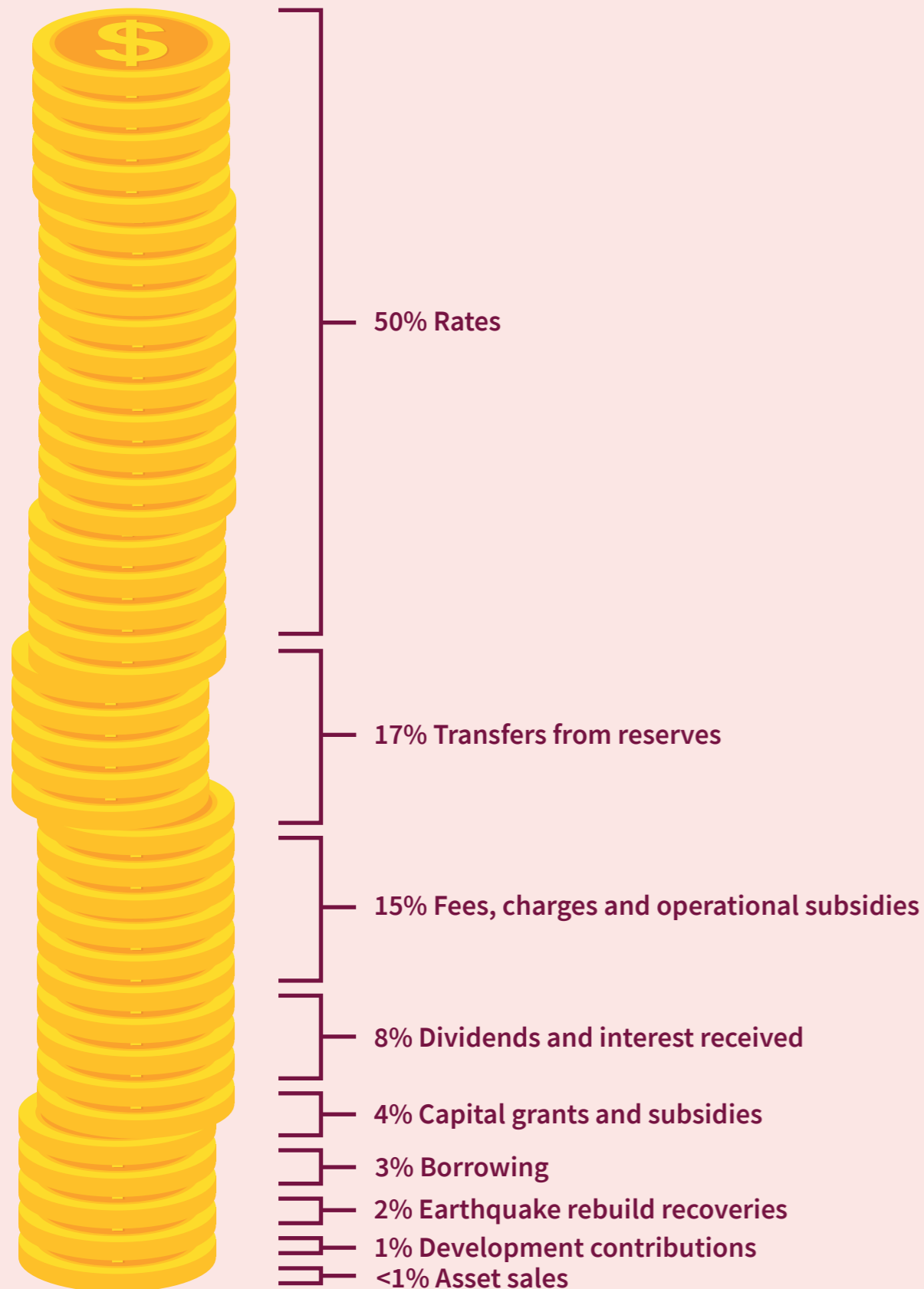
District Plan

The other major plan is the Christchurch District Plan that determines land use and subdivision within the city boundaries. The development and implementation of the Plan determines what activities can take place, and where, in the city.

The Resource Management Act 1991 requires councils to prepare a district plan. The Christchurch District Plan is the main document that sets the framework for managing land use and development within our city. It contains our objectives, policies, rules and maps for managing activities and development in Christchurch. The rules set out what activities you can do as of right (permitted activities) and what activities you’ll need resource consent for.

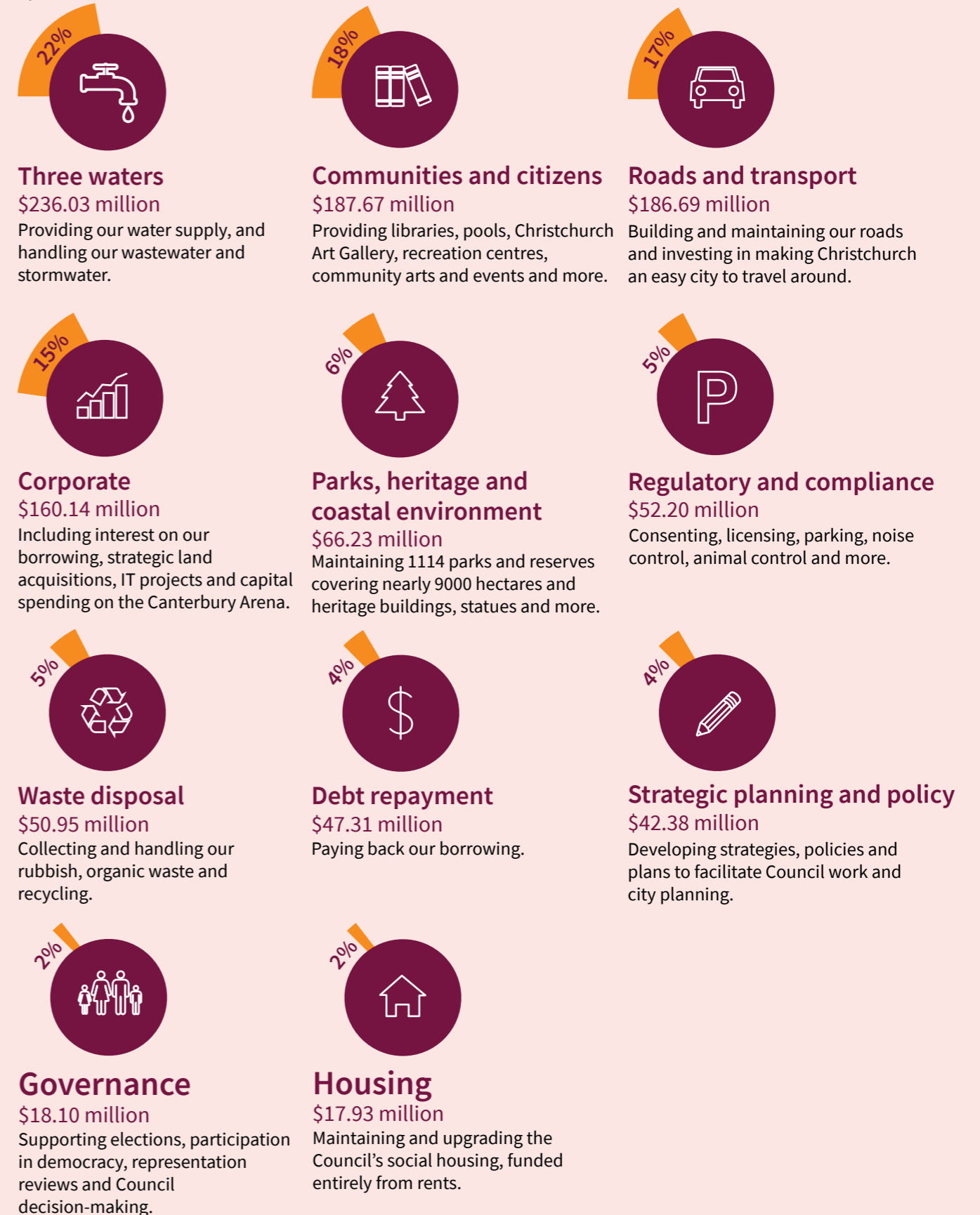
Where the money comes from

The Council receives income from a mix of different sources.



How the money is spent

The money we receive goes towards operational and capital costs of services and activities – some required by legislation, and others to meet the needs of a healthy, growing community. Here's how the funding is being divided up in 2019/20.



Capital programme

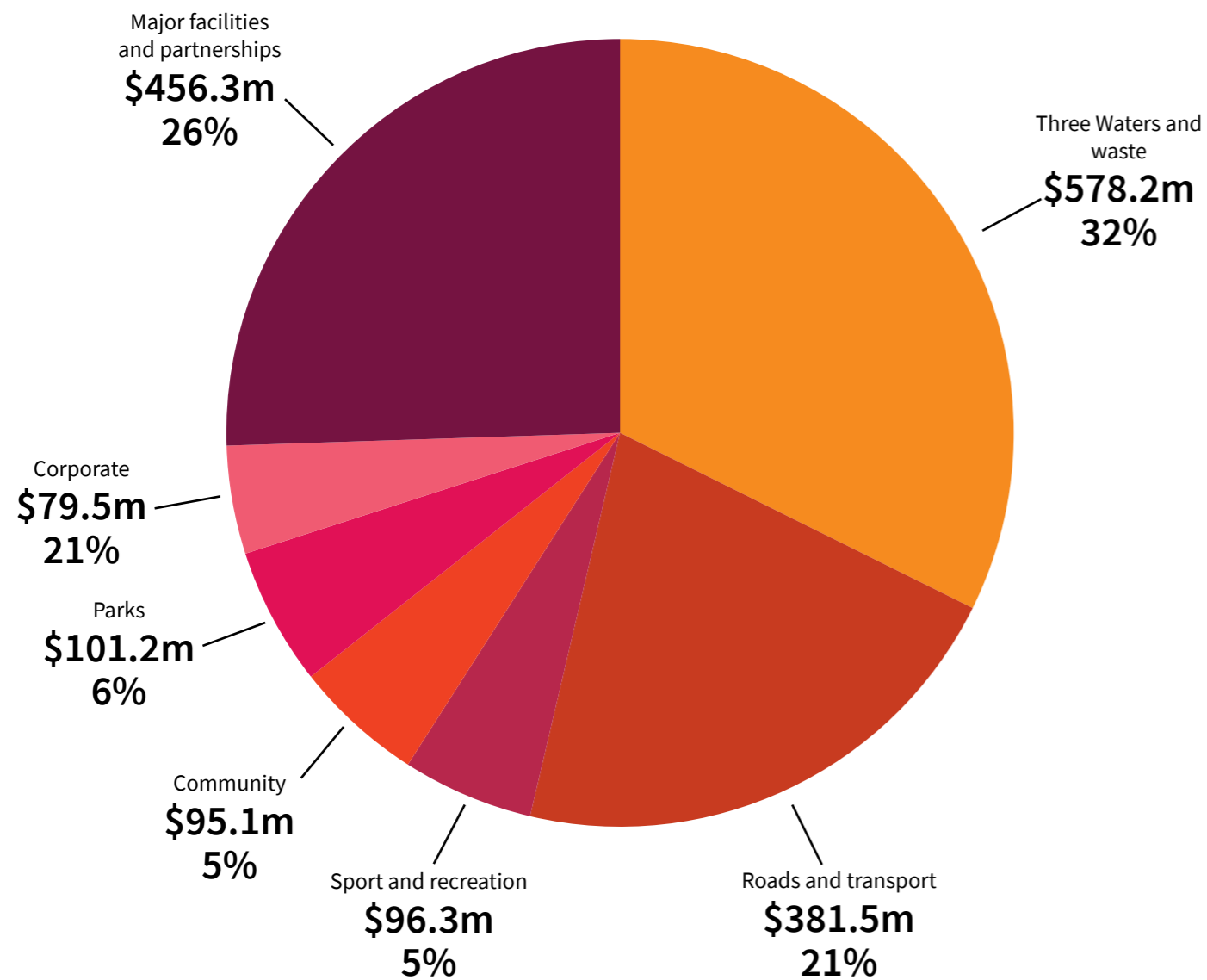
The Council reviews all capital expenditure projects annually. As well as our community facilities, our ongoing infrastructure programmes includes roads and footpaths, wastewater, flood protection and major cycle routes. You can see the total spending below, and highlights over the following pages. As you can see, spending increased significantly after the 2011 earthquakes, and is expected to stabilise over the next four years.

Capital expenditure

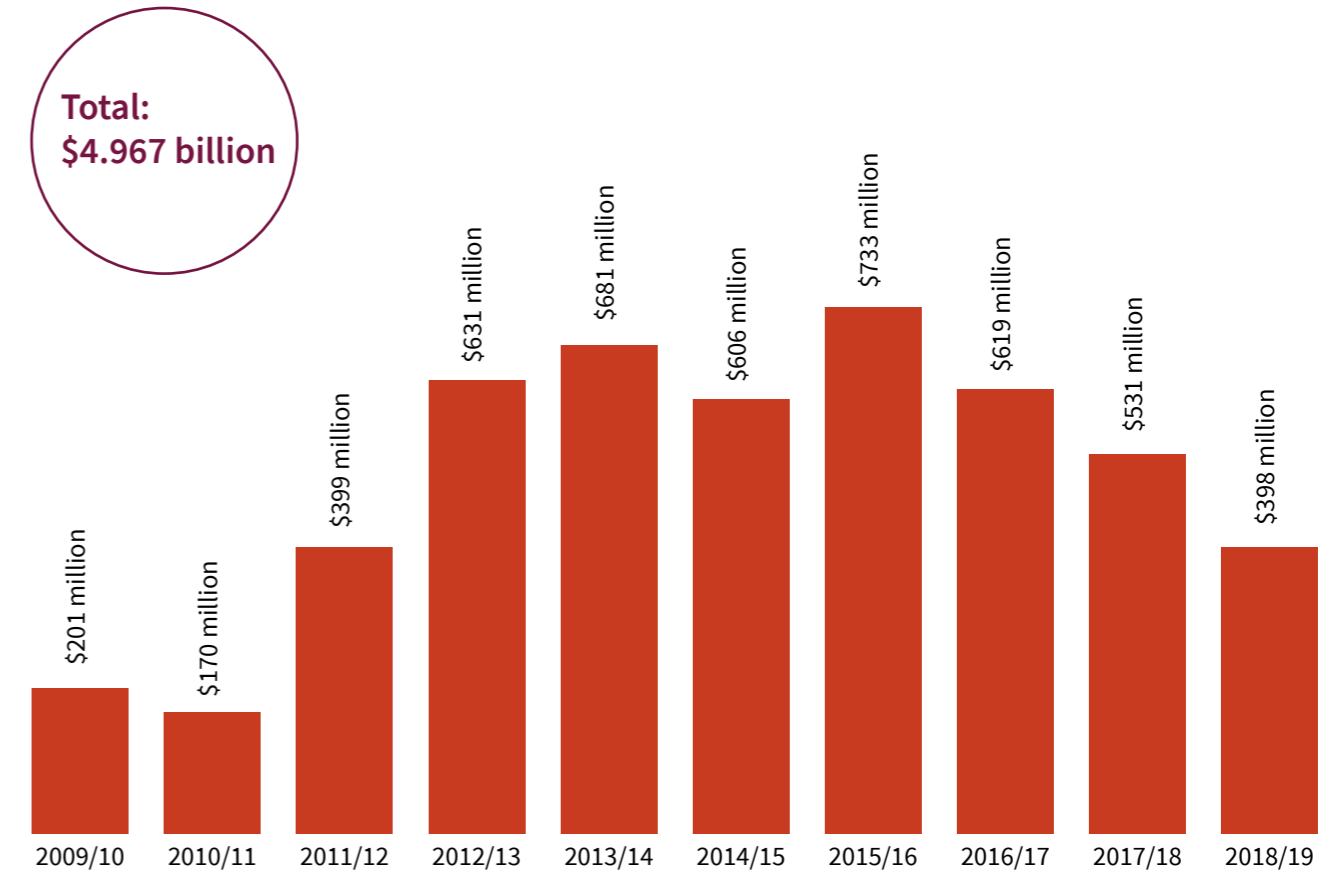
A significant proportion of the Council's annual spending goes towards capital projects.

Here's your snapshot of the Council's capital spending since the last election, and planned spending into the future. It shows a couple of things – you can see the spikes and drops in spending as big projects gear up and are completed, and the number of projects in the pipeline drop as we complete them.

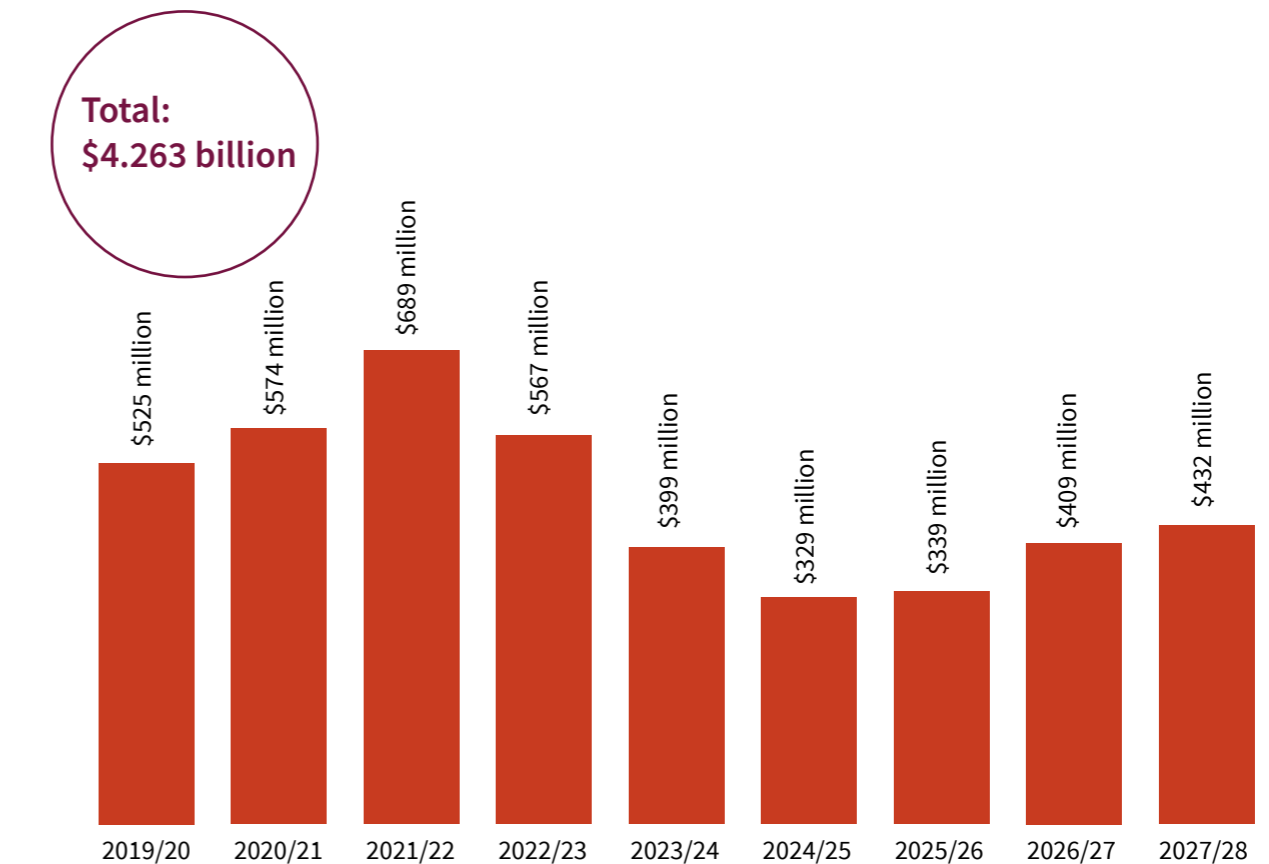
Total three-year capital programme \$1.788 billion



Total capital expenditure over the last decade...



Total expected capital expenditure over the coming decade...



Major projects - Three Waters and Waste

This is the infrastructure that makes Christchurch liveable, such as water supply, stormwater and wastewater, and flood mitigation projects.

Bells Creek

Completed in May 2019, the \$19 million Bells Creek land drainage scheme has reduced the flood risk for dozens of properties in the Woolston and Linwood area.



Akaroa Wastewater Scheme

This project is to replace the Akaroa wastewater treatment plant, construct a new pump station and carry out upgrades to the Akaroa wastewater network. We have budgeted \$38.7 million for this project over six years.

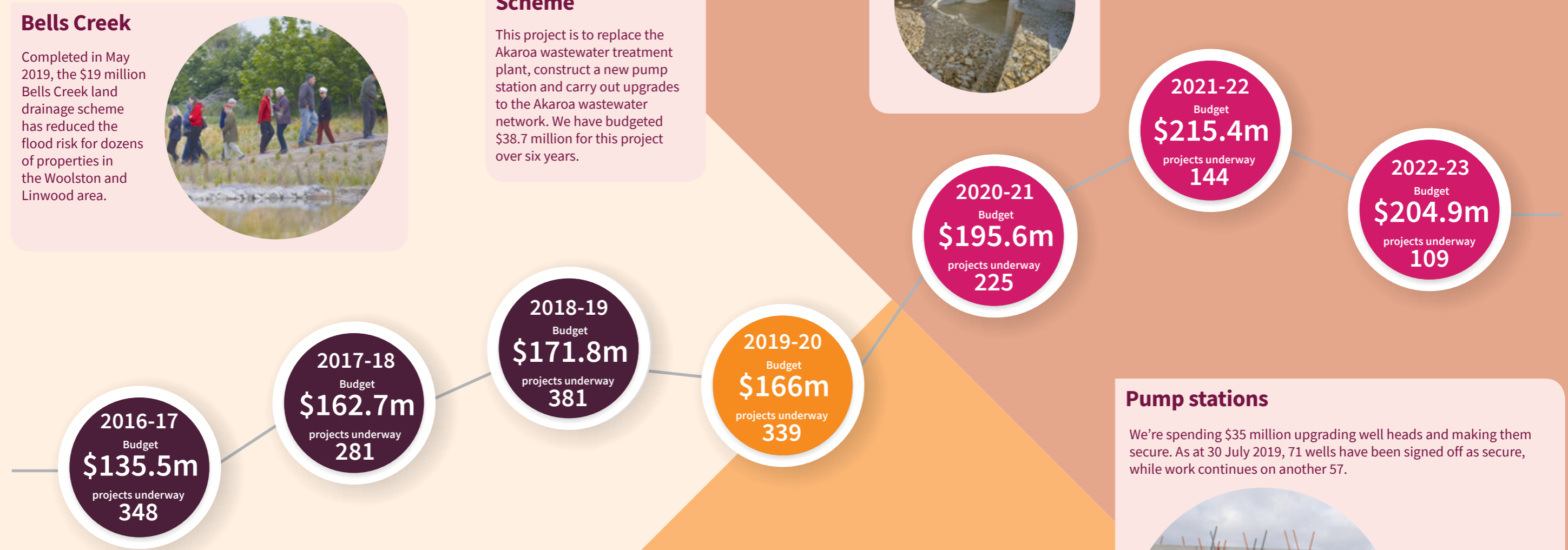
Dudley Creek

The \$48 million Dudley Creek flood mitigation scheme has been in operation since 2018, offering increased flood protection to more than 585 properties.



Heathcote flood protection

Dredging in the lower Heathcote River is helping to reduce flood risk, while bank stabilisation in the upper to mid Heathcote River is helping control erosion and increase channel capacity, with landscaping providing new aquatic habitat along the river corridor. Including flood storage basins, the total cost of this programme is \$72 million.



Lyttelton Harbour Wastewater Project

The Lyttelton Harbour Wastewater Project will end the routine discharge of treated wastewater into our harbour. The \$53 million project will be completed and commissioned in 2020.



Pump stations

We're spending \$35 million upgrading well heads and making them secure. As at 30 July 2019, 71 wells have been signed off as secure, while work continues on another 57.



Major projects - Transport

This programme includes creating, repairing and maintaining roads and cycleways and measures to manage traffic, as well as certain projects like the New Brighton Pier repair.

Sumner Road

Sumner Road re-opened in March 2019, after being closed since February 2011 due to earthquake damage and rockfall risk. The complex \$40 million project to re-open this critical transport link between Christchurch and Lyttelton Port was jointly funded by the Council and the NZ Transport Agency.



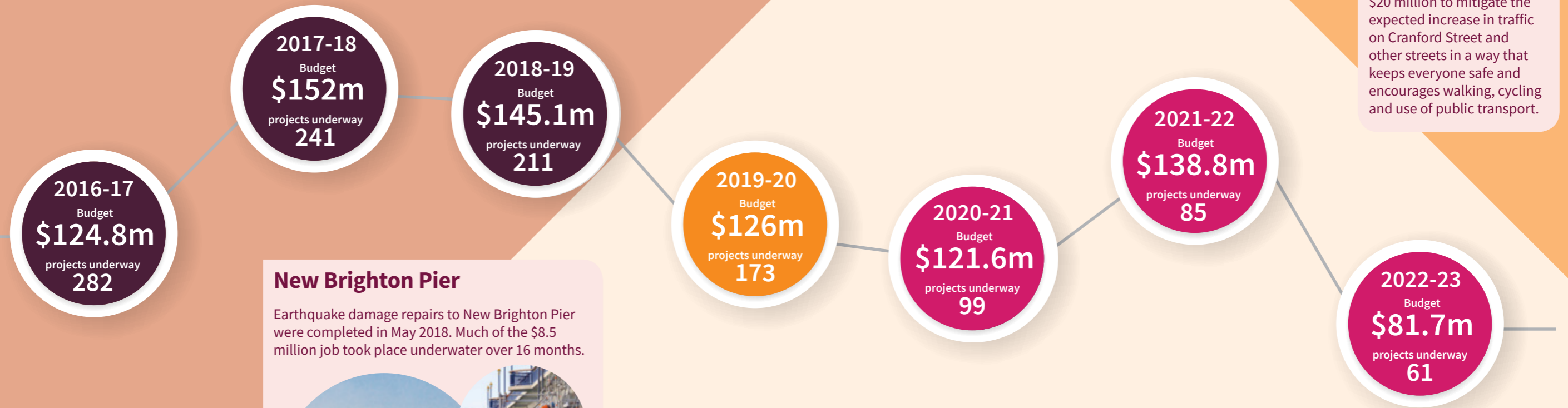
Cycleways

We have now completed three of the 13 major cycleways, and four more are partially built or under construction. Expected to cost \$252 million overall, the programme has contributed to an increase in cycling numbers in the city, with the number of people riding bikes increasing by 34% over the last year. The Uni-Cycle route won the Supreme Award at the national Bike to the Future Awards in 2018.



Christchurch Northern Corridor and its downstream effects

The Christchurch Northern Corridor is due to open in mid-2020. Alongside partner organisations, the Council is spending \$54 million to extend the corridor to Innes Road, and has budgeted \$20 million to mitigate the expected increase in traffic on Cranford Street and other streets in a way that keeps everyone safe and encourages walking, cycling and use of public transport.



New Brighton Pier

Earthquake damage repairs to New Brighton Pier were completed in May 2018. Much of the \$8.5 million job took place underwater over 16 months.



Christchurch Coastal Pathway

3.5 kilometres of the Christchurch Coastal Pathway between the Ferrymead Bridge and Sumner have now been built, with construction now happening between Shag Rock and the Sumner Surf Lifesaving Club. The project has cost \$14 million so far. Initial design work is being done on the remaining section of the 6.5 kilometre pathway along Moncks Bay.

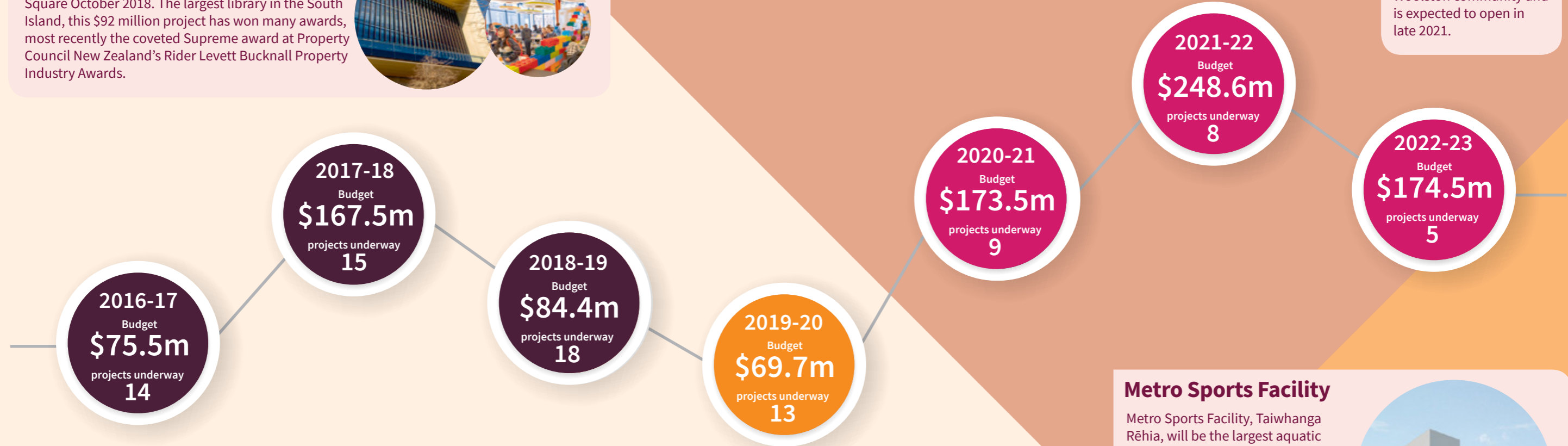


Major projects - City facilities

These are the bigger, more complex projects that make Christchurch an innovative, modern and liveable community.

Tūranga

Our new central library Tūranga opened in Cathedral Square October 2018. The largest library in the South Island, this \$92 million project has won many awards, most recently the coveted Supreme award at Property Council New Zealand's Rider Levett Bucknall Property Industry Awards.



Hornby facility

A \$35.7 million Hornby library, customer services, and recreation and sport centre is planned for the growing south-west community. It's hoped to begin construction in early 2021, for a late 2022 opening.

Linwood Pool

A new \$22 million indoor swimming pool is planned for the Linwood/Woolston community and is expected to open in late 2021.

Taiora QEII

The \$38.6 million Taiora QEII Recreation and Sport Centre was delivered ahead of schedule and under budget in May 2018. Replacing the pool facilities lost in the earthquakes, it attracted more than 800,000 visitors in its first year.



Christchurch Town Hall

Christchurch Town Hall reopened to the public for the first time in eight years in February 2019. Some work is still ongoing, with \$167.2 million available for the overall project



Metro Sports Facility

Metro Sports Facility, Taiwhanga Rēhia, will be the largest aquatic and indoor recreation venue of its kind in New Zealand. The \$221 million construction contract is jointly funded by the Council and the Crown, and construction is underway for an early 2022 opening.



Canterbury Arena

The multi-functional Canterbury Arena will cater for a range of recreational activities, particularly large-scale local, national and international events. The Council has allocated \$253 million, and the Crown has earmarked \$220 million. It is expected that early construction work will begin in 2021, with completion in early 2024.

Major projects - Community facilities

These projects include the buildings and landmarks that had to be repaired and rebuilt after the 2011 earthquakes. The programme is varied, with a mix of new builds and heritage repairs.

Ōrauwahata: Bishopdale centre

Bishopdale celebrated the opening of its 21st century library and community centre, Ōrauwahata, in July 2017.

Woolston Community Library

The award-winning Woolston Community Library opened in August 2018 – nearly 150 years after the opening of the original building on the same site.



Matuku Takotako: Sumner Centre

Built to house Sumner's library, community centre and museum, the striking \$10 million Matuku Takotako: Sumner Centre opened in August 2017.



St Albans Community Centre

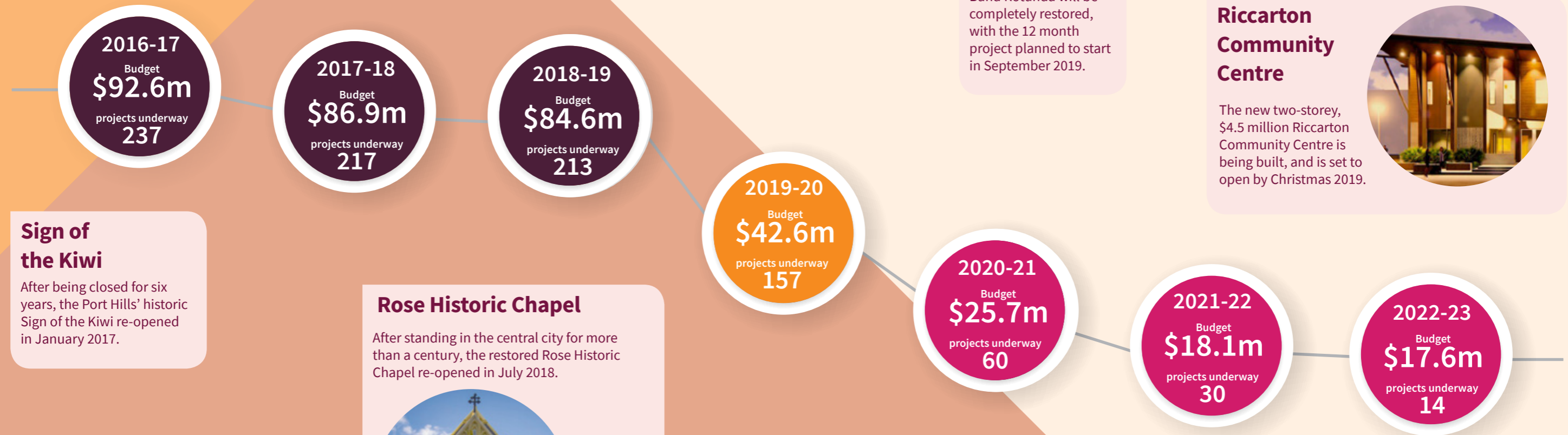
Construction starts on the new St Albans Community Centre later this year, and is set to finish in spring 2020.

Thomas Edmonds Band Rotunda

The classical-style Thomas Edmonds Band Rotunda will be completely restored, with the 12 month project planned to start in September 2019.

Riccarton Community Centre

The new two-storey, \$4.5 million Riccarton Community Centre is being built, and is set to open by Christmas 2019.



Sign of the Kiwi

After being closed for six years, the Port Hills' historic Sign of the Kiwi re-opened in January 2017.

Rose Historic Chapel

After standing in the central city for more than a century, the restored Rose Historic Chapel re-opened in July 2018.



Akaroa Service Centre

Originally built in 1915, the Akaroa Service Centre reopened in August 2018 after a \$1 million makeover.



Key challenges

Water supply and chlorine treatment in Christchurch

The situation

The city's water supply lost 'secure status' in December 2017 due to the below-ground well heads being deemed vulnerable to potential contamination. Monitoring over the past five years shows full compliance with the standards and confirms the very small risk of contamination entering the water supply through the well heads. However, until the well heads are upgraded (generally by raising them above ground) the Council has decided to temporarily chlorinate the water to provide an extra layer of protection.

The Council is currently awaiting the outcome of the Government's national Three Waters Review, in particular, the expected introduction of more stringent regulations for drinking water providers. The Council has resolved that, long term, it wants to retain the city's water supply without residual chlorine treatment and will oppose any Government moves to impose mandatory residual disinfection.

What we're doing

We're temporarily treating the drinking water supply with chlorine by dosing at pump stations that are fed by wells that have not yet been upgraded and signed off as 'secure'.

As at 30 July 2019, 71 wells have been signed off as secure. We're targeting complete removal of chlorine from the water supply by the end of September 2019.

Over the next year we're investing in upgrading the city's water supply network. We have added \$1.5 million in capital expenditure and \$500,000 in operational expenditure to the budget so that we can install pressure and acoustic monitoring devices into our water supply network, which will let us pinpoint any leaks and make any repairs quickly. We're also investing in our audit of backflow prevention measures from high risk connections to the water supply network.

Further improvements to the water supply network and enhanced protection against potential contamination pathways are planned through prioritisation of renewals of mains and submains, revised specifications for reservoirs and tanks, re-zoning and better pressure management across the network, and smarter technology for monitoring and responding to any water quality changes. This work will inform the Infrastructure Strategy and the next Long Term Plan.

Climate change

The situation

Climate Change Leadership is one of the Council's Strategic Priorities, reflecting the increasing importance of the issue, and the 2019–20 Annual Plan includes funding for a number of projects that will demonstrate this commitment.

In coming years Christchurch is expected to face rising sea levels, rising temperatures and more frequent droughts, and an increase in the frequency and intensity of extreme weather events. Our infrastructure will come under increasing strain from these changes. The effects of climate change will impact on community health and wellbeing in a variety of ways, and require us to adapt our planning accordingly.

What we're doing

The Council is following 2017 Ministry for the Environment guidelines on sea level rise and approaches to adaptation planning with coastal communities.

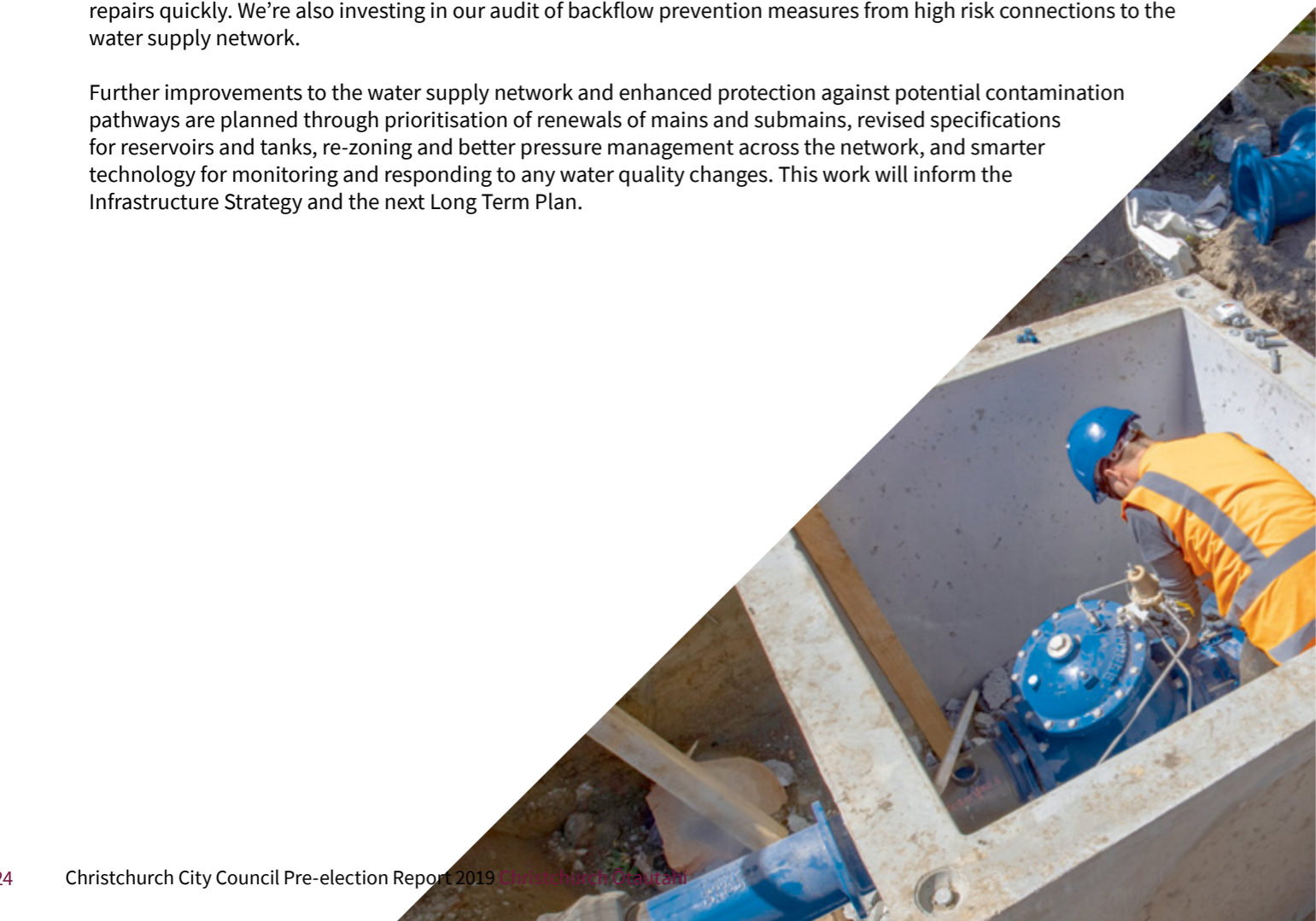
The Council recently declared a Climate Change and Ecological Emergency, and we have a target of being net carbon neutral in our operations by 2030.

An internal Council Resource Efficiency and Greenhouse Gas Emission Programme has been established to help the Council measure and manage our emissions.

We're also updating our climate change strategy to help ensure Christchurch is well prepared to adapt and thrive in our changing climate. Part of it involves setting a carbon neutral target for Christchurch, in consultation with our communities and other organisations that influence greenhouse gas emissions.

The Council has been involved in a number of recent initiatives including:

- Launching a 100% battery electric car sharing scheme for businesses and the public.
- Providing energy efficiency advice to 1000 homes through Build Back Smarter.
- Rolling out the major city cycleways to encourage people to go by bike.
- Installing artesian ground source heat pump systems at some Council and business sites.
- Christchurch City Libraries has developed a climate change programme to raise awareness of climate change issues.
- A new Procurement Policy encourages Council suppliers to be more energy efficient, reduce greenhouse gas emissions, and minimise solid waste.
- A baseline for our district's greenhouse gas emissions has been established in Christchurch Community Carbon Footprint 2016/17, so we can measure progress in the future.



Natural hazards

The situation

This decade has seen Christchurch experience major earthquakes, floods and fires – so a significant part of the Council’s work continues to be understanding all the dimensions, and mitigating the impact of, natural hazard risk.

What we’re doing

To enhance the economic, social health and cultural resilience of our communities, we’re reducing risk and implementing strong disaster preparedness. These efforts are being helped by effective collaboration and partnership at local, regional and national level.

Natural hazard risk governance is being strengthened through the Natural Hazards Risk Reduction Group, Global Covenant of Mayors, and Living with Water programmes. The Council’s post-earthquake research into liquefaction, flooding and tsunami hazard risk in particular is providing robust technical information for informed policy and planning decision-making.

Liquefaction hazard, slope stability and flood risk are addressed through Christchurch District Plan provisions. Sea level rise and higher intensity rainfall events are also allowed for in the Plan.

The Land Drainage Recovery Programme (LDRP) has made significant progress in reducing the effects of flooding and flood risk this year, with projects now operational across the city and a number of other projects underway or nearing completion. Completion of the Heathcote bank stabilisation and Stage 1 of the Heathcote dredging project are major milestones in Christchurch’s floodwater management programme.

Operational and maintenance teams continue to provide instruction ahead of predicted rain events that may cause flooding around the city. The team also continues to respond to calls from the public to investigate flooding and drainage problems.



Transport

The situation

Transport is critical to the economic wellbeing of the local community, and New Zealand. Moving people and goods safely and efficiently is crucial to ensuring the economic prosperity of the region. We also have a responsibility to protect and enhance the environment we operate within.

Our travel habits are placing increasing pressure on our existing road network. Simply adding more lanes and roads is not a sustainable solution to these challenges – we need to continue to look at a broader set of options, invest in and encourage smarter transport choices.

We also live in a time of rapid technological change, particularly in the transport sector. Much of this technological change is disruptive. Not adapting to these changes doesn’t mean they won’t happen, it means they will happen without us having an influence on how they impact our operation.

We have some congestion issues in the north and to the southwest of the city and a need to provide better active transport and public transport options to improve the safety of the network and reduce emissions.

In terms of quality, the Council’s roads and footpaths are still below the national average due to the damage resulting from the earthquakes.

What we’re doing

We’re providing better transport options to meet population movements, and better and safer travel choices through improved facilities for people walking, cycling, scooting and using public transport.

We have now built more than 30 kilometres of separated cycleways linking to the central city. We’re working on the rest of the major cycleway network as well as local connections, and we’re recommending to the Government that e-scooters also be able to use this infrastructure to improve safety.

In terms of public transport, we’re currently constructing bus lanes, or have them planned, on Riccarton Road, Main North Road through Papanui and at the eastern end of Lincoln Road.

Repairs to roads and footpaths damaged in the earthquakes are ongoing. The Council is currently eight years into a 20 year recovery programme, and is working on a longer-term recovery programme.

Projects to reduce travel times from the north and southwest of the city are underway. We’re working to balance the competing demands of reducing congestion and retaining the safety and connectivity for local residents where the motorways meet suburban streets.

Safety is being improved through a programme of intersection improvements, safety at schools and the setting of safe and appropriate speed limits.



Regeneration

The situation

Community feedback and deputations to the Council have clearly shown that people feel earthquake legacy issues need to be resolved.

While the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) spent \$2.22 billion repairing and replacing earthquake-damaged infrastructure, there is a significant amount of work still to be done. We plan to spend \$10.6 billion on renewals over the next 30 years. The Council will deliver \$15.3 billion in capital projects over the next 30 years. This expenditure is the biggest component of the Council's planned capital expenditure.

A key challenge for the Council and the community over the next three years is finding the right balance between repairing and maintaining our existing assets, developing the new facilities, parks and services that help us build strong and resilient communities, and keeping rates at an affordable level.

What we're doing

The Council is working with other agencies to regenerate key areas of the city. These areas are the Central City (Cathedral Square and surrounds), the Ōtākaro Avon River corridor, New Brighton and Cranford.

On 9 May 2019, Christchurch City Council made the decision to take over leadership of the South New Brighton and Southshore work that was previously led by Regenerate Christchurch. The work has now been split into two – urgent investigation into earthquake legacy repairs, which will address immediate issues, and a climate change adaptation strategy that will help this area adapt to climate change in the short, medium and long term.

The Earthquake Legacy Project is about identifying outstanding community needs that have arisen from earthquake changes to the estuary edge and, where possible, developing responses to these needs. Reallocation of some funds previously granted to Regenerate Christchurch for the next two years has made \$3 million available in each year for other regeneration projects as we transition back to local leadership. In 2019/20 the funds will be used as follows:

- \$1.3m for Southshore and South New Brighton Regeneration funding, including planning work (for earthquake legacy issues and long term adaptation work) and the operating component (non-capitalisable) for any physical works.
- \$900,000 will be reallocated to the Urban Development and Regeneration portfolio so an equivalent amount can be used to maintain our parks, roads and footpaths.
- \$350,000 seed funding in 2019/20 for activation projects within the Ōtākaro/Avon river corridor.
- The remainder is allocated to regeneration and climate change initiatives.

The Council is developing detailed asset management plans and revising its infrastructure strategy as part of the new Long Term Plan. These will assist Council to plan its investment in addressing the earthquake legacy issues associated with our core infrastructure and assets.

Diversity

The situation

Christchurch is a diverse city. We are people of a broad range of ethnicity, culture, faith, socio-economic status, gender identity, sexual orientation, disability, and age.

The Council has a vision of a city of opportunity for all. This requires an inclusive city where all people enjoy opportunity to fulfil their potential, prosper and participate in the social, economic, political and cultural life of their communities and city.

It is now four months since the attack that claimed the lives of 51 innocent people and deeply affected so many others. We are all still coming to terms with the enormity of what happened and how we should move forward together.

This appalling attack on our Muslim communities and our city was an unprecedented incident. We are all shocked by what happened. But we continue to take great hope from the response, including:

- The Muslim communities who have responded with grace and strength.
- The bravery and professionalism shown by the Police, emergency services and many others.
- Our agencies which leveraged off our enduring collaborative relationships to work effectively together.
- Civic leadership that has reinforced our values of unity and diversity.
- The compassion and sense of shared humanity demonstrated by the people of our city, our country and international communities.

We responded to hate with humanity, unity, and a renewed respect for diversity. We came together to celebrate our differences. However, we have also become more aware of the elements of intolerance and racism that can be found in our city.

We have a new challenge: to be a community that stands up for diversity and where unity is the norm, where all are treated with decency and respect no matter our gender, language, ethnicity, or religious beliefs.

What we're doing

The Council supports communities to express, celebrate and facilitate their diverse inter-ethnic, cultural and faith relationships and interactions.

We're working to improve democratic participation of diverse communities. We have a number of initiatives to encourage voter participation in the 2019 local elections.

We are working with Ngāi Tahu, central government, community agencies, the tertiary sector, the business community and ethnic and faith communities to support those affected by the 15 March attack. We are also working together to address issues of racism and promote diversity and unity. The Council is currently reviewing priorities in its Multicultural Strategy.

The leaders of our ethnic communities have highlighted the need for a multicultural recreation and community centre for Christchurch. To make this project happen, we've set aside money in the budget and have committed to work with our multicultural communities and other funders to develop options.

Inequalities

The situation

Inequalities undermine social cohesion and have been shown to have negative consequences, including for life expectancy and health, educational performance and employment, crime and our social fabric, and cultural and civic participation. Inequality also significantly inhibits economic growth. The deprivation index shows there are patterns of socio-economic disadvantage within Christchurch.

The Local Government (Community Well-being) Amendment Act 2019 restored the purpose of local government, “to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.” This obligates the Council to consider the social and economic wellbeing of all communities in the city.

What we’re doing

The challenges of socio-economic disadvantage cannot be met by the Council alone – we work with others, including the central government, local government, iwi and other Māori authorities, community and voluntary sector organisations, communities, families and individuals themselves.

Community organisations are in a great position to identify the needs of their communities, and to respond quickly to social and economic changes at the local level. They are also often in a position to be able to reach those groups who are ‘hard to reach’ and address social exclusion.

The Council has provided funding and other support to community organisations over a number of years. Community boards also play a key role in funding and partnering with local community groups. The Council has a community team that works to build the capacity and capability of communities to manage and implement community initiatives.

The Council also provides a range of services and programmes through our libraries, recreation and sport, and community facilities that aim to enhance inclusion of socio-economic disadvantaged communities. We are involved in a number of collaborative projects designed to improve outcomes for people. We provide opportunities for people to meet, connect, participate in community and civic life.

In the last triennial, the Council adopted the living wage and encouraged its Council-controlled organisations to follow suit.



How do the people of Christchurch think we're doing?

In the last year, two surveys have provided the Council with a snapshot of what we're doing well and what we need to work on.

The Point of Contact survey and the General Service Satisfaction survey gave us the following satisfaction levels.

Find more detail at ccc.govt.nz

The General Service Satisfaction survey shows 62% of those surveyed are generally satisfied with the Council's performance. This is up from 55% last year.

What people say we do well

Walking-friendly city

85% satisfied

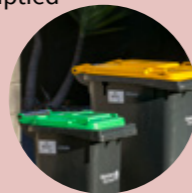
"The 30k per hour speed makes it good for walking and cycling in the city. That creates a more vibrant and people-centric city."

Cycling-friendly city

64% satisfied

Kerbside collections

"They are always emptied and good at communicating when they will be a day late due to public holidays."



Recycling

88% satisfied

Residual waste

88% satisfied

Organic

84% satisfied

First point of contact - friendly, helpful staff

"Very satisfied. Was able to talk to the right person and request was completed."

86% satisfied



Support organisations delivering community events

"Excellent support and quick responses. Could not have been better."

90% satisfied



Libraries

"Great range of books. Great, quiet space. Friendly staff."

94% satisfied



Botanic Gardens and Mona Vale

"Great maintenance and upkeep. Great range of gardens and beautifully thought out."

96% satisfied

Hagley Park

97% satisfied



What people say we can do better

Council decision-making

"Involving people earlier on and helping them understand the 'why' when decisions are made."



Public has influence on decisions:

Large or some influence

34% satisfied

Small influence

42% satisfied

Residents participation/contribution

39% satisfied

Understanding how the Council makes decisions

32% satisfied

Water supply

"Fix the wells we don't need to have chlorine in the water. The taste is not as good as it was."

Reliability

81% satisfied

Responsiveness

60% satisfied

Quality

37% satisfied



Roads and footpaths

"It's the same roadworks getting done over and over again..."

Roads

27% satisfied

Footpaths

41% satisfied

Communication

Outreach to diverse audiences. More timely, relevant and targeted information via various channels.

59% satisfied



Parking

Ease of use (Council on-street parks)

49% satisfied

More and cheaper parking - especially around central city, hospital, gardens.

Vehicle, personal safety (Council off-street facilities)

59% satisfied



Stormwater drainage

"Need a long-term plan in terms of flood management."

47% satisfied



Key partners and relationships

Christchurch City Council has a number of key partners and relationships that are essential to its work.

Mana whenua

The Christchurch City district falls within the takiwā of Ngāi Tahu which extends over 80% of Te Waipounamu.

There are six Papatipu Rūnanga within the Council district: Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga, and Te Taumutu Rūnanga. The Council's relationship with nga rūnanga has formalised into a Committee of Council: Te Hononga.

This Committee comprises representatives from the six Papatipu Rūnanga, the Mayor and the Chairpersons of the Council's committees and the Chair of the Council's Multicultural Working Party.

Council-controlled organisations

Christchurch City Council owns, or partially owns a number of organisations and trusts.

Christchurch City Holdings Ltd (CCHL)

CCHL is the 100% owned commercial and investment arm of the Council. It holds shares in various trading companies for which it undertakes monitoring and other governance functions.

CCHL supports the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable. Its core role is to monitor the Council's existing investments, which service the region's infrastructure needs, with the general objective of delivering strong financial returns and dividends to the Council.

The subsidiaries are:

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Enable Services Ltd
- Lyttelton Port Company Ltd
- Red Bus Ltd
- City Care Ltd
- EcoCentral Ltd
- Development Christchurch Ltd

CCHL has four councillors on its board, together with four independent board members.

CCHL's activities are monitored by the Council, and it's accountable to the Council's Finance and Performance Committee.

ChristchurchNZ Holdings Ltd (CNZHL)

CNZHL's purpose is to hold shares in organisations aligned to the purpose of economic growth and city economic regeneration on behalf of the Council. Its subsidiaries are:

- ChristchurchNZ Ltd (CNZ) is a public benefit entity which delivers economic development and promotional activity for Christchurch city.
- CRIS Ltd is the investment and funding vehicle for CNZHL which invests in initiatives with the potential to create long-term economic growth and/or economic transformation.

ChristchurchNZ is the city's economic development and city profile agency charged with stimulating economic activity and attracting visitors to Christchurch. Its aims are to:

- Drive regional economic growth for the benefit of the community.
- Plan and forecast economic and workforce dynamics which accelerate the key productivity drivers in the region.
- Identify sectors and businesses with high growth potential and support their development.
- Be the national leader in the commercialisation of innovation.
- Complement and support national and local government aims and initiatives.

ChristchurchNZ has two councillors on its board, together with five independent board members. Its activities are monitored by the Council through the Finance and Performance Committee.

VBase

VBase is a venue management company that owns, manages and operates major venue assets on behalf of the city. It owns or manages Horncastle Arena, Hagley Oval, the Air Force Museum and OrangeTheory Stadium (Addington). The VBase board is appointed by the Council and currently includes one councillor, one staff member and one independent.

Civic Building Ltd

Civic Building Ltd owns 50% of the Council's Civic Offices building at 53 Hereford Street in an unincorporated joint venture with Ngāi Tahu Property Ltd. It leases the building to the Council.

Transwaste Canterbury Ltd

Transwaste Canterbury Ltd is a company owned 50% by Waste Management NZ Ltd and 50% by Canterbury local authorities. The Council's stake in Transwaste is 38.9%. Transwaste owns and operates the Kate Valley landfill and the Burwood Resource Recovery Park (due to close in December 2019).

Development Christchurch Limited (DCL)

DCL was established to catalyse new investment and development in Christchurch, improving economic and social outcomes for the city. An initial focus for DCL has been projects to support revitalisation and regeneration in New Brighton. DCL is looking at options for accelerating development activities in the city. DCL is a Council Controlled Trading Organisation, and a wholly-owned subsidiary of Christchurch City Holdings Limited.

Council trusts

- Rod Donald Banks Peninsula Trust
- Riccarton Bush Trust
- Christchurch Agency for Energy Trust
- Central Plains Water Trust

Regeneration partners

Regenerate Christchurch

Regenerate Christchurch was established in April 2016 by the Greater Christchurch Regeneration Act 2016 to lead regeneration activities and outcomes across Christchurch until 30 June 2021. It is 50% owned by the Council and 50% owned by the Crown. Its focus has been on the regeneration of the Central City, the future use of the residential red zones and development of a Regeneration Plan for the Ōtākaro Avon River Corridor. The Board is currently made up of five independent members.

Ōtākaro

Ōtākaro Limited is a Crown-owned company established in 2016 to deliver the remaining Crown-led anchor projects, including the Metro Sports Facility, the convention centre and the Avon River precinct.

Greater Christchurch Group, Department of Prime Minister and Cabinet

The Greater Christchurch Group, within the Department of Prime Minister and Cabinet was formed to lead and coordinate central government's ongoing role in the recovery and regeneration of greater Christchurch.

Other partners

Central government agencies

The Council has strong collaborative relationships with government agencies in Christchurch, including the New Zealand Police, the Ministry of Social Development, the Ministry of Education, and more. We work together on a number of projects and initiatives across the city.

Canterbury District Health Board

Canterbury District Health Board (Canterbury DHB) provides public healthcare services to the people in the Canterbury region. The Council works closely with Canterbury DHB on public and environmental health initiatives across the city and Banks Peninsula.

Environment Canterbury (ECan)

ECan's purpose is to facilitate sustainable development in the Canterbury region. The Council works closely with ECan within its six broad portfolios – air quality, biodiversity and biosecurity, freshwater management, regional leadership, transport and urban development, and hazards, risk and resilience.

Community and business sectors

Christchurch has strong community and business sectors, and we welcome opportunities to work alongside them. We support and partner with a range of businesses, communities and community organisations through a number of initiatives.



Funding impact statement

The funding impact statement describes where the Council's funds are sourced and how they will be spent. The two main streams are operating (day to day) and capital (investing in the future).

Funding impact statement for the year ended 30 June							
2017	2018	2019		2020	2021	2022	2023
Actual	Actual	Forecast		AP	LTP	LTP	LTP
\$000	\$000	\$000		\$000	\$000	\$000	\$000
Sources of operating funding							
296,109	311,483	312,052	General rates, uniform annual general charges, rates penalties	335,322	359,041	377,487	397,470
130,387	149,509	184,164	Targeted rates	192,744	193,030	206,395	220,201
22,423	21,334	23,140	Subsidies and grants for operating purposes	25,491	24,557	24,941	25,287
115,485	110,748	108,211	Fees and charges	114,859	120,238	126,044	134,537
205,276	235,523	228,291	Interest and dividends from investments	81,490	88,654	87,530	85,776
26,175	25,038	24,798	Local authorities fuel tax, fines, infringement fees, and other receipts	19,144	16,205	15,430	14,678
795,855	853,635	880,656	Total operating funding	769,050	801,725	837,827	877,949
Applications of operating funding							
495,433	432,206	422,549	Payments to staff and suppliers	458,056	446,911	454,758	471,035
82,072	89,342	94,115	Finance costs	92,308	110,382	121,621	131,094
43,098	42,669	43,269	Other operating funding applications	42,008	49,562	41,616	35,687
620,603	564,217	559,933	Total applications of operating funding	592,372	606,855	617,995	637,816
175,252	289,418	320,723	Surplus (deficit) of operating funding	176,678	194,870	219,832	240,133
Sources of capital funding							
40,910	57,795	37,914	Subsidies and grants for capital expenditure	47,141	35,369	37,703	29,564
30,169	26,205	30,097	Development and financial contributions	12,952	21,873	24,276	24,115
218,393	6,122	87,806	Increase (decrease) in debt	(15,545)	253,222	224,132	153,057
6,786	15,626	27,362	Gross proceeds from sale of assets	4,986	485	496	508
127,459	22,487	9,968	Other dedicated capital funding	22,673	1,173	1,126	1,150
423,717	128,235	193,147	Total sources of capital funding	72,207	312,122	287,733	208,394
Applications of capital funding							
Capital expenditure							
422,288	328,185	263,439	- to replace existing assets	222,215	366,823	336,505	340,825
54,072	82,286	84,102	- to improve the level of service	133,294	80,848	89,404	61,397
48,457	90,711	60,152	- to meet additional demand	64,249	62,314	82,932	47,001
6,797	(15,909)	5,101	Increase (decrease) in reserves	(2,373)	(1,028)	677	1,242
67,355	(67,620)	101,076	Increase (decrease) of investments	(168,500)	(1,965)	(1,953)	(1,938)
598,969	417,653	513,870	Total applications of capital funding	248,885	506,992	507,565	448,527
(175,252)	(289,418)	(320,723)	Surplus (deficit) of capital funding	(176,678)	(194,870)	(219,832)	(240,133)

Operating movements:

- Rates are budgeted to increase in line with the targets set in the Financial Strategy.
- Dividend revenue drops in 2020 as the four years of special dividend distributions from Christchurch City Holdings Limited to assist in funding the enlarged capital programme including earthquake rebuild works finished in 2019.
- Over the next four years, finance costs are budgeted to increase by \$33.3 million with increased debt of \$615.0 million to fund capital expenditure of approximately \$1.9 billion.

Capital movements:

- The increase or decrease in investments reflects movement in the Council's cash investments.
- The increase in debt within the sources of funding section reflects the spending on major projects highlighted later in this report. Borrowing is not required in 19/20 due to the level of funds on hand due to prior borrowing to meet hedge requirements.
- The Council uses reserves to hold funds and to allocate funding to appropriate expenditure as it is incurred.



Summary balance sheet

The balance sheet reflects the Council's assets (what we own) and liabilities (what we owe others). The summary balance sheet focuses on financial assets and liabilities rather than physical assets and liabilities.

Summary Balance Sheet as at 30 June								
2017	2018	2019		2020	2021	2022	2023	
Actual	Actual	Forecast		AP	LTP	LTP	LTP	
\$000	\$000	\$000		\$000	\$000	\$000	\$000	
Current assets								
559,927	486,838	467,280	Financial assets	164,847	151,201	155,608	160,648	
24,763	10,833	22,850	Other current assets	3,529	3,429	3,497	3,563	
584,690	497,671	490,130		168,376	154,630	159,105	164,211	
Non-current assets								
2,718,327	2,717,732	2,753,989	Financial assets	2,861,763	2,714,688	2,785,810	2,857,015	
9,472,004	9,884,460	9,987,113	Other current assets	10,494,084	11,337,467	11,929,727	12,271,248	
12,190,331	12,602,192	12,741,102		13,355,847	14,052,155	14,715,537	15,128,263	
12,775,021	13,099,863	13,231,232	Total Assets	13,524,223	14,206,785	14,874,642	15,292,474	
Current liabilities								
318,841	375,763	272,039	Borrowing (public debt)	306,500	269,657	278,501	286,897	
207,056	232,052	194,560	Other current liabilities	166,796	177,741	181,266	185,195	
525,897	607,815	466,599		473,296	447,398	459,767	472,092	
Non-current liabilities								
1,474,104	1,423,304	1,614,834	Borrowing (public debt)	1,578,165	1,978,329	2,193,618	2,338,280	
191,014	200,973	277,530	Other current liabilities	200,566	184,772	183,750	182,566	
1,665,118	1,624,277	1,892,364		1,778,731	2,163,101	2,377,368	2,520,846	
10,584,006	10,867,771	10,872,269	Equity	11,272,196	11,596,286	12,037,507	12,299,536	
12,775,021	13,099,863	13,231,232	Total Liabilities and Equity	13,524,223	14,206,785	14,874,642	15,292,474	

Source: 2016/17, 2017/18 Annual Reports; 2019/20 Annual Plan; 2018–28 Long Term Plan

Financial assets and liabilities

- Financial assets are cash, short term investments and advances to other entities and these are forecast to decline as the Council uses cash reserves to fund capital expenditure rather than additional borrowing.
- Financial liabilities are amounts owed to external organisations (principally Local Government Funding Agency).
- The other non-current assets balance increases steadily as a result of normal annual capital and earthquake rebuild expenditure, coupled with asset revaluations.
- Movement in borrowing levels is minimal in 2019/20 due to the use of cash reserves as mentioned above but increases from 2020/21 onwards which is in line with the Council's Financial Strategy.
- Other non-current liabilities vary reflecting the unrealised revaluation of hedged instruments.



Statement on compliance with Financial Strategy

The purpose of financial prudential benchmarks

The purpose of these benchmarks 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.

Rates affordability

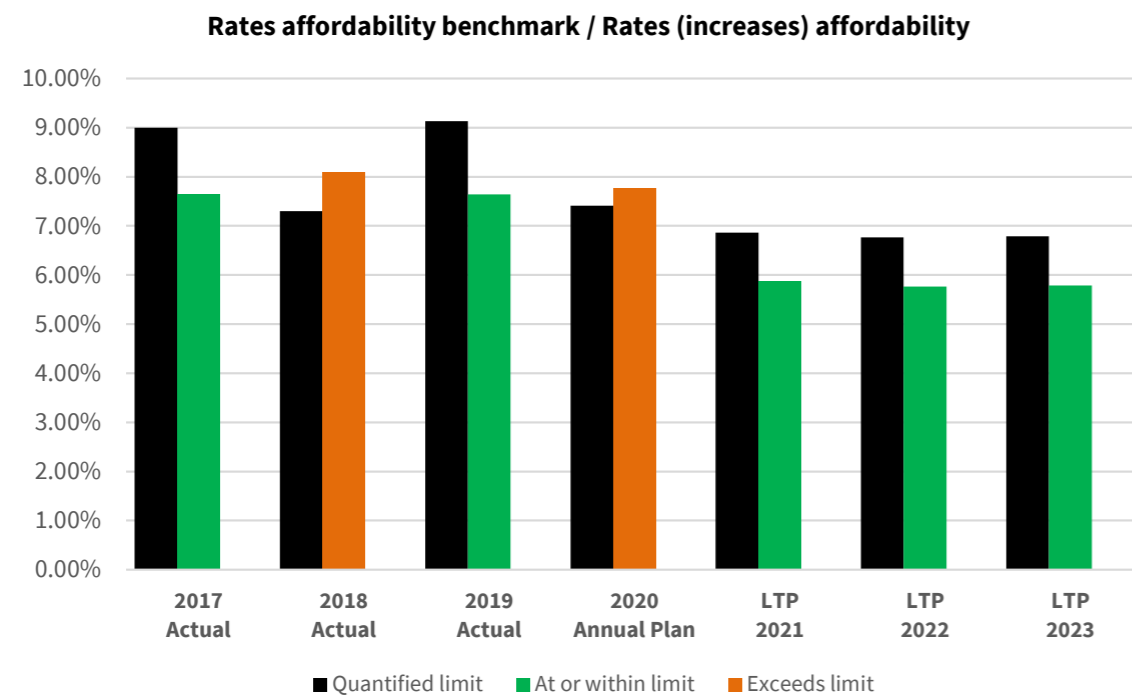
The Council meets the rates affordability benchmark if:

- Its actual rates revenue equals or is less than each quantified limit on rates; and
- Its actual rates percentage increase equals or is less than each quantified limit on rates increases.

The quantified limit represents a self-imposed limit on rates increases determined as part of the Council's long-term strategy.

Rates income

The following chart compares the Council's actual and forecast rates revenue with a quantified limit on rates contained in the Financial Strategy.



The Council is forecast to exceed its self-imposed quantified limit for rates revenue affordability in 2019/20 as some of the higher than budgeted rating growth was used to fund additional infrastructure maintenance.

Source: 2016/17 and 2017/18 Annual Reports and 2019/20 Annual Plan, 2018-28 Long Term Plan

Rates increases

The following chart compares the Council's actual and forecast rates increases with a quantified limit on rates increases included in the Financial Strategy.

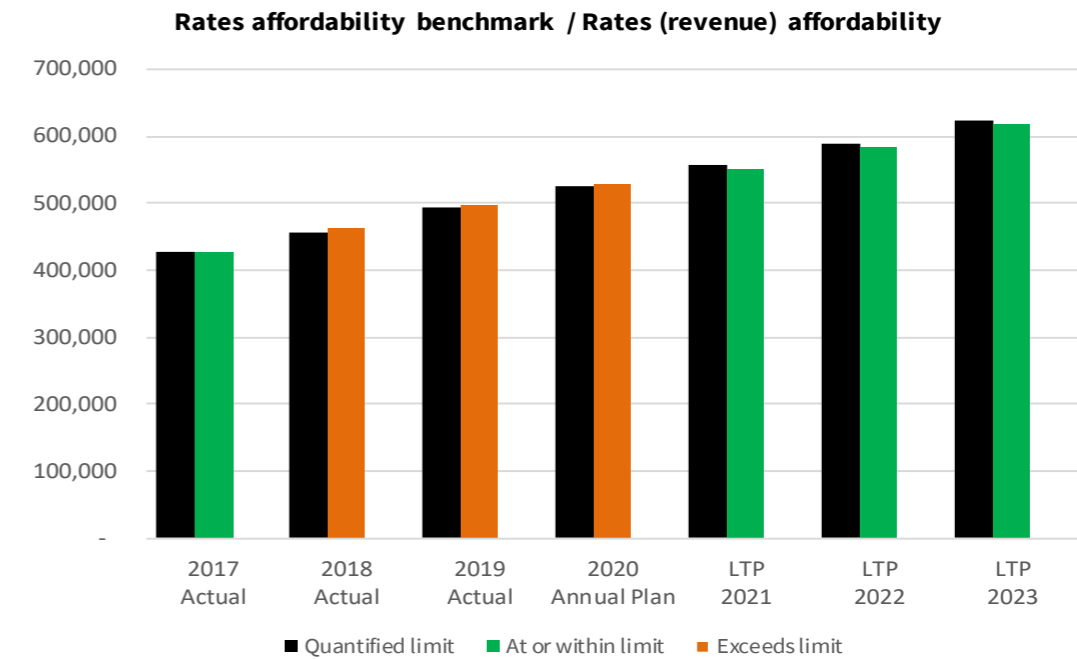


Figure 4

The above chart compares the Council's actual, forecast and planned rates increases with a quantified limit on rates increases included in the Financial Strategy. Quantified limits on rates are self-imposed thresholds that the Council employs to ensure rates charged remain sustainable.

The Council exceeded the quantified limits on rates income in 2018 due to higher than expected rates growth arising from the increase in rateable units as a result of the earthquake rebuild. The quantified limit was reset in 2019 as part of the LTP, but the limit will be exceeded again in 2020 for the same reasons.

Source: 2016/17, 2017/18 and 2018/19 (unaudited) Annual Reports and 2019/20 Annual Plan, 2018-28 Long Term Plan

Borrowing levels and limits

The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following chart compares the Council's actual and forecast borrowing with a quantified limit on borrowing.

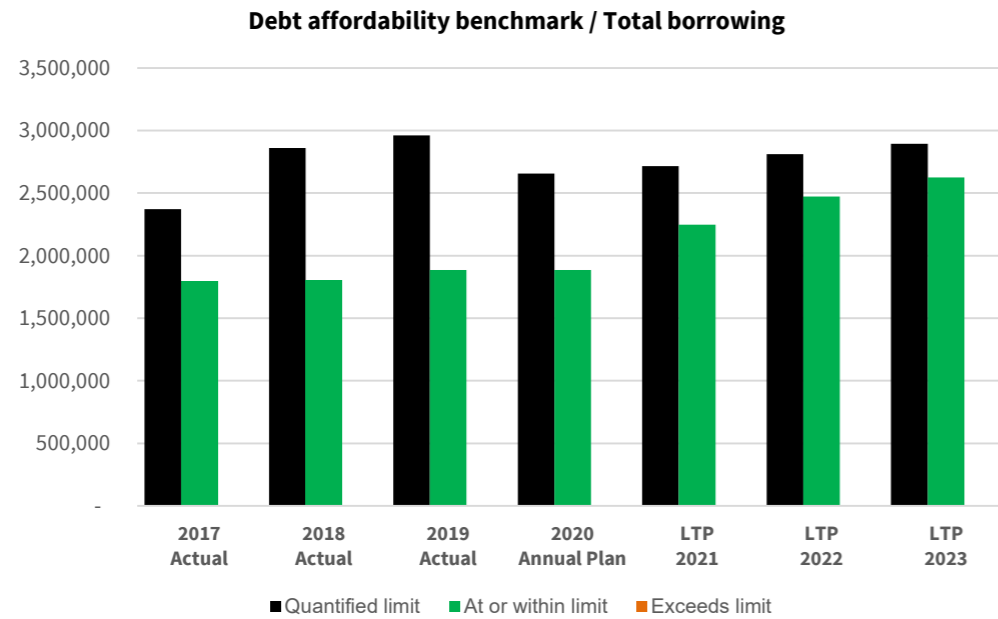


Figure 5

The levels in figure 5 are the upper limits set in the Financial Strategy.

The Council's borrowing policy sets limits for certain financial ratios in each financial year together with planned performance. The table above compares the actual or forecast ratios against the Financial Strategy limits. Notwithstanding the increased borrowing by the Council, its ratios continue to be within the current limits sets by the Council's Financial Strategy.

Source: 2016/17 and 2017/18 Annual Reports and 2019/20 Annual Plan, 2018-28 Long Term Plan

Return on investment

This section compares the returns on investment with the quantified targets for returns on those investments specified in the Financial Strategy.

Christchurch City Holdings Limited (CCHL)

The Council's main investment is in CCHL which holds investments on behalf of the City. The Council expects a return on its investment as shown below.

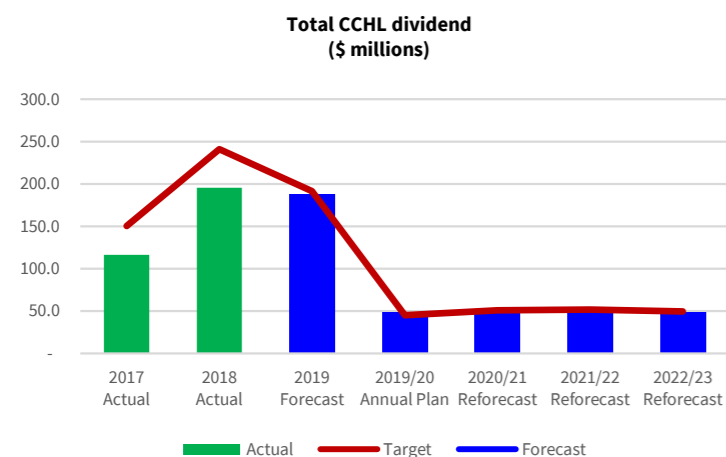


Figure 6

This graph compares actual dividends received with target levels in the Financial Strategy.

CCHL monitors the Council's existing investments in the city's infrastructure assets such as the port, airport, electricity lines and high speed fibre network. Taking into account the historic increase in value of its investments, CCHL has achieved returns in excess of 9 per cent per annum during 2016/17 and 2017/18.

The CCHL target changed in the 2018-28 Long Term Plan from a percentage return target to a dollar dividend target for easier monitoring.

The decrease in dividends reflects the completion of the current capital release programme for CCHL to the Council.

The chart includes a reforecast of future periods as part of the 2019/20 annual plan process.

Council Controlled Trading Organisations (CCTOs) excluding CCHL

CCTO	Financial Strategy target	Result
Vbase Limited	None	N/A
Civic Building Limited	None	N/A
Tuam Limited (Amalgamated into Vbase Limited in 2019)	None	N/A
ChristchurchNZ Holdings Limited	None	N/A

Performance of CCTOs with Financial Strategy

The Council has made equity investments in Vbase Limited and, when required, extends loans to the companies at market rates. The Council does not expect any regular dividends from these companies and the target has been removed in the 2018-28 Long Term Plan.

Source: 2016/17 and 2017/18 Annual Reports and 2019/20 Annual Plan

Share investments

The Council has made equity investments in companies either to facilitate economic development or in support of an entity that provides services to local government.

The graph below tracks whether actual Transwaste dividends received are within target bands set in the Financial Strategy.

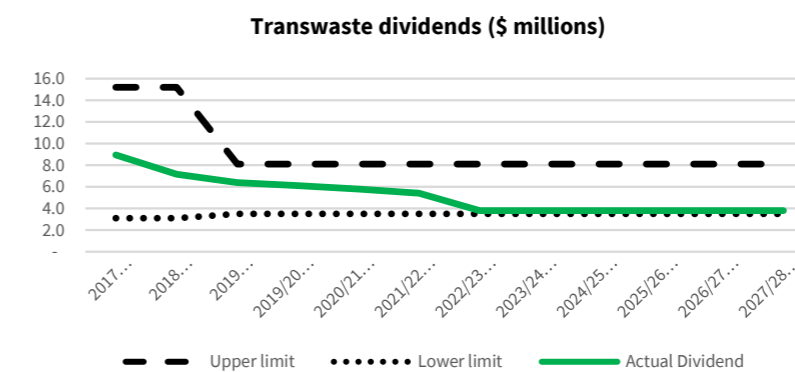
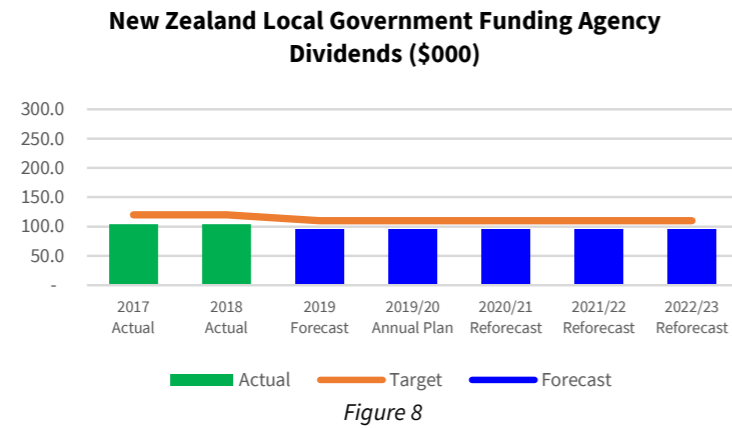


Figure 7

Transwaste Limited provides the Council with its non-hazardous regional landfill. Dividends in the last three years are within the limits set out by the Financial Strategy.

The chart includes a reforecast of future periods as part of the 2019/20 annual plan process.

The graph below compares actual LGFA dividends received with target levels in the Financial Strategy.



The New Zealand Local Government Funding Agency Limited (LGFA) was set up in 2012 and is owned by local authorities and the Government. Its objective is to provide councils with access to debt funding at lower interest rates than each could individually access.

The chart includes a reforecast of future periods as part of the 2019/20 annual plan process.

Source: 2016/17 and 2017/18 Annual Reports and 2019/20 Annual Plan

All other investments

Investments	Financial Strategy Target	Result
Civic Financial Services Limited	None	\$1 m
Endeavour iCap	None	N/A
Capital Endowment Fund	None	N/A
Community Loans	None	N/A
Local Government Funding Agency – Borrower Notes	None	N/A

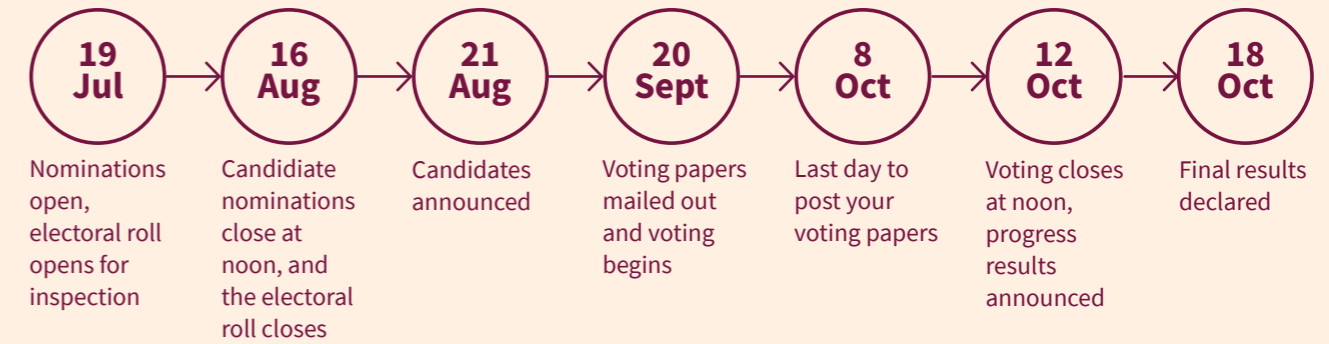
Performance of investments with no targets within the Financial Strategy

The Council also holds investments in Civic Financial Services Limited (Civic) and Endeavour iCap Fund (EIF). Civic supplies local government including Christchurch City Council with a range of financial services including the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. In June 2019, Civic declared a special dividend of \$1 million to the Council on the sale of its property located in Wellington. EIF is an investment fund for start-up and growth businesses. It's remaining investments are in the process of being wound up.

The Council did not expect to receive any return from these investments in the 2018–28 Long Term Plan. In April 2001, the Council set up the Capital Endowment Fund using the proceeds from the sale of Orion's investment in a gas company. The Fund provides an ongoing income stream which is applied by the Council to economic development and community events and projects.

About the elections

The 2019 local elections will be held on 12 October 2019, and voters in Christchurch and Banks Peninsula have the opportunity to elect the people who will make decisions – big and small – on their behalf for the next three years. Some of those decisions will shape the city for generations.



Please note

The information provided in this report is summary information and is based on information provided in the 2016/17 and 2017/18 Annual Reports, the 2019/20 Annual Plan, and the 2018-28 Long Term Plan.

These documents are available at ccc.govt.nz

The information presented in this report is not subject to independent audit. However, historic information for 2016, 2017 and 2018 has been audited as part of the audit of the respective Annual Reports, and future financial information for 2021 to 2023 has been audited as part of the audit of the 2018-28 Long Term Plan.

The financial information presented for the year ended 30 June 2019 is based on a forecast projection of the closing financial position finalised in June 2019. Actual results are likely to vary from the information presented and the variations may be material.

Find more

Long Term Plan - ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/long-term-plan-and-annual-plans/ltf

Annual Plan - ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/long-term-plan-and-annual-plans/2019-to-2020-annual-plan

Annual Report - ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/annualreport

City statistics page - ccc.govt.nz/culture-and-community/christchurch/statistics-and-facts

Local elections 2019 - ccc.govt.nz/elections

