

Ōtautahi-Christchurch

Annual Report 2020

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Council vision

The Christchurch City Council has a vision for this city:

Christchurch is a city of opportunity for all.

*We're open to new ideas, new people and new ways of doing things –
a city where anything is possible.*

Introduction

Welcome to the Christchurch City Council's Annual Report 2020.

The introduction to this report describes the city we live in and its vision for the future. It includes a message from Christchurch Mayor Lianne Dalziel and Council Chief Executive Dawn Baxendale, 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 commitments made to our community – after we asked Christchurch residents what they wanted for their city as part of our three year planning process. It also shows how the Council continues to respond to the rebuild of our city.

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 (LOS) and their expected net cost, which were agreed in the 2019/20 annual plan approved by Council on 25 June 2019.

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 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 budget, adopted by Council at the end of the prior year, 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 directed by the requirements of the accounting standards. The financial statements are 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.

Introduction

Message from the Mayor Lianne Dalziel and Chief Executive Dawn Baxendale

It has been a year in which we have welcomed in a new era at the Council – a new Council was elected in October and Dawn joined as Chief Executive in the same month, after a long career in local government in the United Kingdom.

We both feel very privileged to be leading the Council which provides services and activities valued by our residents. As our first annual report together shows, we have achieved a great deal as an organisation in the past year.

However the last few months were marked by the COVID-19 pandemic and lockdown which presented big economic and social challenges for our residents, our organisation and our holding companies, both in the short and long term.

It is sad that as a result, we were unable to formally mark the first anniversary of the tragic events of 15 March 2019 where 51 members of our Muslim community were killed and more were wounded in the terrorist attack on Al-Noor Mosque and Linwood Islamic Centre. As a city we remain united in our support for our multicultural and diverse communities who call Christchurch home. The Muslim community's dignified response to such a horrific event has been an inspiration to us all. Despite not having a memorial event, the outpouring of love and support for those affected by this tragedy continued.

The COVID-19 crisis has created uncertain times for everyone, including the Council. For us, there are major effects of reduced dividends for our organisation and loss of revenue. We still do not know the full economic impact that COVID-19 will have given that we are still managing its impact.

Our people, businesses and organisations have adapted to rapidly changing conditions, enabling them to keep going and to support each other in trying circumstances.

It was frustrating and disappointing to have to close so many public facilities during the lockdown which affected our ability to maintain our service levels and meant many of our targets for the year needed to be revised.

The Council and its staff shifted to working remotely in response to the COVID-19 lockdown. We are proud of the way staff stepped up to deliver services in quite different ways to enable us to continue supporting the people of Christchurch.

It was encouraging to see our recreation and sport centres, libraries, and the art gallery responding online with workouts, reading programmes and exhibitions, enabling people to keep participating in city life despite the restrictions. Our customer call centre was also operating 24-hours a day, seven days a week.

Before, during and after lockdown we were working on our Annual Plan 2020/21. There was a strong expectation from elected members and citizens to keep the rates increases as low as possible.

After the lockdown we quickly reviewed and reworked the plan to take into account the impact of COVID-19. This resulted in a slightly higher rate increase for the year ahead than elected members had wanted but it allowed us to respond to the submissions we received.

Despite the challenges we have had to confront, we have still achieved a great deal. The opening of He Puna Taimoana has been a big boost for New Brighton. The hot pools are popular with residents and have become a real magnet for the area.

The Global Settlement finalised during the year is another big step towards securing the Government's responsibilities to post-quake Christchurch. The settlement returns autonomy to the city and gives more certainty around funding.

The Metro Sports Facility is well underway and the Canterbury Multi-Use Arena is now well into the planning stages and progressing. Both are exciting developments for the city.

In the next financial year, we will start taking over the administration and ownership of the former residential red zone areas. This area will be a tremendous asset for the people of our city and beyond.

There is a very clear message from our surveys that residents want the Council to get the basics right. We continue to focus on improving the quality of our roads, footpaths and parks, with progress made on major roading projects including Riccarton Road, Victoria Street and Hereford Street.

We have progressed improvements to our water supply infrastructure, including wellhead upgrades, some reservoirs and suction tanks, and backflow prevention at commercial and industrial sites. This is a priority for us as we strive to provide drinking water for our city that is safe but not chlorinated.

Relationships and working collaboratively are important to us. The Council has a leadership role in the city and works closely with the Papatipu Rūnanga of the area, particularly on matters of mutual interest, including water quality. This relationship continues to strengthen.

We have a good working relationship with central Government and with our strategic partners, who we are collaborating with on a number of projects. We are well placed to continue to build on these relationships, giving us a strong foundation for the future.



Lianne Dalziel
Mayor of Christchurch

10 December 2020



Dawn Baxendale
Chief Executive

10 December 2020

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.



Lianne Dalziel
Mayor of Christchurch

10 December 2020



Dawn Baxendale
Chief Executive

10 December 2020

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 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.

Highlights

Our Achievements

From new facilities to infrastructure planning and delivery, we have delivered a range of amenities and services to the people of Christchurch.

Communities and citizens

Christchurch Art Gallery Te Puna o Whaiwhetū

We welcomed 271,769 visitors to the gallery this year. Visitor satisfaction remained high at 97%, down just 1% on last year.

Our public programme events attracted 14,855 visitors and 7,838 children participated in gallery-led lessons or our COVID-19 alert level 2 outreach programme.

We held several exhibitions, including an online exhibition presented during the COVID-19 lockdown. In total we presented 13 exhibitions and toured one to Melbourne and Wellington. Before lockdown, visits were at 102% of our annual target of 345,474. The gallery reopened on 15 May, but with social distancing and gathering limitations at alert level 2, and New Zealand's borders remaining closed, audiences have been lighter than usual.

We continued to increase our collection, with 82 new works. Of these, we bought 62 and 20 were received as gifts.

Our publications performed well this year, with four receiving awards and six others being shortlisted for awards. We published four of our quarterly Bulletin and eight exhibition and collection-related publications, including four new editions of our Little Book series. One publication was produced in partnership with Auckland Art Gallery.

We continued to support public art in line with the Public Art Advisory Group's recommendations.

Akaroa Museum

We exceeded our visitor target of 24,500 by almost 20%, with 29,307 visitors. However this was 11,240 fewer visitors than in the previous year because of cruise ships not calling in at Akaroa during the COVID-19 pandemic.

Three new temporary exhibitions were presented and our collection grew, with 173 objects being added.

We received and answered 210 collection-related and family history queries.

Libraries

Our digital resources and online services came into their own this year, with 36.6% growth in our digital collections.

Being able to access online membership and the digital collections was particularly valued during the COVID-19 lockdown.

During this time we reimagined our services and provided digital programmes, including options for book groups, Librarian in your Lounge, Story Times for children, novel-reading for older adults, and Minecraft worlds and activities for children.

A significant focus of this year was planning in preparation for the Long Term Plan 2021-31. We also underwent three service delivery reviews (a legal requirement) of the Library Mobile Service the Fingertip Library and the Library Management System.

Planning and design work continued for the new Hornby Centre, which includes a new library, to be opened in late 2022. Building refurbishments were completed at Papanui, Shirley, Fendalton, Redwood, Akaroa and Little River libraries and service centres, continuing the roll out of the Citizen Hub model. A minor enhancement of the Diamond Harbour Library was completed.

Other library highlights

Programmes and events

- 500 young people from the Rowley, Linwood and Aranui communities got involved in a successful outreach collaboration with Mai FM
- The Sustainable Living Series generated plenty of support in the stash swap events
- Two exhibitions at Tūranga were popular – Extraordinary, in collaboration with the Alexander Turnbull Library, and Labyrinth in the Library, with artist Robyn Webster.
- Tūranga held the launch of the Christ Church Cathedral Reinstatement Project, hosted by Prince Charles and Camilla, Duchess of Cornwall in November. Tūranga continues to forge an important role as a civic and community hub for Christchurch.
- We are collaborating with the Digital Inclusion Alliance Aotearoa, to help families in lower socio-economic areas to access the internet at home, via Skinny Jump.

Māori and multicultural services

- 4,423 attendees at 171 sessions. Demand has been steadily increasing for specialist reference and research services.
- Two kaupapa Māori exhibitions, in partnership with the community
- Participated in a University of Canterbury Research project to support te reo Māori in the community.

Community development and facilities

Many community initiatives rely on volunteers and in the 2019/20 year, we benefitted from just over 3 million volunteer hours.

Volunteers are involved in a wide range of activities including sports coaching, menz sheds, teaching arts and crafts, helping at food banks, pulling out weeds in reserves, cleaning graffiti, and painting walls in volunteer early learning centres. They visit the elderly and emotionally

unwell and mentor the children of prisoners (particularly young men).

During the COVID-19 lockdown period community development teams made contact with over 230 community organisations city wide to assess the current and anticipated impact of COVID-19 on their future. The results of this will be used to inform recovery planning.

Other facility highlights

- 2,051 applications for community funding were assessed
- \$10,238,690 was granted to community initiatives
- 17,388 reports of tagging were received and a subsequent 12,900 hours of community volunteer time was spent helping to remove it
- Rārākau - Riccarton Centre opened in December 2019
- Work began on the Opawa Volunteer Library, Manuka House and the St Albans Community Centre (all expected to open in the next 12 months)
- 74 (82%) of our 91 community facilities are now operated by community partner organisations.

Recreation and Sport

Recreation and Sport recorded another strong year with a 91.75% satisfaction rating for the range and quality of recreation and sport centres and 87% satisfaction rating for the quality of support offered.

He Puna Taimoana, the new hot pools, officially opened on 30 May 2020, under COVID-19 health and safety restrictions. The facility has sold out every day since then and continues to receive outstanding customer reviews.

Despite COVID-19 closing or restricting use of our facilities, there were 3,755,898 participations over the year at our multipurpose recreation and sport centres, outdoor pools and stadia.

In collaboration with funding partners we were able to provide 104,687 affordable swim lessons through primary schools in the community.

Our team continues to work on the planning, design and project management on three major recreation and sport facilities – the Metro Sports Facility, the Hornby facility, and Te Pou Toetoe- Linwood Pool.

Events and festivals

Events allow us to promote the Christchurch story and attract visitors to the city.

The Events, Partnership and Development Team provided over 15,878 hours of staff support to community groups and received a customer satisfaction rating of 88% for the quality of event support.

We supported a full calendar of events at all levels. Highlights included international cricket and hockey, Treotech Fireworks Spectacular, New Years Eve, Kidsfest, and Sparks.

The adoption of Toi Ōtautahi The Christchurch Art Strategy with our partners was a significant step in recognising the

arts as being central to our city's identity, wellbeing and spirit of creative exploration.

Civil Defence and Emergency Management (CDEM)

We continued working with community groups to identify hazards, and to help in planning for emergencies.

Our community resilience coordinators continued to work within dedicated areas across Christchurch City and Banks Peninsula. This community-focused approach to developing resilience has continued to receive support on the education front by our Stan's Got a Plan schools programme, delivered by our colleagues in the Parks Team.

Plans covering local readiness, response and recovery arrangements were reviewed. Our focus was on plans with high or medium impact hazards for which CDEM is the lead agency – earthquake, tsunami, flooding (severe weather) and land instability.

We finalised and communicated new tsunami evacuation zones for the city. This completed in collaboration with Environment Canterbury (Ecan) to ensure Christchurch has the latest available information for emergency planning.

We continued to recruit, train and equip emergency operations centre staff, New Zealand Response Team volunteers, and Emergency Support Team volunteers across the city.

Our work with partner agencies in the Justice and Emergency Services Precinct continued. As a result, we were well placed to support the response to the COVID-19 pandemic.

Citizen and customer services

We improved our customer satisfaction rating from 'satisfied' to 'very satisfied', achieving a score of 89%.

Our service request transformation project, part of the My Council project, continued. The aim of this work is to design services that are standardised and put the citizen first, enabling easy interactions with the organisation.

Further development and implementation of our Citizen Hub Strategy has progressed this year with the planning completed for NZ Post and Post Plus services at our Shirley and Riccarton Service Centres.

We completed the new Riccarton Service Centre and completed refurbishing the Shirley Service Centre.

Enquiries and in-person transactions:

- 378,419 telephone enquiries – down 9.9% on last year's 416,045 calls
- 65,514 email enquiries – down 29.6% on last year. (Up to March 2019 this reporting included online/website enquiries, which are now separated out. Combined reporting would have shown a 6.9% increase.)
- 49,865 online/website enquiries
- 121,351 in-person financial transactions – down only 0.9% on the previous year despite being closed during the lockdown. This is mainly due to the popular

provision of NZ Post services at the Papanui Service Centre.

- 145,815 service requests – down slightly from last year's 146,355 requests

Parks, heritage and coastal environment

Parks

We changed the way we provide maintenance services for some things, bringing them back in-house. Maintenance of cemeteries, garden parks, heritage parks, playgrounds and Banks Peninsula is now done by Council staff, as are our customer service requests. This has resulted in more customer service requests being completed, with many of them being completed more quickly.

Across our parks network we have increased periodic maintenance to help us extend the lifetime of assets, such as playground equipment. We've begun a tree replacement programme at Hagley Park and the Botanic Gardens. This will ensure the sustainability of our collection for future generations. We continued investing in preparation works for cemetery capacity. This programme served the city well when the COVID-19 pandemic struck. We were well positioned to cope should the worst case scenarios modelled come about.

Our work with schools has continued. The idea of school students looking after their own back yards is going from strength to strength. There is increasing interest from secondary schools and we've also developed environmental education initiatives for adults.

We're continuing to support community organisations such as the Eco Action Trust, which is working to establish areas of native trees in parts of the Residential Red Zone.

Our seasonal planting programme was disrupted by COVID-19. Many of our plantings were cancelled or postponed. A range of volunteer planting programmes got under way again as soon as COVID-19 restrictions on gatherings were relaxed. Work to improve our sports fields has continued with investment in field renewals.

We began a significant programme to renew gardens, pathways and tracks in community parks and have continued renewing playgrounds, as the budget allows. Funding from the Ministry of Business, Innovation and Employment is helping us to improve the quality and capacity of public toilets at tourism destinations.

Deconstruction work at Lancaster Park is in the final stages, with the land to be converted into a large community sports park. This work will continue in 2021, and the park is expected to open for public use in the third quarter of that financial year.

Hagley Park

In Hagley Park about 7 kilometres of tired and damaged park barriers around the perimeter have been replaced with bollards. These have a lower visual impact and have given the park a more open and expansive appearance. We're also upgrading many of the park's pathways and

tracks, and this will continue for the next two or three years as we bring them up to a consistently good condition.

Botanic Gardens

We've begun modernising and improving our plant species records and aligning our systems with internationally recognised methodologies. Installation of a creative lighting project was completed. This allows us to highlight the significant trees, plants and buildings seen from Rolleston Avenue, bringing an added dimension to the gardens at night.

Our collaboration with the Friends of the Botanic Gardens and the Botanic Gardens Trust has continued. These organisations provide vital funding and resources that help us provide a world-class facility.

Regional Parks

We're continuing to invest resources in biodiversity, including plantings, pest control and land management practices. The Regional Parks Team also continued working on tracks and trails, ensuring these are open throughout the year for people to enjoy.

We're grateful to our volunteers for the energy and commitment they bring to many of our projects. Their contribution throughout Christchurch and Banks Peninsula is huge and helps us achieve much more than would otherwise be possible.

Heritage

Our focus has been on the repair and rebuild of our heritage buildings, especially those outside the central city. The process for publicly notifying ongoing use of those that can be used was completed. Restoration work on the memorial clock towers at Sumner and New Brighton was completed. Remaining restoration works for our heritage buildings and other items will be aligned with the new long term plan.

We also manage and maintain a lot of memorial monuments and public art works throughout the city. We acquired nine new public art works during the year. These include 'The Godwits' by Bon Suter at South Brighton, 'Diminish and Descend' by David McCracken in the Botanic Gardens and 'Mana Motuhake' by Fayne Robinson in Victoria Square.

Our project to restore the Thomas Edmonds Band Rotunda continued. The classical-style building on Cambridge Terrace began in September 2019. When complete, the rotunda will take centre stage in the Thomas Edmonds River Precinct, part of the City Promenade.

The precinct will feature several other heritage riverside landmarks that were gifted to the city by local businessman and philanthropist Thomas Edmonds in 1929 to celebrate his jubilee year. These include the Pavilion next to the rotunda, the Edmonds Clock Tower, Telephone Cabinet (booth) and River Wall, which have already been restored.

Coastal environment

We had significant input from the local community and stakeholders on development options for Naval Point. This

feedback is being used to inform the Naval Point Development Plan, which will come out for public consultation later in 2020.

We sought ideas from the Akaroa community about replacing the 130-year-old wharf, asking what people wanted to see included in the new wharf. We also completed remedial repairs to piles, support structures, capping and deck beams so that the wharf can continue to be safely used. Consultation on the next stage of the wharf replacement project will be held towards the end of 2020.

Planning work for a project to improve the Diamond Harbour wharf is under way.

We continued our work to manage and maintain our coastal dunes, with work including coastal plantings and maintaining access ways and sand fences.

Water supply

Well heads

We upgraded 50 well heads at 28 pump stations so that they comply with the secure criteria under the Drinking Water Standards for New Zealand and likely future changes to those standards.

We also installed UV treatment at the Main Pumps pump station, to disinfect the water from the six shallow wells that supply water from that pump station.

Combined with the 65 well heads we upgraded last year, this means that 123 wells that supply Christchurch, Brooklands/Kainga, Lyttelton, Diamond Harbour and Governors Bay have secure well heads or receive UV treatment. This is enough to meet demand most of the time.

Other work

We drilled three replacement wells at the Wrights and Belfast pump stations. We are also under way with drilling a replacement well at the Grassmere pump station. These are deeper wells to replace shallow wells that are more vulnerable to contamination.

We renewed 2.4 kilometres of water supply mains and 4.3 kilometres of water supply submains during the year.

We continued with the design of the new Ben Rarere water supply pump station, which will replace the earthquake damaged Bexley water supply pump station.

We continued with the design of the replacement Jeffreys water supply pump station suction tank and started on the design of the replacement Sydenham pump station suction tank. Both were severely damaged by earthquakes.

We started design of the replacement Duvauchelle water treatment plant, which is needed to meet the Drinking Water Standards for New Zealand.

Water safety plans

We prepared revised water safety plans, under the new Ministry of Health framework for water safety, for

Christchurch/Lyttelton, Akaroa/Takamatua and Pigeon Bay water supplies. We received feedback from the Drinking Water Assessor on these plans and will update and resubmit them for approval in the coming year.

The water safety plans found that inadequate backflow prevention and some poor condition storage tanks were a high risk to water safety, and that more information was needed about lead-jointed pipes to determine whether lead was leaching into the water supply.

After identifying the backflow risk, we audited over 10,000 commercial properties and found that approximately one third had inadequate backflow prevention. We started work on installing backflow prevention devices and will continue this in the coming year.

In response to the risk of poor condition storage tanks, we installed hatch alarms and mesh on vents and overflow pipes where these were absent. We also undertook comprehensive condition assessments of the Hackthorne and Lyttelton Quarry reservoirs, and the Keyes, Sockburn and Grassmere suction tanks.

Regarding lead leaching, we measured lead concentrations in the water in lead jointed pipelines and found that most of these were below the maximum acceptable value in the Drinking Water Standards for New Zealand. Where higher concentrations were found, work began on moving the affected customer connections onto non-lead-jointed pipes.

Water testing

We continued to test the drinking water in accordance with the requirements of the Drinking Water Standards for New Zealand.

Wastewater

Lyttelton Harbour

Work on the Lyttelton wastewater scheme continued. This project will allow wastewater from Lyttelton, Diamond Harbour and Governors Bay to be treated at the Christchurch Wastewater Treatment Plant in Bromley.

This significant project will mean we will no longer need to discharge treated wastewater into Lyttelton Harbour. Installation of the pipeline from the Lyttelton Tunnel to Woolston is almost finished.

Work on the Diamond Harbour and Cashin Quay pump stations is nearly complete and work on the Simeon Quay pump station continued.

Akaroa Harbour

Work investigating alternatives to a harbour outfall for Akaroa's treated wastewater is nearly complete, with input provided by the community and rūnanga through the Akaroa Treated Wastewater Reuse Options Working Party. Four options have been shortlisted: three options where highly treated wastewater would be used on land to irrigate new areas of native trees and a new harbour outfall. Consultation on these options will take place in July and August 2020.

Riccarton Road

We completed the second stage of the Riccarton Road wastewater pipe upgrade, between Harakeke and Matipo streets.

The work was done in conjunction with storm water and water supply pipe renewals, pavement reconstruction and the bus priority project.

Design continued for the next stage of Riccarton Road work, between Matipo Street and Hansens Lane, where we will replace water supply and wastewater pipes.

Other work

In other work, we replaced seven kilometres and lined two kilometres of wastewater pipes.

The last piece of work to complete the wastewater main upgrade on Colombo and Beckenham streets – the siphon under the Heathcote River – was completed.

These upgrades will reduce wastewater overflows into the river.

We finished building the new network control room at Bromley. This is the control room for the wastewater, storm water and water supply networks across the district.

We updated and calibrated the computer model of the wastewater network. This is an important tool in determining compliance with our wastewater overflow consent, and for planning capital projects to reduce overflows and accommodate growth.

Stormwater drainage

Earthquake damage remains an issue in parts of our network, for instance where silt has accumulated. We've also been repairing damaged waterway linings and replacing essential flood protection equipment.

Network renewal and upgrade work has been completed in many areas. This has included improvements to inlet structures across Christchurch and Banks Peninsula. These structures usually comprise a concrete area securing a pipe and a grill to prevent debris from a waterway entering the pipe, such as where it crosses under a road.

We've also been replacing bank linings with more ecologically sensitive designs that will help with habitat improvement.

We've been doing some major capital infrastructure renewals ahead of construction work beginning in July 2020 along Jacksons Creek in the vicinity of Brougham and Selwyn streets. Work on the Lyttelton Storm Water Brick Barrel Network has continued and we're preparing for renewal work at Little River.

The weed harvesting programme is being closely monitored to ensure the benefits of managing river water levels are optimised.

COVID-19 delayed the delivery of some projects. Apart from the lockdown, some works missed key seasonal construction dates.

We continued to monitor and maintain the Ōtākaro-Avon River temporary stop banks. These protect against tidal events in the short term while planning on the Ōtākaro-Avon River Corridor works continue.

Under the Flood Intervention Policy we bought 22 properties in the Heathcote catchment. These properties have been at increased risk of flooding since the earthquakes of 2011.

Alongside these we have progressed the delivery and planning of other significant storm water drainage projects this year, to improve the management of both the quantity and quality of storm water, including Stage 3 of the Matuku Waterway Project, Horseshoe Lake pump station upgrade (PS205), and the renewal of damaged linings on Charlesworth Drain.

The Wet Weather and Tidal Flooding Response Plan has helped us improve our delivery of services to minimise the effects of rain events and king tides and the Asset Assessment Intervention Framework (AAIF) is helping us make better funding decisions for asset renewals.

Flood protection and control works

Significant progress has been made in reducing flood risk and the effects of flooding this year.

The Land Drainage Recovery Programme (LDRP) continues to deliver a major physical works and investigations programme across much of the city.

Much of our work has involved creating new wetlands and basins. These works have a dual purpose, providing additional storage for flood water during high rainfall events and helping to remove sediment and other contaminants from storm water.

We completed the Curletts Flood Storage Project. This is the first of the major milestones for our floodwater management programme in the Heathcote catchment. These works support the strategic priority of improved waterways and use the six-values approach to storm water management –ecology, drainage, culture, heritage, landscape and recreation.

Other significant projects included the Eastman Wetlands, Heathcote dredging, Bullers Stream naturalisation and storm water facility, Cox's-Quaifes facility, and Sutherlands Basin.

We built a new length of stop bank in South New Brighton near to Bridge Street and have started works further south.

We also started works in the central city with refurbishment of the storm water culvert in Hereford Street ahead of significant street improvement works.

Roads and footpaths

We completed the reconstruction of a busy stretch of Riccarton Road, between Harakeke and Matipo streets. As well as underground work to replace old sewer and water supply pipes, the road has been rebuilt to accommodate bus priority lanes.

Other work to improve the environment for pedestrians was undertaken, with streetscape work including additional seating and landscaping. Some minor work is still to be carried out.

We've begun upgrading Victoria and Hereford streets and installing bus priority lanes on Main North Road.

The upgrade of Marine Parade in New Brighton was completed and there is now easy pedestrian access between He Puna Taimoana (the new hot pools) and the New Brighton Mall.

We've also focused on improving our management of customer service requests. The volume of requests was down by about 10,000 (25%) on the previous financial year.

Other achievements:

- Resealed 81 kilometres of roads through our road maintenance contracts
- Added six kilometres of new roads to the network through subdivision development
- Renewed 22 kilometres of footpaths
- Completed reconstruction of Palmers Road, Petrie Street, Randall Street, Shands Road, and parts of Foster Street, Winchester Street, Woodhills Road, Le Bons Bay Road and Stapletons Road.
- Reconstruction of Warden Street is under way.
- Built 4 new retaining walls
- Renewed the Tikao Bay Road bridge
- Continued working with NZTA on the approximately \$300 million joint project to construct the new Christchurch Northern Corridor route into the city, including works to the local roads downstream of the project
- Continued converting street lights to LED technology throughout the year.

Transportation

Much of our work this year has focused on safety improvements.

We've completed a number of speed limit reviews across the city to ensure these are set at safe and appropriate levels.

This resulted in new speed limits being set on 297 roads or road sections. These have mainly been to lower speed limits to 30 kilometres per hour or 40 kilometres per hour in suburban residential areas, key activity areas and in rural towns. We also introduced 60 kilometres per hour limits in some rural areas.

Other safety improvements completed in 2019/20.

- Right-turn signal safety improvements at three busy intersections at Blenheim Road and Clarence Street, Blenheim Road and Matipo Street and Aldwins, Ensors and Ferry roads.
- Improvements to two pedestrian crossings on Innes Road
- Active (electronic) school signs at Elmwood Normal School
- Intersection improvements at Springs and Garvins roads, Edgeware Road and Colombo Street and Aorangi Road and Condell Avenue
- Safety barriers on Worsleys Road
- Safety and speed reduction work along the inner harbour route.
- Signalised pedestrian crossing and other improvements outside Hillview Christian School.

Other safety improvements started in 2019/20.

- New pedestrian path along Western Valley Road. This will provide a safe link to the Little River School.

Bus stops

In 2019/20 the following changes were made to public transport network. 11 new bus stops, 17 bus stop accessibility and operational performance improvements, 15 new bus shelters, 16 new bus stop seats and removed infrastructure at eight redundant bus stops

Major Cycleways

We continued work on the city's network of Major Cycleways.

- Heathcote Expressway – the section along Wilsons Road and Ferry Road was completed in August 2019. People can now use the route to cycle from The Tannery in Woolston to the central city.
- Quarryman's Trail – this cycleway is now fully open after the completion of the Halswell end in October. People can now use the route to cycle from Te Hapua: Halswell Centre to the central city.

Refuse disposal

Our kerbside collection system is diverting about 65% of waste from landfill.

The recent addition of electronic identification tags to our 480,000 wheelie bins, and the data collected, is helping us keep improving our service. The tags enable us to better manage the allocation of bins and to resolve issues more quickly for residents. They also mean we can quickly identify and reduce opportunities for misuse of the service.

During the COVID-19 lockdown, we maintained our kerbside collections. There was a temporary disruption to recycling bin processing during alert level 4 because of health and safety concerns at the recovery plant. We quickly resumed full service when New Zealand moved back down the alert levels.

We completed our draft Waste Management and Minimisation 2020 plan. This is a six-year plan addressing how we will deliver waste and resource recovery service. A key recommendation of the plan is to start a service delivery review. This will ensure we continue to identify

and implement changes that will enable us to improve efficiency and provide services that are the best value for money.

Our inclusion on the Canterbury Waste Joint Committee continued. This committee focuses on regional waste minimisation projects and identifying opportunities to further improved on waste reduction.

Earthquake demolition and construction waste

The Burwood Resource Recovery Park stopped accepting demolition and construction waste in December 2019, signalling the end of Christchurch's earthquake materials recovery programme.

In its 10 years of operation the site received more than 2.6 million tonnes of material, including construction and demolition materials, hard fill, soils and liquid waste. The park was a critical part of the city's recovery, providing a local disposal option for materials that would otherwise have been sent to landfill. It will continue to accept soils and cover material until December 2020, with the placement of sensitive materials (recovered from sites where people died in the 22 February 2011 earthquake) to finish in 2021.

Gas extracted from the Burwood Landfill is used for heating, cooling and lighting at Te Hononga-Civic Offices, for heating Christchurch Art Gallery Te Puna o Waiwhetū and for drying biosolids at the Christchurch Wastewater Treatment Plant at Bromley.

Housing

In June 2020 we completed transferring 428 units from our ownership to Otautahi Community Housing Trust (OCHT) ownership.

We bought one owner-occupied unit at Aldwins Courts and completed upgrade work before adding it to the OCHT lease. There are still five owner-occupier units to be bought and returned to the portfolio when they become available.

OCHT employed a handyman and to date he has been to 384 units and completed 652 minor maintenance jobs.

We fully reinstated two buildings that were destroyed by fire – the residents' lounge at Maurice Carter Courts and a housing unit.

Warm and Dry Programme

We worked with OCHT to implement the Warm and Dry Programme. This requires community housing providers to be compliant with the Healthy Homes legislation by 1 July 2023.

By the end of June 2020 we had installed 1740 heat pumps and 821 properties have had kitchen and bathroom ventilation upgrades. The aim is that by June 2021 all properties in the combined portfolio will be upgraded to include a heat pump, mechanical ventilation, upgraded insulation where possible and draught stopping.

Earthquake repairs

We continued interior and exterior earthquake repair work with the final tranches of this programme started in April 2019. This included 154 units over eight complexes in Addington, Bryndwr, Papanui, Belfast, Waltham, Woolston, Sumner and Richmond. This work was completed in January 2020.

Planned Maintenance

Seven complexes received full exterior painting and seven complexes had additional post-earthquake upgrades.

Other achievements

- 243 tenants started new tenancies
- 21 units upgraded while vacant, including remodelling work
- 35 units were fully redecorated (interior)
- 74 units had carpet replaced
- 55 units had vinyl replaced
- 68 units had curtains and blinds replaced
- 9 units had minor interior redecoration
- 1 unit had spouting completely replaced
- 2 units had water mains reinstated
- 24 complexes had maintenance work on large trees

Regulatory and compliance

We aim to maintain or enhance the quality of our service, through regular review and by improving our business processes, work practices and communications. Our priority is always to maintain or enhance the quality of service. This year we had a strong focus on effective relationship management with our clients and on improving the tone of our communications.

Regulatory compliance and licensing

Freedom camping

Our proactive freedom camping campaign from 1 December 2019 to 26 March 2020 helped improve compliance among campers and reduce complaints. Our season ended earlier than planned due to COVID-19 lockdown.

Noise control

This year we responded to 13,560 noise complaints, meeting our response time target 93% of the time.

Food safety and health licensing

We monitor the 2,349 registered food businesses in the Christchurch and Banks Peninsula area. This includes all businesses which make and sell food, including restaurants, cafes, takeaways, food trucks and convenience stores.

We also monitor the district's 320 hairdressing businesses to ensure they are complying with health safety regulations.

Alcohol licensing

Alcohol licence numbers have plateaued over the past year, with a total of 1,022 current on licenses, off licenses and club licenses in the Christchurch district at 30 June 2020, up 20 from the previous year.

Resource consent monitoring

Our Compliance and Investigations team works closely with consent holders to ensure they understand their legal obligations and how to comply with the conditions of their consents.

We also monitor the activities of all quarry and cleanfill sites.

During 2019/20 year 3,146 individual resource consent were monitored.

Building services

The demand for both commercial and residential building consents has steadily fallen following high post-earthquake building activity.

Building consents

Over the year we issued 3,650 residential building consents and 819 commercial building consents.

Earthquake prone buildings

There are 707 Christchurch buildings on the MBIE earthquake prone buildings register. Of these, 177 are priority buildings and will require strengthening or demolition in the next 7.5 years (105 of these will be due for this work by 2025, and 72 by 2026-28). The remaining 530 non-priority buildings have up to 15 years for strengthening or demolition work to be completed.

Building warrant of fitness

We completed 351 building warrant of fitness audits this year.

Eco-design advisor

We provided a high-quality eco-design service, with the eco-designer conducting 334 individual consultations and numerous public and stakeholder engagements.

External stakeholder engagement

We completed 2,089 Building Act exemptions during the year, with 96.6% being processed, on average, within 10 days.

All our Certificates of Acceptance applications were completed within 19 days.

Public advice

We saw 4,548 walk-in customers in the civic offices this year, 37% down on last year. The duty building consent officers received 7,542 calls and emails about building queries. They answered 71% of calls in the first instance and all emails received were acknowledged within 24 hours.

Land and property information services

Residential property file requests were on par with numbers for previous years, with 5,800 being completed. We introduced new processes to increase efficiency and improve the customer experience.

Resource Consenting

We processed 2,388 resource consent applications.

Strategic planning and policy

Land-use planning

- We were involved in proposals under 71 of the Greater Christchurch Regeneration Act affecting Lyttelton's commercial centre and Hagley Oval and provided feedback on a proposal for enabling film studios and on an Order in Council for reinstatement of Christ Church Cathedral.
- Christchurch District Plan changes – one was implemented and two were notified.
- A programme of Coastal Hazards Adaption planning began. This involves working with affected communities to plan how to manage risks from coastal inundation, erosion and rising groundwater.
- Work to address earthquake legacy issues in Southshore and South New Brighton continued.
- We worked with the Greater Christchurch Partnership (GCP) to complete and implement the Future Development Strategy and Council endorsed Our Space as the strategy for the sub-region. We are working with GCP to implement it, including developing a Spatial Plan for Christchurch and intensification corridors to support the Public Transport Futures strategy (especially mass rapid transport).
- Under the Global Settlement we will lead the implementation of projects in the residential red zone (RRZ). We made a successful bid to the Crown for \$40 million for capital projects in the Ōtākaro-Avon River corridor from the Christchurch Regeneration Accelerator Facility (CRAF).

Strategic transport

- We are jointly leading work on the Future Public Transport business case, which has established a case for investment in transformational public transport for Christchurch and Greater Christchurch. A preferred programme of work for the first stage has been identified for inclusion in the Long Term Plan 2021-31. An indicative case for mass rapid transport is due to be completed in October 2020.
- The Spatial Plan and the Public Transport Futures work are critical aspects of updating the Christchurch Transport Plan. The draft plan is with an elected member working group, with the final plan to be adopted by December 2020.
- The first Greater Christchurch Mode Shift Plan has been developed. It aims to encourage more people to use public and active transport to support work on climate change and sustainable growth. The Greater Christchurch Travel Demand Management business case has identified the investment needed in policy and behaviour change to support capital investment.

Strategic policy

- Ten-year bylaw reviews
 - We drafted reviews of replacement bylaws for water supply, wastewater and stormwater.
 - The Alcohol Restrictions in Public Places Bylaw was amended to include a permanent alcohol ban at our rugby league playing fields from 1 April to 30 August each year and a temporary 24-hour ban

- was put in place for the Electric Avenue Musical Festival.
- We continued working with the Canterbury District Health Board Community Public Health team to integrate health and wellbeing perspectives in planning, policy, and decision-making.
- We contributed economic policy advice to a range of projects including:
 - Work on issues related to short-term guest accommodation
 - Our response to the NZ Productivity Commission report into Local Government Funding and Financing
 - An assessment of the Christchurch innovation ecosystem
- Our Strategic Framework was adopted by the Council in October 2019 and has been built into the key work programme documents for the Long Term Plan 2021-31.

Urban design, planning and grants

- Central City Action Plan - we led the central city residential programme, Project 8011
- The Enliven Places Project Fund (\$150,000) allocated \$97,000 during the year to support a wide range of community projects that add to the city's creative, cultural and community identity
- The Christchurch Urban Design Panel provided design review advice for consent applications and capital projects
- The Innovation and Sustainability Fund operated for a third year with \$500,000 allocated to a wide range of projects.

Heritage, education, advocacy and advice

- We've been working with Ngāi Tahu and the community to identify agency roles as we prepare to implement the Our Heritage, Our Taonga, Heritage Strategy
- 10 Heritage Incentive Grants were approved, allocating \$661,199 to support the conservation, repair and upgrade of heritage buildings and structures
- Two Central City Landmark Heritage grants of \$600,000 each were approved (former Wellington Woollen Mills building in Lichfield Street and the former State Insurance building in Worcester Street)
- The Beca Christchurch Heritage Festival was held in October 2019 with the theme Encounter Our Stories. It attracted more than 20,000 people to more than 80 events over three weeks
- Advice was provided on more than 50 resource consent applications.

Natural environment

Our work in this area includes policy and planning for hazards and the efficient use of resources such as water.

- We allocated \$200,000 of the Christchurch Biodiversity Fund to private landowners with sites of ecological significance for fencing, pest control and planting. Applications are phased with ECan's Immediate Steps Fund to enhance opportunities for private landowners to undertake work to protect waterways and improve their biodiversity.

- Council adopted Te Wai Ora o Tāne Integrated Water Strategy on 26 September 2019 and work is now under way to implement it.
- We commissioned a report to produce a liquefaction map for Christchurch city. The technical report will be released in July 2020 with an online enquiry portal going live about the same time.
- We facilitated the implementation of the Resource Efficiency Greenhouse Gas Emission programme. This includes building the structure and tools to assist us to meet the policy commitment to reduce our greenhouse gas emissions by 2030.
- We worked with the Christchurch Agency for Energy Trust and businesses to get 59 public electric vehicle charging sockets installed across the city. The trust has now completed its objective to allocate over \$1.88 million in Christchurch Energy Grants.

Economic Development

We provide ChristchurchNZ with operational funding to lead the economic development of Christchurch.

In the last quarter ChristchurchNZ focused on the urgent need to develop a strong Economic Recovery Plan to address the effects of COVID-19. This meant reprioritising activities and the use of resources.

Public Information and Participation

We are committed to being citizen-focused and outward looking. To achieve this we provide timely, relevant and accurate information through channels that meet our residents' needs.

Increasingly we are shifting toward a more two-way communication with the community. We want to ensure there is awareness of opportunities to take part in the democratic process.

We are also making better use of new media – online, social, and targeted electronic communications to interest groups – to supplement and improve on traditional communications.

- Over the year we:
 - Carried out 66 engagements consultations and received 7,360 submissions and/or feedback. We are trying to make our consultations easy and accessible for those who haven't participated in the past, including youth and migrant groups. This has included introducing a translation facility on our website which allows web content to be translated into 14 languages. On average this service is receiving 480 visits a month.
 - Developed and implemented 215 communications/marketing strategies on a range of issues, including key projects on water, central city revitalisation, transport and land drainage.
 - Responded to 3,266 media inquiries, 95% of those acknowledged within 24 hours.
 - Increased our Facebook page following by about 13%, with an average of about 100 likes a week. In January 2020 we achieved a spike of 830 new likes (207 per week) taking the total likes to 52,817.
 - Newslines
 - More than 800 stories were published on Newslines, with an e-newsletter going out weekly to more than 4,000 subscribers.

- Sent 20 to 30 e-newsletters a month to about 70,000 subscribers
- Produced 77 monthly newsletters, viewed by 17,086 people, to community boards, sharing news, information, decisions and events in each ward.

Governance

The Local Government Election was the big event this year.

In October 2019 people voted to elect a mayor, 16 councillors and 36 community board members. One board member was elected in February 2020.

We've changed the way the council works with community boards to give local communities more involvement in decision making. This was achieved through a Governance Partnership Agreement and a review of delegations to community boards. These changes also give local communities more opportunities to contribute when significant strategies and plans are being developed for the city.

Better ways of working

We continued our implementation of new ways of working that will improve efficiency, be more cost-effective, benefit the environment and encourage citizen participation. This work has included:

- Paperless council and community board meetings
- Introducing new technology
- Audio-visual meeting attendance

Openness and transparency

We made a commitment to be more open and transparent. This work has gathered pace, especially our efforts to bring greater scrutiny and to proactively release reports considered in the public excluded section of agendas and meetings.

COVID-19

Governance processes were changed at short notice to enable our response to the COVID-19 pandemic.

We quickly needed to identify new ways of doing things so that important decisions could continue to be made through each alert level and to enable us to continue to work efficiently and effectively.

Corporate services

The COVID-19 nationwide lockdown for several weeks from mid-March 2020 required us to step up and provide organisational and staff support in different ways, ensuring residents could continue to access some services and information during this time.

With everyone working from home, one of the biggest challenges was to quickly establish work-from-home systems. Working to a very short timeframe, our information and communication technology (ICT) team showed resilience and adaptability, ensuring our systems were robust and that staff had the technology and support they needed.

Additional HR support was needed during this time, especially to support staff with concerns about working from home, temporary role changes, sick leave and other issues.

The Annual Plan 2020/21 was almost complete as lockdown began but was subsequently amended to reflect the financial effects of the pandemic on the budget and was finally adopted in July 2020.

Highlights

Annual survey of residents

The Residents Survey has two components: a General Service Satisfaction Survey and a range of Point of Contact surveys.

Overview of Results

The 2019-2020 residents' survey shows:

42 per cent of services surveyed with a resident satisfaction component met their level of service targets, the same as last year. Eleven services returned satisfaction scores of 85 per cent or above (up slightly from 10 last year).

Services that residents rated highly that scored over 85 per cent, include our kerbside residual waste, environmental education, libraries, customer services, recreation and sport facilities, Botanic Gardens, Mona Vale, Hagley Park, and customer support provided to funeral directors, and to the events and recreation and sport industries.

General Service Satisfaction Survey

The General Service Satisfaction Survey measures satisfaction for services most people in the city will have had experience using, such as roads, water and waste.

The General Service Satisfaction Survey was conducted from 1 February to 8 March 2020. Interviews were conducted by landline and cellphone.

Anyone who had not lived in Christchurch for a 12-month minimum was excluded, as was anyone who elected not to identify their suburb or age.

The survey was broken into two separate surveys that measured different aspects of Council services. Each survey had a sample of 771 respondents. Questions on overall Council satisfaction, ease of interaction and best/improvement aspects of services were asked in both surveys. In all, there were 1,452 respondents (2019:779). The resulting data provided a maximum margin of error of ±3.5 per cent (±2.5 per cent for the questions asked in both surveys).

Overall satisfaction with Council is measured via the General Service Satisfaction Survey and is down, with a shift to ambivalent and dissatisfied from satisfied. Overall satisfaction sits at 50 per cent, a 12 per cent decrease on last year's result of 62 per cent.

65 per cent of General Service Satisfaction Survey respondents agreed the Council as a whole was easy to interact with (down from 74 per cent in 2019).

What we do well are:

Activity	Satisfaction
Residual waste collection	85%
Walking friendly city	83%
Kerbside organic collection	81%
Inner city parks presentation	80%
Kerbside recycling collection	80%

Roading has remained the main underperformer for the last few years.

Only 26 per cent of those surveyed are satisfied with the condition of city roads, down slightly from 27 per cent last year, and 40 per cent are satisfied with the footpaths, down slightly from 41 per cent last year.

What we could improve:

Activity	Satisfaction
Road condition	26%
Understanding how Council makes decisions	26%
Footpath condition	40%
Stormwater drainage	43%

Point of Contact Survey

Point of contact surveys measure service satisfaction at a customer's point of contact with the service. These surveys are used for a range of services where there is a specific customer base such as consents, libraries and event attendees.

Point of Contact Service Satisfaction Surveys are conducted at service sites, or users are contacted by either telephone, email, post or mail drop. Respondent sample sizes range from 20 to 1,500 per service, depending on user numbers and the scale of site services.

Overall, more than 7,308 point of contact surveys were completed (2018-2019: 6,761).

What we do well are:

Activity	Satisfaction
Delivery of environmental, conservation, water and civil defence education programmes	100%
Cemeteries administration services (interment application processes)	100%
Botanic Gardens and Mona Vale presentation	97%
Libraries	95%

Two Point of Contact Service Satisfaction Surveys recorded a 100 per cent satisfaction rating: education programmes and cemeteries administration services (interment application processes).

What we could improve:

Activity	Satisfaction
Community parks presentation	57%
Cemeteries presentation	65%
Equitable access for recreational, commercial and transportation purposes	65%
Resource consenting process	69%

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 triennial election was on 12 October 2019

Council

The Mayor and 16 Councillors, govern the city and ensure the needs of its residents are met. The Mayor is elected from the whole city and one Councillor is elected from each of the 16 wards.

The wards that make up the city are:

- Banks Peninsula
- Burwood
- Cashmere
- Central
- Coastal
- Fendalton
- Halswell
- Harewood
- Heathcote
- Hornby
- Linwood
- Innes
- Papanui
- Riccarton
- Spreydon
- Waimairi

The Council makes decisions for Christchurch's future, plans the way forward and is 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 for the period of this Annual Report is outlined in the LTP 2018-2028, which the Council consulted on then adopted in June 2018.

The elected members agree on the Community Outcomes that they want to achieve as the city evolves.

They are published in the LTP and together with the community and its strategic partners, the Council prepares a work programme aimed to achieve these outcomes:

- Liveable city
- Resilient communities
- Healthy environment
- Prosperous economy

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

Community Boards

At a local level, seven Community Boards represent and are an advocate for the interests of their communities.

Community Boards make decisions on some local matters and advise the Council on local needs, community views and how Council proposals will affect their communities.

The Community Boards are made up of 37 Community Board members and the 16 Councillors elected from each ward.

The Community Boards are:

- Banks Peninsula
- Coastal-Burwood
- Fendalton-Waimairi-Harewood
- Halswell-Hornby-Riccarton
- Linwood-Central-Heathcote
- Papanui-Innes
- Spreydon-Cashmere

Your Council

Community Outcomes

What are Community Outcomes?

The purpose of local government is to promote the present and future wellbeing of its community. Our Community Outcomes define what wellbeing means for our community.

The Community Outcomes listed below helped set the direction for the 2018-2028 Long-Term Plan (LTP) and 2019/20 Annual Plan. All Council activities described in the 2018 LTP and 2019/20 Annual Plan contribute towards them.

These Community Outcomes were reviewed at the end of 2019 as part of the incoming Council's consideration of its key direction-setting document, the Strategic Framework. The Community Outcomes were slightly revised and these revisions have been shared as part of the March 2020 consultations on the 2020/21 Annual Plan. The revised Community Outcomes will be available on the Council website when the consultations on the revised Annual Plan are complete.

The Community Outcomes

Our Community Outcomes are grouped under four themes that reflect the four wellbeings specified in the Local Government Act – social, cultural, environmental and economic wellbeing.

For the 2018 LTP, these themes were: strong communities, liveable city, healthy environment and a prosperous economy. The revised Community Outcomes adopted for the 2021 Annual Plan have amended the strong communities theme to resilient communities.

This Annual Report covers the 2019/20 financial year so the Community Outcomes which set the direction for the 2019/20 Annual Plan are listed below.

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 facilities network

How do we achieve these outcomes?

All of the Council's work programmes and budgets are designed to support progress towards our Community Outcomes. We cannot achieve these Outcomes alone so we collaborate closely with the Government, other agencies and the community. There will be challenges in achieving these Outcomes. The 2010-2011 earthquake sequence was one such challenge and the COVID-19 pandemic and associated recession is another.

Further information on each Outcome, what it means for the community, and how we monitor our progress towards these Community Outcomes is available on our website.

Your Council
The elected Council



Back Row (from left):

Councillor Aaron Keown, Councillor Jake McLellan, Councillor Sam MacDonald, Councillor Dr Melanie Coker, Councillor Tim Scandrett, Councillor Mike Davidson, Councillor Anne Galloway, Councillor James Daniels.

Front Row (from left):

Councillor Sara Templeton, Councillor Yani Johanson, Councillor Catherine Chu, Councillor James Gough, Mayor Lianne Dalziel, Deputy Mayor Andrew Turner, Councillor Phil Mauger, Councillor Pauline Cotter, Councillor Jimmy Chen.

Your Council

Chief Executive and Executive Leadership Team



From left:

- | | |
|------------------------|--|
| Leonie Rae | General Manager Corporate Services, Consenting and Compliance |
| Brendan Anstiss | General Manager Strategy and Transformation |
| Mary Richardson | General Manager Citizens and Community |
| Dawn Baxendale | Chief Executive |
| Carol Bellette | General Manager Finance and Commercial (resigned 4 September 2020) |
| David Adamson | General Manager City Services |

Your Council

Community Board Members

Banks Peninsula Community Board

Tori Peden (Chairperson) – *Wairewa subdivision*
Tyrone Fields (Deputy Chairperson) – *Lyttelton subdivision*
Jamie Stewart – *Akaroa subdivision*
Nigel Harrison – *Akaroa subdivision*
Reuben Davidson – *Lyttelton subdivision*
Howard Needham – *Mount Herbert subdivision*
Scott Winter – *Mount Herbert subdivision*

Councillor

Andrew Turner – *Banks Peninsula ward*

Coastal-Burwood Community Board

Kelly Barber (Chairperson) – *Coastal ward*
Jo Zervos (Deputy Chairperson) – *Coastal ward*
Bebe Frayle – *Burwood ward*
Linda Stewart – *Burwood ward*

Councillors

James Daniels – *Coastal ward*
Phil Mauger – *Burwood ward*

Fendalton-Waimairi-Harewood Community Board

David Cartwright (Chairperson) – *Fendalton ward*
Bridget Williams (Deputy Chairperson) – *Fendalton ward*
Linda Chen – *Harewood ward*
Jason Middlemiss – *Harewood ward*
Mike Wall – *Waimairi ward*
Shirish Paranjape – *Waimairi ward*

Councillors

James Gough – *Fendalton ward*
Aaron Keown – *Harewood ward*
Sam MacDonald – *Waimairi ward*

Halswell-Hornby-Riccarton Community Board

Mike Mora (Chairperson) – *Hornby ward*
Andrei Moore (Deputy Chairperson) – *Halswell ward*
Debbie Mora – *Halswell ward*
Mark Peters – *Hornby ward*
Helen Broughton – *Riccarton ward*
Gamal Fouda – *Riccarton ward*

Councillors

Jimmy Chen – *Hornby ward*
Anne Galloway – *Halswell ward*
Catherine Chu – *Riccarton ward*

Linwood-Central-Heathcote Community Board

Alexandra Davids (Chairperson)¹ – *Central ward*
Sally Buck² – *Central ward*
Michelle Lomax – *Central ward*
Darrell Latham – *Heathcote ward*
Tim Lindley – *Heathcote ward*
Jackie Simons – *Linwood ward*

Councillors

Yani Johanson – *Linwood ward*
Jake McLellan – *Central ward*
Sara Templeton – *Heathcote ward*

Papanui-Innes Community Board

Emma Norrish (Chairperson) – *Papanui ward*
Simon Britten (Deputy Chairperson) – *Papanui ward*
Ali Jones – *Innes ward*
Emma Twaddell – *Innes ward*

Councillors

Pauline Cotter – *Innes ward*
Mike Davidson – *Papanui ward*

Spreydon-Cashmere Community Board

Karolin Potter (Chairperson) – *Spreydon ward*
Lee Sampson (Deputy Chairperson) – *Spreydon ward*
Keir Leslie – *Cashmere ward*
Callum Stewart-Ward – *Cashmere ward*

Councillors

Melanie Coker – *Spreydon ward*
Tim Scandrett – *Cashmere ward*

¹ Deputy chairperson to 29 April 2020 and Chairperson from 29 April 2020

² Chairperson to 29 April 2020

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.

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.

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:

Training elected representatives

After every election, Council staff and others, such as Local Government New Zealand, assist in training incoming elected members. Training is ongoing and includes 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 receiving petitions and deputations at Council, Committee and Community Board meetings. It also receives 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 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 his behalf.

Internal audit

The Council's internal audit monitors its internal controls and reviews function. Deloitte provide resource and expertise to aid delivery of this function.

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 Organisations

The Council has financial and governance interests in other organisations.

CCHL is a significant wholly-owned subsidiary. It groups trading activities under one umbrella and keeps the Council at arm's length from the activities of Council Controlled Organisations (CCOs), which operate as profit-making enterprises.

The major CCOs are:

- Christchurch City Holdings Limited (CCHL)
- 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)
- Development Christchurch Limited (DCL)

The Council also has interests in other smaller CCOs:

- ChristchurchNZ Holdings Limited (CNZ)
- Civic Building Limited (CBL)
- Vbase Limited (Vbase)
- Transwaste Canterbury Limited (Transwaste)
- Christchurch Agency for Energy (CAfE)³
- Riccarton Bush Trust (RBT)
- Rod Donald Banks Peninsula Trust (RDBPT)

Each CCO 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. CCOs are required to report to their shareholder bi-annually.

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

³ Trust wound up during the 2019/20 financial year.

Your Council

Māori involvement in decision making

Te Tiriti o Waitangi and subsequent legislation such as the [Resource Management Act 1991](#), the [Te Rūnanga o Ngāi Tahu Act 1996](#) and the [Local Government Act 2002](#), guide how Christchurch City Council engages with Māori.

Combined, these documents set the basis of consultation with Iwi and Mana Whenua to ensure that the views and values of Māori are considered across Council activities as we make decisions about the city, its resources and the environment. Land, water (all forms) and the natural environment are of significant cultural value for Māori – similarly this is true for the wider Christchurch Community.

Council directly engages with iwi - Te Rūnanga o Ngāi Tahu, and six of the Papatipu Rūnanga who fall within the Council catchment as mana whenua of respective rohe: Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Wairewa Rūnanga, Te Rūnanga o Koukourārata, Ōnuku Rūnanga and Te Taumutu Rūnanga. The Papatipu Rūnanga collectively formed a body (Te Kāhui Kahukura) to engage in decision making at the strategic level with Council to advance mutual goals, namely to support the environmental, social, cultural and economic wellbeing for Māori, as well as benefiting the wider Canterbury community through strengthened relationships in related areas of interest.

This engagement is achieved through committee under the auspices of the Te Hononga - Papatipu Rūnanga Committee which meets quarterly.

At the operational level the relationship is strengthened through the Ngāi Tahu Relationship Team consisting of a Principal Advisor (reporting directly to the Chief Executive), and a Senior Advisor. The purpose of this team is to foster working and strategic relationships between the Council and Papatipu Rūnanga on a daily basis. The team also guide Council staff on cultural substance of policies, procedures and strategies set within Christchurch City Council.

The Council has an operational and functional relationship with urban Māori whose tribal affiliations are from outside of the region. Te Rūnanga o Ngā Maata Waka is a valuable stakeholder who provides social services to the Māori community.

Māori specialist organisations also have an important part of the Council / Māori relationship.

The Mahaanui Kurataiao Limited relationship has grown and developed. This is the vehicle where the six Rūnanga provide cultural expertise into decision-making on environmental matters and resource management to assist in developing policy statements and plans for the city.

Mataapopore, a charitable trust that is mandated by mana whenua has provided design, arts and urban planning advice. Their contribution to the rebuild of Christchurch has created a Ngāi Tūāhuriri aesthetic in the city that is exciting and unique.

Council values these relationships with Ngāi Tahu/ Māori and will continue to promote opportunities for partnership and greater community benefit.

Over the current year, Council and Rūnanga have engaged on important environmental matters and in particular, activities to protect and replenish our natural environmental resources. Mana whenua continue to support the Council through the city recovery and regeneration.

The mana whenua relationship with Council was particularly important in the recovery of the City post March 2019 assisting in demonstrating cultural unity and well-being of our people after this profoundly tragic event.

Cultural support and presence was also provided to many key events and projects throughout the reporting period:

- Pōwhiri to the Inaugural CCC meeting of elected members in October 2019.
- Royal Visit to CHCH November 2019
- Waitangi Day events across the City.
- Oi Manawa Earthquake Memorial 2019
- Mayoral visit to Toyama – 2011 EQ apology.
- He Puna Taimoana (New Brighton Hot Pools opening).
- Various other key projects and openings.

The Council continues to develop staff cultural capability and provides pathways for staff to participate to extend their understanding of Te Ao Māori and to engage successfully with Te Rūnanga o Ngāi Tahu and the six Papatipu Rūnanga within the city catchment. As well as providing Treaty of Waitangi workshops for all newcomers to the organisation, Council employees enjoy access to:

- Learning Te Reo Māori.
- Broadening their understanding of Te Ao Māori through attending various engagement workshops.
- Learning waiata.

Christchurch City Council is committed to extending its engagement with Māori beyond legislative requirements and through association by partnering in key activities of mutual interest.

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.

Council activities and services

Activities and services summary

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

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

Statement of cost of services for the year ending 30 June

	2020			2019	
	Costs (after internal recoveries)	Income	Net Cost	Plan Net Cost	Net Cost
	\$000	\$000	\$000	\$000	\$000
Communities and citizens	141,890	36,864	105,026	123,108	110,187
Parks, heritage and coastal environment	70,759	58,150	12,609	59,649	29,506
Water Supply	72,096	7,213	64,883	62,525	63,098
Wastewater	102,053	21,141	80,912	85,310	91,343
Stormwater drainage	29,414	4,440	24,974	33,255	16,479
Flood protection and control works	6,511	2,409	4,102	(312)	2,207
Roads and footpaths	118,247	119,196	(949)	54,093	50,752
Transportation	23,216	74,755	(51,539)	(6,480)	(10,713)
Refuse disposal	55,062	12,340	42,722	40,036	38,489
Housing	42,820	14,269	28,551	6,216	17,680
Regulatory and compliance	50,751	41,111	9,640	9,264	(7,857)
Strategic planning and policy	38,744	948	37,796	40,392	41,801
Governance	18,678	721	17,957	17,400	17,042
Corporate	94,301	616,437	(522,136)	(552,680)	(627,103)
Total cost of service delivery	864,542	1,009,994	(145,452)	(28,224)	(167,089)
Total cost of service delivery (excl Corporate)	770,240	393,557	376,684	524,456	460,014

Major net cost of service variance explanations are provided for each activity in their individual “What did it cost?” sections.

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.

Group of Activities Reconciliation to Financial statements

	Parent 30 Jun 20 Actual \$000	Parent 30 Jun 19 Actual \$000
Council activities and services revenue excluding Corporate activities	393,557	265,785
Rates revenue	530,297	496,216
Other revenue (primarily interest and dividends)	86,140	258,375
Total revenue	1,009,994	1,020,376
Council activities and services expenditure excluding Corporate activities	770,240	725,799
Other expenditure	94,302	127,491
Total expenditure	864,542	853,290

Capital expenditure summary for the year

	2020		2019
	Plan		Net Cost \$000
	Net Cost \$000	Net Cost \$000	
Communities and citizens	61,538	69,614	68,708
Parks, heritage and coastal environment	19,442	20,143	15,854
Water Supply	37,422	33,154	33,717
Wastewater	64,444	58,782	49,666
Stormwater drainage	12,727	19,987	20,016
Flood protection and control works	21,662	24,522	45,557
Roads and footpaths	84,679	78,373	80,439
Transportation	41,858	30,483	21,862
Refuse disposal	1,255	2,570	1,010
Housing	8,074	3,661	3,819
Regulatory and compliance	-	2	11
Strategic planning and policy	425	872	403
Governance	12	-	48
Corporate	36,763	77,595	66,861
Total capital expenditure	390,301	419,758	407,971

Major capital expenditure variance explanations are provided for each activity in their individual “*What did it cost?*” sections.

Depreciation and amortisation summary for the year

	2020		2019
	Plan		Expensed \$000
	Expensed \$000	Expensed \$000	
Communities and citizens	23,472	23,758	21,368
Parks, heritage and coastal environment	23,166	22,420	22,252
Water Supply	36,242	35,217	35,662
Wastewater	52,840	53,248	52,245
Stormwater drainage	13,682	13,542	12,923
Flood protection and control works	113	157	29
Roads and footpaths	61,439	61,260	58,426
Transportation	4,457	5,364	3,960
Refuse disposal	2,503	2,756	2,473
Housing	5,731	7,005	6,573
Regulatory and compliance	76	74	74
Strategic planning and policy	68	125	85
Governance	-	-	-
Corporate	20,956	20,011	18,941
Total depreciation	244,744	244,937	235,012

Summary of COVID-19 statements pertaining to service delivery impacts for each Group of Activity

Transportation

Overall service delivery for Transportation activities was able to continue throughout the COVID-19 lockdown. Some reporting, such as for journey times and number of people travelling by bus or cycling, (refer to pages 98 to 99) though still achieved, shows variation from previous years’ results.

Strategic Planning and Policy

Overall service delivery for this group of activity remains generally unaffected, though specific service delivery results have been impacted with the closure of the Christchurch i-SITE and the cancellation or deferral of some

events (refer to Economic Development, pages 136 to 139). Other levels of service have been affected by process delays, while changes to ways of working for a number of services has enabled service delivery to be maintained throughout the lockdown period (refer to Urban Regeneration, page 132).

Regulation and Compliance

Overall service delivery for activities within Regulatory and Compliance group of activity was able to continue throughout the COVID-19 lockdown. Those services affected included inspections for food premises and swimming pools, and delivery of schools programmes for animal management (refer to Regulatory Compliance and Licencing, from page 117).

Refuse Disposal

Overall service delivery for refuse disposal was able to continue throughout the COVID-19 lockdown period, with the exception of processing of recyclables at the Materials Recovery Facility (refer to page 105).

Parks, heritage and coastal environment

Overall service delivery has been minimally affected by the COVID-19 lockdown. Delivery of education programmes saw less participations than planned (refer page 58).

Communities and citizens

Service delivery for activities within this group of activity was affected widely due to the impacts of the COVID-19 lockdown. Access to facilities and services was stopped, as well as delivery of public and schools programmes. As a consequence targets pertaining to numbers of visitors and participations and utilisation of facilities could not always be met. In many instances the annual targets have been pro-rated for the periods of closure, and the actuals and results reported against these revisions. Where applicable these are noted in the 'Results' column (refer to pages 38 to 46).

Roads and footpaths, Stormwater Drainage, Flood protection and control works, Wastewater collection, treatment and disposal, Water Supply, Housing, Governance and Decision-making

Due to the nature of these services, there have been no noticeable impacts to service delivery results due to COVID-19 lockdown.

Pro-rata results

Reporting against performance indicators where service provision stopped, or was adversely impacted due to the COVID-19 emergency (specifically periods of lockdown), we have opted to pro-rata (apportion) some targets, and report results against the apportioned targets, even though the overall result is still reported as not achieved.

In each case before applying pro-rata we made sure we can justify or prove the dates we closed and re-opened (relative to government Alert-level announcements), and ensured service provision was generally an even distribution through the year.

Examples where we have applied pro-rata include opening hours, facilities provision, and the numbers and percentages of programmes, attendees, participations, visits, occupancy or inspections. These can be seen in the Results column of the 'How did we measure up?' sections.

Application of COVID-19 Disclosure Rules

Where performance measures were significantly impacted by COVID-19, these measures were permitted to be modified to remove the COVID-19 impact through prorating the result. The following rules / process was adopted by Council to ensure a consistent approach to the prorating process.

1. State Covid-19 impact:

Where a year-end result was not met, or was met but adversely impacted because of COVID-19 impacts, guidance from Audit NZ is that we should state this has happened and include the reasons.

2. Consider pro-rata results

This is most likely to apply where our facilities were closed, or where service delivery or delivery of programmes was not possible. For example: Hours of opening / Number of participations / Number or percentage of programmes delivered / Average occupancy

3. Review

- Ensure you can justify or prove the dates you were closed/re-opened
- Check the service you provide is generally an even distribution through the year (for example, if all your programmes are delivered in summer, which was before lockdown occurred, this does not meet the Audit guidance)
- If so you may apportion the target across the periods you were open, then report against the apportioned target
- Applying this option may change your May forecast from Amber or Red to Green.

Council activities and services

Communities and citizens

What is communities and citizens, and what does the Council do?

Communities and citizens provides:

- community facilities: Christchurch Art Gallery Te Puna o Waiwhetū, museums and libraries;
- community: funding, events and festivals;
- facility and community-based programmes;
- recreation & sports facilities and sports parks;
- sector co-ordination, support and advice;
- civil defence and emergency management; and
- first point of contact service for enquiries and interactions for the citizens and customers of Christchurch.

Citizens increasingly expect accessible and joined-up services, easy one-stop interactions and choice in how they engage with Council. The focus of Citizen and Customer services is to deliver first point of contact services ensuring an integrated and citizen-centric experience that makes it simple and easy to interact with Council.

Our community facilities, community development and funding activities support and encourage residents to volunteer and participate in community initiatives and to build community capacity and social connectedness.

The City's Art Gallery, museums and libraries provide residents and visitors with access to art, historical and other educational material. Their collections will continue to be enjoyed by future generations.

Our sport and recreational facilities deliver facility and community-based programmes. Sport and recreation activities contribute to the social and economic well-being of the community by offering a wide range of facilities such as pools, recreation centres, stadia and sporting facilities as well as services, programmes and events, many of which are based around those facilities.

Civil defence and emergency management (CDEM) work with communities to build resilience to disasters, promote understanding of hazards and risks, and to develop emergency preparedness. Along with other organisations and the community, the team responds to emergencies.

Why is the Council involved?

Local government's purpose includes meeting the current and future needs of communities by developing cost effective local infrastructure and public services, and promoting the cultural and social well-being of communities for the present and future. We contribute to this by running art galleries, libraries and museums and by offering various services to those using them.

We supply community and social infrastructure such as public amenities and facilities that allow residents to meet, socialise and develop strong and inclusive networks. Events strengthen community pride, promote the

understanding of different cultures and a healthy lifestyle, and showcase the good quality of lifestyle available in Christchurch.

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. These activities contribute to cultural identity and social cohesion, and enrich the lives of present and future citizens.

We contribute 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 helps build community and individual resilience by involving and encouraging local input into council decision-making.

We enhance the experience of visitors to the wider city, assisting their understanding of the influences that have shaped communities. The Art Gallery, museums and libraries have an important place in the region's tourism infrastructure, contributing to economic wellbeing.

The ability to participate in sport and recreation is seen as a fundamental component of community life in Christchurch.

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

- people having equitable access to parks, open spaces, recreation facilities and libraries
- more and more people taking part in recreation and sport
- Christchurch being recognised as a great place to work, live, invest and do business
- services being available locally in urban areas
- people being actively involved in their communities, local issues and decision-making.

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

Sport and recreation 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 is 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 promote the city economy through

enabling the industry associated with providing residents an opportunity to live a healthy and active lifestyle.

How does it affect me?

Community services help 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.

We stage community events throughout the year such as Summer Theatre, Lazy Sundays, Kite Day, Sparks, Fireworks Spectacular and KidsFest. We also support a range of events such as New Zealand Track and Field Championships, WORD Festival, and Jazz and Blues Festival.

Every time you visit Christchurch Art Gallery Te Puna o Waiwhetū or 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.

You may use our recreation and leisure facilities like the Pioneer, Graham Condon, Taiora:QEII or Jellie Park Recreation and Sport Centres or our specialist sports grounds and facilities around the City.

What activities are involved?

Christchurch Art Gallery Te Puna o Waiwhetū

The Art Gallery collects, preserves and presents our region's artistic heritage to residents and visitors. Christchurch Art Gallery Te Puna o Waiwhetū is a vibrant, dynamic space which caters to a strong and growing arts audience.

Museums

We run and support museums so that our region's heritage is collected, preserved and made accessible to residents and visitors. Akaroa Museum preserves and displays the history of Akaroa and Banks Peninsula.

Under the terms of the Canterbury Museum Trust Board Act 1993 we also contribute funds to the Canterbury Museum. Whilst Council has no operational responsibilities for the Museum, it does have four representatives on the Canterbury Museum Trust Board

Libraries

Christchurch public libraries are vibrant and welcoming community hubs, at the heart of local communities. They provide vital connections to the world of knowledge, ideas and imagination and foster literacy and learning from an early age. By ensuring free and equitable access for all, libraries enable people to participate as citizens and strengthen their communities, culturally, socially and economically. Libraries are an agent for community

building, social inclusion and engagement. Cultural services are provided, often in partnership, to meet the needs of specific user groups, such as Māori, Pasifika and people of other ethnicities. Services include: collections, both general and heritage; access to information and professional services; programmes and events and community spaces through 20 libraries, the mobile library and digital channels.

Community development and facilities

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 partner with a wide range of community organisations to build capacity within communities to deliver their own unique services and care for potentially vulnerable sectors.

We own many community centres, halls and cottages that can be used for activities such as public meetings, dance or exercise classes, social gatherings, craft groups and sports workshops. While Council manages a number of these community facilities, we also empower and support community organisations to manage facilities for the benefit of the whole community.

Recreation, sports, community arts and events

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 provide a variety of specialised sports grounds and facilities to cater for organised sports and other associated recreational activities. Examples include Nga Puna Wai, the Fencing Centre and the Denton Park velodrome.

We provide an all year-round programme of free and affordable community arts and events, supporting a range of festivals that enhance the city's lifestyle qualities, and build capacity in the local events industry. Our major events attract visitors and support key industries in Christchurch and Canterbury.

Civil Defence and Emergency Management

We co-ordinate local CDEM activities, 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.

Citizen and customer services

Citizen and customer services delivers multi-channel first point of contact services to the Council's citizens and customers. A 24/7 contact centre is maintained which

includes phone, email and social media interaction and face to face services at suburban service desks. We 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 12 sites in greater Christchurch, from Papanui in the north to Akaroa in the south.

What did we achieve?

Christchurch Art Gallery Te Puna o Waiwhetū

Christchurch Art Gallery welcomed 271,769 visitors, 92.5% of the COVID-19 pro-rata target. Pre-lockdown, visitation was at 102% and on track to exceed its annual target of 345,474. However, with reduced public movements at alert level 2, and New Zealand's borders remaining closed, audiences have been lighter than usual following the Gallery's reopening on 15 May 2020.

The overall visitor satisfaction for Christchurch Art Gallery is 97%, a drop of 1% from the previous year.

The Gallery presented 17 exhibitions over the period, with one exhibition developed in partnership with Auckland Art Gallery. One exhibition was also presented online during the lock-down period. The Gallery also toured one exhibition to National Gallery Victoria, for Melbourne's White Night Festival and to City Gallery, Wellington.

14,855 visitors took part in public programme events during the twelve months. This result was below the COVID-19 adjusted target of 17,850. Social distancing and limitations on numbers gathering under Level 2 meant that our programme offering was very limited following our reopening on 15 May 2020. 7,838 children took part in gallery-led lessons in the Gallery's education centre or through our Level 2 outreach programme. The COVID-19 adjusted target for our schools programme was 9,350. However, schools began postponing visits in advance of the Lockdown, with bookings restarting in Term 3.

82 works were added to the city's collection during the year; 62 were purchased, and 20 were gifts.

The Gallery published and distributed four editions of its quarterly magazine *Bulletin*, as well as eight exhibition and collection-related publications (including four new editions of the Gallery's Little Book series and one publication produced in a partnership with Auckland Art Gallery). The Gallery received four publication awards and was shortlisted for a further six awards in 2019/20

We supported public art in line with Public Art Advisory Group recommendations.

Museums

29,307 people visited the Akaroa Museum during the 2019/20 year, almost 20% above target of 24,500 but 11,240 fewer than 2018/19. Cruise ship passengers represented almost 27% of the visitor total.

Three new temporary exhibitions were presented: *June's Wardrobe* June – December 2019, *J.H. Menzies Design & Decoration* December 2019 – March 2020, *Fresh from the Store* May – June 2020.

The Museum's collection grew with the addition of 173 objects (30 accessions), all documented, insured and safely stored. Access to the collections was maintained, with 210 collection-related and family history enquiries received and answered.

Libraries

The Library service experienced another year of strong performance with a 95% customer satisfaction rating and 21,861 new members joining. The two month period of library closure had a negative impact on visitor numbers and use of physical collections, however digital resources and online services experienced strong growth.

2019/20 was a busy year for planning, with the development of new Library Activity and Asset Management plans in readiness for the LTP 2021-31. In addition, three service delivery reviews (part of the LGA Section 17A process) were conducted for the Library Mobile Service, the Fingertip Library and the Library Management System.

Planning and design work also continues for the new Hornby Centre, which includes a new library, to be opened in late 2022. Building refurbishments were completed at Papanui, Shirley, Fendalton, Redwood, Akaroa and Little River libraries and service centres, continuing the roll out of the Citizen Hub model as well as a minor enhancement at Diamond Harbour Library.

Circulation of physical collections decreased by 15.6%, but digital collections have continued to perform very well with a 36.6% growth, or 552,670 issues. Being able to access online membership and the digital collections was particularly valued by library customers during the period libraries were closed due to COVID-19. Canterbury Stories, the new Digital Heritage Repository, was launched in December, and over 10,000 images have since been added. The Discovery Wall had over 12.7 million touches in the past year.

Māori and Multicultural Services continue to be offered with 4,423 attendees at 171 sessions in 2019/20. Demand has been steadily increasing for specialist reference and research services.

Two kaupapa Māori exhibitions were offered in partnership with the community, as well as participation in a University of Canterbury Research project around supporting Te Reo Māori in the community. During the lockdown period, Māori and Multicultural programmes were developed via digital channels resulting in 30, 819 views of video content via the Libraries' Facebook channel.

Public programmes and events continue to meet customers' diverse learning and recreational needs. Delivery with sustainable partnerships and collaborations remains a priority. Successful outreach events included a collaboration with Mai FM which successfully engaged with over 500 local youth in the Rowley, Linwood and Aranui communities. The Sustainable Living Series across libraries generated plenty of

support in the stash swap events, as did the two exhibitions in Tūranga, 'Extraordinary' in collaboration with Alexander Turnbull Library and 'Labyrinth in the Library' with artist Robyn Webster. During lockdown, libraries reimagined their services and provided digital options for book groups, Librarian in your Lounge, story times for children, novel reading for older adults, plus Minecraft worlds and activities for children.

Tūranga was the venue for the Christ Church Cathedral Reinstatement Project launch, hosted by Prince Charles and Camilla, Duchess of Cornwall in November. Tūranga continues to forge an important role as a civic and community hub for the city of Christchurch and the wider metropolitan area.

Libraries are collaborating with Digital Inclusion Alliance Aotearoa, to help families in lower socio-economic areas to gain internet access at home via Skinny Jump.

Community development and facilities

Over 2019/2020 Council assessed 2,051 applications for community funding. \$10,238,690 was granted toward community initiatives that continue to exist through the goodwill of volunteers.

Volunteers are involved in a wide range of activities including sports coaching, menz sheds, teaching arts and crafts, helping at food banks, pulling out weeds in reserves, painting walls in volunteer early learning centres. In addition they visit the elderly and emotionally unwell and mentor the children of prisoners (particularly young men). In the 2019/20 year we benefitted from just over 3,000,000 volunteer hours

Council's Graffiti team received 17,388 reports of tagging and worked with community partners to deliver 12,900 hours of volunteer help in removing it.

Rārākau – Riccarton Centre opened in December 2019 with the Opawa Volunteer Library, Manuka House and St Albans Community Centre on track to open in 2020/21. Community partner organisations now operate 74 of a total of 91 facilities, 82% of the network.

During the COVID-19 lockdown period Community Development teams made contact with over 230 community organisations city wide to assess the current and anticipated impact of COVID-19 on their future. The results of this will be used to inform recovery planning.

Recreation, sports, community arts and events

Recreation and Sport

Recreation and Sport recorded another strong year with a 91.75% rating from customers satisfied with the range and quality of Council Recreation and Sport Centres and 87% satisfied with the quality of Council Recreation and Sport support.

He Puna Taimoana (New Brighton Hot Salt water Pools) was officially opened on 30th May 2020 under COVID 19

health and safety restrictions. The facility has sold out every day and continues to receive outstanding customer reviews.

With COVID 19 health and safety restrictions facilities were closed from the 23rd March until the 18th May which restricted participation for the year to 3,755,898 within multipurpose recreation and sport centres, outdoor pools and stadia for the year. This is 149,000 more than the adjusted target.

In collaboration with funding partners we were able to provide 104,687 affordable swim lessons through primary schools in the community.

Our team continues to work on the planning, design and project management on three major recreation and sport facilities Metro Sports Facility, the Hornby facility, and Te Pou Toetoe:Linwood Pool.

Events and festivals

The Events, Partnership and Development team provided over 15,878 hours of staff support to community groups and received a customer satisfaction rating of 88% with the quality of Council event support.

We supported a full calendar of events at all levels. Highlights include international cricket and hockey, Treetech Fireworks Spectacular, New Years Eve, Kidsfest, and Sparks. Events allow us to promote the Christchurch story and attract visitors to the city.

The adoption of Toi Ōtautahi The Christchurch Art Strategy with our partners was a significant step to recognise the arts are central to our city's identify, wellbeing and spirit of creative exploration.

Civil Defence and Emergency Management

This year, the Civil Defence Emergency Management (CDEM) unit has continued to engage with community groups to identify hazards in the community, and to assist in planning for emergencies. Our Community Resilience Coordinators (CRC) continued to work within dedicated areas across Christchurch City and Banks Peninsula. This community-focused approach to developing resilience has continued to receive support on the education front by our Stan's Got a Plan School programme, delivered by our colleagues from the Parks team.

Plans covering local readiness, response and recovery arrangements were reviewed throughout 2019/20. The key focus was placed on those plans that have high or medium impact hazards for which CDEM are the lead agency such as earthquake, tsunami, flooding (severe weather) and land instability.

This year we were able to finalise and communicate new tsunami evacuation zones for the City. This was a collaborative piece of work, working alongside Ecan to ensure the City has the latest available information for emergency planning.

We have continued to recruit, train and equip emergency operations centre (EOC) staff, New Zealand Response Team (NZRT) volunteers, and Emergency Support Team (EST) volunteers across the city.

We have continued to work closely with partner agencies in the Justice and Emergency Services Precinct in the City. As a result, we were perfectly placed to respond to the COVID-19 pandemic that has swept the globe.

Citizen and customer services

The success of our team is measured by the feedback we get from our citizens and customers in response to the service we provide. This year we achieved a Residents satisfaction rating from satisfied to very satisfied from our Community of 89%.

Significant projects completed this year include: The Service Request transformation project which is part of the My Council programme. The purpose of the Service Request transformation is to design services that are citizen-centric and standardised, enabling simple and easy interactions with Council. The New Service Request approach was implemented throughout September and

October 2018. A further enhancement project will be completed by the 30th of June, fine tuning functional requirements already delivered.

Further development and implementation of our Citizen Hub Strategy has progressed this year with the planning completed for Post and Post Plus services at our Shirley and Riccarton Service Centres.

A refurbishment was completed at Shirley and a new build at Riccarton Service Centres.

We completed 378,419 telephone enquiries, a reduction of 9.9% compared to last Financial Year (416,045 calls). Email enquiries decreased by 29.6% from last year to 65,514 but up to March 2019 this volume also included online/website enquiries. This year, there were 49,865 online enquiries processed so the combined volume of these two channels increased by 6.9% year-on-year. Our financial face-to-face transactions at the Service Desks only decreased by 0.9% to 121,351 despite being closed during Lockdown Level 4 - this is mainly due to the popular adoption of NZ Post services at Papanui. The number of requests for service was 145,815 which is about the same as last year 146,355 requests.

How did we measure up?

Christchurch Art Gallery Te Puna o Waiwhetu

Level of Service	Target	Achieved	Result	Prior Years
Develop, maintain and provide access to a collection of nationally significant art				
Hours of opening	Hours of opening: No fewer than 2,749 pa from re-opening	Not achieved	The Art Gallery was open for 2,348 hours from 1 July to 22 March and then reopened from 15 May to 30 June. A pro-rated target has been recalculated to 2,339 hours for the period the Art Gallery was open during the financial year. Council's performance during the time when the country was not in lockdown shows that Council was on its way to achieving the target.	2019: 2,758.5 hours 2018: 2,756 hours 2017: 2,757 hours
Visitors per annum	Increase visitors by 5% per annum In 2019/20 = 345,474	Not achieved	271,769 visits for year from 1 July to 22 March and then reopened from 15 May to 30 June. A pro-rated target has been recalculated to 293,653 visits for the period the Art Gallery was open during the financial year. 26% decrease per annum, against a pro-rated target (due to COVID-19 Lockdown) of 4.25% increase. Council's performance during the time when the country was not in lockdown shows that Council was not on its way to achieving the target.	2019: 367,376 visits, 5.6% decrease per annum. 2018: 388,968 visits 2017: 298,433 visits
Visitor satisfaction with the Gallery experience	At least 90% of visitors satisfied with the overall Art Gallery experience.	Achieved	97% of respondents rated the Gallery 'excellent' or 'good' in our quarterly visitor surveys	2019: 98% satisfaction 2018: 98% satisfaction 2017: 94% satisfaction
Develop and host art exhibitions and present a range of public programmes				
Exhibitions & publications presented	No fewer than 12 exhibitions presented pa	Achieved	17 Exhibitions	2019: 16 exhibitions 2018: 15 exhibitions 2017: 22 exhibitions and 2 artist projects

Level of Service	Target	Achieved	Result	Prior Years
	4-6 publications pa, with at least 1 significant publication every 2 years	Achieved	8 publications produced this financial year , including 4 editions of the Bulletin magazine and 1 significant publication	2019: 4 editions of Bulletin magazine and 3 exhibition publications 2018: 4 editions of the Bulletin magazine. 2017: 4 editions of the Bulletin magazine, 5 exhibition publications, 4 collection related publications
Public and school-specific programmes delivered	Average of at least 11,000 attend school specific programmes per annum.	Not achieved	7,838 attended school specific programmes from 1 July to 22 March and 15 May to 30 June. A pro-rated target has been recalculated to 9,350 attendees for the period the Art Gallery was open during the financial year. Council's performance during the time when the country was not in lockdown shows that Council was not on its way to achieving the target. Prior to COVID Lockdown, there were bookings for 11,672 school programme attendees. Bookings continued to be impacted even after the Lockdown period ended.	2019: 12,910 attendees 2018: 12,635 attendees 2017: 12,299 attendees
	Average of at least 21,000 people attend advertised public programmes per annum.	Not achieved	14,855 attended advertised public programmes from 1 July 2019 to 22 March 2020 and 15 May to 30 June 2020 A pro-rated target has been recalculated to 17,850 attendees for the period the Art Gallery was open during the financial year. Council's performance during the time when the country was not in lockdown shows that Council was not on its way to achieving the target. Attendance continued to be impacted even after the Lockdown period ended.	2019: 25,271 attendees 2018: 27,124 attendees 2017: 22,035 attendees

Museums

Level of Service	Target	Achieved	Result	Prior Years
Hold and distribute the Canterbury Museum levy				
Canterbury Museum levy paid annually.	Canterbury Museum levy funding paid as required	Achieved	Levy was paid in tranches throughout the year in line with timing agreed with Museum	2019: Planned levies in line with the amounts budgeted 2018: Levies agree with the Annual Plan targets. 2017: Levy paid on time.
Operate the Akaroa Museum				
Visitors per annum to Akaroa Museum	Visitors per annum of at least 24,300 pa	Achieved	Visitor total 29,307 The number of visitors was negatively impacted by a period of closure during the COVID-19 Lockdown.	2019: 40,547 visitors 2018: 29,984 visitors 2017: 23,962 visitors
Hours of opening at Akaroa Museum	Minimum 2,093 opening hours per annum	Not achieved	The Akaroa Museum was open for 1,789 hours from 1 July 2019 to 24 March 2020 and then reopened from 18 May to 30 June 2020. A pro-rated target has been recalculated to 1,769 hours for the period the Museum was open during the financial year. Council's performance during the time when the country was not in lockdown shows that Council was on its way to achieving the target.	2019: 2,093 hours open 2018: 2,105.5 hours open 2017: 2,110 hours open
Exhibitions presented	No fewer than 2 exhibitions presented.	Achieved	3 exhibitions presented	2019: 3 exhibitions 2018: 3 exhibitions 2017: 2 exhibitions
Collections developed and maintained with access provided.	Collection grows in line with policy, with at least 98% accessioned within 3 months.	Achieved	99% accessioned within 3 months.	2019: 126 objects, 41 accessions and 100% documented within 3 months New measure in 2019
Collections developed and maintained with access provided.	All collection items stored safely and securely with access maintained.	Achieved	All collection items stored safely and securely with access maintained, with the exception of access restrictions due to closure during the COVID-19 Lockdown.	2019: Collects safely stored and insured with access maintained

Libraries

Level of Service	Target	Achieved	Result	Prior Years
Collections – including general, specialist, heritage and digital content, are available to meet the needs of the community.				
Collections in a variety of formats are available to meet the needs of the community	Maintain collections at 3 - 3.5 items per capita	Achieved	3.26 items per capita	2019: 3.19 items per capita 2018: 3.21 items per capita 2017: 3.2 items per capita.
Community spaces through a comprehensive network of libraries, the mobile service and digitally				
Residents have access to a physical and digital library relevant to local community need or profile – provide weekly opening hours for existing libraries.	Metropolitan and Suburban 52 to 74 hours	Achieved	Metropolitan and large suburban libraries were open 52-74 hours per week, excluding the period of closure due to COVID-19 Lockdown	2019: Metropolitan and large suburban libraries were open on average 52-74 hours per week. 2018: Metropolitan: 52-59 hours. Large Suburban: 67 hours. 2017: Metropolitan & Suburban: 72 to 52 hours.
	Suburban Medium 48 to 57 hours	Achieved	Medium suburban libraries were open 48-51 hours per week, excluding the period of closure due to COVID-19 Lockdown	2019: Medium suburban libraries were open 48-57 hours per week. 2018: Suburban Medium: 57 hours. 2017: Suburban Medium: 48 to 57 hours.
	Neighbourhood 36 to 57 hours	Achieved	Small community libraries were open 36-46 hours per week, excluding the period of closure due to COVID-19 Lockdown The Diamond Harbour Library, included for the first time in 2019/20, was open 23 hours per week.	2019: Small community libraries were open 36-57 hours per week. 2018: Neighbourhood: 48 hours 2017: Neighbourhood 36 to 57 hours.
	Free 24/7 Wifi access is available at Metropolitan, Suburban, and Neighbourhood Libraries	Achieved	Free Wifi available at all libraries 24/7	2019: Free Wifi available at all libraries 24/7. 2018: Free Wifi available at all libraries 24/7. 2017: Free Wifi available at all libraries 24/7.
Provide a mobile library service to extend the library reach in order to increase community participation and reduce isolation	Maintain a mobile library service of up to 40 hours per week	Achieved	The mobile van has been available an average of at least 40 hours a week over the past year, with the exception of the period of closure due to COVID-19 Lockdown.	2019: 40 hours per week. 2018: 45 hours per week. 2017: 45 hours per week.

Level of Service	Target	Achieved	Result	Prior Years
Library user satisfaction with library service at Metro, Suburban and Neighbourhood libraries	At least 90% of library users satisfied with the library service	Achieved	95% satisfaction	2019: 94% satisfaction 2018: 95% satisfaction 2017: 95% satisfaction
Equitable access to relevant, timely information and professional services				
Free access to online information using public computing devices and the internet and access to mainstream and new technologies	Access to online information using public computers and customer devices is freely available at all libraries	Not achieved	Access freely available , with the exception of public computer access during the period of COVID-19 Lockdown. Free 24/7 wifi access for use on customer devices maintained during that period.	2019: Access is freely available New measure in 2019
Access to information via walk-in, library website, phone, email, professional assistance and on-line customer self service. In library access to online information using public computing devices and the internet and access to mainstream and new technologies	Maintain ratio of public internet computers at least 4 per 5,000 of population	Achieved	Ratio of 5 per 5,000 of population	2019: 6 public internet computers per 5,000 of population 2018: 6 public internet computers per 5,000 of population 2017: 4.5 per 5,000 of population
Programmes and events designed to meet customers' diverse lifelong learning needs				
Programmes and events designed to meet customers' diverse lifelong learning needs	Maintain participation of 280-350 per 1,000 of population	Achieved	Achieved 397 per 1,000 of population	2019: 313 per 1,000 of population 2018: 296 per 1,000 population 2017: 303 per 1,000 population

Community Development and Facilities

Level of Service	Target	Achieved	Result	Prior Years
Manage Community Grants funding and Community Loans, on behalf of Council and other funding bodies				
Effectively administer the grants schemes for Council	95% of reports demonstrate benefits that align to Council outcomes and priorities	Achieved	100% of reports demonstrate benefits that align to Council outcomes and priorities	2019: 100% New measure in 2019
Community facilities provision and operation, including the provision of facilities for volunteer libraries				
Provide a range of well utilised community facilities, including voluntary libraries	All Council-managed facilities have occupancy rates of 35-40% or higher .	Not achieved	32-32.5% utilisation rate. Facilities closed during the period of COVID-19 Lockdown.	2019: 38% average utilisation rate New measure in 2019

Recreation, Sports, Community Arts & Events

Level of Service	Target	Achieved	Result	Prior Years
Provide citizens access to fit-for-purpose recreation and sporting facilities	4 Multi-purpose recreation and sport centres, QEII, Graham Condon, Jellie Park and Pioneer open 364 days pa for 106 hours per week.	Achieved	4 Multi-purpose recreation and sport centres open, outside of the period of COVID-19 Lockdown.	2019: Achieved 2018: Achieved 2017: Achieved

Level of Service	Target	Achieved	Result	Prior Years
	8 outdoor pools, 1 hot water pool and 8 paddling pools are open seasonally	Achieved	All 8 paddling pools and all 8 outdoor pools open for the season, which was cut short due to COVID-19 Lockdown. 1 new hot water pool opened on May 30 (He Puna Taimoana)	2019: All 8 paddling pools and all 8 outdoor pools open. 2018: Achieved. All 8 paddling and 7 outdoor pools open 2017: Achieved
	5 stadia are available for use 364 days p.a.	Not achieved	The 5 stadia were closed from 22 March 2020 to 15 May 2020	2019: All 5 stadia open. 2018: Not achieved; Nga Puna Wai did not open in 2017/18 due to vandalism of the track & hockey artificial surfaces delaying their opening to Spring 2018 2017: Achieved
	13 leased recreation and sporting facilities are available for community use.	Achieved	13 leased facilities available, outside of the period of COVID-19 Lockdown.	2019: Achieved. 13 sports facilities available for lease 2018: Achieved. 16 sports facilities available for lease 2017: 16 achieved
	4 campgrounds are available for use 365 days p.a.	Not achieved	The 4 campgrounds were closed from 22 March 2020 to 15 May 2020.	2019: 4 campgrounds available for lease New measure in 2019
Provide well utilised facility based recreational and sporting programmes and activities.	The number of participants using multipurpose recreation and sport centres, outdoor pools and stadia at least 4.32 million	Not achieved	3,755,898 participants used the multipurpose recreation and sport centres, outdoor pools and stadium from 1 July 2019 to 22 March 2020 and 15 May to 30 June 2020. A pro-rated target has been recalculated to 3,609,752 for the period the facilities were open during the financial year. Council's performance during the time when the country was not in lockdown shows that Council was on its way to achieving the target.	2019: 3.99 million 2018: 4.12 million 2017: 4.06 million
	At least 100,000 Swimsafe lessons delivered.	Achieved	104,687 participants, outside of the period of COVID-19 Lockdown.	2019: 121,164 2018: 109,298 2017: 111,348

Level of Service	Target	Achieved	Result	Prior Years
Support citizen and partner organisations to develop, promote and deliver recreation and sport in Christchurch	4,000 of hours of staff support provided to 100 community organisations.	Achieved	4,644 hours provided to 200 organisations.	2019: 4,091 hours provided to 114 organisations. 2018: 12,968 hours provided to 384 organisations 2017: 5,194 hours provided to 109 organisations
	80% satisfaction with the quality of Council recreation and sport support.	Achieved	87% satisfaction with support	2019: 76% New measure in 2019
Deliver a high level of satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM international benchmark)	Achieved	92% satisfaction with range and quality of facilities and a 6.0 CERM rating.	2019: 93% satisfaction with range and quality of facilities and a 6.0 CERM rating. 2018: Survey not run in time for 2017/18 annual reporting 2017: 5.9 CERM rating or 84% satisfaction
Provide facilities that have current PoolSafe accreditation and meet national standards for water quality	Maintain PoolSafe accreditation for all eligible pools	Achieved	All eligible facilities received Poolsafe accreditation.	2019: Achieved 2018: Achieved 2017: Achieved
	Pool water quality standards are maintained at least 85% of NZS 5826-2010	Achieved	PoolSafe audits confirm standards 85% achieved.	2019: Achieved 2018: Achieved 2017: Achieved
Produce and deliver an engaging program of community events	A minimum of 11 events delivered annually of which three are marquee events. (Outdoor events subject to weather)	Achieved	11 events delivered	2019: 11 events New measure in 2019 Comparative result available for only 2017: 11 events 2016: 12 events
	At least 90% satisfaction with the content and delivery across three delivered events.	Not achieved	79%	2019: 81% 2018: 68% 2017: 64%
Support community based organisations to develop, promote and deliver community events and arts in Christchurch.	15,000 hours of staff support provided to 600 community organisations.	Not achieved	15,878 hours provided to 468 organisations	2019: 16,440 hours provided to 563 organisations New measure in 2019
	80% satisfaction with the quality of Council event support.	Achieved	88% satisfaction	2019: 90% satisfaction New measure in 2019

Civil Defence Emergency Management

Level of Service	Target	Achieved	Result	Prior Years
Public education to increase community awareness and preparedness				
Build resilience through public education and community engagement programmes	At least 60 CDEM public education activities occur annually, including tsunami public education and Stan's Got Plan school programmes.	Achieved	71 CDEM public education activities occurred, outside of the period of COVID-19 Lockdown.	2019: 71 CDEM public education activities occurred 2018: 55 CDEM activities occurred 2017: This was not measured due to Kaikoura earthquake & Port Hills fires EOC activations
	At least 25 communities have developed community resilience planning documentation, resources, or activities.	Not achieved	20 communities engaged in resilience planning	2019: 22 communities engaged in resilience planning New measure in 2019

Citizens & Customer Services

Level of Service	Target	Achieved	Result	Prior Years
Provide a "first point of contact" Council customer service				
Provide a walk-in service that meets future citizen and customer demand	7-13 walk in customer service hubs. Number, locations and hours to be determined by population growth and demand.	Achieved	12 walk-in locations provided within the Greater Christchurch area.	2019: 12 Service desks located within the Greater Christchurch area. 2018: 12 walk in customer service desks provided 2017: 12 walk in customer service desks provided 2016: Achieved
Ensure Citizen and Customer Services are available to answer enquiries	Citizen and Customer Services are maintained 24 hours per day, at least 99% of the time.	Achieved	24/7 operation maintained 99.9% of 2019/20 year.	2019: Achieved 100% 2018: Achieved 2017: Achieved
	Telephone enquiries have an average speed to answer of no more than 90 seconds .	Not achieved	Average speed to answer 94.2 seconds	2019: Average speed to answer 142.0 seconds 2018: 70% answered within 25 seconds 2017: 75% answered within 25 seconds
	Email enquiries have an average response time of no more than 48 hours .	Achieved	Average response time to emails of 21.5 hours	2019: Average response time to emails of 26.2 hours New measure in 2019
	Social media enquiries have an average response time of no more than 4 hours .	Achieved	Average response time of 4 hours achieved. (Call centre covers after hour responses only).	2019: Average response time of <4 hours achieved. New measure in 2019

Level of Service	Target	Achieved	Result	Prior Years
	Online/chat/private messaging to be defined by industry standards and service analysis.	Not measured	Service pilot will be completed before the end of 2020 calendar year enabling the development of appropriate performance statistics.	2019: Interaction channel to be developed in conjunction with review of 2021-31 LTP New measure in 2019
Citizens and customers are satisfied or very satisfied with “first point of contact” across all service channels	At least 89% of citizens and customers are satisfied or very satisfied by the quality of the service received at the first point of contact	Achieved	89% customer satisfaction with all first point of contact services.	2019: 86% customer satisfaction 2018: 93% customer satisfaction 2017: 90% customer satisfaction

Where are we heading?

Christchurch Art Gallery Te Puna o Waiwhetū

We aim to grow visitor numbers by continuing to build a nationally significant collection with identified major acquisitions, including gifts. We will continue to provide an excellent range of collection-based exhibitions, themed exhibitions, artist projects, publications, education and public programmes with broad audience appeal, as well as continuing to present a programme of themed events that help attract new and repeat audiences. The impact of COVID-19 and closed borders will affect the Gallery's international visitation. It is unknown how long this will take to recover. The focus will therefore be on continuing to develop local audiences, and helping promote Christchurch as an important national tourist destination.

Museums

It was expected that visitor numbers would remain strong into the 2020/21 financial year, as Akaroa was still expecting to receive a significant number of cruise ship visits even though the Lyttelton cruise terminal is opening late in 2020,. However, COVID-19 will have a direct effect on Akaroa's international tourism numbers. The focus for the museum will be on presenting exhibitions and providing services for visitors from Christchurch and beyond as Akaroa remains an important New Zealand tourist destination.

Libraries

Continuity of service was significantly affected by the COVID-19 pandemic restrictions in the last quarter of 2019/20 with all 20 libraries closed from later March to later May. The impact of COVID-19 on the last quarter of 2019/20, a key focus for the year ahead will be on reinstating all key services, including the resumption of programmes, events and exhibitions.

Work will continue over the first 6 months of the new financial year to ensure that Library Activity and Asset plans are fully developed for the upcoming draft LTP 2021-31. This will include continued work on library finances, especially operational budgets, to meet Council's fiscal reality in the light of the ongoing economic impact of COVID-19 pandemic.

Planning for the new Hornby Centre will continue with more detailed operational planning on library services and staffing as well as the development of an integrated hub model for operating the new facility. This will involve close collaboration with the other units involved, particularly Customer Services and Recreation, Sports and Events.

The ongoing roll out of the Citizen Hub model will focus on an improved and more integrated customer experience and layout changes for the Linwood Library and Service Centre in the year ahead.

Community development and facilities

The impact of COVID-19 has highlighted the importance of continuing to provide contestable community grants to

support community based recovery including supporting partnerships with other funding providers to allow them to seek and leverage funding opportunities.

Understanding the impact of COVID-19 on communities city-wide and working with Community Boards and partner organisations to optimise the value of any Council contribution to community recovery is a priority for the year ahead.

Council's contribution to the provision and operation of community facilities will be focused on assisting community partner organisations and customers rebuilding capacity and re-establishing the effectiveness and efficiency of the network.

Recreation, sports, community arts and events

The Council remains committed to building and opening the Metro Sports Facility, Te Pou Toetoe:Linwood Pool, and the new Hornby Centre. All three are planned to open within a 12 month period (December 2021 - December 2022). The detailed operational planning will be implemented to achieve the community outcomes, ensuring the right partnerships and resourcing is in place.

A facilities rebuild programme continues to guide the Council and the community through the repair of damaged facilities. Our focus is on assisting community organisations to plan ahead and succeed in the constantly changing environment.

The events team will focus on recovery and community engagement by supporting local event organisers with advice, permits and funding partnerships. The calendar of council community delivered events will be adapted to respond to changing COVID-19 alert levels and to better align to the community events implementation plan.

Toi Ōtautahi The Christchurch Art Strategy will be a key focus. Recognising the arts are central to our city's identify, wellbeing and spirit of creative exploration. The arts are a tool for community wellbeing, healing and nurturing with will be important in the recovery from COVID-19 in the year ahead.

Civil defence and emergency management

The CDEM Unit 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.
- Supporting and enabling communities to develop their own community emergency response/resilience plans.
- Delivering public education programs to increase community awareness of hazards, risks and how to be prepared.
- Working with Canterbury CDEM Group Emergency Management Office and partner agencies on joint planning, training and community resilience projects.

- Implementing recommendations identified in post event reporting.
- Enhancing the professionalism of our volunteers and Emergency Operations Centre personnel.

Citizen and Customer Services

Our service principle is to have the flexibility to respond to changing customer demand for hours, locations and channels.

Citizens and customers increasingly expect professional, responsive, consistent quality service. This includes accessible, joined-up and simple interactions, with choice in how they engage with us.

We have undertaken research to better deliver an integrated and citizen-centric service experience.

Our Citizens and Customers have identified these priorities:

- Know me and value me
- Understand my needs
- Personalise our interaction
- Provide easy access to quality services online, 24/7
- Connect me with Council
- Communicate with me
- Empower and guide me

Citizen and Customer Services is a key building block in bringing these priorities to life through supporting the Council in listening, understanding and designing for our citizens, customers and communities.

To further support this change ongoing commitment and investment is critical. Initiatives underway include:

- Broadening the current activities of the Analytics and Insights team to include the management of a programme of work to improve the citizen experience.
- Supporting the implementation of the organisational Digital Strategy
- Continued progress with the implementation of the Citizen Hub Strategy
- Undertaking regular user research, survey's and workshops to capture the voice of the citizen
- Embedding the change from the MyCouncil programme.

Service delivery in 2020/21

Christchurch Art Gallery Te Puna o Waiwhetū

The Gallery is planning to present 15 new exhibitions during 2020/21, including a range of new projects by local artists. We anticipate that the new exhibitions and the recently developed large-scale collection exhibition, Te Wheke will attract keen interest from local and national audiences (and international audiences in due cause). The exhibitions programme will be supported by a broad range of hands-on activities for visiting school students. Our Design store, our audience-focused public programmes and a range of new partnership programmes developed with our cultural/arts organisation neighbours, will help

assist us in meeting the levels of service agreed in the Long Term Plan.

Museums

The Akaroa Museum is planning to continue to deliver services consistent with those existing in 2019/20. At least 2 temporary exhibitions are planned for the year. The Museum will also continue to provide a full range of museum services for the community and visitors, including research services and access to the collection by appointment.

Libraries

Marketing efforts will focus on encouraging existing library customers to re-engage with libraries, promoting the full range of services and content on offer and continuing to grow the membership base.

Subject to Council approval, recommendations from the three 17A Service Delivery Reviews conducted in the second half of last year will be implemented. These relate to enhancing the cost effectiveness and performance of the following services: the Library Management System, the FingerTip Library and the Mobile Library Service.

Community development and facilities

Council will work more strategically with other funding organisations and key community groups to increase the overall value of community funding to Christchurch to facilitate COVID-19 recovery. Concurrently supporting more targeted funding decisions to be made at a local level by Community Boards.

City-wide and locally focused community development teams will work with community boards, partner organisations and communities to support a community based recovery. Targeted response to prioritised need will be a priority. The recovery process will be inculcated into the refresh of the Strengthening Communities Strategy and the ongoing development of Community Board Plans.

Community facilities are focused on:

- Supporting community tenants and customer groups recovering from COVID-19.
- Empowering community groups to operate facilities.
- Finalising a Community Facilities Network Plan and the rebuild programme.

Recreation, sports, community arts and events

Recreation and sports services will enable over 4.2 million active participations in 2020/21, including over 100,000 school swimming lessons (Swimsafe) and increase the online fitness content provided to the community.

All RSE teams will contribute to the recovery from COVID-19 as we provide support, advice and targeted partnerships across the Arts, Events, Sports and Community sectors; recognising the contribution we make to active and connected communities.

Civil defence and emergency management

Civil Defence's focus for 2020 /21 will be on ensuring we are ready as a city to effectively respond to emergencies; to work with our communities to build resilience through community education programmes and, to enhance our staff and volunteering capability and capacity through advanced training and engagement.

Citizen and Customer Services

Citizen and Customer Services focus for 2020/21 will be on:

- Continuing to improve the customer experience
- Increasing digital services and service channel choice
- Simplifying the way things happen for customers, the community and our staff
- Providing the organisation with insight and improvement support to enhance the citizen experience and service delivery. Facilitating process re-engineering and digitisation of services

Work is continuing through the MyCouncil programme to deliver on our commitment to provide choice of interaction channel and to make interacting with Council simple and easy. The transformation of our Service Request system has largely been completed which has delivered options for 24/7 access to a range of channels for requests for service to be raised, including enhanced customer notifications and visibility of our service performance. We will continue to champion and advocate for our citizens.

Continued implementation of the Citizen Hub Strategy is also vital to ensure greater integration of external customer-facing Council services and ensuring that we deliver a walk in service that meets the needs of our Citizens.

Post Plus and Metrocard support our commitment for services that meet the needs of individual communities.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Christchurch Art Gallery	12,535	12,538	12,042
Museums	9,039	9,219	8,573
Libraries	49,390	49,086	47,010
Community development and facilities	17,043	17,055	15,859
Recreation, sports, comm arts & events	42,337	42,337	40,557
Civil defence emergency management	2,195	2,094	1,776
Citizen and customer services	9,351	9,486	8,786
	141,890	141,815	134,603
Operating revenue from services			
Christchurch Art Gallery	776	886	991
Museums	40	33	48
Libraries	1,921	2,339	2,142
Community development and facilities	990	1,187	1,339
Recreation, sports, comm arts & events	12,104	14,052	14,492
Civil defence emergency management	383	-	-
Citizen and customer services	298	210	219
	16,512	18,707	19,231
Capital revenues	6,183	-	3,443
Vested assets	14,169	-	1,742
Net cost of services	105,026	123,108	110,187

Explanation of significant variances

Christchurch Art Gallery Te Puna o Waiwhetu

The cost of service in 2020 financial year was \$0.5 million higher than 2019 due to increase costs in maintaining the facility of \$0.2 million, (i.e. insurance, electricity and cleaning) and staff costs including overheads of \$0.3 million.

Museums

Operating costs were \$0.4 million higher than 2019 due to increased operating funding for the Canterbury Museum.

Libraries

The cost of service was \$2.3 million higher than 2019 due to \$0.7 million additional depreciation, \$0.9 million of additional staff costs / overheads, and \$0.5 million of additional facility operation costs (i.e. insurance, cleaning, security and electricity). This is primarily driven by 2020 being Turanga's first full year of operation. The remaining \$0.2 million relates to debt servicing.

Operating revenue was \$0.4 million lower than plan in 2020, a direct impact of the COVID-19 lockdown. Libraries were closed for approximately 8 weeks with a loss of revenue from library charges (overdue fines were wiped) as well as commercial leases.

Community Development and Facilities

There were no significant cost of service variances to plan.

The cost of service was \$1.1 million higher than 2019 as a result of \$1 million higher grants payments for Capital Endowment funded projects, Community Board Discretionary Funds, Community Rates grants and Land use of Christchurch Red Zones grants. This is partially offset by \$0.2 million higher overhead costs for services.

Recreation, Sports, Community Arts & Events

The cost of service was \$1.8 million higher than 2019 due to the opening of He Puna Taimoana (New Brighton Hot Water Pools) \$0.6 million and addition depreciation is \$1.2 million due to Nga Puna Wai, Jellie Park renovations and He Puna Taimoana.

Operating revenue was \$2.0 million lower than plan and \$2.4 million lower than 2019 due to the lockdown period resulting in closure or restricted participations at recreation and sporting facilities.

Civil Defence and emergency management

The cost of service was \$0.4 million lower than in 2019 and operating revenue was \$0.4 million higher than in 2019, mainly due to costs related to the COVID-19 response. These are reimbursed by National Emergency Management Agency via grants and subsidies revenue.

Citizen and customer services

The cost of service was \$0.6 million higher than in 2019, primarily on staff costs and overhead, due to additional staff transferred from the 'Business Support' activity as a

result of a small unit restructure and vacancies being filled in 2020.

Capital revenues

Capital revenues were \$6 million higher than plan due to Nga Puna Wai funding from the sporting partners. This was originally planned for 2019.

Capital revenues were \$2.7 million higher than 2019 due to the higher grants received for Nga Puna Wai in 2020.

Vested assets

Vested assets of \$14.2 million were received during the year, this was \$14.2 million more than planned and \$12.4 million more than 2019. This was due to land gifted to the Council from Ōtākaro for The Performing Arts Precinct.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	117,242	116,529	116,471	111,142
Targeted rates	316	316	-	-
Subsidies and grants for operating purposes	2,006	948	1,046	1,026
Fees and charges	14,959	17,643	17,222	16,298
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	163	117	117	115
Total operating funding (A)	134,686	135,553	134,856	128,581
Applications of operating funding				
Payments to staff and suppliers	90,022	90,045	90,141	86,273
Finance costs	2,177	2,177	1,976	1,799
Internal charges and overheads applied	6,051	6,051	6,227	5,530
Other operating funding applications	19,933	19,784	26,623	18,737
Total applications of operating funding (B)	118,183	118,057	124,967	112,339
Surplus (deficit) of operating funding (A-B)	16,503	17,496	9,889	16,242
Sources of capital funding				
Subsidies and grants for capital expenditure	5,347	-	-	7,128
Development and financial contributions	219	-	-	-
Increase (decrease) in debt	39,847	51,966	62,763	62,442
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	45,413	51,966	62,763	69,570
Applications of capital funding				
Capital expenditure				
- to replace existing assets	45,982	61,514	60,008	71,685
- to improve the level of service	2,017	1,931	431	569
- to meet additional demand	13,539	6,169	12,213	13,678
Increase (decrease) in reserves	378	(152)	-	(120)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	61,916	69,462	72,652	85,812
Surplus (deficit) of capital funding (C-D)	(16,503)	(17,496)	(9,889)	(16,242)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding surplus was \$0.4 million lower than plan. This was principally the result of \$2.6 million lower fees and charges due to COVID-19 lockdown period resulting in closure of facilities /restricted re-openings. This was offset by increased subsidies, grants and rates revenue.

Capital expenditure

Capital expenditure was \$8.3 million lower than plan. This is driven by \$23 million of project spend that has been deferred: Metro Sports (Multi-Sport Facility) \$20.4 million, Multi-Cultural Recreation and Community Centre \$1.5 million, South West Leisure centre \$0.6 million, and Cowles

Stadium Building Renewals \$0.5 million, offset by \$14.9 million of additional works delivered in 2020 due to updated timeframes. The \$14.9 million is comprised of: New Brighton Salt Water Hot Pools \$6.5 million, Riccarton Community Centre \$3.1 million, Te Pou Toetoe Linwood Pool \$1.3 million, St Albans Community Centre \$1.1 million, Opawa Public Library Earthquake Repair \$0.7 million, Nga Puna Wai Sports Hub \$0.6 million, Jellie Park / Pioneer Recreation and Sports Centres – Earthquake Repair Project \$0.6 million, Nga Puna Wai - Athletics Indoor Training Facility \$0.5 million and Graham Condon capital renewal \$0.5 million.

Significant capital expenditure

Significant capital expenditure included: Metro Sports (Multi-Sport Facility) \$26.8 million, He Puna Taimoana (Hot

Salt Water Pools) \$9.9 million, libraries content \$4.9 million, Riccarton Community Centre \$3.1 million, Te Pou Toetoe Linwood Pool \$2.6 million, Cowles Stadium carpark \$1.4 million, St Albans community centre \$1.1 million, Recreation and Sport facilities renewals \$1.0 million, Graham Condon \$1.0 million.

Other minor work included: Pioneer Recreation & Sport Centre roof repair \$0.9 million, Art Gallery's collection

acquisitions \$0.7 million, Libraries built asset renewal and replacement \$0.7 million, Opawa Public Library repair \$0.7 million, Nga Puna Wai Sports Hub \$0.6 million, Community Facilities \$0.6 million, Jellie Park Recreation and Sports Centre \$0.6 million, Art Gallery renewals \$0.6 million, Nga Puna Wai - athletics indoor training facility \$0.5 million.

The remainder was spent on smaller projects throughout the city.

Council activities and services

Parks, heritage and coastal environment

What is parks, heritage and coastal environment, and what does the Council do?

Christchurch City Council's network of parks and foreshore contributes to the community's natural character and landscape values and plays an important role in supporting The Garden City image, cultural landscape, treescapes, and ecology. We provide parks, we develop them for different purposes, we manage and maintain them, and we provide various visitor and community services and programmes to facilitate use and understanding.

Our network of parks offer a diverse range of unique open space and recreation opportunities to meet the widest possible range of preferences. Each site plays an important role in supporting The Garden City image.

We maintain and manage 1206 park sites covering 9210 hectares in Christchurch City and Banks Peninsula. They include the Botanic Gardens, Hagley Park, heritage gardens, neighbourhood, sports and regional parks, including some foreshore areas, as well as open and closed cemeteries.

The Council provides foreshore structures to facilitate access to the marine environment for citizens, visitors and commercial operators for the purposes of water based recreation, sport, tourism, and transport.

The structures include marine access such as wharves, jetties, slipways and ramps, recreational rafts, boat moorings, wharf buildings and seawalls that protect park land or assets. The Council also manages coastal land, and the plantings on that land, to assist land stability, erosion control, ecology and biodiversity.

The Council maintains these structures and natural areas, to provide sustainable coastal access and a protection network that is safe, operational and fit for purpose. Foreshore structures of heritage value are also conserved for their historical significance where practicable.

Why is the Council involved?

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

The purpose of Public Open Space is to provide a publicly accessible network that enhances and protects health, recreation and liveability for the residents and visitors to Christchurch.

Christchurch residents have a strong affinity with their parks, heritage and coastal environment which contribute strongly to their quality of life. The notion that Christchurch is New Zealand's 'Garden City' resonates with its citizens. Peoples' relationships with their parks, heritage and coastal environment is a key component in building

resilient and sustainable communities through the provision of eco-services, business opportunities, physical and psychological health benefits, historical and environmental education and awareness, and sense of community.

Our network of parks, heritage and coastal environment areas contributes to the cultural, economic, environmental and social well-being of the community by providing a diverse range of recreation, sport, community and environmental opportunities for all ages and abilities. Cemeteries offer places for burial, remembrance, and reflection. Christchurch is acknowledged as a garden city, and the appearance of its public spaces is a high priority for citizens.

Parks help achieve our Community Outcomes (Good Governance, Liveable City, Strong Communities, Healthy Environment and Prosperous Economy). There are 18 goals within these five Community Outcomes of which Parks and open spaces contribute significantly to nine of these. We do this by providing opportunities for people to engage in a range of healthy activities in a diverse range of settings, enabling them to achieve personal and social benefits and contribute to environmental projects and providing a well-cared-for environment.

Significant parks such as the Botanic Gardens, Mona Vale, major sports parks such as Hagley Park and Nga Puna Wai and the regional parks also contribute to the economic wellbeing of the city due to the high number of tourists visiting these sites and large events. Current Trip Advisor rankings rate highly the Christchurch Botanic Gardens (1), Margaret Mahy Family Playground (6), Hagley Park (11), Banks Peninsula (10) and the Port Hills (16) as key attractions within the city.

How does it affect me?

Everyone benefits by having access to areas for recreation and sport. We provide an attractive liveable urban environment and pristine natural areas for all to enjoy up close or from a distance. The tourism, sporting and cultural events associated with Council's significant parks helps Christchurch businesses to thrive. Participating in park activities including volunteering improves our physical and mental health and builds strong social connections.

Understanding, valuing and enjoying our heritage helps develop our sense of place, identity and belonging to a place, city and country. By raising awareness and helping to protect Christchurch's heritage buildings, as well as its cultural and natural heritage, we can build this understanding and facilitate this enjoyment.

The Council provides marine structures to facilitate access to the marine environment for citizens, visitors and commercial operators for recreation, sport, tourism, commercial activities and transport.

What activities are involved?

Parks and foreshore

We provide, manage and maintain parks and associated assets, including planning, advocacy, education and conservation, for a range of activities including neighbourhood parks in the local community for individuals or groups to relax and enjoy informal and spontaneous outdoor recreation and community activities.

Community parks also provide for the incorporation of amenity gardens and trees and play spaces for all ages. Christchurch's foremost community park is Hagley Park. This encloses three sides of the Christchurch Botanic Gardens, with the Avon River running between the two. Centrally located within the city, the Park is renowned for its extensive area (165 hectares), its wide open spaces, diverse tree collection, avenues and mature woodlands.

The Botanic Gardens and heritage parks are home to an impressive collection of flora and associated biodiversity from New Zealand and around the globe. Botanic gardens are institutions holding documented collections of living and preserved plants (held as dried specimens), from bulbs to trees, for the purposes of scientific research, conservation, display and education.

Our sports parks and facilities cater for international to local community sport. Hagley Park is our largest sports park attracting users from around the world for international sporting events while also catering for local school sport. It is part of a diverse network of sports parks spread across the city.

We also 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 and education opportunities. Halswell Quarry regional park houses many sister city gardens and displays.

We provide and maintain cemeteries and administer burials and plot purchases. In addition we manage and maintain closed cemeteries and the heritage associated with them.

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

Educating the community about the environment through the 'Learning through Action' programmes (biodiversity, civics, water and waste) are based at sites around Christchurch. This programme is for school groups with a focus on sustainability. The programmes encourage people to use parks and reserves, waterways, facilities, roads and spaces respectfully and safely, and work through some of the challenges we face as a community to create a sustainable open space environment.

Heritage

Our aim within Heritage is to protect and promote the built, cultural and natural heritage of Christchurch City and

Banks Peninsula. These features and places contribute to our sense of place, community and city identity, as well as to the character and economic wellbeing of the city.

Besides the heritage parks, Christchurch City Council also owns and looks after the city's publically owned heritage buildings and sites on behalf of Christchurch's citizens. Many of these buildings reside on parks. Notable buildings include the Provincial Chambers, Municipal Chambers, and Mona Vale homestead. In addition there are several more important historic buildings within suburban communities such as Risingholme, Sign of the Takahē along with various statues and monuments.

What did we achieve?

Parks and foreshore

We continue to see an increased awareness from citizens of the service we provide around our local parks.

We modified our approach to how we deliver some maintenance services in relation to cemeteries, garden and heritage parks, playgrounds, customer service requests and Banks Peninsula. All of these services are now delivered by staff directly employed by Council.

This has resulted in a pleasing increase in the completion of customer service requests in particular with a significant improvement in Customer Service resolution timeframes.

Asset improvement programmes have continued across the parks networks with a focus on increased periodic maintenance to improve the lifespan of existing assets.

In Hagley Park about 7km of tired and damaged park barriers now been replaced with low visual impact bollards around the entire perimeter giving an open and expansive feel to the park. Many of the internal pathways and tracks have been upgraded and this will continue for the next 2-3 years until the pathway network is in a consistent condition

Work has commenced on a tree renewal programme within Hagley Park and the Botanic gardens. The proactive tree replacement programme will ensure that we have a sustainable collection available for the pleasure of citizens and visitors through for future generations.

Within the Botanic Gardens a programme has commenced to modernise and improve our plant species records and align our systems with world recognised methodologies.

We completed the installation of the creative lighting project for the Botanic gardens which allows us to highlight the significant trees plant and buildings adjacent to Rolleston Avenue, bringing an added dimension to the gardens at night.

Our collaboration with the Friends of the Botanic Gardens and the Botanic gardens Trust has continued. These organisations provide vital funding and resources to assist council to provide a world class facility

Across all parks we exceeded our goal of planting an additional 8 hectares of trees per year (to increase the city's tree canopy cover) by planting in excess of 10 hectares in 2019/20.

In Foreshore Planning, work has been completed for the improvements to the Diamond Harbour wharf. The Naval point development plan has completed its public consultation phase with significant input from the local community and key stakeholders.

Our Regional parks team continued to invest resources into a range of biodiversity programmes including plantings, pest control and land management practices. This team has ensured that the Regional Parks tracks and trails are available throughout the year to the citizens of Christchurch

We continued investing in preparation works for cemetery capacity. This programme served the City well when the COVID -19 pandemic struck as Council was well positioned to cope should the worst case scenarios that were modelled eventuate.

COVID -19 impacted our annual seasonal planting programme, with the cancellation and postponement of many planting initiatives. However many were completed through volunteer programmes once the COVID-19 lockdown rules for gatherings were released.

Our work with schools has continued and we have also developed environmental education initiatives targeted at adults. The concept of school students looking after their 'own back yards' has grown from strength to strength with an increase in interest within secondary schools. Programmes such as the Eco Action Trust have continued to grow with Council's support.

We have improved our sports fields with ongoing investment in field renewals

In the Community parks space we have commenced a significant programme of work to renew gardens, pathways and tracks and we continue to renew as many playgrounds as the budget allows. Funding from the Ministry of Business and Innovation and Employment assisted us in improving the quality and capacity of our public convenience facilities associated to tourism destinations.

Deconstruction of Lancaster Park has progressed to the final stages before it will be converted into a large Community Sports park. This work will continue into 2021 with an anticipated opening for public use in the 3rd quarter.

Heritage

Our focus has been on the rebuild of our city owned heritage buildings, particularly those in the wider community areas. We have completed the publically notified process for identifying an ongoing use of these facilities for almost all of the occupiable buildings that Council owns or manages.

Restoration work on the memorial clocks at Sumner and New Brighton have been completed. Going forward we hope to complete the restoration works for Council's remaining heritage buildings and assets.

We continue to manage and maintain a variety of memorials monuments and public art works throughout the city. We have acquired nine new public art works in the past 12 months. These include 'The Godwits' by Ben Suter locate in South Brighton, 'Diminish and Descend' by David McCracken located within the Botanic Gardens and 'Mana Motuhake' by Fayne Robinson located within Victoria Square.

How did we measure up?

Parks and Foreshore

Level of Service	Target	Achieved	Result	Prior Years
Community Parks, Cemeteries, Botanic Gardens, Hagley Park, Regional Parks, Environmental Education				
Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner (Asset Condition)	The ratio of trees removed and replaced is 1:1.	Achieved	1:1.49 ratio of tree removed (492) to trees replaced (733)	2019: Achieved New measure in 2019
	Gardens - condition average or better: 75%	Achieved	78%	2019: 100% New measure in 2019
	Sports fields - condition average or better: 60%	Achieved	91%	2019: 84% New measure in 2019
	Playgrounds - condition average or better: 90%	Not achieved	82%	2019: 100% New measure in 2019
	Structures, fixtures and furniture - condition average or better: 95%	Achieved	96%	2019: 95% New measure in 2019
	Public Convenience - condition average or better: 90%	Not achieved	82%	2019: 90% New measure in 2019
	Recreational tracks and pathways - condition average or better: 75%	Achieved	79%	2019: 79% New measure in 2019
	Vehicle access and parking - condition average or better: 90%	Not achieved	79%	2019: 86% New measure in 2019
Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner	100% of CSRs addressed within priority timeframes	Not achieved	53%	2019: 85% New measure in 2019
	Annual reduction in CSRs	Not achieved	Increase in CSRs of 12.4% Increase is due to the significant increase in reporting via Snap Send Solve. Note, annual increase in CSR clearance rates.	2019: -6% reduction in Customer Service Requests (CSRs) from year-end 2018 New measure in 2019
	Annual increase in rate of CSR clearance	Achieved	36% increase in rate of CSR clearance.	2019: Increase of 53% in rate of CSR clearance to year-end 2019 New measure in 2019
Cemeteries administration services meet customer expectations	Funeral directors satisfaction with internment application process: 100%	Achieved	100%	2019: 80% New measure in 2019
	Satisfaction with response time for internment applications: 100%	Not achieved	95%	2019: 60% New measure in 2019
Provide community participation opportunities across the parks network	Regional Parks: 80 volunteer hours/1000 people	Achieved	97 volunteer hours / 1000 people	2019: 80 volunteer hours / 1000 people New measure in 2019

Level of Service	Target	Achieved	Result	Prior Years
	Botanic Gardens: 6 volunteer hours/1000 people	Achieved	12 volunteer hours / 1000 people	2019: 4.1 volunteer hours / 1000 people New measure in 2019
	Community Parks & Cemeteries: 5.5 volunteer hours/1000 people	Achieved	29.6 volunteer hours / 1000 people	2019: 6 volunteer hours / 1000 people New measure in 2019
	100% of funded conservation group project agreed outcomes met	Achieved	100%	2019: 100% New measure in 2019
Overall customer satisfaction with the presentation of the City's Parks	Regional Parks presentation: resident satisfaction ≥75%	Achieved	81%	2019: 79% 2018: 71% 2017: 69%
	Botanic Gardens & Mona Vale presentation: resident satisfaction ≥95%	Achieved	97%	2019: 96% 2018: 96% 2017: 96%
	Hagley Park presentation: resident satisfaction ≥90%	Achieved	94%	2019: 97% New measure in 2019
	Inner City presentation: resident satisfaction ≥80%	Achieved	80%	2019: 82% New measure in 2019
	Cemeteries presentation: resident satisfaction ≥85%	Not achieved	65%	2019: 78% 2018: 80% 2017: 88%
	Community Parks presentation: resident satisfaction ≥75%	Not achieved	57%	2019: 67% 2018: 58% 2017: 62%.
Satisfaction with the range and quality of recreation opportunities within parks	Resident satisfaction with range and quality of recreation facilities within Parks: ≥ 85%	Not achieved	75%	2019: 74% 2018: 66% 2017: 63%.
Delivery of Environmental, Conservation, Water and Civil Defence education programmes	Education programmes: 26 Participants/ 1000 people	Not achieved	21.6 participants per 1000 people (8,646 participants) attended educational programmes. A pro-rated target has been recalculated to 19.5 participants per 1000 people (7,803 people) for the period the facilities were open during the financial year. Council's performance during the financial year	2019: 39.6 participants per 1000 people (15,388 participants) New measure in 2019

Level of Service	Target	Achieved	Result	Prior Years
			lockdown shows that Council was on its way to achieving the target.	
	Teachers satisfied with education programmes delivered: 95%	Achieved	Teacher satisfaction at 100% for education programs delivered	2019: Teacher satisfaction at 99% for regional park programmes, 98% for 3 waters and waste programmes, and 99% satisfaction with CDEM programmes New measure in 2019
Provision of a network of publicly available marine structures that facilitate recreational and commercial access to the marine environment for citizens and visitors.	Customer satisfaction with marine structure facilities: 90%	Not achieved	70%	2019: 55% New measure in 2019
	Wharves and Jetties ramps and slipways (condition average or better): 85%	Achieved	85%	2019: 74% New measure in 2019
	Seawalls (condition average or better): 60%	Achieved	92%	2019: 57% New measure in 2019
	Customer satisfaction with equitable access provided to the marine environment for recreational, commercial and transportation purposes: ≥ 50%	Achieved	65%	2019: 71% New measure in 2019
	Annual increase in partnership agreements	Achieved	Achieved - Robinson Bay Jetty repair was completed this year in partnership with local community.	2019: Increased input from community partnerships on marine structures this year. 2018: Planned maintenance schedule implemented. 2017: On track.
Conserve, enhance and restore natural coastal features and landforms.	Increase of native coastal plant species to enhance natural coastal protection	Achieved	Achieved - Approximately .6215 ha of Coastal species planted	2019: Achieved - native coastal plants planted to enhance natural coastal protection at some coastal sites New measure in 2019

Heritage

Level of Service	Target	Achieved	Result	Prior Years
Manage and maintain the network of Parks heritage buildings, public monuments, sculptures, artworks.				
To manage and maintain Public Monuments, Sculptures, Artworks and Parks Heritage Buildings of significance	Resident satisfaction with presentation of Public Monuments, Sculptures & Artworks: ≥ 90%	Not achieved	64%	2019: 71% New measure in 2019
	Resident satisfaction with presentation of Parks Heritage Buildings: ≥ 70%	Not achieved	51%	2019: 63% New measure in 2019

Where are we heading?

Parks and foreshore

Our priority will be to build on the momentum gained in 2019/20 both in terms of lower costs and improved performance following Council's decision to increase the number of parks maintenance activities delivered through in house teams.

We will be assume responsibility for management of the Residential red zone areas in Brooklands, the Ōtākaro Avon Corridor, Port Hills and Southshore on behalf of the Council from July 2020.

We will continue to focus on reinstating standards associated with the Botanic Gardens and Hagley Park to ensure that they meet expectations. We continue to acknowledge that citizens have told us that they want to be once again proud of Christchurch as the 'Garden City'. Basic infrastructure renewals are up to date in Hagley Park with the emphasis next year being on improving the condition of pathways and access to align with high citizen use. The Botanic Gardens will be focusing on mobilising two key new initiatives for the coming years being the long awaited research and science facility and restoration of the main conservatory, Cunningham House, with a goal of having refurbishment complete for the 100th anniversary in August 2024.

Across all park activities we will continue to focus on increased tree plantings.

Development of several parks asset network plans including the urban forest plan, playground plan and sports field provision plan continues. These plans are due for completion in December 2020 to inform the 2021 -2031 Long Term Plan.

The Parks unit will take responsibility for the Residential Red Zone land currently under the ownership and management of LINZ in July 2020. The parks planning team has been working closely with LINZ and other Council teams throughout the past 12 months to ensure the hand over is as smooth as possible. Work will also begin in earnest on the Ōtākaro Avon Corridor to implement the Green Spine initiative. The Crown has contributed \$40M to support the implementation of the initiatives signalled in the Ōtākaro Avon River Corridor Regeneration plan completed this year by Regeneration Christchurch

Heritage

We will continue to focus on earthquake related repair of heritage buildings. The process of identifying partners for rebuild and or future use is complete and we will be focused on completion of all rebuilds during the next 3-4 years

Service delivery in 2020/21

Parks and foreshore

In general, services in 2020/21 will be consistent with previous years. We continue to monitor the implications of moving to organic weed control products replacing glyphosate. We have been working closely with partner groups and organisations to increase environmentally beneficial options and methodologies.

A big focus for the Parks Unit in the 2020/21 year will be the mobilisation of a series of initiatives for the Residential red zone, particularly the Ōtākaro Avon Corridor. Funding for development has been provided by the Crown (\$40m) and the Christchurch Earthquake Appeal Trust (\$15M) and this will be a primary project. Planning is well underway to ensure delivery is as efficient as possible.

Resident satisfaction survey results indicate we are still not meeting our targets. The focus moving forward will be on improvements in all parkland areas with an emphasis on improvements in planted spaces. Residents have indicated they would like to see an improvement in these amenity gardens and our renewal programmes reflect this.

We will continue to implement work practices and principles to enable continuous improvement with regard to alternative work practices associated with reducing our carbon emissions. The primary focus is on plant and equipment and increasing our tree and vegetation planting programmes, utilising significant inputs from volunteer organisations.

Heritage

The heritage protection activity will focus on the regeneration of the city and there will be no change to the Council's capacity to deliver this activity.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Parks and foreshore	67,534	65,028	61,328
Heritage	3,225	3,480	2,139
	70,759	68,508	63,467
Operating revenue from services			
Parks and foreshore	3,915	4,536	4,385
Heritage	337	306	396
	4,252	4,842	4,781
Capital revenues	49,156	(773)	9,100
Vested assets	4,742	4,790	20,080
Net cost of services	12,609	59,649	29,506

Explanation of significant variances

Parks and foreshore

The cost of service was \$2.5million higher than planned. The increase was due to \$0.8 million additional depreciation because of assets handed over by Ōtākaro and land improvements at Nga Puna Wai, \$0.5 million Governors Bay Wharf Restoration grant funded by budget carried forward from 2019, \$0.4 million community planting programme costs funded by budget carried forward from 2019, and \$0.4 million additional Community Parks maintenance costs funded by budget originally planned for Regenerate Christchurch (within the Economic development activity). Other drivers include plants inventories adjustment and increased security costs following the 15 March incident.

The cost of service was \$6.2 million higher than in 2019. This was due to \$1.3 million of additional depreciation, \$0.5 million Governors Bay Wharf Restoration grant, \$0.4 million additional Community Parks maintenance as indicated above, \$2 million of additional internal overhead costs due to more capital assets and expenses and \$2.0 million net additional personnel and operating costs, driven by OARC implementation costs, maintenance of new assets, cost inflation and new staff as a result of some maintenance services being moved in-house.

Operating revenue was \$0.6 million lower than planned, primarily due to lower cost recoveries from Rural Fire because of minimal fire activities and less rental revenue and Akaroa cruise ships revenue because of COVID-19.

Operating revenue was \$0.5 million lower than in 2019. This was mainly due to lower rental revenue and Akaroa cruise ships revenue.

Heritage

The cost of service was \$1.1 million higher than 2019, primarily due to two clock towers maintenance projects, and partially due to depreciation.

Capital revenues

Capital revenues were \$50 million higher than plan. The increase was mainly due to \$41.5 million funds for Ōtākaro Avon River works. The remaining variance is due to development contributions being \$8 million higher than plan. Unplanned grants of \$0.5 million were received for park developments.

Capital revenues were \$40 million higher than 2019, mainly due to funds received for Ōtākaro Avon River works.

Vested assets

Revenues were \$15.3 million lower than 2019. The decrease was due to receiving Rauora Park and other assets handed over from Ōtākaro in 2019.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	51,316	51,004	49,781	45,892
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	153	10	10	10
Fees and charges	4,091	4,445	3,655	3,912
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	(29)	388	388	380
Total operating funding (A)	55,531	55,847	53,834	50,194
Applications of operating funding				
Payments to staff and suppliers	40,885	40,426	39,836	36,962
Finance costs	2,077	2,077	1,203	1,139
Internal charges and overheads applied	2,869	2,869	2,370	2,208
Other operating funding applications	1,334	717	667	1,162
Total applications of operating funding (B)	47,165	46,089	44,076	41,471
Surplus (deficit) of operating funding (A-B)	8,366	9,758	9,758	8,723
Sources of capital funding				
Subsidies and grants for capital expenditure	41,751	-	-	-
Development and financial contributions	7,200	(773)	1,718	2,582
Increase (decrease) in debt	(27,928)	10,180	17,204	14,710
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	250	-	-	-
Total sources of capital funding (C)	21,273	9,407	18,922	17,292
Applications of capital funding				
Capital expenditure				
- to replace existing assets	13,723	16,882	23,325	19,527
- to improve the level of service	997	262	463	1,042
- to meet additional demand	4,722	2,999	5,045	5,648
Increase (decrease) in reserves	10,197	(978)	(153)	(202)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	29,639	19,165	28,680	26,015
Surplus (deficit) of capital funding (C-D)	(8,366)	(9,758)	(9,758)	(8,723)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding surplus was \$1.1 million higher than planned.

Capital expenditure

Capital expenditure was \$0.7 million less than planned, this is due to revised timeframes for parks development and replacement programme. This has been rescheduled for delivery in future years.

Significant capital expenditure

Significant capital expenditure included: parks buildings and structures development and replacement programme \$9.4m (including community parks \$4.7 million, regional parks \$2.0 million, heritage buildings, public art and monuments \$2.3 million, Botanic gardens/Hagley park \$0.4 million), park surface and track renewals programme \$3.6 million, park planting programme \$2.4 million, playground assets upgrades \$2.2 million, sports field replacements \$1.6 million.

Council activities and services

Water supply

What is water supply, and what does the Council do?

We supply drinking water to provide for the needs of and to protect the health of the community, and to support businesses across the district. Water is supplied through a network of wells, surface water takes, pump stations, treatment facilities, reservoirs and underground reticulation pipes.

Why is the Council involved?

The Council has obligations under the Health Act 1956 and the Local Government Act 2002 to provide a drinking water supply for Christchurch and some Banks Peninsula settlements, to maintain its capacity, to protect it from contamination, and to ensure that it complies with the Drinking Water Standards for New Zealand 2005 (revised 2018).

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

Water supply contributes to promoting all four well-beings of the community. We supply clean drinking water to meet the needs of and protect the health of the community, for commercial users, and to provide water for fighting fires.

The service also contributes toward the achievement of the Council's Healthy environment Community Outcomes to provide high quality drinking water, to achieve safe and healthy communities, and the sustainable use of resources. It contributes to the Prosperous economy Community Outcome by providing modern and robust infrastructure. This contribution is made by building, operating and maintaining water supply infrastructure to reliably supply enough drinking water and encouraging water conservation.

The service also contributes to achieving the Council's strategic priority of ensuring a high quality drinking water supply that is safe and sustainable.

How does it affect me?

When you turn on your tap at home the water that flows is fresh and clean. We make sure that the supply is reliable and safe, the quality maintained, and that any interruption to the service is as short as possible.

What activities are involved?

Water supply (including water conservation)

We provide a clean and reliable water supply to approximately 160,000 customer connections through seven urban and six small settlement water supply schemes. We monitor and control water quality and maintain the network of water supply assets, and water treatment plants. We limit the quantity of water taken to

comply with resource consent conditions and protect the health of waterways

What did we achieve?

We upgraded 50 well heads at 28 pump stations so that they comply with the secure criteria under the Drinking Water Standards for New Zealand and likely future changes to those standards.

We also installed UV treatment at the Main Pumps pump station, to disinfect the water from the six shallow wells that supply water from that pump station.

Combined with the 65 well heads we upgraded last year, the 123 wells that supply Christchurch, Brooklands/Kaingā, Lyttelton, Diamond Harbour and Governors Bay have secure well heads or receive UV treatment. This is enough to meet demand most of the time.

We drilled three replacement wells at the Wrights and Belfast pump stations. We are also underway with drilling a replacement well at the Grassmere pump station. These are deeper wells which replace shallow wells that are more vulnerable to contamination.

We renewed 2.4 kilometres of water supply mains and 4.3 kilometres of water supply submains during the year.

We continued with the design of the new Ben Rarere water supply pump station, which will replace the earthquake damaged Bexley water supply pump station.

We continued with the design of the replacement Jeffreys water supply pump station suction tank and started on the design of the replacement Sydenham pump station suction tank. Both were severely damaged by earthquakes.

We started design of the replacement Duvauchelle water treatment plant, which is needed to meet the Drinking Water Standards for New Zealand.

We prepared revised water safety plans under the new framework for water safety plans prepared by the Ministry of Health, for Christchurch/Lyttelton, Akaroa/Takamatua and Pigeon Bay water supplies. We received feedback from the Drinking Water Assessor on these plans and will update and resubmit them for approval in the coming year.

The water safety plans found that inadequate backflow prevention and some poor condition storage tanks were a high risk to water safety, and that more information was needed about lead-jointed pipes to determine whether lead was leaching into the water supply.

After identifying the backflow risk, we audited over 10,000 commercial properties and found that approximately one third had inadequate backflow prevention. We started work on installing backflow prevention devices and will continue this in the coming year.

For the lead leaching, we measured lead concentrations in the water in lead jointed pipelines and found that most of these were below the maximum acceptable value in the Drinking Water Standards for New Zealand. Where higher concentrations were found, work began on moving the affected customer connections onto non-lead-jointed pipes.

In response to the risk of poor condition storage tanks we installed hatch alarms and mesh on vents and overflow pipes where these were absent. We also undertook comprehensive condition assessments of the Hackthorne and Lyttelton Quarry reservoirs, and the Keyes, Sockburn and Grassmere suction tanks.

We continued to test the drinking water in accordance with the requirements of the Drinking Water Standards for New Zealand.

How did we measure up?

Water supply

Level of Service	Target	Achieved	Result	Prior Years
Supplying potable water to properties, through the provision of infrastructure to take, treat (where appropriate), store, deliver, maintain, manage and monitor the supply				
Council operates water supplies in a reliable and responsive manner	Proportion of residents satisfied with the reliability of Council water supplies: >=85%	Not achieved	72%	2019: 81% New measure in 2019
	Proportion of residents satisfied with the responsiveness of Council water supplies: >=85%	Not achieved	54%	2019: 60% New measure in 2019
	Number of unplanned interruptions per 1,000 properties served per year: ≤ 16	Not achieved	38.43 per 1,000 properties. The method of measurement for this level of service has been reviewed and clarified with our contractor. This has resulted in a higher reported result for this year and marginally impacted the reported result for the previous year.	2019: 17.72 per 1,000 properties. (2019 previously reported as 15.01 per 1,000 properties) New measure in 2019
	Number of continuity of supply complaints per 1,000 customers served per year: ≤ 2	Achieved	1.27 complaints per 1,000 properties.	2019: 1.57 complaints per 1,000 customers. 2018: 1.13 complaints per 1,000 customers. 2017: 1.3 complaints per 1,000 customers.
	Median time from notification to attendance of urgent call-outs: ≤ 1 hour	Achieved	Median response time 0.68 hours	2019: Median response time 0.62 hours 2018: Median response time 0.55 hours. 2017: Median response time 0.55 hours.
	Median time from notification to resolution of urgent call-outs: ≤ 5 hours	Achieved	Median resolution time 2.35 hours	2019: Median resolution time 2.02 hours. 2018: Median resolution time 1.78 hours. 2017: Median resolution time 1.71 hours.
	Median time from notification to attendance of non-urgent call-outs: ≤ 3 days (72 hours)	Achieved	0.8 days	2019: 4 hours 36 minutes. 2018: Median response time 2.1 days. 2017: Median response time 1.4 days.
	Median time from notification to resolution of non-urgent call-outs: ≤ 4 days (96 hours)	Achieved	0.88 days	2019: 5 hours 53 minutes. 2018: Median response time 2.18 days. 2017: Median resolution time 1.63 days.

Level of Service	Target	Achieved	Result	Prior Years
	Number of pressure or flow complaints per 1,000 connections per year: ≤ 2	Achieved	0.8 complaints per 1,000 connections.	2019: 0.85 complaints per 1,000 connections. 2018: 1.27 complaints per 1,000 connections. 2017: 1.45 complaints per 1,000 connections.
	Number of complaints regarding Council's response to complaints about drinking water taste, odour, pressure or flow, or continuity of supply per 1,000 properties connected to the Council's water supply system per year: ≤ 0.6	Achieved	0.01 complaints per 1,000 properties	2019: 0.03 complaints per 1000 properties, 97.3% 2018: 97.7% 2017: 90%
Council water supplies are safe to drink	Number of highest risk properties assessed and required to install backflow prevention devices each year: ≥ 100	Achieved	475 properties assessed.	2019: 110 properties assessed New measure in 2019
	Proportion of urban residents supplied water compliant with the DWSNZ bacterial compliance criteria: ≥ 99.8%	Achieved	100%	2019: 100% 2018: 98.9% 2017: 100%.
	Proportion of rural residents supplied water compliant with the DWSNZ bacterial compliance criteria: ≥ 99.8%	Achieved	100%	2019: 98.9% 2018: 89.4% 2017: 100%
	Proportion of urban residents supplied water compliant with the DWSNZ protozoal compliance criteria: ≥ 99.8%	Not achieved	0% Work on well remediation is largely complete. To achieve this Level of service, results from the ground water modelling need to be available along with age dating of source water. Ground water modelling results are expected to be available later this year, however age dating will take considerably longer.	2019: 0% of urban residents supplied with DWSNZ protozoal compliant water. 2018: 0% of urban residents supplied with DWSNZ protozoal compliant water. 2017: 76.6% of urban residents supplied with DWSNZ protozoal compliant water.
	Proportion of rural residents supplied water compliant with the DWSNZ protozoal compliance criteria: ≥ 8.5%	Achieved	71.9%	2019: 0% 2018: 0%. 2017: 100%.
	Proportion of water supply zones with a MoH approved Water Safety Plan: 100%	Achieved	100%	2019: 100% 2018: 100% 2017: 100%
	Council provides high quality drinking water	Proportion of residents satisfied with the quality of Council water supplies: ≥ 70%	Not achieved	48%

Level of Service	Target	Achieved	Result	Prior Years
	Number of water clarity complaints per 1,000 connections per year: \leq 1.0	Achieved	0.33 per 1,000 connections.	2019: 0.35 per 1,000 connections. 2018: 0.54 per 1,000 connections. 2017: 0.82 per 1,000 connections.
	Number of water taste complaints per 1,000 connections per year: \leq 0.5	Achieved	0.45 complaints per 1,000 connections.	2019: 0.81 complaints per 1,000 connections. 2018: 1.12 complaints per 1,000 connections. 2017: 0.53 complaints per 1,000 connections.
	Number of water odour complaints per 1,000 connections per year: \leq 0.5	Achieved	0.28 complaints per 1,000 connections	2019: 0.44 complaints per 1,000 connections 2018: 1.34 complaints per 1,000 connections. 2017: 0.15 complaints per 1,000 connections.
	Average consumption of drinking water per day in litres per resident per day: \leq 298	Achieved	229 litres per resident per day average use	2019: 209 litres per resident per day average use 2018: 201 litres per resident per day average use. 2017: 230 litres per resident per day average use.
Council water supply networks and operations demonstrate environmental stewardship	Percentage of real water loss from Council's water supply network: \leq 15.0%	Not achieved	23%	2019: 23% water loss 2018: 18.4% water loss. 2017: 14.90% water loss.

Where are we heading?

Building on the work we have done upgrading our well heads to ensure that they are secure from contamination, we will focus on improving the rest of our water supply network. The aim is to deliver demonstrably safe water without the need for chlorine disinfection where we have secure groundwater.

This will include working with commercial customers to improve backflow prevention. We will also undertake comprehensive condition assessments of poor condition reservoirs and suction tanks and upgrade these to reduce the risk of contamination.

We will install smart water monitoring technology in the Rawhiti water supply zone. This will include smart water meters for around 1,000 customers, pressure sensors to detect damaging pressure fluctuations in our network, and acoustic sensors to detect leaks. We will also install an online water quality monitoring device at the Keyes pump station.

We will finish drilling new deep wells at Grassmere, Belfast and Mays water supply pump stations, to replace shallow

We will continue building the new Ben Rarere Water Supply Pump Station to replace the earthquake damaged Bexley Water Supply Pump Station.

We will start building the replacement suction tank at the Jeffreys water supply pump station and continue with designing the replacement suction tank at the Sydenham pump station. Both were severely damaged by earthquakes.

The design of the replacement Duvuachelle water treatment plant will be completed and we will start work on construction. However, we won't be able to start work on the new Okains Bay water supply scheme until the following year, due to budget cuts in response to the economic impacts of the COVID-19 pandemic.

We will renew 3.4 kilometres of water supply mains and 6.7 kilometres of water supply submains in the next year. This is less than planned in the Long Term Plan due to budget constraints in response to the economic impacts of the COVID-19 pandemic. This will result in the average condition of water supply network declining and may lead to increased breaks and leakage.

We will start replacing the water supply main on Riccarton Road between Hansons Lane and Euston Street at the same time as we're replacing the wastewater main.

We will submit revised water safety plans for all of water supplies, apart from Birdlings Flat which does not need a new water safety plan.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Water supply	72,096	66,134	69,149
	72,096	66,134	69,149
Operating revenue from services			
Water supply	252	651	411
	252	651	411
Capital revenues	4,960	2,729	4,241
Vested assets	2,001	229	1,399
Net cost of services	64,883	62,525	63,098

Explanation of significant cost of service variances

The cost of service was \$5.9 million higher than planned due to \$2.7 million unplanned water pipe disposals, \$0.4 million water meter and station asset disposals, \$1.0 million additional depreciation costs on additional assets required to meet the Water Safety Plan, \$1.0 million laboratory testing charges that were unplanned, \$0.6 million internal planning cost recoveries and \$0.1 million capital write off.

The cost of service was \$2.9 million higher than 2019 due to additional \$1.9 million insurance costs, \$0.8 million internal planning cost recoveries \$0.5 million electricity costs, offset by \$0.4 million lower service contract expenses.

Service delivery in 2020/21

A number levels of service were not achieved this year. While most levels of service detailed in the Water Supply Service Plan are planned to be delivered in 2020/21 financial year, the continuing financial constraints and the need to continue chlorinating Christchurch's water supply until a new water safety plan is approved, means it won't be possible for us to meet all of these levels of service.

Capital revenues

Capital revenues were \$2.2 million higher than plan due to \$1.7 million additional development contributions and \$0.5 million water connection fees received.

Capital revenues were \$0.7 million higher than 2019 due to \$0.4 million additional connection fees and \$0.3 million higher development contributions.

Vested assets

The Council also received \$2.0 million of water supply network vested assets from new subdivisions this year which was \$1.8 million higher than plan and \$0.6 million higher than 2019.

Funding impact statement for year ended 30 June

	2020 Actual	2020 Annual Plan	2020 Long Term Plan	2019 Long Term Plan
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	57,402	57,348	54,904	53,060
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	228	651	637	625
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	27	-	-	-
Total operating funding (A)	57,657	57,999	55,541	53,685
Applications of operating funding				
Payments to staff and suppliers	25,983	24,724	22,437	22,536
Finance costs	3,331	3,331	3,376	2,999
Internal charges and overheads applied	2,858	2,858	2,643	2,532
Other operating funding applications	4	4	4	4
Total applications of operating funding (B)	32,176	30,917	28,460	28,071
Surplus (deficit) of operating funding (A-B)	25,481	27,082	27,081	25,614
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	3,284	1,509	2,534	2,324
Increase (decrease) in debt	7,316	3,343	5,598	6,609
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	1,693	1,220	1,220	1,265
Total sources of capital funding (C)	12,293	6,072	9,352	10,198
Applications of capital funding				
Capital expenditure				
- to replace existing assets	33,106	26,479	33,261	33,049
- to improve the level of service	1,736	3,748	128	652
- to meet additional demand	2,580	2,927	3,044	2,111
Increase (decrease) in reserves	352	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	37,774	33,154	36,433	35,812
Surplus (deficit) of capital funding (C-D)	(25,481)	(27,082)	(27,081)	(25,614)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant cost of service variances

Operating funding

The surplus of operating funding is \$2.2 million lower than plan. Operational funding is \$0.9 million lower than plan due to lower funding from targeted rates. Applications of operational funding is \$1.2 million higher than plan due to \$1.0 million unplanned internal laboratory testing charges and \$0.5 million additional electricity costs offset by and \$0.3 million lower professional fees.

Capital expenditure

Capital expenditure was \$4.3 million higher than plan, mainly as result of additional work delivered in water

supply mains, pump station renewals and water meter replacement projects.

Significant capital expenditure

Significant capital expenditure included: well head conversions \$14.6 million, water meter replacements \$3.0 million, Mains Renewal -Cranford St, Sherborne Street \$2.1 million, new water connections \$1.2 million, Wrights pump station well renewal \$1.0 million, Highfield mains \$1.0 million.

Other minor work included: , Grassmere well renewal \$0.7 million, reactive mains and submains renewals \$0.7 million, Riccarton Road (Harakeke to Matipo) \$0.7 million, well head security \$0.6 million, mains renewal Otamuhua Lane, Ilam Road \$0.5 million, Belfast well renewal \$0.5

million, Main Pumps UV treatment \$0.5 million, Eastern Terrece trunk main renewal \$0.4 million, Jeffreys pump station suction tank replacement \$0.4 million, pump and storage MEICA renewals \$0.4 million, Lyttelton Road Tunnel pipe approach renewal \$0.4 million, Ben Rarere Pump Station \$0.4 million, submains renewal Aranui area \$0.4

million, land purchase for pump station for Duvauchelle water supply scheme \$0.4 million.

The remainder was spent on smaller projects throughout the city.

Council activities and services

Wastewater

What is wastewater, and what does the Council do?

Wastewater is grey water and sewage collected from household drains, and commercial and industrial premises. It is generally referred to as wastewater. It is conveyed through an underground network of pipes and pumped to treatment plants, where contaminants are removed before it is discharged safely back into the natural environment.

Why is the Council involved?

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

Wastewater services contribute to this purpose statement through promoting the environmental and economic 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 in an environmentally acceptable manner.

The service also contributes toward the achievement of the Council's Healthy environment Community Outcomes of healthy waterways and sustainable use of resources, and the Prosperous economy Community Outcome by providing modern and robust infrastructure. This contribution is made by building, operating and maintaining a sanitary wastewater collection and treatment service.

How does it affect me?

The collection and treatment of our wastewater keeps you safe from waterborne illnesses and protects our environment.

What activities are involved?

Wastewater collection

We provide for the continuous collection and conveyance of wastewater from approximately 160,000 properties, via a wastewater network of pipes and pumps, to treatment plants. The Christchurch treatment plant is at Bromley and there are seven smaller treatment plants on Banks Peninsula.

Wastewater treatment and disposal

Wastewater from Christchurch, Lyttelton, Governors Bay, Diamond Harbour, Akaroa and Duvauchelle is processed through treatment plants before being disposed of through outfalls to the sea, and to land at Wainui and Tikao Bay. An accredited laboratory monitors results from the treatment plants to ensure that discharged treated effluent meets the required quality standards of our resource consents.

What did we achieve?

Construction continued on the Lyttelton wastewater scheme, which is the project to convey wastewater from Lyttelton, Diamond Harbour and Governors Bay to the Christchurch wastewater treatment plant. This project will remove discharges of treated wastewater into Lyttelton Harbour. Work on the Diamond Harbour and Cashin Quay pump stations is almost complete and work on the Simeon Quay pump station has continued. The pipeline from the Lyttelton tunnel to Woolston is almost complete.

Work exploring alternatives to a harbour outfall for Akaroa's treated wastewater is nearly complete, with input provided by the community and rūnanga through the Akaroa Treated Wastewater Reuse Options Working Party. Four options have been shortlisted: three options, where highly treated wastewater will irrigate to land and a new harbour outfall.

The second stage of the upgrade of the Riccarton Road wastewater pipe, between Harakeke Street and Matipo Street, was completed. This was done in conjunction with stormwater and water supply pipe renewals, pavement reconstruction and the bus priority project. Design continued for the next section, between Matipo Street and Hansens Lane, where we will be replacing water supply and wastewater pipes.

In addition, we replaced 7 kilometres and lined 2 kilometres of other wastewater pipes.

The last piece of work needed to complete the wastewater main upgrade on Colombo Street and Beckenham Street – the siphon under the Heathcote River was completed. These upgrades will reduce wastewater overflows to the Heathcote River.

We finished building the new network control room at the treatment plant at Bromley. This is the control room for the wastewater, water supply and stormwater networks across the district.

We updated and calibrated the computer model of the wastewater network. This is an important tool in determining compliance with our wastewater overflow consent, and for planning capital projects to reduce overflows and accommodate growth.

How did we measure up?

Wastewater collection, treatment & disposal

Level of Service	Target	Achieved	Result	Prior Years
Collecting wastewater from properties within the reticulated area and conveying the wastewater to treatment plants				
Council wastewater services are reliable	Proportion of residents satisfied with the reliability and responsiveness provided by Council wastewater services: ≥ 79%	Not achieved	66%	2019: 71% New measure in 2019
	Median time from notification to attendance of overflows resulting from network faults: ≤ 1 hour	Achieved	Median response 0.54 of an hour.	2019: Median response 0.55 of an hour. 2018: Median response 0.55 of an hour. 2017: Median response 0.53 of an hour.
	Median time from notification to resolution of overflows resulting from network faults: ≤ 24 hours	Achieved	Year end result was 1.90 hours .	2019: Year end result was 2.41 hours. 2018: Median response of 1.59 hours. 2017: Median response of 1.85 hours.
	Number of wastewater odour complaints per 1,000 properties connected to the wastewater network per year: ≤ 0.6	Achieved	0.41 per 1,000 properties	2019: 0.36 per 1,000 properties 2018: 0.36 per 1,000 properties 2017: 0.39 per 1,000 properties
	Number of wastewater system fault complaints per 1,000 properties connected to the wastewater network per year: ≤ 0.7	Not achieved	3.3 per 1,000 properties	2019: 0.56 per 1,000 properties 2018: 0.46 per 1,000 properties 2017: 0.69 per 1,000 properties
	Number of wastewater system blockage complaints per 1,000 properties connected to the wastewater network per year: ≤ 12	Achieved	1.88 per 1,000 properties	2019: 4.17 per 1,000 properties 2018: 2.43 per 1,000 properties 2017: 5.17 per 1,000 properties
	Percentage of wastewater gravity network pipework identified as condition grade 5 through physical inspection rather than theoretical modelling: ≥ 95%	Not achieved	93.6%	2019: 98.2% New measure in 2019

Level of Service	Target	Achieved	Result	Prior Years
Council wastewater services are responsive	Median time from notification to arrival on-site for non-urgent faults on urban wastewater networks: ≤ 5 days	Achieved	2 days, 11 hours, 7 minutes	2019: 2 hours and 17 minutes
	Median time from notification to arrival on-site for non-urgent faults on rural wastewater networks: ≤ 5 days	Achieved	1 day, 13 hours 57 minutes	2019: 2 hours and 17 minutes
	Number of complaints regarding Council's response to issues with the Council wastewater system per 1,000 properties connected to the wastewater network per year: ≤ 0.1	Not achieved	1.88 per 1,000 properties.	2019: 0.1 per 1,000 properties New measure in 2019
Council maximises public health through wastewater services	Number of dry weather overflows from wastewater systems per 1,000 connected properties per year: ≤ 0.7	Achieved	0.6 per 1,000 properties	2019: 0.54 per 1,000 properties 2018: 0.63 per 1,000 properties 2017: 0.63 per 1,000 properties
Operate and maintain treatment plants, discharge structures/outfalls and biosolids reuse/disposal				
Council disposes of wastewater in a responsible manner	Number of abatement notices regarding Council resource consents related to discharges from wastewater systems per year: 0	Achieved	No abatement notices.	2019: No abatement notices. 2018: No abatement notices. 2017: No abatement notices.
	Number of infringement notices regarding Council resource consents related to discharges from wastewater systems per year: 0	Achieved	No infringement notices.	2019: No infringement notices. 2018: No infringement notices. 2017: No infringement notices.
	Number of enforcement orders regarding Council resource consents related to discharges from wastewater systems per year: 0	Achieved	No enforcement orders.	2019: No enforcement orders. 2018: No enforcement orders. 2017: No enforcement orders.
	Number of convictions regarding Council resource consents related to discharges from the wastewater systems per year: 0	Achieved	No convictions.	2019: No convictions. 2018: No convictions. 2017: No convictions.

Where are we heading?

We will finish constructing the Lyttelton Harbour wastewater scheme within the next year and before the consents to discharge to Lyttelton Harbour expire. All wastewater from Lyttelton, Governors Bay and Diamond

Harbour will be piped through to Christchurch, meaning that there will no longer be any discharge of treated wastewater to Lyttelton Harbour.

We will consult with the community on the options for disposing or reusing treated wastewater from Akaroa and

Duvauchelle, and will make decisions for each on which option to pursue. We will then undertake preliminary design and prepare our applications for the resource consents we need to implement the upgrades to these wastewater schemes.

At the Christchurch wastewater treatment plant, we will finish building the new laboratory building, complete the repairs to earthquake damaged buildings and start replacing the step screens.

We will renew 2.6 kilometres of wastewater mains in the next 12 months. This is less than what was planned in the Long Term Plan due to budget constraints in response to the economic impacts of the COVID-19 pandemic. It is less than what is needed to maintain the current condition of the wastewater network and may result in increased infiltration, blockages and overflows.

We will complete the replacement of the brick barrel sewer on Tuam Street between Livingstone Street and Mathesons Road this year.

We will start work on the Upper Riccarton Interceptor, which is a duplicate pipe that will increase capacity for growth and reduce wastewater overflows in wet weather.

We will also start work on an upgrade to the wastewater pump station on Halswell Road and also the wastewater main in Hayton Road to provide for growth in the west of the city.

We will install odour treatment devices at four locations around Christchurch to reduce odour and corrosion of our pipes.

Service delivery in 2020/21

A number of levels of service were not achieved this year and the continuing financial constraints means it will not be possible to meet all levels of service in the 20/21 year. As an example the lack of physical inspections of very poor condition (grade 5) pipes will reduce the effectiveness of planning for pipe renewals.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Wastewater collection, treatment and disposal	102,053	97,329	109,259
	102,053	97,329	109,259
Operating revenue from services			
Wastewater collection, treatment and disposal	4,952	7,232	4,918
	4,952	7,232	4,918
Capital revenues	12,887	4,558	11,240
Vested assets	3,302	229	1,758
Net cost of services	80,912	85,310	91,343

Explanation of significant variances

Wastewater collection, treatment and disposal

The cost of services was \$4.7 million higher than plan. This was due to \$2.0 million of unplanned asset writeoffs (partly offset by depreciation \$0.4 million under plan), \$1.3 million additional maintenance costs, \$0.8 million staff and overhead costs, \$0.5 million additional electricity costs, \$0.4 million refuse disposal costs and \$0.2 million chemical costs.

The cost of service was \$7.2 million lower than 2019. This was due to \$8.7 million lower asset writeoffs and \$0.3 million lower maintenance costs; offset by an additional \$0.7 million staff and overhead costs, \$0.6 million depreciation costs, \$0.4 million debt servicing charges and \$0.3 million rates costs.

Operating revenues were \$2.3 million lower than plan. Planned Trade Waste revenue included Gelita which shut

down due to a fire in 2017 and a new customer which was expected to be discharging in 2020. Operating revenues for 2020 are in line with 2019.

Capital revenues and vested assets

Capital revenues were \$8.3 million higher than plan due to higher development contributions received.

Capital revenues were \$1.6 million higher than 2019 due to \$2.0 million additional development contributions; offset by \$0.3 million subsidies revenue received in 2019 but not in 2020.

The Council also received \$3.3 million of additional sewerage network vested assets from developers' new subdivisions this year, \$3.1 million higher than plan and \$1.5 million higher than 2019.

Funding impact statement for year ended 30 June

	2020 Actual	2020 Annual Plan	2020 Long Term Plan	2019 Long Term Plan
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	72,035	71,967	72,277	68,208
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	4,740	6,572	6,334	6,127
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	164	660	660	647
Total operating funding (A)	76,939	79,199	79,271	74,982
Applications of operating funding				
Payments to staff and suppliers	37,277	34,840	34,938	33,356
Finance costs	5,033	5,033	5,150	4,587
Internal charges and overheads applied	4,208	4,208	4,065	3,824
Other operating funding applications	11	-	-	-
Total applications of operating funding (B)	46,529	44,081	44,153	41,767
Surplus (deficit) of operating funding (A-B)	30,410	35,118	35,118	33,215
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	12,953	4,558	8,160	7,625
Increase (decrease) in debt	22,427	19,106	22,669	22,843
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	35,380	23,664	30,829	30,468
Applications of capital funding				
Capital expenditure				
- to replace existing assets	48,016	42,651	51,304	47,768
- to improve the level of service	14,773	15,506	14,279	12,896
- to meet additional demand	1,655	625	364	3,019
Increase (decrease) in reserves	1,346	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	65,790	58,782	65,947	63,683
Surplus (deficit) of capital funding (C-D)	(30,410)	(35,118)	(35,118)	(33,215)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The surplus of operating funding was \$5.4 million lower than plan. Operational funding was \$2.9 million lower due to \$1.8 million lower trade waste charges, \$0.6 million lower receipts from targeted rates and \$0.5 million other receipts. Applications of operational funding was \$2.4 million higher than plan due to increased payments to suppliers related to maintenance \$1.3 million, electricity \$0.5 million, refuse disposal \$0.4 million and other operating costs \$0.2 million.

Capital expenditure

Capital expenditure was \$5.7 million higher than plan largely as a result of additional wastewater renewals and improvement projects delivered.

Significant capital expenditure

Significant capital expenditure included: mains renewals \$22.9 million, Lyttelton Harbour wastewater treatment plant \$13.2 million, other mains replacement and renewals \$9.7 million [Riccarton Road (Harakeke to Matipo) \$7.0 million, Whero Avenue Diamond Harbour \$1.5 million, Riccarton interceptor (Avonhead Road) \$0.7 million, fast track renewals \$0.5 million], Christchurch Wastewater Treatment Plant (CWTP) buildings \$2.8 million, lateral

Renewals \$2.7 million, CWTP channels restoration \$1.4 million.

Other minor work included: treatment plant renewals \$0.9 million, vacuum system monitoring equipment \$0.8 million, CWTP lagoon 3 \$0.7 million, pump and storage Mechanical, Electrical, Instrumentation, Controls and Auxiliaries (MEICA) renewals \$0.7 million, Akaroa WWTP Improvements \$0.7 million, Duvauchelle wastewater

treatment and disposal upgrade \$0.5 million, renewal of gravity belt thickeners \$0.5 million, refurbish amenities & mezzanine roof \$0.5 million at CWTP.

The remainder was spent on smaller projects throughout the city.

Council activities and services

Stormwater drainage

What is stormwater drainage, and what does the Council do?

Stormwater drainage collects and conveys stormwater whilst protecting the community from surface flooding by controlling river levels and managing stormwater flows. The activity also manages the effects of stormwater on the environment. Together with the flood protection and river control activity this protects the community from the harmful effects of flooding within levels defined in the Long Term Plan (LTP).

Why is the Council involved?

Delivering this activity helps Council meet its legislative obligations under the Local Government Act 2002, the Building Act 2004, the Christchurch District Drainage Act 1951, the Water Supply, Wastewater and Stormwater Bylaw 2014, the Resource Management Act 2017, the National Policy Statements on Urban Development Capacity and on Freshwater Management, and relevant consents from Environment Canterbury.

This activity also supports Council's Community Outcomes (Healthy environment, Strong (safe and healthy) communities and Prosperous economy).

An appropriately provided and well maintained stormwater drainage system helps to protect water quality, maintain the health of ecosystems, decrease flood risk, safeguard public health, provide for growth of the city and allow transport and other infrastructure networks to function.

How does it affect me?

Good quality stormwater infrastructure provides the basis for a functioning city through dry streets, homes, businesses and properties. Such infrastructure also protects public health by reducing the potential for pollution getting into natural waters. The improvements made to the network will also increase ecological, landscape, recreational and cultural values and facilitates the ongoing regeneration and growth of the city.

What activities are involved?

Stormwater Drainage

Council provides, operates and maintains the stormwater drainage system to agreed levels to enable the management of surface water through the provision and renewal of reticulation infrastructure. We maintain natural waterways and modified channels and drains, and their margins, to a high standard.

Council responds to flood events, faults and blockages across the network to minimise damage and disruption.

What did we achieve?

Our focus has remained on asset repairs and planning for the rebuild or renewal of damaged or deteriorated assets. We have continued to fix earthquake damage to the drainage network, for example, removing accumulated silt from parts of the network and repairing damaged waterway linings.

We've completed network renewal and upgrade work in many areas, including improvements to inlet structures and bank lining across the city and Banks Peninsula. These have included replacing linings with more ecologically sensitive designs. Some major capital infrastructure renewals have been progressed to allow construction to commence in July 2020 along Jacksons Creek in Brougham Street/Selwyn Street. Work on the Lyttelton Stormwater Brick Barrel Network has continued to progress along with the renewal work planning for Little River.

We have progressed the delivery and planning of other significant stormwater drainage projects this year, to improve the management of both the quantity and quality of stormwater, including Stage 3 of the Matuku Waterway Project, Horseshoe Lake pump station upgrade (PS205), and the renewal of damaged linings on Charlesworth Drain. Cashmere Worsleys Flood Storage and Wigram East Retention Basin now have an operational component, bringing benefit to people living alongside the Heathcote River.

The weed harvesting programme continues to be closely monitored to ensure optimised benefit in managing river water levels. We have progressed the planning of equipment renewal in storm water pumping stations, and the replacement of aging assets and maintaining the current infrastructure.

Implementation of activities and projects to support the Comprehensive Stormwater Network Discharge Consent has progressed, including work on Stormwater Management Plans, the Environmental Monitoring Programme and several investigations and studies related to stormwater quality and quantity/floodwater management.

COVID-19 has caused some delays in project delivery this financial year. Some projects such as Cashmere Worsleys Flood Storage have been delayed for longer than the lockdown period through missing seasonal construction windows.

A new tool, the Asset Assessment Intervention Framework (AAIF), has been deployed, enabling decisions for asset renewals to be based on multiple schema such as location, age, groundwater depth, proximity to trees, in addition to pipe structural condition, to provide a condition 1 to 5 grading value giving a more comprehensive tool for selection of renewal candidates. This tool has been critical in the pipelines renewals planning for the upcoming Long Term Plan funding decision making process.

How did we measure up?

Stormwater drainage				
Level of Service	Target	Achieved	Result	Prior Years
Provide and maintain the stormwater, drainage system (surface water management systems, such as streams, rivers, utility waterways, basins, structures, pipes)				
Council responds to flood events, faults and blockages promptly and effectively	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site: ≤60 mins urban ≤120 mins rural	Achieved	No flooding events in 19/20	2019: No flooding events in 18/19 2018: One flooding event, response time within 30 minute target. 2017: No flooding events in 16/17
Council manages the stormwater network in a responsible and sustainable manner	Resident satisfaction with Council's management of the stormwater network: ≥38%	Achieved	43%	2019: 47% 2018: 35% 2017: 52%
	Number of abatement notices regarding Council resource consents related to discharges from the stormwater networks per year: 0	Achieved	No abatement notices	2019: No abatement notices 2018: No abatement notices 2017: No abatement notices
	Number of infringement notices regarding Council resource consents related to discharges from the stormwater networks per year: 0	Achieved	No infringement notices	2019: No infringement notices 2018: No infringement notices 2017: No infringement notices
	Number of enforcement orders regarding Council resource consents related to discharges from the stormwater networks per year: 0	Achieved	No enforcement orders	2019: No enforcement orders 2018: No enforcement orders 2017: No enforcement orders
	Number of successful prosecutions regarding Council resource consents related to discharges from the stormwater networks per year: 0	Achieved	No prosecutions	2019: No prosecutions 2018: No convictions 2017: No convictions
Stormwater network is managed to minimise risk of flooding, damage and disruption	The number of flooding events that occur: <2	Achieved	No flooding event affecting habitable floors.	2019: No 'above floor' flooding event since July 2017. 2018: One flooding event in 2017/18. 2017: No flood events in 2016/17.

Level of Service	Target	Achieved	Result	Prior Years
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.): <0.1	Achieved	0 per 1,000 properties.	2019: No 'above floor' flooding event since July 2017 2018: 8.6 per 100,000 properties, were flooded 2017: No flood events in 2016/17
	Number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system: < 10	Achieved	6.07 per 1,000 properties	2019: 6.74 per 1,000 2018: 4.2 per 1,000 2017: 8.2 per 1,000

Where are we heading?

As well as continuing to provide capacity for growth, we will continue the focus of recent year on the renewal of aging assets and building effectiveness and resilience within the existing and future stormwater drainage infrastructure (in conjunction with the flood protection and control activity). There will be a particular focus on planning and delivery of projects related to improving stormwater discharges, including meeting stormwater consent obligations.

We will continue with the application of current and new network inspection techniques and methods of analysis, including "root cause" analysis to assist with pipe renewal prioritisation.

Maintenance activity will be increased with a resulting increased demand on operating expenditure funding, due to the increased number of stormwater infrastructure assets and the need for Council to adequately protect its investment in these assets.

In keeping with Councils "6-values" approach and where practicable, lined drains will be naturalised instead of having their linings repaired. We will continue our programme of repairing timber lined drains with condition grading of 1 to 3, while the renewals programme will

prioritise the drains in a poorer condition with a 4 & 5 rating.

Service delivery in 2020/21

We will continue to progress the delivery of equipment renewal and asset improvements in some of our storm water pumping stations, the replacement of aging assets and maintaining the current infrastructure.

Significant stormwater projects will be progressed to further renew parts of the piped and waterway networks, reduce contaminants in stormwater discharges and provide an integrated basis for stormwater management in areas of urban growth.

COVID-19 impacts have caused some 2019/20 project delays that will need to be recovered in 2020/2021. Overall, there will be increased planning for capital projects, although a drop in the total delivery funding has resulted in a deferral of the renewal works. Council operational activity will be focused on supporting the Strategic Directions and Community Outcomes and meet Council's consents' obligations, in particular those under the Comprehensive Stormwater Network Discharge Consent.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Stormwater drainage	29,414	33,728	30,334
	29,414	33,728	30,334
Operating revenue from services			
Stormwater drainage	15	16	16
	15	16	16
Capital revenues	-	-	-
Vested assets	4,425	457	13,839
Net cost of services	24,974	33,255	16,479

Explanation of significant variances

Stormwater drainage

The cost of service was \$4.3 million lower than planned, due to lower maintenance costs \$4.3 million, lower staff costs \$0.4 million and lower overhead costs \$0.4 million, offset by unplanned loss on asset disposal \$0.7 million and additional depreciation \$0.1 million.

The lower costs are the result of \$2.1 million of planned costs being transferred to the Flood Protection activity as a result of the reclassification of assets between the activities.

The cost of service was \$0.9 million lower than 2019, due to lower maintenance expenditure.

Capital revenues and vested assets

The Council received \$4.4 million of stormwater network vested assets from developers' new subdivisions this year \$4.0 million higher than planned, and \$9.4 million lower than 2019.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	29,716	29,688	27,965	26,674
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	15	16	16	21
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	29,731	29,704	27,981	26,695
Applications of operating funding				
Payments to staff and suppliers	12,382	17,450	15,877	15,330
Finance costs	1,278	1,278	1,260	1,114
Internal charges and overheads applied	1,458	1,458	1,326	1,249
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	15,118	20,186	18,463	17,693
Surplus (deficit) of operating funding (A-B)	14,613	9,518	9,518	9,002
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(1,076)	10,469	10,238	9,832
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(1,076)	10,469	10,238	9,832
Applications of capital funding				
Capital expenditure				
- to replace existing assets	12,347	19,742	19,128	16,472
- to improve the level of service	319	192	-	-
- to meet additional demand	61	53	628	2,362
Increase (decrease) in reserves	810	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	13,537	19,987	19,756	18,834
Surplus (deficit) of capital funding (C-D)	(14,613)	(9,518)	(9,518)	(9,002)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding surplus is \$5.1 million higher than plan due to the lower than planned maintenance expenses \$4.3 million, due to assets being transferred to the Flood Protection and control activity during the year, \$0.4 million lower staff costs and \$0.4 million lower unit overhead costs.

Capital expenditure

The capital expenditure is \$7.2 million lower than planned, due to less works delivered in land drainage recovery programme, stormwater reticulation and waterway lining renewals projects where works have been reprogrammed to future years.

Significant capital expenditure

Significant capital expenditure includes: Upper Heathcote storage \$4.8 million, Wigram East retention basin \$1.3 million, land drainage recovery programme- flood intervention works \$1.1 million, Canal Reserve drain Prestons Road to QEII \$0.6 million.

Other minor work included: Lyttelton brick barrels renewals \$0.4 million, temporary stop bank management \$0.4 million, New Brighton Road pump station upgrade \$0.4 million. .

The remainder was spent on smaller projects throughout the city.

Council activities and services

Flood protection and control works

What is flood protection and control works, and what does the Council do?

The flood protection and river control activity, together with the stormwater drainage activity, works to protect the community from the harmful effects of flooding within levels defined in the Long Term Plan (LTP). This helps Council meet its legislative obligations as a Territorial Authority and supports the Council's strategic priorities and community outcomes

Flood protection and river control delivers floodplain and stormwater management plan objectives to provide for growth, reduce the harm from flooding to our community and to improve the quality of ground and surface water. This involves the development and management of waterways and associated structures and systems, along with the provision and management of flood protection infrastructure.

Why is the Council involved?

Delivery of this activity helps Council meet its legislative obligations under the Local Government Act 2002, the Building Act 2004, the Christchurch District Drainage Act 1951, the Water Supply, Wastewater and Stormwater Bylaw 2014, the Resource Management Act 2017, the National Policy Statements on Urban Development Capacity and on Freshwater Management and relevant consents from Environment Canterbury.

This activity also supports Council's Community Outcomes (Healthy environment, Strong (safe and healthy) communities and Prosperous economy).

Flooding is one of our most common natural hazards. It can have disastrous consequences for residents and communities and significant impacts on the local economies. Alongside land use planning provisions flood protection systems help to decrease flood risk, safeguard public health, protect water quality, maintain the health of ecosystems, provide for growth of the city and allow transport and other infrastructure networks to function.

How does it affect me?

Good quality flood protection and river control infrastructure better protects residents against the likelihood of flood damage to their homes and property in extreme storms. This infrastructure helps build confidence in the city and reduces the adverse public health and ecological effects associated with flooding.

What activities are involved?

Flood protection and control works

We maintain natural waterways and associated structures and systems, provide and operate flood protection

infrastructure and carry out hydrometric monitoring to protect vulnerable areas from the effects of flooding.

What did we achieve?

Building on the work of previous years, significant progress has been made in reducing the flood risk and the effects of flooding this year with a number of projects underway or nearing completion.

The Land Drainage Recovery Programme (LDRP) continues to deliver a major physical works and investigations programme, which extends across much of the city. Completion of the Curletts Flood Storage Project is the first of upcoming major milestones in the City's floodwater management programme in the Heathcote Catchment. These works have also supported the Council strategic priority of improved waterways and the six-values approach to stormwater management

We have built a new length of stopbank in South New Brighton near to Bridge St and have started works further south. We have also started works in the central city with refurbishment of the stormwater culvert in Hereford Street.

Other important, significant projects progressed or completed this year include Eastman Wetlands, Heathcote Dredging, Bullers Stream Naturalisation and Facility, Cox's – Quaifes facility, and Sutherlands Basin.

We continued to monitor and maintain the Avon / Ōtākaro temporary stop banks, and initiate works to address issues identified. The stop banks protect against tidal events in the short term while planning on the Ōtākaro Avon River Corridor works progresses.

The Flood Intervention Policy which was adopted by Council in November 2017 was initially applied within the Flockton Area and has been applied now to affected properties in the Heathcote River. To date 22 properties with earthquake impact and at high risk of flooding have been purchased in the Heathcote catchment.

The Wet Weather and Tidal Flooding Response Plan, that utilises improved forecasting and real time sea and river level monitoring developed last year, is under review and has helped us to better deliver the services necessary to minimize the impact of rain events and king tides.

COVID-19 has caused some delays in project delivery this financial year. Some projects such as Eastman Wetlands, Heathcote Dredging, Cox's – Quaifes facility, and Sutherlands Basin have been delayed for much longer than the period of the lockdown through missing key seasonal and ecological construction dates.

How did we measure up?

Flood protection and control works

Level of Service	Target	Achieved	Result	Prior Years
Maintaining the natural waterways and associated structures and systems				
Reduce risk of flooding to property and dwellings during extreme rain events	Annual reduction in the modelled number of properties predicted to be at risk of habitable floor level flooding of the primary dwelling in a 2% AEP Design Rainfall Event of duration greater than 1.5 hours excluding flooding that arises solely from private drainage: 50 properties	Achieved	44 properties	<p>2019: Achieved above floor flood risk reduction by 57 properties.</p> <p>2018: No 1 in 50 year flooding events occurred. Completion of Dudley Creek bypass and other LDRP projects reduced flooding risk.</p> <p>2017: Dudley Creek has delivered above floor flood risk reduction for 50 properties.</p>

Major flood protection and control works are maintained, repaired and renewed to key standards

Major flood protection and control works are maintained, repaired and renewed to key standards	Stopbank crest surveys are carried out at required intervals: Annually	Achieved	Stopbank crest surveys carried out for Avon May 2020, and South New Brighton/Southshore carried out March 2020.	<p>2019: Avon stopbank crest surveys being carried out throughout 2019.</p> <p>2018: All stopbanks have been resurveyed as part of the LDRP temporary stopbank works</p> <p>2017: Survey is planned to be done by drone in late 2017.</p>
	Cross sectional surveys of selective waterways are carried out at required intervals: 2-5 yearly or as required	Achieved	Cross sectional surveys carried out for Heathcote dredging project, and regularly for CREAS surveys.	<p>2019: Cross sectional surveys carried out for Heathcote dredging project and regularly for CREAS surveys.</p> <p>2018: Partial survey as a consequence of delivering LDRP or other BAU projects.</p> <p>2017: All major waterways have been re-surveyed since the earthquakes and have been/are subject to further partial survey as a consequence of delivering LDRP or other projects.</p>
	Stopbanks identified as being below their original design standard are repaired within 9 months. Measured as proportion of stop bank length identified as not meeting standard that is repaired within required timescale: 70%	Achieved	100% repaired with in required timescale.	<p>2019: 100%</p> <p>New measure in 2019</p>

Where are we heading?

The Land Drainage Recovery Programme (LDRP) was formed to address the effects of the 2010/11 earthquakes on this activity and the stormwater drainage activity. The programme has continued to deliver this year but from 2021 onwards, the LDRP projects will be delivered under the stormwater drainage activity along with the planning and delivery of other Floodplain Management projects. This marks a move away from “recovery” into “business as usual” for the activity.

Project planning for the flood protection and control activity is underpinned by the Council’s 2020 Strategic Framework. The relevant Strategic Priorities and Community Outcomes in the framework, include healthy water bodies, modern and robust city infrastructure, and, importantly, meeting the challenge of climate change through every means available.

Over the coming years there will also be a focus on the replacement of aging assets (in conjunction with the stormwater drainage activity) and building resilience within the existing and future flood protection and control

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Flood protection and control works	6,511	4,561	4,242
	6,511	4,561	4,242
Operating revenue from services			
Flood protection and control works	8	-	23
	8	-	23
Capital revenues	2,401	4,873	2,012
Vested assets	-	-	-
Net cost of services	4,102	(312)	2,207

Explanation of significant variances

Flood protection & control works

The cost of service for flood protection was \$1.9 million higher than plan due to unplanned professional fees \$0.7 million, unplanned asset disposal losses \$0.6 million, additional maintenance costs \$0.5 million and unplanned rates charges \$0.1 million.

The additional cost is the result of a \$2.1 million transfer from the Stormwater activity due to the reclassification of assets between the activities.

The cost of service for flood protection is \$2.3 million higher than 2019 due to additional maintenance costs

infrastructure, particularly with respect to climate change, and improving stormwater discharges including meeting stormwater discharge consent obligations. This includes completion of some large projects in the Ōpāwaho / Heathcote River Catchment and planned within the Ōtākaro / Avon River Catchment.

Projects such as Sutherlands Basin, Owaka Corridor and the Coxs – Quaifes Facility which provide capacity for future growth (both greenfield and infill within existing urban areas) will continue to be delivered.

Service delivery in 2020/21

COVID-19 has caused some 2019/20 project delays that will need to be recovered in 2020/2021. Overall, there will be a significant reduction in above-floor-level flooding in residential properties, in line with previous years. Other projects will have provided further capacity for growth and improved treatment of stormwater discharges.

\$2.2 million arising from the delivery of the Heathcote River Dredging project \$1.1 million, stormwater basin mowing \$0.4 million, basin and structures maintenance \$0.3 million, stormwater pump station and treatment facilities \$0.3 million. This reflects a reclassification of assets from stormwater assets to flood protection assets during the year.

Capital revenues and vested assets

Capital revenues were \$2.4 million lower than planned and \$0.4 million higher than 2019 due to timing differences in the receipt of development contributions.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	4,910	4,905	4,535	9,578
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	8	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	(1)	-	-	-
Total operating funding (A)	4,917	4,905	4,535	9,578
Applications of operating funding				
Payments to staff and suppliers	5,895	4,192	3,832	8,706
Finance costs	15	15	19	8
Internal charges and overheads applied	197	197	183	390
Other operating funding applications	1	-	-	-
Total applications of operating funding (B)	6,108	4,404	4,034	9,104
Surplus (deficit) of operating funding (A-B)	(1,191)	501	501	474
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	2,403	4,873	4,684	5,010
Increase (decrease) in debt	20,465	19,148	22,885	10,841
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	22,868	24,021	27,569	15,851
Applications of capital funding				
Capital expenditure				
- to replace existing assets	2,745	3,637	3,018	3,151
- to improve the level of service	278	259	-	-
- to meet additional demand	18,639	20,626	25,052	13,174
Increase (decrease) in reserves	15	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	21,677	24,522	28,070	16,325
Surplus (deficit) of capital funding (C-D)	1,191	(501)	(501)	(474)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding deficit of \$1.2 million was \$1.7 million higher than plan due to higher payments to suppliers. The increased payments related to, the Multi-Hazard Analysis project (\$0.6 million) which was funded by a carry forward from the previous year, operational maintenance costs (\$0.6 million) and basin mowing (\$0.4 million) related to assets which were transferred from the Stormwater activity during the year.

Capital expenditure

Capital expenditure was \$2.7 million lower than planned. This was due to Land Drainage Recovery Programme work and waterway detention treatment facilities development projects being reprogrammed into future years as a result of the Lockdown.

Significant capital expenditure

Significant capital expenditure included: Eastman Wetlands \$3.4 million, Welsh basin \$3.2 million, Coxs - Quaifes stormwater facility \$3.0 million, Owaka Corridor - Wilmers Basin \$2.4 million, Heathcote Dredging \$1.4 million, Gardiners stormwater facility \$1.2 million, - Curletts Road flood storage \$1.1 million, Southshore Emergency Bund \$0.8 million, Rossendale Infrastructure Provision \$0.5 million.

Other minor work included: Southshore emergency bund \$0.8 million, Rossendale storm water infrastructure provision \$0.5 million, Carrs Corridor - Stage 1 \$0.4 million, Knights Drain Ponds \$0.4 million, Highsted construction of waterways, basins and wetlands \$0.4 million.

The remaining was spent on smaller projects throughout the city.

Council activities and services

Roads and footpaths

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

We maintain the assets that comprise Christchurch's local roading network including the carriageways, footpaths, bridges, retaining walls, and associated drainage.

We also maintain the landscaping, street lighting, street furniture, signage, road markings, traffic signals and traffic information systems that support the network.

In addition, we maintain the on-street infrastructure that supports the central city tram operation.

We plan for and deliver the renewal and replacement of roading assets when age and use has deteriorated their condition.

We plan and deliver improvements to mitigate safety hazards, reduce crashes on our network and provide increased safety for all users of the road corridor.

We plan and deliver improvements or new roading infrastructure to provide for growth, address congestion and encourage a modal shift to passenger transport and active travel.

We plan and deliver education and communication programmes to enhance road user safety and network efficiency.

Why is the Council involved?

We provide streets, roads and paths so that people have safe, easy and reliable 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.

Roading activities contribute to the social, environmental and economic well-being by planning, providing and maintaining safe road networks and pedestrian linkages within attractive, functional streetscapes.

These activities also help achieve our Community Outcomes by:

- providing for travel options that meet community needs
- providing people with access to economic, social and cultural activities
- providing streetscapes that enhance the look and amenity of the city

- improving safety for all road users
- using construction resources more efficiently and sustainably
- providing efficient use of public assets
- supporting sustainable economic growth
- supporting a vibrant and prosperous business centre.

How does it affect me?

A well maintained and managed transport network makes it easier and safer to get around the city.

A well planned and maintained transport network promotes growth and economic sustainability.

Replacing, upgrading and maintaining footpaths will encourage residents to adopt walking as a healthy, pleasant and easy sustainable travel option.

What activities are involved?

The key activities within the roads and footpaths activity include:

Road maintenance

We are responsible for maintaining the assets that fall within the road corridor including road pavements, footpaths, bridges, retaining walls and drainage.

We are responsible for the operation and maintenance of street lighting and road marking together with traffic lights, signage and information systems.

We are responsible for street cleaning, sump cleaning, litter collection, graffiti removal and removal of dumped rubbish from within the road corridor.

Landscapes

We are responsible for maintaining the berms, verges and vegetation within the road corridor including street trees.

Asset Renewal

We are responsible for renewing roading assets to ensure that the assets can continue to provide the desired level of service economically.

Network improvements

We are responsible for planning and providing new roading infrastructure and upgrading existing infrastructure to improve network performance, address safety issues, encourage increased use of passenger transport and active travel options and support economic growth.

What did we achieve?

We resealed 81 kilometres of roads through our road maintenance contracts. In addition, we added six kilometres of new roads to the network through subdivision development.

We completed the renewal of 22.5 kilometres of footpaths throughout the city.

We completed the re-construction of Palmers Road, Petrie Street, Randall Street and part of Stapletons Road and re-construction of Shands Road, Foster Street, Brittan Terrace, Charlotte Quay and Le Bons Bay Road. The reconstruction of Warden Street has commenced.

We renewed the Tikao Bay Road Bridge. 4 new retaining walls were constructed under an ongoing programme of work across the city and Banks Peninsula.

The upgrade of Riccarton Road and provision of bus priority measures, between Harakeke Street and Matipo Street has been completed. The installation of bus priority measures on Main North Road has commenced.

The upgrade of Marine Parade in New Brighton was completed to connect the new hot pools and the New Brighton Mall.

Work has continued on the approximately \$300 million joint project with NZTA to construct the new Christchurch Northern Corridor route into the city, and including works to the local road networks downstream of these new roads.

The upgrade of Victoria Street and Hereford Street in the central city has started.

An ongoing programme of works to convert existing lights to LED technology continued through the year.

Improving our services, dealing with customers and their requests, has had significant focus. In financial year 2019/20 the volume of requests reduced by approximately 10,000 (25%) compared to the year before.

How did we measure up?

Roads and footpaths

Level of Service	Target	Achieved	Result	Prior Year
Journeys are comfortable.				
Maintain roadway condition, to an appropriate national standard	The average roughness of the sealed local road network measured along the longitudinal profile of the road (NAASRA roughness counts): ≤124	Achieved	120	2019: 119 2018: 71 2017: 125
	Calculate the average quality of the sealed local road network, measured by smooth travel exposure (STE): ≥70%	Achieved	76%	2019: 74% 2018: 73% 2017: 67%
	The percentage of the sealed road network that is resurfaced each year: ≥2%	Achieved	3.6%	2019: 2.3% 2018: 2.3% 2017: 2.4%
Maintain the condition of footpaths	Condition rate the footpaths on a 1 to 5 (excellent to very poor) scale and confirm what percentage are rated as 3 or better: ≥76%	Achieved	88%	2019: 88% 2018: 72% 2017: 68%
Maintain the condition of road carriageways	Reduce the number of customer service requests received for maintenance: 4,990	Achieved	4,075	2019: 4,693 New measure in 2019
Improve resident satisfaction with road condition	≥39%	Not achieved	26%	2019: 27% 2018: 20% 2017: 34%
Improve resident satisfaction with footpath condition	≥53%	Not achieved	40%	2019: 41% 2018: 34% 2017: 48%

Council is responsive to the needs of Customers				
Reduce the number of complaints received	285	Not achieved	295	2019: 182 New measure in 2019
Respond to customer service requests within appropriate timeframes	≥95%	Not achieved	45%	2019: 98% 2018: Measured by assignment of CSR to contractor as proof of action. 2017: 97.5% contract KPI score achieved.
Reduce the number of customer service requests relating to sweeping of the kerb and channel	4,380	Achieved	1,341	2019: 2,461 New measure in 2019
Reduce the number of customer service requests relating to litter bin clearing	230	Achieved	143	2019: 164 New measure in 2019

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.

Restoration of damaged assets, particularly road surfacing and footpaths, will continue to be a priority for the roading programme.

Service delivery in 2020/21

Next year, priority will continue to be given to increased road maintenance and road safety improvements in the areas of greatest need.

Work will be continuing on addressing northern access congestion through the Christchurch Northern Corridor project and other upgrade projects on these routes.

We are looking at how we can better engage with the community on how street works, particularly resurfacing of roads and footpaths, is undertaken and prioritised. Repairs, extensive capital programmes and private development will continue to impact some parts of the network.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Roads and footpaths	118,247	118,658	115,110
	118,247	118,658	115,110
Operating revenue from services			
Roads and footpaths	15,199	16,450	14,875
	15,199	16,450	14,875
Capital revenues	73,258	41,688	33,028
Vested assets	30,739	6,427	16,455
Net cost of services	(949)	54,093	50,752

Explanation of significant variances

There was no significant cost of service variance to plan.

The cost of service was \$3.1 million higher than 2019 due to increased depreciation from asset write-offs of \$1.8 million, increased debt servicing costs of \$0.9 million and an additional \$0.7 million resulting from increases in corporate overheads.

Operating revenue was \$1.3 million lower than plan because of a reduced NZTA opex subsidy as the COVID-19 lockdown meant less maintenance work was done (\$0.3 million), reduced road corridor access request fees resulting from the lockdown of \$0.4 million and \$0.4 million of contractor bond revenue not realised.

There was no significant operating revenue variance to 2019.

Capital revenues and vested assets

Capital revenues were \$35.3 million higher than plan and \$40.2 million higher than 2019 due to \$40 million of Christchurch Regeneration Acceleration Fund monies received from the Crown to accelerate Canterbury's earthquake recovery, partly offset by lower NZTA funding as they approved funding for fewer projects than planned. In addition \$3.2m of NZTA subsidy related to delayed projects and will be received in future years.

Vested assets were \$24.3 million higher than plan and \$14.3 million higher than 2019 because \$23.6 million of assets were vested by Ōtākaro for Accessible Cities (\$14.8 million) and the Avon River Precinct (\$8.8 million).

Funding impact statement for year ended 30 June

	2020 Actual	2020 Annual Plan	2020 Long Term Plan	2019 Long Term Plan
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	60,936	60,566	58,998	55,702
Targeted rates	2,800	2,797	2,786	2,761
Subsidies and grants for operating purposes	13,795	14,118	12,032	11,728
Fees and charges	834	1,256	1,256	1,232
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	618	1,076	1,651	1,615
Total operating funding (A)	78,983	79,813	76,723	73,038
Applications of operating funding				
Payments to staff and suppliers	44,615	46,488	43,884	42,516
Finance costs	5,778	5,778	5,682	4,910
Internal charges and overheads applied	5,117	5,117	4,727	4,396
Other operating funding applications	(4)	15	15	15
Total applications of operating funding (B)	55,506	57,398	54,308	51,837
Surplus (deficit) of operating funding (A-B)	23,477	22,415	22,415	21,201
Sources of capital funding				
Subsidies and grants for capital expenditure	31,579	38,861	39,614	42,941
Development and financial contributions	158	2,827	2,827	2,658
Increase (decrease) in debt	(12,010)	14,270	31,159	27,223
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	41,475	-	-	-
Total sources of capital funding (C)	61,202	55,958	73,600	72,822
Applications of capital funding				
Capital expenditure				
- to replace existing assets	40,013	17,987	59,243	58,876
- to improve the level of service	28,592	45,963	27,515	18,192
- to meet additional demand	16,074	14,423	9,257	16,955
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	84,679	78,373	96,015	94,023
Surplus (deficit) of capital funding (C-D)	(23,477)	(22,415)	(22,415)	(21,201)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

Sources of operating funding were \$0.5 million lower than plan because \$0.4 million from contractor bonds was not realised.

Applications of operating funding were \$1.9 million lower than plan because \$1.0 million of maintenance across the transport network that could not be completed during the COVID-19 lockdown. Plan also included \$0.5 million of maintenance budget that was subsequently transferred to the Parks activity.

Capital expenditure

Capital expenditure was \$6.3 million higher than planned. Additional works delivered on Northern Arterial Extension including Cranford Street upgrade (\$3.8 million), Palmers Road kerb and channel improvement (\$3.4 million), road lighting conversion to LED project (\$2.2 million), and Sumner Village Centre Masterplan (\$1 million). Offsetting this overspend, the following projects spent less than planned due to updated timeframes: An Accessible City programme (\$1.4 million), intersection safety programme (\$1.5 million) and tram line extension on High Street (\$1 million).

Significant capital expenditure

Significant capital expenditure included: road lighting renewals \$9.8 million, Northern Arterial extension including Cranford Street and downstream projects \$22.6 million, carriageway smoothing \$8.3 million, An Accessible City \$6.6 million (Victoria Street \$4.0 million, Hereford St (Manchester-Oxford) \$2.0 million and wayfinding \$0.6 million), Palmers Road (Bowhill-New Brighton) \$3.4 million, carriageway sealing and surfacing \$3.4 million, New Brighton masterplan streetscape enhancements \$2.7 million, footpath resurfacing \$2.5 million, Sumner Village centre masterplan \$1.9 million, minor road safety improvements \$1.5 million, traffic signals renewals \$1.5 million, road pavement replacement \$1.4 million, subdivisions \$1.2 million, Banks Peninsula road metalling \$1.2 million.

Other minor work included: Evans Pass Road and Reserve Terrace \$0.9 million, Sumner Road geotech and roading \$0.9 million, Stapletons Road (Averil to Dudley) \$0.8 million, Warden Street (Petrie to Chancellor) \$0.8 million, Tram line extension - High Street \$0.8 million, Heathcote Expressway cycle way roading changes \$0.8 million, retaining walls \$0.7 million, Lower Styx / Marshland roads intersection \$0.5 million, culvert improvement Blakes Road \$0.5 million, Guardrails - Dyers Pass \$0.5 million.

The remainder was spent on smaller projects throughout the city.

Council activities and services

Transportation

What is transport, and what does the Council do?

Transport is the safe and efficient movement of people and goods from one place to another using the road network. The road network includes the road, footpaths and cycle facilities.

We protect and control use of the road corridor by other parties such as service authorities and developers.

We operate Christchurch's road network including operating and maintaining the traffic signals, traffic cameras and traveller information portals.

We plan, build, operate and maintain Christchurch's major cycleway network.

We plan, build and maintain infrastructure to support the operation of the public transport network.

We operate and maintain Christchurch's public parking facilities.

We plan and provide transport safety education and behaviour change initiatives to encourage people to use different modes of transport for some of their trips, and to use them safely.

Why is the Council involved?

We manage the road network and the facilities associated with transport services provided so that people have safe, easy and reliable access to homes, shops, businesses and leisure activities from a variety of mode choices.

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

Transport activities contribute to the social, environmental and economic well-being by providing transport infrastructure, providing for passenger transport and active travel options, operating the road network safely and efficiently, and providing transport education.

These activities also help achieve our Community Outcomes by:

- providing for travel options that meet community need
- providing people with access to economic, social and cultural activities
- increasing the proportion of active travel journeys
- improving safety for all road users
- keeping people safe from crime
- using energy more efficiently
- supporting sustainable economic growth

- supporting a vibrant and prosperous business centre.

How does it affect me?

A well-managed transport network makes it easier and safer to get around the city and promotes growth and economic sustainability.

Good, safe cycling facilities encourage the "interested but concerned" group of residents rediscover that cycling is a healthy, pleasant and safe travel option that will support a modal shift to active travel.

Safety and behaviour change programmes assist people in using transport networks safely and promote a shift to increase the use of other modes of transport with the aim of reducing congestion

What activities are involved?

Road network operations

We are responsible for planning for, and implementing safe and efficient use of the transport networks by all modes. This is achieved through operation of traffic control systems, traveller information and education initiatives.

We control the use of the road corridor by third parties through corridor use procedures and temporary traffic management approvals.

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

Major cycleways

We are planning and constructing a network of 13 dedicated new cycle routes totalling 90 kilometres that will provide high quality safe facilities to encourage a high level of modal shift to cycling.

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 bus stops, suburban hubs, super stops, seats, shelters, bus priority lanes and passenger real-time information systems.

Transport safety education and behaviour change programmes

What did we achieve?

We completed construction of Section 1 of the Major Cycleway Heathcote Expressway and all of Quarrymans Trail.

We completed construction of a new signalised pedestrian crossing and improvements outside Hillview Christian School

We installed 11 new bus stops and improved the accessibility and operational performance at 17 bus stops. We installed 15 new bus shelters, 16 new bus stop seats and removed the infrastructure at 8 redundant bus stops.

We undertook a number of speed limit reviews resulting in safe and appropriate speed limits being set on 297 roads / road sections. The majority of the new speed limits have been centred around safer 30km/h and 40km/h speed limits in suburban residential areas, key activity centres,

and rural townships, plus 60km/h speed limits for rural areas.

Safety improvements have been made across the transport network, through the installation of dedicated right turn signals at three busy intersections, improvements to two Zebra crossings and the installation of active school signs at Elmwood Normal School.

Minor safety improvements have also been carried out at the intersections of Springs Road / Garvins Road, Edgeware Road / Colombo Street and Aorangi Road / Condell Avenue. We have installed safety fencing (barriers) on Worsleys Road and we have undertaken a number of minor treatments and speed threshold improvements along the inner harbour route. We are also currently constructing a new pedestrian path along Western Valley Road to provide a link to the school.

How did we measure up?

Active Travel

Level of Service	Target	Achieved	Result	Prior Year
Journeys are comfortable				
Improve the perception that Christchurch is a cycling friendly city	Percentage of people that agree that Christchurch is a cycling friendly city, based on the Annual Resident Survey: ≥54%	Achieved	61%	2019: 64% 2018: 51% 2017: 56% agree or strongly agree in the 2017 General Satisfaction Survey.
Improve the perception that Christchurch is a walking friendly city	Percentage of people that agree that Christchurch is a walking friendly city, based on the Annual Resident Survey: ≥84%	Not Achieved	83%	2019: 85% 2018: 76% 2017: 81% agree or strongly agree in the 2017 General Satisfaction Survey.
Maintain the condition of off-road and separated cycleways	Percentage of off-road and separated cycleways with a condition of 3 or better on a 1 – 5 (excellent to poor) scale: ≥76%	Achieved	80%	2019:80%
Customers have choices				
More people are choosing to travel by bike	Increase in the number of average daily cyclists, from citywide cycle counts: ≥2.5%	Achieved	12% increase in average daily trips	2019: 10% increase in average daily trips New measure in 2019
	Increase in the number of average daily cyclists, from citywide cycle counts: 4,963	Achieved	5,485 trips	2019: 7,636 trips New measure in 2019
Increase the numbers of people cycling into the central city	Increase in the number of morning peak hour cyclists coming into the central city, from cordon cycle counts: ≥7.5%	Achieved	21%	2019: This level of service was not able to be measured in 2018/19. New measure in 2019
	Increase in the number of morning peak hour cyclists coming into the central city, from cordon cycle counts: 339	Achieved	960 trips	2019: 834 trips New measure in 2019
Journeys are safe				
Reduce the number of reported cycling and pedestrian crashes on the network	Number of deaths or serious injuries to pedestrians and cyclists from crashes on the local road network per calendar year: < 43	Achieved	42 crashes involving cyclists and pedestrians. (4 deaths and 38 serious injuries)	2019: 1 death and 44 serious injuries from 43 crashes (involving cyclists and pedestrians) leading to deaths or serious injuries. 2018: Reduction not achieved overall, though less deaths occurred. (1 death and 22 serious injuries.) ²³ 2017: 8.7% decrease (2 deaths and 20 serious injuries.) ²²

Parking

Level of Service	Target	Achieved	Result	Prior Year
Journeys are safe				
Improve customer perception of vehicle and personal security at Council off-street parking facilities	Percentage of people that agree with vehicle and personal security at Council off-street parking facilities, based on the Annual Resident Survey: ≥52%	Not Achieved	51%	2019: 59% 2018: 48% 2017: 51%
Journeys are comfortable				
Improve customer perception of the ease of use of Council on- street parking facilities	Percentage of people that agree with the ease of the use of Council on-street parking facilities, based on the Annual Resident Survey: ≥52%	Not Achieved	43%	2019: 49% 2018: 39% 2017: 48%
Customers have choices				
Provide an appropriate number of parking spaces in the central city, so that occupancy is optimised	Average occupancy of on and off street car parks within the inner city zone between 9am and 5pm Mon – Fri inclusive: 60-85%	Achieved	66.28% parking occupancy (on street 74.75%, and off street 57.81%)	2019: 64.63% parking occupancy (on street 64.48%, and off street 64.78%)

Public Transport Infrastructure

Level of Service	Target	Achieved	Result	Prior Year
Journeys are comfortable				
Improve user satisfaction of public transport facilities	Users satisfaction rate with the number and quality of bus shelters, based on the Annual Environment Canterbury Metro user satisfaction Survey: ≥7.3 (mean score of an eleven point scale)	Achieved	7.34	2019: 7.1 2018: 7.0 2017: 7.1 New measure in 2017
Council is responsive to the needs of Customers				
Reduce the number of customer service requests relating to quality and cleanliness of public transport infrastructure facilities	Numbers of customer service requests relating to quality and cleanliness of public transport infrastructure facilities: 288	Achieved	237 tickets associated with the quality and cleanliness of public transport infrastructure facilities.	2019: 149 tickets 2018: 144 tickets New measure in 2018
Customers have choices				
More people are choosing to travel by bus	The change in number of people travelling by bus from the previous financial year: ≥+0% (13,467,570 pax)	Not Achieved	A decrease of 22 % of people travelling by bus. A total of 10,516,995 people travelled by bus. Patronage was significantly impacted during and following COVID-19 Lockdown.	2019: An increase of 0.84% of people travelling by bus. New measure in 2019
Journey times are reliable				
Improve the reliability of passenger transport journey time	The percentage of bus movements that occur within -1:00 min early to 4:00 mins late, measured at designated timing stages: 85%	Not Achieved	78% (The average over the previous 12 month period) COVID-19 Lockdown impacted Bus Stop Reliability. Result excludes the disrupted March-May period	2019: 75% New measure in 2019

Traffic Safety and Efficiency

Level of Service	Target	Achieved	Result	Prior Year
Journey times are reliable				
Maintain journey reliability on strategic routes	Average journey time on 22 strategic routes, as measured by CTC: Peak 25 minutes Day 15 minutes Night 10 minutes	Achieved	13 minutes Peak 12.5 minutes Interpeak (IP) 10 minutes Night (OP)	Routes: Belfast to City, Airport to CBD, Hornby to CBD, Merivale to Cashmere 2019 Peak = 13 min IP = 12 min OP = Not measured 2018: AMP = 14 – 15 min IP = 12 – 15 min PMP = 12 – 16 min OP = 11 – 13 min 2017: AMP = 14 – 16 min IP = 12 – 14 min PMP = 12 – 19 min OP = 10 – 12 min 2016: Baseline established. AMP 25min IP 15min PMP 25min OP 10min
Maintain the number of motorised vehicle trips at 2019 levels				
Maintain the number of motorised vehicle trips at 2019 levels	Total number of commuter vehicle crossings at 15 major intersections during 4 hours of morning (7:00 to 9:00) and evening (16:00 to 18:00) peak periods on an average summer week as recorded by SCATS traffic data: 0.96 million to 1.02 million	Achieved	0.99 million Traffic volumes on the days affected by the COVID-19 Lockdown were not included in sampling for this measurement.	2019: Not measured New measure in 2019
	Total number of all-purpose vehicle crossings at 15 major intersections during an average summer week as recorded by SCATS traffic data: 4.08 million to 4.34 million	Achieved	4.21 million Traffic volumes on the days affected by the COVID-19 Lockdown were not included in sampling for this measurement.	2019: Not measured New measure in 2019

Journeys are safe				
Reduce the number of reported crashes on the network	Number of deaths or serious injuries from all crashes on the local road network per calendar year, as reported from the Crash Analysis System (CAS), provided by NZTA: ≤124 (reduce by 5 or more per year)	Not Achieved	10 deaths 115 serious injuries 125 total 2020: 116 crashes 2019: 119 crashes 2018 : 123 crashes 2017 : 122 crashes 2016 : 135 crashes In 2019/20 the number of fatalities and serious injury crashes reduced by three. All measures are on CCC controlled roads, based on CAS report for period 1/4/2019-31/3/2020.	2019: deaths = 11; serious injury = 122; total = 133 2018: deaths = 15; serious injury = 120; total = 135 2017: deaths = 7, serious injury = 117 total = 124

Where are we heading?

Building of the Major Cycle Routes network is well underway with the first routes open and the entire network programmed for completion by 2028.

We will continue to operate and optimise the public road network to provide an efficient, safe and sustainable network 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 options.

More bus priority measures are programmed for key transport routes, including Main North Road and Lincoln Road, as the upgrade of the Riccarton/Middleton/Ilam Road intersection for safety, public transport priority and cycling benefits.

We are also working with our strategic partners on a suite of business cases for public transport. The first of these should be completed in Q3 2020 with the Mass Rapid Transit Business Case probably being complete in 2021. These will impact on the shape of transport in the 2021/2031 LTP.

The 2020/21 financial year will also see two of the central city projects completed – Victoria St and Hereford St. Progress will also continue on the High St upgrade.

Service delivery in 2020/21

Repairs to improve the condition of the road network and extensive capital programme will continue in 2020/21. This work, together with private development may cause inconvenience and congestion on some parts of the network, particularly in the central city. We will co-ordinate Traffic Management Plans and signal operations to minimise the actual and potential effects on traffic flow.

Work will continue to progress on the Major Cycle Routes programme with the continued delivery of Rapanui to Shag Rock, Northern Line and the Heathcote Expressway, along with the start of construction for the Nor'West Arc and South Express.

A programme of capital works planned for 2020/21 will result in a continued improvement to safety for road users and network congestion.

A number of education initiatives and school campaigns are planned for the year that will target current issues particularly intersection safety and safe cycling.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Traffic safety & efficiency	11,208	11,374	11,419
Active travel	678	1,704	468
Parking	7,609	7,745	7,288
Public transport infrastructure	3,721	4,982	1,997
	23,216	25,805	21,172
Operating revenue from services			
Traffic safety & efficiency	5,262	5,220	5,885
Active travel	103	263	80
Parking	9,560	12,393	10,720
Public transport infrastructure	923	1,570	685
	15,848	19,446	17,370
Capital revenues	22,254	12,839	14,515
Vested assets	36,653	-	-
Net cost of services	(51,539)	(6,480)	(10,713)

Explanation of significant variances

Traffic safety and efficiency

There were no significant variances to plan.

Traffic safety and efficiency operating revenue was \$0.6 million less than 2019 because of reduced Christchurch Transport Operations Centre cost recoveries from NZTA for work done on NZTA-owned State Highways.

Active travel

Active travel cost of services was \$1.0 million less than plan because of a budgeting error. \$0.9 million of depreciation was planned on major cycleway routes but the actual cost falls under the roads and footpaths activity.

There were no significant variances to 2019.

Parking

There were no significant cost variances to plan or 2019.

Parking operating revenue was \$2.8 million less than plan and \$1.2 million less than 2019 because of the COVID-19 lockdown.

Public transport infrastructure

Public transport infrastructure cost of services was \$1.3 million lower than plan because of the bus interchange and bus lounge were closed during the COVID-19 lockdown. In addition Council assumed responsibility for the operation of the bus interchange later than planned.

Public transport infrastructure cost of services was \$1.7 million higher than 2019 because of operating costs (\$0.7 million), rates (\$0.2 million) and depreciation (\$0.5 million) on the new bus interchange.

Public transport infrastructure operating revenue was \$0.6 million lower than plan because of reduced NZTA subsidy resulting from the closures of the bus interchange and bus lounge.

There was no significant revenue variance to 2019.

Capital revenues

Capital revenues were \$5.6 million higher than plan and \$4 million higher than 2019 because of additional development contributions.

Vested assets of \$37 million were received from Ōtākaro for the bus interchange (\$30 million) and originally planned to be received in 2019, and An Accessible City assets (\$7 million).

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	4,019	3,995	3,132	2,566
Targeted rates	311	311	310	307
Subsidies and grants for operating purposes	3,820	4,620	4,505	3,758
Fees and charges	6,917	8,042	7,947	7,013
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5,244	6,784	5,862	5,747
Total operating funding (A)	20,311	23,752	21,756	19,391
Applications of operating funding				
Payments to staff and suppliers	16,162	17,986	16,068	14,232
Finance costs	507	507	526	360
Internal charges and overheads applied	1,116	1,116	1,019	851
Other operating funding applications	779	832	832	816
Total applications of operating funding (B)	18,564	20,441	18,445	16,259
Surplus (deficit) of operating funding (A-B)	1,747	3,311	3,311	3,132
Sources of capital funding				
Subsidies and grants for capital expenditure	11,967	8,280	7,260	12,300
Development and financial contributions	5,603	(41)	1,028	1,016
Increase (decrease) in debt	19,047	14,333	5,512	42,588
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	4,600	4,600	4,600	-
Total sources of capital funding (C)	41,217	27,172	18,400	55,904
Applications of capital funding				
Capital expenditure				
- to replace existing assets	33,280	1,635	4,354	2,215
- to improve the level of service	8,159	28,426	16,410	54,026
- to meet additional demand	419	422	947	2,795
Increase (decrease) in reserves	1,106	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	42,964	30,483	21,711	59,036
Surplus (deficit) of capital funding (C-D)	(1,747)	(3,311)	(3,311)	(3,132)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding surplus was \$1.5 million lower than plan.

Operating funding was \$3.4 million lower than plan because of reduced parking fees, fines, court recoveries, and closure of the bus interchange during the COVID-19 lockdown.

Applications of operating funding were \$1.9 million less than plan because of closures of the bus interchange and bus lounge (\$1.3 million) and staff vacancies in the Traffic Safety and Efficiency activity (\$0.6 million).

Capital expenditure

Capital expenditure was \$11.4 million higher than plan overall due to ownership of the bus interchange transferred to Council in September 2019 (\$22.9 million planned in 2019), and additional works delivered on the Riccarton Road Bus Priority project (\$2.9 million). These were partly offset by revised timeframes where capital work has been reprogrammed to future years for the major cycleway route programme (\$12.9 million), coastal pathway project (\$0.8 million) and parking building replacement project (\$0.6 million).

Significant capital expenditure

Significant capital expenditure included: bus interchange \$22.9 million, Riccarton Road bus priority \$7.6 million, Expressway cycleway \$1.8 million, Section 3 Annex Road to South Hagley Park \$1.7 million cycleway, Coastal Pathway \$1.6 million, Section 2 - Hoon Hay Road to Halswell cycleway \$1.5 million. .

Other minor work included: public transport facilities - Northlands Hub \$0.5 million, the Square (facilities rebuild) \$0.4 million, public transport shelters at stops \$0.4 million.

The remainder was spent on smaller projects throughout the city.

Council activities and services

Refuse disposal

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

We collect and dispose of some of the City's solid waste and work with the community to reduce the waste we send to landfill. We work with residents and businesses to encourage them to recycle and reduce their waste.

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

Why is the Council involved?

We provide solid waste collection, processing and disposal to protect the health of the community. Our involvement in waste reduction, reuse and recycling is to ensure we use resources sustainably.

Waste minimisation and disposal contribute to the environmental and economic well-being of the community. It ensures the reliable removal of rubbish, the recycling of any resources in that rubbish, and the disposal of any residue in a cost-effective and environmentally acceptable way.

It also contributes towards achieving two of the five goals in our Community Outcomes - by helping to make a healthy environment and a prosperous economy with modern and robust infrastructure and facilities network. We do this by enabling and encouraging waste separation and reusing, and by safely collecting and disposing of waste.

How does it affect me?

We collect and dispose of waste properly to reduce the amount we send to landfill and create a healthy, safe environment for all to live in. This also provides business opportunities and employment in our communities.

What activities are involved?

Recyclable materials collection and processing

We reduce the amount of waste we send to landfill by collecting recyclable material from households and public places, advising the public of recycling options (for example EcoDrops and a register of recyclers), and by sorting and processing recyclable materials.

Organic material collection and composting

We collect kitchen and garden waste from households and turn it into compost for resale. We also encourage home composting and worm farms.

Residual waste collection and disposal

Not everything can be recycled so we collect and transport this remaining waste to landfill. We also look after closed landfills to make sure they don't harm the environment. Methane gas is captured from the Burwood landfill, piped

underground, and used to power some city buildings and parts of the Christchurch Wastewater Treatment Plant.

Education

Education is an important aspect enabling residents to make informed decisions on the best waste practices focusing on the best environmental and social outcomes.

We are working with other councils across the country on the national 'Love food, Hate waste' campaign with regular workshops informing communities how to minimise the food waste generated by households.

Working with others

We contribute towards Canterbury wide waste minimisation initiatives, and support nationwide refuse avoidance initiatives such as advancing product stewardship and reducing packaging waste including use of single use plastics.

What did we achieve?

The kerbside collection system continues to perform well, diverting approximately 65% of waste from landfill and rates highly in our annual residents' survey. As part of our commitment to continuous improvement, we are working with our collections contractor to maximise efficiencies under the recently completed Radio Frequency Identification Program, whereby electronic identification tags were fitted to the city's 480,000 wheelie bins. The tags and associated data will enable us to manage bin allocations and resolve issues more quickly while also reducing opportunities for misuse of the service.

In response to the COVID-19 Pandemic, Council maintained its collection services, with only a temporary disruption to recycling during alert level 4, due to health and safety concerns at the Materials Recovery Facility. Since NZ moved back down the alert levels, Council quickly re-established its full service.

Council also completed its draft Waste Management and Minimisation Plan for 2020, a six year plan which addresses how Council will deliver its waste and resource recovery services. This Plan and a detailed Action Plan outline the short, medium and long-term strategies to minimise waste. A key recommendation of the Plan is to initiate a service delivery review. Through this review we will continue to identify and implement changes that will provide the best value for money and efficient services to residents.

In December 2019, the Burwood Resource Recovery Park (BRRP), ceased accepting construction and demolition wastes, signalling the conclusion of Christchurch's earthquake recovery program. In the 10 years of operation the site accepted over 2.6 million tonnes of material, including construction and demolition materials, hardfill, soils and liquids waste - which would otherwise have been sent to landfill, providing a local disposal option to enable the City's recovery. Acceptance of soils and cover material

will continue until the end of 2020 with placement of sensitive materials to be concluded in 2021.

Gas extracted from the Burwood Landfill is used at the Civic Building for heating, cooling and lighting, the Christchurch Art Gallery for heating and the CWTP for drying biosolids.

We continue to work as part of the Canterbury Waste Joint Committee towards regional waste minimisation projects and identifying opportunities to further improve on reducing waste.

How did we measure up?

Solid Waste

Level of Service	Target	Achieved	Result	Prior Years
Domestic kerbside collection service for recyclable materials.				
Recyclable materials collected by Council services and received for processing at the Materials Recovery Facility (MRF)	104 kg +40%/-10% recyclable materials / person / year collected and received by Council services	Not achieved	91.07 kg per person Due to combination of Health and Safety concerns for processing staff along with the an immediate increase in contamination at Alert level 4 of COVID-19 emergency, the MRF was closed 6th April - 4th May and all collected recycling sent to landfill. Since re processing began on 4th May the contamination levels in 47% of collected truck loads have been above the 10% threshold reducing the quality of the recyclable product to a level where it is not viable and this material has been sent to landfill.	2019: 106 kg per person 2018: 109.17 kg per person. 2017: 108.41 kg per person.
Kerbside wheelie bins for recyclables emptied by Council services	At least 99.5% collection achieved when items correctly presented for collection	Achieved	99.5%	2019: 99.5% 2018: 99.7% 2017: 99.7%.

Domestic kerbside collection services or community collection points for residual waste (refuse) for households and businesses (domestic quantities only).				
Tonnage of residual waste collected by Council services	No more than 120 kg / person / year from collection services disposed to Nominated Council Facilities	Achieved	108.1 kg per person	2019: 111.9 kg per person 2018: 114.2 kg per person. 2017: 117.2 kg per person.
Kerbside residual waste collection –emptied by Council services	At least 99.5% collection achieved when items correctly presented for collection	Achieved	99.6%	2019: 99.7% 2018: 99.9% 2017: 99.8%.
Maximise beneficial use of landfill gas collected from Burwood landfill.	Landfill gas to be available to facilities that utilise the gas at least 95% of the time	Achieved	96.3%	2019: 96.0% 2018: 98.3% 2017: 98.2%.

Domestic kerbside collection for organic material (food and garden waste).				
Amount of organic material collected at Council facilities and diverted for composting	Greater than 190 kg +30%/- 10% organic material collected at Council facilities and diverted for composting facility / person / year	Achieved	202.2 kg per person	2019: 215.0 kg per facility / person / year. 2018: 206.8 kg per facility / person / year. 2017: 197.7 kg per facility/ person/year.
Kerbside wheelie bins for organic material emptied by Council services.	At least 99.5% kerbside wheelie bins for organic material, emptied when correctly presented for collection	Achieved	99.6%	2019: 99.6% 2018: 99.8% 2017: 99.8%.

Where are we heading?

We will continue working with residents to maximise the level of recycling and organics diverted from landfills, through the kerbside collection system. Adapting to the changing markets for recycling will include looking into onshore and alternative processing options. Education programmes, including kerbside auditing and promotion will be used to maximise the separation of organic and recyclable waste and ensure we minimise contamination of the organic and recyclable streams. This is of particular focus in light of the problems experienced following the Lockdown.

We will continue to take an active part in the Canterbury Waste Joint Committee, WasteMINZ, and Ministry for Environment with programmes for waste reduction, waste avoidance, product stewardship and monitoring the reduction of waste to landfill from across Canterbury.

Landfill gas from the old Burwood landfill will continue to provide energy to the CWTP, Council’s Civic Offices and the Christchurch Art Gallery.

Landfill gas is also collected from Kate Valley landfill and converted into electricity. The first Electric kerbside collection truck is now operational in Christchurch that forms a part of a ‘circular economy’ – the collection truck is powered by the refuse that it is collecting.

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

Service delivery in 2020/21

We will deliver the levels of service detailed in the LTP and Activity Management Plans in the 2020/21 year.

In 2020 we will publicly consult on our Waste Management and Minimisation Plan, which provides the framework for our resource recovery services over the next six years. The plan includes a detailed action plan which will be updated annually.

As part of this process we will undertake a service delivery review to ensure our resource recovery services are fit for purpose and effective to manage the waste created in Christchurch.

We will work with our collections contractor to maximise the use of new data available through the Radio Frequency

Identification (RFID) programme, to more effectively manage the 480,000 wheelie bins in our Kerbside Collection.

We will develop a new kerbside collection system for the inner-city area moving away from plastic bags to a more sustainable system that will include organics collection.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Solid waste	55,062	51,132	51,786
	55,062	51,132	51,786
Operating revenue from services			
Solid waste	12,340	11,096	13,297
	12,340	11,096	13,297
Capital revenues	-	-	-
Vested assets	-	-	-
Net cost of services	42,722	40,036	38,489

Explanation of significant variances

Solid Waste

The cost of service was \$4.0 million higher than plan due to \$1.6 million higher refuse disposal charges, \$5.6 million provision for closed landfill sites and \$0.3 million higher overhead costs; offset by \$1.7 million lower service contracts, \$0.5 million lower professional fees, \$0.5 million lower maintenance costs, \$0.2 million lower advertising & promotional costs, \$0.3 million lower internal service charges, \$0.2 million lower staff costs and \$0.2 million lower depreciation expenses.

In 2019/20, Council adopted a risk free rate to discount future landfill aftercare costs. In previous years, Council used the average cost of funds to determine the provision. The difference between the risk free rate and average cost of fund is 3.27 per cent, an increase of \$4.5 million.

The cost of services was \$3.3 million higher than 2019 due to \$5.6 million provision for closed landfill sites and \$0.2 million higher residual allocation; offset by \$0.8 million lower collection costs, \$0.7 million lower organics processing costs, \$0.5 million lower recycling processing fees paid, and \$0.5 lower maintenance costs.

Operating revenue was \$1.2 million higher than plan due to an additional \$0.7 million revenue from the Burwood Resource Recovery Park (BRRP), \$0.3 million unplanned insurance recovery and \$0.2 million additional funding from the Ministry for Environment.

Operating revenue is \$1.0 million lower than 2019 due to \$0.9 million lower revenue from the BRRP and \$0.1 million lower revenue from the Ministry for Environment.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	15,110	15,018	14,308	16,655
Targeted rates	24,423	24,400	21,450	20,793
Subsidies and grants for operating purposes	1,357	1,114	1,114	1,092
Fees and charges	6,448	6,519	6,519	6,392
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	3,799	2,729	2,730	3,206
Total operating funding (A)	51,137	49,780	46,121	48,138
Applications of operating funding				
Payments to staff and suppliers	49,914	45,903	42,420	44,867
Finance costs	261	261	254	212
Internal charges and overheads applied	2,211	2,211	2,043	1,953
Other operating funding applications	80	-	-	-
Total applications of operating funding (B)	52,466	48,375	44,717	47,032
Surplus (deficit) of operating funding (A-B)	(1,329)	1,405	1,404	1,106
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	2,618	1,165	1,167	1,426
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	2,618	1,165	1,167	1,426
Applications of capital funding				
Capital expenditure				
- to replace existing assets	1,255	880	2,571	2,532
- to improve the level of service	-	1,690	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	34	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	1,289	2,570	2,571	2,532
Surplus (deficit) of capital funding (C-D)	1,329	(1,405)	(1,404)	(1,106)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding surplus was \$2.7 million lower than planned. Operating payments was \$0.5 million lower than planned due to \$0.5 million lower professional fees, \$0.5 million lower maintenance costs, \$0.3 million lower promotions costs and \$0.3 million lower internal costs, offset by \$5.6 million higher provision for closed landfill sites. This was offset by operating funding being \$1.2 million higher than planned due to an additional \$0.7 million BRRP revenue, \$0.3 million unplanned insurance recovery and \$0.2 million additional grant funding.

Capital Expenditure

Capital expenditure was \$1.4 million lower than planned. The inner city waste collection system was \$1.1 million lower due to the late start of the project. Renewals and replacement of assets at waste transfer stations and solid waste capital renewals projects were \$0.3 million lower than planned, both are now planned for delivery in future years.

Significant capital expenditure

Significant capital expenditure included: Burwood closed landfill aftercare \$0.6 million, waste transfer stations and bins renewals and replacements \$0.4 million,

The remainder was spent on smaller projects throughout the city.

Council activities and services

Housing

What is housing, and what does the Council do?

Social housing is affordable housing provided by government agencies (including local government) or non-profit organisations. A key function of social housing is to provide affordable accommodation to people on low incomes including the elderly and those with disabilities.

Our housing activity provides social housing through ownership of social housing complexes. The housing units are owned by Council and are leased to a Community Housing Provider (CHP) and other organisations that then sub-let the units to those in need. The trusts have their own tenant eligibility criteria, however most are based on affordability issues and other housing needs.

Our social housing assets mainly comprise studio and one bedroom units with a small percentage of two, three and four bedroom units.

Housing is a key area through which the Council's social and economic well-being objectives are influenced.

Why is the Council involved?

Our provision of social housing contributes to the community's well-being by ensuring safe, accessible and affordable social housing is available to people on low incomes, including the elderly and people with disabilities. Council has been involved in housing since 1938.

Housing contributes to achieving a number of the city's Community Outcomes including:

Liveable city

- Christchurch has a sufficient supply of, and access to, a range of housing – by providing social housing, Council contributes to the supply of housing for those in need who would otherwise find it hard to access warm, dry and secure housing.

Strong communities

- Strong sense of community – having access to housing is a major key to a sense of community as it enables people to take part in the community and access services and facilities.
- Active participation in civic life – not having a home inhibits participation in civic life. A home address makes it easier to take part in or use basic services in the community such as enrolling to vote, getting a bank account or even a library card.
- Safe and Healthy communities - having a home is the first step to keeping a person safe and healthy. Providing homes to those in need helps keep both the occupant and the public feeling safe.

Healthy environment

- Sustainable use of resources - Our social housing is built, maintained and renewed in a way which promotes sustainability and energy efficiency.

Prosperous economy

- An inclusive, equitable economy with broad-based prosperity for all - housing is a key area through which social and economic well-being is influenced. Adequate housing is strongly linked to economic performance.

How does it affect me?

If you or someone you know is elderly, is on a low income or has particular needs, you (or they) may be eligible to apply for social housing.

What activities are involved?

Our housing activity provides asset management; maintenance, replacement; intensification and a partnership programme that supports the provision of affordable accommodation to people on low incomes.

The tenancy management function is managed by the Ōtautahi Community Housing Trust (OCHT). They cover the day to day management of tenancy matters. These include application and allocation services; inspections; risk management, minor maintenance and health and safety; partnerships with welfare and support agencies and a social activity and engagement programme. We continue to undertake strong consultation and engagement with OCHT tenants involved in its major repair and renewal programme.

What did we achieve?

Council provides social housing services through leasing 1936 units (85 Complexes) owned properties to the Ōtautahi Community Housing Trust (OCHT). It has also assisted in the growth in social housing through the capitalisation of 428 units which have been transferred from Council ownership to OCHT. This capitalisation was completed in June 2020.

Council holds a further 28 long term leases with other community organisations.

The final Earthquake repair programme was initiated in April 2019, encompassing interior and exterior repairs, to eight complexes (154 units) in Addington, Bryndwr, Papanui, Belfast, Waltham, Woolston, Sumner along with the completion of works at HP Smith Courts in Richmond. These works were completed in December 2019.

One owner occupied unit was purchased at Aldwins Courts and upgraded prior to adding this to the OCHT lease. There are still five owner occupier units to be purchased and returned to the portfolio when they become available.

Under our planned programme of works, seven complexes received full exterior painting and seven complexes had ancillary works completed post earthquake upgrades. 24 complexes had maintenance carried out on large trees, while one complex (68 units) underwent curtain and blind upgrades.

One complex had new spouting installed and two complexes received water mains replacements.

While vacant, major interior upgrade work was completed on 21 units (includes remodelling) and nine units received minor interior work (internal redecoration).

Two properties which were gutted by fire, one being the resident's lounge at Maurice Carter Courts and the other a social housing unit, have since been fully reinstated.

Over the year, 285 tenancies were concluded in Council owned units and 243 tenants commenced new tenancies by OCHT.

Through the variations process OCHT have completed full interior redecoration at 35 units. They have also completed carpet replacement in 74 units and vinyl replacement in 55 units. As an initiative the organisation employed a handyman and to date he has been to 384 units and completed 652 minor maintenance jobs.

Otautahi Community Housing Trust (OCHT) will continue managing all tenancy related affairs including minor maintenance of the social housing stock it leases from Council.

How did we measure up?

Housing				
Level of Service	Target	Achieved	Result	Prior Years
Assisted Housing				
Council makes a contribution to the social housing supply in Christchurch	Number of social housing units in Council's portfolio: 2,052 units	Not achieved	1,964 units The planned number of units in the Long Term Plan 2018 (2,052) anticipated a transfer of 350 units to Ōtautahi Community Housing Trust during 2019/20. The number actually transferred was 438, which was within the approved \$50m financial envelope.	2019: 2,241 units 2018: Of the portfolio of 2,478 units 2,273 are open. 2017: Of the portfolio of 2,478 units; 2,446 are associated with OCHT and 32 are leased to other organisations.
Council makes a contribution to the social housing supply in Christchurch	Number of operable Council-owned social housing units that are available for lease: 1,972 units (96% utilisation rate)	Not achieved	1,857 units (90.5% utilisation rate) The number of units transferred to OCHT (438) also impacts this target. It should also be noted that a net 77 long term closed units were returned to service within the 2019/20 year	2019: 2,045 units (97.87% utilisation rate) New measure in 2019

Where are we heading?

The growth of social housing remains a key strategic direction for the Housing team and we will recommend a target for additional houses as part of our review of the Social Housing Strategy. The Governments' Public Housing Plan provides potential funding sources for new social housing. As Council is ineligible to access this funding, it will need to work in partnership with community housing providers to meet its target.

In collaboration with OCHT the "Warm and Dry Programme" has been implemented to meet the new Healthy Homes legislation that requires Community Housing Providers to be compliant by 01 July 2023. To date (June 2020) over 1000 heat pumps have been installed. By June 2021 all properties across the Council and OCHT portfolio will be upgraded to include a heat pump, mechanical ventilation, where possible upgraded insulation and draught stopping.

We will retain ownership and strategic management of the majority of the housing assets.

Service delivery in 2020/21

We aim to meet the levels of service indicated in the LTP for 2020 /2021.

We continue to work collaboratively with OCHT to ensure the best possible outcomes are delivered regarding minor maintenance of all properties and tenancy management. Our aim is to ensure tenants' satisfaction and wellbeing and to achieve this we're focused on a long term renewal programme to improve the housing portfolio through maintenance and upgrades.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Housing	42,820	21,273	33,263
	42,820	21,273	33,263
Operating revenue from services			
Housing	14,269	15,057	15,176
	14,269	15,057	15,176
Capital revenues	-	-	407
Vested assets	-	-	-
Net cost of services	28,551	6,216	17,680

Explanation of significant variances

Housing-

The cost of services were \$21.5 million higher than plan. This was a result of additional maintenance of \$4.2 million (including the warm & dry programme and completion of the earthquake repair programme), the fair value impairment of the receivable associated with the transfer of properties to OCHT of \$19 million, offset by \$1.3 million reduction in depreciation (again due to the transfer of properties to OCHT) and \$0.4 million of other savings.

The cost of service was \$9.6 million higher than 2019 with the start of the warm & dry programme in 2019/20.

Operating revenues were \$0.7 million less than planned and \$0.9 million lower than 2019 as a result of lower unit numbers.

Capital revenues

The 2019 capital revenues related to earthquake insurance proceeds. No capital revenues were received in 2020.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	-	-	-	-
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	14,237	15,016	15,908	14,332
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	32	41	41	40
Total operating funding (A)	14,269	15,057	15,949	14,372
Applications of operating funding				
Payments to staff and suppliers	17,246	13,348	14,913	18,697
Finance costs	-	-	-	-
Internal charges and overheads applied	920	920	1,036	854
Other operating funding applications	19,771	-	-	-
Total applications of operating funding (B)	37,937	14,268	15,949	19,551
Surplus (deficit) of operating funding (A-B)	(23,668)	789	-	(5,179)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	11,131	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	11,131	-	-	-
Applications of capital funding				
Capital expenditure				
- to replace existing assets	8,074	3,661	3,661	2,804
- to improve the level of service	-	-	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	(11,841)	(2,872)	(3,661)	(7,983)
Increase (decrease) of investments	(8,770)	-	-	-
Total applications of capital funding (D)	(12,537)	789	-	(5,179)
Surplus (deficit) of capital funding (C-D)	23,668	(789)	-	5,179
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding deficit of \$23.7 million was higher than plan was due to the fair value impairment of the receivable associated with the transfer of properties to OCHT of \$19 million and \$0.8 million less rental income and \$3.9 million higher payments to suppliers resulting from higher maintenance \$4.1 million, higher other costs \$0.3m offset by lower-than-plan insurance of \$0.5 million.

Capital funding

The housing programme borrowed \$11 million to on-lend to Ōtautahi Community Housing Trust to fund the development of social housing units at Hastings Street, Cresselly Place, Charles Street and Brougham Street.

Capital expenditure

Capital expenditure was \$4.4 million higher than planned due to additional works delivered on the housing improvements programme (\$2.0 million) and warm & dry programme (\$2.4 million).

The \$11.8 million reduction in reserves was \$8.9 million higher than plan due to the additional expenditure under the warm and dry programme (capex), remodelling (capex) and on maintenance (operating) associated with the warm and dry programme. This movement is significant for Housing because it is funded from its own fund which is quite separate from the other significant activities

The on-lending to OCHT is offset by an increase in receivables for the housing programme of \$11 million.

The overall value of investments declined in 2019/20 due to the recognition of the fair value of the properties transferred under the \$45 million loan agreement.

Significant capital expenditure

Significant capital expenditure included: housing improvements and remodelling \$2.3 million, warm and dry programme \$2.4 million,

Other work consisted mostly of electrical upgrades, asbestos removal and plumbing upgrades (including hot-water-cylinders). : Walsall Street \$0.6 million, HP Smith Courts \$0.6 million, Waltham Courts \$0.4 million, Nayland Street \$0.4 million, Mackenzie Courts \$0.3 million, Bryndwr Courts \$0.3 million, Bruce Terrace \$0.2 million, Cleland Street \$0.2 million.

Council activities and services

Regulation and Compliance

What is regulation and compliance, and what does the Council do?

The Council prepares plans, policies and regulations in accordance with its legal obligation to guide the city's future development, and help make the city a safe and healthy place for people to live, work and visit. Our regulation and compliance teams make sure we follow all laws and rules that apply to the city.

Why is the Council involved?

Local government is responsible for, among other things, promoting sustainable management of the natural and physical resources under the Resource Management Act 1991 (RMA). Under the Act, councils are required to prepare a District Plan which contains objectives, policies and rules to manage the effects of land use on the community and wider environment. The RMA sets out the matters which the Council must consider in preparing its District Plan, and the processes it must follow.

Regulation and enforcement services are needed to administer the laws that govern where activities occur and their effects, 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 owner's reasonable use of their property and opportunities to carry on their business.

Regulation and enforcement activities contribute to the environmental, social, cultural 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, 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 and nuisances are minimised while the consenting process minimises adverse effects and ensures a safe and attractive built and natural environment.

How does it affect me?

You use the Council's regulation and compliance 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 stock, and where you can buy and

consume alcohol. They also ensure that the places you go to eat and drink are healthy and safe.

What activities are involved?

Regulatory compliance and licensing

Our regulatory compliance team protects 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 consumed, and carrying out health inspections at food outlets. The team ensures that residents and businesses comply with rules for building, and with the District 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 services

The processing and issuing of building consents, subsequent inspections and the issuing of code compliance certificates and compliance schedules are fundamental to ensuring Christchurch city has a safe and healthy environment. Collectively these functions are designed to ensure that new and existing buildings fully meet the requirements of the Building Act 2004, Building Regulations, Building Code and various Building Standards as required.

Earthquake prone buildings are managed in accordance with the provisions of the Building Act. The team have identified priority earthquake prone buildings in Christchurch and have developed a strategic approach to determining the required action, (strengthening or demolition). This is required to be completed by 30 June 2022.

Public advice is increasingly provided through online services such as web pages and email services, while duty phones and pre-application meetings are also being delivered to assist property owners, builders and developers. Front counter services are available but there is a decrease in the number of people utilising this service. The Strategic Partnership team provides an effective and highly regarded end to end service which navigates clients through all council applications and approvals needed to support complex commercial developments and major projects within the city.

Regular and targeted stakeholder engagement is undertaken, including Engineering NZ, Master Builders, Certified Builders, Architectural Designers NZ, Housing NZ and a number of group home builders being the most predominant. Collaboration with other Councils both locally and nationally is undertaken through the Mainland Building Consent Authority Cluster, and the Metro Strategic Building Managers Group.

The Quality Assurance team support the Council's continued registration as a Building Consent Authority (BCA), and Building Act-related claims are responded to by the Business Solutions team.

Resource consenting

Resource consents are required when activities, development or building does not meet the requirements set out in the District Plan. The Plan has been developed in consultation with the community and sets a benchmark for environmental and amenity outcomes. Resource consents are processed to ensure outcomes are achieved 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 is available by viewing Council's website, by phoning the duty planner, or by arranging a pre-application virtual or face-to-face meeting.

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 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?

Our priority is always to maintain or enhance the quality of service. This was accomplished by the regular review and enhancement of our business processes, work practices and communications. There was a strong emphasis in the past year on delivering effective client relationship management services and improving the tone of our communications.

Regulatory compliance and licencing

Council monitors Christchurch City's environment to ensure the community and environment is safe and healthy.

Freedom Camping

This year's proactive freedom camping campaign ran from 01 December 2019 until 31 March 2020, ending earlier than planned on 26 March due to COVID-19 travel restrictions. The campaign consisted of an education, monitoring, and enforcement regime in the Christchurch and Banks Peninsula area, seven days a week.

We received \$180,880 additional funding from the Ministry of Business Innovation and Employment (Responsible Camping Fund) which enabled us to improve and implement initiatives relating to freedom camping. These improvements included education material and providing freedom campers with a voucher offering a reduced rate at Council camping grounds if vehicle spaces provided in an area were exceeded.

This camping season saw a higher level of compliance observed than in previous years.

Noise Control

This year we achieved a 93% result for our level of service target associated with response times for complaints.

During the COVID-19 pandemic and lockdown period, our Council continued to deliver noise control services to support those who were confined to their homes. We were the only metropolitan centre in NZ to do so during level 4 restrictions, this was due to our contractors being defined as an essential service. There was a notable increase in daytime complaints over this time.

Overall there has been a slight increase in noise complaint numbers over the year.

Food Safety and Health Licensing

The Christchurch City Council currently has 2,349 registered Food businesses. This definition covers all business who make and sell food including restaurants, cafes, takeaway foods, food trucks and convenience stores. Currently there are 320 hairdressing businesses registered in Christchurch. These numbers appear to be steady and consistent with previous years demonstrating no significant increase at this time.

Alcohol Licensing

Alcohol licence numbers have plateaued over the last year, with a total of 1,022 current on/off/club licences held in Christchurch at 30 June 2020, up from 23 the previous year. These overall numbers remain below pre-earthquake numbers of around 1,112 total licences in Christchurch.

Resource Consent Monitoring

Our Compliance & Investigations team work closely with consent holders to ensure they understand and comply with their legal obligations imposed by conditions of consent. We monitor all types of consents where specific conditions have been imposed by the Council's processing planners. These range from small residential properties to large commercial developments.

Examples include the demolition of Lancaster Park, the Metro Sports development, He Puna Taimoana (the Hot Pools at New Brighton), Cathedral restoration and Coastal Pathway. We also monitor the activities of all quarry and cleanfill sites.

Currently we have approximately 2,606 resource consents to monitor.

Building services

The demand for both commercial and residential building consents has steadily fallen following high post-earthquake building activity with forecasts remaining volatile post COVID-19, whilst complexity increases due to a rise in multi-unit dwellings.

Building Consents

Building consent volumes have continued to fall year on year with a shortfall against the budgeted revenue target. The building consenting unit have taken every step to mitigate this shortfall including reducing staff (not replacing staff as they leave), reducing our use of contractors (\$1million less than budget) and growing our business externally.

Towards the end of the 2018/19 financial year the building consenting unit finalised its contractual arrangements to enable technical staff to assist other councils. This arrangement has seen well qualified & trained staff retained and engaged by other Building Consent Authorities and gained momentum throughout 19/20, with a range of activities undertaken, including processing residential consents, complex commercial consents, undertaking inspections, competency assessments and expert witnessing.

Earthquake Prone Buildings

There are currently 707 Christchurch buildings on the MBIE earthquake prone buildings register. Of these, 177 are priority buildings and will require strengthening or demolition in the next 7.5 years (105 of these will be due for this work by 2025, and 72 by 2026-28). The remaining 530 non priority buildings have up to 15 years for strengthening or demolition. In total, there were originally 7,219 buildings in Christchurch requiring earthquake prone assessment. This number has now reduced to 3,400. Assessment of these buildings will be completed by the deadline of 1 July 2022.

During the 19/20 financial year, 144 buildings were removed from the register. Of the 144 buildings, seven were demolished and seven were reassessed as being no longer earthquake prone (by full detailed seismic assessment (DSA)) and 130 were strengthened to new building standard (NBS; above 34%, some of which were assessed as being up to 100%).

Building Warrant of Fitness

There were 351 building warrant of fitness audits performed over the last financial year. This is a reduction on the previous year due to restrictions throughout the COVID-19 lockdown period.

Eco-Design Advisor

Over the past year the building consenting unit have provided a high quality eco-design service, with the eco-designer conducting 334 individual consultations and numerous public / stakeholder engagements. The reason there were less consultations in the 19/20 financial year than in previous years is due to COVID-19 lockdown conditions.

External Stakeholder Engagement

We continue to engage with a wide group of stakeholders representing the building industry, and have built strong relationships with these groups, enabling constructive feedback about the service we provide. Wherever possible we work to improve our systems, processes and customer service in response to this feedback.

Building Act Exemptions and Certificates of Acceptance

The total number of Building Act Exemptions completed during the 2019/20 year was 2089, 96.6% of these were processed, on average, within 10 days.

Certificates of Acceptance (COA) applications have decreased by 20% from the prior year. This is a steady decline, not due to COVID-19, but is in line with the decrease in overall Building Consent applications. 100% of COA applications were completed within 19 days.

Public Advice

Walk in customers have dropped 37% compared to last year, with 4548 customers seen in the civic offices over the 2019/20 period. The Duty Building Consent officers received 7,542 calls and emails relating to Building queries, 71% of all calls were answered in the first instance. 100% of all emails received were acknowledged within 24 hours.

Land and property information services

COVID-19 had a large impact on the property market and resulted in a month during lockdown where the number of applications for Land Information Memorandums (LIMs) and Property Files decreased dramatically, to the point where the total applications made in the month were on par with the average applications expected in a week. Despite this, post lockdown numbers have increased to normal probably due to low interest rates.

100% of LIMs were processed within the 10 day target.

Project Information Memorandums (PIMs) are on par with prior year with 99% of PIMs being processed within the 20 day target.

Residential property file requests are on par with prior year numbers, completing 5800 for the 2019/20 year and processes have been put into place to increase efficiency as well as the customer experience which should improve our level of service within the next financial year.

Resource Consenting

Resource consent application numbers remained stable in 2020. However, the complexity of applications has remained higher than normal and an increasing number of applications had a high level of public interest.

Compliance with processing timeframes was improved from 98% to 99%, meaning all but 1% of applications were processed within expected timeframes.

Customer satisfaction with the process reduced slightly to 69%, 1% short of the target of 70%. Other survey information (pulse survey feedback) showed customer satisfaction consistently over 80%.

The Resource Consents Unit also experienced a higher than usual number of public enquiries through its duty planner phone and email.

How did we measure up?

Regulatory Compliance and Licencing

Level of Service	Target	Achieved	Result	Prior Years
Animal Management.				
Animal Management Services prioritise activities that promote and protect community safety	98% of investigations of priority 1 complaints (aggressive dog behaviour and wandering stock) initiated within 10 minutes	Not measured	Accurate reporting of response times for initiating investigations of priority 1 complaints within 10 minutes was not available for the full year. Reporting to be finalised for 2020/21 onwards.	2019: 99% 2018: 95% 2017: 99.3%.
Animal management services encourage responsible dog ownership through education, registration and enforcement	50 Bite prevention programmes delivered to schools annually	Not achieved	24 schools. 26 Bite prevention programmes were scheduled to be delivered, for the months of March – May period. The service stopped being provided because of the COVID-19 emergency	2019: 50 schools 2018: 58 schools 2017: 56 schools
	20 Dog wise programmes delivered per annum	Not achieved	9 schools. This program is reliant on external groups to participate. The service stopped being provided because of the COVID-19 emergency	2019: 16 schools 2018: 58 schools 2017: 56 schools
Compliance and Investigations – Building Act, Resource Management Act, Council Bylaws				
Protect community safety through the timely and effective response to complaints about public safety	100% of all investigations of dangerous building reports are initiated, and identified hazards secured, within 24 hours, 7 days a week	Achieved	100%	2019: 100% 2018: 100% 2017: 100%.
	100% of all investigations into reports of incidents covered by the Resource Management Act that meet serious risk to public safety criteria are initiated within 24 hours, 7 days a week	Achieved	100%	2019: 100% 2018: 100% 2017: 100%.
Protect the safety of the community by ensuring swimming pools comply with legislative requirements	All pools are inspected in accordance with the legislative requirements in Section 162D of the Building Act 2004	Achieved	22.8% of swimming & spa pools inspected. This was a total of 1,184 inspections. Legalisation requires all pools are inspected at least once every 3 years, within 6 months before or after the pool's anniversary date. Noting the ongoing variation in the number of pools and anniversary dates, therefore the percentage of completed inspections, all pool inspections have been undertaken within the requirements of the Act. Note that during the	2019: 30.5% 1,455 inspections 2018: 43% 1,931 inspections 2017: 82% 3,649 inspections

Level of Service	Target	Achieved	Result	Prior Years
			lockdown, no swimming pool inspections could be carried out, however legislation (Section 162D (1) allow for pools to be inspected within 6 months before or after the pool's anniversary date. 372 swimming pools could not be inspected and a plan has been put in place for these to be inspected by 31 August 2020.	
Protect the health and safety of the community by ensuring Resource Management Act activities comply with legislative requirements	95% of high risk Resource Management Act consents and clean fill sites monitored at least once every 3 months	Not achieved	94.8%	2019: 100% 2018: 100% 2017: 100%.
Protect the safety of the community by ensuring Amusement Devices comply with legislative requirements	Upon request 100% of applications are processed, sites inspected and permits issued	Achieved	100% of applications processed, sites inspected and where applicable permits issued.	2019: 100% New measure in 2019
Alcohol licensing.				
Protect the health and safety of the community by Licensing and monitoring high risk alcohol premises	100% Very High/High risk premises are visited at least once per year	Achieved	100%	2019: 100% 2018: 100% 2017: 100%.
Food Safety and Health Licencing.				
Food premises are safe and healthy for the public	98% of scheduled Food Control Plan verification visits are conducted	Not achieved	83% A total of 1,086 verification visits were completed for the year. 218 verification visits were unable to be completed due to COVID-19 community and subsequent staff safety guideline restrictions (between the dates of 25 March and 9 June 2020). Normal verification activity was able to be reinstated after 9 June once level 1 restrictions were in place.	2019: 98% inspected 2018: 85% inspected 2017: 76% inspected
	95% of premises issued with corrective actions are visited within 5 working days of the time specified for compliance	Achieved	100%	2019: 95% New measure in 2019
Environmental Health, including noise and environmental nuisance.				
The community is not subjected to inappropriate noise levels	90% of complaints in relation to excessive noise are responded to within one hour	Achieved	93%	2019: 85% 2018: 93.2% 2017: 95.3%
Protect community safety through the timely and effective response to notifications of public health incidences	100% of investigations into matters that pose a serious risk to public health are received, assessed and if	Achieved	100%	2019: 100% 2018: 100% 2017: 100%

Level of Service	Target	Achieved	Result	Prior Years
	appropriate started within 24 hours (i.e. asbestos, P-labs, contaminated land, hazardous substances)			
Regulatory Compliance, Licensing and Registration public advise				
Customers have access to information on compliance responsibilities	Staff are available to respond to public information requests between 8 – 5pm, Monday to Friday	Achieved	100%	2019: 100% New measure in 2019

Building Services

Level of Service	Target	Achieved	Result	Prior Years
Consenting and Compliance General Advice and Investigations				
Consenting and Compliance general advice and response to public and elected member enquiries	Response meets legislative and/or agreed timeframes	Achieved	100%	2019: 100% New measure in 2019
Building consenting				
Grant building consents within 20 working days.	The minimum is to issue 95% of building consents within 19 working days from the date of acceptance	Achieved	95.7% processed within 19 working days.	2019: 95.8% processed within 19 days, 97.7% within 20 working days. 2018: 97.9% processed within 20 working days. 2017: 92.5% processed within 19 days & 96.7% within 20 working days.
Ensure % satisfaction with building consents process.	Quarterly review of survey results and feed common issues to issues register for resolution Set from Benchmark in Year 1 (2019)	Achieved	82.5% (improvement from 2018/19)	2019: 76.0% 2018: 78.2% (survey from Dec 2017 to June 2018) 2017: 63.9% (survey for November to April).
Building inspections and Code Compliance Certificates.				
Grant Code Compliance Certificates with 20 working days.	Issue minimum 95% of Code Compliance Certificates with 19 working days from the date of acceptance	Achieved	98.4%	2019: 98.3% 2018: 98.9% 2017: 99.1%.
Building Consenting public advice				
Eco Design Advice	Provide a quality eco design service	Achieved	334 consultations provided.	2019: 368 consultations provided New measure in 2019
Annual building Warrants of Fitness.				
Audit Building Warrant of Fitness to ensure public safety and confidence	Complete annual audit schedule	Achieved	There were 351 building warrant of fitness audits performed over the last financial year which completed the annual audit schedule.	2019: 456 audits completed. 2018: 405 audits completed. 2017: 445 audits completed.

Level of Service	Target	Achieved	Result	Prior Years
Building accreditation review.				
Building Consent Authority status is maintained.	'Building Consent Authority' status is maintained.	Achieved	BCA accreditation maintained.	2019: BCA accreditation maintained. 2018: BCA Accreditation maintained. 2017: Reaccreditation undertaken in August 2017.
Building policy				
Maintain a public register of earthquake prone buildings in Christchurch	Update the Earthquake Prone Building Register whenever the Council becomes aware of a change of a building's earthquake-prone status	Achieved	The public register of earthquake prone buildings has been regularly updated when required, and maintained as required.	2019: The public register of earthquake prone buildings has continued to be updated and maintained over the past year. 2018: 572 Christchurch buildings on the national earthquake prone building register. Between December 2017 and June 2018, 70 '133AH' notices sent to owners requesting Detailed Seismic Assessment reports to clarify status of their buildings.

Land and Property Information Services

Level of Service	Target	Achieved	Result	Prior Years
Land Information Memoranda and property file requests				
Process land information memoranda applications within statutory timeframes	Process 99% of land information memorandum applications within 10 working days	Achieved	100%	2019: 100% 2018: 100% 2017: 100%
Property File Requests				
Provide customers with access to property files	Provide 99% of customers with access to property files within 5 working days of request (subject to payment of fees)	Not achieved	94% of property files made available to customers Process changes to allow online payments and payment up front (anticipated within the next financial year) should show a decrease to processing time.	2019: 89.1% 2018: 99% 2017: 98%

Level of Service	Target	Achieved	Result	Prior Years
Provide customers with access to property files that are already stored electronically	Provide 99% of customers with access to property files within 2 working days of request (subject to payment of fees)	Not achieved	96% of property files made available to customers Process changes to allow online payments and payment up front (anticipated within the next financial year) should show a decrease to processing time.	2019: 89.1% New measure in 2019
Project Information Memorandum				
Process project information memoranda applications within statutory timeframes	Process 99% of project information memorandum applications within 20 working days	Achieved	Achieved 99% of PIM's with timeframe.	2019: 99% 2018: 100% 2017: 100%.

Resource Consenting

Level of Service	Target	Achieved	Result	Prior Years
Resource Management Applications				
% of non-notified resource management applications processed within statutory timeframes	99% within statutory timeframes	Achieved	99%	2019: 99% Simple land use resource management applications 2018: 100% 2017: 92% 2016: 96% Complex non-notified resource management applications 2018: 97% 2017: 98% 2016: 99%. Subdivision consents 2018: New District Plan has resulted in there being no simple subdivision applications. 2017: 100%.
% of notified resource management applications processed within statutory timeframes	99% within statutory timeframes	Achieved	100%	2019: 100% 2018: 93% 2017: 95%
Ensure resource consent decision-making is robust and legally defensible	No decisions are overturned by the High Court upon judicial review	Achieved	No applications were successfully judicially reviewed in this financial year.	2019: No applications New measure in 2019
% satisfaction of applicant with resource consenting process	70% satisfaction achieved	Not achieved	69%	2019: 74% 2018: 68% 2017: 64%
Ensure quality process and decision making with resource consenting	Undertake an annual audit and implement recommendations through an action plan	Achieved	1 audit has been completed.	2019: 2 audits completed New measure in 2019

Level of Service	Target	Achieved	Result	Prior Years
Development Contribution Assessments				
Ensure quality process and decision making with development contribution assessments	Undertake an annual audit and implement recommendations through an action plan	Achieved	Audit has been completed, implementation of recommendations identified in the action plan is ongoing.	2019: Audit of a sample of development contribution assessments has been completed by Senior Development Contributions Officer. Audit was focused on the accuracy of assessments being in accordance with the Development Contributions Policy. New measure in 2019

Where are we heading?

Building Services

The recent initial impact of COVID-19 has seen building consenting activity reduce slightly and the longer term impact on the sector is predicted to worsen. Given this and other impacts such as Kāinga Ora moving closer to gaining Building Consent Authority status to issue their own consents and the Minister recently announcing further exempted work from requiring a building consent, it is expected there will be a reasonable reduction in consent volume. Our challenge will be to understand the applicable financial and economic environment and respond accordingly.

Connecting with our stakeholders and networking to ensure business efficiencies and their environment is understood will remain important. Likewise, communicating change and obtaining feedback from our customers through our Phone 1st protocol and monitoring satisfaction levels will remain a focus area. One of the ways we measure this is via customer surveys. Results from the 2020 survey average just over 80%, above the set benchmark of 75%. Areas of dissatisfaction provide opportunities for improvement, where possible.

Continuing with our earthquake prone building programme for the non-priority buildings will be reviewed given the reduction in resource due to the post COVID-19 financial position. While the deadline of 2022 remains, with less resource, our progress will now be slowed to complete this work.

There are still many areas of improvement required to the Compliance Schedule/BWoF area; firstly, at a national level, where our role will be petitioning for improvement and improving our own process and audit regime.

Case Management services continues to maintain strong demand from customers. The challenges faced by the development community, particularly within the central city, mean that support to obtain regulatory approvals efficiently can lead to greater feasibility of the projects success.

Changes to Building Act legislation may impact volume of discretionary exemptions received although this is only

expected to be a 2% reduction. Despite this reduction we are anticipating an increase in public advice provided on building work relating to legislative change under Schedule 1 of the Building Act.

Resource Consents

Application numbers have reduced due to COVID-19 which has meant that processing timeframes have been quicker and more focus can be given to individual applications.

The processing timeframes for applications has improved where now 99% of all applications are processed within the statutory timeframe.

Customer satisfaction is also high at 70% for the annual survey and over 80% in pulse surveys.

Regulatory Compliance

The Council’s compliance activities will continue to increase in volume and complexity for the foreseeable future with new legislation being adopted associated with exempt work in the Building Act and Resource Consent monitoring conditions. Changes to our Tourism sector nationally will also have an impact on Freedom camping activities in future years.

The adoption of a risk based strategic approach will enable resources to be prioritised to investigations in accordance with the risk to the environment or community. As well as enabling the Unit to put greater criteria on compliance activities that align with the Council strategic priorities or focus areas.

Land and property information services

We are yet to see how COVID-19 impacts the property market in Christchurch. There was a strong dip in Land Information Memorandum’s and Property Files during the lockdown period, but this quickly returned to normal levels once the lockdown restrictions were lifted.

It is expected that there will be some financial impacts to the citizens of Christchurch and subsequently the property market which, should it eventuate, would impact the level of service our customers have come to expect.

In preparation we are in the process of updating our systems, as well as engaging in projects to move more of

our information into the digital sphere. This should give us more flexibility in the future to handle either a large increase or decrease in requests, with the idea that we will eventually be in a position to move away from the manual processes which we currently use.

Service delivery in 2020/21

Building Services

Now that residential building consent activity has returned to pre-earthquake levels, the unit has begun supporting other Council Building Consent Authorities with consent processing and building inspections.

A similar opportunity exists within the commercial consent activity where volumes have decreased by approximately 20% from last year's monthly average and we are assisting our neighbouring Building Consent Authorities with their larger commercial projects.

Earthquake Prone Building identification continues with the completion of consultation for priority buildings resulting in reduced time frames and a number of revised Earthquake Prone Building notices being issued. The national register of earthquake prone buildings continues to be updated as required.

The building warrant of fitness regime continues to be upgraded with the on-site audit process moving to a digital format, and a review of the audit selection methodology is also underway with the intention to increase the numbers of on-site audits.

The case management services support all of the cities anchor projects in addition to a number of key private developments. The focus of this coming year will be to ensure that the necessary certificates and approvals will be delivered on time as these facilities come on stream.

An increase to the cost of a Commercial Exemption from Building Consent will address the complexity of work which is being requested as well as the associated risk but no significant drop in activity is anticipated.

Resource Consents

With forecasted reduced application numbers, it is expected compliance with processing timeframes will be maintained at high levels, in turn helping to maintain customer satisfaction levels.

It is anticipated contentious applications will continue to be received. Any issues identified with the District Plan are continuously being fed back as well as communication channels with affected residents and elected members being explored for improvements.

In particular there will be a continued focus on ensuring applications are processed in accordance with all of the legal obligations set out in the Resource Management Act.

Regulatory Compliance

There has been a continued increase in demand and complexity of regulatory compliance investigations, specifically in the areas of illegal building works, environmental compliance and Bylaw enforcement.

The COVID-19 pandemic has forced the need to consider the Freedom Camping landscape next season and how the border restrictions will impact visitor numbers and behaviour and general Freedom Camping activities. There are also district plan rule changes coming up as a result of consultation in relation to short term guest accommodation within our city that we will need to be mindful of and review our regulatory approach as necessary.

Applying a risk based strategic approach to compliance activities will also see a prioritisation model adopted when it comes to responding to compliance investigation requests as well as enabling the Unit to put greater criteria on compliance activities that align with the Council strategic priorities or focus areas.

Land and property information services

Getting off the GEMs software is the main priority for the 20/21 financial year. This will reduce our operational risk so that we can work on increasing the service delivery and ensuring faster, more accurate service for our customers.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Regulatory compliance & licencing	11,150	11,089	10,158
Building services	26,548	29,025	11,761
Resource consenting	10,379	9,767	9,248
Land & property information services	2,674	2,395	2,556
	50,751	52,276	33,723
Operating revenue from services			
Regulatory compliance & licencing	8,026	5,623	5,689
Building services	21,598	25,471	23,708
Resource consenting	7,295	7,500	7,788
Land & property information services	4,192	4,418	4,395
	41,111	43,012	41,580
Capital revenues	-	-	-
Vested assets	-	-	-
Net cost of services	9,640	9,264	(7,857)

Explanation of significant variances

Regulatory Compliance & Licencing

There was no significant cost variance to plan.

The cost of services was \$1 million higher than 2019 as a result of higher costs of staff and suppliers for service delivery in animal management, food safety and health licencing, alcohol licencing and other regulatory compliance activities.

Operating revenue was \$2.4 million higher than plan and \$2.3 million higher than 2019 due to outstanding animal management fines revenue payment received from Ministry of Justice dating back to 2007.

Building Services

The cost of service was \$2.5 million lower than plan as a result of the following; \$2.9 million reduction in staff costs and overhead due to lower than planned consent volumes and \$0.5 million reduction in insurance premiums. These were offset by a \$0.8 million increase in the building related claims provision.

The cost of services was \$14.8 million higher than 2019. The major factor was the \$17.3 million change in the building related claim provision. There was a \$16.2 million reduction in the building related claims provision in 2019, (made to align the provision with normal accounting practice), whereas the provision has increased by \$1.1 million in 2020. This was offset by \$0.8 million less in professional insurance premiums, \$1.7 million lower staff and overhead costs.

Operating revenue was \$3.9 million lower than plan. The reduction was primarily due to the decline in consent volumes. Of this \$0.4 million occurred in building inspections as a result of the COVID-19 lock down.

Operating revenue was \$2.1 million lower than 2019 principally due to the decline in consent volumes.

Resource Consenting

The cost of service was \$0.6 million more than plan, \$0.4 million due to more input required from other parts of Council and \$0.2 million from professional liability insurance originally planned for in the Building Services activity.

The cost of service was \$1.1 million more than 2019, \$0.9m due to more consent processing time required from other parts of Council and \$0.2m from professional liability insurance originally planned for in the Building Services activity.

Operating revenue was \$0.2 million lower than plan and \$0.5 million lower than 2019 as a result of the decrease in demand over the COVID-19 lockdown period.

Land & Property Information Services

The cost of service was \$0.3 million higher than plan principally due to the reallocation of the professional liability insurance premium.

Operating revenue was \$0.2 million lower than planned as a result of the lockdown period.

Funding impact statement for year ended 30 June

	2020 Actual	2020 Annual Plan	2020 Long Term Plan	2019 Long Term Plan
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties Targeted rates	9,143	9,087	10,025	8,950
Subsidies and grants for operating purposes	118	-	-	-
Fees and charges	38,360	42,882	45,425	44,524
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,631	130	135	133
Total operating funding (A)	50,252	52,099	55,585	53,607
Applications of operating funding				
Payments to staff and suppliers	48,114	49,922	53,022	51,141
Finance costs	-	-	-	-
Internal charges and overheads applied	2,244	2,244	2,376	2,241
Other operating funding applications	140	36	36	35
Total applications of operating funding (B)	50,498	52,202	55,434	53,417
Surplus (deficit) of operating funding (A-B)	(246)	(103)	151	190
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	1	-	-	-
Increase (decrease) in debt	2,413	(2)	(2)	(4)
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	2,414	(2)	(2)	(4)
Applications of capital funding				
Capital expenditure				
- to replace existing assets	-	2	2	-
- to improve the level of service	-	-	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	2,168	(107)	147	186
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	2,168	(105)	149	186
Surplus (deficit) of capital funding (C-D)	246	103	(151)	(190)
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding deficit of \$0.2 million was \$0.1 million greater than planned. The reduction in revenue (\$4.3 million of fees and charges offset by \$2.5 million of additional fines revenue from the Ministry of Justice) was offset by a reduction in operating costs (\$1.7 million). The fees and charges revenue was impacted by lower volumes and the impact of the COVID-19 lockdown on inspection revenues. Costs were managed in line with application volumes.

Significant capital expenditure

There was no significant capital expenditure.

Council activities and services

Strategic Planning and Policy

What is strategic planning and policy, and what does the Council do?

Strategic planning and policy encompasses the development of strategies, plans and policies that guide the future development of Christchurch. It includes citywide planning through the district plan and regeneration activities including urban design and heritage. Making our city a smarter, more resilient place to live, work and play is core to our future prosperity and development as a city. Our aim is to promote the social, cultural, economic and environmental wellbeing in our community to ensure that the city's strategic planning and policies not only meet the needs of current residents, but the needs of future generations.

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

Why is the Council involved?

Local Government is responsible for promoting the cultural and social well-being of communities for the present and future. We contribute to this by promoting engagement with and understanding of the City's natural, civic and infrastructure environments, and our impact on these. 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. The strategic planning and policy work contributes to several community outcomes relating to good governance, a liveable city, strong communities, a healthy environment and a prosperous economy.

The city needs a strong economy if it is to achieve its goals. Economic development activities help expand the economy so residents have better employment and business opportunities and good quality facilities and services. These in turn benefit our community's social wellbeing, making Christchurch a great place to work, live, visit, invest in and do business.

How does it affect me?

We all want to live in a city that is well designed, and offers exciting opportunities for work and recreation. By protecting our environment, managing growth and guiding the use and development of our resources and infrastructure, we help make Christchurch a great place to live, work and do business. Further, by actively creating

temporary streetscapes, activating vacant spaces and supporting the creative sector, the Council is supporting the ongoing regeneration of the city. A strong economy benefits everyone because there are more and better jobs and business opportunities. A strong economy and good quality of living also makes it easier to attract high-value migrants, returning residents, investment and innovation.

What activities are involved?

Strategic planning and policy

Strategic planning and policy encompasses the activities Strategic Policy, City Planning and Strategic Transport, Urban Design and Regeneration Heritage supported by programmes of Smart Cities and Resilience. We provide specialist advice and expertise across these functions, to meet our statutory obligations and to contribute to the vision and supporting initiatives to create a resilient 21st century city. The Council develops strategies, policies and plans that set out how we intend to work in the future, guiding and shaping development across Christchurch City and Banks Peninsula. We monitor their effectiveness as well as the city's progress towards achieving our community outcomes. We maintain our commitment to heritage protection to conserve our heritage and find new uses for historical buildings as integral elements of a revitalised city.

Economic development

Our economic development activities help expand the economy to benefit residents through more jobs, better prospects and quality facilities and services. We also continue to focus on attracting more visitors and tourists to the city. Our efforts combine to help make Christchurch a vibrant place to work, live and visit as we open the doors to investment and greater business opportunity. 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; and
- promotion of Christchurch and Canterbury to visitors.

Public information and participation

We help build strong and effective relationships with the community by:

- Informing residents and community groups about what the Council does every day, including services and activities and decisions made.
- Communicating with the media and community in 'real time' through our social media and digital channels including the digital news channel, Newsline.
- Developing and delivering marketing, communications and engagement strategies and campaigns in a customer-focussed, user-friendly way to support the organisation's strategic priorities.

- Listening to our residents by coordinating public consultation and engagement about Council activities.
- Providing internal communications support for news, and projects or programmes that impact on all staff.

What did we achieve?

Strategic Planning and Policy

Land Use Planning

Our proposal to use powers under section 71 of the Greater Christchurch Regeneration Act to amend car parking requirements in the Christchurch District Plan to support regeneration of Lyttelton's commercial centre was approved. Also approved was a section 71 proposal for Hagley Oval that we contributed to. We provided feedback on another section 71 proposal for enabling film studios, and on an Order in Council for reinstatement of the Christ Church Cathedral.

Three plan changes to the Christchurch District Plan were progressed. Plan Change 1 (Woolston Risk Management Area) was implemented. Proposed Plan Change 2 (Port Hills Slope Instability Overlays Update) and Plan Change 3 (National Grid Transmission Lines in the Commercial Core Zone) were notified.

We started a programme of Coastal Hazards Adaption Planning, which will involve working with low lying coastal and inland communities to plan how to address risks and exposure from the coastal hazards of inundation, erosion and rising groundwater.

Work on earthquake legacy issues identified in the Southshore and South New Brighton communities in mid-2019 has continued. We plan to build an engineered setback bund in the area from South New Brighton School to the jetty, to provide protection from inundation, with the first stage to begin in 2021. An investigation into the options to address erosion in Southshore is underway.

In another major work stream we have worked with the Greater Christchurch Partnership (GCP) to complete and implement the Future Development Strategy, required by the National Policy Statement for Urban Development Capacity. Council endorsed Our Space as the Future Development Strategy for the sub-region. We are now working with the GCP to bring Our Space into effect. One aspect of this work is a Spatial Plan for Christchurch. Development is under way, with the collection and analysis of all the existing data, policies and plans completed. The development of intensification corridors to support work on the Public Transport Futures, particularly Mass Rapid Transit, has also been produced.

Under the Global Settlement we lead the implementation of the reconfiguration of the residential red zone (RRZ). This included a successful bid to the Crown for \$40m for capital projects in the Ōtākaro-Avon River corridor from the Christchurch Regeneration Accelerator Facility (CRAF).

Strategic Transport

We are jointly leading the progress of the Future Public Transport business case which has established a case for

transformational investment in public transport for Christchurch and greater Christchurch. The business case for the first stage has identified a preferred programme of work for inclusion in the Long Term Plan 2021-31. The Mass Rapid Transport indicative business case is being developed and will be completed in October 2020.

The Spatial Plan and the Public Transport futures work are critical aspects in updating the Christchurch Transport Plan. The draft plan is with an elected member working group, with final plan to be adopted by December 2020.

We are also developing a Central City Parking Policy to support the transport strategy and public transport.

The first greater Christchurch Mode Shift Plan has also been developed. This plan aims to encourage more people to use public and active transport to support work on climate change and sustainable growth. The greater Christchurch Travel Demand Management business case has identified the investment needed in policy and behaviour change to support capital investment.

Our Infrastructure Strategy is being developed by the Strategic Transport team. The draft strategy will be completed later this year as part of work on the long term plan.

Strategic Policy

The following regulatory work was carried out in 2019/20 in accordance with the ten-year bylaw review schedule and statutory requirements:

- preparation of preliminary drafts of replacement bylaws for water supply, wastewater and storm-water
- preparation for the review of the Freedom Camping Bylaw 2015. (The COVID-19 crisis and disruption to the tourism sector, has delayed this work the effects on freedom camping can be understood.

The Alcohol Restrictions in Public Places Bylaw has been amended to include a permanent alcohol ban on our rugby league playing fields from 1 April to 30 August each year and a 24-hour temporary alcohol ban was put in place for the Electric Avenue Musical Festival.

We continued working with the Canterbury District Health Board Community Public Health team to integrate health and wellbeing perspectives in planning, policy, and decision-making.

We are working towards implementing the Christchurch Housing Initiative shared equity home ownership scheme; contributed to the development and early implementation of the Greater Christchurch Partnership Our Space 'Social and Affordable Housing Action Plan'; and worked with Government, LGNZ and the community housing sector to support and advocate for social and affordable housing.

The Development Contribution Rebate Policy has been reviewed along with reviews of the two central city rebate schemes. Economic policy advice has contributed to a range of projects including work on issues related to short-term guest accommodation; our response to the NZ Productivity Commission report into Local Government Funding and Financing; an assessment of the Christchurch innovation ecosystem; and our draft Financial Strategy.

Our Strategic Framework was confirmed by the Council in October 2019 and has been built into the key work programme documents for the long term plan.

Since July 2019, we made 21 submissions on priority issues to external agencies

Urban Design Policy, Planning and Grants

The [Central City Action Plan](#) is a cross-agency response to Regenerate Christchurch's Central City Momentum report. We have:

- led the central city residential programme, Project 8011
- within a cross-agency steering group, undertaken a review of the action plan. The conclusion of this work was impacted by the COVID-19 lockdown.
- funded a central city activator's position to curate Central City Activation during winter, including 'winter circus', Salty Buskers Club and, at Christmas, enabled a Christmas market at Hack Circle.

The [Barrier Sites Programme](#) continues to address central city properties that are barriers to regeneration.

Our [Enliven Places Programme](#) has to deliver projects, many involving significant community and partner involvement.

The [Enliven Places Project Fund](#) of \$150,000 allocated \$97,770 for 2019/20. The fund supported a wide range of community projects across the city and suburban areas, adding to Christchurch's creative, cultural and community identity.

The Christchurch Urban Design Panel provided design review, mainly at the pre-application stage of proposals. Staff have provided urban design advice on consent applications and our capital projects.

Our work on healthy and energy efficient homes has continued through a partnership with ECan, although the delivery of the service has been severely impacted by COVID-19 as the timing of lockdown coincided with peak delivery for the advice service. The [Healthier Homes Canterbury](#) service has provided advice to approximately 600 Christchurch homes since it was established. Other sustainability initiatives include supporting the [Food Resilience Network](#) which delivered 500 edible trees to schools and community groups and is supporting food growing in the Ōtākaro-Avon River corridor and throughout the city.

The Innovation and Sustainability Fund has operated for a third year with available funds of \$500,000 allocated to a wide range of [projects](#).

Heritage Education, Advocacy and Advice

The Our Heritage, Our Taonga, Heritage Strategy implementation plan is in development and we have been working with Ngai Tahu runanga and the community to identify community and agency roles in this.

Ten Heritage Incentive Grant applications were approved, allocating \$661,199 to support the conservation, repair,

and upgrade of the districts heritage buildings and structures. Two Central City Landmark Heritage grants were approved for \$600,000 each for the former Wellington Woollen Mills building in Lichfield Street and the former State Insurance building in Worcester Street.

Beca Christchurch Heritage Festival was held in October 2019 with the theme of 'Encounter Our Stories', and attracted over 20,000 people to more than 80 events over three weeks.

Advice was provided on over 50 resource consent applications.

Natural Environment including Hazards Policy and Planning and Resource Efficiency

Christchurch Biodiversity Funding of \$200,000 was allocated for fencing, pest control and planting to private landowners with Sites of Ecological Significance. Funding applications have been phased with ECan's Immediate Steps Fund to enable greater funding opportunities for private landowners to undertake protection of waterways and improve biodiversity values in those areas.

The Christchurch City Council Te Wai Ora o Tāne Integrated Water Strategy was adopted by the Council on 26 September 2019.

Implementation of the strategy is under way, with a water supply implementation plan being the first of three to be finalised by Three Waters and Waste Unit staff with support from the Natural Environment Team.

We led reviews of non-notified resource consent applications lodged with ECan, having received several dozen consent applications for discharges to water and land during 2019/20. We provided feedback to Ecan on 10 regional resource consent applications.

We led and/or contributed submissions on matters of regional and national importance.

In the natural hazards area, we commissioned a report to produce a liquefaction map for Christchurch city. The updated liquefaction assessment for Christchurch has been completed. This project includes a public online enquiry portal. The technical report is due to be released in July 2020 with the online portal going live in mid-2020.

The cut-slope erosion trial started in 2018 and in 2019/20 the first year of monitoring was completed. Generally the trial is proceeding as envisaged with results available in June 2021.

In May 2019, Council declared a Climate and Ecological Emergency and in September following public consultation we set a city-wide emission target of net zero greenhouse gas emissions by 2045 (excluding methane) with an interim target of a 50% reduction in Greenhouse Gases by 2030 from 2016/17 baselines. We are drafting a climate change strategy for public consultation later this year and undertaking a range of climate change actions to prepare for and respond to the social, environmental and economic effects of climate change.

<https://ccc.govt.nz/environment/climate-change>

We facilitated the implementation of our Resource Efficiency Greenhouse Gas Emission programme which includes the structure and tools to assist us meet the policy commitment to reduce greenhouse gas emissions from our operations by 2030.

We worked alongside the Christchurch Agency for Energy Trust and with businesses to secure the installation of 59 public electric vehicle charging sockets across the city. After six years, the trust has completed its objective to allocate over \$1.88 million in Christchurch Energy Grants.

Economic Development

We provide ChristchurchNZ with operational funding to lead the economic development of Christchurch. ChristchurchNZ delivered the following:

- Played a lead role in the development of Christchurch 2050 Strategic Framework, and the COVID-19 economic recovery plan, as well as insights and advice on innovation within the city.
- Worked with 56 national and global businesses on potential relocation to, or expansion in, Christchurch, with a potential GDP impact of \$27.0 million. Six businesses relocated to the city with an estimated 3-year GDP contribution of \$4.2 million.
- Delivered major marketing and promotion campaigns to shift perceptions of Christchurch by residents and visitors.
- Consolidated 13 city websites into a single integrated front-door for all Christchurch attraction activities including business, education, leisure and conference attraction and economic insights.
- Development of the Explore city narrative and resources to support use of the story by ChristchurchNZ and stakeholders.
- The Convention Bureau has bid for 36 business events and if successful in attracting these to Christchurch, combined they would attract an estimated 22,500 delegates over the coming few years.
- Attracted and sponsored 12 major events to Christchurch, with an estimated visitation spend impact of \$8.5 million.
- Developed a business network to connect local businesses to Antarctic programme-related business opportunities and delivered promotion and awareness activities outlined in the Antarctic gateway strategy.

In the last quarter ChristchurchNZ focused on the urgent need to develop a strong Economic Recovery Plan to address the effects of COVID-19. This has had a significant impact on the relative prioritisation of activities and use of resources in the later part of the 2019/20 year.

Public Information and Participation

We are committed to being a citizen-focused, outward looking organisation. To achieve this we need to provide

our community with information that is timely, relevant and accurate through channels that meet our residents' needs.

Increasingly we are shifting toward a more two-way form of communication with the community. We want to ensure there is awareness of opportunities to take part in the democratic process.

We are also making better use of new media – online, social media and targeted electronic communications to interest groups – to supplement and improve on traditional communications.

Since 2016 we have reduced the amount of organisational advertising spend from \$1.4 million to \$0.980 million as we continue to experience growth and engagement on our own channels.

In the past year we carried out 66 engagements and consultations and received 7,360 submissions and/or feedback. We are trying to make our consultations easy and accessible for those who haven't participated in the past, including youth and migrant groups. This has included introducing a translation facility on our website which allows web content to be translated into 14 diverse languages. Each month, on average, this service is receiving 480 visits.

We developed and implemented 215 communications/marketing strategies on a range of issues, including key projects on water, central city revitalisation, transport and land drainage.

We responded to 3,266 media inquiries, 95% of those acknowledged within 24 hours.

Our Facebook page is growing by about 13% a year with an average of about 100 likes a week. In January 2020 we achieved a spike of 830 new likes (207 per week) taking the total likes to 52,817.

Page views to our digital news channel Newsline have increased as has the use of its content in other media channels. More than 800 stories were published on Newsline, with an e-newsletter going out weekly to more than 4,000 subscribers.

Staff are being trained in our new tone of voice, with 90 training sessions completed.

Each month we sent 20 to 30 e-newsletters to 70,000 subscribers.

We are producing monthly community board newsletters – 77 newsletters have been produced sharing news, information, decisions, and events happening in each ward, viewed by 17,086 people.

How did we measure up?

Strategic planning and policy

Level of Service	Target	Achieved	Result	Prior Years
Land use planning				
Guidance on where and how the city grows through the District Plan.	Maintain operative District Plan	Achieved	District Plan is operative. Plan Changes underway. Three 3 completed to date.	2019: The District Plan Review is fully operative New measure in 2019
Plan for a focused and expedited regeneration of the residential red zone and earthquake affected areas of the city.	Southshore and South New Brighton regeneration planning completed by 31 December 2019 at the latest, or as otherwise agreed by Council.	Achieved	Completed. Between May-August 2019 Council staff engaged with the Southshore and South New Brighton communities to identify actions to address earthquake-legacy issues. On 29 August 2019 the Council passed a number of resolutions which Council staff have been progressing.	2019: Council have been working with Regenerate Christchurch on the South New Brighton and Southshore Regeneration Planning, and Regeneration Christchurch have passed the responsibility for this to Council. Earthquake Legacy options to go to Council 22 Aug 2019. Adaptation approach in review process. New measure in 2019
	Comments on Regeneration Plans produced by partners are provided within statutory timeframes.	Achieved	Completed Commentary provided to Regenerate Christchurch within statutory timeframes.	2019: Council provided feedback on the Ōtākaro/Avon River Corridor Regeneration Plan within statutory timeframes. New measure in 2019
Process private plan change requests.	100% of any proposed private plan changes comply with statutory processes and timeframes	Achieved	100% achieved	2019: No changes 2018: No changes 2017: No changes

Strategic transport

A strategic vision for transport to guide the planning and delivery of transport programmes.	Christchurch Transport Strategic Plan remains relevant	Achieved	Christchurch Transport Strategic Plan on track to be completed by the end of 2020	2019: Update and implementation still in progress New measure in 2019
	All pertinent projects in the Annual Plan are aligned with the Councils business cases	Achieved	All NZ Transport Agency funded projects require a business case.	2019: Regional Public Transport Plan completed in 2018 New measure in 2019
	Future Public Transport Strategy is completed	Achieved	Rural Public Transport Plan completed. Public Transport Futures business case on track.	2019: Completed in 2018 New measure in 2019

Level of Service	Target	Achieved	Result	Prior Years
Heritage education, advocacy and advice				
Maintain the sense of place by conserving the city's heritage places.	Provide advice as required in a timely manner – within 10 working days for consents.	Achieved	Resource consent advice was provided within 10 working days.	2019: Achieved 2018: Achieved 2017: Achieved
Support the conservation and enhancement of the city's heritage places	100% of approved grant applications are allocated in accordance with the policy.	Achieved	100% compliance Grants allocated in accordance with heritage policies and guidelines. Due to COVID-19 not all grant funding was allocated. Terms of Reference allow unallocated grant funding to be carried forward into 2020/21.	2019: 100% compliance 2018: 100% compliance 2017: 100% compliance

Strategic policy				
Advice to Council on high priority policy and planning issues that affect the City.	Annual strategy and policy work programme is aligned to Council Strategic Framework, and is submitted to Executive Leadership Team, and Council as required.	Achieved	Annual strategy and policy work programme aligned to Council Strategic Framework, and was submitted to Executive Leadership Team in March 2020. Was not required to be submitted to Council due to COVID-19 Lockdown.	2019: The annual strategy and policy work programme has been aligned to Council's Strategic Framework. The organisational-wide 2019/20 Forward Work Programme in strategy and policy work will be submitted to the Executive Leadership Team, and Council, in July 2019. 2018: Comprehensive work programme for all strategic policy work developed for the whole of Council. 2017: This measure has been superseded by the work with Council on their priority directions and updated Community Outcomes. The work programme is an operational document that gives effect to the Council priorities and Community Outcomes. The work programme has been submitted to the Executive Leadership Team.
	Policy advice to Council on emerging and new issues is prioritized to ensure delivery within budget and time requirements.	Achieved	Delivered in accordance with the forward work programme within budget and time requirements.	2019: The strategy and policy Forward Work Programme has been reviewed, updated and reported to the Executive Leadership Team. All policies and strategies on the Forward Work Programme identify their alignment with the strategic framework.

				<p>Reports to the Council include a section where report authors identify the alignment between the report subject matter and the Council's strategic framework.</p> <p>New measure in 2019</p>
	Reconfirm as necessary the Strategic Framework following Council elections.	Achieved	The draft strategic framework was agreed by Council and consulted on through the 2020 Annual Plan	<p>New measure</p> <p>No comparative results</p>
Bylaws and regulatory policies are reviewed to meet emerging needs and satisfy statutory timeframes.	Carry out bylaw reviews in accordance with ten-year bylaw review schedule and statutory requirements.	Achieved	Achieved. The reviews of the Water Supply, Wastewater and Stormwater Bylaw 2014 and the Freedom Camping Bylaw 2015 will be complete within the statutory timeframes for these reviews. The three-water bylaw by April 2021 and the freedom camping bylaw by August 2021.	<p>2019: Achieved</p> <p>2018: Achieved</p> <p>2017: Review program on track</p>

Urban Regeneration Policy, Planning and Grants

Place-based policy and planning advice to support integrated urban regeneration and planning.	Working collaboratively with Community Boards (and in light of Community Board plans), Development Christchurch Ltd, Regenerate Christchurch and others, identify and address priority areas for Council-led and community-led regeneration effort.	Achieved	<p>Collaborative Council-community regeneration effort in priority areas identified and addressed.</p> <p>Heatmap analysis briefed to Committee and Council.</p> <p>Urban Regeneration Proprieties report prepared, consideration by Council delayed due to COVID-19.</p> <p>Re-established relationship with Kainga Ora to support housing projects in Christchurch.</p> <p>Six-monthly suburban centre and central city reporting to Committee.</p> <p>Established Te Tira Kahikuhiku Red Zones Consultative Group and the initial process for funding allocation, as a result of the Global Settlement Agreement.</p> <p>Central City Action Plan - implementation and refresh, consideration by Committee delayed due to COVID-19 impacts.</p> <p>Project 8011 progressed (Project 8011 is the residential programme for the Central City).</p> <p>Advice provided into Performing Arts Precinct, Christchurch Multi-use Arena, Cathedral Square Improvement Plan and</p>	<p>2019: Due to the delay in receiving Census data the existing heat map was used as a base layer for suburban biannual reporting as part of a new template. In the priority areas identified by Council already - Bishopdale and Linwood/Inner City East - community planning discussions continued.</p> <p>New measure in 2019</p>
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			city transport projects, particularly in the central city.	
	Allocate grant funds as per operational policy and terms of reference.	Achieved	Achieved. Grant funds allocated as per policy and guidelines.	2019: Achieved New measure in 2019

Urban Design Policy, Planning and Grants

Provide design review advice for developments across the city	Coordinate 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 has been coordinated throughout the year. During COVID-19, remote meeting technology was utilised to enable panel meetings to occur.	2019: The Urban Design Panel has been operating in Christchurch during 2018/19 2018: Provided urban design advice for public projects, both within Council and through regeneration partners and consenting processes. 2017: Urban Design Panel review recommendations implemented, including membership refresh completed in January 2017. Panel continuing to operate and review proposals as they arise.
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Level of Service	Target	Achieved	Result	Prior Years
Natural Hazards Policy and Planning				
Information and advice on natural hazards affecting the city.	Updated liquefaction mapping completed for Christchurch urban area.	Achieved	Liquefaction Vulnerability Study completed and workshop conducted with Council.	2019: A Tsunami modelling report has been undertaken. The liquefaction map has been updated, providing information to residents and businesses, and will be reported to Council in September 2019. The tsunami modelling and liquefaction maps contribute to identifying natural hazard risk and will be delivered on time to inform the 2021 LTP Infrastructure Strategy. New measure in 2019
Advice on efficient and sustainable use of natural resources.	Monitor Council's carbon emissions through EnviroMark and Certified Emissions Measurement and Reduction (CEMARS) accreditation, and determine any actions as appropriate – including identification of reduction targets as agreed by Council.	Achieved	Council achieved EnergyMark (ISO50001) certification in 2019. Council achieved Toitu (formerly CEMARS) Carbon Reduce Certification for this year. The Council's Resource Efficiency and Greenhouse Gas (GHG) Emissions Program of work continued to identify actions for reducing emissions supported by the	2019: Over this last year we have monitored Council's carbon emissions and established the REGGE dashboard, and this automatically takes account of our carbon and energy use. We maintained accreditation with CEMARS and EnviroMark and membership in the Global Covenant of Mayors.

Level of Service	Target	Achieved	Result	Prior Years
			Resource Efficiency Greenhouse Gas Emissions (REGGE) dashboard which monitors Council's energy use, GHG emissions, solid waste generation and water use.	New measure in 2019
Support business sector resource efficiency	Up to 30 business activities occurring as part of a resource efficiency project or programme each year.	Achieved	38 business projects supported.	2019: 37 business activities New measure in 2019
	At least 5 case studies demonstrating the results of implemented resource efficiency initiatives.	Achieved	6 projects resulting in resource efficiency improvements/ greenhouse gas emission reduction.	2019: 5 case studies completed New measure in 2019

21st Century Resilient City

Smart technologies, concepts, and approaches piloted.	Implement new initiatives within the Smart Cities programme, including building upon open data, IoT technology (Internet of Things) and Council's strategic direction to be an innovation and sustainable city.	Achieved	7 initiatives delivered	2019: 5 new initiatives New measure in 2019
Greater Christchurch extracts value from 100RC relationship	Deliver the projects as identified in the Greater Christchurch Resilience Plan as resources permit.	Achieved	Projects delivered as identified in the Greater Christchurch Resilience Plan and as resources permitted.	2019: The relationship with 100RC is on track and ongoing. New measure in 2019
Support the Greater Christchurch Partnership	Contribute to review of Urban Development Strategy.	Achieved	On track with Project 2050	2019: Council has contributed to, and approved, the settlement pattern review New measure in 2019

Public Information and Participation

Level of Service	Target	Achieved	Result	Prior Years
Provide advice, leadership and support for engagement and consultation planning and processes				
Provide advice and leadership in community engagement and consultation planning and delivery	Community consultation occurs for all projects / issues of high significance or as directed by Council	Achieved	Achieved. Carried out 43 consultations and received 5,682 submissions. The largest number of submitters (2,149) related to the Hagley Oval lights lease. 85 per cent of submitters were on-line.	2019: Achieved New measure in 2019

	Community Boards are informed of engagement plans for all relevant projects, and where appropriate, have sign off for local engagement activities: 95%	Achieved	100% Undertook 43 consultations over the past twelve months. Where relevant these were taken to community boards. 100% of the time community boards are briefed about what's proposed before consultation starts. This includes an overview of the engagement tactics and there is an opportunity at that point for elected members to provide their views on how best to reach the target audiences.	2019: 100% New measure in 2019
	Increase our youth target market by 5% on applicable social media platforms	Achieved	13.5 per cent overall increase in youth numbers. Comparing audience youth numbers monitored for 6 Facebook pages; 2019/20: 10,651 2018/19: 9,384	2019: Our youth engagement strategy developed with a former intern from the Youth Council. The strategy aligns with the Council's communication strategy, and through this connection we are now in the process of developing an implementation plan to get meaningful youth engagement on issues that are of interest to youth. New measure in 2019

Provide external communications to inform Christchurch citizens about the Council's services, decisions and opportunities to participate

Provide external communications, marketing and engagement that are timely, relevant, accessible and cost effective, and that appeal to all citizens – regardless of age, ethnicity, location etc	Respond to all media calls within 24 hours, 7 days a week: 90%	Achieved	100% of all calls within 24 hours. We received 3,001 media calls for the year to 30 June 2020.	2019: 95% of all calls within 24 hours. New measure in 2019
Activity includes preparation and distribution of material about the Council and city via channels including print, web, social media, digital news channel, CCC.govt.nz, project specific and area specific information newsletters and community board newsletters. Brand strategy delivery and management ensures communications are consistent and recognisably from the Christchurch City Council	Continue to increase page views on 18/19 result	Achieved	Continued increases across main social channels from 18/19 results Social media analytics for 2019/20: Facebook:- page likes 6,525 (7.6% increase to 56,178)- engagements – 1,468,348 (0.05 per cent increase) and reach – 27,925,550 (5.7 per cent increase) Instagram: Page follows – 2289 (24.28 per cent increase to 8516)Reach – 937,175 (128 per cent increase) Newline: Number of stories published	2019: Total net follower growth of 19,884 (18%) new followers across our main social channels (11 Facebook, 1 twitter, 1 instagram, 1 linkedin) taking the total to 131,567. New measure in 2019

			2019/20 = 804 Number of hits on the site = 982,801 (2018/19=769,780). This is an increase of 27.7%. Number of subscribers to weekly Newsletter = 4,317.	
	All Community Boards are supported with communications advice and appropriate templates to share as they see fit with their communities	Achieved	Achieved Pre-election newsletters produced monthly for all community boards. During the COVID-19 lockdown we increased the production of these newsletters to weekly. They have been well received and subscribers continue to increase. Also revamped the community board pages on the website to reference the community plans. Produced 133 community board newsletters - more than 90 of these during the lockdown. All internal communications during the lockdown were sent to community board members. All community boards circulated with daily media queries and during emergencies are copied into all communications.	2019: We produced 11 Community board newsletters for each of the community boards - so 77 in total. These newsletters were viewed by 17,086 recipients New measure in 2019

Provide internal communications to ensure staff are informed about organisation-wide projects and initiatives

Develop and implement internal communications that are effective for elected members and staff	Communications plans are produced and implemented for all relevant internal organisational projects: 100%	Achieved	All (100%) communications plans factor in internal communications.	2019: 100% New measure in 2019
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Economic Development

Level of Service	Target	Achieved	Result	Prior Years
Economic development and business support				
ChristchurchNZ provides leadership in inclusive and sustainable economic development for Christchurch	Convene two city leadership discussions to review progress and recommend actions towards the 10-year goals	Achieved	2 leadership discussions convened Greater Christchurch 2050 - GCP Committee / CE Workshop; CE Advisory Group meetings Economic Recovery Forum (1 meeting) CEDS review is being delivered via Greater Christchurch 2050 and Economic Recovery plan.	2019: 2 (reports on CEDS programme completed twice through the year) New measure in 2019
	Quarterly Economic Report is produced and available on the ChristchurchNZ website	Achieved	4 reports produced	2019: 4 reports produced 2018: Not measured

Level of Service	Target	Achieved	Result	Prior Years
				2017: Economic Infrastructure Situation Report published quarterly.
	At least 6 Christchurch or Canterbury economic research reports completed	Achieved	6 research reports completed	2019: 8 research reports completed 2018: Not measured 2017: Three Economic reports produced.
	Deliver face to face economic update to at least 600 people	Achieved	Updates delivered to 645 people Due to COVID-19 a number of economic updates were delivered via Webinar • 464 Face to face • 181 Delivered via webinar	2019: 2 large events were held New measure in 2019
	Lead or provide significant input into at least 4 cross-agency or cross-industry working groups designed to deliver actions towards the 10 year goals	Achieved	7 provided	2019: 7 provided New measure in 2019
ChristchurchNZ facilitates the development of businesses with high growth potential	At least 500 businesses access business support or advice	Achieved	1604 businesses Delivered through the Regional Business Partners joint venture with CECC (Canterbury Employers Chamber of Commerce). Includes 968 COVID-19 assessments (shortened business assessments).	2019: 518 2018: 617 2017: 596 businesses received mentoring services.
	Net promotor score for business support services is +50 or greater	Achieved	68 net promotor score.	2019: +67 net promotor score. New measure in 2019
	At least 3 initiatives to support targeted business challenges	Achieved	3 initiatives.	2019: 4 initiatives. New measure in 2019
ChristchurchNZ supports an environment that encourages innovation, entrepreneurship and investment	Facilitate at least 2 opportunities to secure significant innovative businesses or investment into the city aligned with 10-year goals and priority focus areas	Achieved	6 opportunities achieved.	2019: 3 opportunities achieved. New measure in 2019
	Support at least 10 start-up/ SME companies aligned with priority focus areas	Achieved	12 start-up/SME companies supported.	2019: 15 start up support. 41 events innovation, entrepreneurship and investment related events delivered New measure in 2019

Attraction

ChristchurchNZ leads the promotion and	Christchurch Visitor Industry Situation report	Achieved	Achieved	2019: Website updated
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marketing of Christchurch and Canterbury to visitors	produced annually and available on ChristchurchNZ website		Christchurch Visitor Industry Situation report has moved to being updated monthly.	New measure in 2019
	At least 50 famils hosted and 20 trade events led or attended in priority markets	Achieved	Achieved 100 famils hosted. 62 trade famils hosted. 38 media famils hosted: <ul style="list-style-type: none"> • 12 domestic • 26 international 11 trade events completed.	2019: 95 Media famils; 44 international trade famils; 31 trade events led or attended. New measure in 2019
ChristchurchNZ promotes Christchurch and Canterbury as a great place to hold business events and conferences	Prepare at least 30 city bids to attract business events to Christchurch	Achieved	36 city bids.	2019: 34 city bids. New measure in 2019
	At least 35% success rate for business event bids	Not achieved	22% Still awaiting several decisions which have been postponed due to COVID-19, as decision makers have needed to focus on more urgent matters.	2019: 35% New measure in 2019
ChristchurchNZ attracts, manages and sponsors the delivery of major events	Portfolio of events delivered in line with the Major Events Strategy	Achieved	13 events delivered/ supported at major event level. Some events cancelled or affected due to COVID-19.	2019: 9 events delivered at major event level New measure in 2019
	At least one Major Events Seed Funding round delivered per annum	Achieved	11 major events approved for funding. COVID-19 update - of the 11 events initially approved some will proceed, while others were cancelled, postponed or will be reassessed in the next funding round.	2019: 2 meetings of the Major Event Strategic Advisory Group New measure in 2019

City Profile				
ChristchurchNZ provides residents and visitors with information about events, activities and attractions on in Christchurch	Increase social engagement by 30% year on year (Set baseline)	Achieved	Total engagements 3,337,906 Social media engagement is a new level of service measure. Total number of engagements sets baseline for future years.	New measure No comparative results
	Increase clicks to ChristchurchNZ website by 25% year on year	Not achieved	Total sessions 1,005,406. Drop in visits/sessions numbers due to COVID-19 impact on domestic and international tourism users, study, convention bureau and other sectors of website.	2019: Total sessions 1,048,143
ChristchurchNZ leads collaborative development and implementation of a city narrative	Monitor month on month narrative toolkit traffic and activity to ensure consistently increasing engagement and usage	Achieved	Increasing engagement and usage of toolkit traffic and activity.	2019: Toolkit.Christchurchnz.com Users – 2,945 Sessions – 5,144 Pageviews – 11,945 Asset downloads – 7,394

				New measure in 2019
	Facilitate quarterly stakeholder engagement and business outreach initiative for nurturing city narrative	Achieved	4 stakeholder engagement and business outreach initiatives.	2019: 6 meetings New measure in 2019
Christchurch Visitor Information Centre provides services that visitors use	Christchurch i-SITE visitor number is at least: 140,000 (from previous baseline)	Not achieved	Footprint 96,249 i-SITE visitors. Closure of the iSITE due to COVID-19 has impacted on this LOS being achieved.	2019: 151,432 New measure in 2019
	Christchurch i-SITE visitor e-mail response number is at least: 9,100 (from previous baseline)	Not achieved	7,893 i-SITE visitor email responses. Closure of the iSITE due to COVID-19 has impacted on this LOS being achieved.	2019: 9,995 New measure in 2019
	i-SITE customer satisfaction level is at least 8.5 out of 10	Achieved	Annual survey completed - Visitor Satisfaction level at 9.83 out of 10.	2019: 8.73 out of 10 New measure in 2019

Antarctic gateway

Christchurch is recognised by Antarctic programme partners as being a quality Gateway city	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Achieved	Actions delivered as set out in the Antarctic Gateway Strategy Implementation Plan Some impacts to planned events due to COVID-19. Working with National Antarctic Programmes on post-COVID-19 access to Antarctica via Christchurch.	2019: Antarctic Strategy Implementation Plan presented to Council Jan 2019 New measure in 2019
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Where are we heading?

Strategic Planning and Policy

Land Use Planning

We will continue to work with the community on changes to the Christchurch District Plan to manage the effects of land use and development while protecting what is valued. This will be guided by legislation, changes in the environment (e.g. climate change), and what our communities tell us.

We will complete the first version of a City Spatial Plan which will set out direction for planning, investment and land use changes to support our vision for the City in 2050 and how we achieve that through investment, including transport.

We will continue to work with other agencies to develop plans and strategies for the regeneration and growth of the City, and express Council's views on national and regional policy guidance to support the best outcomes for Christchurch City.

Strategic Transport

Transport Strategy will continue to champion the strategic transport direction, undertake planning, and provide policy advice with an increasingly integrated approach with land use. A revision of the strategic transport plan will be completed to better support the City's environmental and well-being goals for the city and the Government direction for transport.

Completing the Public Transport Future and Travel Demand Management businesses cases will provide direction for investment in public transport to support access, mode shift, climate change and land use intensification goals. A central City parking policy will be completed to directly support economic as well as mode shift objectives.

Strategic Policy

We will continue to champion the delivery of the four community wellbeings through the Council's Strategic Framework by providing advice during the organisation's preparation of the Long Term Plan. The ongoing Managing for Outcomes programme will enhance strategic linkages between programme delivery, Council priorities and community outcomes.

Our team will provide technical advice and co-ordinate submissions on national and regional policy development of importance to the Council, ensuring Council's views contribute to the national policy debate.

The review programme of the city's bylaws, as required by statute, will continue with the scheduled review and community consultation in 2020/21 of the following bylaws:

- Freedom Camping Bylaw 2015
- Water Supply, Wastewater & Stormwater Bylaw 2014
- Reviews of two solid waste-related bylaws - the Cleanfill and Waste Handling Operations Bylaw 2015 and the Waste Management Bylaw 2009.

Social and economic policy advice will focus on enabling the implementation of Business Improvement Districts, a rolling review of the Development Contributions Policy, strategic policy assessment frameworks and supporting the Resilient Greater Christchurch Plan as well as the Social Housing Strategy review.

Urban Design and Regeneration

We will work with city agencies and the community to identify the best means of delivering on strategic urban regeneration priorities across the city.

A focus on the central city will remain – supporting the ongoing implementation of the Central City Action Plan including to support and incentivise residential development.

Our work will continue to support temporary amenity and activation improvements of vacant spaces, support community place making projects, and will take a long term view of how such initiatives best supports ongoing regeneration.

We will continue to provide advice on Council, community and partner agency projects which shape our places and our city. In addition we will provide advice, including via the urban design panel, into the development and consenting process.

Greater Christchurch Partnership

Working with Council and other strategy partners, the Greater Christchurch Partnership will develop Greater Christchurch 2050, as the key piece of work for repositioning the city and neighbouring districts for a sustainable and more resilient future, with particular reference to:

- setting a vision and plan for Greater Christchurch 2050 to achieve intergenerational wellbeing that also provides context for COVID-19 pandemic recovery actions

- developing a cohesive and integrated approach to urban development and transport across the Greater Christchurch area, including the development of a fully integrated and efficient public transport system that actively promotes sustainable modes of transport over single occupancy vehicle use
- facilitating the development of an Urban Growth Partnership between the Greater Christchurch Partnership and central government.

Heritage Education, Advocacy and Advice

Our work to support Council's role as a champion of heritage in the city will continue. Along with the Community and Heritage interest groups, we will develop an implementation plan for the Heritage Strategy.

We will continue to process Landmark and Heritage Incentive Grant funding applications for governance decision-making. The Heritage Festival will occur annually. We will work together with other council units to promote and preserve heritage fabric and values through regulatory and non-regulatory means.

Natural Hazards Policy and Planning

We will continue to provide strategic natural resource advice to other areas of Council, particularly the Three Waters and Waste Unit for floodplain management and improved water quality. Advice and support will continue with our partnerships with Environment Canterbury on the CWMS Zone Committees, Whakaraupo / Lyttelton Harbour Catchment Management Plan, and regional management of natural hazards.

As part of our climate change programme, we will develop Council's strategic direction/strategy and implementation plans to mitigate and adapt to the effects of climate change. We are planning public consultation on a climate change strategy later in 2020. Updated technical information on coastal hazards will support community engagement on adaptation to climate change for our coastal settlements.

Our work on sustainability will continue to focus on healthy and energy efficient homes and on active travel to reduce the use of private motor vehicles. There is a work programme to encourage the uptake of electric vehicles and associated charging infrastructure. Target sustainability services will continue to support businesses with resource efficiency and greenhouse gas emission reduction. The planting of edible plants will be encouraged as our Food Resilience Policy is implemented.

Economic Development

ChristchurchNZ delivers economic development and city profile functions on behalf of the Council.

ChristchurchNZ will deliver services agreed with the Council and will focus on:

- *Developing strategic partnerships* locally and nationally which accelerate recovery, reposition Christchurch for the future and amplify Council's investment through co-investment and attraction of central government funding

- *Growing high-value decent work* through attracting high value businesses and supporting existing businesses to improve competitiveness, resilience and sustainability; building industry clusters (Supernodes); supporting innovation and entrepreneurship; and, working with partners to grow regional skills opportunities.
- *Building a stronger Christchurch identity* and shift perceptions to attract visitors, migrants, business and investment
- *Developing Christchurch as an attractive destination* for talent, visitors, business and investment

ChristchurchNZ's focus will be on supporting the economic response, recovery and repositioning of the city post-COVID-19.

Public Information and Participation

We will continue to inform and connect with residents about the Council's services and activities. We want to communicate with more people, more often on what they want to know about.

We aim to build strong relationships, embrace different ways of reaching people and use language and content that is helpful, clear, and easy to read and understand.

We will also encourage more people to participate in the Council's democratic process.

We want more citizens to feel listened to and feel they can have their say and be heard on issues that affect them. We inform people through a number of channels, including the website, Newsline (our digital news channel), Facebook, e-newsletters, direct mail, Instagram, residents' groups, text, elected members' networks, as well as local and mainstream media.

We are committed to diversity and inclusion, and equal access for all as detailed in our Multicultural Strategy. This has seen our website translated into 14 languages and the coordination of a joint agency Our Future Together newsletter to the Muslim community.

Service delivery in 2020/21

Strategic planning activities will have a focus on supporting the response, recovery and repositioning of the city post-COVID-19. The focus on the District Plan will continue and be complemented by policy and planning initiatives using the Resource Management Act. Regeneration priorities include supporting the Central City, identified suburban areas and the Ōtākaro Avon River corridor. Adaptation to the issues and opportunities generated by climate change will form an important component of our work as we plan for and build a liveable and resilient city for the future.

There will be a lot of interest in the Council in 2020 as we adjust to the new environment post COVID-19. In our Annual Residents' Survey for 2019-20 residents told us they want information on our basic services – our roads and our water. We will make it easy for people to find out what's happening with services in their community, their neighbourhood, their street and their property.

Councillors have signalled that providing the city with healthy drinking water is a priority. We will provide information on how this is being achieved. Residents also want information on community facilities, events, central city development and the District Plan. Providing information on how the Council is adapting to climate change and natural hazards is also a priority.

In the year ahead, we want more people to get involved in decision making and to feel that their views are heard. We will develop our channels to better target communities of interest. We need to continue to let people know about our consultations and focus our engagement and consultation resource on the priorities.

The COVID-19 global health pandemic has created a once in 100-year economic shock. Responding to the evolving, global economic shock will drive ChristchurchNZ's activities for the next financial year. ChristchurchNZ in collaboration with local and national partners will coordinate the development and implementation of Christchurch's Economic Recovery Plan to:

1. Save and grow local jobs
2. Drive fast equitable recovery
3. Reposition Christchurch for a sustainable future and intergenerational wellbeing

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Strategic planning & policy	17,884	19,131	18,936
Public information and participation	6,300	6,260	6,554
Economic development	14,560	16,243	17,113
	38,744	41,634	42,603
Operating revenue from services			
Strategic planning & policy	458	1,109	554
Public information and participation	51	-	63
Economic development	439	133	185
	948	1,242	802
Capital revenues	-	-	-
Vested assets	-	-	-
Net cost of services	37,796	40,392	41,801

Explanation of significant cost of service variances

Strategic Planning and Policy

The cost of service was \$1.2 million lower than plan due to \$1 million less consultancy spend and \$0.2 million reduced grant payments in relation to the Build Back Smarter Partnership and Transitional City initiatives.

The cost of service was \$1.0 million lower than 2019 due to \$0.4 million lower consultancy costs and \$0.2 million reduction in grant payments in relation to Urban Regeneration and Transitional City plus other minor under spend items.

Revenue from this activity was \$0.6 million lower than plan primarily due to less revenue as a result of the lower than planned level of private plan change applications.

Public Information and Participation

There were no significant variances to plan or 2019.

Economic Development

The cost of service was \$1.6 million lower than plan primarily due to the \$1.0 million grant payment made to Regenerate Christchurch during the year being returned to Council in full, as this entity ceased to exist post 30 June 2020 and the funds were surplus post wind up. This returned funding is to be applied to a specific use which will be determined at a later date through a formal Council decision. There was also \$0.5 million which was planned to be spent as part of the Economic Development activity however the budget was transferred by formal Council decision during the year to Flood Protection and Control and additional Parks Red Zone activity.

The cost of service was \$2.5 million lower than 2019 principally due to a \$3 million reduction in the grant payment to Regenerate Christchurch.

There were no significant revenue variances.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	35,726	35,509	36,895	36,306
Targeted rates	1,014	1,013	1,000	1,000
Subsidies and grants for operating purposes	150	33	36	35
Fees and charges	311	652	204	200
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	487	557	557	465
Total operating funding (A)	37,688	37,764	38,692	38,006
Applications of operating funding				
Payments to staff and suppliers	22,154	24,204	22,591	21,963
Finance costs	-	-	-	-
Internal charges and overheads applied	1,752	1,752	1,791	1,707
Other operating funding applications	14,625	15,552	18,456	18,476
Total applications of operating funding (B)	38,531	41,508	42,838	42,146
Surplus (deficit) of operating funding (A-B)	(843)	(3,744)	(4,146)	(4,140)
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	(483)	2,372	2,422	2,396
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	(483)	2,372	2,422	2,396
Applications of capital funding				
Capital expenditure				
- to replace existing assets	-	-	-	-
- to improve the level of service	-	-	-	-
- to meet additional demand	425	872	922	896
Increase (decrease) in reserves	(1,751)	(2,244)	(2,646)	(2,640)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	(1,326)	(1,372)	(1,724)	(1,744)
Surplus (deficit) of capital funding (C-D)	843	3,744	4,146	4,140
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant cost of service variances

Operating funding

The operating funding deficit was \$2.9 million lower than planned as a result of lower than planned grant funding (Regenerate Christchurch, build back smarter and transitional city initiatives) and lower than planned use of consultants.

Capital expenditure

There are no significant variances.

Significant capital expenditure

\$0.2 million was spent on Smart City projects such as the innovation hub, smart view improvements, and website enhancement. \$0.2 million was also spent on various urban renewal related projects.

Council activities and services

Governance

What is governance, and what does the Council do?

Through its governance activities, the Council enables local decision-making and action by, and on behalf of, communities to promote the well-being of the district now and for the future.

The Council is governed by two complementary decision-making parts:

- The Council, which comprises the Mayor and sixteen councillors and focuses on city issues that affect the whole district.
- Seven community boards each of which has between six and nine members and makes decisions on local community issues, activities and facilities, and helps build strong communities.

Governance activities ensure that Council and Community Board decision-making processes are effective, open and transparent and democratically accountable.

This involves ensuring that the community has opportunities to be involved in decision-making.

Why is the Council involved?

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.

The purpose of local government is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Governance activities and services 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 Community Outcomes in a manner consistent with Council's strategic direction and help make Christchurch a well-governed city and one of inclusive, connected communities. This is done by empowering community groups and organisations to develop and manage initiatives that encourage active participation and create a sense of belonging in their own local communities.

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, maintaining parks or hosting festivals and events.

Residents can influence how the Council runs the city by voting for their representatives in local elections every three years, and by becoming involved in the decision-making process by giving comments and feedback during public consultations.

What activities are involved?

The public participation in the democratic processes, city governance and decision-making activity within governance includes the following services:

Public participation in democratic processes

Residents are encouraged to take part in the democratic processes of Council 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.

Managing decision-making processes

This ensures that the Council and Community Board's formal meetings and hearings result in effective and informed decisions. The processes include ensuring that meetings comply with all the legal requirements and decision-makers receive the appropriate advice to enable informed decision-making.

Local Government Elections

This includes organising elections and by-elections. Local government elections are held every three years.

What did we achieve?

We organised an election in October 2019 to elect a Mayor, 16 Councillors and 36 Community Board Members. One Board member was elected in February 2020.

A Governance Partnership Agreement and review of delegations to Community Boards has resulted in a greater degree of localised decision making and more input from local communities into the development of important Council strategies and Plans such as the Long term Plan.

We continued to extend the implementation of better ways of working including:

- Paperless meetings at both Council and Community Board level.
- The introduction new technology.
- Audio/visual attendance at meetings.

These changes have brought immediate benefits and will continue to benefit both our finances and the environment.

In response to community feedback, a multi-faceted commitment by Council to increased openness and transparency has increased momentum particularly around the greater scrutiny and proactive release of

reports considered in the publically excluded section of agendas.

unprecedented circumstances Council remained an efficient and effective governance body throughout each alert level.

Changes to governance processes were changed at short notice to accommodate the response to COVID-19. Despite

How did we measure up?

Governance and Decision-Making

Level of Service	Target	Achieved	Result	Prior Years
Holding elections of Elected Members to the Council and Community Boards, polls and representative reviews				
Provide processes that ensure all local elections, polls and representation reviews are held with full statutory compliance.	100% compliance	Achieved	100 % statutory compliance with processes that support local elections, polls and representation reviews.	2019: 100% 2018: 100% 2017: 100%
Participation in democratic processes				
Participation in and contribution to Council decision-making	Percentage of respondents who understand how Council makes decisions: At least 41%	Not achieved	26% driven by the Ombudsman report findings on transparency and occasions where Council makes a decision contrary to the majority view of the community.	2019: 32% 2018: 29% 2017: 41%

Where are we heading?

The Council is committed to increasing citizens understanding and participation in Council’s decision-making processes. We will continue to build our connections with the community and ensure that people have opportunities to be involved in decision-making and understand Council issues and processes.

Transparency and open decision making remains a shared priority for Council, Community Boards and our wider community at large.

We will continue to work in collaboration with Community Boards to devolve appropriate decision making on localised community issues to Community Boards. Council will also support community boards having earlier engagement in the development of city -wide strategy and policy and the long term plan.

Service delivery in 2020/21

2020/21 will see a continued commitment to transparent and open decision making at all levels. New ways will be explored to engage the community in understanding and participating in Council and Community Board decision making processes.

Feedback from the resident’s survey will shape a representation review which will be undertaken and changes implemented in time for the next triennial elections in 2022.

The impact of COVID-19 has the potential to steer efficiencies in a number of governance processes such as the use of audio visual links for meetings. These will be explored further and the results used to improve services.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Governance & Decision Making	18,678	18,103	17,088
	18,678	18,103	17,088
Operating revenue from services			
Governance & Decision Making	721	703	46
	721	703	46
Capital revenues	-	-	-
Vested assets	-	-	-
Net cost of services	17,957	17,400	17,042

Explanation of significant variances

The cost of service was \$0.6 million higher than plan primarily due to \$1.4 million additional spend from the Community Resilience and Partnership fund. The money was used to support community organisations in this area. The fund is a combined partnership between the Ministry of Health and Council, with the additional expenditure in 2020 funded by unspent grants carried forward from 2019 and funds transferred from the Strengthening Community pool (in line with agreement with the Ministry of Health). This is offset by lower staff costs and overhead savings.

The cost of service was \$1.6 million higher than 2019 due to election costs of \$1.2 million and \$0.4 million higher payments to staff due to the revised staff structure within Community Governance Unit.

Operating revenue was \$0.7 million higher than 2019. This is due to election revenue received.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	17,506	17,400	17,018	15,731
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	721	703	703	-
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-
Total operating funding (A)	18,227	18,103	17,721	15,731
Applications of operating funding				
Payments to staff and suppliers	16,800	17,320	16,953	15,064
Finance costs	-	-	-	-
Internal charges and overheads applied	783	783	768	667
Other operating funding applications	1,388	-	-	-
Total applications of operating funding (B)	18,971	18,103	17,721	15,731
Surplus (deficit) of operating funding (A-B)	(744)	-	-	-
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	756	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	756	-	-	-
Applications of capital funding				
Capital expenditure				
- to replace existing assets	12	-	-	-
- to improve the level of service	-	-	-	-
- to meet additional demand	-	-	-	-
Increase (decrease) in reserves	-	-	-	-
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	12	-	-	-
Surplus (deficit) of capital funding (C-D)	744	-	-	-
Funding balance ((A-B) + (C-D))	-	-	-	-

Explanation of significant variances

Operating funding

The operating funding deficit is \$0.7 million higher than plan due to \$1.4 million additional spend from the Community Resilience and Partnership fund. This offset is offset by staff costs being less than plan and overhead savings.

Significant capital expenditure

There was no significant capital expenditure

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 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?

- 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:
 - on-lend to CCOs, or
 - invest in the equity (shares) of CCOs, or
 - undertake earthquake recovery work.
- 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 and
- other income, such as revenue from petrol tax and subvention receipts.

Overall our corporate activities generate a significant surplus, largely from dividends and interest income. This surplus is used either to reduce the level of general rates collected from ratepayers, or reduce the level of borrowing required.

What capital expenditure is included?

Corporate capital expenditure includes strategic land purchases, costs relating to Council's office accommodation, information and communication technology, and investment in CCOs, as well as some earthquake rebuild projects.

What did it cost?

Statement of cost of services for the year ending 30 June

	2020 Actual \$000	2020 Plan \$000	2019 Actual \$000
Cost of services			
Interest - onlending, equity investments and rebuild	70,816	71,851	76,987
Internal service providers (unallocated costs)	8,201	15,912	18,644
Property costs and other expenses	15,283	8,589	31,860
	94,300	96,352	127,491
Operating revenue from services			
Rates	530,297	528,066	496,216
Dividends	28,660	54,502	195,962
Interest from onlending	21,576	23,026	23,831
General and special fund interest	3,292	4,813	8,483
Internal service providers	8,201	15,912	18,644
Earthquake cost recoveries	-	-	195
Other revenue	3,116	3,718	9,270
Subvention receipts (income tax)	2,297	2,142	1,992
	597,439	632,179	754,593
Capital revenues	19,000	16,853	-
Vested assets	-	-	-
Net cost of services	(522,139)	(552,680)	(627,102)

Explanation of significant variances

Interest costs were \$1.0 million lower than plan mainly due to lower interest rates on funds borrowed to on-lend to CCHL. The \$6.2 million decrease in interest from 2019 also reflects lower interest rates and that an additional \$3.4 million was allocated to infrastructure activities in 2020.

The net cost of the internal service providers is allocated to external activities. Internal service provider revenue was \$7.7 million lower than planned and \$10.4 million lower than 2019. The key variance in the lower than plan result was \$6.3 million due to lower Vbase staffing costs that are on-charged. The variance to 2019 is largely due to demolition costs for the Lancaster Park demolition recognised in that year.

Property and other costs were \$6.7 million higher than plan mainly due to \$5.8 million of losses from write off of assets, largely relating to Heathcote river flood intervention properties and Milton Street. Costs were \$16.6 million lower than 2019 due to a significant fair value write down from the revaluation of advances in 2019.

Rates income was \$2.2 million higher than plan due to higher than expected rating growth in the rates strike as a result of subdivision development and rebuild work valued late in 2019, and higher rate penalties. The \$34.1 million increase from 2019 is the combined result of the year on year rates increase, the higher than expected rating growth and the higher rates penalties.

Dividend revenue is \$25.8 million lower than plan due to a \$26.3 million reduction in CCHL dividend due to COVID-19, partly offset by a slightly higher dividend from Transwaste.

Dividend income was \$167.3 million lower than 2019 due to above and the final \$140 million capital release received from CCHL in 2019.

Interest revenue from on-lending was \$1.4 million lower than plan and \$2.3 million lower than 2019. This was principally due to lower income from CCHL due to lower interest rates.

General interest was \$1.2 million higher than plan. This is due to interim investment of pre funded debt renewals occurring, although to a lesser extent than in 2019.

Other revenue was \$6.1 million lower than 2019 due to 2019 recoveries relating to the Lancaster Park demolition.

Funding impact statement for year ended 30 June

	2020 Actual \$000	2020 Annual Plan \$000	2020 Long Term Plan \$000	2019 Long Term Plan \$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	26,375	26,215	29,632	14,730
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	3,094	4,648	5,518	5,710
Fees and charges	4,677	10,461	10,398	10,818
Internal charges and overheads recovered	31,785	31,785	30,573	28,400
Local authorities fuel tax, fines, infringement fees, and other receipts (1)	59,705	88,152	86,830	243,319
Total operating funding (A)	125,636	161,261	162,951	302,977
Applications of operating funding				
Payments to staff and suppliers	24,606	31,208	24,502	36,038
Finance costs	70,816	71,851	79,822	77,800
Internal charges and overheads applied	-	-	-	-
Other operating funding applications	5,799	5,069	3,332	2,526
Total applications of operating funding (B)	101,221	108,128	107,656	116,364
Surplus (deficit) of operating funding (A-B)	24,415	53,133	55,295	186,613
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	47,028	(161,897)	37,874	(226,265)
Gross proceeds from sale of assets	10,070	4,986	4,986	465
Lump sum contributions	-	-	-	-
Other dedicated capital funding	19,000	16,853	-	-
Total sources of capital funding (C)	76,098	(140,058)	42,860	(225,800)
Applications of capital funding				
Capital expenditure				
- to replace existing assets	18,747	27,145	13,966	27,208
- to improve the level of service	10,549	35,317	53,227	47,375
- to meet additional demand	7,466	15,133	11,390	(1,026)
Increase (decrease) in reserves	3,532	(166,020)	4,072	(120,744)
Increase (decrease) of investments	60,219	1,500	15,500	8,000
Total applications of capital funding (D)	100,513	(86,925)	98,155	(39,187)
Surplus (deficit) of capital funding (C-D)	(24,415)	(53,133)	(55,295)	(186,613)
Funding balance ((A-B) + (C-D))	-	-	-	-
Footnotes				
1 Interest and Dividends from investments	53,538	81,490	81,748	230,155

Explanation of significant variances

Operating funding

The lower than plan result largely reflects a lower CCHL dividend of \$26.3 million and a lower recharge to Vbase of \$6.3 million.

Application of operating funding

Payments to staff and suppliers was \$7.6 million lower than plan principally due to lower than planned payment of Vbase wages of \$6.3 million.

Finance costs were \$1.0 million lower than plan due to lower interest rates.

Capital funding

Council commenced the year with funding to support the capital programme in 2019/20 from the final capital release from CCHL in 2018/19. Additional unplanned funding from the Crown, increased the level of funding available to Council and released any pressure to undertake additional borrowing.

Asset sales exceeded plan by \$5.1 million mainly due to a higher sale price than planned for the sale of Council's Milton Street yard.

\$80 million of cash was used to fund the operating and capital expenditure of individual groups of activities which is recorded as movements in debt with each funding impact statement.

Debt was raised to fund on-lending to CCHL of \$45 million and on-lending to Vbase of \$1.4 million. \$7.4 million was also borrowed to purchase additional equity in CCHL to fund land purchases by DCL.

While it was planned to utilise existing cash in 2019/20 instead of borrowing, Council believed it prudent to borrow an additional \$75 million during the COVID-19 lockdown to ensure working capital available. This has resulted in higher debt than planned which was offset by reserves and investments also being significantly higher than planned.

Capital expenditure

Spend on the Canterbury Multi Use Arena was \$16.8 million less than planned. The plan also included \$15.1 million for expected net carry forwards from 2018/19. These are budgeted for in Corporate because we don't know in advance which activities will apply to be carry forward budget. Actual expenditure is shown in the relevant Activity. Capital expenditure on IT projects was \$2.4 million less than planned, offset by an equity investment in CCHL being \$2.9 million higher than planned.

Funding for additional demand reflects the net purchase of strategic land being \$7.7 million less than planned.

Significant capital expenditure

Significant capital expenditure included \$19 million on IT projects, \$7.5 million on Strategic Land Acquisitions, a \$7.4 million investment in CCHL equity and \$0.9 million on the Canterbury Multi Use Arena.

Financial statements



This section contains details about the Council's finances over the past year, how your rates were spent, where additional funding came from and some of the year's financial highlights.

Financial statements

Financial highlights commentary

CHRISTCHURCH CITY COUNCIL For the year ended 30 June 2020

	30 Jun 20	Parent 30 Jun 19	
	Actual	Actual	Movement
	\$000	\$000	\$000
Statement of comprehensive revenue and expense			
Surplus before income tax expense	145,452	167,089	(21,637)
Total other comprehensive revenue and expense	1,472,359	(139,474)	1,611,833
Statement of financial position			
Total assets	15,066,090	13,254,831	1,811,259
Total liabilities	2,549,435	2,359,653	189,782

Financial Performance – Parent

Surplus before income tax expense

The Council had an operating surplus of \$145 million which was driven by the following.

The factors that had a positive impact on the result were:

- Increases in rates revenue, operating and capital grant revenue and vested assets.
- Decrease in interest expense.

The major factor that had a negative impact on the result was a decrease in dividends from subsidiaries.

Rates revenue has increased partially as a result of an increase in rating units between the time rates were budgeted and when they were struck.

Grant revenue includes significant items from the global settlement agreement with the Crown, the Canterbury Recovery Accelerator Fund and New Zealand Transport Agency projects.

Apart from the normal flow of vested assets from residential and other developments, this year the share of the Bus Interchange owned by the Crown was transferred to the Council as part of the global settlement agreement.

Interest rates continued to fall in 2019/20 resulting in a corresponding impact on the debt market. The Council does not get the full benefit of a drop in the debt market as it has in excess of 90% of its interest rate exposure locked in with interest rate swap contracts.

The Council has created additional provisions for potential losses from loans and debts arising from COVID-19 impacts. Debts are actively managed by the Council and assistance is provided to ratepayers and community groups where necessary.

The special capital release dividends from CCHL finished in 2018/19 and the decrease in dividends between years reflects this. Also the wider Council group has been affected by COVID-19 which means that the anticipated 2019/20 dividend stream has reduced.

Total other comprehensive revenue and expense

The Council recorded a net unrealised gain of \$1.472 billion on its assets, investment and derivative portfolios.

These are described in the review of the financial position below.

Financial Position – Parent

Total assets

The total assets for the Council grew by \$1.811 billion.

The majority of this growth was the three waters infrastructure valuation that is reviewed every three years. The valuation methodology amongst other things looks at the cost to replace the assets as a key driver of value. In the period 2016/17 to 2019/20, unit prices for infrastructure commodities like pipe, pumps and labour have increased resulting in value gains in all categories within the three water class of assets.

The increase in value of the Council's investment in CCHL reflected consistent cash flows within group companies.

Total liabilities

The total liabilities for the Council rose by \$190 million.

In order to ensure that the Council had sufficient cash reserves during the COVID-19 response and recovery, additional short term borrowing was undertaken which increased the level of total debt.

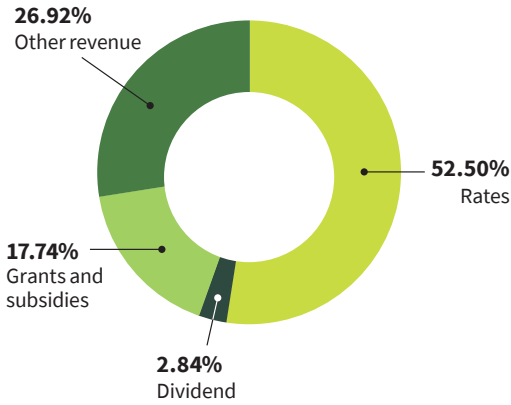
The reduction in value of the derivative portfolio in 2019/20 is reflected in the balance sheet as an increase in the amount recorded as borrowings and other financial liabilities.

The decision to lock in interest rates through interest rate swap contracts provides a level of certainty in planning, but will result in valuation losses as interest rates continue to decline.

Financial highlights

Total revenue

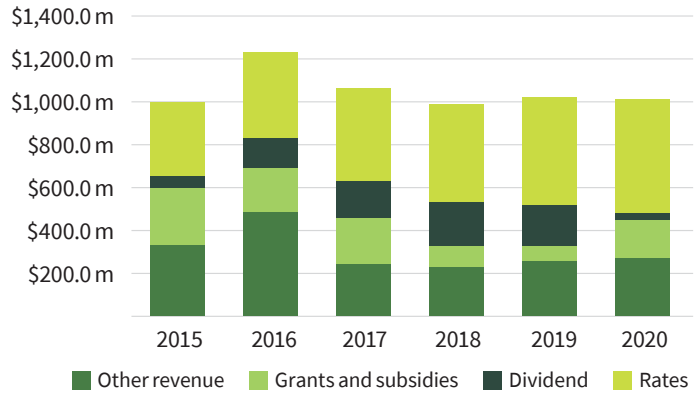
Sources of revenue 2020



Council Operations

The results for the year ended 30 June 2020 include the impact of the growth in the number of rating units within the city. The most dramatic impact of COVID-19 saw the immediate reduction in dividends from subsidiary companies as they rebalance cost and activities to fit the economic environment. Grants from Central Government under the Global Settlement boosted revenue in the year.

Sources of revenue actual \$millions



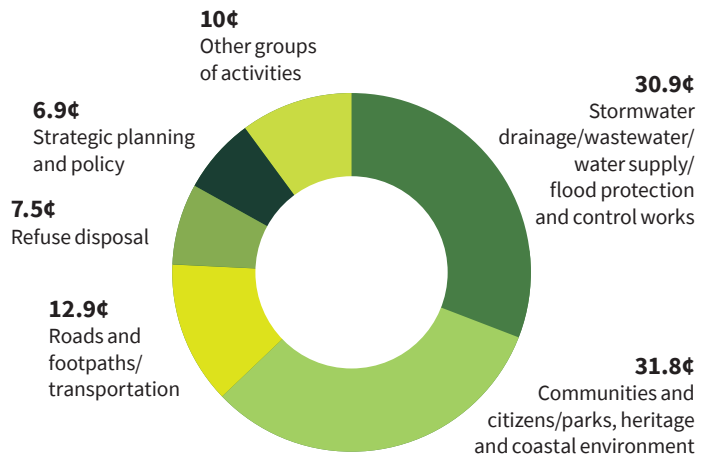
Over the past six years

- Rates revenue has held steady, with a small increase in both the change in the number of rating units and higher rates charges.
- The increase in grants and subsidies reflects the grants from central government under the global settlement agreement, halting the trend over the previous five years.
- The reduction in dividends in the current year as a result of COVID-19.
- Other revenue has held steady, includes vested assets.

Where do my rates go?

Major components of the rates dollar

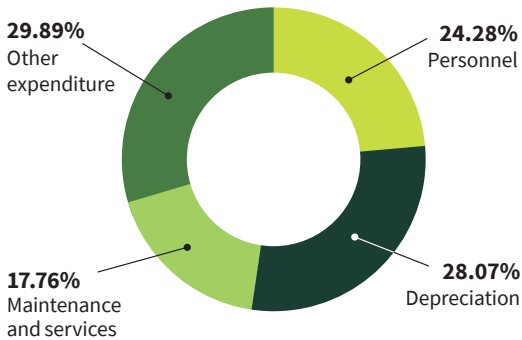
- 30.9 cents goes to the three waters (water supply, stormwater drainage and wastewater) plus flood protection and control works;
- 31.8 cents goes to communities and citizens and park, heritage and coastal environment;
- 12.9 cents goes to transport, roads and footpaths;
- 7.5 cents goes to refuse disposal;
- 6.9 cents goes to strategic planning and policy; and
- 10.0 cents goes to other GOA (including regulatory and compliance, governance and corporate).



Financial highlights

Total expenditure

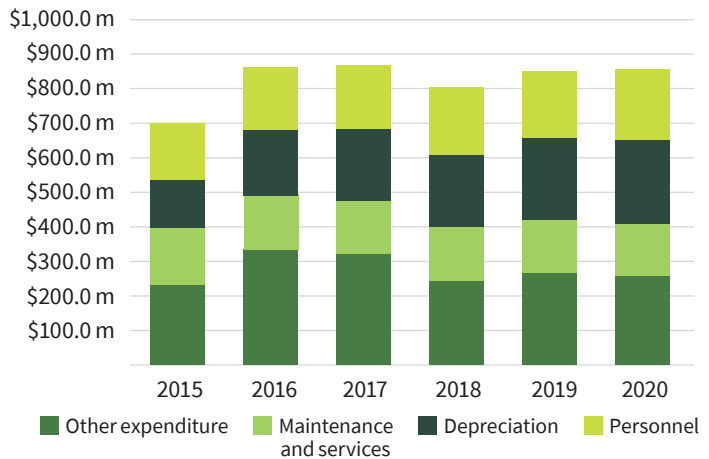
Expenditure categories 2020



Council Operations

In the 2020 year, the Council recorded an accounting charge of \$245 million for the depreciation and amortisation of Council assets. Our policy is to rate for the long run average cost of asset renewals and replacements. Personnel costs of \$212 million represents 24% of total expenditure which is consistent with previous years. Other expenditure includes finance costs of \$91 million on total borrowing of \$2.3 billion.

Expenditure categories actual \$millions



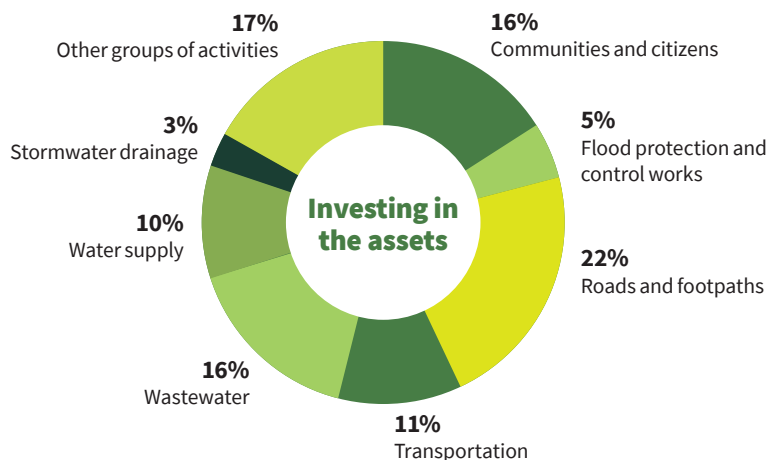
Over the past six years

- Personnel costs have remained consistent for the six years being between 21-24% of total expenditure.
- Depreciation fluctuates in the year after major assets are revalued, this occurred in 2016 as infrastructure assets were revalued in 2015
- Maintenance and services is consistent during the period in review and in line with previous years
- Other expenditure includes asset impairment and the reversal of prior year impairments as assets are repaired.

Capital expenditure

The Council spent \$390 million on significant asset investment in the 2020 year on:-

- infrastructure works including the Northern Arterial extension and the Bus Exchange
- community facilities and libraries, including He Puna Taimoana (Hot Water Pools)
- sports facilities, including the Metro Sports (Multi-Sport Facility).



Financial statements

Financial ratios and prudence benchmarks

The Council has financial ratios which form a key part of its financial risk management strategy.

The Council is required under the Local Government (Financial Reporting and Prudence) Regulations 2014 to report on the affordability and benchmark ratios, in addition, we are required to comply with ratios contained in our funding agreement with the Local Government Funding Agency.

Council has met all but two of these benchmarks in 2020.

The ratios are:

- Net debt as a percentage of total revenue - met,
- Net interest as a percentage of total revenue - met,
- Net interest as a percentage of annual rates revenue - met,
- Liquidity - met,
- Rates affordability benchmark,
 - Rates (revenue) affordability – not met
 - Rates (increases) affordability - met
- Debt affordability benchmark,
 - Total borrowing - met
 - Net debt as a percentage of equity - met
- Balanced budget benchmark - met,
- Essential services benchmark - met,
- Debt servicing benchmark – not met,
- Debt control benchmark - met, and
- Operations control benchmark - met.

These ratios and benchmarks enable the reader to determine that the Council is prudently managing its revenues, expense, assets, liabilities and general financial dealings.

Disclosure statement - Parent

Annual report disclosure statement for the year ending 30 June 2020

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.

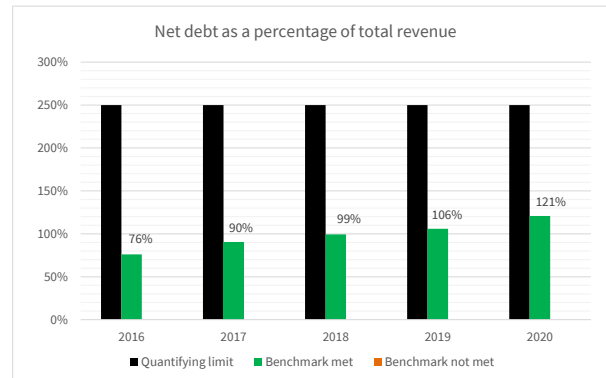
The Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Should you require more information, including definitions of some of the terms used in this statement, please refer to the regulations.

⁴ Net debt is defined as total financial liabilities less financial assets (excluding trade and other receivables).

Local Government Funding Agency Borrow Covenants

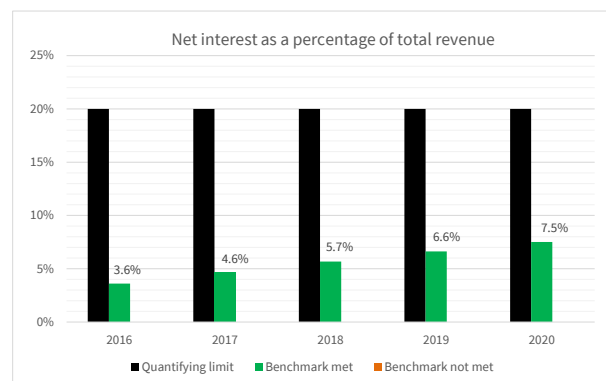
Net debt⁴ as a percentage of total revenue⁵

The Council continues to comply with the net debt to total revenue ratio. The following graph compares the Council’s actual ratio of net debt (borrowing) 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 250 per cent and Council is expected maintain net debt as a percentage of total revenue to less than or equal to the quantified limit.



Net interest as a percentage of total revenue

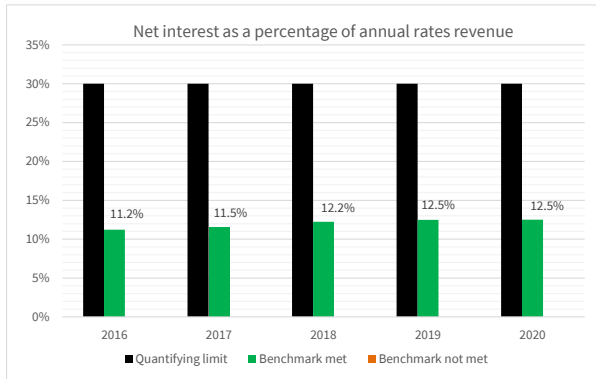
The Council continues to comply with the net interest to total revenue ratio. The following graph compares the Council’s actual ratio of net interest as a percentage of total revenue with a quantified limit stated in the financial strategy included each year in the Council’s Plan. The quantified limit is 20 per cent and Council is expected to maintain net interest as a percentage of total operating revenue to less than or equal to the quantified limit.



⁵ Total revenue is total cash operating revenue excluding development contributions and non-government capital contributions.

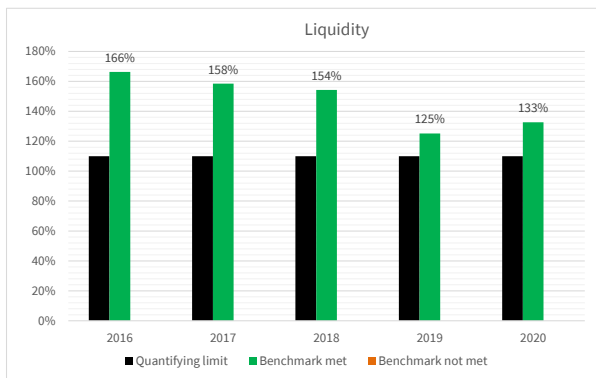
Net interest as a percentage of annual rates revenue

The Council continues to comply with the net interest to 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 30 percent and Council is expected to maintain net interest as a percentage of annual rates revenue to less than or equal to the quantified limit.



Liquidity

The Council continues to comply with the liquidity ratio. For debt affordability liquidity is calculated as total borrowings including committed but undrawn facilities plus liquid assets and investments compared to total term borrowings. 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 110 per cent and Council is expected to maintain liquidity to be greater than the quantified limit.



In 2019, the LGFA re-defined its definition of Liquid Investments to include LGFA and CCO deposits held by Council on their behalf. Prior year comparatives have not been updated with this change.

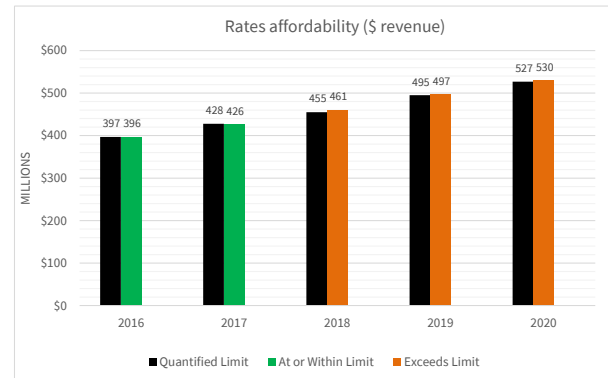
Rates affordability benchmarks

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

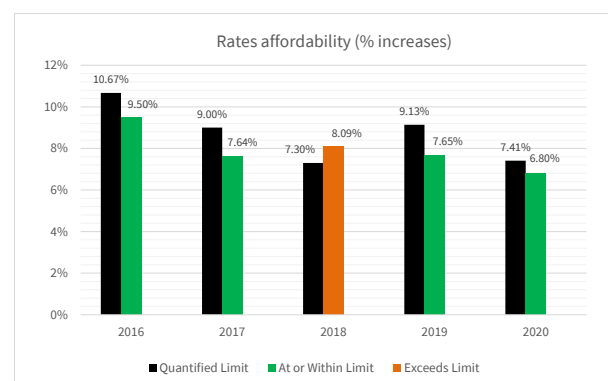
The Council continues to not comply with the rates (revenue) affordability ratio. The following graph compares the Council’s actual rates revenue with a quantified limit on rates contained in the financial strategy included in the Council’s LTP.



Actual rates revenue exceeded the quantified limit since 2018 because of higher than expected rating growth. While the rating base continues to grow, Council will struggle to meet this ratio.

Rates (increases) affordability

The Council continues to comply with the rates (increases) affordability ratio. The following graph compares the Council’s actual rates increases with a quantified limit on rates increases included in the financial strategy as included in the Council’s LTP.



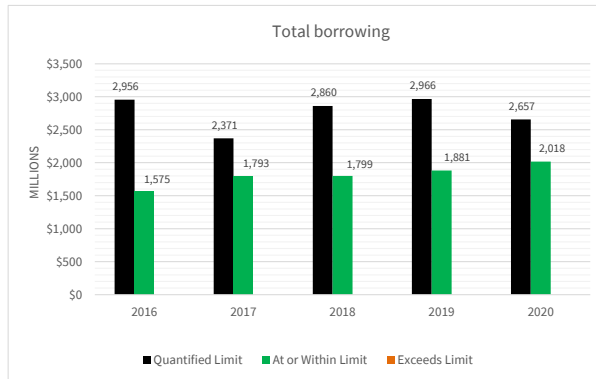
This benchmark looks at the year on year percentage increase in rates revenue. As reported earlier, this measure was exceeded in 2018 because of a higher than expected in-year growth in rates revenue, which resulted in the actual percentage increase exceeding the set limit.

Debt affordability benchmark

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

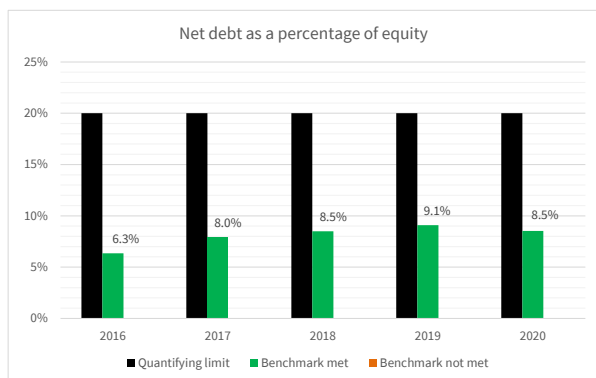
Total borrowing

The Council continues to comply with the total borrowing ratio. The following graph compares the Council’s actual borrowing with a quantified limit on borrowing stated in the financial strategy as included in the Council’s LTP.



Net debt as a percentage of equity

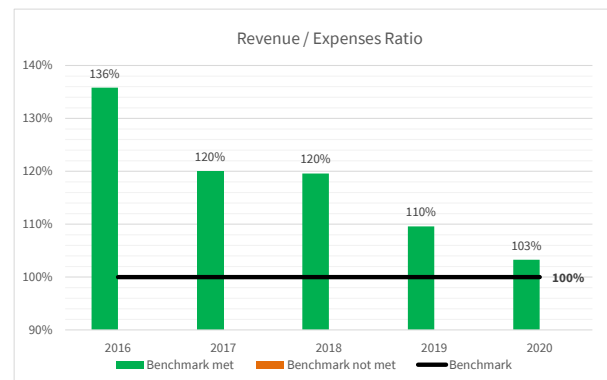
The Council continues to comply with the net debt to equity ratio. The following graph compares the Council’s actual ratio of net borrowing as a percentage of equity with a quantified limit stated in the financial strategy as included each year in the Council’s Plan. The quantified limit is 20 per cent and Council is expected to maintain net debt (comprised of total borrowings less liquid assets and investments excluding shares and advances to subsidiaries) as a percentage of equity to be less than or equal to the quantified limit.



Balanced budget benchmark

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses. The Council continues to comply with the balanced budget ratio. 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).

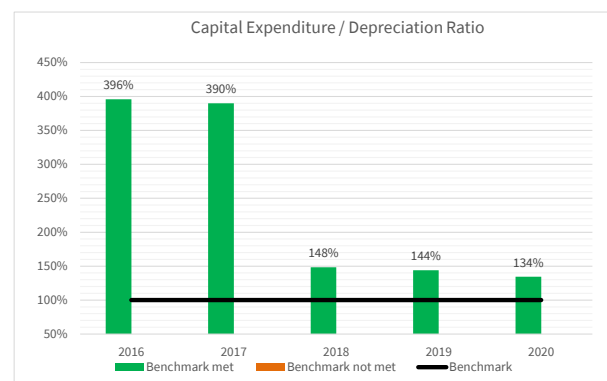
The benchmark is 100 per cent meaning that revenue equals expenses.



Essential services benchmark

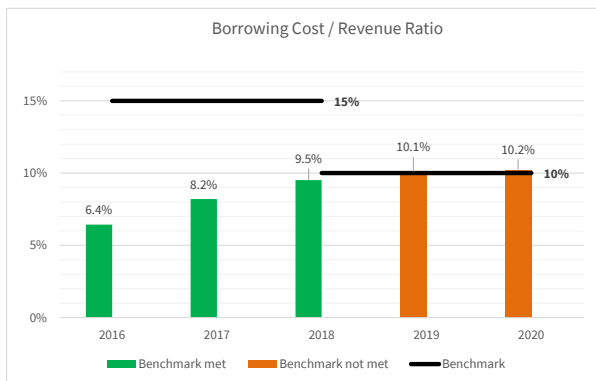
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services. The Council continues to comply with the essential services ratio. The following graph displays the Council’s capital expenditure on network services as a proportion of depreciation on network services.

The benchmark is 100 per cent meaning that capital expenditure on network services equals depreciation on network services



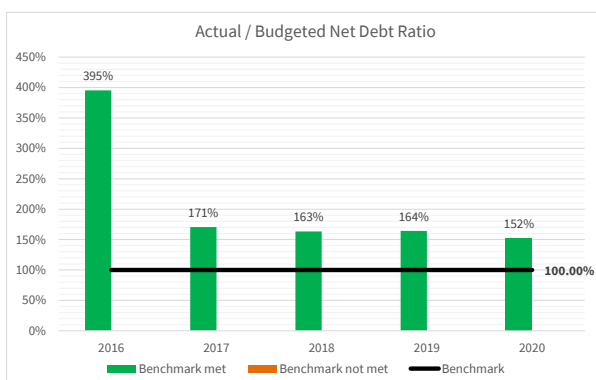
Debt servicing benchmark

The Council did not comply with the debt servicing benchmark in 2019/20. For the 2019/20 year, Statistics New Zealand projects that the Christchurch City population will grow more slowly than the NZ average growth rate and therefore, the debt servicing benchmark is met if its borrowing costs are equal to or are less than 10 per cent of its revenue. Prior to 2019 the growth in Christchurch City exceeded the NZ average therefore the benchmark used to measure this ratio was 15 per cent. 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).



Debt control benchmark

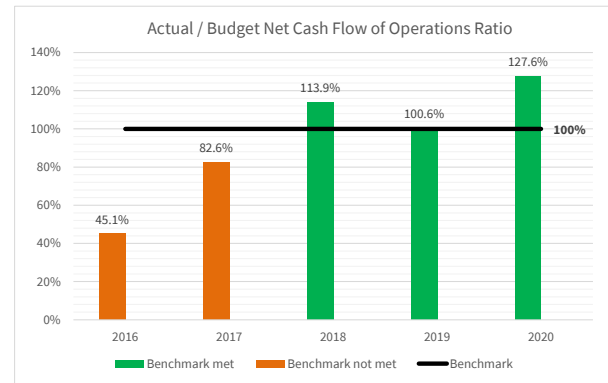
The Council continues to comply with the debt control ratio. The following graph displays the Council’s actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). In line with the Department of Internal Affairs Practice Note released in April 2011, when reporting this ratio, if the Council’s result was equal or better than plan, the Council is deemed to have met the benchmark and the ratio is recorded as “green”.



Operations control benchmark

The Council continues to comply with the operations control benchmark. The following 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.



This graph needs to be read in conjunction with the Cash flow statement in the “Financial Statements” section.

Independent Auditor's Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Christchurch City Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of Christchurch City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 10 December 2020. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 164 to 239 and:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2020;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 168, presents fairly, in all material respects, 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 Long-term plan;
- the Council's activities and services on pages 30 to 151:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;

- the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and

- the statement about capital expenditure for each group of activities on pages 31 to 151, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 52 to 150, presents fairly, in all material respects, 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 Long-term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 156 to 159, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

Emphasis of matter - Impact of COVID-19

Without modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on the City Council as set out in note 34 on pages 236 to 238 to the financial statements. We draw specific attention to the following matters referred to in that note:

- **Investment property**
Note 14 on page 205 describes the material valuation uncertainties highlighted by the valuers, related to estimating the fair value of the Group's investment property.
- **Share investment in Council-controlled organisations**
Note 16 on pages 206 to 208 describes the uncertainties in assessing the value of the Council's investment in its subsidiary companies.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the “Responsibilities of the auditor for the audited information” section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General’s Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council’s responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General’s Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that

the budget information agreed to the City Council’s Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General’s Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the activities and service statements, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 5 to 275, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with or interests in the City Council or its subsidiaries and controlled entities. These audit and assurance engagements, as described in note 4 on page 183, are compatible with those independence requirements. We have not relationship with, or interests in, the City Council or its subsidiaries and controlled entities.



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

Financial statements

Statement of comprehensive revenue and expense

Statement of changes in net assets/equity

Statement of financial position

Cash flow statement

Funding impact statement (whole of Council)

Notes to the financial statements

The 2019 comparative information has been restated to include the Ōtautahi Community Housing Trust. A list of items affected by the restatement are detailed in Note 35.

Statement of comprehensive revenue and expense

For the year ended 30 June 2020

	Note	30 Jun 20 Actual \$000	30 Jun 20 Plan \$000	Parent 30 Jun 19 Actual \$000	30 Jun 20 Actual \$000	Group 30 Jun 19 Actual \$000
Rates revenue	1.1	530,297	528,066	496,216	517,177	484,040
Subsidies and grants	1.2	179,159	96,737	68,240	176,010	67,239
Development and financial contributions		31,821	12,952	30,097	31,821	30,097
Other revenue	1.3	243,839	197,796	393,496	1,143,319	1,144,963
Finance revenue		24,878	27,840	32,329	5,880	13,204
Share of associate and JV's surplus/(deficit)	17	-	-	-	5,017	6,027
Total revenue		1,009,994	863,391	1,020,378	1,879,224	1,745,570
Depreciation and amortisation		244,744	244,937	235,012	397,238	372,825
Finance costs	2	91,273	92,308	94,116	147,883	141,205
Personnel costs	23.1	204,238	206,704	195,379	501,579	480,148
Other expenses	3	291,473	293,359	272,242	595,814	569,623
Net (gains) / losses	5	32,814	-	56,540	111,435	29,594
Total operating expenses		864,542	837,308	853,289	1,753,949	1,593,395
Surplus before income tax expense		145,452	26,083	167,089	125,275	152,175
Income tax expense/(credit)	8.1	(3,662)	(2,142)	208	(47,956)	42,762
Surplus from Continuing operations		149,118	28,225	166,881	173,232	109,413
Surplus from Discontinued operations		-	-	-	(568)	-
Surplus for the period		149,118	28,225	166,881	172,664	109,413
Other comprehensive revenue and expense						
Property, plant and equipment valuation movement	9	1,421,892	202,428	35,216	1,511,124	63,605
Unrealised gains/(losses) from:						
Investment revaluation gain/(loss)	5.2	122,123	-	(78,758)	131	1,468
Cash flow hedges gain/(loss)	5.2	(71,656)	-	(95,932)	(113,669)	(132,059)
Income tax relating to components of other comprehensive revenue and expense	8.1	-	-	-	(21,834)	10,980
Total other comprehensive revenue and expense		1,472,359	202,428	(139,474)	1,375,753	(56,006)
Total comprehensive revenue and expense		1,621,477	230,653	27,407	1,548,416	53,407
Surplus for the period attributable to:						
Parent entity		149,118	28,225	166,881	155,788	90,392
Non controlling interests		-	-	-	16,876	19,021
Total surplus for the period		149,118	28,225	166,881	172,664	109,413
Total comprehensive revenue and expense attributable to:						
Equity holders of the parent		1,621,477	230,653	27,407	1,525,772	30,362
Non controlling interests		-	-	-	22,644	23,045
Total comprehensive revenue and expense		1,621,477	230,653	27,407	1,548,416	53,407

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 2020

	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 2018	3,243,992	1,932,943	(151,915)	166,258	1,733,853	3,942,640	10,867,771	-	10,867,771
Surplus for the period	-	-	-	-	-	166,881	166,881	-	166,881
Other comprehensive revenue and expense for year	35,216	(78,758)	(95,932)	-	-	-	(139,474)	-	(139,474)
Transfer to/from acc. compr. revenue and expense	-	-	-	97,476	-	41,048	138,524	-	138,524
Transfer to/from reserves	(46,294)	-	-	(92,230)	-	-	(138,524)	-	(138,524)
Balance as at 30 June 2019	3,232,914	1,854,185	(247,847)	171,504	1,733,853	4,150,569	10,895,178	-	10,895,178
Surplus for the period	-	-	-	-	-	149,118	149,118	-	149,118
Other comprehensive revenue and expense for year	1,421,892	122,123	(71,656)	-	-	-	1,472,359	-	1,472,359
Transfer to/from acc. compr. revenue and expense	-	18,194	-	107,693	-	6,354	132,241	-	132,241
Transfer to/from reserves	(30,933)	-	-	(101,308)	-	-	(132,241)	-	(132,241)
Balance as at 30 June 2020	4,623,873	1,994,502	(319,503)	177,889	1,733,853	4,306,041	12,516,655	-	12,516,655
Group									
Balance as at 1 July 2018	3,900,369	3,409	(170,978)	171,505	1,724,071	4,727,819	10,356,195	324,394	10,680,589
Effect of correction of errors	-	-	-	19	-	(72)	(53)	-	(53)
As restated	3,900,369	3,409	(170,978)	171,524	1,724,071	4,727,747	10,356,142	324,394	10,680,536
Surplus for the period	-	-	-	-	-	90,393	90,393	19,021	109,414
Other comprehensive revenue and expense for year	56,624	1,468	(118,123)	-	-	-	(60,031)	4,025	(56,006)
Transfer to/from acc. compr. revenue and expense	-	-	-	97,476	-	41,048	138,524	-	138,524
Transfer to/from reserves	(46,575)	-	-	(92,230)	-	281	(138,524)	-	(138,524)
Other items	-	-	-	-	-	5,629	5,629	3,683	9,312
Issue of shares	-	-	-	-	(1,981)	-	(1,981)	-	(1,981)
Dividends paid or provided for	-	-	-	-	-	-	-	(16,892)	(16,892)
Balance as at 30 June 2019	3,910,418	4,877	(289,101)	176,770	1,722,090	4,865,098	10,390,152	334,231	10,724,383
Effect of correction of errors (refer to Note 9.3)	(16,247)	-	-	-	-	11,698	(4,549)	-	(4,549)
As restated	3,894,171	4,877	(289,101)	176,770	1,722,090	4,876,796	10,385,603	334,231	10,719,834
Surplus for the period	-	-	-	-	-	155,788	155,788	16,876	172,664
Other comprehensive revenue and expense for year	1,534,215	131	(98,263)	-	-	(66,094)	1,369,989	5,764	1,375,753
Transfer to/from acc. compr. revenue and expense	(2,500)	18,194	-	103,919	-	8,904	128,517	-	128,517
Transfer to/from reserves	(30,933)	-	-	(101,358)	-	3,774	(128,517)	-	(128,517)
Other items	(211)	-	-	419	-	(8,731)	(8,523)	-	(8,523)
Dividends paid or provided for	-	-	-	-	-	-	-	(15,403)	(15,403)
Balance as at 30 June 2020	5,394,742	23,202	(387,364)	179,750	1,722,090	4,970,436	11,902,856	341,468	12,244,324

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 2020

	Note	30 Jun 20 Actual \$000	30 Jun 20 Plan \$000	Parent 30 Jun 19 Actual \$000	30 Jun 20 Actual \$000	Group 30 Jun 19 Actual \$000
Current assets						
Cash and cash equivalents	15	266,401	49,338	276,545	336,609	302,739
Receivables from non-exchange transactions	6	81,304	82,045	68,982	73,436	67,150
Receivables from exchange transactions	6	11,645	16,256	13,668	88,919	104,620
Investment in CCOs and other similar entities	16	190,022	-	98,128	6,522	3,128
Other financial assets	19.1a	1,149	17,208	6,288	22,386	14,852
Inventories	18	3,386	3,529	3,261	21,852	21,261
Current tax assets	8.2	1,740	-	15	5,135	86
Assets classified as held for sale	13	-	-	26,889	2,510	29,430
Other assets		-	-	-	787	400
Total current assets		555,647	168,376	493,776	558,156	543,666
Non-current assets						
Receivables from exchange transactions	6	-	-	-	6,324	6,596
Investments in associates and joint arrangements	17	6,196	-	6,196	16,764	18,377
Investment in CCOs and other similar entities	16	2,817,179	2,759,850	2,728,627	34,950	33,355
Other financial assets	19.1a	26,360	101,913	4,233	47,990	31,854
Inventories	18	-	-	-	16,532	11,139
Property, plant and equipment	9	11,566,000	10,418,410	9,933,266	15,462,131	13,676,507
Investment property	14	-	-	-	574,636	494,180
Intangible assets	10	90,413	75,674	84,645	118,719	126,860
Deferred tax assets	8.3	4,295	-	4,088	51,717	29,612
Other assets		-	-	-	64	38
Total non-current assets		14,510,443	13,355,847	12,761,055	16,329,827	14,428,518
Total assets		15,066,090	13,524,223	13,254,831	16,887,983	14,972,184
Current liabilities						
Taxes and transfers payable	7	11,218	-	50,036	8,926	52,739
Payables under exchange transactions	7	116,347	141,981	95,275	212,948	202,617
Borrowings and other financial liabilities	19.2	419,943	306,500	282,624	850,428	450,251
Employee entitlements	23.2	20,700	22,638	20,811	55,957	52,552
Current tax liabilities	8.2	-	-	-	1,031	(592)
Provisions	24	3,072	2,177	4,501	7,396	6,816
Other liabilities	25	21,447	-	20,649	33,669	33,346
Total current liabilities		592,727	473,296	473,896	1,170,355	797,729
Non-current liabilities						
Payables under exchange transactions	7	2,120	-	2,650	2,120	2,650
Borrowings and other financial liabilities	19.2	1,921,990	1,730,812	1,853,941	3,046,901	3,010,770
Employee entitlements	23.2	3,448	4,590	4,038	7,104	6,760
Deferred tax liabilities	8.3	2,579	4,691	4,296	388,524	409,023
Provisions	24	24,670	36,002	18,195	24,910	18,195
Other liabilities	25	1,901	2,636	2,637	3,745	2,674
Total non-current liabilities		1,956,708	1,778,731	1,885,757	3,473,304	3,450,072
Total liabilities		2,549,435	2,252,027	2,359,653	4,643,659	4,247,801
Net assets		12,516,655	11,272,196	10,895,178	12,244,324	10,724,383
Equity						
Parent entity interest		12,516,655	11,272,196	10,895,178	11,902,856	10,390,153
Non controlling interest		-	-	-	341,468	334,230
Total equity		12,516,655	11,272,196	10,895,178	12,244,324	10,724,383

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 2020

	Note	30 Jun 20 Actual \$000	30 Jun 20 Plan \$000	Parent 30 Jun 19 Actual \$000	30 Jun 20 Actual \$000	Group 30 Jun 19 Actual \$000
Cash flows from operating activities						
Receipts from rates revenue		523,083	528,066	494,393	522,287	494,148
Receipts from other revenue		335,752	240,117	264,881	1,260,294	1,208,922
Interest received		27,923	26,988	32,942	9,568	14,317
Dividends received		31,314	54,502	194,775	9,314	6,475
Subvention receipts		2,297	2,142	2,200	-	-
Payments to suppliers and employees		(523,026)	(500,674)	(494,629)	(1,111,339)	(1,064,006)
Interest and other finance costs paid		(92,472)	(92,308)	(93,237)	(147,771)	(143,982)
Income tax paid		14	-	(12)	(20,176)	(39,752)
Net GST movement		1,025	-	(8,243)	1,491	(6,966)
Other		-	-	-	(3,489)	(10,588)
Net cash provided by/(used in) operating activities	27	305,910	258,833	393,070	520,179	458,568
Cash flows from investing activities						
Proceeds from sale of investment		10,922	173,873	153,489	30,962	345,492
Proceeds from repayment loans and advances		94,000	-	148,461	94,000	148,461
Proceeds from sale of fixed assets		10,070	4,986	3,059	14,756	6,534
Payment for investment		(153,385)	(26,346)	(342,546)	(175,270)	(419,465)
Payment for equity investment in subsidiaries		-	-	-	-	(4,401)
Payment for investment in associates		-	-	-	-	1,149
Loans made to external parties		-	-	-	(1,487)	-
Payment for purchase of fixed assets		(364,512)	(395,802)	(370,542)	(673,094)	(741,033)
Amounts advanced to related parties		(44,700)	-	(40,000)	106,400	-
Payment for investment properties		-	-	-	(66,683)	(49,221)
Proceeds from sale of businesses		-	-	-	4	941
Other		-	-	-	(7,129)	72
Net cash (used in)/provided by investing activities		(447,605)	(243,289)	(448,079)	(677,541)	(711,471)
Cash flows from financing activities						
Proceeds from borrowing		406,665	33,263	456,500	720,256	1,231,714
Repayment of borrowings		(272,557)	(48,808)	(365,454)	(511,957)	(927,402)
Repayment of finance leases		(2,557)	-	(3,240)	(3,064)	(4,347)
Dividends paid - non controlling interests		-	-	-	(15,403)	(16,892)
Payment for share buy back		-	-	-	-	11
Net cash provided by/(used in) financing activities		131,551	(15,545)	87,806	191,232	283,019
Net increase in cash and cash equivalents		(10,144)	(1)	32,797	33,870	30,116
Cash and cash equivalents at beginning of year		276,545	49,339	243,748	302,739	272,623
Cash and cash equivalents at end of year		266,401	49,338	276,545	336,609	302,739

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Funding impact statement (whole of Council)

For the year ended 30 June 2020

	30 Jun 20	30 Jun 20	30 Jun 19	30 Jun 19
	Actual	Annual Plan	Annual Report	Annual Plan
	\$000	\$000	\$000	\$000
Sources of operating funding				
General rates, uniform annual general charge, rates penalties	337,372	335,322	312,052	307,675
Targeted rates	192,925	192,744	184,164	182,382
Subsidies and grants for operating purposes	24,493	28,143	23,140	23,359
Fees and charges	96,545	114,859	108,211	111,492
Interest and dividends from investments	53,538	81,490	228,291	230,155
Local authorities fuel tax, fines, infringement fees, and other receipts	19,301	16,492	24,798	25,512
Total operating funding (A)	724,174	769,050	880,656	880,575
Applications of operating funding				
Payments to staff and suppliers	452,047	458,056	424,303	447,682
Finance costs	91,273	92,308	94,115	94,929
Other operating funding applications	63,861	42,008	43,746	41,771
Total applications of operating funding (B)	607,181	592,372	562,164	584,382
Surplus (deficit) of operating funding (A-B)	116,993	176,678	318,492	296,193
Sources of capital funding				
Subsidies and grants for capital expenditure	90,644	47,141	37,914	62,370
Development and financial contributions	31,821	12,952	30,097	21,215
Increase (decrease) in debt	131,551	(15,545)	87,806	(25,359)
Gross proceeds from sale of assets	10,070	4,986	3,059	465
Lump sum contributions	-	-	-	-
Other dedicated capital funding	67,018	22,673	9,968	1,265
Total sources of capital funding (C)	331,104	72,207	168,844	59,956
Application of capital funding				
Capital expenditure				
- to replace existing assets	257,299	222,215	263,336	285,287
- to improve the level of service	67,422	133,294	84,132	134,752
- to meet additional demand	65,580	64,249	60,503	59,612
Increase (decrease) in reserves	6,347	(172,373)	5,174	(131,502)
Increase (decrease) of investments	51,449	1,500	74,191	8,000
Total applications of capital funding (D)	448,097	248,885	487,336	356,149
Surplus (deficit) of capital funding (C-D)	(116,993)	(176,678)	(318,492)	(296,193)
Funding balance ((A-B) + (C-D))	-	-	-	-

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 2020. The financial statements were approved by the Council on 10 December 2020.

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.

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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.

Except where specified, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

New accounting standards and interpretations

Changes in accounting policy and disclosures

2018 Omnibus Amendments to PBE Standards

The 2018 annual omnibus amendments to all PBE standards contains general updates and improvements to PBE standards was released in November 2018. The revised standards are effective for the Council for the year ending 30 June 2020 financial statements with the exception of the amendments to PBE IPSAS 2 Cash Flow Statements which comes into effect for the 30 June 2022. These amendments and improvements do not result in material changes to the Council's reporting requirements.

Adoption of PBE IPSAS 35 Consolidation

PBE Standards on interests in other entities – PBE IPSAS 34 Separate Financial Statements, PBE IPSAS 35 Consolidated Financial Statements, PBE IPSAS 36 Investments in Associates and Joint Ventures, PBE IPSAS 38 Disclosure of Interests in Other Entities.

These new standards will replace *PBE IPSAS 6 Consolidated and Separate Financial Statements, PBE IPSAS 7 Investments in Associates, and PBE IPSAS 8 Interest in Joint Ventures*. They amend the definition of control, introduce a new classification of joint arrangement, and require additional disclosures for interests in other entities. These new standards are effective from the year ending 30 June 2020.

Council reviewed 26 entities to determine whether they needed to be consolidated and account for its interest in other entities. Refer Note 35 for the outcome of the assessment.

Amendment to PBE IPSAS 21 Impairment of Non-Cash-Generating Assets, and PBE IPSAS 26 Impairment of Cash-Generating Assets.

The amendment amends the scope of these two standards to include assets measured at revalued amounts under the revaluation model. The amendment is effective from the year ending 30 June 2020, and does not have any material impact on the Group.

Accounting standards and interpretations issued but not yet effective

The following new standards, interpretations and amendments have been issued but are not yet effective as at 30 June 2020. Council has not early adopted these standards and interpretations.

PBE IPSAS 41 Financial Instruments

Following on from the adoption of PBE IFRS 9 – Financial Instruments in 2018/19. PBE IFRS 9 - Financial Instruments supersedes most of PBE IPSAS 29 - Financial Instruments: Recognition and Measurement. This standard is effective from the year ending 30 June 2022, and does not expect to have any material impact on the Council's reporting requirements.

PBE FRS 48 Service Performance Reporting

This standard establishes requirements to PBEs to select and present service performance information. This standard is effective from the year ending 30 June 2022, and does not have any material impact on the Group.

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 of 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 in surplus or deficit at the time of invoicing.

Goods sold and services rendered

Revenue from the sale of goods is recognised in surplus or deficit when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting 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 in 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 in surplus or deficit.

Finance revenue

Finance revenue comprises interest receivable on funds invested and on loans advanced. Finance revenue, is recognised in surplus or deficit as it accrues, using the effective interest rate method.

Rental revenue

Rental revenue from investment and other property is recognised in 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 major categories of expenditure are outlined below:

Operating lease payments

Payments made under operating leases are recognised in surplus or deficit proportionally over the term of the lease. Lease incentives received are recognised in 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 in surplus or deficit using the effective interest rate method. Interest payable on borrowings is recognised as an expense in 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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes at the reporting date.

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 reporting 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

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in surplus or deficit in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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.

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
- Harbour structures
- 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 as shown in the following table:

	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
Land improvements	10-60 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	2-80 yrs
Streetlights and signs	5-50 yrs
Kerb, channel, sumps and berms	80 yrs
Tram tracks and wires	40-100 yrs
Parking meters	10 yrs
Railings	20-50 yrs
Landscape/medians	8-80 yrs
Drain pipes/culverts/retaining walls	20-115 yrs
Bridges	70-100 yrs
Bus shelters and furniture	6-40 yrs
Water supply	2-130 yrs
Water meters	25-40 yrs
Stormwater	20-150 yrs
Waterways	10-100 yrs
Sewer	40-150 yrs
Treatment plant	15-100 yrs
Pump stations	5-100 yrs
Restricted assets:	
Planted areas	15-110 yrs
Reserves – sealed areas	10-60 yrs
Reserves – structures	10-80 yrs
Historic buildings	20-125 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 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 disposal are determined by comparing proceeds with the carrying amount. These are included as revenue or expenses. When revalued assets are sold, the amounts included in the revaluation 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 statement of financial position. Further, the liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position. 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 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.

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).

Hedging

The Council uses derivatives to hedge its exposure to interest rate risks. The derivatives are designated as either cash flow hedges (hedging highly probable future transactions (borrowing)) or fair value hedges (hedging the fair value of recognised assets or liabilities).

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive revenue and expense, limited to the cumulative change in the fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in surplus or deficit. When the hedging relationship ceases to meet the criteria for hedge accounting any gain or loss recognised in other comprehensive revenue and expense and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in surplus or deficit. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in surplus or deficit.

Changes in the fair value of derivatives that are designated as fair value hedges are recorded in surplus or deficit, together with changes in the fair value of the hedged asset or liability. The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in surplus or deficit. When the hedging relationship ceases to meet the criteria for hedge accounting the fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to surplus or deficit from that date.

Investments

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the assets (other than financial assets at fair value through surplus or deficit). Transaction costs directly attributable to the acquisition of financial assets at fair value through surplus or deficit are recognised immediately in surplus or deficit.

The Council classifies its investments in the following categories:

a) *Financial assets measured at amortised cost*

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost.

b) *Fair value through other comprehensive revenue or expense (FVTOCRE)*

Financial assets held for collection of contractual cash flows and for selling where the cash flows are solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value through other comprehensive revenue or expense (FVTOCRE).

Changes in the carrying amount subsequent to initial recognition as a result of impairment gains or losses, foreign exchange gains and losses and interest revenue calculated using the effective interest method are recognised in surplus or deficit. The amounts that are recognised in surplus or deficit are the same as the amounts that would have been recognised in surplus or deficit if these financial assets had been measured at amortised cost. All other changes in the carrying amount of these financial assets are recognised in other comprehensive revenue and expenses. When these financial assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive revenue and expense are reclassified to surplus or deficit.

On initial recognition the Council may make the irrevocable election to designate investments in equity investments as at FVTOCRE. Designation at FVTOCRE is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which PBE IFRS 3 applies. Subsequent to initial recognition equity investments at FVTOCRE are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive revenue and expense. The cumulative gain or loss will not be reclassified to surplus or deficit on disposal of the equity investments, instead, they will be transferred to accumulated surplus.

c) *Fair value through surplus or deficit*

By default, all other financial assets not measured at amortised cost or FVTOCRE are measured at fair value through surplus or deficit.

Financial assets at fair value through surplus or deficit are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship.

The net gain or loss recognised in surplus or deficit includes any dividend or interest earned on the financial asset.

Investment in subsidiaries and unlisted shares

The Council's equity investments in its subsidiaries and unlisted shares are classified as financial assets at fair value through other comprehensive revenue or expense.

Loan advances and investments in debt securities

Investment in debt securities are classified as financial assets measured at amortised cost.

General and community loan advances are classified as financial assets are measured at fair value through surplus or deficit.

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

Trade and other receivables are classified as financial assets at amortised cost and are initially measured at fair value and subsequently measured at amortised cost less the recognition of any expected credit losses (ECL) over the life of the asset (see Impairment Policy).

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.

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

Impairment of financial assets

The Council recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCRE. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Council recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12 months of ECL.

The assessment of whether ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition, instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represent the portion of lifetime ECL that are expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment of non-financial assets

For the purpose of assessing impairment indicators and impairment testing, the Council classifies non-financial assets as either cash-generating or non-cash-generating assets. The Council 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 measured at fair value however is 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 reporting 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 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 reporting date.

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 instruments) and adjusted for expected credit loss. 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 financial instrument 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 statement of financial position.

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 in 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 statement of financial position 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 reporting 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 reporting 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 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 statement of financial position 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.

Net Assets / Equity

Net Assets or equity is the community's and ratepayers' interest in the Council. It is measured as the difference between total assets and total liabilities. Net Assets or equity includes the following components:

- Asset revaluation reserve.
- Fair value through other comprehensive revenue and expense reserve.
- Hedging reserve.
- Reserve funds.
- Capital reserves.
- Retained earnings.

Third party transfer payment agencies

The Council collects monies for many organisations. Where collections are processed through Council's books, any monies held are shown as accounts payable in the statement of financial position. 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.

Corporate overhead is allocated either directly or indirectly to external service activities as follows:

- Property costs: pro rata based on the number of desks held for use for each unit.
- IT costs: pro rata based on the total number of active IT users.
- Human Resources and Payroll Services cost: pro rata based on the total number of planned employee work hours.
- All other costs: pro rata based on the gross cost of external service activities.

Plan values disclosed

The plan values shown in the financial statements represent the 2019/20 budget included in the 2019/20 Annual Plan.

Critical judgements, estimates and assumptions in applying Council's accounting policies

Preparing financial statements to conform to 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 in 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 (currently annually) 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 optimum depreciated

replacement cost 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 (currently three yearly) to ensure that the optimum depreciated replacement cost does not differ materially from their carrying value.

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.

- 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, assessing the level of unrecoverable work in progress, assessing expected credit loss 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.
- The determination of whether entities which the Council has an interest in are controlled for accounting purposes requires management to exercise judgement to determine whether the nature of the interest and the benefits, rights and obligations which accrue are sufficient for Council to control the entity.

In addition to the above factors, the following areas specific to individual companies within the Group require critical judgement estimates and assumptions.

1. Revenue

1.1 Rates revenue

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
General rates	332,325	307,775	324,098	300,225
Targeted rates attributable to activities:				
- water	57,079	53,248	55,666	51,941
- land drainage	34,638	36,617	33,781	35,719
- sewerage	72,183	69,173	70,396	67,476
- active travel	3,112	3,081	3,035	3,985
- waste minimisation	24,476	20,935	23,870	19,442
- fire service	107	107	104	104
- cathedral	1,014	1,004	989	979
- Akaroa medical	316	-	316	-
Rates penalties	5,047	4,276	4,922	4,171
Total rates revenue	530,297	496,216	517,177	484,042
Less remissions	(4,029)	(4,058)	(4,029)	(4,058)
Rates revenue net of remissions	526,268	492,158	513,148	479,984

The annual rates revenue of the Council for the year ended 30 June 2020 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 19 Actual	30 Jun 18 Actual
Number of rating units	173,795	172,387
Total land value of rating units	46,417,637,200	46,139,781,650
Total capital value of rating units	108,153,831,090	106,052,115,740

1.2 Subsidies and grants

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
NZ Transport Agency	62,066	60,519	62,066	60,519
Other grants and subsidies	117,093	7,721	113,944	6,720
Total subsidies and grants	179,159	68,240	176,010	67,239

The Council received \$81 million of grants from the Christchurch Regeneration Accelerator Facility (CRAF) to fund Ōtākaro - Avon River Precinct and other central city regeneration projects. In September 2019, funding of \$7.6

million under the Global Settlement with the Crown was received. \$16 million of funding was also received for the Canterbury Multi-use Arena (CMUA) to enable early works projects to commence.

1.3 Other revenue

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Fees and charges	62,835	71,063	62,267	70,520
Vested assets	96,031	55,272	97,190	55,272
Sale of goods and services	-	-	452,932	597,064
Construction contract revenue	-	-	332,944	247,613
Rental revenue on investment property	-	-	36,181	29,099
Rental revenue	30,127	34,344	83,225	95,662
Dividends	28,660	195,962	86	1,282
Subvention receipts	2,297	2,200	-	-
Petroleum tax	2,372	2,545	2,372	2,545
Insurance receipts	-	-	-	3
MSD Wage Subsidy	-	-	13,788	-
Sundry revenue	21,517	32,110	62,334	45,903
Total operating and other revenue	243,839	393,496	1,143,319	1,144,963

Vested assets in 2020 include the transfer of Bus Interchange as part of the Global Settlement Agreement with the Crown.

Dividends are primarily sourced from CCHL, with the end of the capital release programme in 2019, there has been a significant drop in income in 2020. The 2020 final dividend from CCHL was impacted by COVID-19 effectively reducing dividend income by 54.5 percent.

A change in IFRS 15 Revenue from Contracts accounting standard for “For Profit” entities has resulted in a need to restate the prior period (2019) amounts for Sundry revenue (down \$110 million) and Construction contract revenue (up \$110 million) within the Group results.

2. Finance costs

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Interest expense				
Interest on bank borrowings	84,467	87,164	108,970	107,468
Interest on debt instruments	-	-	27,843	28,270
Interest on finance leases	6,806	6,952	6,409	4,524
Other interest expense	-	-	4,661	943
Total finance costs	91,273	94,116	147,883	141,205

The majority of Council’s floating debt is covered by fixed rate interest rate swaps that effectively fixes its finance cost resulting in only small movements between years.

3. Other expenses

		Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
Audit fees	4	347	345	1,790	1,685
Directors' fees		-	-	2,998	2,914
Donations and grants		43,084	43,818	28,128	30,795
Net foreign exchange (gains) / losses		-	-	14	19
Minimum lease payments under operating leases		2,750	2,696	23,122	25,873
Raw materials and consumables used		-	-	44,623	49,199
Provision of services and maintenance of assets		154,910	157,113	126,525	110,716
Consultants and legal fees		23,763	28,543	34,948	44,549
Other operating expenses		66,619	39,727	333,666	303,873
Total other expenses		291,473	272,242	595,814	569,623

Other operating expenses includes capitalised payroll and other expenses of \$41.3 million (2019: \$36.1 million).

2019 includes a write back of the weather tight provision of \$17 million.

The increase in other operating expenses can be attributed to software licensing (\$2.5 million), Insurance costs (\$2.1 million), electricity costs (\$1 million), rates (\$1 million) and movement in the doubtful debts provision (\$1.6 million).

4. Remuneration of auditors

		Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19	
	Actual	Actual	Actual	Actual	
	\$000	\$000	\$000	\$000	
Fees to Audit New Zealand					
- For audit of financial statements		342	337	1,409	1,301
- For other assurance services		5	8	108	162
Fees to KPMG for audit of financial statements		-	-	182	96
- For other assurance services		-	-	1	27
Fees paid to other Group Auditors		-	-	90	99
Total		347	345	1,790	1,685

The auditor of the Council and the rest of the Group, excluding LPC, CNZH and OCHT, is Audit New Zealand. LPC is audited by KPMG, CNZH is audited by Grant Thornton and OCHT is audited by BDO. All are appointed by the Auditor-General.

Other assurance services provided by Audit New Zealand in relation to:

Council:

- the Debenture Trust Deed, and
- the Mayor's Welfare Fund.

Orion New Zealand Limited:

- annual customised price-quality path compliance statement,
- regulatory information disclosures, and
- fraud risk review.

Christchurch International Airport Limited:

- the Specified Airport Services Information Disclosure, and
- the company's compliance with bond conditions.

5. Other gains and losses

5.1 Other gains and losses in surplus

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Non-financial instruments				
Gains/(losses) on disposal of property, plant and equipment	(15,453)	(25,069)	(16,530)	(25,332)
Gains/(losses) on disposal of investment	-	-	(62)	(681)
Gains/(losses) on disposal of investment property or held for sale assets	2,651	(3,623)	2,651	(3,623)
Gains/(losses) on revaluation of other assets	-	-	13,481	13,133
(Impairment)/reversal of impairment on other assets	-	-	(2,176)	(2,333)
(Impairment)/reversal of impairment on property, plant and equipment	-	-	(110,590)	(9,870)
	<u>(12,802)</u>	<u>(28,692)</u>	<u>(113,226)</u>	<u>(28,706)</u>
Financial instruments				
Gains/(losses) through ineffectiveness of cash flow hedges	796	(193)	808	(208)
De-recognition of cash flow hedges	(2,956)	-	(2,956)	-
Gains / (losses) through ineffectiveness of fair value hedges	-	-	(15)	(88)
Gains/(losses) on investments held at fair value through surplus and deficit	-	-	(18)	-
Fair value through income statement financial instruments fair value change	(17,852)	(27,655)	3,973	(592)
	<u>(20,012)</u>	<u>(27,848)</u>	<u>1,792</u>	<u>(888)</u>
Net other gains/(losses)	<u>(32,814)</u>	<u>(56,540)</u>	<u>(111,434)</u>	<u>(29,594)</u>

Parent

In 2019/20, Council amended nine interest rate swap contract to lower its finance (interest) costs. This resulted in the de-recognition of nine hedge relationships, the impact of which is a crystallisation of losses the statement of comprehensive revenue and expense previously held in equity in the statement of financial position.

Group

Lyttelton Port Company (LPC) changed its accounting methodology for property, plant and equipment that resulted in an impairment of \$180 million. See Note 9.3 for a detailed explanation. Council has reclassified \$80 million of the impairment losses to its asset revaluation reserve.

5.2 Unrealised gains & losses in other comprehensive revenue and expense

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Investment revaluation gain/(loss)				
<i>Revaluation of shares held in:</i>				
Christchurch City Holdings Limited	96,460	(45,101)	-	-
Vbase Limited	26,009	(36,512)	-	-
Other	(346)	2,855	131	1,468
	<u>122,123</u>	<u>(78,758)</u>	<u>131</u>	<u>1,468</u>
Cash flow hedges gain/(loss)				
Unrealised loss on changes in fair value of cash flow hedges	(71,656)	(95,932)	(113,669)	(132,059)
	<u>(71,656)</u>	<u>(95,932)</u>	<u>(113,669)</u>	<u>(132,059)</u>

Investment revaluation gain/(loss)

External valuations are obtained for Christchurch City Holdings Limited, ChristchurchNZ Holdings Limited, Civic Building Limited and Vbase Limited. All other subsidiaries are valued using an internal fair value model.

Cash flow gain/(loss)

This unrealised loss on cash flow hedges has occurred mainly because the fixed interest rates in the hedge contracts are higher than market interest rates at balance date.

During the year, the swap market factored into its pricing a decline in the official cash rate (OCR) of 125 basis points between June 2019 and June 2020, which resulted in a further deterioration in the value of the hedging portfolio.

The Council provides sensitivity analysis in note 19.5(a) to highlight potential impacts of changes in market interest rates.

6. Receivables and prepayments

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Receivables from non-exchange transactions				
- Current	81,304	68,982	73,436	67,150
- Non-current	-	-	-	-
Receivables from exchange transactions				
- Current	11,645	13,668	88,919	104,620
- Non-current	-	-	6,324	6,596
Total debtors and other receivables	92,949	82,650	168,679	178,366
<i>This comprises of:</i>				
Rates receivables	22,855	14,559	22,855	14,559
Non-exchange receivables from user charges	2,157	2,353	2,161	2,353
Other trade receivables	36,302	30,932	96,506	94,268
Related party receivables	18,574	11,188	-	-
<i>Subtotal: Trade receivables</i>	<i>79,888</i>	<i>59,032</i>	<i>121,522</i>	<i>111,180</i>
Prepayments	4,824	5,415	24,358	23,145
Chargeable work in progress	-	-	21,051	22,420
Contract retentions	-	-	3,216	3,385
GST receivables	6,135	11,192	(2,008)	8,597
Dividends receivable	-	1,187	-	1,187
Other	2,890	5,993	3,282	8,917
Finance lease receivable	-	-	116	125
	93,737	82,819	171,537	178,956
Provision for impairment				
Individual impairment	-	-	(2,070)	(404)
Collective impairment	(788)	(169)	(788)	(186)
	(788)	(169)	(2,858)	(590)
Total receivables and prepayments	92,949	82,650	168,679	178,366

Movement in provision for impairment of receivables:

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Movement in provision for impairment of receivables				
At 1 July	(169)	(867)	(590)	(1,362)
Provisions made during year	(791)	(391)	(2,499)	(512)
Provisions reversed during year	164	1,031	213	1,221
Receivables written off during year	8	58	18	63
At 30 June	(788)	(169)	(2,858)	(590)

An assessment was made at balance date of the collectability of all debts and financial assets using a

COVID-19 lens, this resulted in an increase on the impairment provision.

Credit risks aging of trade receivables

30 Jun 20

	Estimated gross amount at default \$000	Expected credit loss rate %	Impairment \$000	Net \$000
Council				
Not past due	56,079	0.0%	(27)	56,052
Past due 1-60 days	13,935	0.2%	(26)	13,909
Past due 61-120 days	3,743	9.5%	(354)	3,389
Past due over 120 days	6,131	6.2%	(381)	5,750
Total	79,888		(788)	79,100
Group				
Not past due	76,279	0.6%	(451)	75,828
Past due 1-60 days	24,564	2.1%	(510)	24,054
Past due 61-120 days	7,378	7.7%	(569)	6,809
Past due over 120 days	13,301	10.0%	(1,328)	11,973
Total	121,522		(2,858)	118,664

30 Jun 19

	Estimated gross amount at default \$000	Expected credit loss rate %	Impairment \$000	Net \$000
Council				
Not past due	46,990	0.0%	(22)	46,968
Past due 1-60 days	1,394	1.1%	(15)	1,379
Past due 61-120 days	7,712	0.4%	(31)	7,681
Past due over 120 days	2,936	3.4%	(101)	2,835
Total	59,032		(169)	58,863
Group				
Not past due	85,609	0.0%	(28)	85,581
Past due 1-60 days	10,766	0.3%	(36)	10,730
Past due 61-120 days	9,397	0.3%	(31)	9,366
Past due over 120 days	5,408	9.2%	(495)	4,913
Total	111,180		(590)	110,590

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.

With the exception of an amount in dispute of \$74,439, no allowance is provided on rates receivables as the Council has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

An expected credit loss allowance (ECL) has been made for each class of debtor and the estimate is based on the measurement of expected credit losses on historical, current and projected information. The balance of the movement was recognised in net surplus and deficit for the current financial year.

The majority of the movement in the expected credit loss rate between 2019 and 2020 can be attributed to an additional allowance for COVID-19 impacted receivables. This is expected to be a temporary issue and as the drivers of the ECL methodology change to reflect a more positive economic outlook, these rates will drop.

7. Payables

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Taxes and transfers payable	11,218	50,036	8,926	52,739
Payables under exchange transactions - current	116,347	95,275	212,948	202,617
Payables under exchange transactions - non-current	2,120	2,650	2,120	2,650
Total creditors & other payables	129,685	147,961	223,994	258,006
<i>This comprises of:</i>				
Trade payables and accrued expenses	92,056	108,898	191,513	218,548
Amounts due to related parties	14,996	13,275	(1,308)	1,321
Interest payable	11,001	12,200	18,204	19,443
Deposits held	-	-	487	1,672
Amounts due to customers under construction contracts	-	-	77	110
Retentions	11,632	13,588	15,021	16,911
Total creditors and other payables	129,685	147,961	223,994	258,005

8. Income taxes

8.1 Components of tax expense

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current tax expense/(income)	(1,738)	-	13,242	42,536
Adjustments to current tax of prior years	-	-	(2,485)	(2,133)
Deferred tax expense/(income)	(51)	208	(42,592)	2,359
Impairment of deferred tax asset	-	-	73	-
Reduction in deferred tax on buildings	(1,873)	-	(16,557)	-
Deferred tax expense relating to use of prior year losses	-	-	363	-
Total tax expense/(income)	(3,662)	208	(47,956)	42,762
Reconciliation of prima facie income tax:				
Surplus/(deficit) before tax	145,452	167,089	125,275	152,175
Income tax expense at 28% (2019: 28%)	40,727	46,784	15,467	42,609
Non-deductible expenses	230,415	-	243,909	1,918
Non-assessable income and non-deductible items	(270,324)	(44,095)	(277,209)	(3,774)
Effect on deferred tax balances of change in tax rate	-	-	(475)	-
Tax loss not recognised as deferred tax asset	(51)	-	(169)	(1,420)
Reduction in deferred tax on buildings	(1,873)	-	(26,429)	-
Deferred tax assets on previously unrecognised and unused tax losses	-	-	(2,103)	6,854
(Over)/under provision of income tax in previous year	-	-	817	(2,457)
Imputation adjustment	(2,556)	(2,481)	-	-
Other	-	-	(1,764)	(968)
Total tax expense/(income)	(3,662)	208	(47,956)	42,762
Income tax recognised in other comprehensive income				
<i>Deferred tax</i>				
Asset revaluations	-	-	(34,204)	-
Revaluations of financial instruments treated as cash flow hedges	-	-	12,370	10,980
	-	-	(21,834)	10,980

The tax rate in the above reconciliation is the corporate tax rate of 28 per cent (2019: 28 per cent) payable by New Zealand companies on taxable profits under New Zealand tax law.

Council is a member of the CCC Tax Group. The tax group includes the Council, Christchurch City Holdings Limited

CCC One Limited and Vbase Limited. The CCC Tax group has total losses carried forward in excess of \$100 million.

During the year, the CCC Tax group distributed \$18.7 million of tax losses and \$7.3 million of subvention payments to Eco Central Limited, Lyttelton Port Company Group and Christchurch International Airport Limited.

8.2 Current tax assets and liabilities

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current tax assets				
Subvention/Tax refund receivable	1,740	15	5,135	86
Total current tax assets	1,740	15	5,135	86
Current tax payables				
Income tax payable	-	-	1,031	(592)
Total current tax liabilities	-	-	1,031	(592)

8.3 Deferred tax balance

	Parent				Group				
	Charged to:				Charged to:				
	Opening balance	Net surplus and deficit	Other compr. revenue and expense	Closing balance	Opening balance	Net surplus and deficit	Other compr. revenue and expense	Acquired through business comb./ Prior period adjustment	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000		\$000
30 June 2020									
Deferred tax liabilities:									
Cashflow hedges									
Cashflow/Fair value hedges	-	-	-	-	4,621	-	-	-	4,621
Property, plant and equipment	4,296	(1,717)	-	2,579	333,635	(33,963)	32,670	-	332,342
Intangible assets	-	-	-	-	397	34	-	-	431
Other	-	-	-	-	70,370	(19,240)	-	-	51,130
Total deferred tax liabilities	4,296	(1,717)	-	2,579	409,023	(53,169)	32,670	-	388,524
Deferred tax assets:									
Cashflow hedges									
Cashflow/Fair value hedges	-	-	-	-	21,352	238	12,370	-	33,960
Provisions and employee entitlements	-	-	-	-	7,652	1,606	-	-	9,258
Doubtful debts and impairment losses	-	-	-	-	187	(17)	-	-	170
Tax losses	4,088	207	-	4,295	-	2,607	-	-	2,607
Other	-	-	-	-	421	1,110	(1,533)	5,724	5,722
Total deferred tax assets	4,088	207	-	4,295	29,612	5,544	10,837	5,724	51,717
Net deferred tax liability/(asset)	208	(1,924)	-	(1,716)	379,411	(58,713)	21,833	(5,724)	336,807

	Parent				Group				
	Charged to:				Charged to:				
	Opening balance	Net surplus and deficit	Other compr. revenue and expense	Closing balance	Opening balance	Net surplus and deficit	Other compr. revenue and expense	Acquired through business comb./ Prior period adjustment	Closing balance
	\$000	\$000	\$000	\$000	\$000	\$000	\$000		\$000
30 June 2019									
Deferred tax liabilities:									
Cashflow/Fair value hedges	-	-	-	-	4,621	-	-	-	4,621
Property, plant and equipment	4,691	(395)	-	4,296	338,301	(4,666)	-	-	333,635
Intangible assets	-	-	-	-	332	65	-	-	397
Other	-	-	-	-	63,926	6,173	-	271	70,370
Total deferred tax liabilities	4,691	(395)	-	4,296	407,180	1,572	-	271	409,023
Deferred tax assets:									
Cashflow/Fair value hedges	-	-	-	-	9,538	834	10,980	-	21,352
Provisions and employee entitlements	-	-	-	-	9,040	(1,388)	-	-	7,652
Doubtful debts and impairment losses	-	-	-	-	123	(51)	-	115	187
Tax losses	4,691	(603)	-	4,088	-	-	-	-	-
Other	-	-	-	-	603	(182)	-	-	421
Total deferred tax assets	4,691	(603)	-	4,088	19,304	(787)	10,980	115	29,612
Net deferred tax liability/(asset)	-	208	-	208	387,876	2,359	(10,980)	156	379,411

8.4 Unrecognised tax losses

The Council has unrecognised tax losses of \$10.8 million due to the uncertainty of the crystallisation of a future taxable profit and has therefore not recorded a deferred tax

asset for this amount. There are no other unrecognised tax losses within the Group.

8.5 Imputation credit balances

	Parent		Group	
	30 Jun 20 Actual \$000	30 Jun 19 Actual \$000	30 Jun 20 Actual \$000	30 Jun 19 Actual \$000
Imputation credits available for use in subsequent reporting periods	-	-	151,248	139,674

9. Property, plant & equipment

	Opening balances		Current year movements					Closing balances				
	Cost/ valuation \$000	Accumulated depreciation \$000	Carrying amount \$000	Additions \$000	Net disposals/ Transfers* \$000	Impairment charged to surplus \$000	Net movement in WIP \$000	Depreciation \$000	Revaluation movement \$000	Cost/ valuation \$000	Accumulated depreciation \$000	Carrying amount \$000
Parent 2020												
Operational assets												
Freehold land	485,522	(2,723)	482,799	45,268	(7,029)	-	-	(2,797)	-	523,761	(5,520)	518,241
Buildings	844,489	(30,643)	813,846	65,923	(1,625)	-	-	(29,897)	-	907,526	(59,279)	848,247
Plant & equipment	145,480	(105,377)	40,103	14,077	30	-	-	(10,987)	-	157,247	(114,024)	43,223
Work in progress (9.1)	39,370	-	39,370	-	-	-	22,378	-	-	61,748	-	61,748
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	129,231	(115,681)	13,550	3,925	-	-	-	(4,143)	-	133,156	(119,824)	13,332
	1,652,309	(262,641)	1,389,668	129,193	(8,624)	-	22,378	(47,824)	-	1,791,655	(306,864)	1,484,791
Infrastructure assets												
Roading network (9.2)	2,610,304	(158)	2,610,146	115,567	(1,630)	-	-	(64,376)	-	2,724,211	(64,504)	2,659,707
Wastewater (9.2)	2,282,735	(105,996)	2,176,739	41,169	(3,256)	-	-	(53,031)	699,074	2,864,388	(3,693)	2,860,695
Water (9.2)	1,535,627	(70,925)	1,464,702	41,905	(3,922)	-	-	(36,266)	192,536	1,660,421	(1,466)	1,658,955
Stormwater (9.2)	978,158	(24,936)	953,222	48,319	632	-	-	(13,009)	530,282	1,520,095	(649)	1,519,446
Work in progress (9.1)	220,322	-	220,322	-	-	-	33,340	-	-	253,662	-	253,662
	7,627,146	(202,015)	7,425,131	246,960	(8,176)	-	33,340	(166,682)	1,421,892	9,022,777	(70,312)	8,952,465
Restricted assets												
Land and buildings	968,350	(15,442)	952,908	32,340	(1,037)	-	-	(14,265)	-	999,530	(29,584)	969,946
Marine structure	28,786	(2,400)	26,386	738	1,856	-	-	(1,286)	-	32,016	(4,322)	27,694
Artworks	78,246	-	78,246	984	-	-	-	(79)	-	79,230	(79)	79,151
Heritage assets	23,021	(157)	22,864	158	-	-	-	(24)	-	23,179	(181)	22,998
Public art	15,198	(79)	15,119	141	-	-	-	(15)	-	15,339	(94)	15,245
Library books	7,975	-	7,975	250	-	-	-	-	-	8,225	-	8,225
Work in progress (9.1)	14,969	-	14,969	-	-	-	(9,484)	-	-	5,485	-	5,485
	1,136,545	(18,078)	1,118,467	34,611	819	-	(9,484)	(15,669)	-	1,163,004	(34,260)	1,128,744
Total Parent PPE	10,416,000	(482,734)	9,933,266	410,764	(15,981)	-	46,234	(230,175)	1,421,892	11,977,436	(411,436)	11,566,000

* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

Financial statements – Notes to the financial statements

	Opening balances			Current year movements					Closing balances			
	Cost/ valuation \$000	Accumulated depreciation \$000	Carrying amount \$000	Additions \$000	Net disposals/ Transfers* \$000	Impairment charged to surplus \$000	Net movement in WIP \$000	Depreciation \$000	Revaluation movement \$000	Cost/ valuation \$000	Accumulated depreciation \$000	Carrying amount \$000
Parent 2019												
Operational assets												
Freehold land	502,773	(46)	502,727	14,593	(31,843)	-	-	(2,678)	-	485,522	(2,723)	482,799
Buildings	735,971	(2,285)	733,686	124,894	(24,240)	-	-	(28,697)	8,203	844,489	(30,643)	813,846
Plant & equipment	157,994	(122,067)	35,927	13,954	(695)	-	-	(9,083)	-	145,480	(105,377)	40,103
Work in progress (9.1)	135,152	-	135,152	-	-	-	(95,782)	-	-	39,370	-	39,370
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	125,231	(111,146)	14,085	4,000	-	-	-	(4,535)	-	129,231	(115,681)	13,550
	1,665,338	(243,761)	1,421,577	157,441	(56,778)	-	(95,782)	(44,993)	8,203	1,652,309	(262,641)	1,389,668
Infrastructure assets												
Roading network	2,574,265	(57,761)	2,516,504	138,227	(2,780)	-	-	(61,318)	19,513	2,610,304	(158)	2,610,146
Wastewater	2,246,742	(53,855)	2,192,887	44,114	(10,739)	-	-	(52,507)	2,984	2,282,735	(105,996)	2,176,739
Water	1,515,997	(35,281)	1,480,716	22,894	(3,177)	-	-	(35,731)	-	1,535,627	(70,925)	1,464,702
Stormwater	917,828	(12,334)	905,494	61,426	(1,079)	-	-	(12,619)	-	978,158	(24,936)	953,222
Work in progress (9.1)	236,529	-	236,529	-	-	-	(16,207)	-	-	220,322	-	220,322
	7,491,361	(159,231)	7,332,130	266,661	(17,775)	-	(16,207)	(162,175)	22,497	7,627,146	(202,015)	7,425,131
Restricted assets												
Land and buildings	889,712	(2,115)	887,597	80,073	(710)	-	-	(13,327)	(725)	968,350	(15,442)	952,908
Marine structure	26,502	(1,126)	25,376	2,283	-	-	-	(1,273)	-	28,786	(2,400)	26,386
Artworks	71,048	(211)	70,837	2,241	-	-	-	(73)	5,241	78,246	-	78,246
Heritage assets	23,195	(275)	22,920	-	(32)	-	-	(24)	-	23,021	(157)	22,864
Public art	14,735	(14)	14,721	381	32	-	-	(15)	-	15,198	(79)	15,119
Library books	7,720	-	7,720	255	-	-	-	-	-	7,975	-	7,975
Work in progress (9.1)	24,231	-	24,231	-	-	-	(9,262)	-	-	14,969	-	14,969
	1,057,143	(3,741)	1,053,402	85,233	(710)	-	(9,262)	(14,712)	4,516	1,136,545	(18,078)	1,118,467
Total Parent PPE	10,213,842	(406,733)	9,807,109	509,335	(75,263)	-	(121,251)	(221,880)	35,216	10,416,000	(482,734)	9,933,266

* Disposals in this reconciliation are reported net of accumulated depreciation and include PPE classified as held for sale during the year.

	Opening balances			Current year movements					Closing balances			
	Cost/ valuation \$000	Accumulated depreciation \$000	Carrying amount \$000	Additions \$000	Net disposals/ Transfers* \$000	Impairment charged to surplus \$000	Net movement in WIP \$000	Depreciation \$000	Revaluation movement \$000	Cost/ valuation \$000	Accumulated depreciation \$000	Carrying amount \$000
Group 2020												
Operational assets												
Freehold land	1,115,045	(13,990)	1,101,055	111,535	89,404	(13)	-	(3,526)	(63,748)	1,252,223	(17,516)	1,234,707
Buildings	1,577,651	(207,513)	1,370,138	193,626	29,080	(563)	-	(65,771)	27,923	1,810,208	(255,775)	1,554,433
Plant & equipment	632,503	(416,908)	215,595	46,261	(3,008)	(33,808)	-	(41,882)	-	639,893	(456,735)	183,158
Electricity distribution	1,099,178	(88,401)	1,010,777	73,932	(11,684)	(1,864)	-	(41,157)	2,154	1,161,716	(129,558)	1,032,158
Airport infrastructure	392,291	(9,939)	382,352	33,543	(21,319)	-	-	(11,800)	30,647	435,162	(21,739)	413,423
Harbour structures	398,644	(137,057)	261,587	54,007	(69,258)	(74,342)	-	(4,902)	-	309,051	(141,959)	167,092
Optical fibre network	544,833	(28,492)	516,341	37,050	(816)	-	-	(20,619)	92,256	673,323	(49,111)	624,212
Work in progress (9.1)	257,643	-	257,643	44,453	(18,407)	-	(129,152)	-	-	154,537	-	154,537
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	129,231	(115,681)	13,550	3,925	-	-	-	(4,143)	-	133,156	(119,824)	13,332
	6,155,236	(1,026,198)	5,129,038	598,332	(6,008)	(110,590)	(129,152)	(193,800)	89,232	6,577,486	(1,200,434)	5,377,052
Infrastructure assets	7,631,016	(202,015)	7,429,001	246,960	(8,176)	-	33,340	(166,682)	1,421,892	9,026,647	(70,312)	8,956,335
Restricted assets	1,136,545	(18,078)	1,118,467	34,611	819	-	(9,484)	(15,669)	-	1,163,004	(34,260)	1,128,744
Total Group PPE	14,922,797	(1,246,291)	13,676,506	879,903	(13,365)	(110,590)	(105,296)	(376,151)	1,511,124	16,767,137	(1,305,006)	15,462,131
Group 2019												
Operational assets												
Freehold land	1,104,665	(11,306)	1,093,359	33,208	(22,827)	-	-	(2,685)	-	1,115,045	(13,990)	1,101,055
Buildings	1,319,524	(152,144)	1,167,380	133,104	116,694	-	-	(55,708)	8,668	1,577,651	(207,513)	1,370,138
Plant & equipment	579,149	(402,547)	176,602	66,792	16,536	(4,370)	179	(40,144)	-	632,503	(416,908)	215,595
Electricity distribution	1,041,603	(48,568)	993,035	64,395	(1,320)	(5,500)	-	(39,833)	-	1,099,178	(88,401)	1,010,777
Airport infrastructure	353,865	-	353,865	-	11,789	-	-	(11,226)	27,924	393,578	(11,226)	382,352
Harbour structures	322,348	(135,472)	186,876	83,403	(3,774)	-	-	(4,918)	-	401,977	(140,390)	261,587
Optical fibre network	484,801	(9,582)	475,219	60,033	(1)	-	-	(18,910)	-	544,833	(28,492)	516,341
Work in progress (9.1)	398,273	-	398,273	51,741	(130,263)	-	(62,108)	-	-	257,643	-	257,643
Landfill at cost	8,217	(8,217)	-	-	-	-	-	-	-	8,217	(8,217)	-
Library books at cost	125,231	(111,146)	14,085	4,000	-	-	-	(4,535)	-	129,231	(115,681)	13,550
	5,737,676	(878,982)	4,858,694	496,676	(13,166)	(9,870)	(61,929)	(177,959)	36,592	6,159,856	(1,030,818)	5,129,038
Infrastructure assets	7,495,231	(159,231)	7,336,000	266,661	(17,775)	-	(16,207)	(162,175)	22,497	7,631,016	(202,015)	7,429,001
Restricted assets	1,057,143	(3,741)	1,053,402	85,233	(710)	-	(9,262)	(14,712)	4,516	1,136,545	(18,078)	1,118,467
Total Group PPE	14,290,050	(1,041,954)	13,248,096	848,570	(31,651)	(9,870)	(87,398)	(354,846)	63,605	14,927,417	(1,250,911)	13,676,506

9.1 Work in progress

Property, plant, and equipment under construction by class of asset is detailed below:

	30 Jun 20 \$000	Parent 30 Jun 19 \$000	30 Jun 20 Actual \$000	Group 30 Jun 19 Actual \$000
Wastewater	74,183	49,194	74,183	49,194
Water	25,008	26,695	25,008	26,695
Stormwater	39,897	55,765	39,897	55,765
Roading	114,574	88,668	114,574	88,668
Total infrastructural	253,662	220,322	253,662	220,322
Building - Operational	61,748	39,370	61,748	39,370
Building - Restricted	5,485	14,969	5,485	14,969
Other- Operational	-	-	92,789	218,273
Total PPE work in progress	320,895	274,661	413,684	492,934

Major infrastructure projects within work in progress include the downstream development necessary to merge the Christchurch Northern Corridor into the existing transport network.

Operating projects within work in progress include metro sport facility and Linwood Pool.

9.2 Core Assets

Included within the infrastructure assets above are the following core Council assets.

	Closing Book Value \$000	Assets constructed for the year \$000	Assets transferred for the year \$000	Replacement Cost as at year end \$000
2020				
Treatment Plants	11,985	76	-	16,605
Reticulation	1,646,970	39,828	2,001	2,908,362
Water Supply	1,658,955	39,904	2,001	2,924,967
Treatment Plants	236,183	6,112	-	470,426
Reticulation	2,624,512	31,755	3,302	4,704,295
Wastewater	2,860,695	37,867	3,302	5,174,721
Stormwater Drainage	1,386,486	16,466	3,639	2,071,189
Flood Protection and Control Works	132,960	28,214	-	146,469
Roads and Footpaths	2,659,707	77,705	37,862	4,041,428
2019				
Treatment Plants	20,426	-	-	28,101
Reticulation	1,444,276	21,495	1,399	2,538,914
Water Supply	1,464,702	21,495	1,399	2,567,015
Treatment Plants	244,076	4,693	-	467,070
Reticulation	1,932,663	37,664	1,757	3,397,900
Wastewater	2,176,739	42,357	1,757	3,864,970
Stormwater Drainage	840,261	32,088	3,172	1,224,197
Flood Protection and Control Works	112,961	26,166	-	123,571
Roads and Footpaths	2,610,146	121,772	16,455	3,935,732

The Council completed the construction of \$191.9 million (2019: \$243.6 million) of assets relating to its core infrastructure assets and received a further \$46.8 million (2019: \$22.8 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 (2020), wastewater (2020), stormwater drainage including flood protection and control works (2020) and roads and footpaths (2019), plus assets constructed and transferred since the last revaluation date.

9.3 Revaluations and review for impairment

Parent

2020 Revaluations

The following revaluations were undertaken in 2020 in accordance with PBE IPSAS 17.

Wastewater assets, water supply assets and stormwater assets (together "Three Waters") were valued as at 30 June 2020, by WSP New Zealand Limited to a fair value of \$5.835 billion (\$2.797 billion, \$1.614 billion and \$1.424 billion respectively).

The fair value of Three Waters infrastructure assets was determined using the optimum depreciated replacement cost (ODRC) method in accordance with PBE IPSAS 17.

The ODRC was calculated using the following assumptions:

- A minimum remaining life of three to five years for assets with a base life greater than fifty and a remaining life of two years for assets with a base life less than fifty.
- A zero residual value has been assumed for the valuation for water supply assets.
- If no age or condition information is given the asset is assumed to be halfway through its expected life.

The \$1.422 billion increase in valuation of the Three Water assets is the result of improved confidence in data quality, increase in unit cost rates and new assets laid, installed or developed.

The unit cost rates for valuing the Three Water assets reflect an average cost rate for local construction. Where there has been recent construction / renewal activity, the actual construction costs are used in place if the existing average rates.

Valuation Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
Water supply - reticulation (+5.0%, -5.0%) Avg Cost \$404 per metre	74,612	(74,612)
Storm water - reticulation (+5.0%, -5.0%) Avg Cost \$1,314 per metre	61,424	(61,424)
Waste water - reticulation (+5.0%, -5.0%) Avg Cost \$781 per metre	115,710	(115,710)

Impact of COVID-19 on Valuation Programme

Marine structure and public art assets were scheduled to be revalued in 2019/20. Due to COVID-19 restrictions these assets will now be valued in 2020/21.

Other revaluations

Other than the revaluations undertaken in 2020, the most recent valuations for the other asset classes were as follows:

Roading assets were revalued by WSP New Zealand Limited at 30 June 2019. The fair value of the roading assets was determined using the depreciated replacement cost (DRC) method in accordance with PBE IPSAS 17. In 2019, the fair value of roading assets was revalued to \$2.1 billion excluding land under roads before impairment.

Note: The roading class of assets includes \$428.6 million of land under roads which has not been revalued. Council's policy is not to revalue land under roads.

Valuation Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
Roading network (+5.0%, -5.0%)	132,985	(132,985)
CGPI -2.61% since last valuation		(69,535)

Capital Goods Price Index (item) for Transport Ways was used as a proxy for the roading network.

Works of art housed at the Christchurch Art Gallery (CAG) and Akaroa Museum have been valued as at 30 June 2019 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 \$77.7 million.

Park improvement were valued as at 30 June 2018 by Council staff and reviewed by WSP New Zealand Limited. The fair value of park improvements is \$160 million using optimised depreciated replacement cost.

Land and buildings were valued as at 30 June 2018 by Quotable Value (QV). The fair value of all land and buildings was determined using market based evidence with adjustments to reflect the designation of the land.

Valuation Sensitivity Table	Valuation Movement Up	Valuation Movement Down
	\$000	\$000
Land and buildings (+5.0%, -5.0%)	116,822	(116,822)
CGPI 9.00% since last valuation	210,265	

Capital Goods Price Index (group) for Non-residential Buildings was used as a proxy for the land and buildings.

The fair value of the residential and commercial buildings were determined using market based evidence while specialised buildings such as libraries, swimming pools and heritage assets were valued using ODRC in accordance with PBE IPSAS 17. The fair value of all land and buildings is \$1.9 billion.

Marine structure assets were revalued by Beca Projects NZ Limited at 30 June 2017 using DRC method.

Public art was revalued by Art + Object Limited as at 30 June 2017 using DRC method in accordance with PBE IPSAS 17.

Heritage assets were valued by Plant & Machinery Valuers Limited and Dunbar Sloane Limited as at 30 June 2009. Heritage assets were valued at a depreciated reproduction cost.

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).

Recognition of impaired assets in these financial statements

The table below details the impairment/(impairment reversals) that have been taken against property plant and equipment since the earthquakes.

	2012-2019		Total
	2020	Accumulated	
	\$000	\$000	\$000
Buildings/ facilities	-	21,959	21,959
	-	21,959	21,959
Infrastructural assets			
Wastewater	(11,840)	11,840	-
	(11,840)	11,840	-
	(11,840)	33,799	21,959

The negative amounts in 2020 relate to reversals of previous impairments or disposals of wastewater for which an impairment was recognised in prior years.

Buildings / Facilities

The Council has impaired buildings and facilities in the following situations:

- it is possible to estimate value of damage incurred but not yet repaired; and
- insurance recoveries have been received.

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.

The impairment will be reversed when the buildings are revalued or if repairs are expensed. \$21.9 million of impairment remains at 30 June 2020 (2019 \$21.9 million).

Infrastructure

The infrastructure assets of Council were initially impaired at 30 June 2012 following the earthquakes and the impairment provision has been reviewed annually. The impairment of each network is detailed above.

Group

General

Below is a summary of valuation information for subsidiaries of CCHL. Detailed valuation assumptions, methodologies and discount rates can be found in the individual financial statements for the subsidiaries.

Orion New Zealand Limited

Electricity distribution network and substation buildings (the network)

The network was revalued to fair value of \$1,045 million as at 31 March 2020 by Deloitte Limited (the valuer). The valuer used a discounted cash flow (DCF) methodology and based their forecast cash flows on Orion's forecasts. Including capital work in progress this resulted in a total network valuation of \$1,080 million.

Land and non-substation buildings

Orion's land and non-substation buildings were revalued by Colliers International Limited, to fair value as at 31 March 2020. 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 2,300 substation sites.

The head office land and buildings were valued using a market rental assessment and capitalisation rate of 7.0 per cent. The Waterloo Road depot site was using a market rental assessment and capitalisation rate of 5.75 per cent.

This resulted in a land and non-substation valuation of \$108 million.

Valuation Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
Incr/Dec Capital Expenditure (+5.0%, -5.0%)	7,000	(7,000)
Incr/Dec Operating Expenditure (+5.0%, -5.0%)	20,000	(20,000)
Discount rate (+0.5%, -0.5%)	(49,000)	47,000
Distribution Revenue (+0.5%, -0.5%)	5,000	(5,000)

Christchurch International Airport Limited

On 30 June 2020 car parking assets were revalued by independent valuers, Crighton Anderson Property.

Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd also completed an assessment of the carrying value of land within the Property, Plant and Equipment classification. The assessment concluded that there had not been a material change in land values and therefore a revaluation was not required.

For the year ended 30 June 2020, WSP New Zealand Limited completed a desktop, high level review of the current carrying value of the airports building and infrastructure assets. This review was completed by adjusting the previous valuation at 30 June 2018 to reflect changes in the costs of construction and depreciation to 30 June 2020. Adjustments were also made to account for capital expenditure and disposals in the period since the full revaluation, as well as changes to valuation parameters / assumptions around asset lives, construction cost rates and residual values. Additionally, impairment due to COVID-19 and the optimisation of certain assets was also factored into this assessment. The assessment concluded that there was not a material difference between the carrying value and the fair value of these asset classes.

Land and buildings were revalued by independent valuers, Crighton Anderson Property and Infrastructure Ltd trading as Colliers International Ltd as at 30 June 2018.

Terminal assets, sealed surfaces, infrastructure assets and specialised buildings were valued by independent valuers Opus International Limited as at 30 June 2018.

Valuation Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
Carparking		
Discount rate (+0.5%, -0.5%)	(8,750)	8,750

Hotel Assets – COVID-19 impact

Impairment Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
Growth rate (+5%, -5%)	817	(801)
Discount rate (+0.5%, -0.5%)	(5,860)	6,615

Lyttelton Port Company Limited

Net carrying value at 30 June 2020 was \$442 million (2019: \$525 million). Due to the specialised nature of the entity, all the Port assets are deemed as being inextricably linked and are therefore treated as a single cash generating unit (CGU) for valuation and impairment purposes. LPC's assets are carried at cost less accumulated depreciation and impairment charges.

Change in accounting policy

As at 30 June 2020, LPC has changed its accounting policy from carrying property, plant and equipment at historical cost less depreciation and impairment to carrying property, plant and equipment at fair value. The LPC Board has taken the decision to assess the fair value of all of LPC's property, plant and equipment.

Recognition at fair value represents a change in accounting policy. If these revalued assets had been measured using the cost model, the carrying amounts would be, as follows.

Asset class	Cost \$000	Accumulated depreciation and impairment \$000	Net carrying amount \$000
Land	243,360	(15,309)	228,051
Building	48,744	(8,299)	40,445
Harbour structures	380,226	(138,791)	241,434
PPE	255,907	(133,792)	122,114
Total	928,237	(296,192)	632,045

Under the cost model an impairment assessment would be required and it is anticipated the outcome would agree with the result of the fair value valuation carried out this year.

Change in valuation methodology

LPC believes that valuing the assets based on future cash flows (the income approach) is the most appropriate technique to use to assess fair value. In assessing the present value, the cash flows have been aggregated across all assets as they are, in effect, interdependent and cannot be meaningfully separated into individual units. Therefore, a single enterprise valuation has been estimated.

LPC has fair valued its port assets based on future cash flows (the income approach). In assessing the present value, the cash flows have been aggregated across all assets as they are, in effect, interdependent and cannot be meaningfully separated into individual units. Therefore, a single enterprise valuation (EV) has been estimated.

As LPC is not currently achieving a full recovery, the EV is less than the ODRC and the ODRC, in effect, overstates the value of LPC’s assets at this time. Therefore, LPC believe EV is a more accurate estimate of the value of the LPC’s assets than ODRC.

The EV is based upon cash flows and approximates the price that a willing buyer or seller would pay for the company’s combined assets.

The key drivers of the valuation are growth in container volume and rate, capital spend and the WACC rate used. The valuation model uses discounted cash flows that considers the present value of the net cash flows expected to be generated by LPC. The cash flow projections include specific estimates for 15 years. The expected net cash flows are discounted using a risk-adjusted discount rate.

The adopted assumptions in these areas are shown in the table below.

LPC key forecast assumptions & results:	DCF Period FY 21- FY35
EBITDA Margin (average over 15 years)	35%
Container Pricing Increases	12%
Risk-adjusted discount rate	6.42%
Container TEU Growth rate	2.5 % - 3%
Estimated capital expenditure	
- Used previous capital expenditure to estimate future capital expenditure costs	
Terminal Growth Rate	2%

In considering these assumptions, the Directors have also considered a range of sensitivities around WACC rates, Container TEU growth, capital cost and EBITDA margins. The valuation is particularly sensitive to WACC rates and TEU growth as can be seen in the table below. The table below shows the sensitivity in those rates on the valuation.

Valuation Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
EBITDA (+1%, -1%)	29,000	(29,000)
WACC (+0.5%, -0.5%)	(78,000)	100,000
Container TEU Growth (+0.5%, -0.5%)	115,000	(108,000)
Incr/Dec Capital Expenditure (+10.0%, -10.0%)	(74,000)	74,000
Terminal growth (+0.5%, -0.5%)	64,000	(51,000)

Enable Services Limited

The net carrying value of assets was \$631 million (2019: \$530 million). The assets include the original fibre optic network and the subsequent cost of deploying the Ultra-Fast Broadband (UFB) network covering all of Christchurch, Rolleston and Lincoln and parts of Rangiora, Kaiapoi and Woodend. The UFB network assets, together with the central offices, were revalued to fair value by independent valuers Deloitte Limited using a DCF methodology at 30 June 2020.

Valuation Sensitivity Table	Valuation Movement Up \$000	Valuation Movement Down \$000
Long run uptake % (+10%, -10%)	78,000	(78,000)
Average revenue per user (+0.5%, -0.5%)	49,000	(45,000)
WACC (+0.5%, -0.5%)	(41,000)	45,000

City Care Limited, Red Bus Limited, EcoCentral Limited and Development Christchurch Limited

The net carrying value of the property, plant and equipment of these companies at 30 June 2020 comprised less than 2% (2019: 3%) of the total CCHL group assets. Assets of these companies are either independently revalued at regular intervals or carried at cost less accumulated depreciation.

Vbase Limited

The Christchurch Arena and Christchurch Town Hall were valued by Bayleys Valuations Limited at 30 June 2020 in accordance with PBE IPSAS 17.

The combined value of the structures is \$214.9 million. The structures were valued using ODRC methodology. Movements in costs will result in fluctuation in value. The table below shows the sensitivity in those costs on the valuation.

Valuation Sensitivity Table	Valuation Movement Up	Valuation Movement Down
Property plant & equipment		
Buildings		
(+5.0%, -5.0%)	10,745	(10,745)

De-recognition of impairments at a Group level

The Council has unrealised revaluation gains in the land and building’s asset classes and pursuant to PBE IPSAS 17, impairment losses within the Group relating to land and buildings are able to be offset against these gains.

In 2020, LPC has recognised impairment losses of \$70.0 million and \$10.7 million and in the land and buildings assets classes respectively.

Also Vbase has recognised a recovery of impairment losses of \$16.2 million in the buildings asset class.

Prior period adjustment – impairment losses

In 2014, Vbase recognised \$16.247 million of impairment losses relating to the Town Hall and Arena. The Council had unrealised buildings revaluation gains in 2014, however these impairment losses were not applied to these gains. In 2020, the Group has adjusted the opening balance of asset revaluation reserve (\$16.247 million), accumulated comprehensive revenue and expense (\$11.699 million) and deferred tax asset and liability (\$4.549 million) to reflect this omission. Refer to the Statement of Changes in Equity for these adjustments.

9.4 Insurance of assets

	2020 \$000	2019 \$000
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Insurance		
Insured value of assets covered by insurance	2,627,044	2,636,566
Book value of assets covered by insurance	7,017,579	5,574,950

Financial risk sharing arrangements

Insured value of assets covered by financial risk sharing arrangements	-	-
Book value of assets covered by financial risk sharing arrangements	-	-

Overall cover

The maximum amount to which assets are insured under Council insurance policies	2,627,044	2,636,566
Total book value of Property, plant and equipment	11,566,000	9,933,266

Insurance cover

At 30 June 2020 Council had full replacement cover for a number of significant buildings, and fire only cover for major buildings which are still unrepaired. The total value of this cover is \$2.1 billion. The Council self-insures any buildings with a value below \$250,000.

Council has \$480 million of insurance cover available for its underground infrastructure assets. This cover allows access to Crown funding of up to 60 per cent of the cost of reinstating the assets giving total cover of approximately \$6.7 billion on assets with a replacement value of \$10.4 billion.

10. Intangible assets

	Opening balances		Current year movements					Closing balances			
	Cost/ valuation \$000	Accumulated amortisation \$000	Carrying amount \$000	Additions from internal development \$000	Net disposals/ Transfers \$000	Net movement in WIP \$000	Impairment charged to Surplus \$000	Amortisation \$000	Cost/ valuation \$000	Accumulated amortisation \$000	Carrying amount \$000
Parent 2020											
Goodwill	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets											
Easements & resource consents	-	-	-	-	-	-	-	-	-	-	-
Software	128,600	(63,177)	65,423	16,701	(63)	-	-	(13,726)	144,930	(76,595)	68,335
Work in progress	14,938	-	14,938	-	-	625	-	-	15,563	-	15,563
Trademarks	3,304	(3,299)	5	-	-	-	-	-	3,304	(3,299)	5
Other	7,687	(3,408)	4,279	3,074	-	-	-	(843)	10,761	(4,251)	6,510
	154,528	(69,883)	84,645	19,775	(63)	625	-	(14,569)	174,558	(84,145)	90,413
Total Parent intangibles	154,528	(69,883)	84,645	19,775	(63)	625	-	(14,569)	174,558	(84,145)	90,413
Group 2020											
Goodwill	46,333	(39,457)	6,876	-	-	-	(1,740)	-	46,333	(41,197)	5,136
Other intangible assets											
Easements & resource consents	19,885	(3,655)	16,230	10	(14,212)	-	(147)	(40)	5,536	(3,695)	1,841
Software	189,852	(108,597)	81,255	21,107	3,847	-	(289)	(20,123)	214,529	(128,412)	86,117
Work in progress	17,408	-	17,408	4,395	(4,063)	625	-	-	18,365	-	18,365
Trademarks	3,304	(3,300)	4	-	-	-	-	-	3,304	(3,300)	4
Other	10,011	(4,924)	5,087	3,093	-	-	-	(924)	13,009	(5,753)	7,256
	240,460	(120,476)	119,984	28,605	(14,428)	625	(436)	(21,087)	254,743	(141,160)	113,583
Total Group intangibles	286,793	(159,933)	126,860	28,605	(14,428)	625	(2,176)	(21,087)	301,076	(182,357)	118,719

	Opening balances		Current year movements					Closing balances				
	Cost/ valuation \$000	Accumulated amortisation \$000	Carrying amount \$000	Additions from internal development \$000	Additions from internal development \$000	Net disposals/ Transfers \$000	Net movement in WIP	Impairment charged to Surplus \$000	Amortisation \$000	Cost/ valuation \$000	Accumulated amortisation \$000	Carrying amount \$000
Parent 2019												
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-
Other intangible assets												
Easements & resource consents	-	-	-	-	-	-	-	-	-	-	-	-
Software	118,712	(61,809)	56,903	20,746	-	218	-	-	(12,444)	128,600	(63,177)	65,423
Work in progress (10.1)	11,703	-	11,703	-	-	-	3,235	-	-	14,938	-	14,938
Trademarks	3,304	(3,299)	5	-	-	-	-	-	-	3,304	(3,299)	5
Other	6,768	(2,719)	4,049	918	-	-	-	-	(688)	7,687	(3,408)	4,279
	140,487	(67,827)	72,660	21,664	-	218	3,235	-	(13,132)	154,528	(69,883)	84,645
Total Parent intangibles	140,487	(67,827)	72,660	21,664	-	218	3,235	-	(13,132)	154,528	(69,883)	84,645
Group 2019												
Goodwill	44,590	(37,389)	7,201	1,743	-	-	-	(2,068)	-	46,333	(39,457)	6,876
Other intangible assets												
Easements & resource consents	17,726	(3,549)	14,177	5,534	-	(3,375)	-	-	(106)	19,885	(3,655)	16,230
Software	171,751	(102,651)	69,100	23,249	522	5,519	-	(113)	(17,022)	189,852	(108,597)	81,255
Work in progress (10.1)	14,456	-	14,456	5,022	-	(5,305)	3,235	-	-	17,408	-	17,408
Trademarks	3,304	(3,300)	4	-	-	-	-	-	-	3,304	(3,300)	4
Other	9,201	(4,074)	5,127	963	-	-	-	(152)	(851)	10,011	(4,924)	5,087
	216,438	(113,574)	102,864	34,768	522	(3,161)	3,235	(265)	(17,979)	240,460	(120,476)	119,984
Total Group intangibles	261,028	(150,963)	110,065	36,511	522	(3,161)	3,235	(2,333)	(17,979)	286,793	(159,933)	126,860

10.1 Work in progress

Intangible assets under construction by class of asset is detailed below:

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	\$000	\$000	Actual	Actual
			\$000	\$000
Software	15,563	14,938	14,938	17,408
Total intangibles work in progress	15,563	14,938	14,938	17,408

10.2 Goodwill

The carrying amount of goodwill allocated to cash-generating units (CGU) for the purposes of goodwill impairment testing is as follows:

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Christchurch City Holdings Limited (Group)	-	-	5,136	6,876
	-	-	5,136	6,876

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.

11. Service concession arrangements

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	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	(5,853)	(5,340)	-	-
Net book value	5,184	5,697	-	-
Service concession liability				
Opening balance	3,372	4,108	-	-
Service concession revenue recognised	(736)	(736)	-	-
Closing balance	2,636	3,372	-	-
Total current service concession liability	736	736	-	-
Total non-current service concession liability	1,900	2,636	-	-
	2,636	3,372	-	-

In 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 25.

12. Commitments and operating leases

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
(a) Capital and other operating commitments				
Capital commitments				
Property, plant and equipment	250,196	296,878	323,639	419,030
Electricity distribution network	-	-	16,223	17,757
Intangible assets	192	3,278	315	3,914
Ultra-Fast Broadband Network	-	-	-	14,450
Total capital commitments	250,388	300,156	353,462	455,151
Other operating commitments				
Other operating commitments	41,367	51,361	41,337	51,405
(b) Non cancellable operating lease liabilities				
No later than one year	1,220	988	8,609	21,054
Later than one year and not later than five years	4,121	2,824	70,332	36,314
Later than five years	22,418	6,189	835,685	19,624
Total non-cancellable operating lease liabilities	27,759	10,001	914,626	76,992
(c) Non cancellable operating lease receivables				
No later than one year	24,990	24,931	68,813	90,499
Later than one year and not later than five years	93,883	95,266	236,303	310,843
Later than five years	426,315	103,208	587,899	247,411
Total non-cancellable operating lease receivables	545,188	223,405	893,015	648,753

Capital commitments and other operating commitments

Rebuild

The property plant and equipment commitment above includes the Council's commitments for anchor projects including \$101.3 million for the Metro Sports Centre with the Crown (2019: \$126.1 million).

Infrastructure works

Council has a \$4.1 million (2019: \$13.9 million) capital commitment with Connetics for power and lighting renewals and a \$14.7 million (2019: \$13.4 million) capital commitment with City Care for three waters and waste renewals.

Council has an \$18.0 million capital commitment with Apollo Projects Limited for construction of the Linwood Pool, \$12.3 million for the construction of the Christchurch Northern Motorway and \$5.6 million for Halswell Junction Road.

13. Assets held for sale

Land and buildings held for sale	-	26,889	311	29,428
Plant and equipment held for sale	-	-	-	2
Other assets held for sale	-	-	2,199	-
Total amounts held for sale	-	26,889	2,510	29,430

Properties with a value of \$22.3 million (2019: \$23.7 million) have been transferred in 2019/20 to the OCHT as part of the Council's commitment to provide the Trust with \$50 million of assets. Property transfers have all been completed in 2019/20 with no further transfers in the 2020/21 financial year.

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, with the OCHT contract for the lease and management of social housing units forming the bulk of this amount. The lease with OCHT is for 27 years commencing 2018.

Group

CIAL and LPC lease properties to various parties. The terms of the leases vary and the majority are renewable.

	Parent		Group	
30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19	
Actual	Actual	Actual	Actual	
\$000	\$000	\$000	\$000	
Land and buildings held for sale	-	26,889	311	29,428
Plant and equipment held for sale	-	-	-	2
Other assets held for sale	-	-	2,199	-
Total amounts held for sale	-	26,889	2,510	29,430

The Milton Street property completed its transfer to Development Christchurch Limited from Council in 2019/20.

All these properties were sold during 2020.

14. Investment property

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at beginning of financial year	-	-	494,180	428,848
Net transfer from property, plant & equipment	-	-	19,555	-
Additional capitalised expenditure	-	-	47,420	52,199
Net gain/(loss) from fair value adjustments	-	-	13,481	13,133
Balance at end of financial year	-	-	574,636	494,180

Group

Valuers have carried out any valuations by applying assumptions regarding the reasonably possible impacts of COVID-19 based on information available as at 30 June 2020. Given the circumstances, the property valuations as at 30 June 2020 have been prepared on the basis of 'material valuation uncertainty', and therefore the valuers have advised that less certainty should be attached to the property valuations than would normally be the case. Refer to Note 34 for information on valuation uncertainty.

Christchurch International Airport Limited

The valuation as at 30 June 2020 was completed by Crighton Anderson Property and Infrastructure Limited trading as Colliers International 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.

Principal assumptions used in establishing the valuations were:

	2020	2019
Average rental yield rate	6.26%	6.61%
Average market capitalisation rate	6.94%	7.13%
Weighted average Lease term	6.56 years	6 years

Included in the amount above is \$26 million (2019: \$33 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 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Cash and cash equivalents	266,401	276,545	336,678	302,706
Cash and cash equivalents (USD)	-	-	265	7
Cash and cash equivalents (EUR)	-	-	300	2
Overdraft	-	-	(634)	-
Other	-	-	-	24
Total cash and cash equivalents	266,401	276,545	336,609	302,739

16. Investment in CCOs

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Current				
Loans advanced	183,500	95,000	-	-
Investment in debt securities	6,522	3,128	6,522	3,128
	<u>190,022</u>	<u>98,128</u>	<u>6,522</u>	<u>3,128</u>
Non-current				
Loans advanced	459,473	501,873	-	-
Investment in debt securities	25,740	24,275	25,740	24,275
Share Investment in CCOs	2,322,756	2,193,399	-	-
Unlisted shares	9,210	9,080	9,210	9,080
	<u>2,817,179</u>	<u>2,728,627</u>	<u>34,950</u>	<u>33,355</u>
Total investment in CCOs	<u>3,007,201</u>	<u>2,826,755</u>	<u>41,472</u>	<u>36,483</u>

Loans advanced

The value of the Council's loans to related parties is \$643 million (2019: \$597 million). \$1.4 million was advanced to Vbase and \$44.7 million to CCHL. The average effective interest rate on the loans to related parties is 2.95 per cent (2019: 3.77 per cent).

Investment in debt securities

Investment in debt securities includes LGFA borrower notes. Debt securities are fair valued through surplus and deficit based on future cashflows at a discount rate of 4.15 per cent.

Share investment in CCOs

The fair value of the Council's investments in its subsidiary companies was assessed by independent valuers, Deloitte, as at 30 June 2020. Deloitte has used the asset approach to value the Council's investment in its subsidiaries, this involves estimating the fair value of all assets on the balance sheet (tangible and intangible) and then subtracting the estimated fair value of the liabilities. The derived value is based on valuation and financial accounting standards.

The valuation relies, in part, on publicly available information, management forecasts and other information provided by the respective companies based on the prevailing economic, market and other conditions as at 30 June 2020. This situation is continuing to evolve and many uncertainties remain as to the effect of the COVID-19 crisis will have on the subject entities and the broader domestic and global economies.

Christchurch City Holdings Limited (CCHL)

The Council's investment in CCHL was assessed as at 30 June 2020 by Deloitte. It was determined that the value of the investment increased by \$96.5 million (2019: \$40.1 million decrease) to \$2,132.6 million (2019: \$2,028.7 million) after taking into account share purchases and increased borrowing.

The investments owned by CCHL include Orion New Zealand Ltd, Christchurch International Airport Ltd, Lyttelton Port Company Ltd, Enable Services Ltd, City Care Ltd, Red Bus Ltd, EcoCentral Ltd and Development Christchurch Ltd.

Council's valuer, Deloitte, used a sum-of-parts (consolidation) methodology (after adjusting for other balance sheet items) as the primary valuation approach. This valuation methodology combines the equity value of each subsidiaries as the investment portfolio of CCHL. Any valuation uncertainty in the underlying subsidiaries manifests itself in the value of this portfolio and therefore impacts the value of CCHL.

The fair value of CCHL's equity investment portfolio is \$2,929 million (2019: \$2,782 million). In 2020, the most material movements are a \$228 million increase in CCHL's share of Orion, an increase in the value of Enable of \$66 million, and decreases of \$61 million and \$111 million in CIAL and LPC respectively.

Orion New Zealand Limited

Orion is an electricity distribution business (EDB) which is majority owned (89.275%) by CCHL. The balance is owned by Selwyn District Council. Orion distributes electricity over 8,000 square kilometres of central Canterbury.

As the demand risk is lower in the short-term and the underlying assets have regulated cash-flows which are perceived as "secured or guaranteed", investors are not discounting the share prices of comparable listed companies in line with the overall market. Deloitte considered these factors in their valuation but have not made any specific adjustments to cash flows as the full implications of COVID-19 were not known when the valuation was prepared. Orion's regulated business (which account for more than 90% of Orion's business) is not exposed to demand risk as revenues are regulated and electricity is an essential service.

The valuer, Deloitte, adopted the Discounted Cash Flow method using free cash flows provided by Orion's management as the future cash flows to discount to present value. Deloitte estimated a terminal regulatory asset base (RAB) multiple of 1.2 times. The cash flow forecasts over the Forecast Period were discounted using a weighted average cost of capital (WACC) in the range of 4.5 per cent to 5.5 per cent.

There are two issues that are likely to impact the valuation of Orion, one the nature of the services it provides and the regulated environment in which operates. Both of these are unlikely to be impacted by COVID-19 and manifest in any uncertainty in the valuation.

Christchurch International Airport Limited

CIAL's business is structured into three main commercial pillars, planes, people and property. CIAL has a strong position as a gateway airport with the second largest number of international visitor arrivals into New Zealand (after Auckland); and as a key domestic hub and spoke airport. The property operating segment earns revenues from the provision of investment properties to landside airport campus tenants. CIAL is owned 75% by CCHL, and 25% by the Crown.

COVID-19 has impacted airport operations through the significant reduction in international and domestic flights, the flow on impact to terminal operations and the impact on particularly tourism related property tenants. Recovery is expected to take 2 to 3 years. There is still significant uncertainty about the level and timing of recovery from COVID-19. While levels of New Zealand domestic leisure travel have rebounded ahead of earlier forecasts, domestic business travel is still rebuilding. International travel is currently limited to repatriation and freight flights. There have been a range of recovery forecasts published, however most commentators are predicting it will take 3 to 4 years to recover to previous levels and CIAL's forecast is in the middle of the range.

Deloitte considered a number of approaches to estimate the market value of CIAL equity and their primary approach was to use the discounted future cash flows approach related to the airport operations, plus investment properties and surplus land at independent market value assessments. Reliance was placed on the forecasts for 2020/21 – 2022/23 received from CIAL's management for airport operations. These forecasts for the next 7 years are based on a growth of 2 per cent on 2022/23 for inflation and a further 2 per cent growth in passenger volumes. The passenger growth is based on assumptions from CIAL and has NZ tourism back on a profile for growth that was anticipated pre COVID-19 in the latter part of the forecast period. The discount rate used for CIAL is 7.4 per cent (pre-tax). The terminal value is an estimate of the value of a long life business beyond the forecast period. Deloitte applied a terminal growth rate of 2 per cent.

There are a number of sources of uncertainty that impact the valuation of CIAL, the key items are the use of managements cash flow forecast and the time that the country takes to recover from the closure of its borders and

international travel resumes. Both of these are a direct impact of COVID-19 and will manifest in the uncertainty in the valuation. Additionally, the independent valuation of investment property has been prepared by the valuer on the basis of 'material valuation uncertainty'. (Refer to Note 14).

Enable Services Limited

Over the longer term COVID-19 is not expected to have a significant negative impact on Enable's growth trajectory, as the lockdown period has confirmed the need for reliable high speed internet access. Specific consideration has been made within Enable's five year business plan (which is utilised as a basis for the valuation cash flow forecasts) for the short to medium term economic consequences of COVID-19.

The Enable valuation is based on a discounted future cash flow approach. Deloitte utilised a 50 year cash flow forecast in order to capture the variability in future capital expenditure versus depreciation and the expected useful life of the existing asset base. Cash flows are based on the five year business plan, the long term plan model and Management assumptions about long run growth rates, uptake and capital expenditure. The value is particularly sensitive to the average revenue per user growth rate and long run uptake assumptions.

There are two areas that could impact the valuation of Enable, one the nature of the services it provides and the regulated environment in which it operates. Both of these are unlikely to be impacted by COVID-19 and manifest in any uncertainty in the valuation.

Lyttelton Port Company Limited

LPC is the South Island gateway port and is the largest port in the South Island and the third largest sea port in New Zealand. Freight volumes were disrupted in the last quarter of 2019/20 by the COVID-19 lockdown.

Despite COVID-19, the movement of freight into and out of New Zealand has continued, though has slowed and is likely to continue for a period as the flow on effects of COVID-19 on economic activity. The closure of borders halted LPC's cruise services businesses.

Deloitte adopted a discounted future cash flow approach and used a 15 year cash flow forecast in order to capture the variability in future capital expenditure versus depreciation and the expected useful life of the existing asset base. These cash flows have been built up based on LPC's long term plan model and Management assumptions about COVID-19 recovery, long run growth rates, and capital expenditure.

There are a number of sources of uncertainty that impact the valuation of LPC, the key items are the use of managements cash flow forecast and the time that the country's imports and exports take to recover from the disruption to global trade. Both of these are a direct impact of COVID-19 and manifest in the uncertainty in the valuation.

Vbase Limited (Vbase)

The Council's investment in Vbase was assessed as at 30 June 2020 by Deloitte. It was determined that the value of the underlying properties increased by \$22.1 million to \$177.5 million (2019: \$151.6 million) on a net asset value basis.

ChristchurchNZ Holdings Limited (CNZHL)

The value of the Council's investment in CNZHL was assessed as at 30 June 2020 by Deloitte. The value of the investment has decreased by \$2.5 million to \$4.4 million.

Civic Building Limited (CBL)

CBL owns 50 per cent of the joint venture between CBL and Ngāi Tahu Property Limited (NTPL). The value of the Council's investment in CBL was assessed as at 30 June

2020 by Deloitte. The value of the investment has increased by \$2.0 million to \$8.2 million.

Unlisted shares

Unlisted shares are reflected at fair value and include:

- \$1.4 million (2019: \$2.4 million) in **Civic Financial Services Limited** (formerly New Zealand Local Government Insurance Corporation) determined by using the asset valuation from their latest published accounts as at 31 December 2019;
- \$6.6 million (2019: \$5.7 million) in **Local Government Funding Agency** determined on their net asset backing as at 31 December 2019; and
- \$1.3 million (2019: \$1.0 million) in **Theatre Royal Charitable Foundation** determined on discounted cash flow as at 30 June 2020.

17. Investments in associates and joint arrangements

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Balance at start of year	6,196	6,196	18,377	21,442
Acquisitions/ transfers	-	-	-	3,031
Share of total recognised revenues and expenses	-	-	5,017	6,027
Dividends from associates and joint ventures	-	-	(6,574)	(6,380)
Share of revaluations	-	-	(56)	(4,180)
Disposal	-	-	-	(1,063)
Impairment	-	-	-	(500)
Balance at end of year	6,196	6,196	16,764	18,377

There is no goodwill included in the carrying value of associates (2019: Nil).

The following entities are included in the Group through equity accounting or share of partnership:

Name of entity	Country of Incorporation	Effective Ownership Interest	
		30 Jun 20	30 Jun 19
		Transwaste Canterbury Ltd - Parent	NZ
Christchurch Civic Building Joint Venture (CCBJV)	NZ	50%	50%
City Care Limited John Fillmore Contracting Limited Joint Venture	Not Incorporated	50%	50%
Leisure Investments NZ Limited	NZ	54.6%	54.6%

No public price quotations exist for these investments.

commitments or contingent liabilities in respect of the joint venture.

Transwaste Canterbury Limited

The Council has a 39 per cent ownership interest in Transwaste. Transwaste was incorporated in 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.

Development Christchurch Limited

From 1 May 2019 the Leisure Investments New Zealand Limited shareholding of 54.6 per cent is now consolidated as part of the group.

City Care Limited

In December 2014 City Care entered into an unincorporated joint venture – City Care Limited John Fillmore Contracting Limited Joint Venture. The joint venture is a 50:50 strategic partnership to tender for relevant contracts. There are no

Civic Building Limited

CCBJV is in a joint venture partnership with NTPL. The amount above represents the 50 per cent share of CBL in the joint venture.

Summarised financial statements of associates, joint ventures and joint operations

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Assets	84,663	90,566	84,667	91,468
Liabilities	39,127	41,028	39,131	41,930
Revenue	50,628	49,997	50,676	50,442
Comprehensive revenue and expense	12,898	13,448	12,775	11,373

18. Inventories

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
(a) Current inventories				
Inventory - raw materials and maintenance items	-	-	12,531	12,185
Inventory - work in progress	-	-	-	-
Inventory - finished goods	3,386	3,261	9,597	9,379
	<u>3,386</u>	<u>3,261</u>	<u>22,128</u>	<u>21,564</u>
Inventory - allowance for impairment	-	-	(276)	(303)
Total current inventories	<u>3,386</u>	<u>3,261</u>	<u>21,852</u>	<u>21,261</u>
(b) Non current inventories				
Inventory - raw materials and maintenance items	-	-	-	-
Inventory - work in progress	-	-	-	-
Inventory - finished goods	-	-	16,714	11,549
	<u>-</u>	<u>-</u>	<u>16,714</u>	<u>11,549</u>
Inventory - allowance for impairment	-	-	(182)	(410)
Total Non current inventories	<u>-</u>	<u>-</u>	<u>16,532</u>	<u>11,139</u>

Certain inventories are subject to security interests created by retention of title clauses.

19. Financial instruments

19.1(a) Other financial assets

		30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
		Actual \$000	Actual \$000	Actual \$000	Actual \$000
Loans and advances (excl CCOs)	19.1(b)	16,068	3,914	39,678	26,669
Investment in debt securities		11,224	6,361	19,933	12,123
Investment in equity securities (excl CCOs)		217	247	469	521
Derivative instruments - asset		-	-	10,296	7,392
Total other financial assets		27,509	10,522	70,376	46,705
Total current other financial assets		1,149	6,289	22,386	14,853
Total non-current other financial assets		26,360	4,233	47,990	31,852
		27,509	10,522	70,376	46,705

Loans and advances

Loans and advances disclosed above relate to community, special funds and other loans made by the Council to various community groups and entities to fund specific activities or purposes. This includes non-interest bearing loans with a face value of \$52.7 million (2019: \$31.7 million) which are discounted over the term of the loan using the Council's effective borrowing cost.

These loans include a new loan to the Ōtautahi Community Housing Trust, and other existing loans to the Theatre Royal Charitable Foundation, the Christchurch Stadium Trust, the Piano Centre for Music and Arts and Canterbury Cricket Trust and other community groups.

These are classified as Loans and receivables in the financial statements.

Investment in debt securities

Investment in debt securities include the following:

Term deposits

These include bank term deposits with original terms of more than three months and are classified as Loans and receivables. The face value of term deposits approximates their fair value.

The Council's term deposits amounted to \$ 10 million (2019: \$4.6 million). Group's term deposits amounted to \$17.5 million (2019: \$6.4 million).

Stocks and bonds

The Group's balance includes \$25 million (2019: \$22 million) of loans advanced by CCHL to Christchurch Engine Centre which is carried at fair value.

The loan is contracted in USD with USD14 million @ 0.6429 (2019: USD14 million @ 0.6349). 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. These are 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.

19.1(b) Community loans

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Principal	31,737	8,032	8,032	8,032
Accumulated fair value adjustments	(20,131)	(1,425)	(2,097)	(1,425)
Balance at 1 July	11,607	6,607	5,935	6,607
Amount of new loans granted during the year	33,768	23,705	1,477	0
Fair value adjustment on initial recognition	(14,548)	(18,034)	(208)	0
Loans repaid during the year (principal and interest)	(1,726)	(204)	(1,726)	(204)
Impairment loss recognised during the year	-	-	-	-
Unwind of discount and interest charged	2,866	(467)	294	(467)
Balance before expected credit loss adjustment	31,968	11,607	5,772	5,936
Opening loss allowance at 1 July	(8,497)	(8,497)	(3,960)	(3,960)
Loss allowance movement	(8,217)	-	(236)	-
Closing loss allowance at 30 June	(16,714)	(8,497)	(4,196)	(3,960)
Balance community loans 30 June	15,255	3,110	1,576	1,976
Other funds	813	804	38,102	24,693
Loans and advances	16,068	3,914	39,678	26,669

19.1(a)

The fair value of community loans is \$15.3 million (2019: \$3.1 million). Fair value has been determined using cash flows discounted at a rate based on the loan recipient's risk factors of 4.15% (2019: 5.44%)

The Council's community loans scheme is designed to help organisations to develop or improve new or existing

facilities and other major projects that benefit the community. Loans are for a maximum of 10 years and interest is between 0% - 4.5% interest per annum.

The fair value of loans at initial recognition has been determined using cash flows discounted at a rate based on the loan recipient's assessed financial risk factors.

19.2 Borrowings and other financial liabilities

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Borrowings from external parties	1,924,549	1,785,902	3,396,519	3,079,753
Borrowings from group entities	-	4,539	-	-
Finance lease liabilities	93,875	96,432	59,483	59,361
Total borrowings	2,018,424	1,886,873	3,456,002	3,139,114
Derivative instruments - Liability	323,509	249,692	441,327	321,907
Total borrowings and other financial liabilities	2,341,933	2,136,565	3,897,329	3,461,021
Total current borrowings	418,039	281,565	845,808	446,258
Total non-current borrowings	1,600,385	1,605,308	2,610,194	2,692,856
	2,018,424	1,886,873	3,456,002	3,139,114
Total current borrowings and other financial liabilities	419,943	282,624	850,428	450,251
Total non-current borrowings and other financial liabilities	1,921,990	1,853,941	3,046,901	3,010,770
	2,341,933	2,136,565	3,897,329	3,461,021

Parent

During the year, the Council issued \$406.7 million (2019: \$456.5 million) of debt instruments primarily to advance to subsidiaries, finance the rebuild, and refinance debt maturities. A total of \$268 million (2019: \$367 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 2020-2030.

The Council's related party borrowings from Vbase was repaid during the year.

Total fixed rate borrowings (excluding finance leases) of \$275 million (2019: \$252 million) have a weighted average interest rate of 4.42 per cent (2019: 4.79 per cent).

Total floating rate borrowings amounted to \$1,649 million (2019: \$1,537 million). The underlying interest rates are based on three-month bank bill reference rate (BKBM) plus a margin. The weighted average margin was 67 basis points (2019: 63 basis points) over BKBM.

The effective cost of funds across both fixed and floating is 4.15%.

Council also has undrawn \$200 million standby bank facilities which expire on or before December 2021.

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 its assets and rates income.

Internal borrowings

Council has borrowed a total of \$89.5 million (2019: \$99.5 million) from its Capital Endowment Fund with terms ranging between 5 - 10 years. Interest of \$3.2 million (2019: \$3.5 million) was charged by the Fund.

Group

Christchurch City Holdings Limited

CCHL's borrowings comprised:

- Floating rate notes of \$nil (2019: \$40 million). Interest on floating rate notes is based on BKBM plus a margin. The average borrowing cost in at balance date on its Floating Rate Notes is 0 per cent (2019: 5.85 per cent). CCHL also has an undrawn \$100 million (2019: \$100 million) standby facility. This matures in December 2020 and October 2021.
- Commercial paper of \$55 million (2019: nil) that matures in 2021. The average borrowing cost at balance date on its Commercial Paper is 0.60 per cent (2019: nil).
- In June 2016 CCHL entered into a loan facility agreement with Crown Infrastructure Partners Limited (formerly Crown Fibre Holdings Limited) (CIP) as part of the reorganisation of ESL. The face value of the loan is \$150.0 million. The loan is interest free and is secured over the assets of the Enable group. The loan is repayable on 31 May 2021. The loan has been fair valued over the life of the loan at \$153.8 million (2019:\$142.6 million).

The borrowings have been put in place under a \$1.5 billion (2019: \$1.3 billion) debt issuance programme. CCHL has issued uncalled capital of \$1.5 billion (2019: \$1.3 billion) to support this programme. CCHL has entered into derivative contracts to hedge its exposure to interest rate fluctuations.

Orion New Zealand Limited

Orion’s bank debt of \$314.2 million (2019: \$291.6 million) is unsecured. However, a deed of negative pledge and guarantee requires Orion to comply with certain covenants. The average rate on the facility is 2.24% (2019: 2.58%). Orion has entered into derivative contracts to hedge its exposure to interest rate fluctuations.

Christchurch International Airport Limited

CIAL has a \$380 million (2019: \$190 million) funding facility with its banks with an additional \$105 million (2019: \$30 million) of undrawn facilities.

Total bond funding is \$200 million (2019: \$275 million).

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The bond funding constitutes direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

Average interest rate on bank facility is 3.90 per cent (2019: 6.04 per cent), and average interest rate on bond funding is 4.00 per cent (2019: 4.34 per cent).

City Care Limited

During the year, the company reorganised its borrowing facilities and reduced its facility with the BNZ and partially replaced this reduction with a facility from Christchurch City Holdings Ltd. The BNZ facility expires on 31 December

2021 and the Christchurch City Holdings facility expires on 31 July 2022. The drawn related party loan of \$10.0 million (2019: \$12.6 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 \$35 million (2019: \$50 million). Average interest rate 2.59 per cent for the year (2019: 3.26 per cent).

Red Bus Limited

Red Bus does not have an undrawn bank revolving credit facility (2019: \$2 million). Interest rate on the facility in 2019 was 4.64 per cent.

Lyttelton Port Company Limited

LPC has a \$59 million (2019: \$35 million) bank facility with an average interest rate 1.11 per cent for the year. An additional undrawn facility of \$106 million (2019: \$197 million). All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed.

Enable Services Limited, EcoCentral Limited, Development Christchurch Limited, Vbase Limited and Civic Building Limited

These companies have no external debt at 30 June 2020 (2019: Nil).

DCL and ESL are party to borrowing arrangements with CCHL and Vbase and CBL have borrowing arrangements with Council.

19.3 Hedging activities and derivatives

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Derivatives not designated as hedging instruments	-	-	-	-
Derivatives designated as hedging instruments				
Interest rate swaps	-	-	10,296	7,392
Forward exchange rate contracts	-	-	-	-
Total derivative financial instrument assets	-	-	10,296	7,392
Derivatives not designated as hedging instruments	-	-	-	(4,324)
Derivatives designated as hedging instruments				
Interest rate swaps	(323,509)	(249,692)	(441,218)	(317,156)
Forward exchange rate contracts	-	-	(109)	(427)
Total derivative financial instrument liabilities	(323,509)	(249,692)	(441,327)	(321,907)
Net derivative financial instrument assets (liabilities)	(323,509)	(249,692)	(431,031)	(314,515)
Total current derivative assets	-	-	-	645
Total non-current derivative assets	-	-	10,296	6,747
Total current derivative liabilities	(1,904)	(1,059)	(4,620)	(3,992)
Total non-current derivative liabilities	(321,605)	(248,633)	(436,707)	(317,915)

The notional values of interest rate swaps are summarised below:

	30 Jun 20	Parent 30 Jun 19	30 Jun 20	Group 30 Jun 19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000
Interest rate swaps				
Less than 1 year	99,000	70,000	245,000	294,000
1 to 2 years	111,500	99,000	271,500	360,000
2 to 5 years	435,700	408,700	1,134,700	858,700
More than 5 years	882,500	1,021,000	1,434,249	1,454,051
	1,528,700	1,598,700	3,085,449	2,966,751

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 surplus or deficit (for the ineffective portion of cash flow hedges, fair value 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.

Interest rate swaps contracts are carried at their fair value based on prevailing market interest rates at valuation date.

At 30 June 2020, the Council had interest rate swaps in place with a notional amount of \$1.529 billion (2019: \$1.599 billion) where the Council pays an average fixed interest rate of 4.83 per cent. This interest rate is used to determine the fair value (mark to market) of the swaps at balance date.

The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the interest rate swaps are identical to the hedged risk components.

There are two types of hedge economic relationships:

- For interest rate swap contracts with the expected highly probable forecast transactions. To test the hedge effectiveness, the Group uses the forecast loan transactions that are highly probable and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks, or

- For interest rate swap contracts with variable rate loans. To test the hedge effectiveness, the Group uses a hypothetical derivative that is a proposed swap and compares the changes in the fair value of the hedging instrument against the changes in the fair value of the hedged item attributable to the hedged risk.

The hedge ineffectiveness can arise from:

- Different interest rate curve applied to discount the hedged item and hedging instrument.
- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The ineffectiveness is recognised in surplus or deficit.

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 20 \$'000	30 Jun 19 \$'000	30 Jun 20 \$'000	30 Jun 19 \$'000	30 Jun 20 \$'000	30 Jun 19 \$'000		
Financial assets carried at amortised cost										
Cash and cash equivalents		Amortised cost	266,401	276,545	266,401	276,545	336,609	302,739	336,609	302,739
Debtors and other receivables		Amortised cost	81,990	66,043	81,990	66,043	146,329	146,624	146,329	146,624
Loans and advances		Amortised cost	626,834	597,606	626,834	597,606	7,471	23,488	7,471	23,488
Investment in debt securities		Amortised cost	11,124	33,664	11,124	33,664	19,833	41,255	19,833	41,255
			986,349	973,858	986,349	973,858	510,242	514,106	510,242	514,106
Financial assets through surplus or deficit										
<i>Held for trading:</i>										
Investment in equity securities	2	Fair value	-	-	-	-	252	274	252	274
<i>Not held for trading:</i>										
Derivative assets designated as hedging instrument	2	Fair value	-	-	-	-	10,296	7,392	10,295	7,393
Loans and advances	2	Fair value	32,207	3,181	32,207	3,181	32,207	3,181	32,207	3,181
Investment in debt securities	2	Fair value	32,362	100	32,362	100	32,362	100	32,362	100
Investment in equity securities	2	Fair value	217	247	378	378	217	247	378	378
			64,786	3,528	64,947	3,659	75,334	11,194	75,494	11,326
Financial assets through other comprehensive revenue and expense										
Share investment in subsidiary CCOs	3	Fair value	2,322,756	2,193,399	2,322,756	2,193,399	-	-	-	-
Unlisted shares	3	Fair value	9,210	9,080	9,210	9,080	9,210	9,080	9,210	9,080
			2,331,966	2,202,479	2,331,966	2,202,479	9,210	9,080	9,210	9,080
Financial liabilities through surplus or deficit										
<i>Held for trading:</i>										
Derivative liabilities not designated as hedging instrument	2	Fair value	-	-	-	-	-	4,323	-	4,324
Borrowings	2	Fair value	-	-	-	-	15,882	14,485	15,885	14,485
Financial liabilities through other comprehensive revenue and expense										
<i>Not held for trading:</i>										
Derivative liabilities designated as hedging instrument	2	Fair value	323,509	249,692	323,509	249,692	441,327	317,584	441,327	317,584
Borrowings	2	Fair value	-	-	-	-	23,560	-	23,560	-
			323,509	249,692	323,509	249,692	480,769	336,392	480,772	336,393
Financial liabilities carried at amortised cost										
Creditors and other payables		Amortised cost	129,685	147,961	129,685	147,961	223,994	258,006	224,003	258,015
Borrowings		Amortised cost	2,018,424	1,886,873	1,773,148	1,624,359	3,416,560	3,124,629	3,171,284	2,862,113
			2,148,109	2,034,834	1,902,833	1,772,320	3,640,554	3,382,635	3,395,287	3,120,128

Categories of financial assets and liabilities

Financial instruments are classified into one of the following categories:

- Financial assets and liabilities carried at amortised cost,
- Financial assets and liabilities measured at fair value through surplus and deficit,
- Financial assets measured at fair value through other comprehensive revenue and expense.

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 (2019: 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

Financial investments measured at fair value through other comprehensive revenue and expense 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 20 \$000	30 Jun 19 \$000
Parent		
Opening carrying value	2,202,479	2,230,145
Shares acquired during the year	7,365	-
Capital repaid	-	-
Valuation movements	122,122	(27,666)
Closing carrying value	2,331,966	2,202,479
Group		
Opening carrying value	9,080	6,515
Shares acquired during the year	-	-
Capital repaid	-	-
Valuation movements	130	2,565
Transfers	-	-
Closing carrying value	9,210	9,080

Council acquired \$7.365 million of shares in CCHL in 2019/20.

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 the accounting policies 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 instrument or future cash flow 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.

The Group enters 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 the Group's results and cash flows.

The Group has assessed that a reasonably possible change in foreign exchange rates (a 10 per cent variance either way) would not have a significant impact on surplus or equity.

Other price risk

Other price risk is 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.

Commodity price and demand risk

EcoCentral Ltd's operations can be significantly impacted by fluctuations in commodity prices and international demand for certain products. Any residual risk is not considered material to the Group.

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 amount \$000	Less than 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	5+ years \$000	Carrying amount \$000	Less than 1 year \$000	1 to 2 years \$000	2 to 5 years \$000	5+ years \$000
30 June 20										
Cash and cash equivalents	266,401	266,401	-	-	-	336,609	336,609	-	-	-
Loans and advances - CCOs	642,973	433,200	10,000	115,900	83,873	-	-	-	-	-
Loans and advances	16,068	341	10,557	1,095	4,075	39,678	37,489	149	1,095	945
Investment in debt securities	43,486	29,285	10,257	2,974	970	52,195	37,994	10,257	2,974	970
Borrowings	(1,924,549)	(323,864)	(132,605)	(562,715)	(905,365)	(3,396,519)	(811,629)	(442,561)	(1,046,964)	(1,095,365)
Borrowings - related party	-	-	-	-	-	-	-	-	-	-
Finance lease liability (net settled)	(93,875)	(9,074)	(8,451)	(23,092)	(53,258)	(59,483)	(5,733)	(15,575)	(11,546)	(26,629)
	(1,049,496)	396,289	(110,242)	(465,838)	(869,705)	(3,027,520)	(405,270)	(447,730)	(1,054,441)	(1,120,079)

30 June 19

Cash and cash equivalents	276,545	276,545	-	-	-	302,739	302,739	-	-	-
Loans and advances - CCOs	596,873	319,000	79,500	69,000	129,373	-	-	-	-	-
Loans and advances	3,914	408	736	579	2,191	26,669	24,297	736	579	1,057
Investment in debt securities	33,764	30,264	1,244	1,104	1,152	41,355	41,834	(2,735)	1,104	1,152
Borrowings	(1,785,902)	(36,018)	(179,069)	(477,815)	(1,093,001)	(3,079,753)	(355,119)	(496,590)	(837,043)	(1,391,001)
Borrowings - related party	(4,539)	(4,539)	-	-	-	-	-	-	-	-
Finance lease liability (net settled)	(96,432)	(9,008)	(8,451)	(22,701)	(56,272)	(59,361)	(4,542)	(15,332)	(11,351)	(28,136)
	(975,777)	576,653	(106,040)	(429,833)	(1,016,557)	(2,768,351)	9,209	(513,921)	(846,711)	(1,416,928)

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 investments and borrowings affected. With all other variables held constant, the Group's surplus before tax and net asset position are affected through the impact on floating rate investments and borrowings, as follows:

	Parent			Group		
	30 June 20	30 June 19	30 June 20	30 June 20	30 June 19	30 June 19
Surplus or deficit (pre-tax) \$000	4,677	(4,677)	5,000	Surplus or deficit (pre-tax) \$000	5,000	106,582
100 basis points increase	92,703	89,856	86,286	Net asset / equity (pre-tax) \$000	86,286	106,582
100 basis points decrease	(101,236)	(98,381)	(93,071)	Surplus or deficit (pre-tax) \$000	(5,219)	(116,486)
				Net asset / equity (pre-tax) \$000	(93,071)	(116,486)

19.5(b) Currency risk management

The Group's exposure to foreign currency transactions include foreign currencies held on hand as stated in note 15.

Foreign currency sensitivity analysis

CCHL is a party to a USD14 million loan agreement with the Christchurch Engine Centre. The loan agreement is fully hedged with a cross currency interest rate swap which reduces the net currency exposure on this transaction to zero.

The impact of a possible change in foreign exchange rates (a 10 percent variance either way) would not have a significant impact on comprehensive revenue and expense or equity.

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 26.

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
	\$000	\$000	\$000	\$000	\$000	\$000
30 June 20						
Cash and cash equivalents	266,401	266,401	266,401	-	-	-
Debtors and other receivables	81,990	81,991	81,991	-	-	-
Loans and advances - CCOs	642,973	787,260	189,539	170,780	192,260	234,681
Loans and advances	16,068	63,059	1,192	11,707	3,890	46,270
Investment in debt securities	43,486	47,948	7,413	6,126	23,020	11,389
Creditors and other payables	(129,685)	(129,685)	(127,565)	(2,120)	-	-
Borrowings - external	(1,924,549)	(2,224,588)	(422,758)	(362,718)	(742,030)	(697,082)
Finance lease liability (net settled)	(93,875)	(153,120)	(9,429)	(9,429)	(29,663)	(104,599)
Derivative financial instrument	(323,509)	(81,141)	(1,269)	(3,174)	(28,624)	(48,074)
Net contractual inflows / (outflows)	(1,420,700)	(1,341,875)	(14,485)	(188,828)	(581,147)	(557,415)
30 June 19						
Cash and cash equivalents	276,545	276,545	276,545	-	-	-
Debtors and other receivables	66,043	66,043	66,043	-	-	-
Loans and advances - CCOs	596,873	760,431	120,220	178,290	210,767	251,154
Loans and advances	3,914	23,263	491	940	1,137	20,695
Investment in debt securities	33,764	39,653	9,088	7,108	12,885	10,572
Creditors and other payables	(147,961)	(147,961)	(145,311)	(2,650)	-	-
Borrowings - external	(1,785,902)	(2,089,706)	(336,428)	(421,234)	(746,222)	(585,822)
Borrowings - related parties	(4,539)	(5,260)	(5,260)	-	-	-
Finance lease liability (net settled)	(96,432)	(177,887)	(10,250)	(10,323)	(31,959)	(125,355)
Derivative financial instruments	(249,692)	(98,693)	(20,766)	(15,136)	(37,264)	(25,527)
Net contractual inflows / (outflows)	(1,307,387)	(1,353,572)	(45,628)	(263,005)	(590,656)	(454,283)

					Group	
	Carrying amount	Contractual cash flows	Less than 1 year	1 to 2 years	2 to 5 years	5+ years
	\$000	\$000	\$000	\$000	\$000	\$000
30 June 20						
Cash and cash equivalents	336,609	336,287	336,287	-	-	-
Debtors and other receivables	146,329	155,636	155,636	-	-	-
Other assets	851	820	820	-	-	-
Loans and advances	39,678	6,479	677	638	3,890	1,274
Investment in debt securities	52,195	103,659	22,589	12,252	46,040	22,778
Creditors and other payables	(223,994)	(223,580)	(221,460)	(2,120)	-	-
Borrowings - external	(3,396,519)	(3,045,550)	(810,302)	(641,046)	(897,120)	(697,082)
Finance lease liability (net settled)	(59,483)	(89,091)	(5,906)	(16,053)	(14,832)	(52,300)
Derivative financial instruments	(431,031)	(173,321)	(18,692)	(24,184)	(63,939)	(66,506)
Net contractual inflows / (outflows)	(3,535,365)	(2,928,661)	(540,351)	(670,513)	(925,961)	(791,836)
30 June 19						
Cash and cash equivalents	302,739	302,489	302,489	-	-	-
Debtors and other receivables	146,624	149,044	155,207	651	(1,385)	(5,429)
Other assets	438	438	438	-	-	-
Loans and advances	26,669	29,006	518	1,022	11,381	16,085
Investment in debt securities	41,355	57,764	26,639	7,668	12,885	10,572
Creditors and other payables	(258,006)	(258,006)	(255,356)	(2,650)	-	-
Borrowings - external	(3,079,753)	(2,712,686)	(398,214)	(833,684)	(894,966)	(585,822)
Finance lease liability (net settled)	(59,361)	(100,072)	(6,239)	(6,160)	(16,986)	(70,687)
Derivative financial instruments	(314,515)	(164,817)	(26,748)	(31,816)	(58,786)	(47,467)
Net contractual inflows / (outflows)	(3,193,810)	(2,696,840)	(201,266)	(864,969)	(947,857)	(682,748)

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 which, where applicable, have the required Standard and Poor's credit ratings. These credit ratings are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

The Council's applies a lifetime expected credit loss of 80 per cent to community loans that are assessed as having a high credit risk based on the likelihood of repayment. Recipients that are paying their loans are considered to have a low credit risk have no expected credit loss applied.

The Council has written off lifetime expected credit losses at fair value through surplus and deficit.

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 some trade receivables.

Debtors and other trade receivables

The Council's receivables mainly arise from statutory functions. Procedures are in place to monitor the credit quality of debtors and other receivables with reference to internal or external credit ratings and where appropriate security must be provided to secure credit terms.

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 \$80.9 million (2019: \$66.0 million).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for

groupings of various segments with similar loss patterns. There is some concentration of credit risk within the group in relation to trade receivables, however all of these major customers are considered to be of high credit quality, and as such on a Group-wide basis, it is not considered that there is a significant risk of losses arising. Geographically

The following table summarises the Council and Group's counterparty credit risks:

	Credit rating	30 Jun 20 \$000	Parent 30 Jun 19 \$000	30 Jun 20 \$000	Group 30 Jun 19 \$000
Cash and cash equivalents					
	AA	219,401	226,545	289,609	250,910
	A	47,000	50,000	47,000	50,000
Loans and advances					
	AA	-	-	9	-
	A	573,200	528,500	-	-
	< BBB / unrated	85,841	72,287	39,669	26,669
Investment in equity securities					
	< BBB / unrated	217	247	217	247
Investment in debt securities					
	AA	42,262	31,942	46,072	29,515
	A	-	-	-	4,539
	< BBB / unrated	1,224	1,821	1,224	1,821
Derivative financial instrument assets					
	AA	-	-	10,296	7,392
		969,145	911,343	438,995	374,745

Credit risk from balances with banks and financial institutions is managed by the Council's treasury department in accordance with the Council's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the treasury department on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments.

there is no significant credit risk concentration for the Group outside New Zealand.

The Group's trade debtors and other receivables amounted to \$150.7 million (2019: \$148.8 million).

The Group invests only in quoted debt securities with very low credit risk. The Group's debt instruments at fair value through other comprehensive revenue and expense comprised solely of borrower notes that are graded in the top investment category (Very Good and Good) by Standard and Poor's and, therefore, are considered to be low credit risk investments.

The Group has recognised no provision for expected credit losses on its debt securities at fair value through other comprehensive revenue and expense.

20. Finance lease receivables

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
No later than one year	-	-	178	177
Later than one year and not later than five years	-	-	738	731
Later than five years	-	-	313	462
Minimum lease receivables	-	-	1,229	1,370
Less future finance charges	-	-	(1,113)	(1,245)
Present value of minimum lease receivables	-	-	116	125
Present value of future minimum lease receivables				
No later than one year	-	-	1	1
Later than one year and not later than five years	-	-	42	44
Later than five years	-	-	71	80
Present value of future minimum lease receivables	-	-	114	125
Represented by				
Current portion	-	-	503	1
Non-current portion	-	-	114	124
Total	-	-	617	125

21. Finance lease liabilities

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
No later than one year	10,323	10,250	7,490	7,197
Later than one year and not later than five years	42,798	42,282	27,097	26,190
Later than five years	114,516	125,355	78,126	81,268
Minimum lease payments	167,637	177,887	112,713	114,655
Less: future finance charges	(73,762)	(81,455)	(53,230)	(55,294)
Present value of minimum lease payments	93,875	96,432	59,483	59,361
Minimum future lease payments				
No later than one year	9,074	9,008	5,773	5,601
Later than one year and not later than five years	31,543	31,152	18,091	17,615
Later than five years	53,258	56,272	35,619	36,145
Total present value of minimum lease payments	93,875	96,432	59,483	59,361
Represented by:				
Current portion	9,074	9,008	5,676	5,622
Non-current portion	84,801	87,424	53,807	53,739
Total finance leases	93,875	96,432	59,483	59,361

Parent

Council leased the Civic Building in Worcester Boulevard from the NTPL and CBL Joint Venture (CCBJV) in August 2010. CBL is a wholly owned Council subsidiary which owns a 50 per cent 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 \$10.3 million plus GST.

Group

The finance lease liability above primarily relates to agreements between Orion and Transpower New Zealand Limited (Transpower) for Transpower to install new assets at or near its local grid exit points. The agreements have remaining terms of between four and 29 years (2019: one and 29 years). Orion does not own the assets at the end of the lease term and there is no residual value.

22. Construction contracts

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Contract costs incurred	-	-	43,323	36,421
Progress billings	-	-	45,424	38,450
Gross amounts due from customers	-	-	6,074	5,124
Gross amounts due to customers	-	-	77	110
Retentions included in progress billings	-	-	96	278

23. Employee benefits

23.1 Personnel cost

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Salaries and wages	199,985	193,566	489,816	471,912
Defined contribution plan employer contributions	4,954	3,233	8,812	6,878
Defined benefit plan employer contributions	-	-	160	151
Increase/(decrease) in employee entitlements/liabilities	(701)	(1,420)	936	(1,029)
Other personnel costs	-	-	1,855	2,236
Total personnel costs	204,238	195,379	501,579	480,148

23.2 Employee entitlements

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Current portion				
Accrued pay	1,534	4,467	8,997	9,323
Annual leave	17,584	14,855	42,815	37,336
Sick leave	256	256	497	461
Retirement and long service leave	1,187	1,233	2,459	2,444
Restructuring	139	-	139	-
Bonuses and other	-	-	1,050	2,988
	<u>20,700</u>	<u>20,811</u>	<u>55,957</u>	<u>52,552</u>
Non-current portion				
Retirement and long service leave	3,448	4,038	7,104	6,760
Bonuses and other	-	-	-	-
	<u>3,448</u>	<u>4,038</u>	<u>7,104</u>	<u>6,760</u>

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 to ten years.

24. Provisions

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
(a) Current provisions				
Landfill aftercare provision	1,832	3,299	1,832	3,299
Building related claims provision	1,240	1,202	1,240	1,202
Other	-	-	4,324	2,315
	<u>3,072</u>	<u>4,501</u>	<u>7,396</u>	<u>6,816</u>
(b) Non-current provisions				
Landfill aftercare provision	19,712	13,389	19,712	13,389
Building related claims provision	4,958	4,806	4,958	4,806
Other	-	-	240	-
	<u>24,670</u>	<u>18,195</u>	<u>24,910</u>	<u>18,195</u>
Total provisions	<u>27,742</u>	<u>22,696</u>	<u>32,306</u>	<u>25,011</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 \$17.0 million (2019: \$16.7 million). The discount rate used to calculate this provision is 0.88 per cent (2019: 5.44 per cent).

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 June 2005. The Council's ownership share of Transwaste is 38.9 per cent.

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 0.88 per cent (2019: 5.44 per cent).
- 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 weather tight 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 provision is calculated based on:

- the number of known claims.
- the average actual settlement costs.
- the average actual claims settled per year

Other provisions

Other provisions include plant maintenance and other small provisions.

Movement in provisions

	Parent			Group			
	Landfill aftercare \$000	Building related claims \$000	Total \$000	Landfill aftercare \$000	Building related claims \$000	Other \$000	Total \$000
Balance at 1 July 2018	15,279	23,862	39,141	15,279	23,862	831	39,972
Additional provisions made	1,647	375	2,022	1,647	375	2,498	4,520
Amounts used	(238)	(1,009)	(1,247)	(238)	(1,009)	(977)	(2,224)
Unused amounts reversed	-	(17,220)	(17,220)	-	(17,220)	(37)	(17,257)
Balance at 30 June 2019	16,688	6,008	22,696	16,688	6,008	2,315	25,011
Additional provisions made	6,323	1,111	7,434	6,323	1,111	4,336	11,770
Amounts used	(1,467)	(921)	(2,388)	(1,467)	(921)	(1,339)	(3,727)
Unused amounts reversed	-	-	-	-	-	(748)	(748)
Balance at 30 June 2020	21,544	6,198	27,742	21,544	6,198	4,564	32,306

25. Other liabilities

	Parent		Group	
	30 Jun 20 Actual \$000	30 Jun 19 Actual \$000	30 Jun 20 Actual \$000	30 Jun 19 Actual \$000
(a) Other current liabilities				
Hire purchase agreement	-	-	-	70
Income in advance	20,712	19,914	33,669	33,276
Service concession agreement	11 735	735	-	-
	<u>21,447</u>	<u>20,649</u>	<u>33,669</u>	<u>33,346</u>
(b) Other Non-current liabilities				
Income in advance	-	-	2,054	730
Lease incentive liability	-	-	1,066	1,276
Service concession agreement	11 1,901	2,637	-	-
Other	-	-	625	668
	<u>1,901</u>	<u>2,637</u>	<u>3,745</u>	<u>2,674</u>
Total other liabilities	<u>23,348</u>	<u>23,286</u>	<u>37,414</u>	<u>36,020</u>
Income in advance				
Income in advance from non-exchange transactions:				
Grants and other revenue subject to condition	2,806	3,287	4,152	3,287
Advanced receipts	11,436	17,030	11,505	17,030
	<u>14,242</u>	<u>20,317</u>	<u>15,657</u>	<u>20,317</u>
Income in advance from exchange transactions	6,470	(403)	20,066	13,689
Total income in advance	<u>20,712</u>	<u>19,914</u>	<u>35,723</u>	<u>34,006</u>

Income in advance

The Council's revenue in advance includes prepaid building inspections of \$6.6 million (2019: \$5.3 million).

Service concession liability

The Council's service concession arrangement relates to the Material Recovery Facility. Refer to note 11 for the details of the arrangement including the amount of service concession assets and liabilities recognised by the Council.

26. Contingent liabilities and assets

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Contingent liabilities				
Performance bonds	-	-	28,393	39,239
Uncalled capital in LGFA	1,660	1,866	1,660	1,866
Uncalled capital in CCHL	1,500,139	1,300,139	-	-
Uncalled capital in Civic Building Ltd	10,000	10,000	-	-
Uncalled capital in Transwaste Canterbury Ltd	1,556	1,556	951	951
Other professional indemnity claims	-	-	533	-
Christchurch Symphony Orchestra guarantee	200	200	200	200
Rebuild costs	-	253,000	-	253,000
Legal disputes	21,800	21,800	21,800	21,800
Total contingent liabilities	1,535,355	1,588,561	53,981	317,056
Contingent assets				
Otautahi Community Housing Trust	41,866	22,571	41,866	22,571
Deferred tax - Vbase	-	-	-	-
Total contingent assets	41,866	22,571	41,866	22,571

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 31 local government shareholders of LGFA (2019: 31). 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 2020, LGFA had borrowings totalling \$11.9 billion (2019: \$9.8 billion).

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 \$5.5 million (2019: \$5.5 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 twenty-nine specific issues and the potential for claims in seven 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 claims see note 24.

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 per cent 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.

Christchurch Symphony Orchestra Guarantee

The Council has guaranteed a \$200,000 bank overdraft for the Christchurch Symphony Orchestra.

Contingent liabilities

Parent

Building related claims

The Council has assessed its exposure to general building consent issues and has determined that the amount of any exposure is unquantifiable to be recognised as a provision.

Holiday Act

Council is addressing payroll system non-compliance issues relating to the Holidays Act 2003 to ensure all current and former Council staff receive their correct leave entitlements. The amount of remediating any historical holiday pay entitlements has not been finalised.

Group

Performance bonds

The following contingent liabilities exist in respect of contract performance bonds:

- CCHL \$15 million (2019: \$25 million);
- City Care \$11.3 million (2019: 12.0 million);
- Red Bus \$0.1 million (2019: \$0.1 million); and
- Orion \$2.0 million (2019: \$2.1 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 decreased down to \$25 million as at 1 July 2018, 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.

National Provident Fund's Defined Benefit Plan Contributors Scheme

Some members of the Group are participating employers in the National Provident Defined Benefit Scheme (the scheme) which is a multi-employer defined benefit plan. 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. Because it is not possible to determine the extent to which any deficit will affect future contributions by employers, the Group participation in the Scheme is accounted for as if it were a defined contribution plan.

Enable Services Limited

The Enable group has provided a guarantee of CIP's loan to CCHL. At 30 June 2020 this amounted to \$160 million (2019: \$154 million).

Orion New Zealand Limited

On 13 February 2017, two fires started on the Port Hills near Christchurch. The fires spread over 1,600 hectares on the Port Hills over several days.

On 30 January 2018, Fire and Emergency New Zealand:

- released its investigation reports into the causes of the fires, with an 'undetermined' cause for both
- stated that it believes that both fires were deliberately lit and that the matter is in the hands of the Police
- stated that its investigations are now closed and will only reopen if new evidence comes to light.

IAG Insurance on behalf of a number of its clients affected by the fires, has filed a claim in the High Court alleging that Orion's electricity network caused the fires. Orion has filed a statement of defence denying IAG's allegations and any liability. Orion insures for liability risks, in line with good industry practice.

Contingent assets

Parent

The Council has entered into a loan agreement with OCHT that if OCHT was to be wound up, the Council is entitled to full repayment of the loan \$45 million loan in cash or other assets.

Group

Except as noted below, the Group had no other material or significant contingent liabilities or assets as at 30 June 2020.

Vbase Limited – contingent asset

The 2019 and 2020 accounts of Vbase Limited exclude a 2018 tax return deduction of approximately \$11.5 million in relation to a land lease surrendered to Council during the 2018 financial year. At the time this report was adopted the tax return is waiting to be assessed and it is unclear whether the deduction meets the probability threshold for financial reporting purposes. Vbase has not been recognised in the calculation of the tax balances of the Company. If the tax impact of the intangible asset were to be recognised there would be an increase in the deferred tax asset and a decrease in tax expense of \$3.22 million.

27. Reconciliation of surplus for the period to net cash flows from operating activities

	Parent		Group	
	30 Jun 20	30 Jun 19	30 Jun 20	30 Jun 19
	Actual	Actual	Actual	Actual
	\$000	\$000	\$000	\$000
Surplus for the period	149,118	166,881	172,664	109,413
Add/(less) non-cash items				
Depreciation and amortisation	244,744	235,012	397,238	372,825
Vested assets	(96,031)	(55,272)	(97,190)	(55,272)
Impairment (gains)/losses	-	-	112,767	12,203
(Gains)/losses in fair value of investment property and assets held for sale	-	-	(13,481)	(13,133)
(Gains)/losses in fair value of derivative financial instruments	2,160	193	2,175	296
Share of associates' (surplus)/deficit (less dividends)	-	-	1,557	353
Net foreign exchange (gains)/losses	-	-	14	19
Deferred tax charged/(credited) to surplus	(1,924)	208	(64,437)	2,359
(Gains)/losses in fair value of Investments	17,852	27,655	(3,973)	592
Non-cash loss on sale of property, plant and equipment	20,061	23,705	20,061	23,705
Non-cash asset acquisition	-	-	3,431	-
Other non cash movements	(590)	(553)	9,274	7,670
Net changes in non-cash items	186,272	230,948	367,435	351,617
Add/(less) items classified as investing or financing activities				
(Gain)/loss on disposal of non-current assets	12,802	28,692	13,941	29,636
Movement in capital creditors	(16,857)	12,830	(10,274)	(265)
Recognition of service concession arrangement	(736)	(736)	(736)	(736)
Other	-	-	2,193	(1,915)
Net changes in investing/financing activities	(4,791)	40,786	5,124	26,720
Add/(less) movement in working capital items				
Receivable and prepayment	(10,299)	8,890	(1,734)	15,148
Inventories	(125)	268	(5,984)	(462)
Other assets	-	-	(633)	873
Payables	(18,273)	(24,147)	(22,490)	(16,320)
Provisions and employee entitlements	4,935	(17,313)	10,930	(17,851)
Income tax receivable/(payable)	(1,725)	(11)	(8,108)	(335)
Other liabilities	798	(13,232)	1,824	(10,234)
Operational Assets from Discontinued Operations	-	-	1,151	-
Net changes in net assets and liabilities	(24,689)	(45,545)	(25,044)	(29,181)
Net cash from operating activities	305,910	393,070	520,179	458,569

28. 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 conditions 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, administrative and IT services to the group entities outlined below. The Council does not provide such services to non-group entities.

Group entity	2020		2019	
	Services to CCOs	30 June Balance	Services to CCOs	30 June Balance
	\$000	\$000	\$000	\$000
CCHL	478	28	940	74
CBL	20	-	20	-
CAfE	8	-	7	-
DCL	-	-	72	-
RBT	37	-	36	-
Vbase	1,926	33	4,940	125

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	2020 \$000	2019 \$000	Reason for non-arm's length
RBT	450	414	In accordance with the Riccarton Bush Act
Regenerate	1,000	4,000	Non-contestable funding
CNZ - Seed Fund	950	900	Non-contestable funding

No balances were outstanding at year end (2019: nil). Regenerate Christchurch returned \$1.2 million to the Council upon winding up of its activities on 30 June 2020. The Council is expected to use these funds to deliver projects transferred from Regenerate to the Council.

Other commercial contracts

The Council has a contract with EcoCentral for waste collection and management. This contract was not tendered. In 2019/20 the Council paid \$13.5 million (2019: \$12.3 million) to EcoCentral and at year end \$1.9 million (2019: \$1.0 million) was outstanding.

Subventions

The final Council tax position for the 2019 tax year resulted in Council transferring losses of \$10.5 million (2018: \$9.9 million) and receiving a payment of \$4.1 million (2018: \$3.2 million).

The total amount of tax losses transferred between group companies was \$18.7 million (2018: \$21.8 million).

29. Major budget variations

Parent

Comprehensive revenue and expense

Total revenue is \$146.6 million higher than budget arising from:

Rates revenue is \$2.2 million higher than budget due to higher than expected rating growth during the year.

Subsidies and grants are \$82.4 million higher than budget mainly due to the Crown contribution to the Global Settlement, CMUA and CRAF funding and other subsidies.

Development and financial contributions are \$18.9 million higher than budget due to higher than expected subdivision volume.

Other revenues - vested assets are \$83.9 million higher than budget due to the receipt of:

- \$74.6 million of higher than budgeted value of vested assets from the transfer of the bus exchange (\$30.0 million), Accessible City assets (\$21.8 million), Avon River Precinct (\$8.8 million) from Ōtākaro Limited, and the Performing Arts Precinct (\$14.2 million).
- \$9.1 million of vested assets from new subdivisions this year were higher than expected.

Other revenues excluding vested assets are \$41.4 million lower than budget mainly due to the following reasons:

- Dividends are \$25.8 million lower than budget due to not receiving the final dividend from CCHL.
- Charges from recreation and sports facilities was \$1.9 million lower than budget due to the COVID-19 lockdown period resulting in closure / restricted access to facilities.
- Fees from building services were \$3.9 million lower than budget. Although the revenue reduction was primarily due to the decline in consent volumes, \$0.4 million of the variance was due to the effect of the COVID-19 lock-down on the building inspections service.
- Parking charges were \$2.8 million less than budget due to the COVID-19 lockdown.
- NZTA operational expenditure subsidy was \$1.3 million lower than budget due to the COVID-19 lockdown meant less maintenance work was done and reduced road corridor access request fees resulting from the lockdown.

Total expenses are \$27.2 million higher than budget which included:

Finance costs is \$1.0 million lower than budget due to lower interest rates during the year.

Personnel costs are \$2.5 million lower than budget mainly due to the closure of libraries, recreation and community centres during COVID-19 lockdown.

Other expenses are \$1.8 million lower than budget due to the following reasons:

- \$4.3 million lower than planned stormwater maintenance expenses.
- \$2.5 million unbudgeted decrease in the building related claims provision.
- \$1.7 million lower than planned grants made to Regenerate Christchurch.
- \$1.3 million lower than planned due to closures of the bus interchange during the COVID-19 lockdown.
- \$1.2 million lower than planned due to less consultancy costs and reduced grants paid. Offset by the following:
 - \$4.5 million higher landfill provision recognised due to a change in valuation methodology.
 - \$2.4 million higher spend on wastewater maintenance.
 - \$1.8 million higher spend on housing maintenance expenses for the Warm and Dry programme and the completion of the earthquake programme
- \$1.3 million higher spend on flood protection maintenance expenses and professional fees.

Net gains/losses of \$32.8 million were not budgeted relating to loss on disposal of PPE and assets held for sale, and fair value adjustments for financial instruments.

Total other comprehensive revenue and expenses are \$1,269.9 million higher than budget arising from:

Actual revaluation gains of infrastructure assets are \$1,219.5 million higher than budget.

Other items included in other comprehensive revenue and expenses are not budgeted for are unrealised gains / losses on investment revaluations (gains of \$122.1 million) and cashflow hedges (losses of \$71.7 million).

Financial position

Total assets are \$1,541.9 million higher than budget explained by:

Actual year end cash and cash equivalents are \$217.0 million higher than budget.

Investments and other financial assets are \$161.9 million higher than budget due to a combination of revaluation increases and additional investments made during the year.

Property, plant and equipment and intangible assets are \$1,162.3 million higher than budget mainly due to the annual plan understating the 2020 revaluation forecast movement.

The valuation increase is primarily due to the change in unit rates for three water assets (i.e. cost per metre installed) and remaining life of the assets.

Accounts receivables are \$5.3 million lower than budget which is aligned to the reduced revenue received from fees and charges impacted by COVID-19.

Changes to deferred tax assets of \$4.3 million are not budgeted.

Total liabilities are \$297.4 million higher than budget explained by:

Borrowing is \$304.6 million higher than budget due to a combination of unplanned borrowing for on-lending to CCHL, and additional borrowing required for potential costs associated with COVID-19.

Other liabilities are \$20.7 million higher than budget mainly due to unbudgeted income in advance for prepaid inspections, Christchurch housing initiative grant, and prepaid rates by ratepayers.

Payables are \$12.3 million lower than budget due to timing of invoicing and payment.

Provisions are \$10.4 million lower than budget mainly due to unplanned decrease in building related claims provision weather tightness claim period expiring, partially offset by a higher than planned increase in landfill aftercare provision.

Employee entitlements compared to budget are \$3.1 million lower than budget due to a drop in staff costs.

30. Remuneration

30.1 Chief Executive

The Chief Executive Officer of the Council is appointed in accordance with section 42 of the Local Government Act 2002.

The total cost to the Council of the remuneration package paid or payable to the Chief Executive, as per the above, for the year to 30 June 2020 was:

	\$
Dawn Baxendale	370,259
10 October 2019 – 30 June 2020	

Mary Richardson (General Manager, Citizens and Communities) was appointed Acting Chief Executive, from 17 June 2019 until the new permanent Chief Executive started and received remuneration of \$85,107 while in the role.

The former Chief Executive, Dr Karleen Edwards was paid \$534,377 in 2018/19.

30.2 Key management personnel

	30 Jun 20	30 Jun 19
	Actual	Actual
	\$000	\$000
Key management personnel compensation		
Salaries and other short term benefits	4,358	4,141
Total	4,358	4,141

Total key management personnel remuneration includes that of the Mayor, Councillors and Executive Leadership Team of the Council. The remuneration details of the Chief Executive, Mayor and Councillors are set out in notes 30.1 and 30.4. Key management personnel represent 24 full time equivalents (2019: 25)

30.3 Cost of severance payments

In accordance with Schedule 10, section 33 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 2020 the Council made four severance payments totalling \$19,926, \$3,583, \$6,203, and \$1,000.

This compares with the year ended 30 June 2019 the Council made three severance payments totalling \$41,454 - \$2,864, \$17,015 and \$21,575.

30.4 Elected members - Council

	30 Jun 20	30 Jun 20	30 Jun 20	30 Jun 19	30 Jun 19	30 Jun 19
	Council	Directors	Total	Council	Directors	Total
	Remuneration	Fees	Total	Remuneration	Fees	Total
	\$	\$	\$	\$	\$	\$
Lianne Dalziel	202,121	-	202,121	193,099	-	193,099
Andrew Turner	131,596	-	131,596	118,220	-	118,220
Vicki Buck	35,444	-	35,444	102,400	-	102,400
Jimmy Chen	114,460	-	114,460	102,400	-	102,400
Catherine Chu	79,016	-	79,016	-	-	-
Phil Clearwater	35,444	-	35,444	102,400	-	102,400
Melanie Coker	79,376	-	79,376	-	-	-
Pauline Cotter	114,460	-	114,460	102,400	-	102,400
James Daniels	79,016	-	79,016	-	-	-
Mike Davidson	114,460	-	114,460	102,400	-	102,400
David East	35,764	-	35,764	105,480	-	105,480
Anne Galloway	114,460	-	114,460	102,400	-	102,400
James Gough	114,460	-	114,460	102,400	-	102,400
Yani Johanson	114,460	-	114,460	102,400	-	102,400
Aaron Keown	114,460	-	114,460	102,400	-	102,400
Glenn Livingstone	35,444	23,400	58,844	102,400	36,720	139,120
Sam MacDonald	79,016	-	79,016	-	-	-
Raf Manji	35,444	-	35,444	102,400	-	102,400
Phil Mauger	79,016	14,040	93,056	-	-	-
Jake McLellan-Dowling	79,016	-	79,016	-	-	-
Tim Scandrett	114,460	-	114,460	104,560	-	104,560
Deon Swiggs	35,444	-	35,444	102,400	-	102,400
Sara Templeton	114,460	-	114,460	102,400	-	102,400
	-	-	-	-	-	-
	2,051,294	37,440	2,088,734	1,852,559	36,720	1,889,279

Elected member remuneration includes salary and resource consent hearing fees (where applicable) but excludes mileage and other reimbursing allowances.

30.5 Elected members – Board Members

	30 Jun 20	30 Jun 19		30 Jun 20	30 Jun 19
	Total	Total		Total	Total
	Remuneration	Remuneration		Remuneration	Remuneration
	\$	\$		\$	\$
Banks Peninsula Community Board			Coastal-Burwood Community Board		
c	16,691	9,670	c	31,516	-
	10,239	9,670	dc	16,349	-
	6,831	-	-	8,156	23,155
	3,408	9,910	-	16,349	-
	3,408	9,670		16,313	46,310
	6,831	-		8,156	23,155
	3,408	9,670		24,505	23,155
	6,831	-			
	3,408	9,670			
	6,816	19,342			
	6,831	-			
	3,416	-			
Fendalton-Waimairi-Harewood Community Board			Halswell-Hornby-Riccarton Community Board		
c	39,404	22,841	c	49,880	48,196
dc	24,181	22,841	dc	17,024	-
	8,048	22,841		26,263	24,578
	24,181	22,841		8,493	24,098
	16,091	45,681		8,493	24,098
	16,133	-		17,024	-
	24,181	22,841		8,493	24,098
	16,133	-		26,097	24,338
				17,024	-
Linwood-Central-Heathcote Community Board			Papanui-Innes Community Board		
c	30,606	24,098	c	41,228	25,435
	46,100	49,476	dc	16,349	-
	25,517	24,098		8,156	23,155
	25,517	24,098		32,662	46,310
	17,024	-		8,156	23,155
	8,493	24,098		16,349	-
	8,493	24,098			
	17,024	-			
Spreydon-Cashmere Community Board					
c	47,920	46,310			
dc	25,225	23,155			
	8,623	23,635			
	16,349	-			
	8,156	23,155			
	16,349	-			

c denotes chairperson
dc denotes deputy chairperson

Board Member remuneration includes salary and resource consent hearing fees (where applicable).

See note 28 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.

30.6 Council employees

At balance date, the Council employed 2,783 (2019: 2,935) staff members. These comprised 1,782 (2019: 1,824) full time employees with the balance of employees representing 407 (2019: 410) full-time equivalent employees. An employee is a full-time employee if they normally work 37.5 hours or more per working week.

The tables below provide 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 20 Actual
Less than \$60,000	1,159
\$60,000 - \$79,999	600
\$80,000 - \$99,999	431
\$100,000 - \$119,999	328
\$120,000 - \$139,999	162
\$140,000 - \$159,999	61
\$160,000 - \$179,999	17
\$180,000 - \$199,999	11
\$200,000 - \$219,999	8
\$220,000 - \$259,999	-
\$260,000 - \$519,999	6
Total employees	2,783

	30 Jun 19 Actual
Less than \$60,000	1,351
\$60,000 - \$79,999	605
\$80,000 - \$99,999	448
\$100,000 - \$119,999	295
\$120,000 - \$139,999	151
\$140,000 - \$159,999	43
\$160,000 - \$179,999	21
\$180,000 - \$199,999	7
\$200,000 - \$219,999	7
\$220,000 - \$279,999	6
\$280,000 - \$419,999	1
Total employees	2,935

31. 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 does not expect 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 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 Long Term Plan.

32. Legislative requirements

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 2019/20 financial year all CCOs submitted their half year accounts and SOIs within the specified timeframes as set out in the legislation.

For the 2018/19 financial year all CCOs submitted their half year accounts and SOIs within the specified timeframes as set out in the legislation.

33. Subsequent events

Orion New Zealand Limited / Leisure Investments NZ Limited (subsidiary of Development Christchurch Limited)

Orion's defence proceedings in relation to the Port Hills fires in 2017 commenced on 3 August 2020. On 15 September 2020, Orion and IAG reached a confidential commercial settlement without admitting any liability. Leisure Investments NZ Limited defence continues.

Water Reforms

Council signed a delivery plan and funding agreement with the Crown for three waters reforms on 16 September 2020. The initial delivery plan and funding agreement are the key documents that commit the Council to the preliminary information gathering phase of the proposed reforms. Maximum amount payable under the funding agreement is \$40.520 million.

Vbase Limited

Council agreed to purchase an additional \$12,000,000 of shares in Vbase Limited as part of the Christchurch Town Hall repair and restoration project.

CMUA Project Delivery Limited

The adoption of the constitution and appointment of directors for the company that will deliver the construction of the new Canterbury Multi-use Arena was approved by Council on 25 August 2020.

Residential Red Zone Land

The Council will be recognising a vested asset of circa \$14 million relating to residential red zone land in Brooklands and Southshore being transferred from the Crown to Council.

Shovel Ready Projects

The Governments COVID-19 Response and Recovery Fund set aside \$3 billion to fund infrastructure projects across the country. Council submitted \$818 million worth of projects that can quickly stimulate the economy and create jobs. On the 23 September it was announced that Council was approved for the major cycleways project (\$71.5 million) and the final Section of Christchurch Coastal Pathway – Redcliffs to Shag Rock (in partnership with Christchurch Coastal Pathway Group project (\$15.8 million).

EcoCentral Limited

On 26th August 2020, the New Zealand Government announced it will be investing \$36.7 million in high-tech recycling plants nationwide. As part of this agreement, EcoCentral has reached an agreement in principle to receive up to \$1.8 million grant funding for a plastics optical sorter and up to \$15 million grant funding for a fibre optical and mechanical sorter.

Red Bus Limited

On 4 November 2020 it was announced Ritchies Transport Holdings Limited had purchased Red Bus remaining routes. The sale is expected to be completed by early December 2020.

34. COVID-19 Disclosure

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. From this, the country was in lockdown at Alert Level 4 for the period 26 March to 27 April and remained in lockdown at Alert Level 3 until 13 May inclusive.

The financial statements presented in this report include the direct and indirect impact from the changes in alert levels due to the global coronavirus pandemic (COVID-19).

The Council and its subsidiaries were impacted in varying degrees both financially and non-financially that affected the performance of the Council group in the last quarter of the year.

There has been no change to the Council's short and long term credit rating from Standards and Poors in the six months following the move to Alert Level 4 and lockdown.

Valuation uncertainty

When assessing the long term impact of COVID-19 on the Council's investments, advice was sought during the valuation process to ensure that the valuers clearly articulated any COVID-19 implications on future cash flows.

Independent valuers have carried out valuations on behalf of Council and its subsidiaries by applying assumptions regarding the reasonably possible impacts of COVID-19 based on information available as at 30 June 2020 in particular future cash flows. Given the circumstances, the investment property valuations as at 30 June 2020 have been prepared on the basis of 'material valuation uncertainty'.

Within the Group, CIAL has the greatest exposure to investment properties and therefore the highest exposure to valuation uncertainty.

The valuation of the Council's subsidiaries relies upon the underlying investment property valuations with subsidiaries and therefore this valuation also includes a level of uncertainty.

The independent valuers have advised, and Council concurs, that due to COVID-19 less certainty should be attached to the investment property valuations than would normally be the case.

A summary of the COVID-19 impacts are as follows:

Parent

Financial Performance

Council recorded

- A decline in fees and charges arising from the mandatory closure of facilities during Alert Levels 4, 3 and 2;
- A decline in dividend revenue from investments in subsidiaries;
- An increase in the expected credit loss from its exposure to community loans and other debtors;
- A decline in commercial rents due to a decision to provide rent relief to lessees;

Of the items listed above, the shortfall in 2019/20 dividends had the greatest impact on the financial performance of Council in the 2019/20 year and has extended into 2020/21.

Financial Position

Council recorded

- An increase in rates debtors due to a decision to extend payment terms for Instalment 4 of 2019/20.;
- An increase in debt and cash as it borrowed \$75 million for short term working capital to cover any COVID-19 issues;

Council performed

- A review of its asset base (including financial instruments) to highlight any areas of likely impairment due to COVID-19;

Non-Financial Performance

Council recorded

- Decreases in attendances in all facilities;
- Increase in take up of digital services.

Group

Orion NZ Ltd (Orion):

Orion business activity during Level 4 was restricted to emergency works response, some essential preventative maintenance and high priority capital work. Most of their staff were working from home. During Level 2, most of their business activity resumed with the required health and safety protocols in place and the staff returned to their usual place of work. Level 1 predominantly saw a return to pre COVID-19 activity. As the Level 4 lockdown occurred in the last week of March there was minimal impact on the Orion operational result for 2019/20. Electricity delivery service revenue for March was only slightly reduced and the network maintenance and other expenditure impacts were negligible. There was no impact on their SAIDI and SAIFI measures.

Christchurch International Airport Ltd (CIAL):

COVID 19 has had a significant impact on the aviation industry and on CIAL's business in the short term. Passenger numbers have fallen as a result of the travel restrictions, impacting both the aeronautical and non-aeronautical passenger-based business activities of the company. As a result, CIAL has taken a number of actions including:

- suspension of dividends;

- rationalised operations and related operating cost to reflect new environment;
- CIAL asked all of its people to accept the same wage and salary freeze for 18 months and implemented an 18-month recruitment freeze with sinking lid on staff numbers;
- suspended or cancelled capital expenditure projects;
- obtained \$105 million of new available bank facilities for additional liquidity;

Subsequent to 30 June 2020:

- obtained \$40 million of new available bank facilities for additional liquidity;
- obtained extensions on all bank facilities maturing before 31 December 2020;
- obtained bank and bond supervisor financial covenant waivers from 31 December 2020 to 31 December 2021 inclusive.

CIAL worked closely with the Ministry of Transport, and in partnership with government, to secure air freight capacity that enabled 75% of last year's volumes to be exported directly from Christchurch Airport.

Since COVID-19, the Novotel Christchurch Airport is now being used as a Managed Isolation and Quarantine facility providing a certainty of revenue stream until the end of the current contract in December 2020.

Lyttelton Port Company Ltd (LPC)

LPC was deemed an essential service, and as such continued the majority of operations during Alert Levels 3 & 4. This was closely managed and only essential staff were allowed to remain onsite with all other staff working from home during Alert Level 4. At 30 June 2020, however there was an impact on trade volumes, specifically in respect of fuel, logs, coal, motor vehicles and containers. LPC has estimated the impact for the current financial year was a reduction in revenue of \$5 million and expenses were closely managed to a reduction of \$4 million, relative to the full year budget. With the exception of the essential worker scheme, LPC did not qualify or apply for any Government Wage subsidy.

LPC have adopted a set of assumptions for the enterprise value model that reflects a change in strategy from prior years and include the expected impact of COVID-19.

There is significant uncertainty in those future forecasts which is why the Board of LPC have been conservative in their adoption of assumptions.

Enable Services Ltd (Enable)

Enable business activity during Level 4 was restricted to emergency works response, some essential preventative maintenance and high priority capital work. During Level 2, most of Enable's business activity resumed with the required health and safety protocols in place and their staff returned to their usual place of work. Level 1 predominantly saw a return to pre COVID-19 activity.

There has been minimal impact on the Group's operational result for 2019/20. Gross telecommunication service revenue for the last quarter of 2019/20 was only slightly

reduced and the network maintenance and other expenditure impacts were negligible.

City Care Ltd (Citycare)

The impact on Citycare's operations and financial performance and position was directly related to the New Zealand Alert Level 4 lockdown during March and April and into early May 2020, and Alert Level 3 during May 2020. The impact of COVID-19 resulted in a significant reduction in operations and therefore revenue and profit in April 2020, however the business recovered in line with the lowering of Alert Levels in May.

All three City Care Limited sectors provided essential services to a varying degree during Alert Level 3 and 4, however this work was well down on normal operations, particularly during the month of April.

- The Water sector provided essential services relating to New Zealand's three waters infrastructure to ensure the health and safety of the public.
- The Civil sector provided services related to road maintenance inspections and essential repairs, with the asphalt plant operating at a reduced capacity to support essential services being carried out.
- The Property sector provided services relating to the maintenance of public facilities that were deemed essential by their clients.

City Care was committed to retaining all employees, with staff entitlements partly offset by wage subsidy claimed from the Ministry of Social Development. The key focus for the group was the health and safety and the immediate retention, of staff.

EcoCentral Ltd (EcoCentral)

During Alert Levels 4 and 3, a number of EcoCentral staff worked remotely, while other staff continued to attend their refuse stations and recycling plant operation. EcoCentral services were limited to essential services, particularly the managing of household and essential commercial refuse. After 13 May 2020, they resumed all normal operations. Impacts on the business were the closure of the retail store for the duration of Alert Levels 4 and 3, and the closure of the recycling plant from 3 April 2020, until 4 May 2020. EcoCentral also closed one of its three refuse stations during Alert Level 4. The effect on the revenue and expenses in 2019/20 was the most significant during the month of April 2020, where the company's revenue was down by more than 30% from the previous year.

Red Bus Ltd (Red Bus)

Public transport was materially scaled back during the COVID-19 Lockdown and was offered free while New Zealand was at Alert level 3 and 4, so as to maintain physical distances for passengers and workers and to remove the need to handle cash. At Alert Level 2, Christchurch public transport reverted back to regular timelines and the Bus Interchange was reopened. Red Bus recommenced collecting fares on public transport. At Alert level 1 public transport returned to normal service.

NZTA implemented a financial support package for Urban and ECan schools contracts which saw Red Bus paid

normal revenue less the avoidable costs (eg fuel and road user charges) of services not actually provided. Consequently both revenues and costs were lower than normal periods. The net effect on earnings was not material.

The main impact of COVID-19 was on the Red Travel services which ceased and further contributed to the decision for this part of the business to be considered a discontinued operation as at 31 March 2020.

Development Christchurch Ltd (DCL)

The impact of COVID -19 was the closure of the Christchurch Adventure Park during Level 4 and 3 impacting revenue during this period.

CCHL Group Impact

All identified impacts of COVID-19 have been reflected in the financial statements, and in the relevant note disclosures. The primary area that COVID-19 has impacted on Group is in the estimates and assumptions in respect of the fair value measurement of property, plant and equipment and investment properties.

Vbase Limited

88 events were either cancelled or postponed during 1 April to 30 June as a direct result of COVID-19. Two Super Rugby Aotearoa matches held in late June were the only events held at Vbase venues during the last 3 months to 30 June 2020. Lost revenue items are; food and beverage \$1.4 million, venue and ticketed revenue \$1.6 million. With size limit restrictions in place under the Alert Level system for the majority of the 3 month all venues were closed to the public until entering Alert Level 1 in early June.

The Government Employer Wage Subsidy enabled the retention of all Vbase staff while the longer-term impact and implications of COVID-19 were assessed. Current planning at time of preparing this Annual Report assumes that this market will not resume until the summer of 2021/22 at the earliest. Due to this outlook the business has been right sized in mid-June 2020, resulting in a large reduction in permanent staff. The right sizing of the business will allow Vbase to operate under a leaner, more agile, variable costs model.

35. Impact of adoption of PBE IPSAS 35 – Consolidated Financial Statements

On 2 October 2020, the Office of the Auditor General and Audit New Zealand confirmed that the Council exerted control over OCHT as defined in the revised accounting standard - PBE IPSAS 35.

The result is that the financial statements for OCHT are incorporated into the Council's financial statements for

2019/20 and the Council will need to restate its prior year 2018/19 information.

The assessment by the Office of the Auditor General and Audit New Zealand also confirms that the OCHT does not meet the definition of a Council-controlled Organisation under the Local Government Act 2002.

The tables below detail the impact the restatement has had on the Council's financial statements.

Impact on statement of comprehensive revenue and expense from new accounting standard PBE IPSAS 35	Group		Group
	excluding OCHT	POCHT	including OCHT
	30 June 2019	30 June 2019	30 June 2019
	\$000	\$000	\$000
Rates revenue	484,087	(47)	484,040
Other revenue	1,137,528	7,436	1,144,964
Finance revenue	13,166	38	13,204
Depreciation and amortisation	372,546	279	372,825
Personnel costs	477,982	2,166	480,148
Other expenses	564,574	5,050	569,624
Net (gains) / losses	58,157	(28,563)	29,594
Surplus before income tax	123,680	28,495	152,175
Surplus for the year	80,918	28,495	109,413
Total comprehensive revenue and expense	24,447	28,960	53,407

Impact on statement of financial position from new accounting standard PBE IPSAS 35	Group		Group
	excluding OCHT	POCHT	including OCHT
	30 June 2019	30 June 2019	30 June 2019
	\$000	\$000	\$000
Equity			
Parent entity interest	10,356,773	33,381	10,390,154
Non-current liabilities			
Borrowings and other financial liabilities	3,010,749	20	3,010,769
Non-current assets			
Other financial assets	32,987	(1,133)	31,854
Property, plant and equipment	13,645,669	30,838	13,676,507
Investment property	491,202	2,978	494,180
Intangible assets	126,828	32	126,860
Current assets			
Cash and cash equivalents	299,239	3,499	302,738
Receivables from exchange transactions	106,942	(2,322)	104,620
Assets classified as held for sale	26,891	2,539	29,430
Other assets	197	203	400
Current liabilities			
Payables under exchange transactions	200,465	2,152	202,617
Borrowings and other financial liabilities	450,240	11	450,251
Employee entitlements	52,425	127	52,552
Provisions	6,026	790	6,816
Other liabilities	33,193	153	33,346

The above tables only reflect the line items that have changed due to the consolidation and may include roundings.

Group structure

Council controlled organisations and other consolidated entities

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 to enable administrative efficiencies to be achieved.

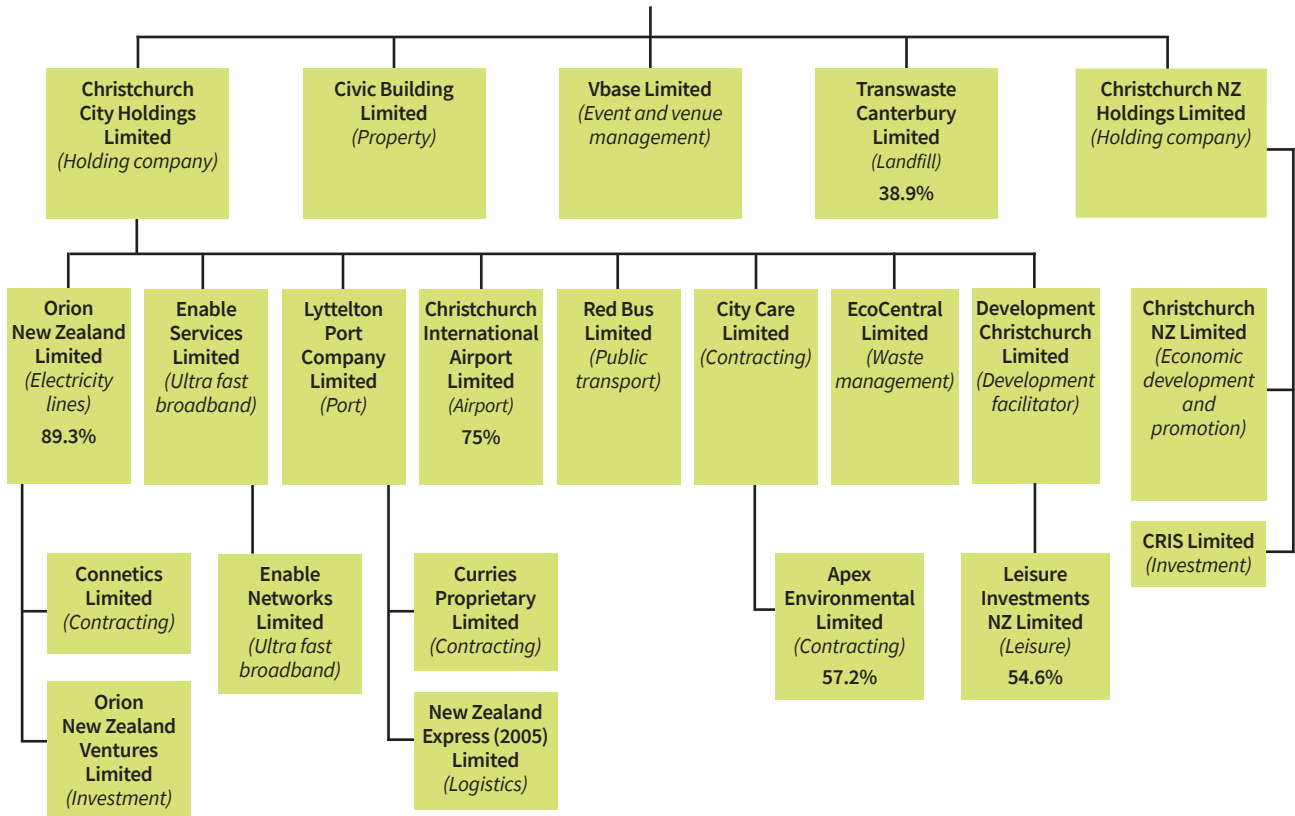
Through its wholly owned investment arm CCHL, the Council has invested in a number of infrastructure assets which are considered strategic assets for the City.

The Council also has invested directly in other CCOs; Vbase, CBL and CNZH 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 2019/20.

Group structure as at 30 June 2020



Group structure and Council Controlled Organisations Summary financial table

For more detail refer to individual company reports.

	Income	Net result (after tax)	
	2020 \$000	2020 \$000	2019 \$000
Orion New Zealand Ltd	307,695	48,315	47,863
Lyttelton Port Company Ltd	128,391	(152,782)	42,170
Christchurch International Airport Ltd	179,289	47,826	57,472
City Care Ltd	294,697	5,616	(724)
Enable Services Ltd	77,072	11,320	10,830
EcoCentral Ltd	34,721	(72)	1,130
Red Bus Ltd	20,325	(30)	(5,311)
Development Christchurch Ltd	18,194	1,126	(1,684)
Vbase Ltd	31,883	4,839	(15,185)
Civic Building Ltd	4,533	4,404	(42)
ChristchurchNZ Holdings Ltd	15,144	301	(1,052)
Transwaste Canterbury Ltd	50,628	13,042	13,448
Riccarton Bush Trust	760	52	(55)
Rod Donald Banks Peninsula Trust	105	(135)	(330)
Christchurch Agency for Energy Trust	2	(249)	(844)
Central Plains Water Trust	94	-	-
Ōtautahi Community Housing Trust	37,852	14,624	18,147

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 them 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
- Development Christchurch Ltd

Nature and scope of activities

CCHL's mission is to support the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

The company's core role is to monitor the Council's existing investments, which largely service the region's existing infrastructure needs. The general objective of the

Key performance targets

	2020 Target	2020 Actual
CCHL financial and distribution performance meets the shareholder's expectations.	CCHL pays a dividend for the 2020 financial year that meets or exceeds budget, and achieves the other budgeted key performance measures.	Not Achieved – CCHL declared a gross ordinary dividend of \$22m, this is less than the expected \$48.3m Sol target. With the impact of COVID-19 on the Group results and the uncertainty on future financial impacts, the CCHL Board decided to not declare a final dividend for the 2020 financial year.
CCHL and its subsidiary companies have sufficient (but not excessive) financial flexibility, whether through their own capital structures or through the availability of capital from CCHL, to undertake growth and investment initiatives.	CCHL will monitor its capital structure and that of each subsidiary company on an ongoing basis.	Achieved - Capital structure considered through annual benchmarking review.
CCHL's investments provide an appropriate return in relation to their business risk, and against external benchmarks.	CCHL will implement an intra-group funding programme to support the growth of its subsidiaries and provide lower cost of funding for the group. CCHL will annually review the performance of its major subsidiary companies against external benchmarks, and assess the value of the investment in the individual company in relation to its inherent business risk and community benefits.	Achieved – IGFF established and two IGF facilities in place (City Care (\$10m and LPC (\$65m)) with material interest rate savings in line with the business case. Achieved - benchmarking review completed with independent advisors in April 2020.
CCHL's treasury management policies and practices are consistent with best practice.	CCHL's treasury management policies are reviewed on an annual basis.	Achieved - Treasury policy reviewed by CCHL Audit and Risk Committee and approved by CCHL Board in April 2020.

CCHL investments is to deliver strong financial returns and dividends to the Council. CCHL seeks to encourage and facilitate the subsidiary and associated companies to increase shareholder value and regional prosperity through growth, investment and dividend payments.

Policies and objectives relating to ownership and control

CCHL was established to group the Council's for-profit trading enterprises under one umbrella, and to provide a single arms-length interface between these CCTOs and the Council.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCTOs. These objectives underpin CCHL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the Sol process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

<p>Subsidiary companies set and attain environmental, social and innovative performance objectives that are compatible with their activities, commercial nature and other objectives.</p>	<p>2020 Target CCHL will encourage its subsidiary companies to include relevant and appropriate environmental, social and innovative objectives and performance targets in their respective SOIs.</p> <p>CCHL will work with its subsidiary companies to create an integrated reporting framework over the next three years.</p>	<p>2020 Actual Achieved - SOIs for 2019/20 have commitments to develop appropriate environmental plans. Sustainability stocktake project of Group undertaken. Decarbonisation Strategy Project initiated between CCHL, Orion and CIAL.</p> <p>Progress towards goal achieved with introduction of strategic pillars into reporting.</p>
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Financial summary

CCHL reports the Group position only. The Group reported a net loss for the year of \$53 million (2019: profit \$132.1 million). The reduction between years is explained in the following individual company pages.

CCHL paid dividends to the Council of \$22 million, which is lower than forecast and the previous year which included special dividends of \$140 million as the final component of its capital release.

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 (the remaining 10.7% is owned by Selwyn District Council). Orion owns Connectics Ltd, an electrical contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers.

Subsidiary companies

- Connetics Ltd
- Orion NZ Ventures Ltd

Nature and scope of activities

Orion owns and operates the electricity distribution network between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass. It has 207,500 customer connections, and is New Zealand's third largest electricity distribution business in terms of line revenue, asset size and system length (km).

Key performance targets

Network reliability targets

Overall network - Minutes of supply interruptions per customer (SAIDI).

**2020
Target**
73

**2020
Actual
Achieved** - 68

Overall network - Number of supply interruptions per customer (SAIFI).

0.9

Achieved - 0.7

SAIDI and SAIFI measures are international industry standards which enable assessment of network performance. The targets are consistent with the Commission's network reliability limits for Orion for the year, pursuant to Orion's customised price-quality path.

Financial summary

Statement of financial performance for the year ended 31 March 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	307,663	325,621
Finance Income	32	109
Operating and other expenses	247,472	259,618
Operating profit before tax	60,223	66,112
Tax (benefit)	11,908	18,249
Net profit for the year	48,315	47,863

Financial commentary

Net profit after tax is higher by \$0.45 million due to favourable weather conditions meaning below-budget network maintenance and emergency works, and deferred tax adjustments with the reintroduction of tax depreciation on commercial and industrial buildings as part of the Government's response to COVID-19.

Orion paid \$47 million of fully imputed dividends to its shareholders, in line with its Statement of Intent Target.

Group structure and Council Controlled Organisations

Lyttelton Port Company Ltd

www.lpc.co.nz



Lyttelton Port Company Ltd (LPC) operates under the Port Companies Act 1988. As a fully owned subsidiary of CCHL, it manages the Port assets, including land and facilities on a commercial basis.

Lyttelton Port is the South Island’s largest port by volume and the third largest container port in New Zealand. It provides a vital link to international trade routes and plays a key role in the global transport network.

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.

Key performance targets

Health and Safety

Significant Incident frequency rate (per 200,000 hours).

Operational

Gross Crane Rate (containers per hour per crane).

Ship rate (TEU per hour per ship).

Coal load out rate (tonnes per day)

Environmental

Straddle fleet that is electric/diesel hybrid

Policies and objectives relating to ownership and control

LPC is recognised as a Strategic Council Asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin LPC’s strategic direction and business plans, including the achievement of shareholders’ commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the Sol process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

2020 Target	2020 Actual
6.4	Achieved – 5.4
27.0	Not achieved - 24.0
65.0	Not achieved - 62.0
25,000	Achieved - 25,172
65%	Achieved - 80%

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	128,258	166,957
Finance Income	133	859
Operating and other expenses	312,327	120,701
Operating profit before tax	(183,936)	47,115
Tax (benefit)	(31,154)	4,945
Net profit for the year	(152,782)	42,170

Financial commentary

LPC has recorded a net loss after tax in 2020 which is \$195 million movement against last year’s net profit. This loss is largely due to a fair value adjustment expense in the current year of \$190.5 million. There has also been deferred tax adjustments with the reintroduction of tax depreciation on commercial and industrial buildings as part of the Government’s response to COVID-19. Details of this expense and other movements is recorded in the LPC Annual Report.

LPC made total distributions of \$6.7 million to shareholders this year, \$2.3 million below its Statement of Intent target.

Group structure and Council Controlled Organisations

Christchurch International Airport Ltd

www.christchurch-airport.co.nz

Christchurch International Airport Ltd (CIAL) is jointly owned by CCHL (75%) and the Crown (25%). The primary activity of the company is to own and operate the Christchurch International Airport efficiently and on sound business principles.

Nature and scope of activities

The company operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence. The airport is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of national and regional infrastructure.

As the gateway for Christchurch and the South Island, the airport is New Zealand’s second largest airport based on passenger numbers and the busiest and most strategic air connection for the South Island trade and tourism markets.

CIAL is responsible for the efficient and safe operation of the airport, while aiming to provide the airport’s diversity of users with modern, appropriate and efficient facilities and services.

Key performance targets

	2020 Target	2020 Actual
Domestic passengers.	5,038,593	Not achieved - 3,886,462
International passengers.	1,836,859	Not achieved - 1,308,520
Health & Safety.	Year on year improvements in annual culture and engagement survey for health, safety and wellbeing and work/life blend.	Achieved - Improvement of 6 % to 86% for the health, safety and wellbeing factor in the annual CIAL Culture Survey. One of the highest rated questions in the survey at 91% was CIAL has a culture of continuous improvement in health, safety and wellbeing.
Carbon.	20% reduction on CIAL carbon emissions benchmarked against 2015/16. ACI ACA Level 3 certified.	Achieved - Scope 1, 2, and 3 emissions for 2019/20 were 281.12TCO2-e. This is a 51% reduction from 2015/16 baseline year. ACI ACA Level 2 certification has been extended for 2020/21.
	80% of CIAL’s road vehicle fleet made up of EV and hybrid vehicles.	Not Achieved - Currently 52% of CIAL’s road vehicle fleet is EV and hybrid vehicles. Purchasing new vehicles will be placed on hold for a couple of years, by which time more electric alternatives should be available. Intention to carry on with programme.

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 delivers airport land for retail, commercial and freight logistics’ businesses.

Policies and objectives relating to ownership and control

CIAL is recognised as Strategic Council Asset, operating in a commercial manner in a way that benefits the region as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CIAL’s strategic direction and business plans, including the achievement of shareholders’ commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the Sol process, the Council establishes broad parameters to reflect the local and central government ownership of this company without inhibiting its independent commercial management.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020	2019
	Actual	Actual
	\$000	\$000
Operating revenue	179,203	200,506
Finance Income	86	102
Operating and other expenses	<u>134,601</u>	<u>120,607</u>
Operating profit before tax	44,688	80,001
Tax (benefit)	<u>(3,138)</u>	<u>22,529</u>
Net profit for the year	<u><u>47,826</u></u>	<u><u>57,472</u></u>

Financial Commentary

CIAL's after tax profit is lower than in 2019, by \$9.6 million. This is in large part due to a decrease in revenue and an increase in operating costs. There has also been a tax credit as a result of the reintroduction of tax depreciation on commercial and industrial buildings as part of the Government's response to COVID-19. Further details of the movements can be found in CIAL's Annual Report.

The airport recorded 5.19 million passengers this year, down from the prior year by 1.7million.

CIAL made total distributions of \$41.5 million to shareholders this year, \$1.5 million above its Statement of Intent target.

Group structure and Council Controlled Organisations

City Care Ltd

www.citycare.co.nz



City Care Ltd (CCL) is a CCTO, wholly owned by CCHL.

Nature and scope of activities

CCL is in the business of constructing, maintaining and managing infrastructure and property assets. The company's main service offerings are:

- City Care Water – construction and maintenance for water, wastewater and stormwater networks, with a focus on smarter management and optimisation of water sector infrastructure assets.
- City Care Property – encompassing end-to-end construction and maintenance of public and private building and greenspace facilities.
- City Care Civil – focusing on national construction and maintenance opportunities in roads, landscapes and subdivisions.

Key performance targets

Health & Safety

NZ4801 Health and Safety management

Sustainability

Innovation

2020

Target

<20 incidents requiring notification to WorkSafe
<2 WorkSafe investigations
Maintain accreditation.

Annual reduction of 2% company-wide greenhouse gas emissions normalised against annual turnover.

Develop and implement >3 new ideas that drive a significant productivity benefit for one key client

2020

Actual

Achieved

Achieved

Achieved

Achieved

Achieved

Policies and objectives relating to ownership and control

CCL is recognised as a Strategic Council Asset, servicing assets of a public nature in a commercial manner in a way that benefits the city as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCOs. These objectives underpin CCL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the Sol process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	294,595	299,062
Finance Income	102	166
Operating and other expenses	286,706	300,279
Operating profit before tax	7,991	(1,051)
Tax (benefit)	2,375	(327)
Net profit for the year	5,616	(724)

Financial Commentary

Net profit after tax increased \$6.34 million to a profit position in the current year from a loss position in 2019. Citycare received the Ministry of Social Development wage subsidy of \$9 million. There has also been a tax credit as a result of the reintroduction of tax depreciation on commercial and industrial buildings as part of the Government's response to COVID-19.

Citycare Water and Citycare Property have both delivered profitable performance in 2020. Citycare Civil has delivered stable financial results.

City Care made distributions to shareholders this year of \$250,000 this is \$465,000 below its Statement of Intent target.

Group structure and Council Controlled Organisations

Enable Services Ltd

www.enable.net.nz



Enable Services Ltd (ESL) is a CCTO, wholly owned by CCHL and trading as Enable Networks.

Nature and scope of activities

ESL built and now operates a fibre optic network for greater Christchurch. It provides fibre broadband wholesale services to retail service providers on the UFB network.

The UFB network extends across greater Christchurch and to a number of towns in the Waimakariri and Selwyn Districts. ESL connections are expected to grow to 150,000 by 2021.

Associate companies

Enable Networks Ltd (ENL)

Key performance targets

	2020 Target	2020 Actual
Number of connections (cumulative)	123,838	Not Achieved - 117,690 – due to increased focus on fixed wireless services by some internet providers and the COVID-19 pandemic restricting connection activity for several weeks.
Operational service level agreement achieved	>95%	Achieved – 98%
Health and Safety		
Total recordable injuries frequency rate/million hours	<=3	Not Achieved - TRIFR –13.20 – a deeper understanding of contractors' work activities and Health and safety practices has created greater visibility of incidents, leading to a higher than target TRIFR
Serious Harm	0	Not Achieved - 1
Site observations	>1000	Not Achieved – 7,273

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	76,991	58,768
Finance Income	81	68
Operating and other expenses	62,091	55,031
Operating profit before tax	14,981	3,805
Tax (benefit)	3,661	(7,025)
Net profit for the year	11,320	10,830

Financial Commentary

Enable's NPAT in 2020 is \$490,000 ahead of 2019. The increase is largely due to an increase in gross telecommunications revenue.

The Group's continues its focus on connections, whilst the Group hit 117,690 connections this year, this is slightly down on the Statement of Intent target of 123,838.

Group structure and Council Controlled Organisations

EcoCentral Ltd

www.ecocentral.co.nz



EcoCentral (Eco) is a CCTO, 100 per cent owned by CCHL.

Nature and scope of Activities

Eco oversees the processing of household and commercial refuse and the automated sorting of recycling throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finding ways to ensure Christchurch is a leader in recycling.

Eco manages:

- EcoShop, on Blenheim Road; the retail outlet for the recycled goods rescued from the EcoDrop transfer stations, thereby diverting material from landfill.
- 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 comprises three transfer stations for managing the City's recycling and refuse for both domestic and commercial waste. Each station has a

recycling centre, household hazardous waste drop off area and a refuse area for general waste, green waste and hardfill.

Policies and objectives relating to ownership and control

Eco is recognised as a Strategic Council Asset, reducing the waste stream in a commercial manner in a way that benefits the city as a whole.

Section 59 of the Local Government Act 2002 sets out the principal objective of CCTOs. These objectives underpin Eco's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the Sol process, the Council establishes broad parameters to reflect the local government ownership of this company without inhibiting its independent commercial management.

Key performance targets

Operational

EcoSort - waste.

2020 Target

No more than 12% of total waste received.

2020 Actual

Achieved - 11.9%

Eco Drop - waste minimisation.

Investigate at least 2 new initiatives for diversion from waste stream.

Achieved- Initiatives investigated are bio-diesel, tyre pyrolysis and alternative glass reuse.

EcoShop - number of customer sales.

142,000 per annum.

Not Achieved - 125,781 sales. Impacted by COVID-19 135,762 per annum

Lost Time injuries per 200,000 hours worked

<20

Achieved - 13.84

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	34,690	35,321
Finance Income	31	61
Operating and other expenses	35,002	33,812
Operating profit before tax	(281)	1,570
Tax (benefit)	(209)	440
Net profit for the year	(72)	1,130

Financial Commentary

Net profit after tax has decreased into a loss position by \$1.21 million as result of decreased revenue and increased costs.

There was no dividend paid in 2020.

Group structure and Council Controlled Organisations

Red Bus Ltd

www.redbus.co.nz



Red Bus Ltd (RBL) is a CCTO, wholly owned by CCHL. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

The urban public transport services are predominantly operated under contract to Ecan, the planner and regulator for Canterbury public transport.

RBL discontinued its tour bus operations in 2019/20. This is reported as a discontinued activity in these financial statements.

Nature and scope of activities

RBL provides scheduled urban public passenger transport services in Christchurch. The Company also delivers a broad base of charter and coach services and operates some commercial urban services.

Key performance targets

	2020 Target	2020 Actual
Community		
Connect	Improve mystery shopper survey results by >5% on prior year. Increase percentage of seats filled on buses.	Not Measured - Mystery shopper system stopped by ECan March 2019 Not Achieved - Passenger numbers down 19% due primarily to COVID-19.
Environment		
Sustainability	Implement sustainability framework Obtain Enviro-mark certification Maintain >88% peak vehicle utilisation	Not Achieved - Target de-prioritised due to ECan tender Achieved - bronze certification Not achieved - reduced charters and COVID-19 impact.
People		
Safety	Zero notifiable events	Achieved - 0

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	20,297	20,795
Finance Income	28	14
Operating and other expenses	20,354	27,970
Operating profit before tax	(29)	(7,161)
Tax (benefit)	1	(1,850)
Net profit for the year	(30)	(5,311)

Financial Commentary

Red Bus made an after tax loss of \$30,000. This is due to a number of factors including the closure of Red Travel, COVID-19 lockdown changes, revaluation of buses and coaches and one off tender losses.

Group structure and Council Controlled Organisations

Development Christchurch Ltd

www.dcl.org.nz



Development Christchurch Ltd (DCL) is a CCTO, wholly owned by CCHL. It was established in July 2015 at the request of the Council to deliver on the Council's ambition to drive investment opportunities, encourage urban development, aid regeneration and engage the community in activities that will benefit Christchurch.

Nature and scope of activities

DCL's core role is to provide the Council with increased capacity and capability that arises from its commercial focus and commitment to engage effectively with developers, investors, businesses and other stakeholders. Outside this core activity, there is also a role to add capacity to Council by acting as delivery agent for some nominated capital works.

Key performance targets

2020

Target

Strategic

Keep shareholders informed of all significant matters relating to DCL

Work Programme

Lead the revitalisation of New Brighton including practical construction of the Christchurch Hot Pools by March 2020. Work with the Council to progress development projects such as Milton Street and the former New Brighton School site. Lead investment activity across Christchurch through commitment to the Central City Action Plan by facilitating opportunities for investment across a wide range of investors and sectors through the Investor Ready Strategy.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	18,147	6,589
Finance Income	47	50
Operating and other expenses	16,692	8,978
Operating profit before tax	1,502	(2,339)
Tax (benefit)	376	(655)
Net profit for the year	1,126	(1,684)

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objective of CCTOs. These objectives underpin DCL's strategic direction and business plans, including the achievement of shareholders' commercial and non-commercial objectives and operating in accordance with sound business practice.

Through the Sol process, the Council establishes broad parameters to reflect the public nature of this company without inhibiting the independent/commercial management of these entities.

2020

Actual

Achieved - DCL has reported to the finance and performance committee and CCHL on a quarterly basis.

Achieved Pools completed.

Achieved DCL has continued to work with Council.

Achieved DCL continues to facilitate interactions between city institutions to provide a mechanism to share market and institutional intelligence to better inform understanding of investor intentions and requirements.

Financial Commentary

DCL is provided with \$3 million of operational funding each year for services provided to the Council, and one-off funding for specific projects. The net profit for the current year has increased by \$2.8 million compared to the prior year.

Group structure and Council Controlled Organisations

Vbase Ltd

www.vbase.co.nz



Vbase is a CCTO, 100 per cent owned by the Council, operating under direct Council governance and management.

Nature and scope of activities

Vbase has two areas of focus – attracting, hosting and managing events and ownership and management of facilities. Vbase owns and/or operates the following venues:

- Town Hall (owned and managed);
- Horncastle Arena (owned and managed);
- Orangetheory Stadium Addington (managed);
- NZ Air Force Museum (managed); and
- Hagley Cricket Oval Pavilion (managed).

Key performance targets

Objective and Strategy	2020 Target	2020 Actual
<u>Financial targets</u>	EBITDA loss not greater than \$0.959 million.	Not achieved. EBITDA loss \$3.051 million.
<u>Venue Utilisation</u>		
High utilisation of Christchurch Arena.	At least 70 event days.	Not achieved. 56 event days delivered. Impacted by COVID-19 post 31 March 2020
Attract events at OrangeTheory Stadium outside of the standard Super rugby and provincial rugby fixtures.	At least 1 major event is delivered.	Achieved. Delivered an international rugby league match in November 2019.
High utilisation of the Christchurch Town Hall.	At least 117 events are delivered.	Achieved. Delivered 168 events.
<u>Community Benefit</u>		
Secure events that will encourage high usage of the venues.	Visitors to venues exceed 550,000.	Not achieved. 373,100 attendees to Vbase venues for the year. Impacted by COVID-19 post 31 March 2020
Facilitate access to the venues for local community and charitable organisations.	Total venue discounts equal \$100,000.	Achieved. Discounts of \$123,835 provided.
<u>Health and Safety – Vbase will be a safe place to work and visit</u>		
Continue to improve health and safety processes.	Annual health and safety audit completed.	Not Achieved. H&S audit not completed during the year. An audit will be performed in the next financial year in conjunction with the development and implementation of a new H&S and wellbeing strategy that is planned to be implemented by the Vbase Executive Team.
Minimise the total recordable injury frequency rate for employees (based on 20,000 hours)	<11	Achieved based on data as at 31 March 2020 - The average of 8.9 incidents or near misses per 20,000 hours worked represents the average that was reported by Vbase as at 31 March 2020.
<u>Environmental considerations</u>		
Ensure recycling of waste is undertaken at events	Recycling undertaken at 97% of events.	Achieved. 100% of events.
<u>Facility operation</u>		
Asset management plans	An asset management plan is in place for each venue.	Achieved

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin Vbase's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Financial summary

Statement of financial performance for the year ended
30 June 2020

	2020	2019
	Actual	Actual
	\$000	\$000
Operating revenue	31,883	18,182
Operating and other expenses	32,167	38,624
Operating profit before tax	(284)	(20,442)
Tax (benefit)	(5,123)	(5,257)
Net profit for the year	4,839	(15,185)

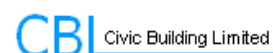
Financial Commentary

Vbase have improved their net profit after tax by \$20 million from the prior year. This is largely due to has reversal of impairment on the Town hall of \$12.5 million and the revaluation gain on the Town Hall and Arena of \$3.7 million.

*2019 figures have been updated to reflect Vbase's 2019 Audited Annual Report.

Group structure and Council Controlled Organisations

Civic Building Ltd



CBL is a CCTO, 100 per cent owned by the Council.

Nature and scope of activities

CBL owns a 50 per cent interest of the Christchurch Civic Building Joint Venture with Ngāi Tahu Property (CCC-JV) Limited. The joint venture owns the Civic building in Hereford Street.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs.

These objectives underpin CBL's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives and conducting its affairs in accordance with sound business practice.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets

Objective and Strategy

Net profit after tax
Manage the investment in a commercially astute and prudent manner.

The Civic Building was designed to achieve a high standard in terms of environmental and energy sustainability.

2020

Target

(\$90,000)

Ensure the Civic Building is managed in accordance with the management agreement.

Ensure the Civic Building operates in a manner that preserves 6 Green Star accreditation features.

2020

Actual

Achieved.

The building is being managed in accordance with management agreement.

The Facilities Management Team considers that the building is operating in a manner consistent with a star 6 facility.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	4,533	4,725
Operating and other expenses	4,406	4,783
Operating profit before tax	127	(58)
Tax (benefit)	(4,277)	(16)
Net profit for the year	4,404	(42)

Financial Commentary

CBL has reported a net profit for the current year, which is an increase of \$4.45 million from the prior year. This is due to deferred tax adjustments of \$4.3 million with the reintroduction of tax depreciation on commercial and industrial buildings as part of the Government's response to COVID-19.

Group structure and Council Controlled Organisations

ChristchurchNZ Holdings Ltd

www.christchurchnz.com



ChristchurchNZ™

ChristchurchNZ Holdings Ltd (CNZL) is 100 per cent owned by Council. It is the holding company for the Council's investment in ChristchurchNZ and CRIS Ltd. CNZL was established in 1 July 2017 from the amalgamation of Canterbury Development Corporation, Christchurch and Canterbury Convention Bureau and Christchurch and Canterbury Marketing Ltd.

Subsidiary and associate entities

CNZL operates to optimise the economic and social opportunities that tourism, major events, city promotion and economic development can bring to Christchurch and Canterbury. CRIS Limited holds the assets and long term contractual arrangements for innovation assets in the region.

CNZL is also a joint venture partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partners Limited, a regional vehicle funded by the Ministry of Business, Innovation and Employment to drive increased capability in small to medium sized entities.

Nature and scope of activities

CNZL's overall purpose is to grow the economy to the benefit of all. It does this by leading the development and

promotion of the city profile, attracting visitors, migrants, students, new business and investment, and a business environment that supports successful and sustainable enterprise, encouraging creativity and innovation.

CNZL, along with its partners is responsible for developing, monitoring and implementing the Christchurch Economic Development Strategy, Christchurch Visitor Strategy, Christchurch Major Events Strategy and Christchurch Antarctic Gateway Strategy, and for developing the Christchurch City Narrative.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin CNZL's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key Performance Targets

Strategic priority	2020 Target	2020 Actual
ChristchurchNZ leads leadership in inclusive and sustainable economic development for Christchurch	Quarterly Economic Report is produced and available on ChristchurchNZ website	Achieved
ChristchurchNZ supports an environment that encourages innovation, entrepreneurship and investment	ChristchurchNZ facilitates at least 2 opportunities to secure innovative businesses or investment into the city aligned with 10-year goals and priority focus areas	Achieved
ChristchurchNZ leads the promotion and marketing of Christchurch and Canterbury to visitors	Christchurch Visitor Industry Situation report produced annually and available on ChristchurchNZ website	Achieved
ChristchurchNZ promotes Christchurch and Canterbury as a great place to hold business events and conferences	Prepare at least 30 city bids to attract business events to Christchurch	Achieved
ChristchurchNZ attracts, manages and sponsors the delivery of major events	Portfolio of events delivered in line with the Major Events Strategy	Achieved

Strategic priority	2020 Target	2020 Actual Achieved
ChristchurchNZ leads collaborative development implementation of a city narrative	Monitor month on month narrative toolkit traffic and activity to ensure consistently increasing engagement and usage	Achieved
Christchurch NZ is recognised by Antarctic programme partners as being a quality Gateway City	Deliver actions as set out in the Antarctic Gateway Strategy Implementation Plan	Achieved

Financial Summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	15,144	15,750
Operating and other expenses	14,851	16,857
Operating profit before tax	293	(1,107)
Tax (benefit)	(8)	(55)
Net profit for the year	301	(1,052)

Financial Commentary

Christchurch NZ are showing an increase in net profit before tax of \$1.4 million compared to the prior year. This is largely due largely due to reduced costs of \$2 million, in the prior year there was a one-off book loss on divestment of NZ Food Innovation (SI) (FoodSouth) of \$1 million.

Group structure and Council Controlled Organisations

Transwaste Canterbury Ltd



Transwaste was incorporated in March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened in 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

Key performance targets

Objective and Strategy	2020 Target	2020 Actual
To operate a successful business, providing a fair rate of return to shareholders.	Kate Valley Dividends \$11.3 million	Achieved - dividends paid \$11.9 million.
Meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of natural resources.	Burwood Resource Recovery Park Dividends \$5 million No proven breaches of Resource Management Act consents.	Achieved - dividends paid \$5 million Achieved - no notifications have been received from Environment Canterbury.
Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.	Kate Valley gas capture and destruction of greater than 90%. Reliability of access to the Kate Valley landfill – more than 99% of normal annual transport access hours.	Achieved - for the reporting year ended 31 December 2019, ETS declaration has been submitted and confirmed by the registrar. Achieved . No disruption of waste transport services occurred, despite the landfill being closed due to high wind on six days for 18.5 hours in total.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	50,628	49,997
Operating and other expenses	32,514	31,318
Operating profit before tax	18,114	18,679
Tax (benefit)	5,072	5,231
Net profit for the year	13,042	13,448

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 (50%) in residual waste disposal activities, as major shareholder, Waste Management Canterbury Ltd.

Through a Statement of Intent, the Council and other shareholders influence the direction of the company, its objectives and its accountability settings.

Financial Commentary

The 2020 result is commensurate with the 2019 result. Dividends paid of 11.9 million were higher than target by \$0.5 million.

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.

Riccarton Bush Trust was incorporated under a 1914 Act of Parliament, which was followed by a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012. These 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.

Key performance targets

Performance targets	Target 2020	Actual 2020
Financial performance.	Operating expenses \$560,000	Achieved - Operating expenses were lower than target, \$545,144 (2.6%), due to the COVID- 19 lock down, the house, bush and café were closed during lockdown level 4. This negatively impacted the revenue received from commission, rent, book sales and guided tours.
Riccarton House.	Ordinary income from sources other than CCC does not reduce Refit and upgrade external public toilets.	Achieved - 41% of revenue was sourced externally from CCC. Not achieved - Deferred due to urgent structural repairs to water tower replacement water supply.
	Visitor numbers to the House, Bush and Group increase annually by 2%	Not achieved - Visitor numbers were 54,025, a 40% drop on last year. Due to Covid-19 the Bush was closed During L2, Level 3 and Level 4 (approx. 4 months) and only opened during level 1. Group tours dropped 3,504 (30% drop). Due to Covid-19 Tours were suspended in April and May and there were only domestic visitors in June.
Riccarton Bush and Grounds.	Bush and Grounds Interpretation – full upgrade completed.	Achieved - Full upgrade completed.
Monitor Health and Safety practices in accordance with policy to meet the requirements of the Health and Safety at Work Act 2015	Report to each Board meeting on: Serious harm incidents = 0 Accident = 1 Near misses = 3	Achieved - Health and Safety Committee operational. Monthly meetings with reporting on all Health and Safety measures. <ul style="list-style-type: none"> • Serious Harm incidents = 0 • Accident = 0 • Near Misses = 0

Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin RBT's strategic direction and business plans including the achievement of the shareholder's commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Trust, its objectives and measures of performance for which the Trust will be held accountable.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020	2019
	Actual	Actual
	\$000	\$000
Operating revenue	760	640
Operating and other expenses	708	695
Operating profit before tax	52	(55)
Tax (benefit)	-	-
Net profit for the year	52	(55)

Financial Commentary

The net profit loss in 2020 is \$107,000 higher than in 2019 largely due to higher operating revenue of 120,000 that comprised of receipt of the COVID-19 wage subsidy and increased grant revenue. These reductions were offset by increased employee costs of \$26,200 increased depreciation costs of \$4,500 for the refit and upgrade the downstairs toilets to bring them up to code following its completion in 2020.

Higher revenue was received in 2020 of \$120,000 from an increase in the Council's levy and capital grant (together \$37,000), one-off grants of \$33,000 from third parties and the COVID-19 wage subsidy of \$43,000.

Group structure and Council Controlled Organisations

Rod Donald Banks Peninsula Trust

www.roddonaldtrust.co.nz



The Rod Donald Banks Peninsula Trust is a charitable trust created by the Council in July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and exists for the benefit of the present and future inhabitants of 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 Pātaka o Rākaihautū – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the Peninsula’s natural environment.

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 common goals.

Key performance targets

Performance indicator	2020 Target
Meet Financial targets.	Operating deficit \$60,964.

The Trust has determined four key pillars on which its projects will be based - Access, Biodiversity, Knowledge, and Partnerships.

Assess all potential projects brought to the Trust’s attention against these four pillars to determine whether they should be added to the Trust’s project list and action those that are deemed a priority.
Make submissions to relevant policy documents in support of the pillars.

Provide leadership and tangible support for the projects achieving access.

Progress Te Ara Pātaka through securing public access and adding user facilities, including continued management of Rod Donald Hut and development of a long-term plan for assets.

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.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin RBT’s strategic direction and business plans including the achievement of the shareholder’s commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the Trust, its objectives and measures of performance for which the Trust will be held accountable.

2020 Actual Achieved. Operating deficit \$57,034 (measured in cash terms, not P&L terms, therefore the following adjustments reconcile with the \$134,000 operating P&L loss – add non-cash expense of depreciation \$7,000 and strategic grants allocated of \$71,000. These items reconcile to the net loss for the year in the financial summary table below.

Achieved – new projects for Pest Free Banks Peninsula were assessed against the framework.

Achieved. Submissions were made to Climate Change Response (Emissions Trading Scheme) Amendment Bill and Climate Change (Forestry Sector) Regulations, Christchurch City Council and Selwyn District Council Annual Plans, among others.

Achieved. Public access secured and track maintenance carried out at Te Ara Pātaka, Rod Donald Hut serviced and maintained and access track to Hut planted with native trees and surface upgraded.

Financial summary

Statement of financial performance for the year ended
30 June 2020

	2020	2019
	Actual	Actual
	\$000	\$000
Operating revenue	105	249
Operating and other expenses	240	579
Operating profit before tax	(135)	(330)
Tax (benefit)	-	-
Net loss for the year	(135)	(330)

Financial Commentary

The net loss for the year is \$195,000 lower than in 2019. This has arisen from a reduction in revenue was a result of a one-off sale of land in 2019 of \$103,000. Also, strategic grants and project expenditure was \$335,000 lower than last year reflecting the completion of key projects during the year.

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.

The Trust was wound up on 2 June 2020 following full distribution of its funding.

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.

The Trust administers the Christchurch Energy Grant Scheme, which aligns with the Council’s Climate Smart and Sustainable Energy Strategies. The scheme provides grants for plant purchase and installation of renewable energy

initiatives, district energy scheme, energy efficiency measures that go well beyond the building code minimum in new and/or renovated buildings and initiatives that result in the use of electricity instead of fossil fuels.

Policies and objectives relating to ownership and control

Section 59 of the Local Government Act 2002 sets out the principal objectives of CCOs. These objectives underpin CAFE’s strategic direction and business plans, including the achievement of the shareholder’s commercial and non-commercial objectives.

Through a Statement of Intent, the Council agrees the strategic direction of the company, its objectives and measures of performance for which the company will be held accountable.

Key performance targets

Performance targets

Christchurch Energy Grants Scheme.

2020 Target

Allocation and payment of the remaining balance of incentive grants for initiatives within the central city through the Christchurch Energy Grants Scheme or other initiatives in line with the Trust Deed.

2020 Actual

Achieved- All residual funds allocated prior to disestablishment.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	2	13
Operating and other expenses	251	857
Operating profit before tax	(249)	(844)
Tax (benefit)	-	-
Net profit for the year	(249)	(844)

Financial Commentary

The Trust made a loss of \$249,000 in 2020 which is \$595,000 lower than in 2019. This is a reflection of all its cash reserves being paid out from the Christchurch Energy Grant Scheme during 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 (the Settlers) to facilitate sustainable development of central Canterbury's water resource.

Resource consents were issued by the Environment Court on 25 July 2012 which allow water to be taken from the Rakaia and Waimakariri rivers for the Central Plains Water Enhancement Scheme operated by Central Plains Water Limited (CPWL).

Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme (now finalised and issued), and to hold these consents for the use of Central Plains Water Limited.

Key performance targets

Performance targets

Financial
Performance monitoring and reporting.

2020 Target

Break-even (expenses and revenues \$80,000)
Monitor the performance of CPWL in constructing, commissioning and operating the Scheme, and communicate the results to the public.

2020 Actual

Achieved
Achieved

Environmental.

Establish and support the Environmental Management Fund (EMF).

Achieved

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020 Actual \$000	2019 Actual \$000
Operating revenue	94	70
Operating and other expenses	94	70
Operating profit before tax	-	-
Tax (benefit)	-	-
Net profit for the year	-	-

Financial Commentary

Expenditure in 2020 is \$24,000 higher than in 2019. This is due to an increase in trustee remuneration and meeting fees by \$5,000, Legal expenses by \$18,000. The costs are negotiated and agreed for payment with the Central Plains Water Company Ltd.

Group structure and other consolidated entities

Ōtautahi Community Housing Trust

www.ocht.org.nz

The Ōtautahi Community Housing Trust (OCHT) was established by the Christchurch City to facilitate the delivery of social housing.

Nature and scope of activities

OCHT is a class 1: social landlord under the Public and Community Housing Management (Community Housing Provider) Regulations 2014 and Public and Community Housing Management Act 1992.

As a Community Housing Provider (CHP) for the Government in particular the Ministry of Social Development, OCHT was established to provide social and affordable rental housing through direct ownership or other means and associated rental accommodation services in Christchurch and Banks Peninsula for the relief of social housing tenants.

Financial summary

Statement of financial performance for the year ended 30 June 2020

	2020	2019
	Actual	Actual
	\$000	\$000
Operating revenue	37,834	38,795
Finance Income	18	38
Operating and other expenses	23,228	20,686
Operating profit before tax	14,624	18,147
Tax (benefit)	-	-
Net profit for the year	14,624	18,147

Key performance targets

No key performance targets exist between the Council and OCHT.

Policies and objectives relating to ownership and control

The OCHT is not a Council-controlled Organisation under the Local Government Act 2002, however does require consolidation into the Council Group under Public Benefit Entity IPSAS 35 – Consolidated Financial Statements accounting standard.

Financial Commentary

The net profit for the year is \$3.5 million lower than 2019. This has arisen from a reduction in operating revenue of \$1.0 million from rental revenue. Offset by an increase in operating expense of \$2.5 million from less fair value movement from the revaluation of its concessionary loans with Council.

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 2020:

Activities to which the reserve relates

Reserve	Balance 1 July 2019 \$000	Transfers into fund \$000	Transfers out of fund \$000	Balance 30 June 2020 \$000
Trusts and bequests				
ChCh Earthquake Mayoral Relief Fund	10	-	-	10
Housing Trusts & bequests	97	1	-	98
Cemetery bequests	69	1	-	70
CS Thomas Trust - Mona Vale	40	-	-	40
Woolston Park Amateur Swim Club (WPASC)	12	-	-	12
Parklands Tennis Club	19	-	-	19
19th Battalion Bequest	17	-	-	17
Yaldhurst Hall Crawford Memorial	11	-	-	11
Sign of Kiwi Restoration Fund	4	-	-	4
Fendalton Library Equipment Bequest	3	-	-	3
W A Sutton Art Gallery Bequest	1	-	-	1
Akaroa Community Health Trust	-	317	-	317
Mayor's Welfare Fund	1,039	561	(515)	1,085
sub-total trusts and bequests	1,322	880	(515)	1,687

Reserve	Activities to which the reserve relates	Balance 1 July 2019		Transfers into fund		Transfers out of fund		Balance 30 June 2020	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Special Funds & Reserves									
Capital Endowment Fund	An inflation protected fund that generates an ongoing income stream which is applied to economic development and civic and community projects.	105,013	3,575	(2,994)					105,594
Housing Development Fund	A fund used for funding the Council's Social Housing activity.	20,750	14,399	(26,242)					8,907
Wairewa Reserve 3185	To enable drainage works relative to Lake Forsyth.	125	1	-					126
Wairewa Reserve 3586	To enable drainage of Lake Forsyth into the sea in times of flood.	56	19	(11)					64
Development & Financial Contributions - Reserves	Development and financial contributions held for growth related capital expenditure.	24,292	10,721	(256)					34,757
Development & Financial Contributions - Leisure	Development and financial contributions held for growth related capital expenditure.	-	143	(143)					-
Development & Financial Contributions - Roading	Development and financial contributions held for growth related capital expenditure.	1,522	7,934	(6,833)					2,623
Development & Financial Contributions - Water supply	Development and financial contributions held for capital expenditure.	-	4,380	(4,028)					352
Development & Financial Contributions - Waste water	Development and financial contributions held for capital expenditure.	-	16,381	(15,035)					1,346
Development & Financial Contributions - Storm water	Development and financial contributions held for capital expenditure.	4,084	3,193	(2,382)					4,895
Development & Financial Contributions - Libraries	Development and financial contributions held for capital expenditure.	-	95	-					95
Development & Financial Contributions - Cemeteries	Development and financial contributions held for capital expenditure.	-	2	(2)					-
Flood Protection Fund	Funds set aside for flood protection works.	786	6	-					792
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.	1,252	7	-					1,259
Community Loans Fund	Fund used to help community organisations carry out capital projects by lending funds at low interest rates.	3,165	34	-					3,199
Dog Control Account	Statutory requirement to set aside any Dog Control surpluses.	207	4,867	(2,699)					2,375
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.	1,786	15	-					1,801

Monitoring - Reserves and Trust Funds

Reserve	Activities to which the reserve relates	Balance	Transfers	Transfers	Balance
		1 July 2019 \$000	into fund \$000	out of fund \$000	30 June 2020 \$000
Special Funds & Reserves (continued)					
QEII sale proceeds	For investment in initiatives that promote the most appropriate and productive use of remaining Council land on QEII site.	3,432	-	(131)	3,301
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.	640	5	-	645
Loan Repayment Reserve	Fund used for facilitating repayment of rate funded loans.	-	39,401	(39,401)	-
Sandlands Contaminated Sites Remediation	Fund used for remediation work at Social Housing sites.	254	-	-	254
Businesscare - Commercial 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.	518	34	-	552
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).	23	-	-	23
Duvauchelle Res Mgmt Committee	To enable maintenance and improvements at public reserves in Duvauchelle	135	274	(281)	128
Okains Bay Res Mgmt Committee	To enable maintenance and improvements at public reserves in Okains Bay	572	301	(356)	517
Cathedral Restoration Grant	A grant of \$10 million (spread over the period of the reinstatement) towards the capital cost of reinstatement, to be made available once other sources of Crown and Church funding have been applied to the reinstatement project. Any interest will be available for other heritage projects.	1,014	1,026	-	2,040
Miscellaneous reserves	Minor or obsolete reserves.	30	-	-	30
sub-total special funds and reserves		170,254	106,813	(100,794)	176,273
TOTAL RESERVE FUNDS		171,576	107,693	(101,309)	177,960

Monitoring

The capital endowment fund

The Council established this fund to provide an ongoing income stream to be used for economic development and innovation, community, and environment projects.

The investment objectives of the fund were met during 2019/20. 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.

	2020 Actual \$000	2019 Actual \$000
Fund capital at 1 July	104,120	104,163
Less distributed	(151)	(43)
Revaluation adjustment	36	-
Fund capital at 30 June	104,005	104,120
Unspent funds at 1 July	893	561
Plus income received by the fund	3,539	3,678
Less distributed	(2,843)	(3,368)
Returned funds	-	22
Unspent income at 30 June	1,589	893
 Total Capital Endowment Fund balance at 30 June	 105,594	 105,013
 Distribution details		
Capital distributions		
Participatory Democracy Project	151	43
	151	43
Income distributions		
Economic Development and Innovation	1,564	1,940
Community	1,279	1,428
	2,843	3,368

Monitoring

Subsidiary and associate companies

Listed below are the trading enterprises in which the Council has an interest, together with the directors of the trading enterprises, for the period ended 30 June 2020.

Christchurch City Holdings Ltd (100% owned)

Jeremy Smith	Claire Evans
Mary Devine i	Alex Skinner
Lianne Dalziel (Mayor)	Vicki Buck (Cr)ii
Andrew Turner	James Gough (Cr)
Gregory Campbell	Sara Templeton (Cr)iii

Enable Services Ltd (100% owned)

Mark Bowman	Katherine Meads
Craig Elliott	Brett Gambleiv
William (Bill) Luffv	Mark Petrie
Scott Weenik	Justin Murrayvi

Christchurch International Airport Ltd (75% owned)

Catherine Drayton	Kathryn Mitchell
Christopher Paulsen	Justin Murray
Paul Reid	Sarah Ottrey

City Care Ltd (100% owned)

Graham Darlow	Penny Hoogerwerf
Bryan Jamisonvii	Craig Price
Mark Todd	Gary Leechviii
Jen Rolfe	

Lyttelton Port Company Ltd (100% owned)

Margaret Devlin	William (Bill) Dwyer
Malcolm Johns	Don Elder
Fiona Mulesix	Jim Quinnx
Grant Gilfillanxi	Brian Wood

Orion New Zealand Ltd (89.3% owned)

John Austin	Sally Farrierxii
Bruce Gemmell	Jason McDonald
Deborah Taylor	Dr Nicola Craufordxiii
Geoff Vazey	

Red Bus Ltd (100% owned)

Bryan Jamisonxiv	Paul Kiesanowski
Anthony King xv	Jason McDonald xvi
Leah Scales xvii	

Development Christchurch Ltd (100% owned)

William (Bill) Dwyer	Dr Jane Gregg
Peter Houghton	Fiona Mules
Darren Wright	

ChristchurchNZ Holdings Ltd formerly Canterbury Development Corporation Holdings Ltd (100% owned)

Therese Arseneau	Roland van Bommel
Paul Bingham	Stephen Barclay
Andrew Turner (Cr)	Kaila Colbinxviii
Tim Scandrett (Cr)xix	

Vbase Ltd (100% owned)

Brent Fordxx	Caroline Harvie-Tearexxi
Tim Scandrett (Cr)	Paul Lonsdalexxii
Paul Munro	

Civic Building Ltd (100% owned)

Mike Davidson (Cr)xxiii	David East (Cr)xxiv
James Gough (Cr)	Sam MacDonald (Cr)xxv
Philip Mauger (Cr)xxvi	

EcoCentral Ltd (100% owned)

David Kerr	Sarah Smithxxvii
Sinead Horgan	Mark Jordan
Benjamin Reedxxviii	

Transwaste Canterbury Ltd (38.9% owned)

Marsha Cadman	Hans Maehl
W. Gill Cox	Gareth James
Thomas Nickels	Robert McKenzie
Richard Davisonxxix	Ian Kennedy
Trevor McIntyre	Glenn Livingstone (Cr)xxx

i Resigned 1 July 2019

ii Resigned 5 December 2019

iii Appointed 5 December 2019

iv Resigned 8 April 2020

v Resigned 31 December 2019

vi Appointed 18 August 2020

vii Appointed 1 October 2019

viii Resigned 31 March 2020

ix Appointed 9 October 2019

x Resigned 9 October 2019

xi Resigned 31 August 2019

xii Appointed 31 August 2020

xiii Resigned 16 September 2019

xiv Appointed 1 November 2018

xv Resigned 10 May 2020

xvi Resigned 30 April 2020

xvii Appointed 1 November 2018

xviii Resigned 31 December 2019

xix Resigned 5 December 2019

xx Appointed 30 July 2020

xxi Resigned 31 May 2020

xxii Resigned 30 September 2019

xxiii Resigned 5 December 2019

xxiv Resigned 5 December 2019

xxv Appointed 5 December 2019

xxvi Appointed 5 December 2019

xxvii Resigned 21 October 2019

xxviii Appointed 21 October 2019

xxix Resigned 14 February 2020

xxx Resigned 14 February 2020

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
CIP	Crown Infrastructure Partners Limited (formerly Crown Fibre Holdings Limited, renamed 1 September 2017)
CGU	Cash Generating Unit
CIAL	Christchurch International Airport Limited
City Care	City Care Limited
CMUA	Canterbury Multi Use Arena
Council	Christchurch City Council
COVID-19	2019 Novel Coronavirus Global pandemic
Cr	Councillor
CRAF	Christchurch Regeneration Acceleration Facility
CRIS	Canterbury Regional Innovation System
CTOC	Christchurch Transport Operations Centre
CWTP	Christchurch Wastewater Treatment Plant
DEE	Detailed engineering evaluations
ECE	Early childhood education
ECL	Expected credit loss
EcoCentral	EcoCentral Limited
ELC	Early learning centres
ENL	Enable Networks Limited
EOC	Emergency operations centre
EQ	Earthquake
EQC	Earthquake Commission
ESL	Enable Services Limited

Glossary

Exchange revenue	Revenue from providing goods and services to another entity and directly receiving approximately equal value in exchange
FAP	Financial assistance package
FIT	Free Independent Traveller
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
JESP	Justice and Emergency Services Precinct
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
Non exchange revenue	Revenue from transactions that are not exchange transactions
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
OCHT	Ōtautahi Community Housing Trust
OIC	Order in Council
Orion	Orion New Zealand Limited

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
Vested assets	Assets received by Council for no consideration
WHRS	Weathertight Homes Resolution Services
WIP	Work in progress
WINZ	Water Information New Zealand

Definition of Terms used for the Financial Prudence Benchmarks⁶

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.
Quantified limit	The limit on rates, rates increases, or borrowing for a year that is included in Council's financial strategy.

⁶ 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.

