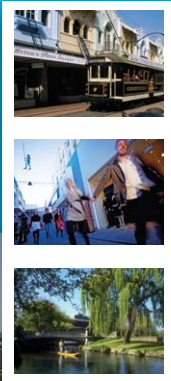


Annual Report Summary **2008**

Christchurch Ōtautahi





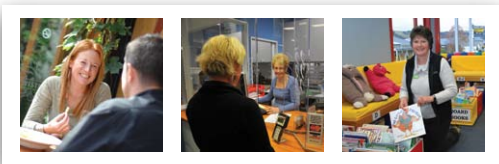
The Christchurch City Council has a vision for this City

"Our future Christchurch is a world-class boutique city, where people enjoy a sustainable lifestyle, a healthy environment, a strong economic base and the diverse landscapes of the city and peninsula."



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What is this summary report?

This is a summary of the Christchurch City Council's Annual Report 2008. We produce a summary to make it easier for people to find out at a glance what the Council has been doing for the past financial year.

You'll find copies of the full Annual Report 2008 at city libraries and service centres, online at www.ccc.govt.nz/LTCCP/AnnualReport or you can request a copy through our call centre on 03 941 8999.

The Annual Report 2008 sets out what the Christchurch City Council did in the past year, why we did those things, how much they cost, and how we paid for them.

This report shows how the Christchurch City Council is delivering on the promises made to our community – promises made after asking Christchurch residents what they want for their city as part of our long-term planning process.

The report shows the Council's overall financial position and performance as measured by its achievement against its financial Key Performance Indicators.

The annual report and audited financial statements of the Christchurch City Council, together with the unqualified report of the Audit office, were adopted by the Council on 16th October 2008.

Published on 7th November 2008 by the Office of the Chief Executive, Christchurch City Council, in compliance with s98 (4) of the Local Government Act 2002.

PO Box 237, Christchurch, New Zealand. Tel 64-3-941-8999. Fax 64-3-941-8786. www.ccc.govt.nz.



Message from the Mayor and the Chief Executive

It is a pleasure in my first year as Mayor to present the Council's Annual Report for the 2008 financial year with our Chief Executive Tony Marrlyatt.

This Annual Report sets out what we achieved in the past year, compared to what we said we would do.

The first eight months in office for the new Council was a time of bedding down new systems and establishing working relationships, building on past achievements and launching several exciting new projects.

Every year, we as a Council must measure our performance. To be successful, we must ensure our promises are delivered, our goals met and our responsibilities fulfilled. We finished the 2008 year in a strong position with a \$40.2 million accounting surplus, which after adjusting for capital receipts and non cash items leaves a cash surplus of \$2.9 million. This cash surplus will reduce our rates requirement through lower borrowing requirements in future years.

This report shows that we have delivered on nearly 85% of the service delivery targets that were measured, which we set in our 2006-16 Long Term Council Community Plan. There are several highlights, one being the increase in visitor numbers of our Art Gallery which has staged some excellent exhibitions in the past year.

Our purchase of the Ellerslie International Flower Show, which will be held in Christchurch for the first time in March 2009, is a great coup for the city. The internationally-regarded event will draw visitors from around the country and around the world to our fabulous garden city.

Keeping the rates low does not, however, mean a drop in service. In last year's Annual Plan, we set out many goals for the year, including the promise we would maintain our service standards, invest more money in events and festivals and address the big issues such as planning for the future by increasing our resources in developing our City Plan to meet current and future demands.

We've continued to pursue our goal of becoming a world-class city, with a focus on the revitalisation of our Central City. Upgrading the City Mall, where we have opened a second work front to ensure the project meets its time frame, extending our world-famous tramway and assisting in the development of our unique lanes for hospitality and shopping in the City are all part of a greater plan for development in the region.

They fall under the banner of the Greater Christchurch Urban Development Strategy – a partnership between neighbouring local authorities in our region and Transit New Zealand. This strategy is steering growth in Canterbury and guides our city's diverse development plans.

Council invested \$209.3 million in capital works in the 2008 financial year. This winter's bad weather has plagued one of our major projects the Ocean Outfall, but the contractors are confident that if conditions improve in spring, the pipeline will be commissioned on time in early 2009. In spite of increases in the cost of construction materials, this project has remained on budget.

Work continued on the redevelopment of the Jellie Park complex during the year, while Council decided the Graham Condon Leisure Centre to be built in Papanui will be extended from six to eight lanes.

Another project that came to fruition was the Whakahoa Village, a housing complex in Gowerton Place. This Council, the second largest landlord in the country behind Housing New Zealand, is proud of its record in social housing and is committed to continuing with this.

Banks Peninsula has now been part of Christchurch City since 2006. Residents in this part of our region are seeing the benefits of this amalgamation through our extensive programme of road maintenance, replacing bridges, new jetties and slipways and upgrading domains.

Message from the Mayor and the Chief Executive

As a Council, we put strong emphasis on our standards of service and I am pleased to report an overall increase in satisfaction with Council services, according to our latest biannual residents' survey.

In the survey, conducted in March 2008, 79% of those surveyed indicated they were either satisfied or very satisfied with the performance of the Christchurch City Council in delivering its services. This is a 4% increase over the survey conducted in September 2007.

The results are very encouraging. As an organisation it is important we deliver services to the level expected by ratepayers. This survey highlights that we are very much on track in many areas. Of course, we will keep a close eye on the areas of most concern to our residents, such as traffic congestion.

Improving the safety of our city is paramount. One of the first issues this Council faced was a city being held to ransom by the illegal antics of boyracers. Within our limited powers we imposed traffic bans in the worst affected areas. We continue to meet regularly with the police and fully support their endeavours to tackle this problem, while lobbying Government to reduce the allowable noise levels of cars. As a Council we are also promoting initiatives to reduce alcohol consumption in the central city, while investments to improve safety going forward include increasing the number of crime cameras in the central city.

Council staff are already working on our next Long Term Council Community Plan 2009-19, which sets out a 10-year plan for our city, based on the values of our community and the vision of our Council.

Our Community Plan allows us to map our future direction and ensure our city reaches its full potential; through this process we can incorporate the wants and needs of our community into our activities and services so the outcome is a better Christchurch for everyone.

As well as keeping up our core business responsibilities, our long-term plan includes several major projects. To name just a few, we will undertake the development of our new Civic Building, introduce a cutting-edge kerbside waste collection system that will significantly reduce the amount of rubbish we send to landfill, and redevelop the city's busy Bus Exchange, moving it to a new, much larger location.

I would like to thank all the staff who have contributed to our achievements over the past year and who are already planning for our future.



Bob Parker - Mayor



Tony Marrayatt - Chief Executive





How the Council works

Elected members

Christchurch residents and ratepayers are represented by the Council and Community Boards. Elections are held every three years to select the people who will act and speak for our community.

Council

The Mayor and 13 Councillors govern the City and ensure the needs of its residents are met. They make decisions for Christchurch's future, plan the way forward and are accountable for delivering what the community says is necessary for its cultural, economic, environmental and social well-being.

Community Boards

At a local level, eight Community Boards represent and act as advocates for the interests of their communities. The Community Boards are:

- Burwood/Pegasus
- Fendalton/Waimairi
- Hagley/Ferrymead
- Riccarton/Wigram
- Shirley/Papanui
- Spreydon/Heathcote
- Akaroa/Wairewa
- Lyttelton/Mt Herbert

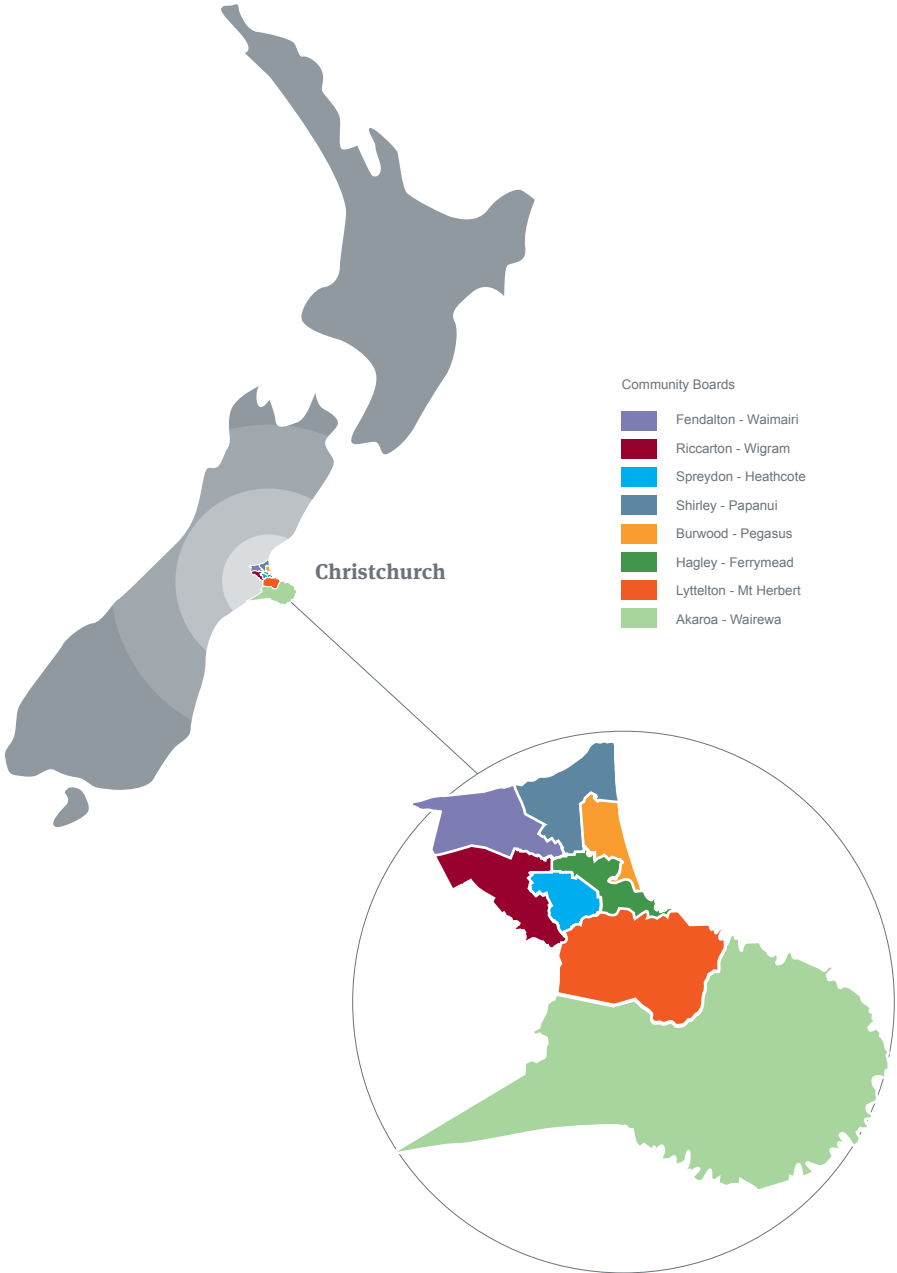
Council Organisation

The Mayor and Councillors are responsible for employing the Chief Executive – the only member of staff who reports directly to elected members. The Council's organisational structure is designed to ensure its services are provided as effectively as possible. To achieve this, Council activities and services are divided into eight groups they are:

- Capital Programme
- City Environment
- Community Services
- Corporate Services
- Human Resources
- Public Affairs
- Regulatory and Democracy Services
- Strategy and Planning

Within these groups, various units are tasked with providing specific services to the community and organisation. The services and activities provided by the City Council are wide and varied, from rubbish collection, roads and water, to the Botanic Gardens, Christchurch Art Gallery, city libraries and the funding of festivals and events.

How the Council works



Our achievements

Cultural achievements

- The Christchurch Art Gallery hosted 23 exhibitions during the year: 24,142 people visited the *Morris & Co: The World of William Morris* exhibition and there were 56,264 visitors to *Bill Hammond: Jingle Jangle Morning* with a further 62, 583 seeing the Christchurch Art Gallery touring exhibition during its showing at City Gallery, Wellington.
- The Welcome to Christchurch campaign was launched in partnership with Te Rūnanga o Ngāi Tahu, CPIT, University of Canterbury and the Police to help fight racial discrimination against international students.

Economic achievements

- The Christchurch City Council led the other councils in the region in the establishment of the Canterbury Regional Governance Group (RGG) which is needed to enable the region to capitalise on Central Government funding through the Regional Strategy Fund and the enterprising partnership fund.
- Christchurch bought the rights to host the country's most prestigious garden event, the Ellerslie International Flower Show. The first Christchurch show will be held in March 2009.
- A major upgrade of the City Mall started during the year.
- Implementation for the Greater Christchurch Urban Development Strategy (UDS) commenced, with a key focus on providing information to support an approach to Central Government to assist with transport funding. While this is a regional initiative, there is a significant Greater Christchurch component.

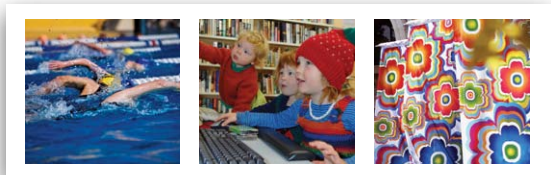
Environmental achievements

- A major review of several key by-laws was completed by Council including the bylaws for Dog Control, Marine and River Facilities, Parks and Reserves, Public Places, Stock Control, Traffic and Parking, Water Related Services and the General Bylaw.
- Significant work has been undertaken in tendering the new three wheelie-bin waste service in 2007/08. Long term contracts were awarded to TPIG Clean Away for the kerbside services, TPIG/Living Earth for the compost plant and Meta NZ for the Material Recovery Facility (MRF).
- The Council conducted a comprehensive consultation regarding the proposed Bus Priority Routes and approved the first three routes to progress to design and construction.
- Significant land purchases were identified and made for the new Christchurch Transport Interchange in the Central City.
- Asset renewal works progressed well over the year at the Christchurch Wastewater Treatment plant with the commissioning of an upgraded Pump Station A and replacement of an old gas compressor.
- The Council commenced quarterly water meter reading in Akaroa and conducted water loss reduction studies in both Akaroa and Lyttelton basin. This information will be fed into the asset renewal programmes and will help predict future demand requirements in these settlements.
- The Blenheim Road deviation was opened, greatly improving traffic flow in the area around Blenheim Road and Hagley Park and resulting in an easier passage in and out of the city.



Social achievements

- The Draft Libraries 2025 Facilities Plan, a framework for the development of the Christchurch City Libraries' network for the next 20 years, was approved for community consultation by Council in March. Hearings on the submissions were held in June.
- International sporting events such as the World Bowls Tournament, World Croquet Tournament and the Oceania Swimming Championships continue to cement Christchurch as New Zealand's leading sport city.
- In December 2007 we officially opened Whakahoia Village, a brand new housing complex in Gowerton Place which was the product of a partnership with Housing New Zealand.



Financial highlights

What is the Council's reported surplus?

The council's operating surplus for the year, after vested asset contributions, was \$40.2 million, \$2.2 million above plan.

Why has the Council made a surplus?

The majority of the surplus has not arisen from operating activities. Under accounting standards we are required to show all revenue, including capital revenues as income received for the year. This year we have received \$29.9 million of development contributions and vested assets, (footpaths, water and drainage infrastructure and reserves land) from developers which will be held in the balance sheet either as an asset or a reserve to be offset against the cost of future development. We have also received interest on funds which are held for special purposes. After adjusting for these the Council has made a cash operating surplus for the year of \$2.9 million.

What will the Council do with the surplus?

The \$2.9 million is moved into a reserve and will be used immediately to fund capital expenditure in lieu of borrowing. By doing this ratepayers are getting the benefit of the surplus.

What caused the difference?

The operating cash surplus of \$2.9 million is the result of gains received from the sale of land. We received more than budgeted because of the increase in property prices over the past 18 months.

Sources of operating income

Total income for the year ended 30 June 2008 is \$433.3 million. It was received from the following sources:

	Actual \$m	Plan \$m
Rates Revenue	\$223.4	\$221.1
Sale of Goods / Services	\$32.3	\$32.6
Rental Revenue	\$23.3	\$21.2
Interest Revenue	\$25.8	\$27.4
Dividends	\$34.2	\$35.8
Development Contributions	\$14.8	\$9.4
Land Transport New Zealand Subsidies	\$20.3	\$29.2
Other Revenue	\$44.5	\$31.5
Vested Assets	\$15.1	\$22.8

Understanding the Council's operating expenditure

The Council's total operating expenditure for the year ended 30 June 2008 was \$392.5 million. Key components include:

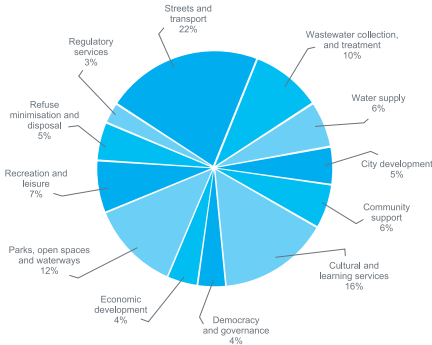
	Actual \$m	Plan \$m
Depreciation and Amortisation	\$92.8	\$93.7
Finance Costs	\$6.0	\$9.9
Employee Costs	\$114.0	\$108.8
Grants / Donations	\$23.0	\$23.8
Other Operating Expenses	\$156.7	\$156.7

Financial highlights



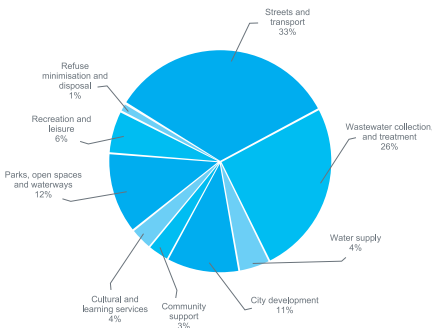
How your rates dollars were spent

The \$223.4 million of rates collected was allocated across groups of activities as shown below.



Investing in the assets of the city

The Council has continued to invest in the city. \$209.3 million was spent on capital expenditure projects during the year.



Major capital projects

The Council spent \$18.8 million acquiring the site for the new transport interchange and \$20.6 million on land at Henderson's basin and at Awatea to provide for the stormwater needs in both areas.

Projects completed for the year include the Whakahoia Village housing development in Gowerton Place (\$2.5 million), housing improvements and redecoration (\$2.1 million), carriageway and footpath resurfacing (\$9.6 million), and kerb and channel replacement (\$14.3 million). A further \$4.7 million was spent on new library books.

Projects progressed include the ocean outfall pipeline at South New Brighton (\$31.1 million), redevelopment of the Jellie Park swimming complex (\$10.1m), the City Mall upgrade (\$5.3 million), and ongoing work with the fifth and sixth digesters at the Wastewater Treatment Plant (\$4.6 million).

Looking forward

Major capital works planned for the year to June 2009 include:

- completing the Ocean Outfall project,
- commissioning of the fifth and sixth digesters,
- continuing the City Mall upgrade,
- finalising the design for the new transport Interchange
- construction of the Graham Condon Sport and Recreation Centre at Papanui,
- ongoing housing maintenance,
- retendering and commencing the biosolids drying project,
- ongoing development of the network of integrated water catchment plans, beginning with the upper Heathcote and mid-Heathcote area,
- ongoing work with kerb and channel replacement.

Operational work planned includes:

- ongoing work on the Urban Development Strategy,
- implementing the Safe City policy,
- further work on the Libraries 2025 plan,
- rolling out the wheelie bin refuse minimisation service.

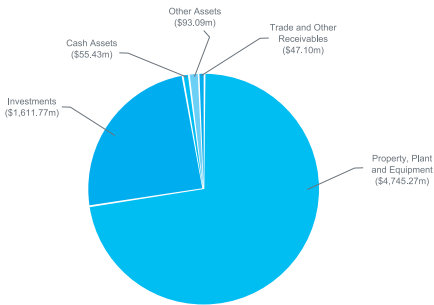


Financial highlights

Financial position

The Council's balance sheet reflects our strong position with total assets of \$6.6 billion and net assets of \$6.3 billion. Equity increased by \$838.0 million during the year the main drivers being a \$584 million revaluation of property, plant and equipment and a \$217 million revaluation in the Council's investments.

Our asset breakdown is as shown:



Group results

The Group includes the Council and its trading operations. The financial results, after all inter-company transactions have been eliminated, reflect the financial strength and size of the organisation as a whole.

	\$'000
Turnover	851,629
Operating surplus (before tax)	123,584
Total assets	7,381,511
Total liabilities	983,247
Total equity	6,398,264

This result continues a positive trend in results for the Group, and the increasing value of the assets held by the city.

Standard and Poor's affirmed the Council's and Christchurch City Holdings Ltd long-term rating of AA+ and short-term rating of A-1+, and have confirmed that we are no longer on negative outlook.

Income statement

Summary Income statement for the year ended 30 June 2008

	Parent			Group	
	2008	2008	2007	2008	2007
	Actual \$'000	Plan \$'000	Actual \$'000	Actual \$'000	Actual \$'000
Revenue	418,228	408,091	388,464	866,781	797,096
Finance costs	5,972	9,918	6,399	30,479	30,893
Other expenditure	386,524	382,930	355,157	727,861	660,775
Expenditure	392,496	392,848	361,556	758,340	691,668
Surplus before asset contributions	25,732	15,243	26,908	108,441	105,428
Vested assets	15,143	22,804	12,040	15,143	12,040
Surplus before income tax	40,875	38,047	38,948	123,584	117,468
Income tax expense/(credit)	652	-	-	29,058	21,770
Surplus from continuing operations	40,223	38,047	38,948	94,526	95,698
Surplus/(loss) from discontinued operations (after tax)	-	-	-	-	11,454
Surplus for the period	40,223	38,047	38,948	94,526	107,152
Surplus for the period					
Minority interest	-	-	-	14,012	15,991
Parent entity	40,223	38,047	38,948	80,514	91,161
	40,223	38,047	38,948	94,526	107,152

Balance sheet

Summary Balance Sheet as at 30 June 2008

	Parent			Group	
	2008	2008	2007	2008	2007
	Actual	Plan	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets	175,307	124,164	229,640	294,912	313,555
Non-current assets	6,377,351	5,358,991	5,440,552	7,086,599	6,332,928
Total assets	6,552,658	5,483,155	5,670,192	7,381,511	6,646,483
Equity and Liabilities					
Current Liabilities	76,759	68,140	65,138	286,500	226,736
Total non-current liabilities	146,649	221,826	114,772	696,747	678,997
Equity *	6,329,250	5,193,189	5,490,282	6,398,264	5,740,750
Total Equity and liabilities	6,552,658	5,483,155	5,670,192	7,381,511	6,646,483
*Minority interest included in group equity				247,588	244,723

Cashflow

Summary Cashflow statement for the year ended 30 June 2008

	Parent			Group	
	2008	2008	2007	2008	2007
	Actual	Plan	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Net cash flow from operating activities	107,441	107,373	113,593	232,835	213,788
Net cash flow from investing activities	(133,312)	(255,137)	(85,764)	(230,909)	(148,571)
Net cash provided by/(used in) financing activities	32,188	80,149	(24,602)	40,539	(60,178)
Net increase/ (decrease) in cash and cash equivalents	6,317	(67,615)	3,227	42,465	5,039
Cash and cash equivalents at beginning of year	49,110	131,852	45,883	65,461	60,422
Cash and cash equivalents at end of year	55,427	64,237	49,110	107,926	65,461

Changes in equity

Summary Statement of changes in Equity for the year ended 30 June 2008

	Parent		Group	
	2008 Actual \$'000	2007 Actual \$'000	2008 Actual \$'000	2007 Actual \$'000
Equity at 01 July	5,490,282	5,026,989	5,740,750	4,803,390
Net surplus attributable to:				
Parent entity shareholders	40,223	38,948	80,514	91,161
Minority Interest	-	-	14,012	15,991
Increases(decreases) in revaluation reserves	801,677	423,832	589,890	819,470
Other	(2,932)	513	(17,121)	(71,532)
Total recognised revenues and expenses	838,968	463,293	667,295	855,090
Distribution paid and provided to minority interests		-	(8,672)	(8,260)
Other movements in minority interests		-	(1,109)	90,530
	6,329,250	5,490,282	6,398,264	5,740,750

	Parent Actual			Group Actual			
	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000	Retained earnings \$'000	Other reserves \$'000	Minority interest \$'000	Total equity \$'000
Balance at 1 July 2006	1,555,156	3,471,833	5,026,989	2,142,068	2,514,860	146,462	4,803,390
Balance at 30 June 2007	1,672,874	3,817,408	5,490,282	2,312,273	3,183,754	244,723	5,740,750
Balance at 30 June 2008	1,767,037	4,562,213	6,329,250	2,446,650	3,704,026	247,588	6,398,264

Council controlled organisations

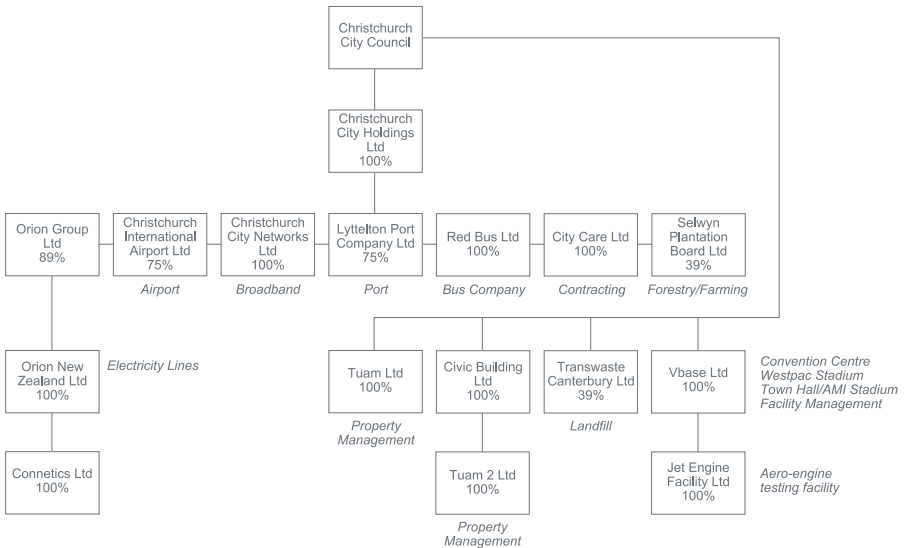
The Council holds controlling stakes in a number of trading companies which form part of the city's key infrastructure.

These Council-controlled organisations are managed for the long-term benefit of the community and aim to help ensure

a healthy regional economy. The dividends from these companies help the Council reduce its reliance on rates to fund its activities. The trading companies are run commercially, at arms length from the Council.



Christchurch City Council Group Structure



Our performance summary

The following assumptions in measuring performance KPIs have been made.

A measure is classified as meeting the target if the actual level of service is within + or - 5% of the target. Additionally,

any measures with a target of "base line target to be determined" that have been measured are defined as having met the target.

The following are examples of how the Council measures its performances

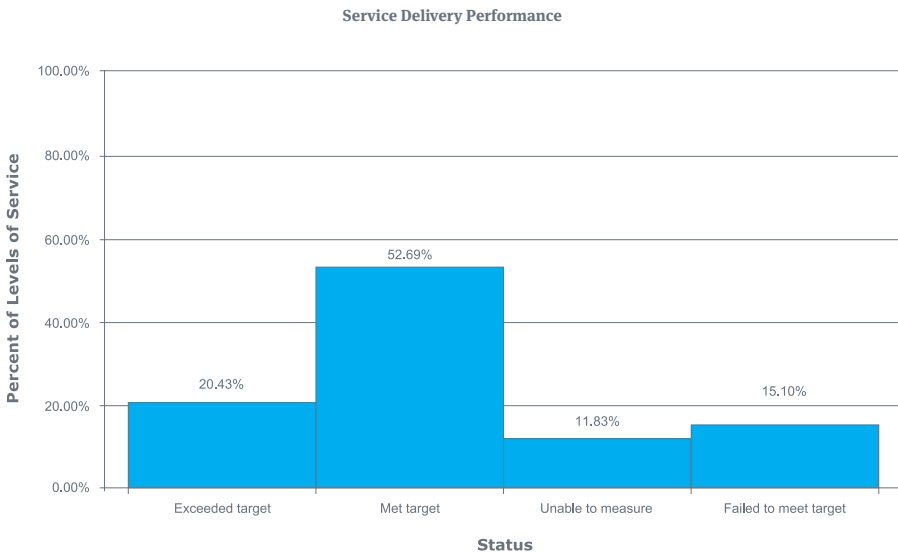
Group of Activity	Activity	Level of Service	Actual	Target
City Development	Central city revitalisation	Rate of growth in the number of businesses in the central city compared to city-wide (per year)	48%	45%
Community Support	Social housing	Christchurch housing rental stock provided by Council	2,649	2,641
Cultural and learning services	Libraries	Customer satisfaction with the library service	85%	85-90%
	Art Gallery	No. of visits to the Art Gallery and the net cost of providing the service	389,091 / \$18.57	375,000 / < \$23.00
Economic development	Visitor promotion	Number of business start ups per year	553	500
Parks, open spaces and waterways	The Botanic Gardens	Number of visitors to the Botanic Gardens per year.	1.6 million	1.2 million
Recreation and leisure	Pools and leisure centres, stadia and sporting facilities	Area of pool provided per capita	1 sq m per 67 persons	1 sq m per 105 persons
Refuse minimisation and disposal	Refuse transfer and disposal	Total amount of waste sent to landfill each year (tonnes)	249,776 tonnes	260,000+/-5%
Regulatory services	Enforcement and inspection activities	Percent of priority 1 complaints (wandering stock and aggressive behaviour by dogs) responded to within two hours	96%	100%
Streets and transport	Streets	Kerb and ditched channel renewal (remove ditched channels by 2023)	14.5km	17 km
Wastewater collection and treatment	Waste water system as a whole	Number of public health issues attributable to the wastewater system	Nil	Maintain zero reported by the Ministry of Health
Water Supply	Water conservation	Total water used by the city per year (million cubic metres, 5 year rolling average)	53.02 million cu	53 million cu +/- 6



Our performance

The Council aims to contribute to the cultural, environmental, economic and social well-being of the community through nine Community Outcomes, or community goals. For further information on Community Outcomes and how they link to the groups of activities refer to the Annual Report.

The Council reports against the measures contained in its Long Term Council Community Plan (LTCCP) and details can be found in the full financial statements. The Annual Report 2008 shows that we have delivered on nearly 85% of the service delivery targets that were measured, which we set in our 2006-16 LTCCP.





groups of activities

Our activities at a glance

The work carried out by the Christchurch City Council is organised into categories called groups of activities. They include:

City development

City development helps to improve Christchurch's urban environment and revitalise the Central City through urban renewal, Central City revitalisation and heritage protection.

Community support

Community support helps build strong, active communities by providing residents and residents' groups with services and support such as halls, early learning centres, grants, housing, civil defence and rural fire fighting.

Cultural and learning services

The Christchurch City Libraries develop the knowledge, literacy and cultural well-being of the city's residents by providing access to information through its network of community libraries and supporting volunteer libraries. The Christchurch Art Gallery Te Puna o Waiwhetu collects, presents, interprets and conserves quality works of art to educate, inspire discovery and preserve the legacy of artistic achievement for today's and future generations.

Democracy and governance

The Christchurch community is represented by the Mayor, 13 Councillors and 40 Community Board members. Council staff provide support to all elected members to carry out their responsibilities and functions, and provide opportunities for the community to participate in decision-making that contributes to a well-governed city.

Economic development

The Council actively supports the growth and development of local businesses by means of grants to the Canterbury Development Corporation and through its own trading organisations, under the umbrella of its wholly owned subsidiary Christchurch City Holdings Limited (CCHL). The Council has made significant investments to bring the city's business environment to world-class levels and national prominence.

Parks, open spaces and reserves

The Council manages the City's parks, waterways and drainage infrastructure. Maintaining Christchurch's image as the Garden City requires being sensitive to the needs of the community and visitors while continuing to develop the extensive parks network and maintain and enhance our waterways and drainage infrastructure.



Recreation and leisure

Through Recreation and Sports, the Council works to promote a city where its residents have easy access to world-class facilities for a healthy and active lifestyle. Accessible pools and leisure centres, stadia, sporting facilities, and recreational and sporting programmes allow residents to participate in sport and physical activity at a recreational and local, national and international competitive level.

Refuse minimisation and disposal

The Council provides solid waste collection treatment and disposal services in order to protect the community and environment. Waste minimisation is encouraged through kerbside collection of recyclable products and paper. A number of initiatives and education programmes are run to reduce the amount of material residents and businesses send to the Kate Valley landfill.

Regulatory services

The Council administers and enforces statutory regulations and Council bylaws for a range of issues including building and development work, the health and safety of licensed activities, dog control, city parking and swimming pool safety. In addition, complaints about nuisances and non-compliance are investigated and the potential effects of various activities monitored and assessed.

Streets and transport

The Council manages the city's streets and transport so that people can have safe, easy and comfortable access to homes, shops businesses and many recreational and leisure destinations. Street corridors also provide access for power, telecommunications, water supply and waste disposal.

Wastewater collection and treatment

The Council provides liquid waste transport, treatment and disposal services in a manner that enhances the health, safety and convenience of the Christchurch community, meets the needs of a growing city, and conforms to the intentions of district and regional plans and the Greater Christchurch Urban Development Strategy.

Water supply

The Council plans and operates the City's water supply and distribution system. It provides high quality water to residents and businesses as well as for fire fighting purposes. Christchurch gets its drinking water mainly from groundwater aquifers. The water is of such high quality treatment is not necessary before it can be used. However, the Council monitors water quality on a daily basis.



Notes to financial statements

Notes to the Financial Statements for the year ended 30 June 2008

1. Accounting policies

Basis of preparation

The Council has prepared the summary financial report in order to provide users with a succinct overview of Council performance. The Council authorised the General Manager Corporate Services to produce and publish the summary report on the 16th October 2008. The summary report was approved for issue by the General Manager Corporate Services on 7th November 2008. The specific disclosures in the summary financial report have been extracted from the full audited financial report also dated 16 October 2008.

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 10, which includes the requirement to comply with generally accepted accounting practice in New Zealand. There were no changes to Council's accounting policies.

The summary financial report complies with Financial Reporting Standard No. 43 Summary Financial Statements. Users of the summary financial report should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full financial report of the financial and service performance, financial position and cash flows of the Council.

Users who require additional information are encouraged to access the full Council Annual Report on the Council website at www.ccc.govt.nz. Users who do not have access to the website can request a printed version from the following address:

General Manager, Corporate Services
Christchurch City Council
PO Box 237
Christchurch



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

AUDIT REPORT

TO THE READERS OF CHRISTCHURCH CITY COUNCIL AND GROUP'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

We have audited the summary annual report.

Unqualified Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 16 October 2008, on:

- the full financial statements; and
- the Council and group's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of Opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We carried out four assignments for Council's subsidiaries. These assignments were a review of interim financial statements and issuing audit certificates pursuant to the Commerce Act (Electricity Information Disclosure Requirements) Notice 2004, the Commerce Act (Electricity Distribution Thresholds) Notice 2004 and the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999. These assignments are compatible with those independence requirements.

Other than the audit and in conducting the audit of the Long Term Council Community Plan, and the assignments detailed above, we have no relationship with or interests in the City Council or any of its subsidiaries.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.

S M Tobin, Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand
7 November 2008

Matters Relating to the Electronic Presentation of the Summary Annual Report

This audit report relates to the summary annual report of Christchurch City Council and group for the year ended 30 June 2008 included on the Christchurch City Council's website. The Christchurch City Council is responsible for the maintenance and integrity of the Christchurch City Council's website. We have not been engaged to report on the integrity of the Christchurch City Council's website. We accept no responsibility for any changes that may have occurred to the summary annual report since they were initially presented on the website.

The audit report refers only to the summary annual report named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary annual report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary annual report as well as the related audit report dated 7 November 2008 to confirm the information included in the audited summary annual report presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



■ *notes*



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