Te Mahere Rautaki Kaurera

OUR DRAFT LONG TERM PLAN 2024–2034

Consultation Document

ccc.govt.nz/longtermplan

Christchurch City Council

Te Mahere Rautaki Kaurera

Our Draft Long Term Plan

2024–2034

Ka whati te tī, ka wana te tī, ka rito te tī, ka tipu te tī.
Whano mai e te tini; whano mai e te mano.
Ko ēnei ōku kete hei koha, ko ēnā ō kete hei koha
Mō te whenua, mō te tāngata.

When the tīkouka is broken,
it sprouts and throws up shoots and grows.
As we come together, I bring my resources
and share them with your resources as a gift
for the land and the people.

Te Mahere Rautaki Kaurera
Our Draft Long Term Plan
Consultation Document
2024–2034 Ōtautahi Christchurch

For the period 1 July 2024 to 30 June 2034
Adopted for consultation on 14 March 2024

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Mayor’s introduction

This is a great time in the history of our city.

I am committed to protecting and investing in the city we all call home. As I have often said, this is the best place to live, work, play and invest in New Zealand. I know this because I’ve raised a family here, run a business and continue to take an active role in our city.

We are coming out of the pandemic in a strong position, driven by the huge investment of the past decade and the fact that the world is seeing what a great place Christchurch is to raise a family, run a business and enjoy our stunning natural environment.

Christchurch City Council has delivered a staggering number of significant projects in the last 10 years – Tūranga, Taiora QEII, countless post-quake road and pipe renewals, the restored Town Hall, you name it. It’s great to see Te Kaha, Canterbury’s Multi-Use Arena rise out of the ground at pace. Matatiki Hornby Centre and The Court Theatre are also making great progress. Soon, work will be underway on the new South Library and Service Centre – Ōmōkihi, and along the Ōtākaro Avon River Corridor.

We need to keep up this momentum in the decade to come as there is still so much to do. Our Council can support this by taking care of the basics that individuals, businesses, and communities need to make Christchurch the best place in New Zealand to live, work, play and invest.

We are committed to building better trust between ratepayers and the Council by keeping rates affordable, controlling debt, delivering better services, and looking after our environment. As a Council, we must balance the need to keep the cost to you as low as possible while still delivering the core services our communities want us to. This is a constant challenge and there is a range of views on how we manage this around our Council table. We’ve already had some big debates on ways to balance cost versus service.

Last year we decided, as a Council, not to cut the core services we deliver. You told us you wanted us to keep delivering these services, and that’s what we intend to do. We are continuing to work with our community boards, staff, contractors and volunteers to deliver the core work, like rubbish collection, drinking and wastewater, good roads and footpaths, pools, libraries and community parks.

We have also recently looked at options to increase the financial return to ratepayers from our holdings company Christchurch City Holdings

Limited (CCHL). Ultimately, the Council decided to direct CCHL to continue to operate within its existing mandate and existing assets, and to lift returns over time through stronger oversight of capital management and operational improvements. The option to give CCHL more flexibility to invest and divest, which was expected to generate greater returns within set guidelines, was not supported.

Like every household and business across the city, the Council is also operating in a tough environment. This Draft Long Term Plan proposes an average rates increase of 13.24%. I am well aware that rates rises have a big impact on your back pocket. It's a familiar story at this point, but as you prepare your submission, there are a lot of factors such as interest costs, insurance premiums, and inflation, that we have little ability to control.

Remember, none of these decisions are set in stone. First, we need to hear your feedback. Do you agree with what we're proposing? Have we got the balance right? Is there anything you think we should defer, delay, or fast-track?

I am committed to protecting and investing in the city we all call home. As I have often said, this is the best place to live, work, play and invest in New Zealand. I know this because I've raised a family here, run a business and continue to take an active role in our city.

Like you, I want Christchurch to succeed. Our Council is working to deliver what our city needs for success and we'd love to have you alongside us.

So, take a moment and tell us what matters most to you as we plan for the decade to come.

Phil Mauger
Mayor of Christchurch

Last year we decided, as a Council, not to cut the core services we deliver. You told us you wanted us to keep delivering these services, and that's what we intend to do.

About this document

Every three years, councils are required to publicly consult on and adopt a long term plan (LTP) that outlines the services we will provide and major projects we will undertake over a 10-year period, how much these will cost, how they will be funded and what rates will need to be.

We need to make sure that we've got the right balance of what we can deliver with what's affordable. We're keen to hear what you think about our plan and priorities, and other ideas you may have. Throughout this document, there are pointers to where you can find out more information. The full suite of supporting information can be found at **ccc.govt.nz/longtermplan**

What matters most to you

We want to hear your feedback – this is your opportunity to influence the decisions we make.

Every LTP we make changes based on the feedback we receive, and this may mean adjustments to rates, debt and service levels.

You can make submissions from 18 March until 21 April 2024. See our 'How to make a submission' page at the back of this document, or go to **ccc.govt.nz/longtermplan**

OUR PROPOSED LONG TERM PLAN

Throughout this document you'll find more information about our proposed plan, but here's a snapshot of what's proposed:

10-YEAR BUDGET

A $16.8 billion budget over 10 years, with $4.9 billion of that planned to be spent in the next three years.

CAPITAL INVESTMENT

A total capital investment of $6.5 billion over 10 years. For the first three years of this Draft LTP, we've proposed a core capital spend of $566 million in the first year, $608 million in the second year, and $664 million in the third year, to ensure we can do all the work we need to do and deliver it in the timeframes we've set.

TRANSPORT

$226 million to be spent on road, footpath and cycleway renewals, including resurfacing – asphalt, chip seal and pavement reconstruction – in the first three years of our Draft LTP.

WATER

$480 million of capital spend on renewing and upgrading our water networks – drinking water, stormwater and flood protection, and wastewater – in our first three years.

TE KAHA COMPLETION

In addition to the core programme, we have committed $286 million through 2025–2027 to complete Te Kaha Canterbury's Multi-Use Arena.

RATES

We're proposing average rates increases for the next three years of:

	Base rates	Te Kaha	Total
2024/25	11.08%	2.17%	13.24%
2025/26	5.98%	1.78%	7.76%
2026/27	3.99%	0.69%	4.67%

Of the total increase for next year, the residential average is 12.4% compared to the business average of 14.2% and rural average of 15.4%. For an average-valued house ($764,364) this equates to an extra $416.23 a year or $8.00 a week. The cumulative rates increase over the 10 years this LTP covers will be 57.8%.

DAY-TO-DAY SERVICES

We're proposing to spend $9.1 billion on the day-to-day services the Council provides, such as waste collection, libraries, recreation and sport, and more.

BORROWING AND SERVICING DEBT

We're borrowing $2.6 billion for the capital programme and repaying $1.2 billion of existing debt, while keeping within prudent debt benchmarks.

FINDING SAVINGS

We're making cost savings and adding revenue to reduce rates where we can. Over the whole period of the LTP, we've identified a combination of operational cost savings and additional revenue of $41 million, including $6 million in 2024/25, without impacting on current levels of service.

Alternative opportunity and options to our proposed plan

We've worked hard to create a Draft LTP that's as efficient as possible without reducing the services that matter to you.

However, there are some additional matters that we would like your feedback on to help us decide how to progress. These include:

- An opportunity to look for additional efficiencies and savings.
- Options to invest more in preparing for the long term future of our city.

These are not currently part of our Draft LTP. If they were included, they would have implications for rates and service levels.

You can read more about the opportunity and options on page 46 of this document.

We want to hear what you think about our proposed plan and alternative opportunity and options.

What do you think of our proposed plan? Have we got the balance right? Have we prioritised the right things?

What do you think of our alternative opportunity and options?

Have your say at ccc.govt.nz/longtermplan


accessman

OUR CHALLENGES: GETTING THE RIGHT BALANCE

Christchurch is growing and we need to ensure that we have invested in what we have now and what we need to provide for future growth.

We expect that by 2034 there will be an additional 32,000 people living in Christchurch. We're also expecting to see our population age, with the proportion of residents over the age of 65 years expected to increase from 16% to 20% over the next 30 years.

We're mindful of the pressure rates increases put on our residents and businesses, and we're aware that affordability is an issue for many in our city and Banks Peninsula. But we also need to make sure the city can support population growth and is prepared to meet the future needs of our residents.

In developing this Draft LTP, the Council has had to make compromises to ensure our borrowing remains reasonable and there is enough 'headroom' to repay our debt, as well as respond to future events and pressures.

Views of our residents

Our annual Residents Survey provides us with information about how satisfied our residents are with the range of services that we provide.

The results of the 2024 residents survey show that resident dissatisfaction is highest for services that require the most capital to address – core infrastructure (roads, footpaths, water supply, etc.). This poses challenges at a time when we also need to be considering the rising cost of living and the impacts of rates increases on households in the city.

As in previous years, the services with the highest levels of satisfaction among residents were services where residents have direct contact with Council staff who they see as approachable, knowledgeable and helpful. These included customer services, libraries, recreation and sport centres, waste management, the Botanic Gardens, Hagley Park and Mona Vale, cemetery administration and partnership approval services, resource consenting and education programmes.

We've also heard that our residents are not satisfied with the ongoing rates increases and often don't agree that the Council is making wise spending decisions. Read more about our Residents Survey results at **ccc.govt.nz/residents-survey**

Our challenge is to balance the needs and perceptions of all our residents, as well as thinking about the city's future needs. However, we cannot afford to do everything.

Economic challenges

Across the country, organisations and individuals are grappling with challenging economic conditions and the rising cost of living. The Council is no different – we're facing cost increases outside our control, including changes to interest rates and inflation, increased project capital costs, the rising cost of insurance and electricity, higher costs to maintain our assets and reductions in external funding.

The Council has addressed some of the pressure through cost savings and we will continue to look for ways to reduce costs while still providing our core services and maintaining critical infrastructure.

Climate resilience

Across all our work we try to manage the challenges of climate change – and balance this with what we can realistically deliver, and what ratepayers can afford. We're responding to climate change by working towards targets for reducing emissions, and by helping our communities prepare for and adapt to our changing climate. This Draft LTP reconfirms what we committed to in our last LTP 2021–2031, and sets the scene for further work in the next LTP, which will cover 2027–2037.

Looking after our assets

We're planning on spending $6.5 billion on our capital projects over the next 10 years. Of this, $3.5 billion is planned to be spent on renewing and replacing existing assets. This will help address the range of demands that our aging infrastructure creates while also delivering the infrastructure required to support our growing population. A recent review showed that the data used for our asset management varies in quality. Those areas where better data is needed are now the subject of an asset management improvement project and will be addressed before the next LTP.

Financial impact of Te Kaha

Christchurch will soon be home to a state-of-the-art multi-use arena. The $683 million project will have a seating capacity of 30,000 for sports events and will hold 36,000 spectators for large music events. The Crown provided $220 million towards the project from the Christchurch Regeneration Acceleration Fund. For the remainder of the construction, the Council has allocated $286 million in this Draft LTP. As identified in last year's Annual Plan, completing the construction of Te Kaha will have a financial impact in the first two years of this LTP, with the rates impact in the first year sitting at 2.17%, 1.78% in the second year and 0.69% in the third year.

Changes in government policy and priorities

This Draft LTP has been developed against the background of major changes in government policy in three key areas: water services, resource management and transport funding. The uncertainty surrounding these changes has created challenges in planning and budgeting.

Water services

The Government passed the Water Services Acts Repeal Bill in February 2024, returning the responsibility for water services delivery to local authorities. The Minister of Local Government has announced that two bills will be introduced in mid-2024 and mid-2025, emphasising local decision-making and compliance with water quality standards.

This will give councils the option to separate out their water services into council-controlled organisations (CCOs) and provide new financial tools. They will also set up regulatory backstop powers, to be used if councils fail to meet the requirements to deliver financially sustainable and safe water services.

While there is uncertainty on how this will unfold, we are continuing to focus on ensuring Christchurch's water is safe and secure. We are also continuing to invest in the infrastructure required for the collection and disposal of wastewater and stormwater. **Find out more about our approach to water on page 30 of this document.**

Resource management reform

Following the repeal of the Natural and Built Environment Act and Spatial Planning Act in December 2023, new Resource Management Act reform is anticipated. The Fast-track Approvals Bill passed its first reading and was referred to the Environment Select Committee on 7 March 2024. This bill proposes a one-stop-shop fast-track consenting process for regional and national infrastructure projects of significance.

Until this wider reform occurs, the Resource Management Act and national direction under it will continue to shape the Council's planning programme, including plan changes to enable housing.

Transport

The new Government Policy Statement (GPS) for Land Transport was launched for consultation on 4 March 2024, with consultation closing on 2 April and the final GPS due in July. This sets out Government priorities for land transport investment over the next 10 years and details how funding from the National Land Transport Fund is to be spent. The Minister has signalled that priorities will focus on "achieving four key strategic priorities: economic growth and productivity, increased maintenance and resilience, safety and value for money. As part of GPS 2024 we are embarking on a significant programme of new and improved land transport infrastructure".

We've developed our current transport programme for Christchurch and Banks Peninsula based on best practice and the guidance that we've received to date, particularly from New Zealand Transport Agency Waka Kotahi.

The final shape of the new Government's priorities will not be confirmed until later in the year. If the new Government's funding priorities impact on the proposed transport works programme, the Council will consider options and, where appropriate, consult the community.

Given this level of uncertainty, there is a high risk to the Council's projected revenue for transport projects arising from uncertainties in how government policy and priorities will translate into funding decisions.

In this context, we propose to spend $1.6 billion over 10 years across the entire transport network. **Find out more about our approach to transport on page 31 of this document.**

OUR COMMUNITY OUTCOMES AND PRIORITIES

Our LTP is guided by the Council's Strategic Framework 2024–34 – it's the cornerstone for our long term vision, steering how we dedicate our energy and resources.

Our guiding vision

Ōtautahi Christchurch – a place of opportunity for all. A place open to new ideas, new people, new investment, and new ways of doing things. A place where anything is possible.

This vision has informed our proposed community outcomes and strategic priorities for the term of the LTP. They paint a picture of the Christchurch we're aiming for. These priorities and outcomes have shaped all our proposals in this Draft LTP, ensuring that every initiative, project, and effort resonates with our commitment to build a thriving, inclusive, and sustainable city for all.
You can see this reflected in our Activity Plans:
ccc.govt.nz/longtermplan

Our community outcomes 2024–34

A collaborative, confident city

Our residents can actively participate in community and city life, have a strong sense of belonging and identity, and feel safe.

A green, liveable city

Our neighbourhoods and communities are accessible and well-connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy.

A cultural powerhouse city

Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events powerhouse.

A thriving, prosperous city

Our city is a great place for people, business, and investment, where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions.

Our strategic priorities 2022–25

While the community outcomes we aim to achieve don't change greatly over time, our priorities for each Council term do. Our Council chooses to adopt strategic priorities at the start of developing the LTP. The following draft strategic priorities set the direction for this Council term.

Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.

Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.

Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents.

Champion Ōtautahi Christchurch and collaborate to build our role as a leading New Zealand city.

Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city wide response to climate change while protecting our indigenous biodiversity, water bodies and tree canopy.

Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.

We want to hear what you think.

Do you have any thoughts on our vision, community outcomes and strategic priorities?

Have your say at ccc.govt.nz/longtermplan

WORKING IN PARTNERSHIP

Achieving these long term outcomes is a team effort, involving partnerships with our community boards, mana whenua and Māori, as well as collaborations with government and non-government entities.

Mana whenua and Māori

We recognise the takiwā of Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga, and Te Taumutu Rūnanga within our district. Since 2015, the relationship anchored by the Te Hononga Council – Papatipu Rūnanga Committee ensures both governance and ongoing kōrero between the Council and these Rūnanga.

While the Council specifically recognises the special relationship with mana whenua, we also engage with the wider Māori community, which includes all other iwi Māori (ngā maata waka).

In 2023, Ngā Papatipu Rūnanga shared their priorities during the early phases of the LTP, many of which are rooted in infrastructure. These insights reflect the shared desire to nurture the wellbeing of the land and its people. These included:

- Enabling and providing affordable housing.
- Access to safe drinking water supply and sources, protection of water sources; water quality monitoring.
- Management of stormwater systems to protect land and property, waterways and mahinga kai; sediment reduction.
- Protection and enhancement of reserves and native biodiversity.
- Adaptation planning by and with local communities and marae at risk of coastal hazards.
- Fit-for-purpose infrastructure, such as roads, footpaths and wharves, that enable access to local areas, sites of significance, waterways and coastal waters.
- Exploration of potential transfer of Council-owned land of importance to mana whenua.

OUR INFRASTRUCTURE AND FINANCIAL STRATEGIES

The Infrastructure Strategy and the Financial Strategy are developed in conjunction as part of the LTP. These strategies are the foundation documents that drive our spending and are a critical component of our community's long term success.

Infrastructure Strategy

The Infrastructure Strategy acts as a 30-year roadmap, focusing on crucial areas such as water supply, wastewater management, stormwater systems, transport, facilities, parks, and waste management.

It is set within the Council's draft strategic priorities, emphasising inclusivity, sustainability, financial prudence, and adaptability to climate change and demographic changes. The strategy outlines four key action areas:

- Enhancing our data management systems to support better decision-making and asset management.
- Long term sustainability, advocating for a balanced approach to funding asset renewals and maintenance while considering the whole life cycle costs and potential divestment of under-used assets.
- Building resilience against climate change and natural hazards, which involves developing guiding principles for climate-conscious investments and increasing community engagement in adaptation planning.
- Supporting sustainable growth, for example encouraging integrated planning for infrastructure that promotes active travel, public transport, and road safety.

Draft Infrastructure Strategy

Significant strategic issues		Actions in response
Understanding our infrastructure and its needs	How can we improve data collection and use in evidence-based decision making for communities?	Build the framework for decisions starting with improved consistency and quality of data
Looking after what we've got, and delivering what we say we will	How do we improve deliverability and affordability, while still prioritising our existing assets?	Embed long term sustainability and affordability into planning
Ensuring resilience to the impacts of climate change and natural hazards	What are the urgent actions we need to take to adapt and increase the resilience of our infrastructure and community?	Make well-informed decisions about infrastructure in vulnerable areas and consider risks in all planning
Planning and investing for sustainable growth	What are the best ways for us to respond to growth and simultaneously become a low-emission city?	Invest in and support sustainable growth

Read the full Infrastructure Strategy at **ccc.govt.nz/longtermplan**

Renewing our assets

Key assets managed by the Council include water supply, wastewater, stormwater, roads and footpaths, parks and community facilities. It is critical that planning is in place to renew these assets at the right time in their lifespan, before they fail or are no longer fit for purpose.

This renewal process is managed in several ways. For water, wastewater and stormwater pipes we use the Asset Assessment Intervention Framework (AAIF) model. For other assets we manage renewals by balancing age and condition of the asset, but also taking account of criticality. This ensures that risk is managed through a prioritisation process, rather than simply renewing assets that are still fit for purpose, or less critical to the city than others.

For most asset classes, the planned expenditure set aside for renewal over the life of this LTP is in the range of 86–96% of depreciation, which is common among local authorities. However, two activities are planned for a lower level of renewal during this LTP, wastewater (60%) and stormwater (40%).

Context is crucial to this. Both wastewater and stormwater have been the subject of intense focus from the Council and central government since the Canterbury earthquake sequence. Over the past nine years wastewater has been renewed at a total of 162% of depreciation, while stormwater has been at 203%. While this is unusually high it reflects the post-quake needs of the city.

The strategy for managing the proposed renewals approach for wastewater and stormwater has three parts. Firstly, the very high rate of expenditure in the decade before this LTP, combined with a significant increase in renewals in later years of the Draft LTP 2024–2034, mean that these assets can be renewed at a reduced rate during the interim years without significant impact on levels of service. Secondly, the criticality processes mentioned above around use of performance and maintenance data, as well as condition checks, ensure that critical renewals will occur. Finally, Council's funding options mean that any critical renewals and repairs not planned for are able to be funded.

Asset condition data for planning and investing in renewals

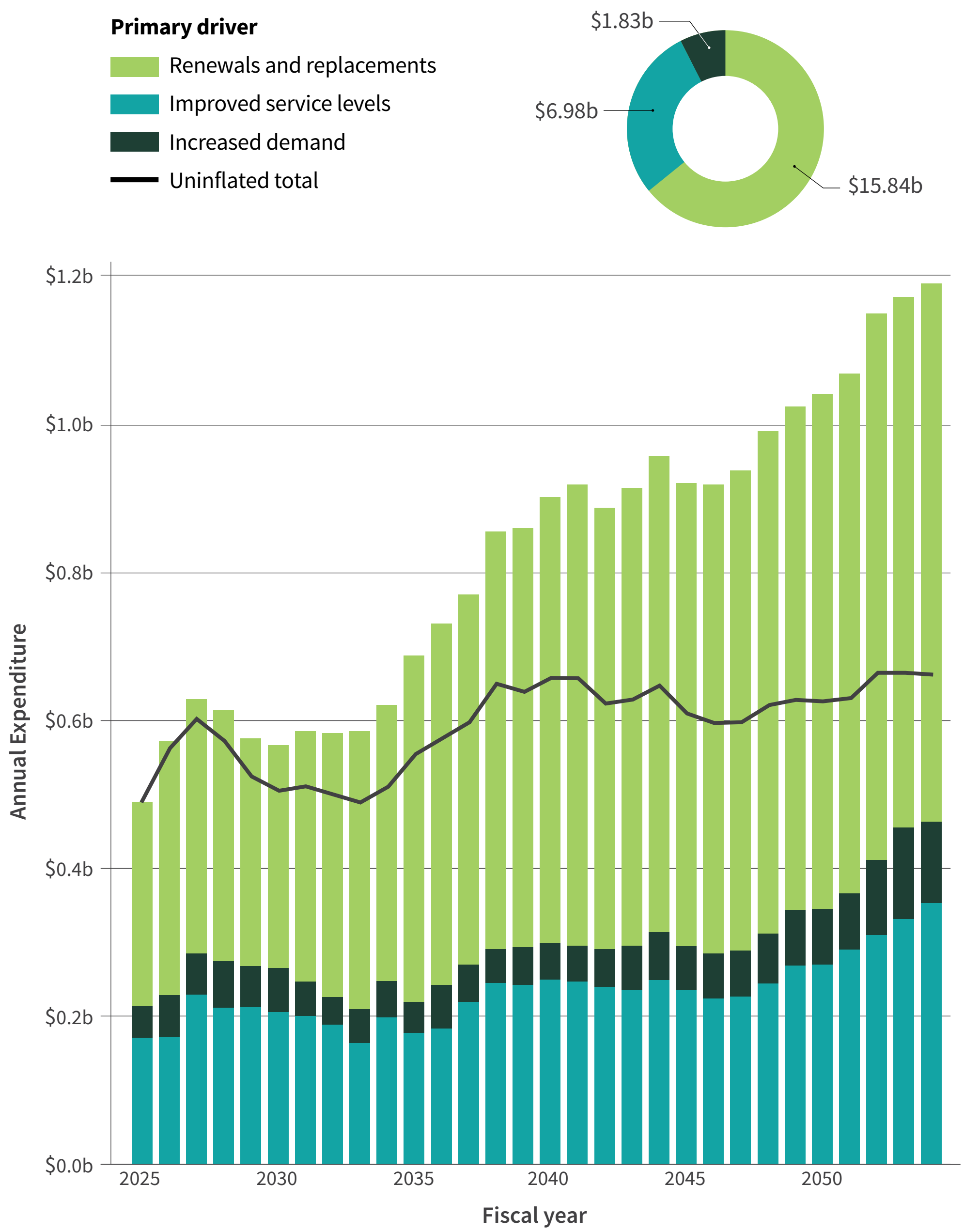
We are proactively improving our asset condition data quality and collection methods, and utilising asset information more effectively, to align and ensure our asset renewal decisions are accurate and fit for purpose. We do this well for most critical assets. However, we recognise that data quality for our less critical assets falls short of best practice standards and we're taking steps to improve this. By continually improving the accuracy and availability of our asset condition data, we're positioning ourselves to plan our renewals even more strategically in the future – retaining our focus on prioritising critical needs and ensuring our responses meet the city's immediate and future requirements.

Proposed investment in assets

The Infrastructure Strategy considers the 30-year view taken in our Asset Management Plans, which detail our activity and the most likely investment required over the next 30 years. Following is an asset specific breakdown of this proposed investment, outlining how we plan to renew and replace our assets, improve our service levels, and respond to increased demand.

Infrastructure Strategy

Capital expenditure forecasts over 30 years (inflation adjusted)

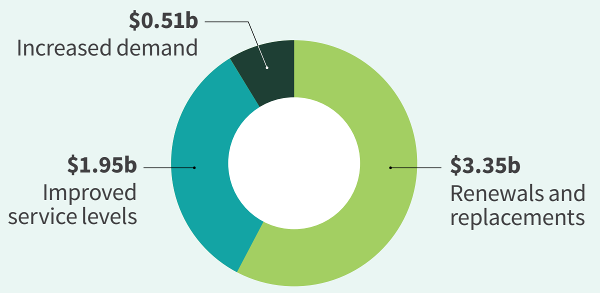


Fiscal year	Inflated forecast ($)
2025	489M
2026	571M
2027	627M
2028	612M
2029	574M
2030	565M
2031	583M
2032	581M
2033	584M
2034	619M
2035	686M
2036	729M
2037	769M
2038	853M
2039	858M
2040	899M
2041	916M
2042	885M
2043	911M
2044	955M
2045	918M
2046	916M
2047	935M
2048	989M
2049	1,021M
2050	1,039M
2051	1,066M
2052	1,146M
2053	1,169M
2054	1,188M
Total	**24,633M**

Capital Expenditure Forecasts by Primary Driver

(inflation adjusted)

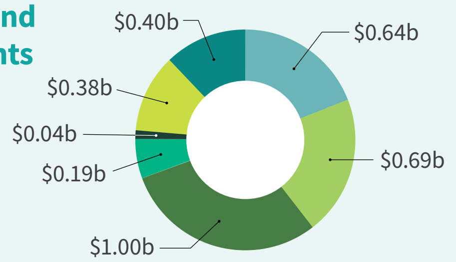
LTP Period (2024-2034)



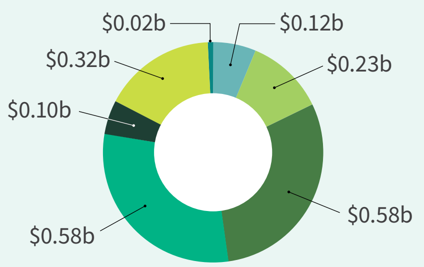
The main drivers behind our investment forecasts are illustrated in the charts below. These include replacing and renewing our infrastructure assets, improving their service levels, and responding to increasing demand. The legend on the right explains the different asset groups the charts focus on.

For more information, including a 30-year forecast for each infrastructure asset group, you can refer to the proposed Infrastructure Strategy document at **ccc.govt.nz/longtermplan**

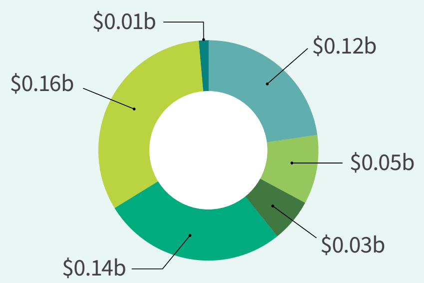
Renewals and replacements



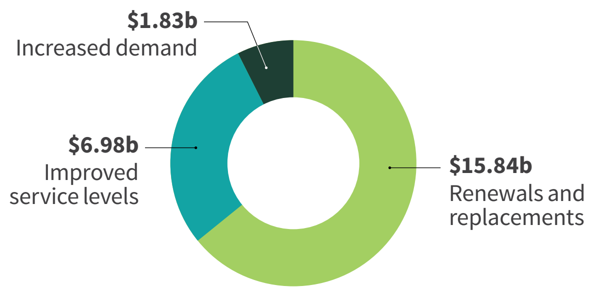
Improved service levels



Increased demand



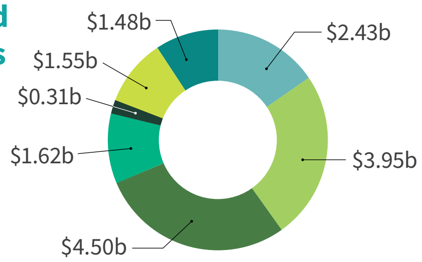
Infrastructure Strategy Period (2024-2054)



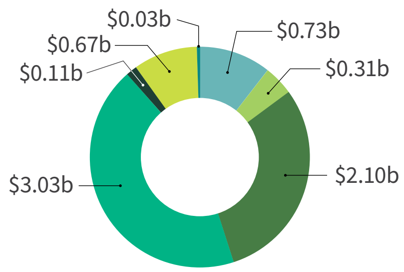
Infrastucture asset group

- Water supply
- Wastewater
- Transport
- Stormwater drainage, flood protection
- Solid waste and resource recovery
- Parks, heritage and coastal environment
- Facilities

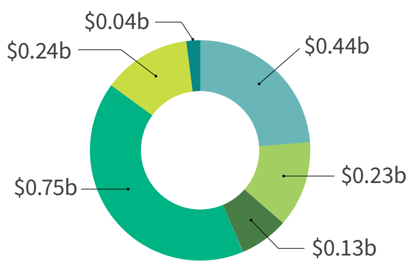
Renewals and replacements



Improved service levels

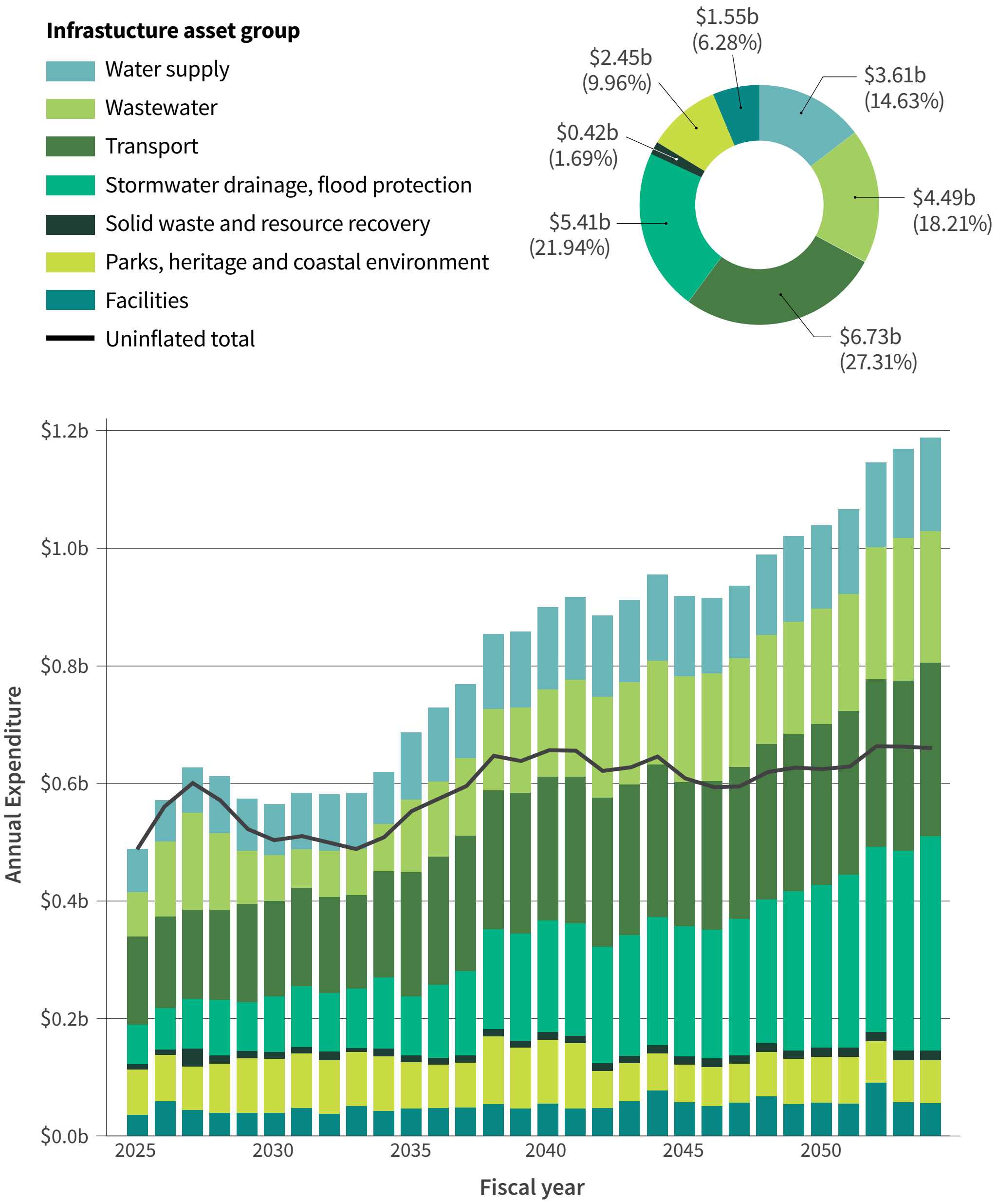


Increased demand



Infrastructure Strategy

Capital expenditure forecasts over 30 years (inflation adjusted)



We want to hear what you think.

Do you have any feedback on our Infrastructure Strategy and its four key action areas?

Have your say at ccc.govt.nz/longtermplan

Financial Strategy

The Financial Strategy describes the Council's current and future financial position. It details the conditions which influence funding and investment decisions. The Financial Strategy also explains the fiscal limits and constraints the Council will operate within over the term of the LTP.

This has been a challenging financial strategy. Like all other local authorities in New Zealand, we face multiple financial challenges including significantly increased debt servicing costs, significantly increased insurance costs, challenging asset renewal requirements, the costs of climate change adaptation and mitigation, and the general increase in costs that a high rate of inflation has brought.

In addition, we face the final phase of our rebuild following the earthquakes of 2010/11 with costs associated with the construction and then operation of key facilities such as Te Kaha (the multi-use indoor arena), Parakiore (our flagship sports and aquatic centre) and Te Whare Tapere (the performing arts precinct).

In setting our Financial Strategy, we need to balance the costs of delivering our projects and services with the funding available from rates and borrowing. These three variables – cost, rates and debt – are interrelated. Any change in one needs to be offset by changes in at least one of the others. For example, if we reduce our rates increase, we need to reduce our costs (by deferring projects or reducing our levels of service), and/or take on more debt.

Getting this balance right promotes a sound and sustainable financial position where our citizens can look forward to enjoying living in a world-class sustainable city with confidence, pride and optimism.

Read the full Financial Strategy at **ccc.govt.nz/longtermplan**

A note on inflation

The Council uses inflation rates provided by Business Economic Research Limited (BERL) – the organisation that provides inflation information to the local government sector for all categories of capital and operational expenditure. These inflation rates differ from Consumer Price Index (CPI) inflation because CPI is based on price increases of standard household items, whereas BERL measures price increases on activities carried out by councils, such as underground pipework and roading infrastructure. The numbers in this Draft LTP include inflation determined by considering a mix of BERL rates and Council expenditure categories they apply to.

Weighted average inflation for both operational and capital costs

Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Capital inflation rate	4.8%	3.4%	2.3%	2.4%	2.4%	2.2%	2.2%	2.1%	2.0%	2.0%
Operational inflation Rate	4.2%	2.9%	2.2%	2.3%	2.3%	2.2%	2.1%	2.0%	2.0%	1.9%

OUR PROPOSED SPENDING OVER THE NEXT 10 YEARS

Every Council has to weigh up the services it provides, operational spending, capital spending, debt, and the money it brings in (including your rates) and then strike a prudent balance that keeps things running effectively.

Operational costs

For the first three years of this LTP, we've set our core operational spend at $806 million in the first year, $835 million in the second year, and $855 million in the third year. For the remaining seven years of this LTP, our core operational spend will increase to between $872 million and $989 million a year.

Capital programme

For the first three years of this LTP, we've set our core capital spend at $566 million in the first year, $608 million in the second year, and $664 million in the third year. We have deliberately set our capital programme at this level because we want to ensure it is deliverable.

In addition to the core programme, we have committed $286 million through 2025–27 to complete Te Kaha.

What's the difference between operational and capital spending?

Operational spending funds the day-to-day services that the Council provides. While some money comes in through fees and charges, our operational spending is funded mainly through rates, so it has a direct impact on the level of rates we charge. Most of our operational spending is on providing services. Everything we build, own and provide requires people to get the work done. Ongoing costs to operate a library, for example, or to service our parks and waterways includes staff salaries and maintenance and running costs, such as electricity and insurance.

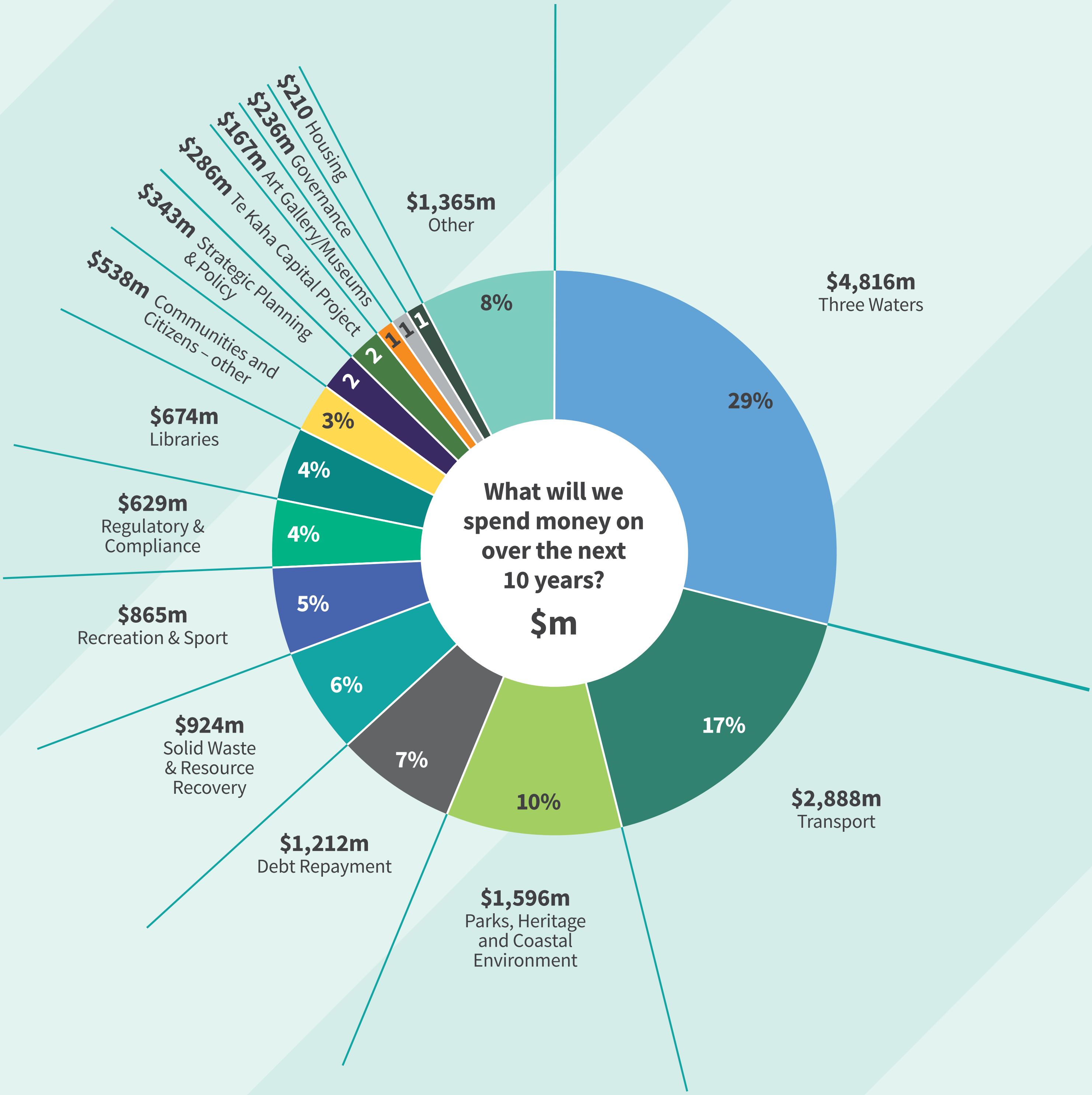
Our capital spending is on building assets and physical infrastructure projects such as community facilities or roads. As these projects will be enjoyed by generations of people, we borrow a good part of the money to pay for them and pay it back over 30 years.

What impact does this have on rates?

Operational and capital spending have different effects on rates because we mostly borrow for one, and rate for the other. For example, approximately $7 million of extra operational spend has a 1% impact on rates while approximately $94 million of extra spend on capital projects has a 1% impact (over two years) due to rating for the interest and principal repayment, similar to a mortgage payment. Whenever we make a decision about capital spending, we need to factor in the full cost over time.

Our proposed operational and capital expenditure are shown in the diagrams on the following pages.

Operational and capital expenditure over the next 10 years



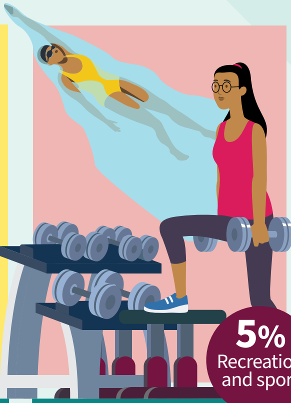
***Note:**
"Other" includes things such as capital expenditure on digital and council facilities, and corporate costs that are not otherwise allocated to an activity.

A day in the life of your rates

16% Wastewater

6am

Start the day right with a toilet break.



5% Recreation and sport

6.30am

Hit the gym and take a swim.

14% Water supply

7.30am

Shower in nice, clean, safe water.

13% Transport

8am

Head out of the house in a way that suits you.

7% Libraries

11am

Swing by the library and pick up the book you ordered online.

1% Regulatory and compliance

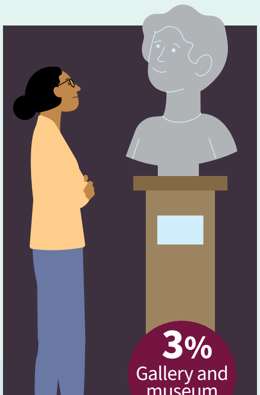
Noon

Recover your lost dog from the animal shelter.

7% Community support, inluding developement and facilities

1pm

Spend some time with your community group and attend an event.



3% Gallery and museum

3pm

Take in the Art Gallery and museum.

8% Solid waste and resource recovery

5.30pm

Put out your bins for us to collect.

10% Parks, heritage and coastal environment

7pm

Take your dog for a walk in the park.

4% Strategic planning and policy

7.30pm

Take a moment to admire just how well-planned the new subdivision is.

2% Other

8pm

Lull your kids to sleep by telling them how the Council repays debt, offset by returns from the various companies it owns.

3% Governance

10pm

Make a submission on a Council project close to your heart.

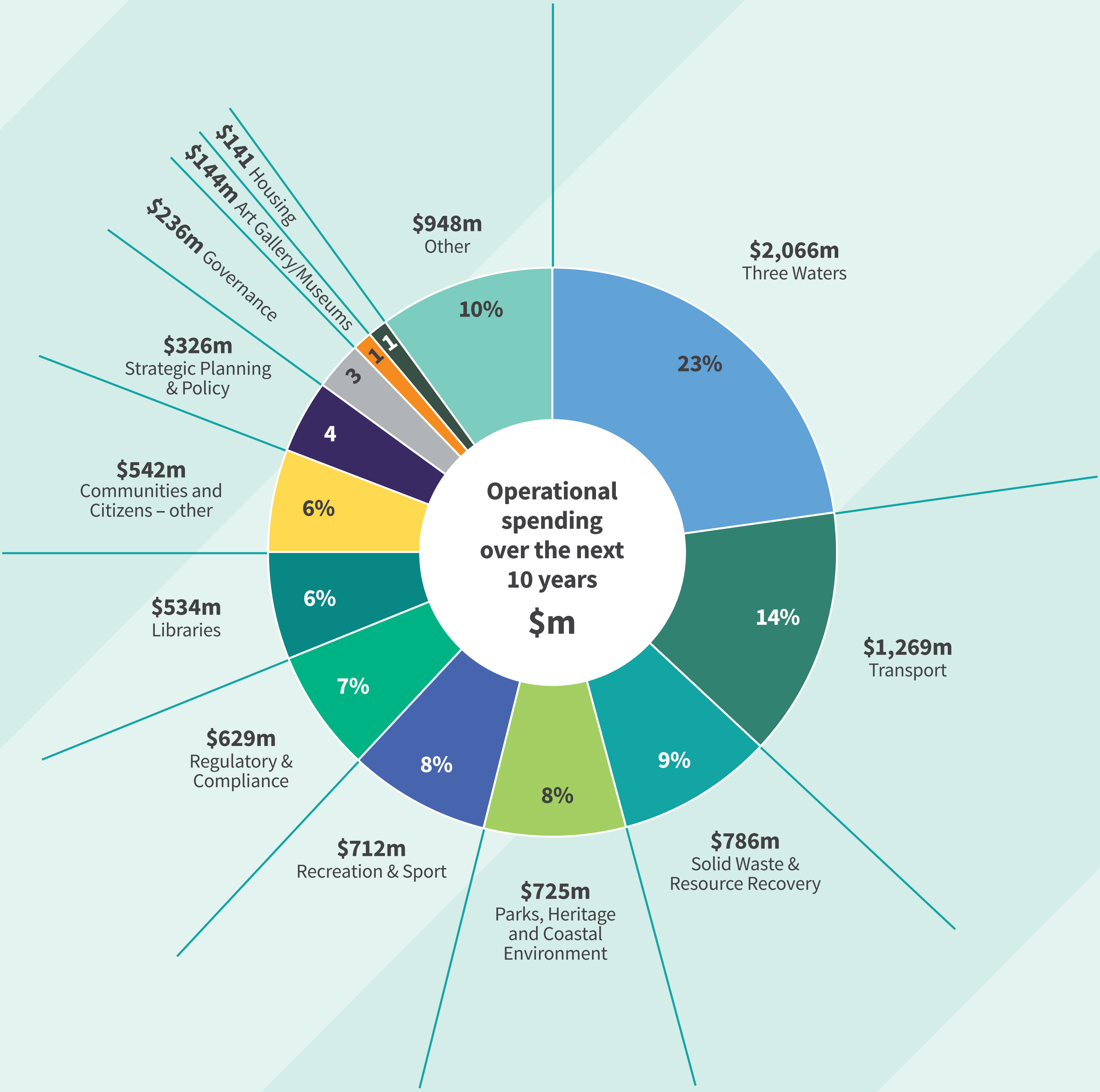
7% Stormwater and drainage

11pm

Fall asleep peacefully listening to the rain while the drains do their thing.

(figures for the 2023/2024 financial year)

Operational spending over the next 10 years



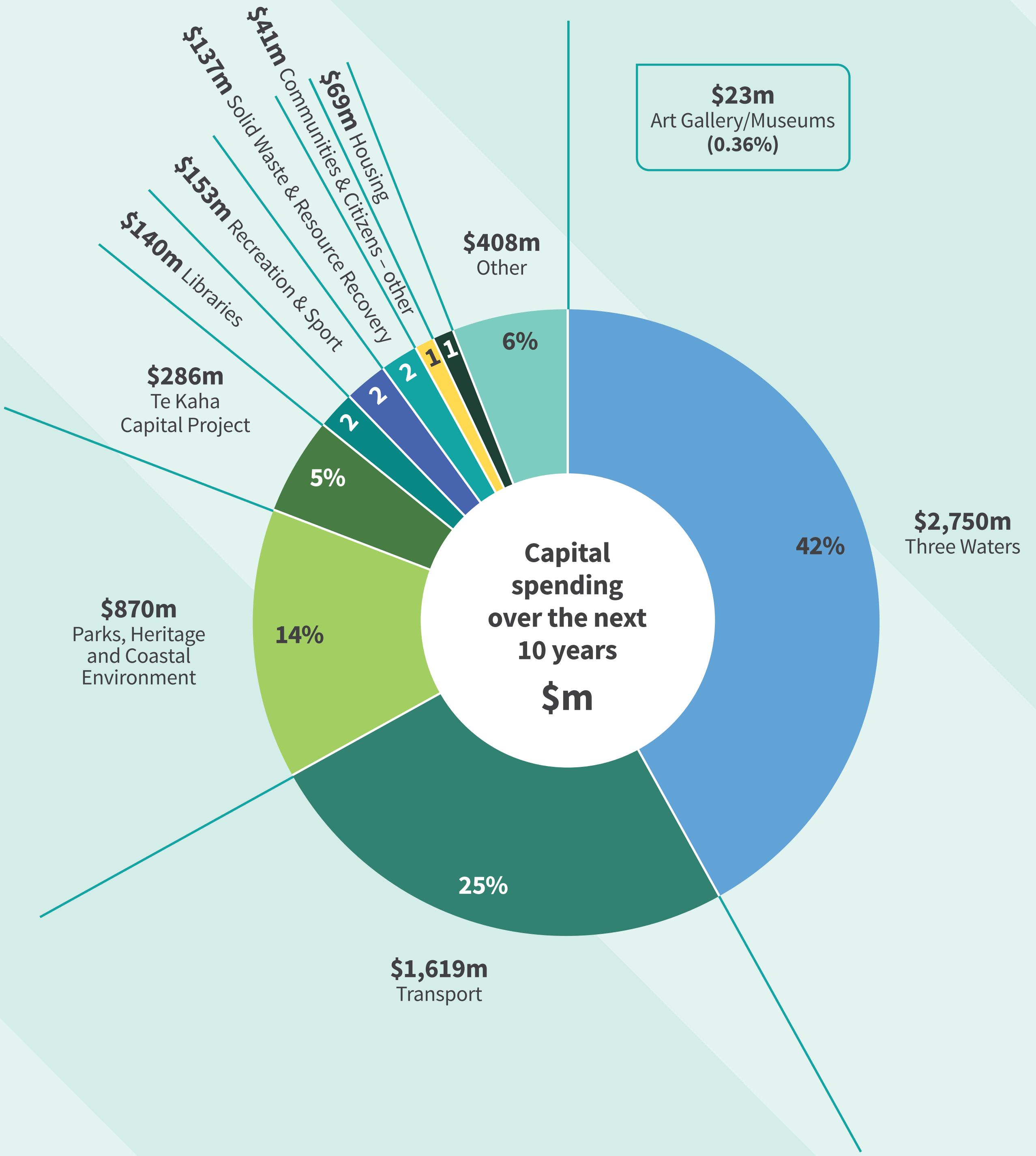
*Note:
"Other" includes corporate costs not charged to other activities, i.e. interest on on-lending loans, business contingencies etc.

We want to hear what you think.

What do you think of our operational spending? Have we got the balance right?

Have your say at ccc.govt.nz/longtermplan

Capital spending over the next 10 years



***Note:**
"Other" includes capital expenditure on digital software equipment, and Council facilities including the Performing Arts Precinct.

We want to hear what you think.

What do you think of our capital programme? Have we got the balance right?

Have your say at ccc.govt.nz/longtermplan


Waste Management
KTT864

What matters to our residents

As a Council, we are required to deliver a range of services.

We often hear that our residents want us to 'stick to the basics'. However, it's also clear from the feedback we receive in our consultations and residents' surveys that there are a lot of different perspectives and expectations about what the basics actually are – one person's 'must haves' are another person's 'nice to haves'.

Each year we receive feedback from you in our annual Residents Survey about where we are doing well, and where we need to improve. The 2024 Residents Survey results tell us that while there are areas where we are doing well, there are also several areas where you think we could be doing better (water supply, roads and footpath condition, the presentation of our community parks, trust in the Council). The services that require the most improvement are also the ones that require the most capital.

Last year we asked you in our ***What Matters Most*** campaign to tell us what core services matter most to you:

- approximately 4,000 participants took part in an activity that asked people to prioritise the different Council services
- 3,825 took part in nearly 80 in-person activities held at various community events and meetings, and at Council libraries.

The findings from the ***What Matters Most*** campaign clearly show that while everything is important to someone, there are some services that matter more than others to our residents. They also reconfirm some of the key messages that we hear in our Residents Survey each year.

By combining the findings of what services matter most to people, with how satisfied people are with these services, we get an insight into what our communities think Council should prioritise. This input has been invaluable to councillors and staff in the development of this Draft LTP.

The projects listed here are a combination of work we've already consulted on and is now underway, and projects and programmes that we'll consult on separately, as required, in the coming years of this LTP.

For the full proposed capital programme, see Volume 1, page 175 in the Draft LTP.

ccc.govt.nz/longtermplan

OR

You can view our capital programme and operational spending on our interactive bubbles tool website.

ccc.govt.nz/longtermplan

Drinking water supply

Ensuring everyone has access to safe drinking water.

A safe supply of water is essential for the health and wellbeing of the community. We look after the wells, pumps and pipes that deliver it to you every day.

In the next 30 years we need to keep protecting our drinking water supply by upgrading and renewing infrastructure and extending the network to supply water to new developments. Currently we have a target of 25% for our leak rate across the city – we're proposing to reduce this to 20% by 2030 and 15% by 2034.

We also need to comply with regulatory requirements, and factor in the Government's Local Water Done Well policy.

We propose spending $873 million over the next 10 years, including:

- Reticulation renewal programme – $493 million
- New and upgraded pump stations programme – $182 million
- New chlorination equipment and controls – $51 million

Stormwater and flood protection

Maintaining and improving our stormwater and drainage networks.

We're always maintaining and improving our stormwater system to help make the city a safer and healthier place to live. The network includes open drains, pipes, pump stations, stopbanks and detention basins. We also need to comply with regulatory requirements.

We propose spending $912 million on infrastructure over the next 10 years, including:

- Flood and stormwater priority works (Ōtākaro Avon River Corridor) – $137 million
- Waterway lining renewal programme – $90 million
- Reticulation renewal programme – $42 million
- Ōtākaro Avon waterway detention and treatment facilities – $42 million
- Pūharakekenui Styx waterway detention and treatment facilities programme – $106 million
- Improving water quality in our urban waterways through initiatives such as more management of pest plants in the Ōpāwaho Heathcote River, and a District Plan change to protect the Ōpāwaho Heathcote River as a site of ecological significance – $22 million
- Establishing a programme to resolve regular surface flooding – $183 million (starting in 2027)

Wastewater

Maintaining and improving the network that treats and discharges our wastewater.

Every healthy city needs an effective wastewater network, and it's our job to treat and safely discharge wastewater.

We propose spending $964 million on wastewater infrastructure over the next 10 years, including:

- Reticulation renewal programme – $346 million
- Wastewater Treatment Plant renewals and replacements – $181 million
- Akaroa reclaimed water treatment and reuse – $94 million
- Selwyn pump station and pressure main – $52 million
- Grassmere wet weather storage – $31 million
- Duvauchelle wastewater treatment and disposal upgrade – $18 million

Transport

Government funding

As we mentioned earlier, our transport programme could be impacted by government policy and the risk of changes in funding priorities. Our current transport programme is based on best practice and the guidance that we've received to date, particularly from New Zealand Transport Agency Waka Kotahi. Given the level of uncertainty, there is a high risk to the Council's projected revenue for transport projects arising from uncertainties in how government policy and priorities will translate into funding decisions.

We propose to spend $1.6 billion over 10 years across the entire transport network.

Looking after our existing network of roads and footpaths

With more than 5000 kilometres of roads and footpaths to look after, the Council has a very busy programme of renewals, repairs and replacements for our existing assets.

We propose spending $1 billion on roads, footpaths and road infrastructure renewals and replacements over the next 10 years. This is about 63% of what we're spending across all of the road network. This covers:

- Carriageway renewals (asphalt, chipseal and pavement reconstruction) – $591 million
- Transport structures renewals (such as bridges, retaining walls, guardrails, etc.) – $105 million
- Renewals of signals, signs and lights – $119 million
- Pages Road bridge replacement and area enhancement – $63 million
- Footpath and cycleway renewals – $58 million
- New footpaths – $20 million.

Making it easier and safer for residents to choose how they get around

We want to give people better options for getting around, whether by car, public transport, on foot or on a scooter. We also want to ensure our networks are safe.

Supporting cycling

Getting more people cycling is key to reducing our reliance on fossil fuels, creating healthier communities, and reducing congestion. The major cycleways and other cycleways are designed to encourage people to ride because they can see it's a safe, convenient option for getting where they want to go.

We propose spending $199 million on major cycling projects/ programmes over the next 10 years including completing:

- Nor'West Arc
- Northern Line
- Wheels to Wings
- South Express

We'll also start working on:

- Ōtākaro Avon River Route
- Ōpāwaho Heathcote River Route
- Southern Lights
- Little River Link
- A new north-east cycle route

In addition, we have $20 million for other proposed cycle and pedestrian improvements.

Public transport infrastructure

The public transport service for Greater Christchurch is provided by Environment Canterbury. We support the public transport network in Christchurch city by providing infrastructure such as bus stops, shelters and bus lanes.

We propose spending $101 million on new bus infrastructure improvements, including new bus lanes and shelters, intersection changes, and renewals over the next 10 years.

Waste and recycling

Collecting and managing rubbish, recycling and organics.

Rubbish and recycling

Our kerbside red bin service delivers approximately 42,000 tonnes of rubbish per year to landfill. In addition, our public EcoDrops and transfer stations around Christchurch and Banks Peninsula receive almost 73,000 tonnes of rubbish each year. Our kerbside recycling yellow bin service produces approximately 27,000 tonnes per year.

We propose spending $64 million on recycling and transfer station improvements over the next 10 years.

We no longer use our old landfills, which require careful management to make sure they don't affect their surrounding environment. We plan to complete a Closed Landfill Management Plan over the first few years of the LTP and propose spending $22 million at Burwood and other landfills on aftercare management and mitigation, including $4 million at Okains Bay.

Organics

With the planned closure of the current Bromley Organics Processing Plant in 2026/27, we're investing $3 million in interim arrangements for the site, ahead of the new, fully-enclosed organics processing facility in Hornby opening in 2027. This new facility will be independently developed and operated by Ecogas.

Parks and foreshore

Maintaining and developing our sports fields, community and regional parks, and the foreshore.

Our green spaces give people the opportunity to get active and connect with the outdoors.

We propose spending $820 million on our parks and foreshore, with big projects including:

- The parks element of the Ōtākaro Avon River Corridor – $185 million
- Community parks sports field development – $87 million
- Te Nukutai o Tapoa – Naval Point development – $22 million
- Implementing the Urban Forest Plan (Phase 1 and Phase 2) – $18 million
- Akaroa Wharf – $23 million
- Takapūneke Reserve – $21 million
- Parks rolling renewal programme for playgrounds, pathways, and green assets (programmes are reviewed and confirmed with Community Boards annually) – $48 million

Heritage

Looking after our city's heritage, from buildings and trees to stories and traditions.

All sorts of unexpected things make up our heritage – they celebrate our past, present and future, and it's our job to identify and protect them. Over the past decade, we've carried out a massive programme of repairs and restorations, but we still have some work left to do.

In the next 10 years we propose spending $51 million on heritage items, including:

- Canterbury Provincial Chambers (Stage 1) – $20 million
- Botanic Gardens – Cuningham House – $9 million
- Robert McDougall Gallery – strengthening and base isolation – $15 million

We're proposing to incorporate our separate Heritage Targeted Rate into the general rate. This proposed change produces a rates timing change which will reduce rates in 2024/25 by $2 million. You can read more about this on page 42 of this document.

Recreation and sport

Offering accessible facilities where residents can get active.

The city's network of recreation and sports facilities offers a range of programmes, activities and services for the whole community.

Our proposed total capital expenditure in this area is $153 million, which includes $110 million in renewals and replacements across the network of recreation facilities. This includes $18 million to complete earthquake renewals at Jellie Park.

Libraries

Providing a network of 20 libraries and library services to residents and visitors.

More than just books, the city's libraries provide people with the resources and spaces to connect, learn and participate. By ensuring free and equitable access for all, our libraries enable people to strengthen their communities – culturally, socially and economically.

Of the $140 million capital spend proposed for our libraries as part of this Draft LTP, we've budgeted $29 million for the rebuild of the earthquake-damaged South Library and Service Centre building, Ōmōkihi, which includes $9 million of funding from the Government over the first two years. The balance of the spend includes looking after our existing facilities, expanding and renewing our extensive library collection and continuing to invest in technology solutions.

We want to hear what you think.

In this LTP we have focused on developing a deliverable capital programme. We're proposing to spend the $6.5 billion over the next 10 years across a range of activities, including some key areas that you've told us are important through our Residents Surveys, and our early engagement on the LTP. Do you think we have the balance right?

Have your say at ccc.govt.nz/longtermplan

Climate change

Helping our city to adapt to the impacts of climate change and natural hazards.

How we respond to our changing climate is a key consideration for this LTP. We have initiatives, projects and programmes that reflect our commitment to these priorities. All our projects, throughout their planning, design, development and construction, take climate change mitigation and resilience into account.

Some of these projects and programmes are enabling us to reduce climate change effects, some enable us to develop better resilience to climate hazards, and some have other main drivers but incorporate mitigation and resilience into their designs.

At a high level, we're spending $318 million over 10 years on projects that have a direct impact on climate change mitigation:

- Public transport – $101 million
- Major cycleways – $199 million
- Urban forest – $18 million

We're spending $1 billion over 10 years on projects that directly help us adapt, and build our resilience:

- The flood protection portfolio (excluding the Ōtākaro Avon River Corridor) – $525 million
- The full Ōtākaro Avon River Corridor Programme – $490 million

However, even with the level of direct and indirect investment indicated above, it will still be unlikely that we will reach our emissions reduction targets as a Council or as a city.

HOW WE PROPOSE TO FUND ACTIVITIES, SERVICES AND PROJECTS

Financial settings

We propose the Draft LTP includes some changes to our financial settings. This will support the Council to be on a sustainable financial path to ensure we can deliver basic infrastructure and services to our communities.

Where does our money come from?

Rates are the main source of funding for the Council's activities. This is supplemented with funding from fees and charges, Government subsidies, borrowing, development contributions, interest and dividends from Christchurch City Holdings Limited subsidiaries.

The financial impacts of the earthquakes, and more recently the COVID-19 pandemic, have reinforced the need for us to be in a financial position where we can respond to unexpected events.

To achieve financial resilience, we need to retain the ability to borrow funds at short notice to soften the impact of any fiscal emergency. This will ensure we can continue to deliver appropriate services without a big immediate impact on rates.

In the short term, we have the ability to borrow $600 million to deal with any unexpected events without exceeding our debt limit or impacting our capital programme.

We have carefully considered how we can minimise rates through reducing operating costs and/or increasing revenues from users of services. Initially, we considered operational efficiencies of $182 million over the period of the LTP. However, following consideration of public feedback to maintain existing levels of services, we settled on a net position of $41 million including both increased revenue and savings.

Proposed changes to how we fund our asset renewals

We currently borrow to fund some of the cost of our annual asset renewal programme. Since 2015 we've been transitioning to fully fund these renewals from rates by 2031.

Given the cost pressures we're currently facing, we are proposing to increase the level of rating for asset renewals in the first two years of the LTP by significantly less than our existing Financial Strategy proposes. This approach has helped reduce the rates increase by 1.8% in year one. It also means a reduced rates increase of 1.2% in year two.

We propose to continue incrementally increasing rates for funding asset renewals to 100% and will now reach the target by 2032. This will ensure that current ratepayers are meeting the full cost of existing assets requiring renewal or replacement.

However, this short-term solution to reducing rates does have longer term consequences. While the amount of work done on renewals will not change, how we fund that work will change. It will mean we are now borrowing $93 million net more through to 2031 than we initially planned, which will result in an additional $19 million in interest costs during that period. It also means we don't meet the Balanced Budget benchmark for the first three years of the LTP. This benchmark is a measure required by the Department of Internal Affairs to help councils manage their financial capability and direction over the longer term.

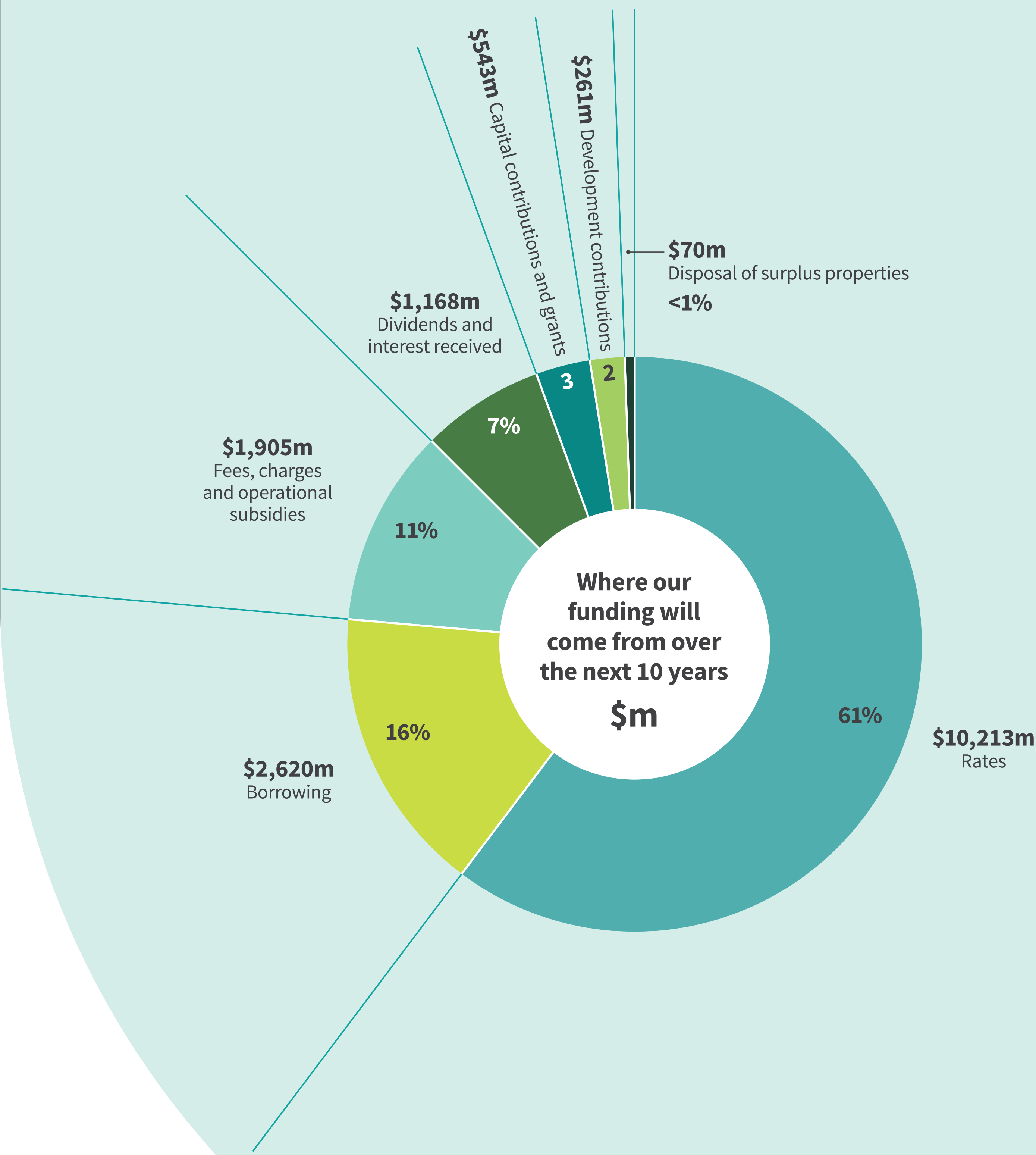
Having an unbalanced budget means that we are effectively borrowing for some operational expenditure. This action would only be acceptable if it is for a short time and for a specific intention. In the Council's case, it is just for the first three years of the LTP and is a purposeful action to assist the Council to manage the hump of increased rates in the first two years of the LTP. We would return to having a balanced budget in years 4–10 of the LTP.

We want to hear what you think.

What do you think of our proposal to increase the level of rating for asset renewals in the first two years of the LTP? This approach helps to reduce rate increases in year one and two of the LTP but does have longer term consequences – we will have increased borrowing, and we will also not meet the Balanced Budget benchmark for the first three years of this LTP.

Have your say at ccc.govt.nz/longtermplan

Where our funding will come from over the next 10 years



Managing debt prudently

We normally use debt to finance new long term assets that benefit future generations of residents. This ensures the upfront cost is shared fairly across the generations who'll be using them.

Our net debt levels are in line with those planned in the LTP 2021–2031, and we can service the current and forecast debt, although the cost of doing this has increased – we're currently paying an additional $14 million in interest in year one. We've also kept the ability to respond to unexpected events by giving ourselves at least $600 million of borrowing 'headroom' – this is an amount we can borrow comfortably before we reach our limit. The first table below shows our proposed net debt and the resulting debt headroom we would have. The second table shows our proposed gross debt and how close it is to our borrowing limit.

As a large borrower, we take a prudent approach to interest rates. We borrow at fixed rates over a variety of time periods, to help reduce the volatility of interest costs. However, we cannot do this indefinitely. As market rates are likely to stay higher for longer over the period of the LTP, our interest costs will be higher than we previously expected.

Projected net debt

$ million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed net debt	2,001	2,298	2,539	2,731	2,840	2,905	2,939	2,956	2,956	2,980
Debt headroom	1,244	1,089	968	935	983	1,088	1,210	1,329	1,432	1,472

Projected gross debt

$ million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed gross debt	3,001	3,291	3,536	3,713	3,829	3,891	3,930	3,948	3,941	3,967
Quantified debt limit	4,246	4,379	4,504	4,649	4,812	4,979	5,140	5,277	5,373	5,439

Our rates proposals

We're very aware that many of our residents and businesses are hurting financially as a result of the rising cost of living, so we're focused on meeting community expectations while keeping rates as low as possible. We aim to strike the right balance, while continuing to provide core services, invest in our city and adapt to the impacts of climate change.

In the 2024/25 financial year we're proposing to collect $788 million in rates.

Like every household and business across the city, the Council is operating in a tough economic environment, and facing rising costs. We have limited control over a significant proportion of our proposed average rates increase – approximately 12% of the 13.24% – due to factors such as inflation, insurance and interest costs.

Average rates increase

- The overall average rates increase to existing rate payers for 2024/25 is 13.24%. The reasons for the significant increase in this year are significantly increased costs due to inflation, insurance and high interest rates, coinciding with investment in Te Kaha and a reduction of $19 million in the CCHL dividend.
- We're proposing an average residential rates increase of 12.4% for 2024/25. For an average house with a value of $764,364 the proposed increase is an extra $416.23 a year or $8 a week.
- For an average commercial property with a value of $2,442,382 the proposed increase is 14.2%, or an extra $2,316.74 a year or $44.55 a week.
- For an average remote rural property currently paying land drainage rates and with a value of $1,557,204 the proposed increase is 15.4%, or an extra $435.34 a year or $8.37 a week.
- Over the course of the 10 years of this LTP, the proposed rates increases average 4.72% a year, or 57.76% cumulatively.

Our total rates income includes rates from new development in the city. More development means more ratepayers, and that means the rates burden becomes shared amongst a bigger group. As long as the number of rateable properties keeps growing, the rates increase for existing ratepayers will be lower than the year-on-year total rates increase.

Average annual rates increase to existing ratepayers

$ million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed rates increase	13.24%	7.76%	4.67%	4.79%	4.43%	4.23%	3.65%	2.40%	1.21%	0.80%

We want to hear what you think.

What do you think of our **proposed average rates increase of 13.24% across all ratepayers and an average residential rate increase of 12.4%?**

Have your say at ccc.govt.nz/longtermplan

How does our budget affect your rates?

Typical residential house rates analysis

Capital value (CV) is what the property is likely to have sold for at the date of the Council's last general revaluation, excluding chattels.

CV	2023/24 Rates	2024/25 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
300,000	$ 1,543.88	$ 1,734.53	$ 190.66	$ 3.67	12.3%
400,000	$ 1,937.08	$ 2,176.31	$ 239.23	$ 4.60	12.4%
500,000	$ 2,330.28	$ 2,618.09	$ 287.81	$ 5.53	12.4%
600,000	$ 2,723.48	$ 3,059.87	$ 336.39	$ 6.47	12.4%
700,000	$ 3,116.68	$ 3,501.65	$ 384.96	$ 7.40	12.4%
800,000	$ 3,509.89	$ 3,943.42	$ 433.54	$ 8.34	12.4%
1,000,000	$ 4,296.29	$ 4,826.98	$ 530.69	$ 10.21	12.4%
1,200,000	$ 5,082.69	$ 5,710.54	$ 627.84	$ 12.07	12.4%
1,500,000	$ 6,262.30	$ 7,035.87	$ 773.57	$ 14.88	12.4%
2,000,000	$ 8,228.31	$ 9,244.76	$ 1,016.45	$ 19.55	12.4%
3,000,000	$ 12,160.33	$ 13,662.54	$ 1,502.21	$ 28.89	12.4%
Average House					
$ 764,364	**$ 3,369.77**	**$ 3,785.99**	**$ 416.23**	**$ 8.00**	**12.4%**

Typical business rates analysis

CV	2023/24 Rates	2024/25 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
300,000	$ 2,319.74	$ 2,643.72	$ 323.98	$ 6.23	14.0%
500,000	$ 3,623.39	$ 4,133.40	$ 510.01	$ 9.81	14.1%
1,000,000	$ 6,882.51	$ 7,857.60	$ 975.09	$ 18.75	14.2%
1,500,000	$ 10,141.63	$ 11,581.80	$ 1,440.17	$ 27.70	14.2%
2,000,000	$ 13,400.75	$ 15,306.00	$ 1,905.25	$ 36.64	14.2%
2,500,000	$ 16,659.87	$ 19,030.20	$ 2,370.33	$ 45.58	14.2%
3,000,000	$ 19,918.99	$ 22,754.40	$ 2,835.41	$ 54.53	14.2%
4,000,000	$ 26,437.23	$ 30,202.80	$ 3,765.57	$ 72.41	14.2%
5,000,000	$ 32,955.47	$ 37,651.20	$ 4,695.73	$ 90.30	14.2%
Average Business					
$2,442,382	**$ 16,284.30**	**$ 18,601.04**	**$ 2,316.74**	**$ 44.55**	**14.2%**

Typical remote rural property rates analysis

CV	2023/24 Rates	2024/25 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
300,000	$ 801.95	$ 917.87	$ 115.92	$ 2.23	14.5%
500,000	$ 1,124.54	$ 1,291.27	$ 166.74	$ 3.21	14.8%
800,000	$ 1,608.41	$ 1,851.36	$ 242.96	$ 4.67	15.1%
1,000,000	$ 1,930.99	$ 2,224.76	$ 293.77	$ 5.65	15.2%
1,500,000	$ 2,737.45	$ 3,158.25	$ 420.81	$ 8.09	15.4%
2,000,000	$ 3,543.90	$ 4,091.74	$ 547.84	$ 10.54	15.5%
3,000,000	$ 5,156.81	$ 5,958.72	$ 801.91	$ 15.42	15.6%
4,000,000	$ 6,769.72	$ 7,825.70	$ 1,055.98	$ 20.31	15.6%
5,000,000	$ 8,382.63	$ 9,692.68	$ 1,310.05	$ 25.19	15.6%
Average Remote Rural Property					
$1,557,204	**$ 2,829.71**	**$ 3,265.05**	**$ 435.34**	**$ 8.37**	**15.4%**

Proposed changes to how we rate

Proposed change to the City Vacant Differential rating to include suburban centres

On 1 July 2022, the Council introduced a new general rating category on the commercially zoned vacant land in the central city. The City Vacant Differential:

- is set at a multiplier of 4.523 times the standard general rate.
- currently applies to vacant land in the Central City Business Zone and the Central City Mixed Use (South Frame) Zones. Its application in these areas reflects the concentration of vacant land in this well-serviced area of the city.

Vacant land for the purposes of the City Vacant Differential is defined as land being with no active or consented use. The definition excludes sites:

- that are permanently developed or under construction, or
- in a temporary use that is a permitted activity under the District Plan (e.g. supporting adjacent construction) or has an approved and fully implemented resource consent (e.g. temporary car parking).

Vacant land is a resource for the city's future growth but leaving it undeveloped comes with a cost. The Council still has to pay for and operate the infrastructure that serves vacant sites, including pipes, streets and public facilities. With much lower capital values, vacant sites pay a fraction of the rates paid by owners who've invested in permanent development, despite enjoying an increase in value of the land and the benefit of enhanced public environments on their doorsteps.

Since we started charging this rate, action by owners in the central city has seen the number of sites that pay this higher rate fall from 150 to 81 (at 1 July 2023), with the improvements making a real difference to the city's appearance.

Feedback from the community as part of our Annual Plans in 2021/22 and 2022/23 suggested that we should use this approach in other centres where there are concentrations of vacant land. Research found that in four centres – Linwood Village, Lyttelton, New Brighton and Sydenham – vacant land makes up more than 10% of the commercially zoned area.

As part of this Draft LTP, the Council is proposing to extend the use of City Vacant Differential rating from 1 July 2024 to vacant sites on land designated in the District Plan as:

- Commercial Core in Linwood Village, New Brighton and Sydenham, and
- Commercial Banks Peninsula in Lyttelton.

There are no changes to the key elements of the category definition, other than its extension to properties in Linwood, New Brighton, Sydenham and Lyttelton. This extension is expected to affect around 40 properties. Their rates impact would depend on the value of the land – for example, a $750,000 plot would have a rates increase of about $3600 per year (or about 71%); a $1.5 million plot would have a rates increase of about $7300 per year (or about 75%).

A rates remission of the additional charge will be available to sites on the same basis as that currently provided for existing qualifying central city sites.

You can find out more about the Council's work in this area, including the vacant sites programme, at: **ccc.govt.nz/vacant-sites**

Proposed change to rate visitor accommodation in a residential unit as a business

Short term unhosted residential accommodation (such as Airbnb, Bookabach, and similar) is a business activity, so we think it's appropriate for it to be charged the 'business differential' in our general rates, in the same way as other businesses that are run out of residential properties.

We propose a change in our rating policy, to clarify that residential properties may be charged at the business differential if they're used for unhosted short term accommodation for more than 60 nights per year, have a resource consent for such activity, or are predominantly used for such activity. We consider this clarification equitable because it will result in such properties being rated in the same way as other short term accommodation providers such as motels.

For a property with a capital value of $750,000 (the approximate value of the average house), a change to a business classification would increase rates by approximately $2,273 per year.

This proposal won't affect hosted accommodation (i.e. people who accept paying guests in their primary place of residence while they're living there), unless we consider the property is predominantly used for commercial accommodation purposes.

Proposed changes to rates postponements

The Council has a long standing policy of postponing rates for ratepayers facing significant financial hardship, although only 10 such postponements are currently in place. Recent policy has stated that ratepayers aged 65 years or older will automatically qualify for a postponement (as long as we're satisfied that they understand that postponement is effectively a debt that will reduce the amount of equity they own in their home over time).

We propose ending this automatic age-based qualification, so that ratepayers of any age will need to demonstrate significant financial hardship to qualify. This change would not affect any of our existing postponements and is intended to make sure that only those ratepayers in significant financial hardship need to apply for a postponement.

Proposed changes to rates remissions for charities

The Council has a long standing policy of remitting up to 100% of the rates payable on properties used by not-for-profit community-based groups. However, the current policy wording is unnecessarily complex and may restrict our flexibility to provide the remissions we consider to be appropriate.

We're proposing to simplify the wording of our Remission Policy 1 (not-for-profit community-based organisations) and Policy 2 (land owned or used by the Council for community benefit) to give us more flexibility to grant remissions that are consistent with the Council's objectives and the extent of the ratepayer's financial need.

We don't expect this change to have a material impact on the total amount of remissions granted, or on the rates revenue we require to pay for them.

We're also consulting on two smaller proposed changes to existing rates, including:

- Incorporating our separate Heritage Targeted Rate into the general rate. This makes it consistent with the treatment of other capital costs borrowed for, with rating only commencing when borrowing occurs. This proposed change produces a rates timing change which will reduce rates in 2024/25 by $2 million.
- Incorporating the Active Travel targeted rate into our Uniform Annual General Charge (UAGC). We're proposing this for simplification and clarity only, as the charge doesn't portray the full cost of Active Travel. The $20 charge will remain a fixed charge as part of the UAGC.

You can find more information about our proposed rates changes from Volume 1, page 19 of the Draft LTP: **ccc.govt.nz/longtermplan**

Proposed changes to fees and charges

One of the ways we can help minimise the rates increase is by passing on the costs to people who use the service directly, rather than all ratepayers. We've incorporated some changes to the Council's fees and charges in the Draft LTP. In most cases they add less than a dollar or two to the amount paid and reflect the increased costs of operating. In some cases, fees are going up to cover the full cost of an individual service or are for a new service.

One of our more significant proposals is to introduce parking charges at the Botanic Gardens and Hagley Park. The approximately 620 carparks would generate $2 million a year (based on $4.60 for three hours). If we don't proceed with this proposal, there would be an additional 0.31% rates increase in the first year, with no impact in subsequent years.

You can find more information about all the proposed changes to our fees and charges from Volume 1, page 223 of the Draft LTP: **ccc.govt.nz/longtermplan**

Proposed changes to our levels of service

All councils are required to include performance standards, or 'levels of service' in their LTPs. As part of the LTP development process, we've considered whether the Council should reduce our services to produce savings in rates.

We've taken into account feedback from the ***What Matters Most*** campaign and Residents Surveys, which give us useful information about what residents expect from the Council and how we're performing. By and large the feedback we've received is that residents value the current range of services, want us to "look after what we've got" and to improve in some areas. Judging by feedback to previous LTP and Annual Plan consultations, reducing services is not something residents would support. We are therefore proposing only minor changes to our levels of service. We're proposing to change the level of service for drinking water losses to 20% by 2030 and 15% by 2034.

If there are services you think you might manage without, or areas where you see an opportunity for efficiencies, considering both today's needs and future growth, please see the opportunity ***Potential to reduce or cut services to help reduce rates*** on page 47 and tell us what you think.

You can find more information about all the proposed changes from Volume 1, page 39 of the Draft LTP: **ccc.govt.nz/longtermplan**

ALTERNATIVE OPPORTUNITY AND OPTIONS THAT WOULD HAVE A RATING IMPACT

Alternative opportunity and options that would have a rating impact

Up to this point we have been talking about our preferred option (proposed plan) designed to maintain the services that matter to you.

This effort has included workshops with elected members, as well as conversations with our communities.

We're also focused on a deliverable capital programme and to provide the core services that keep Christchurch and Banks Peninsula running, with a proposed rates increase of 13.24% across all rate payers and an average residential rates increase of 12.4% in 2025.

Additional considerations

However, there are some additional matters that we would like your feedback on to help us decide how to progress. These include:

- An opportunity to seek additional efficiencies and savings. This may mean changes to some of the services we provide, reviewing our grants funding or increasing fees and charges for some services.
- Options to invest more in preparing for the long term future of our city. This could include spending more on climate change adaptation, or boosting the funding for major events.

OPPORTUNITY

Potential to reduce or cut services to help reduce rates

What's already proposed in our Draft LTP

In our plan we have maintained our existing services. We considered reducing or cutting services to help reduce rates, but it proved very challenging. Our Residents Surveys, along with our early engagement on the LTP, made it very clear to us that there is a wide range of expectations about what matters most to our communities.

There is also a mix of views that can, at times, be hard to reconcile. Some examples include:

- a reduction in rates increases and in Council spending.
- strong support for improving our roads, but also dissatisfaction with how roadworks affect travel.
- parks to be maintained to a very high standard.

In this Draft LTP we have attempted to balance these views and expectations on the Council's services. As a result, we have largely maintained our current levels of service, with a focus on getting the best possible value for money for all ratepayer dollars.

Opportunity to reduce or cut services

We're asking for your input on where we could reduce services without having a major impact on the community and/or where we could save some money. Considering both today's needs and future growth, tell us about the services:

- you value the most.
- you could manage without.
- where there could be an opportunity for efficiencies.

As a Council, we can make minor adjustments to services to respond to your feedback. However, if there are major changes proposed through the submissions process, we are required by legislation to consult further on the specifics of the change and its impact on communities. We would do this separately to this LTP process.

Are there any other areas where you feel we should be reviewing the services we provide to reduce our costs?

Options that would accelerate work on some projects and programmes but would also increase rates

There are some things we could do that would mean we are investing more in the future of our city, but this would have an impact on our overall rates increase both in year one and in subsequent years.

Should we leave bid funding for major and business events at current levels in the Draft LTP, with no impact on rates, or include the bid funding, with rates increases over the first three years of the LTP?

Bid funding for major and business events

The issue

Christchurch has invested in major events for many years. There is significant value in the contribution they make to the life of the city, by defining Christchurch as a destination, bringing communities together, attracting visitors, stimulating economic activity and raising our city's profile nationally and internationally. Last year we supported 93 community events through our events team and attracted more than 24 major events and 42 business events.

Christchurch City Council, ChristchurchNZ and Venues Ōtautahi have complementary roles in relation to major events in Christchurch:

- The Council supports and/or delivers a variety of local and regional events, often in partnership with the community. It also provides regulatory support, approval, and compliance functions (such as traffic management planning) for all events.
- Venues Ōtautahi, is owned by the Christchurch City Council. It attracts events for the venues they operate. It plans and delivers on-the-ground event experiences.
- The Council funds ChristchurchNZ to build and manage the city's major events portfolio. We do this by working in partnership with key event stakeholders including event organisers, prospecting partners and the Council.

The Council is also investing in infrastructure, such as Te Kaha, Canterbury's Multi-Use Arena, Parakiore Recreation and Sport Centre, and Naval Point, to ensure we can host world class events in Christchurch.

While the city has an established portfolio of events and attracts a range of other events, there are opportunities to grow the existing events and attract new events to the city. This would require additional funding.

Our preferred option (proposed in our Draft LTP)

We propose to spend $4 million, which includes $1.2 million of grant funding for community events, to continue to deliver our community events – such as Sparks, Summer Theatre and Tīrama Mai (our Matariki celebration) – and to support other community events through our events funding. This grant funding will increase to $1.7 million in 2028.

ChristchurchNZ, the city's economic development agency, will receive $15.9 million funding from the Council in 2025, of which $1 million is allocated to major and business event bid funding. This funding is proposed to increase to $19 million in 2028 (including $2.4 million for events bid funding) and progressively increase to $20.6 million (including $4 million for events bid funding) by 2030.

Venues Ōtautahi has indicated that for year one and two of this LTP it would be possible to reprioritise its operational budgets to meet any additional bidding to secure events at the venues it operates. These venues include the Town Hall, Wolfbrook Arena, Apollo Projects Stadium, the Air Force Museum, and Te Kaha, once it opens. There would, however, remain a funding gap for year three and for other major events not hosted by these venues.

As this proposed expenditure is included in the proposed rates outlined in this Consultation Document, there would be no change to our proposed rates increases in the LTP.

The risk of not including additional funding for the first three years of the plan is that Christchurch may be less likely to attact as many major and business events.

Option to provide additional event bid funding for major and business events

Christchurch competes with other cities in New Zealand and around the world to attract major international sports, business and music events through event bid funding. Examples of these include ITM New Zealand Sail Grand Prix, Electric Avenue, and business events such as the UN World Adaptation Science Programme Adaptation Futures Conference in 2025.

We are seeking feedback on whether we should provide additional event bid funding for major and business events.

The option would include an additional:

- $2.8 million for 2024/25 which would require a 0.42% rates increase
- $3.3 million for 2025/26 which would require a further 0.04% rates increase
- $4.5 million for 2026/27 which would require a further 0.14% rates increase

Additional funding would enable us to attract more major and business events. These events would utilise the infrastructure we've invested in, and the city can enjoy the entertainment and economic benefit that these types of events will bring. The return on investment is estimated at an average of $67 million a year for our retail, hospitality, and accommodation businesses.

OPTION

Accelerating adaptation efforts

The issue

Our district faces diverse climate hazards, from rising sea levels to more frequent extreme weather events. We started our climate resilience journey with our 2021 Long Term Plan and this continues in the proposed plan. We have initiatives, projects and programmes that reflect our commitment to mitigating and adapting to climate hazards.

At a high level, we're spending $318 million over 10 years on projects that have a direct impact on climate change mitigation, and $1 billion over 10 years on projects that directly help us adapt and build our resilience. You can read more about this on page 33 of this document.

Our preferred option (proposed in our Draft LTP)

We propose to maintain the Coastal Adaptation Planning Programme at $1.8 million per year, which will increase by another $1.8 million (to a total of $3.6 million per year) in 2027/28 as adaptation planning work ramps up across the district.

Adaptation plans are developed with communities and rūnanga, and adopted by the Council. There are currently no completed adaptation plans. However, one is in development with the communities and rūnanga in Whakaraupō Lyttelton Harbour and Koukourarata Port Levy, and others are planned. You can read more about our adaptation planning programme on our website: **ccc.govt.nz/adapting-to-coastal-hazards**

This would mean there would be no change to our proposed rates increases in the Draft LTP.

The risk of not including additional funding to accelerate coastal adaptation planning for the first three years of the plan is that we will be slower to complete community adaptation plans.

Option to accelerate adaptation planning

We could bring forward to 2024/25 the additional $1.8 million annually that is currently proposed to start in 2027/28. This would accelerate the Coastal Adaptation Planning Programme and boost overall community preparedness and resilience.

The early investment would result in a rates increase of 0.29% (approximately an extra 19 cents a week for the average residential property) from 2024/25.

Should we bring forward funding for adaptation planning, or leave it where it currently sits in the Draft LTP?

Creating a Climate Resilience Fund

The issue

Climate change is creating new levels of complexity for our infrastructure and capital projects such as roads, buildings and utilities. Responding to climate risks will be essential over the span of this LTP.

New capital projects will need to take into account the climate changes that may occur over their lifetimes. Existing infrastructure may need to be retrofitted, or managed differently, given climate change. Additional infrastructure may need to be constructed to address the physical impacts of climate change.

To address this, we could establish a Climate Resilience Fund, and start setting aside funds now to manage necessary changes to the capital programme in the future.

Our preferred option (proposed in our Draft LTP)

We propose that climate adaptation related capital expenditure initiatives will need to be included in our capital programme. There will be no dedicated fund to support actions arising from adaptation planning.

This would mean there would be no change to our proposed rates increases in the Draft LTP.

The risk of not including additional climate resilence funding is that future generations may need to contribute more to address climate resilence.

Option to create a Climate Resilience Fund

We could reduce the financial impact of climate change on future generations by establishing a Climate Resilience Fund now. The fund would be ringfenced to support actions originating from adaptation plans (described on page 51).

Actions which the fund could be used for include things like:

- moving or raising lifeline roads (vital roads for communities)
- protecting or relocating our drinking water, stormwater and wastewater infrastructure, and
- ensuring our community facilities exposed to climate hazards are more resilient.

How this fund would be established, managed and governed, and the criteria of how the fund would be used, all require further work. As part of that process there would be further opportunity for residents to have their say. Realistically, this means the earliest we could establish this fund would be from July 2025.

During the current 10-year LTP period we could amass as much as $127 million, assuming we started the fund in year two of the LTP. This would have a 0.25% impact on rates (approximately an extra 16 cents a week for the average residential property) in year two of the LTP and then we would add 0.25% to the rate for each year it is implemented. If we rate this to the end of the LTP it will be a 2.25% rate increase.

If we don't create the fund, the Council will need to consider how it funds future climate resilience actions alongside other competing priorities in future years.

Should we establish a specific Climate Resilience Fund, to help manage the future impact of climate-related hazards on Council assets?

POTENTIAL DISPOSAL OF COUNCIL-OWNED PROPERTIES

Potential disposal of Council-owned properties

The Council has a small number of properties which are no longer being used for the purpose they were originally acquired for or that have been transferred to us by the Government (former residential red zone properties in the Port Hills).

The properties we're putting up for consideration make up less than 1% of the Council's overall portfolio and won't affect current levels of service. The estimated revenue from the sale of properties over the life of the LTP is approximately $20-$23 million. The Council owns many types of properties of all different shapes and sizes and, as the city grows, land holdings also grow to maintain levels of service. Since 2011, our land holdings have grown by more than 12%. This includes all of the former residential red zone land that the Government handed over to the Council to own and manage.

More information on the properties, including a full list, can be found at **ccc.govt.nz/longtermplan**

Why we are proposing to dispose of some Council-owned properties

Because owning property has a cost, it's good financial practice to continually review the portfolio and decide whether to keep or dispose of properties that are no longer being used for their original purpose.

When doing this, our first step is to identify likely properties and assess them against the criteria for retention. These criteria include:

- whether the property is being used for the purpose it was originally acquired for
- its cultural, environmental or heritage value, and
- whether it can meet any of the Council's immediate or longer-term needs.

Properties that don't meet the retention criteria go onto the shortlist to be considered for disposal. The shortlist contains 46 properties.

Five of these properties are either reserve or "parks" under section 138 of the Local Government Act 2002 because the land was acquired or used principally for community, recreational, environmental, cultural or spiritual purposes:

- three reserves are undeveloped, with
  - one held for a future road that is not proceeding
  - one held for recreation in an area where there are many other parks
  - one held for utility purposes and has a single buried cable on it.
- two parks
  - one is a block in a rural area that has been grazed for many years and is not required for community purposes
  - one is surplus land associated with a land drainage project.
- One property is residential land that the Council is considering selling to a community housing provider for new homes.

The other 40 properties identified are former residential red zone properties (which equates to less than 3% of the Port Hills red zone land). For these properties, we need to take an extra step to assess the hazards that led to the land being zoned red:

- If the hazard can be removed or reduced to an acceptable level, for example by land title reconfiguration or engineering works such as bunds or rock clearance, the property can be considered for disposal.
- If not, the Council will retain ownership of the property.

We are currently seeking your views through this Draft LTP on:

- **whether we should embark on formal processes for the five properties that are either reserves or parks; and**
- **whether or not we should dispose of any or all of the other 40 properties.**

Further information can be found on ccc.govt.nz/longtermplan

How do we dispose of properties that are no longer required?

We follow the Council's policy and normal practices:

- ***Policy*** – publicly tendering properties for sale unless there is a clear reason for doing otherwise.
- ***Practice*** – in an open, transparent, well-advertised and public manner at market value. This may include methods other than tender, such as auction, deadline sale or general listing.

Where it's appropriate, the Council may consider departing from these practices to give effect to the Housing Policy we adopted in 2016. This could result in the land being used to deliver the outcomes of that policy, like selling land to other housing providers for them to develop and/or deliver social and affordable housing. The specific circumstances related to a property may also give rise to a departure e.g. where the adjoining owner is the only logical purchaser.

Before we can do this for the five properties that are either reserves or parks, we must undertake formal consultation. This involves a greater level of detail being provided about each property and why we are proposing to dispose of it, and the reasonably practicable options that have been considered. There are also additional process requirements for land which is reserve under the Reserves Act 1977.

We are currently seeking your views through this Draft LTP on:

- whether we should embark on formal processes for the five properties that are either reserves or parks; and
- whether or not we should dispose of any or all of the other 41 properties.

If you were a former owner of any of the Red Zone Port Hill properties listed, please let us know when providing your feedback.

Further information, including the list of properties, can be found at **ccc.govt.nz/longtermplan**

Proposed gifting of Yaldhurst Memorial Hall to Yaldhurst Rural Residents' Association

The Council resolved to gift the Yaldhurst Memorial Hall to the Yaldhurst Rural Residents' Association (YRRA) at its meeting on 24 January 2024, subject to consultation in the Draft LTP.

Prior to making its decision, the Council also considered the following options:

- Continuing with the status quo (not a practical option as the hall continues to deteriorate).
- Demolishing the hall and selling the land (not recommended given its heritage status).
- Strengthening and upgrading the hall and transferring to YRRA (not recommended due to the significant cost).
- Strengthening and upgrading the hall and managing the hall as a community facility (not recommended due to the significant cost and other existing community facilities).
- Selling the land and building 'as is where is', including a covenant requiring the repair and retention of the hall (not recommended as it will likely result in a nominal sale price. This is also not supported by the local community).

Yaldhurst Memorial Hall

The hall is single storey, with a combination of timber framed reinforced concrete and unreinforced masonry construction. It was built in 1954 as a war memorial and community centre. It is 15% of New Building Standard (NBS) and classified as an Earthquake Prone Building (EPB) requiring strengthening, repair, or demolition by July 2025. It was previously used as a community hall before it was closed after the Canterbury earthquakes.

The hall is also a scheduled heritage building that is categorised as a strategic asset under the Council's Significance and Engagement Policy, and any decision to dispose of this asset must be explicitly provided for in the LTP.

In its existing condition, given its heritage and EPB status, and the significant cost required to strengthen and repair the hall (estimated at $2.3 million), its market value is likely to be nominal in the range of $10,000–$20,000. Numerous repairs have been carried out on the hall since 2011. However, the hall continues to deteriorate. There is adequate provision of other existing community facilities in the immediate area.

Proposal to gift the Yaldhurst Memorial Hall to the Residents' Association

The YRRA has been promoting the hall's retention and reinstatement as a community facility and are committed to raising the funds necessary to repair and operate the building. An expression of interest was initiated in 2021 with YRRA being the only registered practical interest. Ownership of the building by YRRA is essential for it to maximise access to funding sources.

The proposal is to lease the land for $1 a year and gift the Yaldhurst Memorial Hall at 524 Pound Road to the YRRA for the sum of $1, with the following conditions:

- YRRA strengthening and repairing the building to a minimum of 34% NBS (so it can be removed from the national earthquake prone register of buildings).
- The repairs and strengthening being to a code compliant standard, ready for occupation (the scope and standard of works to be determined and approved with, and at, the Council's discretion) within five years from the date of transferring ownership from the Council to the YRRA.
- The repair and subsequent operation and maintenance of the building being at no cost to the Council (including the cost of securing any necessary consents and code of compliance);
- The Council having a first right of refusal option to take the building back if the YRRA fail to perform the repair and strengthening above.

YRRA intends to operate the building as a community facility. The proposal has no impact on rates and no debt. The building will remain as a scheduled heritage building. Repairs and maintenance will still need to meet all relevant requirements in the District Plan. YRRA use of the land will be subject to the terms of their ground lease with the Council. The Council's community board governance teams will monitor YRRA's ability to fund and complete the repair works within five years and YRRA's subsequent operation of the hall.

Conflicts of interest

There are no identified conflicts of interest arising from the proposal.

What matters to you?

What do you think of our proposal to start formal processes to dispose of five Council-owned properties that are either reserves or parks?

What do you think of our proposal to dispose of the other properties which include former Residential Red Zone Port Hill properties?

What do you think of our proposal to gift Yaldhurst Memorial Hall to the Yaldhurst Rural Residents' Association?

Have your say at ccc.govt.nz/longtermplan

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader

Independent auditor's report on Christchurch City Council's consultation document for its proposed 2024-34 Long-Term Plan

I am the Auditor-General's appointed auditor for Christchurch City Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and the Council requested me to audit the consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed our audit on 14 March 2024.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2024-34 long-term plan, because it:
    - fairly represents the matters proposed for inclusion in the long-term plan; and
    - identifies and explains the main issues and choices facing the Council and city, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of matter – uncertainty over funding of the transport programme

Without modifying our opinion, we draw attention to pages 13 and 31, which outlines the high level of uncertainty over Waka Kotahi NZ Transport Agency's (the Agency's) expected funding of the transport programme. If the Agency does not provide funding or provides less funding than assumed, the Council will reconsider its options depending on the level of funding received.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality management

We have complied with the Auditor-General’s independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General’s quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, and a limited assurance engagement in respect of the Council’s Debenture Trust Deed, we have no relationship with or interests in the Council or any of its subsidiaries.

Chantelle Gernetzky
Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand

How to make a submission

We'd like your feedback on the Draft Long Term Plan 2024–34 and the matters we have raised in this consultation document. Tell us what you think by Sunday 21 April 2024.

There are several ways you can give feedback:

Online: (preferred)
ccc.govt.nz/longtermplan

Email:
CCCPlan@ccc.govt.nz

Fill out a submission form available from libraries and service centres and pop it in our submissions box. (To ensure we receive last-minute submissions on time, from Tuesday 16 April please hand deliver them to the Civic Offices, 53 Hereford Street).

Post a letter* or form to:
Freepost 178 (no stamp required)
Long Term Plan Submissions
Christchurch City Council, PO Box 73016, Christchurch 8154

* Your submission must include your full name and email or postal address. If you wish to speak to your submission at the public hearings, please also provide a daytime phone number. If your submission is on behalf of a group or organisation, you must include your organisation's name and your role in the organisation.

Social media
Informal feedback, which is not counted as a submission, can be made in the following ways:

- Go to our Facebook page **facebook.com/christchurchcitycouncil** and include **#cccplan** in your post.
- Tweet us your feedback using **#cccplan**

Talk to the team
Alternatively, you can give us a call on (03) 941 8999, provide your details and a good time for us to call, and one of our managers will be in touch.

Hearings
Public hearings will be held from early-May 2024 (exact dates will be confirmed closer to the time).

Submissions are public information
We require your contact details as part of your submission. Your feedback, name and contact details are provided to decision makers. Your feedback, with your name only will be available on our website. However, if requested we will make submissions including contact details publicly available. If you feel there are reasons why your contact details and/or submission should be kept confidential, please contact the Engagement Manager by phoning (03) 941 8999 or 0800 800 169.

Questions to think about when making your submission

What matters most?

Our overarching proposal is to focus on a deliverable capital programme that helps drive our city forward, with particular investment in roads and transport infrastructure and in protecting and upgrading our water networks. We're borrowing for new projects that have long term value and ensuring that the debt repayments are spread fairly across the generations of ratepayers who will benefit from them. We're maintaining enough financial flexibility to be able to handle unplanned events, and we're finding permanent efficiencies in our day-to-day spending.

Overall, have we got the balance right?

Rates *(page 39)*

Given that both the Council and residents are facing significant financial challenges, **should we be maintaining our existing levels of service and level of investment in our core infrastructure and facilities,** which will mean a proposed average rates increase of 13.24% across all ratepayers and an average residential rate increase of 12.4%?

Do you have any comments on our proposed changes to how we rate?

Fees and Charges *(page 43)*

Do you have any comments on our proposed changes to fees and charges (e.g., our proposal to introduce parking charges at key parks)?

Operational Spending *(page 26)*

Operational spending funds the day to day services that the Council provides. Our operational spending is funded mainly through rates and therefore has a direct impact on the level of rates we charge. Everything we build, own and provide requires people to get the work done. For example, ongoing costs to operate a library, or to service our parks and waterways includes staff salaries, and maintenance and running costs such as electricity and insurance.

Are we prioritising the right things?

Capital programme *(from page 24)*

In this LTP we have focused on developing a deliverable capital programme.

We're proposing to spend the $6.5 billion over the next 10 years across a range of activities, including some key areas that you've told us are important through our Residents Surveys, and our early engagement on the Draft LTP:

- $2.7 billion on three waters (drinking water, wastewater, stormwater and flood protection) (31.5%)
- $1.6 billion on transport (24.9%)
- $870 million on parks, heritage and the coastal environment (13.4%)
- $286 million on Te Kaha (4.41%)
- $140 million on libraries (2.16%)
- $137 million on solid waste and resource recovery (2.11%)

Are we prioritising the right things?

Additional opportunity and options to our main proposal *(page 46)*

We're working hard to reduce the impact of rates rises on residents while ensuring that Christchurch and Banks Peninsula continue to be great places to live. To do this we have had to balance the impact of rates rises with the investment needed to care for our city and assets. However, there are some additional things that we could do that would accelerate work on some projects and programmes, or we could continue to explore ways to bring down our proposed rates increases.

Which of the following do you think should be our focus for the 2024–2034 Draft Long Term Plan?

a. Deliver what we have proposed in the Draft Long Term Plan (e.g. maintain existing levels of service and invest in our core infrastructure and facilities that keep Christchurch and Banks Peninsula running).
b. Explore other ways to bring down our proposed rates increases across the Draft LTP (e.g. reduce or change some of the services we provide, review our grants funding, increasing fees and charges for some services).
c. Accelerate work on some projects and programmes, with a focus on balancing the needs of today's residents with the needs of future generations (e.g. spending more on climate change adaptation, boost the funding for major events).

Additional savings and efficiencies *(page 47)*

Are there any areas where you feel we should be reviewing the services we provide to reduce our costs throughout the Draft LTP 2024–2034?

Major event bid funding *(page 49)*

Should we leave bid funding for major and business events at current levels in the Draft LTP, as proposed? This expenditure is included in the proposed rates. While it may not impact on rates, it could have implications for our ability to attract major and business events in the short term.

Or should we increase the bid funding? This means we will be able to continue to attract major international sports, business and music events, but would also mean an additional rates increase of 0.42% in year one of the LTP, 0.04% in year two, and 0.14% in year three.

More investment in adapting to climate change *(page 51)*

Do you think we should bring forward to 2024/25 the additional $1.8 million spend currently proposed to commence in 2027/28, to accelerate how we address climate risks? The early investment would bring forward a rates increase of 0.29% to 2024/25 from 2027/28.

Should we create a Climate Resilience Fund to set aside funds now to manage future necessary changes to Council assets, including roads, water systems, and buildings, in alignment with our adaptation plans? Implementing this fund would result in a rates increase of 0.25% per annum over the LTP period. How this fund would be established, managed and governed, and the criteria of how the fund will be used, all require further work. As part of that process there will be further opportunity for residents to have their say.

Our Community Outcomes and Priorities *(page 15)*

Our LTP is guided by the Council's Strategic Framework 2024–34 – it's the cornerstone for our long term vision, steering how we dedicate our energy and resources. Our community outcomes and priorities have shaped all our proposals in this Draft LTP ensuring that every initiative, project, and effort resonates with our commitment to build a thriving, inclusive, and sustainable city for all.

Do you have any thoughts on our vision, community outcomes and strategic priorities?

Potential disposal of Council-owned properties *(page 54)*

What do you think of our proposal to start formal processes to dispose of five Council-owned properties?

What do you think of our proposal to dispose of other Council-owned properties which includes former Residential Red Zone Port Hill properties?

What do you think of our proposal to gift Yaldhurst Memorial Hall to the Yaldhurst Rural Residents' Association?

Key word index

Te Mahere Rautaki Kaurera

OUR DRAFT LONG TERM PLAN 2024–2034

Consultation Document

ccc.govt.nz/longtermplan

Christchurch City Council