

## Christchurch City Council AGENDA

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### Notice of Meeting:

An ordinary meeting of the Christchurch City Council will be held on:

**Date:** Thursday 23 July 2020  
**Time:** 9.30am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

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### Membership

Chairperson	Mayor Lianne Dalziel
Deputy Chairperson	Deputy Mayor Andrew Turner
Members	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

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20 July 2020

### Principal Advisor

Dawn Baxendale  
Chief Executive  
Tel: 941 6996

Aidan Kimberley  
Committee and Hearings Advisor  
941 6566  
aidan.kimberley@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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## **1. Apologies / Ngā Whakapāha**

## **2. Declarations of Interest / Ngā Whakapuaki Aronga**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

### 3. Council - Annual Plan Minutes - 19 June 2020

Reference / Te Tohutoro: 20/878472

Report of / Te Pou Aidan Kimberley, Committee and Hearings Advisor

Matua: Aidan.kimberley@ccc.govt.nz

General Manager / Dawn Baxendale, Chief Executive

Pouwhakarae: Dawn.baxendale@ccc.govt.nz

#### 1. Purpose of Report / Te Pūtake Pūrongo

For the Council to confirm the minutes from the Annual Plan Hearings which commenced on 19 June 2020.

#### 2. Recommendation to Council Annual Plan

That the Council confirm the Minutes from the Council - Annual Plan Hearings held 19 June 2020 to 26 June 2020.

#### Attachments

No.	Title	Page
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#### Signatories / Ngā Kaiwaitohu

Author	Aidan Kimberley - Committee and Hearings Advisor
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## Christchurch City Council – Draft Annual Plan 2020-21

### Hearing of Verbal Submissions

### OPEN MINUTES

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**Date:** Friday 19 June 2020 – Friday 26 June 2020  
**Time:** 9.32am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

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**Present**

Chairperson  
Deputy Chairperson  
Members

Deputy Mayor Andrew Turner  
Councillor Tim Scandrett  
Mayor Lianne Dalziel  
Councillor Jimmy Chen  
Councillor Catherine Chu  
Councillor Melanie Coker  
Councillor Pauline Cotter  
Councillor James Daniels  
Councillor Mike Davidson  
Councillor Anne Galloway  
Councillor James Gough  
Councillor Yani Johanson  
Councillor Aaron Keown  
Councillor Sam MacDonald  
Councillor Phil Mauger  
Councillor Jake McLellan  
Councillor Sara Templeton

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19 June 2020

**Principal Advisor**

Dawn Baxendale  
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## 1. Apologies / Ngā Whakapāha

### Council Resolved CAPL/2020/00082

That the apology from Councillor Chu for early departure for the session on Friday 19 June 2020.

Deputy Mayor/Councillor Templeton

**Carried**

### Council Resolved CAPL/2020/00083

That the apologies received from Councillor Mauger for absence and from Councillor Chu for early departure for the session on Wednesday 24 June 2020 be accepted.

Deputy Mayor/Councillor Templeton

**Carried**

### Council Resolved CAPL/2020/00084

That the apologies received from The Mayor and Councillor Mauger for absence and from Councillor MacDonald for partial absence for the session on Friday 26 June 2020 be accepted.

Deputy Mayor/Councillor Cotter

**Carried**

## 2. Declarations of Interest / Ngā Whakapuaki Aronga

Declarations of Interest are recorded through the minutes to the submission they relate to.

## 3. Hearing of Verbal Submissions for the Draft Annual Plan 2020-21 - Friday 19 June 2020

### Council Resolved CAPL/2020/00085

That the Council:

1. Receive the verbal submissions to be heard on Friday 19 June 2020.

Deputy Mayor/Councillor MacDonald

**Carried**

Councillor Galloway joined the meeting at 9.33am during item 3.

Councillors Davidson, Gough and Mauger joined the meeting at 9.34am during item 3.

The following submitters presented verbal submissions to the Council:

- 1.1 Te Pātaka o Rākaihautū/Banks Peninsula Community Board - Tori Peden, Chairperson.

The Mayor joined the meeting at 9.42am during Te Pātaka o Rākaihautū/Banks Peninsula Community Board's submission.

- 1.2 Waipapa/Papanui-Innes Community Board - Emma Norrish, Chairperson.

- 1.3 Waitai/Coastal-Burwood Community Board - Kelly Barber, Chairperson and Bebe Frayle, Community Board Member.

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19 June 2020**



- 1.4 Waimāero/Fendalton-Waimairi-Harewood Community Board – David Cartwright, Chairperson and Bridget Williams, Community Board Member.
- 1.5 Waipuna/Halswell-Hornby-Riccarton Community Board – Mike Mora, Chairperson .
- 1.6 Waikura/Linwood-Central-Heathcote Community Board – Alexandra Davids.

Councillor MacDonald left the meeting at 10.25am and returned at 10.29am during Waikura/Linwood-Central-Heathcote Community Board's submission.

Councillor MacDonald left the meeting at 10.33am during Waikura/Linwood-Central-Heathcote Community Board's submission.

- 1.7 Waihoru/Spreydon-Cashmere Community Board – Karolin Potter, Chairperson.

Councillor Gough left the meeting at 10.35am and returned at 10.37am during Waihoru/Spreydon-Cashmere Community Board's submission.

Councillor MacDonald returned to the meeting at 10.43am during Waihoru/Spreydon-Cashmere Community Board's submission.

The meeting adjourned at 10.44am and reconvened at 11am. Councillors Chen, Chu, Coker, Johanson, Keown and MacDonald were not present at this time.

- 1.8 Keep Christchurch Beautiful – Alexandra Davids and Linda Keall.

Councillors Chen and MacDonald returned to the meeting at 11.01am during Keep Christchurch Beautiful's submission.

Councillors Chu, Coker and Johanson returned to the meeting at 11.02am during Keep Christchurch Beautiful's submission.

Councillor Keown returned to the meeting at 11.05am during Keep Christchurch Beautiful's submission.

Central City Business Association – Annabel Turney, Mike Percasky and Antony Gough.

- 1.9 Councillor Chu left the meeting at 11.13am and returned at 11.17am during Central City Business Association's submission.
- 1.10 Historic Places Canterbury – Mark Gerrard.

Councillor Scandrett left the meeting at 11.25am and returned at 11.34am during Historic Places Canterbury's submission.

- 1.11 The Arts Centre of Christchurch – Philip Aldridge and Felicity Price.

Councillor Chu left for the remainder of the day at 11.35am during The Arts Centre of Christchurch's submission.

- 1.12 Property Council of New Zealand – James Riddoch (at the table) and Natalia Tropotova (via audio visual link).



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Councillor Gough left the meeting at 11.45am and returned at 11.46am during Property Council of New Zealand's submission.

1.13 The Terrace Christchurch – Antony Gough and Annabel Turney.

Councillor Gough declared an interest in The Terrace Christchurch's submission and sat back from the table.

**The meeting adjourned at 12.05pm and reconvened on Tuesday, 23 June at 9.30am.**

The Mayor and Councillors Gough and Scandrett were not present at this time.

1.14 Halswell Residents' Association – David Hawke.

The Mayor joined the meeting at 9.31am during Halswell Residents' Association's submission.

Councillor Gough joined the meeting at 9.32am during Halswell Residents' Association's submission.

Councillor Scandrett joined the meeting at 9.34am during Halswell Residents' Association's submission.

1.15 Papanui Baptist Freedom Trust – Margaret McFedries.

1.16 New Brighton Residents' Association – Brian Donovan.

1.17 Sumner Village Park – Mike Sleigh.

1.18 Charlot Hudson.

1.19 John Bradbrook.

Councillor Cotter left the meeting at 9.56am and returned at 9.58am during John Bradbrook's submission.

1.20 Ants Field.

1.21 Duncan Webb, Member of Parliament for Christchurch Central.

1.22 Southshore Residents' Association – Megan Roulston, Simon Watt and Tim Sintes.

1.23 Susan Carbine.

1.24 Te Putahi Trust – Jessica Halliday.

1.25 Robinsons Bay Ratepayers and Residents' Association, and Takamatua Ratepayers and Residents' Association – Lee Robinson.

1.26 Roimata Food Commons – Michael Reynolds.

1.27 Little River Wairewa Community Trust – Vanessa Mitchell.

1.28 Jo Sutherland.

The meeting adjourned at 10.48am and reconvened at 11.20am. Councillor Gough was not present at this time.

1.29 Karepa Holdings Limited – Frank Pipe.

Councillor Gough returned to the meeting at 11.22am during Karepa Holdings Limited's submission.

1.30 Avon Otakaro Forest Park – Scott Butcher.

1.31 Comfort Inn – Bob Pringle.

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1.32 Victoria Andrews.

Councillor MacDonald left the meeting at 11.42am and returned at 11.44am during Victoria Andrews's submission.

1.33 Akaroa Ratepayers' Association – Harry Stronach.

1.34 Akaroa Civic Trust – Mike Norris.

Councillor Keown left the meeting at 11.55am during Akaroa Civic Trust's submission.

1.35 John Batchelor.

Councillor Keown returned to the meeting at 11.58am during John Batchelor's submission.

1.36 Beckenham Neighbourhood Association – Peter Tuffley.

1.37 Canterbury Community Gardens – Hayley Guglietta

1.38 Christchurch East Labour Electorate Committee – David Close and David Lawrence.

Councillor Gough left the meeting at 12.15pm and returned at 12.18pm during Christchurch East Labour Electorate Committee's submission.

1.39 Lyttelton Reserves Management Committee – Wendy Everingham.

1.40 Rod Donald Banks Peninsula Trust – Suky Thompson and Maureen McCloy.

1.41 John Allen.

1.42 Generation Zero – Elliott Hughes.

Councillors Cotter and Daniels left the meeting at 12.40pm during Generation Zero's submission.

Councillor McLellan left for the remainder of the day at 12.40pm during Generation Zero's submission.

Councillor Daniels returned to the meeting at 12.42pm during Generation Zero's submission.

1.43 Justin Perriam.

Councillor Cotter returned to the meeting at 12.44pm during Justin Perriam's submission.

1.44 Canterbury Employers' Chamber of Commerce – Leanne Watson.

**The meeting adjourned at 12.58pm and reconvened on Wednesday, 24 June at 9.30am.**

The Mayor and Councillors Chen, Coker and Johanson were not present at this time.

1.45 North Canterbury Federated Farmers – Nick Clark (via audio visual link).

Councillor Johanson joined the meeting at 9.31am during North Canterbury Federated Farmers' submission.

The Mayor and Councillors Chen and Johanson joined the meeting at 9.32am during North Canterbury Federated Farmers' submission.

Councillor Coker joined the meeting at 9.33am during North Canterbury Federated Farmers' submission.

1.46 Adele Geradts.

1.47 Lindsay Carswell.

1.48 Lyttelton Information Centre – Ruth Targus and Penny Carnaby.

1.49 Banks Peninsula Community Sports Complex – Jan Whitehead.

1.50 Annette Hamblett.

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1.51 Spokes Canterbury – Chris Abbott.

Councillor MacDonald left the meeting at 10.08am during Spokes Canterbury's submission.

1.52 Cameron Bradley.

1.53 David Benson.

Councillor MacDonald returned to the meeting at 10.19am during David Benson's submission.

1.54 Diamond Harbour Community Association – Richard Suggate (via audio visual link).

1.55 Banks Peninsula Conservation Trust – Mark Christensen.

1.56 Helen Broughton.

Councillor Daniels left the meeting at 10.32am and returned at 10.33am during Helen Broughton's submission.

1.57 Friends of Banks Peninsula Inc – Jan Cook.

Councillor Gough left the meeting at 10.39am and returned at 10.44am during Friends of Banks Peninsula Inc's submission.

1.58 Robin McCarthy.

The meeting adjourned at 10.50am and reconvened at 11.21am. Councillor Johanson was not present at this time.

1.59 Dot Lovell-Smith.

Councillor Johanson returned to the meeting at 11.25am during Dot Lovell-Smith's submission.

1.60 Graham Robertson.

1.61 Geoff Barnes.

1.62 Christchurch-China Sister Cities Committee – Michelle MacWilliam.

Councillor MacDonald left the meeting at 11.38am and returned at 11.38am during Christchurch-China Sister Cities Committee's submission.

1.63 Murray Wiig.

1.64 Akaroa Cemeteries Group – Janis Haley.

1.65 South Brighton Tennis Club – Mark Condon and Reuben McNab.

Councillor Chu left the meeting at 11.53am and returned at 11.54am during South Brighton Tennis Club's submission.

1.66 Peebles Group/Riverside Market – Richard Peebles.

1.67 Ross Houliston.

Councillor Chu left for the remainder of the day at 12.07pm during Ross Houliston's submission.

Councillor MacDonald left the meeting at 12.07pm and returned at 12.08pm during Ross Houliston's submission.

Councillor Gough left the meeting at 12.11pm during Ross Houliston's submission.

1.68 Gap Filler – Ryan Reynolds.

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Councillor Gough returned to the meeting at 12.16pm during Gap Filler's submission.  
Councillor MacDonald left the meeting at 12.17pm during Gap Filler's submission.

- 1.69 Banks Peninsula Pest Free – David Miller.
- 1.70 Kevin List.

Councillor MacDonald returned to the meeting at 12.26pm during Kevin List's submission.

- 1.71 Christchurch Tramway – Sue Sullivan.
- 1.72 Tramway Historical Society – Dave Hinman.

**The meeting adjourned at 12.39pm and reconvened Friday, 26 June at 9.30am.**

Councillor Chu was in attendance via audio visual link.  
The Mayor and Councillor Mauger were not present at this time.

- 1.73 Whaka-Ora Partnership – Yvette Couch-Lewis
- 1.74 Humphry Rolleston
- 1.75 Robert Fleming
- 1.76 Dominic Keown
- 1.77 Keep Our Assets Canterbury – Stephen Howard and John Minto
- 1.78 Canterbury Rowing Association – Logan Keys
- 1.79 Naval Point Boat Safety – James Ensor

Councillor Cotter left the meeting at 10.03am and returned at 10.05am during James Ensor's submission.

- 1.80 Royal Forest and Bird Protection Society, North Canterbury Branch - Nicky Snoyink
- 1.81 Cass Bay Residents' Association – Jeremy Webb

Councillor Gough left the meeting at 10.12am and returned at 10.14am during Jeremy Webb's submission.

- 1.82 Inner City Revitalisation Project Working Group – Jane Higgins
- 1.83 Opawaho Heathcote River Network – Annabelle Hasselman

Councillor MacDonald left the meeting at 10.21am during Annabelle Hasselman's submission.  
Councillor Gough left the meeting at 10.23am during Annabelle Hasselman's submission.  
Councillor MacDonald returned to the meeting at 10.25am during Annabelle Hasselman's submission.

- 1.84 Te Whare Roimata Trust – Jenny Smith
- 1.85 Timothy Seay
- 1.86 Life in Vacant Spaces – Rachel Welfare and Hugh Nicholson
- 1.87 Sustainable Otautahi – Colleen Phillip

Councillor Gough returned to the meeting at 10.47am during Colleen Phillip's submission.

- 1.88 Rex Harrison

Councillors Daniels and Scandrett left the meeting at 10.49am during Rex Harrison's submission.

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1.89 Lyttelton Rowing Club – Jane and Graeme Batchelor

Councillor Daniels returned to the meeting at 10.53am during the Lyttelton Rowing Club's submission.

1.90 Hospitality New Zealand, Canterbury Branch – Peter Morrison and Anna Halliday

Councillor Scandrett returned to the meeting at 10.56am during Hospitality New Zealand's submission.

1.91 Christchurch 360 Trail Inc. – Judith Millar

The meeting adjourned at 11.13am and reconvened at 11.31am. Councillors Chen, Gough and Keown were not present at this time.

1.92 Christchurch Youth Council - Amy Knudsen, Dom Wilson and Kate Burgess

Councillors Gough and Keown returned to the meeting at 11.33am during the Christchurch Youth Council's submission.

Councillor Chen returned to the meeting at 11.33am.

1.93 Torfida Wainwright

Councillor MacDonald left the meeting at 11.58am during Torfida Wainwright's submission.

1.94 Civil Contractors NZ – Jeremy Dixon

1.95 Phil and Catherine Walker

1.96 Kiwi Property NZ – Vicki Bain

1.97 Waterloo Business Park - Ashley McLachlan

1.98 Philip Haythornethwaite

1.99 Prue Stringer

1.100 Wayne Findley

1.101 Orion NZ Limited - Anthony O'Donnell

1.102 David East

1.103 Summit Road Society - Marie Gray and Paula Jameson

Councillor Gough left the meeting at 12.28pm during the Summit Road Society's submission.

1.104 Marie Gray

1.105 Lincoln Platt, speaking on behalf of Joanne Hayes MP

1.106 Sumner Lifeboat Institution Inc. - Paul Wisbey

Councillor Cotter left the meeting at 12.45pm and returned at 12.47pm during Paul Wisbey's submission.

1.107 Julie Downard

Councillor MacDonald returned to the meeting at 12.50pm during Julie Downard's submission.

1.108 Food Resilience Network - Murray James

1.109 Wendy Marshall (via audio visual link)

1.110 Social Credit – Lawrence McIsaac

1.111 Doppelmayr Lifts NZ Ltd. – Grant Anderson

**Council Annual Plan**  
**19 June 2020**



Councillor Gough returned to the meeting at 1.09pm during Grant Anderson's submission.

- 1.112 Environment Canterbury – Councillors Megan Hands and Phil Clearwater
- 1.113 Aaron Campbell
- 1.114 Greater Hornby Residents' Association – Marc Duff

**Meeting concluded at 1.32pm on Friday 26 June 2020.**

**CONFIRMED THIS 23<sup>RD</sup> DAY OF July 2020**

**DEPUTY MAYOR ANDREW TURNER**  
**CHAIRPERSON**

UNCONFIRMED

## 4. Annual Plan 2020/21

Reference / Te Tohutoro: 20/813057

Report of / Te Pou Matua:	Peter Ryan, Head of Performance Management, Peter.Ryan@ccc.govt.nz Diane Brandish, Head of Financial Management, Diane.Brandish@ccc.govt.nz
General Manager / Pouwhakarae:	Carol Bellette, GM Finance and Commercial (CFO), Carol.Bellette@ccc.govt.nz

### 1. Brief Summary

- 1.1 The Council has recently undertaken public consultation in respect of its updated draft 2020/21 Annual Plan. The purpose of this report is to present an analysis of the submissions made through the consultation process, the outcome of the Council's deliberations to date, and recommendations for consideration before the Council adopts the 2020/21 Annual Plan.

#### Procedural Matters

- 1.2 The Council prepares and adopts an Annual Plan for each financial year (s.95(1) Local Government Act 2002).
- 1.3 As required by the Act, the 2020/21 Annual Plan:
- (a) contains the proposed annual budget and funding impact statement for 2020/21;
  - (b) identifies any variation from the financial statements and funding impact statement in the Council's 2018/28 Long Term Plan;
  - (c) provides integrated decision-making and co-ordination of the Council's resources; and
  - (d) contributes to the accountability of the Council in the community.
- 1.4 The draft 2020/21 Annual Plan was developed from the information contained in the Council's Long Term Plan for the 2020/21 financial year. The Annual Plan includes the annual budget for 2020/21 and a number of changes to the content of the LTP.
- 1.5 As the draft Annual Plan evolved, Council staff held numerous briefings with the Mayor and Councillors. This provided opportunities for them to debate their priorities for the 2020/21 Annual Plan and their expectations for matters such as rates increases and level of debt. Consultation occurred in March 2020.
- 1.6 However the subsequent impacts of the COVID-19 level 4 alert and nationwide lockdown proved to be profound. There was a clear need to completely revise the draft annual plan that had been put to the community.
- 1.7 A new draft annual plan was created, with consultation and community engagement conducted from 12 June until 5pm 29 June 2020, with hearings and submissions in late June 2020. These included submissions from Community Boards.
- 1.8 Council considered the second round of community feedback at meetings of 1, 8 and 14 July to create the recommended draft Annual Plan 2020/21.
- 1.9 A number of key decisions are more appropriate for the 2021 Long Term Plan have been held in abeyance pending that process. For example, this includes the impacts of recent announcements from central government on new models for water governance and management. Details on how this will be implemented are not fully available at this time.

- 1.10 As part of both consultation processes the Council prepared a Consultation Document for the purpose of encouraging public participation in the decision-making process. This document and the underlying information on which it relied were made available to members of the public who were given the opportunity to present their views and preferences in response.
- 1.11 The submissions received have been analysed by staff to identify the matters commented on, the reasons for those comments, and the overall themes that emerged from the consultation process. This information was provided to the Mayor and Councillors before they heard oral submissions and also during the course of their deliberations. The analysis is attached as **Attachment A**.
- 1.12 The result of the process to date is reflected in the changes to the updated draft 2020/21 Annual Plan recommended by the Mayor in **Attachment B**. The rates impact of the changes is set out in **Attachment C**. The effect those changes would have on the Council's operating expenditure, capital expenditure, and Rates Remission Policy are set out in **Attachments D, E and F**. No changes are proposed to fees and charges compared with what Council published in the Updated Draft Annual Plan 2020/21. Minor changes to levels of service are contained in **Attachment G**.
- 1.13 The information prepared for the 2020/21 Annual Plan was subject to a series of management sign-offs, including by the Executive Leadership Team. This confirmed compliance with the Council's relevant statutory, financial, and legal obligations.
- 1.14 This was presented to the Audit and Risk Management Committee at its meeting on 21 July 2020, when it reviewed the general checklist and sign-offs, including the significant forecasting assumptions, in respect of the information that provides the basis for the 2020/21 Annual Plan. At the time of writing the Committee is expected to resolve to advise the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.

#### Financial Overview

- 1.15 The recommended 2020/21 Annual Plan includes rates to be levied on 1 July of \$549.2 million. This is \$1.2 million higher than the updated Draft and reflects the decision to maintain the existing treatment methods for weed control, i.e. not increasing glyphosate use. This increase in cost is partly offset by a higher forecast for Transwaste dividends.
- 1.16 Financial changes between the updated Draft and recommended Final 2020/21 Annual Plan have resulted in no change to the proposed rates increase to existing ratepayers of 3.50% due to higher rating base growth. The increase in rates for the average house has decreased from 1.81% to 1.77%.
- 1.17 The recommended increase of 3.50% is 1.5% less than the 5.0% increase that was proposed in the 2018/28 Long Term Plan (LTP). All outer year increases remain generally comparable with the LTP.
- 1.18 Operational changes from the updated Draft are detailed in **Attachment D**. The total operational reduction has increased from the \$23 million saving reported in the updated Draft to \$32.1 million, an improvement of \$9.1 million. This improvement is due to a higher forecast for Transwaste dividend, and lower interest costs as a result of reduced borrowing for the forecast COVID-19 loss, (see 1.19 below) The key changes are outlined in the Mayor's recommendations (**Attachment B**), the most significant of which is the reinstatement of costs to continue with the existing reduced level of glyphosate use in public areas.
- 1.19 Intended borrowing for the forecast COVID-19 loss of revenue over the next two years has reduced to \$89.9 million compared to \$102 million in the updated Draft, a \$12.1 million reduction. The forecast 20/21 CCHL dividend increased \$3.3 million, and 21/22 by \$0.6 million;



- other forecast revenue losses reduced by \$8.2 million due to the faster than expected recovery from lockdown to alert level 1.
- 1.20 Capital expenditure has reduced to \$506.6 million from \$517.4 million in the updated Draft. Changes are detailed in **Attachment E**. Debt servicing changes resulting from this and the higher than forecast delivery in 2019/20 are incorporated in **Attachment D**. The key change other than retiming is the inclusion of \$4.5 million for additional Road pre-sealing work.
  - 1.21 The funding for any projects (both capex and opex) which are currently underway will be carried forward into 2020/21.
  - 1.22 Planned borrowing for 2020/21 has decreased from \$217.8 million to \$191.3 million, a \$26.5 million reduction from the Updated Draft, due to lower capital carry-forwards (reflecting higher final 2019/20 delivery than expected), and improved revenue figures that borrowing was previously intended to cover. Forecast debt at 30 June 2020 is \$2.192 billion compared to \$2.219 billion in the updated Draft.
  - 1.23 The Net Debt to Revenue ratio is 189.4% in 2020/21, well within the Council's new limit of 300%. The forecast peak of 239% in 2025/26 in the updated Draft has increased to 244%, but will reduce as further cost savings are identified in the next Long Term Plan.
  - 1.24 Unallocated funds in the Capital Endowment Fund are \$0.3 million. It is expected this will increase by \$0.1 million due to 2019/20 funds not allocated being carried forward.
  - 1.25 The Local Government Act 2002 requires that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses (i.e. a balanced budget). Additionally, however, it provides that revenues may be set at a different level if Council resolves that it is financially prudent to do so. This must be resolved before the Annual Plan is adopted, having had regards to the matters in section 100 (2) of the LGA 2002.
  - 1.26 Two issues are driving an unbalanced budget in 2020/21. The first is the significant post COVID-19 revenue reduction, i.e. revenue will not be sufficient to meet costs, and it is intended to borrow \$35.75 million to cover this operational shortfall. The reduced revenue attributed to COVID-19 is \$39 million comprising a lower CCHL dividend (\$32.2 million) and other fees and charges (\$6.8m).
  - 1.27 In 2021/22 it is also planned to borrow \$21.15 million towards a revenue shortfall as lower CCHL dividends are expected for several years. Most other revenue is expected to recover by 21/22.
  - 1.28 All COVID-19 related borrowing (\$85.6 million over 19/20, 20/21 and 21/22) is planned to be repaid over five years and this has been built into forward projections. The total has reduced from the \$102 million signalled in the updated Draft Option 1. Borrowing for this short term but significant loss of revenue, and repaying the debt over a five year timeframe is considered a financially prudent response to this event.
  - 1.29 The second issue is a significant increase in the valuation of Three Waters infrastructure which has led to an increase in annual depreciation of \$15 million. Depreciation is included as a cost for the balanced budget determination. Council does not rate for depreciation, but for long run average asset renewals. The intention is to continue to steadily increase the level of rating for renewals in line with the Financial Strategy.
  - 1.30 In addition to the balanced budget benchmark, two other Financial Prudence benchmarks are not met in the recommended 2020/21 Annual Plan. The rates affordability benchmark relating to rates income is exceeded by \$22,000. This benchmark was met in the Draft and has changed for the Final as the additional rating growth which became available was used to fund the status quo solution for weed control. This is seen as a minor technical benchmark breach.

- 1.31 The third benchmark not met is the Debt Servicing Benchmark (borrowing costs as a percentage of revenue). This breach was signalled in the LTP, and while the percentage has improved from 11.7% in the updated Draft to 11.5%, it still exceeds the benchmark limit of 10%. As advised in the LTP, this reflects the borrowing required to fund the rebuild. There is no concern around the ability to service the debt.
- 1.32 There are no changes to fees and charges compared with what Council previously published in the Updated Draft Annual Plan 2020/21.
- 1.33 Rates late payment penalties and arrears penalties have been reduced from 10 per cent in 2019/20 to 7 per cent in 2020/21. This is set out in one of the rates resolutions in this report.
- 1.34 The Rates Remission Policy (**Attachment F**) has been changed so that penalty remissions can be used to provide rates payment extensions for financial hardship caused by COVID-19 pandemic. This will allow payment of 2020/21 rates to be extended out to as far as 30 June 2022. Extension can be provided for up to \$20,000 of rates, including GST and ECan rates. Extended payment plans will be agreed with applicants. No penalties will be applied as long as the ratepayer adheres to the payment plan.
- 1.35 There are existing rates remissions for a small number of properties that remain uninhabitable due to the Northwood gas explosion even that occurred in July 2019. Staff propose that they be continued. This is set out in a separate resolution in this report.
- 1.36 The rates resolution for the excess water supply volumetric targeted rate includes additional detail to support excess water charges for high-usage households.
- 1.37 Notes that the Enliven Places budget was re-allocated to support \$90,000 grants to Gap Filler, Green Lab, Life in Vacant Spaces and the Central City Business Association for their place making programmes subject to agreeing key performance indicators for the financial year 2020/21, and a further \$100,000 grant budget to the contestable Enliven Places Projects Fund to support both central city and suburban initiatives.

### Legal Considerations

- 1.38 A Consultation Document and the underlying information on which it relied was prepared and adopted by the Council in accordance with the requirements of s. 95A of the Local Government Act 2002. The consultation process undertaken by the Council complied with the consultation principles set out in s.82 of the Act.
- 1.39 One of the roles of the Mayor is to lead the development of an Annual Plan (s. 41A of the Act). This is reflected in the Mayor's recommendations in respect of proposed changes to the draft 2020/21 Annual Plan, set out in **Attachment B**.
- 1.40 An Annual Plan must normally be adopted before the commencement of the year to which it relates, in this case - 1 July 2020 (s. 95(3)). However in this instance the impacts of the COVID-19 level 4 alert and subsequent lockdown meant that this could not occur (see 1.6-1.8 above.) Many NZ local authorities found themselves in this position. Council took detailed legal advice on adopting its Annual Plan after 1 July 2020 and that advice was clear that under these extraordinary circumstances Council is able to do so.

### Consultation

- 1.41 Members of the public were able to make submissions in response to the Consultation Document and its underlying information from 12 June to 29 June 2020.
- 1.42 Written feedback could be provided by completion of a submission form, either on-line or in hard copy form, email message, letter, or hand delivery to the Hereford Street Civic Offices.

- 1.43 The Council also invited informal feedback through social media such as Facebook and Twitter.
- 1.44 There were over 1,000 written submissions (excluding proforma submissions). Nearly 800 submissions from the first consultation were resubmitted. In early July the Councillors heard from 116 submitters.
- 1.45 The submissions are available at <https://www.ccc.govt.nz/the-council/consultations-and-submissions/haveyoursay/show/308>
- 1.46 The Council also heard 114 verbal submissions during June.

## 2. Officer Recommendations / Ngā Tūtohu

That the Council:

- 2.1 Receives the information contained in this report and attachments;
- 2.2 Notes the advice of the Council's Audit and Risk Management Committee at its meeting on 21 July 2020 that an appropriate process has been followed in the preparation of the information that provides the basis for this 2020/21 Annual Plan;
- 2.3 Resolves that it is financially prudent to adopt a budget that does not balance for the 2020/21 year in accordance with section 100 (2) of the LGA 2002.
- 2.4 Adopts the Mayor's recommendations set out in Attachment B;
- 2.5 Adopts the proposed changes to the Council's operating expenditure for 2020/21 set out in Attachment D;
- 2.6 Adopts the proposed changes to the Council's capital expenditure for 2020/21 set out in Attachment E;
- 2.7 Adopts the proposed changes to the Rates Remission Policy set out in Attachment F;
- 2.8 Notes there are no changes to the proposed fees and charges previously published in the Updated Draft Annual Plan 2020/21;
- 2.9 Adopts the proposed changes to levels of service set out in Attachment G;
- 2.10 Adopts the 2020/21 Annual Plan, comprising the updated Draft 2020/21 Annual Plan (including the 2020/21 Funding Impact Statement), the Mayor's recommendations adopted by resolution 2.4 above, and the changes set out in Attachments D – G adopted by resolutions 2.5 – 2.9 above;
- 2.11 Authorises the Chief Financial Officer to make any amendments required to ensure the published 2020/21 Annual Plan aligns with the Council's resolutions of 23 July 2020, and to make other non-material changes that may be required;
- 2.12 Authorises the Chief Financial Officer and the Head of Financial Management (jointly) to borrow in accordance with the Liability Management Policy sufficient funds to enable the Council to meet its funding requirements as set out in the 2020/21 Annual Plan;
- 2.13 Having set out rates information in the Funding Impact Statement contained in the 2020/21 Annual Plan (adopted by the above resolutions), resolves to set the following rates under the Local Government (Rating) Act 2002 for the 2020-21 financial year, commencing on 1 July 2020 and ending on 30 June 2021 (all statutory references are to the Local Government (Rating) Act 2002):
  - a) a **uniform annual general charge** under section 15(1)(b) of \$132 (incl. GST) per separately used or inhabited part of a rating unit;

- b) a **general rate** under sections 13(2)(b) and 14 set differentially based on property type, as follows:

<i>Differential Category</i>	<i>Basis for Liability</i>	<i>Rate Factor (incl. GST) (cents/\$ of capital value)</i>
Standard	Capital Value	0.298673
Business	Capital Value	0.506848
Remote Rural	Capital Value	0.224005

- c) a **water supply targeted rate** under section 16(3)(b) and 16(4)(b) set differentially depending on whether a property is connected or capable of connection to the on-demand water reticulation system, as follows:

<i>Differential Category</i>	<i>Basis for Liability</i>	<i>Rate Factor (incl. GST) (cents/\$ of capital value)</i>
Connected (full charge)	Capital Value	0.062958
Serviceable (half charge)	Capital Value	0.031479

- d) a **restricted water supply targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units with one or more connections to restricted water supply systems of \$215.25 (incl. GST) for each standard level of service received by a rating unit;
- e) a **land drainage targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.039739 cents per dollar of capital value (incl. GST);
- f) a **sewerage targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.084493 cents per dollar of capital value (incl. GST);
- g) a **waste minimisation targeted rate** under sections 16(3)(b) and 16(4)(b) set differentially depending on whether a full or partial service is provided, as follows:

<i>Differential Category</i>	<i>Basis for Liability</i>	<i>Rate Charge (incl. GST)</i>
Full service	Per separately used or inhabited part of a rating unit	\$203.85
Partial service	Per separately used or inhabited part of a rating unit	\$152.89

Note:

The full service charge is assessed on every separately used or inhabited part of a rating unit in the serviced area. The partial service charge is assessed on every separately used or inhabited part of a rating unit outside the kerbside collection area, where a limited depot collection service is available (75% of the full rate).

- h) a **water supply fire connection targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units receiving the benefit of a water supply fire connection of \$117 (incl. GST) per connection;
- i) an **excess water supply volumetric targeted rate** under section 19(2)(a) set for all rating units which receive a commercial water supply as defined in the Water Supply, Wastewater

and Stormwater Bylaw 2014, **plus** land under single ownership on a single certificate of title and used for three or more household residential units, boarding houses, motels, rest homes, and residential properties using significantly in excess of ordinary residential use, of \$1.05 (incl. GST) per cubic metre or any part of a cubic metre for consumption in excess of the rating unit's water supply targeted rate allowance, **provided that** all properties will be entitled to a minimum consumption of 0.6986 cubic metres per day, and **provided that** residential properties using significantly in excess of ordinary residential use will be liable only for the amount of water used above the greater of (a) 333 cubic metres per year or (b) the rating unit's water supply targeted rate allowance;

The rating unit's water supply targeted rate allowance in cubic metres per year is the volume of water equal to the assessed water supply targeted rate divided by \$1.05.

For example, if a rating unit is assessed \$1,050 for the water supply targeted rate, that rating unit's water supply targeted rate allowance for the year is 1,000 cubic metres (\$1,050 divided by \$1.05/m<sup>3</sup>), which is 2.74 cubic metres per day. Liability for the excess water supply volumetric targeted rate commences when consumption commences of the 1,001st cubic metre by that rating unit.

- j) an **active travel targeted rate** under section 16(3)(a) and 16(4)(a) of \$20.00 (incl. GST) per separately used or inhabited part of a rating unit;
- k) a **Special Heritage (Cathedral) targeted rate** under section 16(3)(a) and 16(4)(a) of \$6.52 (incl. GST) per separately used or inhabited part of a rating unit;
- l) an **Akaroa Health Centre targeted rate** under section 16(3)(b) and 16(4)(a) of \$116.38 (incl. GST) per separately used or inhabited part of a rating unit, for rating units located in areas defined by the following valuation roll numbers: 23890, 23900, 23910, 23920, 23930, 23940 and 23961 (the eastern portion of Banks Peninsula ward)

2.14 Resolves that all rates except the excess water supply volumetric targeted rate be due in four instalments, and set the following due dates for payment:

<b>Instalment</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Area 1</b>	15 August 2020	15 November 2020	15 February 2021	15 May 2021
<b>Area 2</b>	15 September 2020	15 December 2020	15 March 2021	15 June 2021
<b>Area 3</b>	31 August 2020	30 November 2020	28 February 2021	31 May 2021

Where the Instalment Areas are defined geographically as follows:

<b>Area 1</b>	<b>Area 2</b>	<b>Area 3</b>
Includes generally the Central City and the suburbs of St Albans, Merivale, Mairehau, Papanui, Riccarton, Addington, Spreydon, Sydenham, Beckenham, Opawa and Banks Peninsula.	Includes generally the suburbs of Shirley, New Brighton, Linwood, Woolston, Mt Pleasant, Sumner, Cashmere and Heathcote.	Includes generally the suburbs of Belfast, Redwood, Parklands, Harewood, Avonhead, Bishopdale, Ilam, Fendalton, Hornby, Templeton and Halswell.

2.15 Resolves that excess water supply volumetric targeted rates be due for payment on the following dates

Month in which amounts are invoiced	Due date
July 2020	20 August 2020
August 2020	20 September 2020
September 2020	20 October 2020
October 2020	20 November 2020
November 2020	20 December 2020
December 2020	20 January 2021
January 2021	20 February 2021
February 2021	20 March 2021
March 2021	20 April 2021
April 2021	20 May 2021
May 2021	20 June 2021
June 2021	20 July 2021

2.16 Resolves to add the following penalties to unpaid rates:

- a) a penalty of 7 per cent will be added to any portion of an instalment not paid on or by the due date, to be added on the following dates:

<i><b>Instalment</b></i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>Area 1</b>	20 August 2020	19 November 2020	18 February 2021	20 May 2021
<b>Area 2</b>	18 September 2020	18 December 2020	18 March 2021	18 June 2021
<b>Area 3</b>	03 September 2020	03 December 2020	04 March 2021	03 June 2021

- b) an additional penalty of 7 per cent will be added on 01 October 2020 to any rates assessed, and penalties added, before 1 July 2020 and which remain unpaid on 01 October 2020;
- c) a further penalty of 7 per cent will be added if any rates to which a penalty has been added under (b) above remain unpaid on 01 April 2021.

2.17 Resolves that it is fair and equitable to continue the existing rates remission to those ratepayers whose houses remain uninhabitable due to the Northwood gas explosion event on 19 July 2019. Any remissions will cease when the building becomes occupied again (or able to be occupied).

## Attachments / Ngā Tāpirihanga

No.	Title	Page
A <a href="#">↓</a>	2020/21 Annual Plan - Analysis of Submissions to Draft Annual Plan	24
B <a href="#">↓</a>	Mayor's Recommendation	32
C <a href="#">↓</a>	2020/21 Annual Plan - Rates Analysis	38
D <a href="#">↓</a>	2020/21 Annual Plan - Changes to Operational Expenditure	40
E <a href="#">↓</a>	2020/21 Annual Plan - Changes to Capital Expenditure	41
F <a href="#">↓</a>	2020/21 Annual Plan - Rates Remission Policy	42
G <a href="#">↓</a>	2020/21 Annual Plan - Changes, Errors and Omissions in Levels of Service	46

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Submissions are available on the <i>Have Your Say</i> page.	<a href="https://www.ccc.govt.nz/the-council/consultations-and-submissions/haveyoursay/show/308">https://www.ccc.govt.nz/the-council/consultations-and-submissions/haveyoursay/show/308</a>

## Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories / Ngā Kaiwaitohu

<b>Authors</b>	Diane Brandish - Head of Financial Management Peter Ryan - Head of Performance Management Bruce Moher - Manager Planning & Reporting Team Ryan McLachlan - Reporting Accountant
<b>Approved By</b>	Peter Ryan - Head of Performance Management Diane Brandish - Head of Financial Management Carol Bellette - General Manager Finance and Commercial (CFO) Dawn Baxendale - Chief Executive

## Summary of submissions received on the 2020/21 annual plan

Prepared by Monitoring & Research  
July 2020



## 1. Rates

Of the options that were consulted on, the majority of submitters supported the 3.5% increase option.

96 submissions were received that suggested alternative rates options; these tended to either support a 0% increase, or an increase higher than 5.5%.

Two pro formas were received that addressed rates; one from Generation Zero and the other from the New Zealand Taxpayers union. Submissions from the Generation Zero pro forma tended to support a higher rates increase (4.5% or 5.5%), while submissions from the Tax Payers Union were more supportive of a 0% increase or a rates reduction.

Table 1. Summary of all submissions on rates (excluding pro forma submissions)

Preferred Option	Submission Count	%
3.5%	423	63
5.5%	73	12
4.65%	83	11
Other	96	14
Unanswered	212	-
<b>Total</b>	<b>887</b>	<b>100</b>

Table 2. Summary of all submissions on rates, including pro forma submissions (Generation Zero, Hornby Residents Association, New Zealand Tax Payers Union)

Preferred Option	Submission Count	%
3.5%	448	21
5.5%	107	5
4.65%	100	5
Other	1191	56
Unanswered	268	13
<b>Total</b>	<b>2114</b>	<b>100</b>

## 2. Proposed Excess Water Charge

The majority of submitters (65%) who provided an opinion on the proposed excess water charge indicated that they support the proposal.

Those who opposed tended to fall into one of two categories: 1) those who are concerned about the impacts that it will have on household in lower socioeconomic areas or 2) those who disagree with being charged for water when there are no such charges for water bottling companies.

Table 1. Summary of support for the proposed excess water charge (excluding pro forma submissions)

Excess Water Charge	Submission Count	%
Support	460	65
Do not support	249	35
Unanswered	176	-
Total	885	100

## 3. Reintroducing Glyphosate

The majority of submitters (66%) who provided an opinion on the reintroduction of Glyphosate oppose the proposal. This opposition tended to be driven by environmental concerns, health concerns, or in some cases both.

Table 1. Summary of support for the proposal to reintroduce the use of Glyphosate (excluding pro forma submissions)

Glyphosate	Submission Count	%
Support	237	34
Do not support	468	66
Unanswered	178	-
Total	883	100

## 4. A one off increase to the Strengthening Communities Fund

The majority of submitters (59%) who provided an opinion on the proposed one off increase to the Strengthening Communities Fund supported the proposal. Support tended to be based around an opinion that the impact that this increase would have on rates would be outweighed by the benefits to the community.

Those who did not support this proposal tended to fall into two categories; those who did not know what the Strengthening Communities Fund is and who it supports, and those who did not feel that benefits would outweigh the impacts on ratepayers.

Table 1. Summary of support for the proposed one off boost to the strengthening communities fund (excluding pro forma submissions)

Strengthening Communities Fund	Submission Count	%
Support	403	59
Do not support	281	41
Unanswered	199	-
Total	883	100

## 5. Other Common Themes

### Requests for Additional Grants and Funding

A number of submissions requesting additional grants and funding (n = 28) were received. These tended to be from groups and organisations requesting either new funding or additional funding to what is already included in the annual plan, or from groups whose funding had been cut from the annual plan.

Many pointed out the benefits that community groups and organisations bring to the city across a wide range of activities, and highlighted that the Council's ongoing support would be critical in the coming months and years and we navigate the impacts of Covid-19.

### Cycleways and Cycling Infrastructure

We received a number of submissions (n=59) that addressed the investment that council has made and continues to make in cycling infrastructure.

Forty four of these submissions provided support for the investment that has been made, and encouraged the council to continue with this investment. A number highlighted that it should be a priority given the councils commitment to climate change leadership and the climate emergency.

Five submissions opposed investment in cycling infrastructure, and 10 proposed alternatives.

### Roads

Fifty eight submissions were received on budgets allocated to road upgrades and maintenance; 34 of these submissions provided alternative areas where they believed roading projects had been overlooked or should be included in the annual plan.

### Parks

Fifty five submissions were received that addressed parks projects. The majority of these focused on the funding for the Little River Playground and Sumner Skate Park. Both of these communities believed that the funding for these projects should be reinstated.

#### **Climate Change**

A number of submissions addressed various aspects of climate change (n = 50). Thirty one submissions were received that supported action being taken in regards to climate change issues and encouraged the council to prioritise climate change action in decision making. Twelve submitters opposed the lack of prioritisation of climate change in the draft annual plan, and encouraged the council to do more to ensure that it was a priority.

#### **Getting back to basics**

The council 'getting back to basics' was raised by a number of submitters; there was a sense among submitters that the council should be doing more to reprioritise the basics and its core businesses and reduce spending in other areas before looking to increase rates.

Fifty four submitters made comments on governance and decision making issues, and these most commonly addressed council priorities and a sense that the council is not listening to rate payers.

## 6. Pro Formas

### Generation Zero

A total of 94 submissions were received via the Generation Zero pro forma.

Statement	Submission Count
I am concerned that Councillors are reacting to current conditions without giving enough consideration to future costs such as climate change, and this will negatively impact me and my children later	88
I want Councillors to recognise that environmental and societal debt will have as much of an impact on Christchurch as financial debt	89
I do not support the Council cutting 77% of active transport and 26% of public transport budgets but only 16% of roading budgets. I would like to see fewer cuts for active and public transport	87
I support the Council implementing low-cost, temporary active transport measures such as lowering speed limits, repurposing car lanes, and placing planter boxes	84
I support the Council encouraging city centre visits by car, but discouraging driving into the city centre for work, by creating an ambitious parking strategy	78
I support the Council making it more affordable to live closer to public transport, jobs, shops, education and other destinations by using their development contributions policy to incentivise the developers to make this easier.	84

**Hornby Residents Association**

A total of 47 submissions were received via the Hornby Residents Association pro forma.

Statement	Submission Count
I ask that the Christchurch City Council don't delay the South West Leisure Centre and Hornby Library. Hornby has waited too long for any council facility of any type	47
I ask that the South Express Cycleway does not start until local residents have been satisfied that safety concerns around the current route have been addressed. These include the Parker Street/Gilberthorpe/Waterloo Roads intersection and the need for full traffic signals, Hei Hei Road, plus safe access across the road for school students at Hornby High and Primary	47
Urgent sign off from City Council for the Halswell Junction Road extension to be done ASAP hence taking heavy traffic danger off Waterloo Road	47
I ask that the consent decision whether or not to grant Waste Management approval to put in their toxic waste plant be fully notified	47
I ask that the City Council consider seriously into purchasing the old South Hornby School site on Shands Road and turn it into a Dog Park	47

#### New Zealand Tax Payers Union

A total of 1099 submissions were received via the New Zealand Taxpayers Union.

NB. A number of duplicate submissions were identified, where either the pro forma had been filled in by the same person multiple times or a submitter had filled in both the Taxpayers Union pro forma and the official CCC form. Where these have been identified they have removed from this reporting and the total reported above. It should be noted that these numbers may still include some duplicates that have not been picked up.

Any submissions that were received after 5pm on Monday 29<sup>th</sup> of June 2020 have also not been included in this summary.

Preferred Rates Scenario	Submission Count
+5.5% (rate increase)	3
+4.65% (rate increase)	2
+3.5% (rate increase)	5
+0% (rate freeze)	752
-2.5% (rate decrease)	126
-5% (rate decrease)	188

## **Attachment B: Mayor's Recommendations**

### **Foreword**

On 24 February 2020 we released a Draft Annual Plan for consultation signalling a 4.5% rates increase. On 28 February the first case of COVID-19 was identified in New Zealand.

Over the past six months the world has continued to change dramatically due to the COVID-19 pandemic. In New Zealand we have been through a swiftly implemented lockdown and emerged with community transmission of COVID-19 under control, but still a danger at our borders.

We know the impacts that the pandemic response has had and continues to have on many businesses and residents, and we are aware that there are particular business sectors that have been and will continue to be very hard hit.

The Council identified it faced a significant financial hit from COVID-19 with reduced revenue and lower dividends expected to cause a \$33.2 million deficit in the current year and with a \$50.5 million impact for the 2020/21 year for which we were planning.

We were required to rapidly rethink and on 14 May Councillors agreed to updating the Draft Annual Plan so that the impacts of the COVID-19 crisis could be taken into account.

After intensive work by staff and Councillors, we released an updated Draft Annual Plan and Consultation Document on 12 June. It proposed a 3.5 per cent rates increase across all ratepayers, but also sought feedback on options of 4.65 and 5.5. per cent.

We proposed:

- reducing operational spending by \$23 million and increasing borrowing by \$102 million.
- capping our capital programme for the next year at \$400 million, plus \$117 million for the Metro Sports Facility and the Canterbury Multi-Use Arena.

We asked for specific feedback around:

- an excess water use charge for households.
- returning to using more weed killers containing glyphosate.
- a one-off boost to the Strengthening Communities Fund.

We considered putting forward a zero percent rates option, but did not do so as this would have resulted in significant reductions to levels of service, including closing facilities or reducing opening hours, ceasing or reducing some services, and major cuts to the capital programme resulting in the cancellation or deferral of capital projects.

We all agree it is critical that Council support our city's recovery without putting added pressure on our residents and businesses. But Council is a significant purchaser of goods and services from local businesses, particularly construction and contracting companies. If we had cut services and capital projects too drastically, the result would have been job losses and to damage recovery.

### **Consultation**

The original Draft Annual Plan consultation closed on 9 April when we were two weeks into Alert Level 4 lockdown. The update Draft Annual Plan consultation ran for two weeks from 12 June and resulted in over 1,000 written submissions (excluding proforma submissions). Nearly 800



submissions from the first consultation were resubmitted. In early July the Councillors heard from 116 submitters.

A wide range of concerns and ideas were raised by submitters about how to respond to the impacts of the COVID-19 pandemic whilst ensuring the recovery from the earthquakes continues. There were frustrations as well as acceptance viewed on the need for rates increases and the role of the Council in the response and recovery. Requests for funding of local facilities and amenities were raised by organisations and individuals, but were moderated by the challenges facing residents, businesses and the local economy.

Councillors received analysis of the themes that emerged (Attachment A) and workshopped staff advice to inform any further changes to the updated draft Annual Plan.

#### **Residential Excess water Charge**

We proposed to charge an excess water use targeted rate for households that use significantly more water than the average household. The charge applying if a household used more than 333,000 litres per year (915 Litres a day) or more than the water allowance paid for through its rates, whichever was greater.

Of those submitters who commented on the proposed excess water charge a majority (65%) supported the proposal. Those opposing the option tended to be either concerned about the impacts on household in lower socioeconomic areas; or those who are concerned about a lack of water charges for water bottling companies.

Recognising the concerns of some submitters, we have asked staff to conduct further work on the details of an exemptions or partial credit scheme and indicated key criteria. But we also acknowledge that this the start of a larger conversation around water services, so we have also asked for further advice to be brought during the Long Term Plan process on how issues of equity and fairness, ensuring guaranteed provision of water to all consumers, water conservation and cost recovery can be considered in any future development of the approach.

#### **Glyphosate**

In 2016/17 we decided to reduce our glyphosate use, such as Roundup and increase other methods of weed control. In this consultation, we proposed to reverse this decision and increase our usage of weed killers containing glyphosate.

A majority (66 per cent) of submissions on this proposal opposed it, either for environmental and/or health concerns. We therefore now propose to continue the current policy of reduced glyphosate use and to reinstate the cost of \$3.2 million per year.

#### **Strengthening Communities Fund**

We proposed a one-off boost of 5 per cent (\$360,000) to the Strengthening Communities Fund in 2020/21 to acknowledge the challenges faced by community organisations in the face of COVID-19 and the lockdown. A majority (59 per cent) of submitters supported the proposal.

Acknowledging the views expressed by community organisations during consultation, we now propose to increase the one-off boost to \$500,000, with \$180,000 to be funded from the Council's Capital Endowment Fund.

### **Rates Payment Extension**

Acknowledging the continuing hardships being faced by residents and businesses due to the COVID -19 pandemic, Council is proposing to continue to provide rates relief through an extension to the time available to make rates payments due to financial hardship caused by COVID-19.

### **Road Smoothing**

In May 2020 we published our latest Residents Survey which showed that overall satisfaction had fallen to 50 per cent – down from 62 per cent last year. Dissatisfaction with the water supply and in particular the state of roads were the largest contributors.

We therefore propose to make available a further \$4.5 million to enable road resealing to be brought forwards earlier than normal in the 2020/21 year. This is capital expenditure and has minimal impact on rates in the 2020/21 year.

### **Operational Cost savings**

The Consultation Document set out operational costs savings totalling \$23 million.

The key proposed cost increase is the reinstatement of the \$3.2 million net cost (after NZTA subsidies) of continuing our reduced glyphosate policy discussed above, however this is partly offset by a higher dividend from Transwaste, who manage the Kate Valley landfill.

Operational changes from the updated Draft are detailed in attachment D.

### **Borrowings**

The consultation document set out proposed borrowing over the next two years of \$102 million for operational expenses to cover COVID -19 impacts, this is now expected to reduce to \$90 million.

Total planned borrowing from 2020/21 has decreased from \$217.8 m to \$191.3 million, a \$26.5 million reduction. Less borrowing is required due to higher than forecast delivery of the 2019-20 capital programme, an increase in the expected CCHL dividend and lower than forecast revenue losses due to COVID-19.

### **Capital programme re-phasing**

We had proposed a Capital programme of \$517 million for 2020/21, made up of a \$400 million cap in the next year with an additional \$117 million set aside specifically for funding due to the Crown for the under construction Metro Sports Facility and early works on the Canterbury Multi –Use Arena.

The capital programme had been reprioritised to take account of the impact of COVID-19 on deliverability as well as to re-phase projects for the latest information regarding land purchases, detailed design timetables and consultation periods.

Whilst we now expect better than forecast deliverability for 2019/20, we propose to retain the \$400 million cap, with the only key change being the retiming of road sealing discussed above. The Capital Programme will now be \$506.6 million, the main reduction being due to rephasing of the Crown payments in 2020/21. Details of the final capital programme are found in attachment E.

### **New Resident's Forum**

Developing an appropriate community consultation model will be an important element of our approach to the Long Term Plan and to COVID Recovery. There was a low rating in the Residents Survey with respondents feeling like they cannot engage in our decision making processes. We are proposing that a Residents' Forum is established to help identify the barriers to engagement and help guide the Council in its engagement with residents over issues of city wide importance, including the Long Term Plan as we move into engaging on it in the 2020/21 year.

### **Rates increase**

Of the three rates options consulted on, the preferred rates option was the 3.5 per cent option. A number of submitters acknowledged that this option provides a balance around keeping the rates increase low, while ensuring that there are not significant impacts to our levels of service. A number of proforma submissions were also received, but did not relate to rates increases options that were being consulted on.

Taking all of the above into account, we are still able to recommend an average expected rate rise of 3.5 per cent in 2020/21 (noting the average residential rates increase is 1.77 per cent). For an average house valued at \$508,608 that would mean paying an extra \$0.95 a week, or \$49.25 a year.

### **The Long Term Plan and recovery**

New Zealand has eliminated community transfer of COVID-19 and new cases are so far contained to arrivals at the borders. Yet despite the Government's interventions to support the economy through wage subsidies, sector support packages and infrastructure investment, many local businesses and individuals have been forced to rethink their plans and finances as the impacts of the lockdown, the border closures and the worldwide recession.

These very real and ongoing concerns means we need to keep keenly focussed on our role in providing services in the most the cost efficient and effective manner possible, whilst continuing to play a role in supporting the recovery. We have tasked the Chief Executive with driving the Long Term Plan and undertaking a root and branch review and are pleased it is still on track despite the Lockdown.

At the end of June 2020 Council agreed to continue to work with our strategic partners and communities to develop an integrated action plan for recovery from the impacts of the COVID-19 crisis. We will build a bridge between the initial response to the crisis and the repositioning of our city and Greater Christchurch to support the long-term social, economic, environmental and cultural wellbeing of our residents and businesses. This Annual Plan will enable us to deliver on that long term recovery agenda.

## Recommendations

### Residential Excess Water Charge

#### Recommendation:

##### 1. That the Council:

- a. Note that of the submitters who provided an opinion on the proposed excess water charge a majority (65%) indicated that they support the proposal.
- b. Approves an excess water use targeted rate for households who use more than 333,000 litres per year (915 litres per day), or more than the water allowance paid for through its rates, whichever is greater. All properties will be entitled to a minimum consumption of 698.6 litres per day.
  - i This will help Council to better manage demand, enable a more secure water supply and reduce pumping costs over summer.
  - ii There will be no rates impact as \$2m additional revenue and associated 0.3% rates reduction have been included in the updated draft annual plan.
  - iii Communication to the community should address some of the misinformation and clarify that it will be billed separately.
- c. Direct staff to conduct further work on the details of a mechanism for applying for an exemption or partial credit for excess water charges, on a case by case basis, with the criteria to include: family size, use of water for medical purposes, unexpected high use due to a water leak, community use, and other special circumstances.
- d. Request staff to provide advice during the Long Term Plan development on how to take into account; equity and fairness, water conservation, cost recovery and ensuring guaranteed provision of water to all consumers.

### Glyphosate

#### Recommendation:

##### 2. That the Council:

- a. Notes that of the submitters who provided an opinion on the reintroduction of glyphosate a majority (66%) oppose the proposal.
- b. Resolves to continue the current policy of reduced use of glyphosate in public spaces and not incorporate the \$3.2m savings (net of NZTA subsidies) from the increased use consulted on in the updated draft annual plan.

### Strengthening Communities Fund

#### Recommendation:

##### 3. That the Council:

- a. Notes that of the submitters who provided an opinion on the proposed one off boost to the Strengthening Communities Fund a majority (59%) supported the proposal.
- b. Approves a \$500,000 one-off increase to the Strengthening Communities Fund to acknowledge the challenges faced by community organisations as a result of

response to COVID-19. \$180,000 to be funded from the Capital Endowment Fund and \$320,000 to come from rates.

### Rates Payment Extension

#### Recommendation:

#### 4. That the Council:

- a. Approves rates payment extension for financial hardship caused by COVID-19 pandemic.
  - i. For approved applicants, up to \$20,000 of 2020/21 rates.
  - ii. Payment is extended up to 30 June 2022

### Road Smoothing

#### Recommendation:

#### 5. That the Council:

- a. Notes the low level of satisfaction (26%) in the 2019-2020 Residents Survey for Roads.
- b. Approves an additional \$4.5 million capital expenditure to pre-seal sites prior to winter 2021, to enable road resealing to occur earlier than normal in the 2021/22 year. This has minimal impact on rates in 2020/21 and a 0.02% impact on rates in 2021/22. The net cost Council will borrow for is \$2.43 million after NZTA subsidy.

### New Residents' Forum

#### Recommendation:

#### 6. That the Council:

- a. Approves the establishment of a Residents' Forum to help identify barriers to engagement and guide the Council in its engagement with residents over issues of city-wide importance, including the Long Term Plan.
- b. Notes that this Forum will be in the Terms of Reference of the Sustainability and Community Resilience Committee.

## Rates analysis

This analysis shows the increase in rates compared with the previous year for typical ratepayers with different property values. The analysis is on a GST-inclusive basis, and excludes Ecan rates, excess water charges and penalties.

### Typical houses

A typical house pays the following rates:

- **Value-based rates:** general (standard), water connected, land drainage and sewerage rates
- **Fixed rates:** the uniform annual general charge (UAGC), waste minimisation (full), active travel and special heritage (Cathedral) rates

Houses increased in value by 1.07% on average in the November 2019 revaluation.

The following table shows rates increases for typical houses of varying sizes, assuming the house increased in value in the November 2019 revaluation by the average amount (1.07%).

### Typical houses

2020/21		2019/20		Rates Change		
CV	Rates	CV	Rates	\$ per year	\$ per week	%
200,000	\$ 1,334.10	197,876	\$ 1,292.28	\$ 41.82	\$ 0.80	3.24%
300,000	\$ 1,819.96	296,814	\$ 1,775.73	\$ 44.23	\$ 0.85	2.49%
400,000	\$ 2,305.82	395,752	\$ 2,259.19	\$ 46.64	\$ 0.90	2.06%
500,000	\$ 2,791.69	494,689	\$ 2,742.64	\$ 49.04	\$ 0.94	1.79%
600,000	\$ 3,277.55	593,627	\$ 3,226.09	\$ 51.45	\$ 0.99	1.59%
700,000	\$ 3,763.41	692,565	\$ 3,709.55	\$ 53.86	\$ 1.04	1.45%
800,000	\$ 4,249.27	791,503	\$ 4,193.00	\$ 56.27	\$ 1.08	1.34%
1,000,000	\$ 5,221.00	989,379	\$ 5,159.91	\$ 61.09	\$ 1.17	1.18%
1,500,000	\$ 7,650.32	1,484,068	\$ 7,577.18	\$ 73.13	\$ 1.41	0.97%
2,000,000	\$ 10,079.63	1,978,758	\$ 9,994.45	\$ 85.18	\$ 1.64	0.85%
3,000,000	\$ 14,938.26	2,968,137	\$ 14,828.99	\$ 109.27	\$ 2.10	0.74%
<b>Average House</b>						
508,608	\$ 2,833.51	503,206	\$ 2,784.26	\$ 49.25	\$ 0.95	1.77%

The average house will have a rates increase of \$0.95 per week.

### Typical businesses

A typical business pays the following rates:

- **Value-based rates:** general (business), water connected, land drainage and sewerage rates
- **Fixed rates:** the uniform annual general charge (UAGC), waste minimisation (full), active travel and special heritage (Cathedral) rates

Business properties increased in value by 4.19% on average in the November 2019 revaluation.

The following table shows rates increases for typical business properties of varying sizes, assuming the business property increased in value in the November 2019 revaluation by the average amount (4.19%).



### Typical businesses

2020/21		2019/20		Rates Change		
CV	Rates	CV	Rates	\$ per year	\$ per week	%
200,000	\$ 1,750.45	191,954	\$ 1,674.66	\$ 75.79	\$ 1.46	4.53%
400,000	\$ 3,138.52	383,908	\$ 3,023.95	\$ 114.57	\$ 2.20	3.79%
600,000	\$ 4,526.60	575,862	\$ 4,373.24	\$ 153.36	\$ 2.95	3.51%
800,000	\$ 5,914.67	767,817	\$ 5,722.53	\$ 192.15	\$ 3.70	3.36%
1,000,000	\$ 7,302.75	959,771	\$ 7,071.82	\$ 230.93	\$ 4.44	3.27%
1,500,000	\$ 10,772.94	1,439,656	\$ 10,445.04	\$ 327.90	\$ 6.31	3.14%
2,000,000	\$ 14,243.13	1,919,541	\$ 13,818.27	\$ 424.86	\$ 8.17	3.07%
3,000,000	\$ 21,183.51	2,879,312	\$ 20,564.72	\$ 618.79	\$ 11.90	3.01%
5,000,000	\$ 35,064.27	4,798,853	\$ 34,057.61	\$ 1,006.66	\$ 19.36	2.96%
<b>Average Business</b>						
1,858,572	\$ 13,261.57	1,783,803	\$ 12,864.13	\$ 397.44	\$ 7.64	3.09%

### Typical remote rural

A typical remote rural property pays the following rates:

- **Value-based rates:** general (remote rural), and land drainage
- **Fixed rates:** the uniform annual general charge (UAGC), waste minimisation (part), active travel and special heritage (Cathedral) rates

Rural properties increased in value by 6.88% on average in the November 2019 revaluation.

The following table shows rates increases for typical remote rural property of varying sizes, assuming the property increased in value in the November 2019 revaluation by the average amount (6.88%).

### Typical remote rural property

2020/21		2019/20		Rates Change		
CV	Rates	CV	Rates	\$ per year	\$ per week	%
200,000	\$ 838.90	187,131	\$ 790.28	\$ 48.62	\$ 0.93	6.15%
400,000	\$ 1,366.39	374,262	\$ 1,297.41	\$ 68.97	\$ 1.33	5.32%
600,000	\$ 1,893.87	561,393	\$ 1,804.54	\$ 89.33	\$ 1.72	4.95%
800,000	\$ 2,421.36	748,524	\$ 2,311.67	\$ 109.69	\$ 2.11	4.75%
1,000,000	\$ 2,948.85	935,655	\$ 2,818.80	\$ 130.05	\$ 2.50	4.61%
1,500,000	\$ 4,267.57	1,403,483	\$ 4,086.63	\$ 180.94	\$ 3.48	4.43%
2,000,000	\$ 5,586.29	1,871,310	\$ 5,354.46	\$ 231.83	\$ 4.46	4.33%
3,000,000	\$ 8,223.73	2,806,965	\$ 7,890.11	\$ 333.62	\$ 6.42	4.23%
5,000,000	\$ 13,498.61	4,678,276	\$ 12,961.42	\$ 537.19	\$ 10.33	4.14%
<b>Average Remote Rural Property</b>						
1,039,580	\$ 3,053.24	972,688	\$ 2,919.16	\$ 134.08	\$ 2.58	4.59%

<b>Operational Expenditure changes for Final Annual Plan 20/21</b>	<b>Opex Change</b>	<b>Rates (\$000)</b>	<b>Impact %</b>
Amended Draft Annual Plan rates increase to existing ratepayers			3.50%
<b>Post Draft Council decisions</b>			
CCHL Directors Fees allocated to MWF instead of rates reduction	160	160	0.03%
1 hour Free off street parking July/August	200	200	0.04%
<b>Mayors recommendations</b>			
Glyphosate use at existing levels (net of NZTA subsidy)	3,210	3,210	0.60%
Increased Strengthening Communities Funding \$500k (\$180k CEF)	320	320	0.06%
<b>Post Draft Staff changes and corrections</b>			
19/20 forecast opex result improved by \$4.3m (reduces 19/20 borrowing)	(52)	(912)	-0.17%
19/20 forecast capex borrowing \$23m higher (increases 19/20 borrowing)	192	1,035	0.20%
CCHL 20/21 dividend improvement \$3.3m (reduces 20/21 borrowing)	(3,300)	(16)	0.00%
COVID 20/21 revenue loss improvement \$8.2m (reduces 20/21 borrowing)	(8,200)	(39)	-0.01%
IT overheads not capitalisable due to lower Capex programme	670	670	0.13%
Hagley Ferrymead By-Election	62	62	0.01%
Transwaste dividend update (mainly timing change)	(2,644)	(2,644)	-0.50%
Reduction in rates costs for infrastructure networks	(548)	(548)	-0.10%
Canty Museum Levy reduction	(161)	(161)	-0.03%
Mayor and Councillor remuneration reductions Jul 20 -Jan 21	(46)	(46)	-0.01%
Misc changes and corrections	(91)	(91)	-0.02%
Reduction in insurance premiums - Housing (non rates)	(813)	-	-
Updated Housing Model - warm & dry initiative (non rates)	1,906	-	-
19/20 Rating growth update (1.63% compared to Draft 1.4%)	-	(1,198)	-0.23%
<b>Recommended 2020/21 Annual Plan increase to existing ratepayers</b>	<b>(9,135)</b>	<b>2</b>	<b>3.50%</b>



This version of Attachment E has been superseded. Please [click here](#) to access the updated version.

<b>Annual Plan Recommended Capital Programme Changes</b>					
CPMS ID	Title	Change 2021	Change 2022	Total 2021 - 2028	Change comment
	Amended Draft 2020/21 Capital Expenditure	517,403,774			
58672	Ōtākaro Avon River Corridor (OARC)	(5,725,500)	5,975,000		0 revised cash flow forecast
550	CSAG Rolling Package - FA NA Collections Acquisitions	75,000	0		0 correction, entire budget rather than \$250k removed in error
2174	Nga Puna Wai Sports Hub	96,000	(96,000)		0 approved change request to bring back budget
55781	WS Mains Renewal - Libeau Ln and Chemin Du Nache	60,000	(60,000)		0 Bringback to allow completion of design and tendering so construction can start ASAP in FY22
56164	Mains Renewal - Trafalgar, Dover, Cornwall, Lindsay, Caledonian and Ranfurly	600,000	(600,000)		0 Bringback to allow completion of design and tendering so construction can start ASAP in FY23
56165	Mains Renewal - Totara, Puriri, Balgay, Milnebank, Karamu, Field, Wharenui, Weka, Tui, Leinster, Bristol	295,750	(295,750)		0 Bringback to allow completion of design and tendering so construction can start ASAP in FY24
56167	Mains Renewal - Philomel, Inverell, Pegasus, Endeavour, Royalist, Effingham, Monowai, Nile	600,000	(600,000)		0 Bringback to allow completion of design and tendering so construction can start ASAP in FY25
56175	Mains Renewal - Nalder, Ruru, McLean, Wyon, Rudds, Griffiths, Digby, Rasen and Tilford	120,000	(120,000)		0 Bringback to allow completion of design and tendering so construction can start ASAP in FY26
56176	Mains Renewal - Sails, Langdons, Hoani, Wilmot, Cone, Perry, Gambia, Frank, Sturrocks, Grassmere	100,000	(600,000)		0 Bringback to allow completion of design and tendering so construction can start ASAP in FY27
55782	Mains Renewal - Riccarton Rd - Hansons Ln to Matipo St	1,500,000	(1,000,000)		0 Bring back so section around Ilam, Riccarton, Middleton Roads can be done first (Before roading upgrade at intersection)
47123	Christchurch Waste Water Treatment Plant Biogas Storage Upgrade	(3,275,750)	3,275,750		0 Project delayed while full masterplan carried out in relation to the Biogas System.
59753	Traffic Signal Cabinets Safety Improvements	1,550,000	1,600,000	3,150,000	Additional funding to address signal box safety issues identified
181	Carriageway Reseals - Chipseal	4,500,000		4,500,000	Additional presealing programme to provide for earlier resealing in 21/22
59841-6	Housing - Warm and Dry Initiative	7,410,000		7,410,000	Inclusion of approved initiative, funded by Housing Fund
	<b>Total post draft changes</b>	<b>7,905,500</b>	<b>7,479,000</b>	<b>15,060,000</b>	
	Updated carryforward estimate	(18,719,999)	(9,654,000)	(22,300,000)	Higher than forecast delivery in 2019/20
	Recommended Final 2020/21 Capital Expenditure	506,589,275			

## Rates Remission Policy

### Objective of the policy

To provide rates relief in certain situations, to support either the fairness and equity of the rating system or the overall wellbeing of the community.

#### Remission 1: Not-for-profit community-based organisations

##### Objective

Certain types of land use are classified as “non-rateable” under Section 8 of the Local Government (Rating) Act 2002, including schools, churches, and land used for some conservation or recreational purposes. Such land may be either fully or 50% “non-rateable”, although any rates specifically for the purpose of water supply, sewage, and refuse collection must still be charged.

The objective of this remission is to provide rates relief to Christchurch community-based organisations (including some that may classified as non-rateable under section 8), to support the benefit they provide to the wellbeing of the Christchurch district.

##### Conditions and criteria

For not-for-profit community-based organisations which the Council considers deliver a predominant community benefit:

- Where the organisation occupies Council land under lease, up to 100% remission of all rates (except targeted rates for excess water and waste minimisation).
- Where the organisation occupies other land:
  - Up to 100% remission on general rates (including the uniform annual general charge),
  - Up to 50% remission (of the rates that would be payable if they were fully rateable) on targeted rates for standard water supply, sewerage, and land drainage,

Applications for this remission must be in writing. The extent of remission (if any) shall be determined at the absolute discretion of the Council, and may be phased in over several years.

The Council reserves the right to require annual applications to renew the remission, or to require certification from the applicant that the property is still eligible for the remission. Any residual rates payable must be paid in full for the remission to continue.

##### Remission applies to

Any community-based not-for-profit organisation whose activities, in the opinion of the Council, provide significant public good as a result of its occupation of the property.

The remission may (at Council’s absolute discretion) include property over which a liquor licence is held, provided this is incidental to the primary purpose of occupancy. This inclusion may also apply to those organisations classified as “non-rateable” under Section 8 of the Local Government (Rating) Act 2002.

The remission is not available to property owned or used by chartered clubs, political parties, trade unions (and associated entities), dog or horse racing clubs, or any other entity where the benefits are restricted to a class or group of persons and not to the public generally.

Any remission will only apply to the portion of the property used for the purpose for which the remission is granted.

#### Remission 2: Land owned or used by the Council for community benefit

##### Objective

To support facilities providing benefit to the community, by remitting rates.

#### Conditions and criteria

The Council may remit all rates (other than targeted rates for excess water supply and water supply fire connection) on land owned by or used by the Council and which is used for:

- Those activities listed in Schedule 1 Part 1 clause 4 of the Local Government (Rating) Act 2002 (including parks, libraries, halls, and similar),
- Rental housing provided within the Council's Social Housing activity, and
- Any other community benefit use (excluding infrastructural asset rating units).

#### Remission 3: Rates - Late payment and arrears penalties

##### Objective

Council charges penalties for late payment of rates and for rates arrears, in accordance with sections 57 & 58 of the Local Government (Rating) Act 2002.

The objective of this remission is to enable such penalties to be waived where it is fair and equitable to do so, and to encourage ratepayers to clear arrears and keep their payments up to date.

A further objective of this remission is to allow the Council to provide rates payment extensions for ratepayers experiencing financial hardship arising from the COVID-19 pandemic so that ratepayers have sufficient time to rearrange their financial affairs.

##### Conditions and criteria

Council will consider remitting late payment penalties in the following four circumstances:

- *One-off ratepayer error* (including timing differences arising from payments via regular bank transactions).
  - This may only be applied once in any two-year period.
  - Only penalties applied within the past twelve months may be remitted.
  - Applications must state the reason for late payment, and deliberate non-payment will not qualify for remission.
- *Inability to pay* (including sickness, death, financial hardship, or other circumstances where it is considered fair and equitable for the remission to be applied):
  - Applications must generally be in writing, although staff may waive this requirement if they are satisfied that the full details of the application are recorded.
  - Payment of all outstanding rates (other than the penalties to be remitted) is required prior to the remission being granted.
- *Penalties imposed in the last two-year period may be remitted, where this would facilitate immediate payment of all outstanding rates (remission of penalties over a longer time period may be considered, if the amount of arrears is large).*
  - Where an acceptable arrangement to pay arrears and future rates over an agreed time period is to be implemented, then any penalties that would otherwise have been imposed over this time period may be remitted.
- *Applications must generally be in writing, although staff may waive this requirement if they are satisfied that the full details of the application are recorded.*
- *Financial hardship arising from COVID-19 pandemic:*
  - Late payment penalties and arrears penalties may be remitted from 1 July 2020 to 30 June 2022, in full or in part, to provide rates payment extensions for instalments of 2020/21 rates where the ratepayer is experiencing financial hardship due to the COVID-19 pandemic.
  - Applications for 2020/21 COVID-19 rates payment extensions must be made using the Council's on-line form. Applications will be open to residents, businesses, farms and not-for-profits.
  - Payment extensions may be applied to up to \$20,000 of rates, including GST and Ecan rates.
  - Financial hardship will be assessed as a 30 per cent fall in income measured over a period of at least three months, compared with a similar period prior to the impact of the pandemic.
  - Payment extensions will be granted only after the ratepayer has applied for other available sources of assistance, including from central government and banks.

- The remission is available only where the applying ratepayer owned the property prior to 26 March 2020.
- For residential properties, the remission is available only where at least one ratepayer is a NZ citizen, permanent resident, or lives in Christchurch.
- For businesses and not-for-profits, the remission is available only where employees (if any) were working in New Zealand prior to 26 March 2020.
- The Council will agree on a payment plan for each successful applicant specifying the new payment dates for 2020/21 rates for that ratepayer. The payment plan will ensure that the 2020/21 rates are paid in full by 30 June 2022.
- If the ratepayer fails to comply with the payment plan, then there will be no further remission of late payment penalties and arrears penalties.
- *Full year payment* (i.e. where the ratepayer pays the financial year's rates in full, rather than in instalments):
  - Late penalties on the current year's Instalment 1 rates invoice will be remitted if current-year rates are paid in full by the due date for Instalment 2.

#### Remission 4: Contiguous parcels of land

##### Objective

Council charges a Uniform Annual General Charge (UAGC) as part of its general rates.

The objective of this remission is to waive the UAGC where doing so supports the purpose of the UAGC as set out in Council's Rating Policy.

##### Conditions and criteria

Council will consider remitting the UAGC rate where:

- Parcels of land under different ownership are contiguous (i.e. sharing a boundary and in common usage, such that they should reasonably be treated as a single unit); OR

- It has been determined that a building consent will not be issued for the primary use of the land under the City Plan.

##### Remission applies to

All rating units.

#### Remission 5: Residential pressure wastewater system electricity costs

##### Objective

Following the 2010 and 2011 earthquakes, some gravity-fed wastewater disposal systems are being replaced by low pressure pump systems. This generally requires the pump to be connected to the electricity supply of the particular house that it serves.

The objective of this remission is to compensate affected homeowners for the additional electricity cost an average household has to pay to operate the new system.

##### Conditions and criteria

Affected ratepayers will receive a general rates remission equal to an amount determined by Council each year. The Council will make an effort to match this amount to the estimated annual electricity supply charges likely to be paid that year to operate the system.

The remission reflects the estimated annual cost for an average household and therefore only provides general compensation, not compensation reflecting the exact amount of the electricity charge actually paid by the homeowner.

Council's expectation is that where tenants pay for electricity, landlords will pass on the benefit of the remission to their tenants.

Any change to this remission policy must be the subject of consultation with affected residents prior to any decision being made.

For 2020/21, the remission is set at \$26.00 + GST per annum.

**Remission applies to**

All affected residential properties where the new low pressure pumps are connected to the household electricity supply as a result of Council's earthquake recovery work, but excluding any property:

- With a pump owned and installed by a property owner prior to 1 July 2013,
- That requires a pressure sewer system as part of a subdivision of land that occurred after 1 July 2013,
- That was vacant land prior to 4 September 2010, or
- That is sold after 30 June 2018

**Remission 6: Earthquake-affected properties**

**Objective**

The objective of this remission is to provide rates relief to those ratepayers most affected by the earthquakes, whilst acknowledging that any such support is effectively paid for by those ratepayers less affected.

**Conditions and criteria**

Rates may be remitted for residential and "non-rateable" units unable to be occupied as a direct result of earthquake damage (i.e. the remission will not apply to houses vacated for the purpose of effecting earthquake repair).

The amount remitted will be equal to the amount of rates charged on the value of Improvements (i.e. rates will effectively be charged on Land Value only, as if the building had been demolished).

This remission shall NOT apply to properties sold after 30 June 2018, and will cease once the property becomes inhabited or inhabitable.

This remission also shall NOT apply where insurance claims on the property have been settled with the relevant insurance company.

Any new applications must be in writing, and any new remissions granted will not be back-dated prior to 1 July 2018. The Council may seek assurance or evidence from time to time that properties receiving these remissions remain eligible.

**Remission applies to**

All rating units.

**Remission 7: Excess Water Charges**

**Objective**

The Council considers that it is the ratepayer's responsibility to ensure the integrity of water reticulation systems within their boundary. Therefore the Council expects that, in general, excess water rates must be paid in full by the ratepayer. However, the Council recognises that in some limited instances it is unreasonable to collect the full amount of excess water charges payable by a ratepayer.

The objective of this remission is to waive the payment of excess water supply rates where it is fair and equitable to do so.

**Conditions and criteria**

Council may consider remitting up to 100% of excess water rates when the ratepayer could not reasonably have been expected to know that a leak within their boundary has resulted in unusually high water consumption.

**Remission applies to:**

All ratepayers liable for excess water rates.

**Remission 8: Other remissions deemed fair and equitable**

**Objective**

To recognise that the Council's policies for rates remission cannot contemplate all possible situations where it may be appropriate to remit rates.

**Conditions and criteria**

The Council may, by specific resolution, remit any rate or rates penalty when it considers it fair and equitable to do so.

# Annual Plan 2020/21

## Changes, errors and omissions in Levels of Service

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## 1. Activity – Assisted Housing

	Position	Name
Approval by General Manager	GM Corporate Services	Leonie Rae
Activity Manager (Submitter)	Head of Facilities, Property & Planning	Bruce Rendall
Author / Proposer	Manager Social Housing	Carmen Lynskey

### Rationale

In the 2019/20 financial year, as part of the approved programme, Assisted Housing assets were transferred to the Otautahi Community Housing Trust (OCHT) and 10 units sold to another housing provider. With changes to the approved complexes this resulted in more complexes being transferred but still within the value approved by Council.

The number of units transferred to the OCHT and others was 438, while the number anticipated to be transferred as part of the Long Term Plan 2018 was 350. Independent valuations determined the value of the units to be transferred. This remains within the approved \$50 million financial envelope. Refer to the memorandum dated 7 February 2020 provided to Finance and Performance Committee, in response to December 2019 Performance Report questions raised at the committee meeting of 30 January 2020.

As such, the level of service targets monitoring the total number of housing units in Councils portfolio for the 2020/2021 financial year is requested to be amended to align with these transfers. Change to 1,964 units (including 91 currently inoperable units) from 2,052 units.

Furthermore, the number of operable Council-owned units available for lease is requested to be amended from 1,972 units to 1,798 units (the total number of housing units in the portfolio 1,964 units, less 91 currently inoperable units, at 96% utilisation). In total, the number of units available from both Council and OCHT is 2,462.

Preparations within the Assisted Housing activity plan, being revised for the Long Term Plan 2021-31, show the intention to monitor the total number of units Council facilitates and/or funds.

**Proposed amendment to Level of Service**

Performance Standards - Levels of Service		Method of Measurement	Actual Performance	Target
LOS number	Description			2020/21
18.0.1	Council makes a contribution to the social housing supply in Christchurch	Number of social housing units in Council's portfolio.	2018/19: 2,241 2017/18: 2,478 2016/17: 2,478	1,964 units
18.0.4	Council makes a contribution to the social housing supply in Christchurch	Number of operable Council-owned social housing units that are available for lease.	2018/19: 2,045	1,798 units

**Current Level of Service**

Performance Standards Levels of Service		Results	Method of Measurement	Current Performance	Benchmarks	Future Performance (Targets)			
LOS number	Description					Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Year 10 2027/28
18.0.1	Council makes a contribution to the social housing supply in Christchurch		Number of social housing units in Council's portfolio.	2018/19: 2,241 2017/18: 2,478 2016/17: 2,478		2,052 units	2,052 units	2,052 units	2,052 units
18.0.4	Council makes a contribution to the social housing supply in Christchurch		Number of operable Council-owned social housing units that are available for lease.	2018/19: 2,045		1,972 units	1,972 units	1,972 units	1,972 units



## 2. Internal Activity – Information Technology

	Position	Name
Approval by General Manager	GM Corporate Services	Leonie Rae
Activity Manager (Submitter)	Chief Information Officer	Symon McHerron
Author / Proposer	Manager Digital Assurance	Vilma Castellanos Gonzalez

### Rationale

As a result of adopted changes to the IT capital funding, in response to the impacts of COVID-19, the following internal two levels of service are proposed for change in the final Annual Plan 2020/21 – to maintain the targets at 2019/20 levels.

The first relates to managing Council's Corporate Records to Public Records Act (PRA) requirements, to maintain at 85% compliance (the 2019/20 target) rather than increase to the 2020/21 target of 90% compliance. With the IT capital funding being reduced by \$7m, and given the higher priority of competing projects, some Information Management Public Records Act (PRA) projects won't be possible in FY21. Overall, Information Management project (IM) related capital budgets have reduced by 52%. Three deferred PRA related projects have direct impact on PRA compliance; Sharepoint/Trim integration, data ingestion, and disposal of electronic records. There is also a capital Information Management (IM) bundle, including other IM/Compliance initiatives being funded, which has been reduced by \$170k.

Council's data continues to grow and the systems and repositories continue to grow. Therefore, PRA compliance actually starts to decline when there is not active work to keep increasing compliance. The COVID-19 pandemic has delayed/impacted our roll-out of the educational Roadshows. Organisational validation assessments with the business were postponed due to working from home. This has delayed the overall PRA programme, which has on-flow into FY21.

The second proposal is to maintain the target for customer satisfaction at 65% (the 2019/20 target), and not increase this to 70% as planned in the LTP2018. The IT capital funding changes will restrict us further from meeting the demand from customers to upgrade, improve, or fill Information and technology gaps. There is also the removal of 12 FTE from the IT Unit which will include operationally focused support roles. It is expected that achieving a higher level of customer satisfaction than previous years won't be achievable, so we are therefore proposing to maintain the FY20 level of customer satisfaction.

Future years' progress for each of these targets are part of the activity planning for the LTP 2021-31.

### Proposed amended Levels of Service

Performance Standards Levels of Service		Method of Measurement	Historical Performance / Benchmarks	Target
LOS number	Description			2020/21
13.2.30	Manage Council's Corporate Records to Public Records Act (PRA) requirements	% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit	2017/18 – 82% 2018/19 – 85%	85% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit
13.2.31.1	Customer Satisfaction. To build trust and an emotional connection to IT by promoting positive customer experiences. (Satisfaction)	IT Satisfaction Scorecard based on InfoTech CIO vision survey	2018/19: 60% 2016/17: CCC Benchmark: 60% satisfaction	>65% satisfaction

### Current Level of Service

Performance Standards Levels of Service		Results	Method of Measurement	Current Performance	Benchmarks	Future Performance (Targets)			
LOS number	Description					Year 1	Year 2	Year 3	Year 10
13.2.30	Manage Council's Corporate Records to Public Records Act (PRA) requirements	The Public Records Act sets a framework for creating and managing information in public offices and local authorities and promotes accountability through reliable recordkeeping, enhancing public confidence in the integrity of Records Management.	% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit	2017/18 – 82% 2018/19 – 85%	Public Records Acts requirements	85% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit	85% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit	85% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit	85% compliance to the Public Records Act as required by Archives New Zealand Assessment / Audit

Performance Standards Levels of Service		Results	Method of Measurement	Current Performance	Benchmarks	Future Performance (Targets)			
						Year 1	Year 2	Year 3	Year 10
LOS number	Description					2018/19	2019/20	2020/21	2027/28
13.2.31.1	Customer Satisfaction. To build trust and an emotional connection to IT by promoting positive customer experiences. (Satisfaction)	Confidence that IT will deliver on their promise	IT Satisfaction Scorecard based on InfoTech CIO vision survey	2018/19: 60%  2016/17: CCC Benchmark: 60% satisfaction	No relevant external benchmark 2016/17 CCC Benchmark: 60% satisfaction	> 60% satisfaction	> 65% satisfaction	> 70% satisfaction	> 75% satisfaction

### 3. Internal Activity – Technical Services and Design

	Position	Name
Approval by General Manager	GM City Services	David Adamson
Activity Manager (Submitter)	Manager, Technical Services and Design	Ron Clarke
Author / Proposer	Manager, Technical Services and Design	Ron Clarke

#### Rationale

The target and method of measurement recorded in the LTP2018 service plan refers to the reviews of the Infrastructure Design Standards (IDS) and Council Standard Construction Specifications (CSS) happening bi-annually (twice per year), when the target should state this happens biennially (every 2 years).

Future years' progress for each of these targets are part of the activity planning for the LTP 2021-31.

#### Proposed amended Levels of Service

Performance Standards Levels of Service		Method of Measurement	Historical Performance / Benchmarks	Target
LOS number	Description			2020/21
13.7.25.4	Deliver professional and technical support, including land (cadastral) surveying, pre-design advice, building and infrastructure design and construction contract management	Staff follow approved processes and meet their customers' expectations in the delivery of professional and technical support.		Provide and review council construction standards and specifications:  Infrastructure Design Standards (IDS) and Council Standard Construction Specifications (CSS) are reviewed at least every two years

**Current Level of Service**

Performance Standards Levels of Service		Results	Method of Measurement	Current Performance	Benchmarks	Future Performance (Targets)			
LOS number	Description					Year 1	Year 2	Year 3	Year 10
						2018/19	2019/20	2020/21	2027/28
13.7.25.4	Deliver professional and technical support, including land (cadastral) surveying, pre-design advice, building and infrastructure design and construction contract management	To provide accurate and timely advice to enable effective decision-making and effective delivery of projects.	Staff follow approved processes and meet their customers' expectations in the delivery of professional and technical support.			Provide and review council construction standards and specifications:  Infrastructure Design Standards (IDS)and Council Standard Construction Specifications (CSS) are reviewed at least bi-annually	Provide and review council construction standards and specifications:  Infrastructure Design Standards (IDS)and Council Standard Construction Specifications (CSS) are reviewed at least bi-annually	Provide and review council construction standards and specifications:  Infrastructure Design Standards (IDS)and Council Standard Construction Specifications (CSS) are reviewed at least bi-annually	Provide and review council construction standards and specifications:  Infrastructure Design Standards (IDS)and Council Standard Construction Specifications (CSS) are reviewed at least bi-annually

