Christchurch City Council
AGENDA

Notice of Meeting:

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

Date:	**Tuesday 21 June 2022**
Time:	**9.30am**
Venue:	**Council Chambers, Civic Offices, 53 Hereford Street, Christchurch**

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 Mike Davidson
	Councillor Celeste Donovan
	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

16 June 2022

Principal Advisor
Dawn Baxendale
Chief Executive
Tel: 941 6996

Samantha Kelly
Team Leader Hearings & Committee Support
941 6227
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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.

To watch the meeting live, or a recording after the meeting date, go to:
http://councillive.ccc.govt.nz/live-stream

To view copies of Agendas and Minutes, go to:
https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/

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1. Apologies Ngā Whakapāha

At the close of the agenda no apologies had been received.

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.

Item 3

3. Extending Wheeliebin Kerbside Collection Service in Wairewa

Reference / Te Tohutoro:	22/739246
Report of / Te Pou Matua:	Andrew Jefferies, Rates Revenue Manager, Andrew.jefferies@ccc.govt.nz
General Manager / Pouwhakarae:	Leah Scales, General Manager Resources

1. Brief Summary

1.1 The purpose of this report is to summarise Council's considerations relating to the proposal to expand the wheeliebin kerbside collection service in Wairewa, following submissions on the Draft Annual Plan 2022/23.

2. Proposal in the Draft Annual Plan 2022/23

2.1 **Existing situation:** Properties in Little River receive a kerbside collection service for all three bins: rubbish (red), recycling (yellow) and organics (green). The area is also serviced by the Little River recycling drop-off site. Those Little River properties pay the Waste Minimisation Targeted Rate which is $196.45 per house (incl GST) in 2021/22. The targeted rate covers the cost of collecting and processing recycling and organics (yellow and green). The cost of collecting and disposing of rubbish (red bin) is recovered through Council's general rate, which is based on the capital value of each property.

2.2 Other properties in Wairewa receive a part-service for rubbish and recycling. Properties with a part-service transport their waste to the Birdlings Flat Transfer Station or the Little River recycling point and pay 75% of the Waste Minimisation Targeted Rate – that is $147.34 per house (incl GST) in 2021/22.

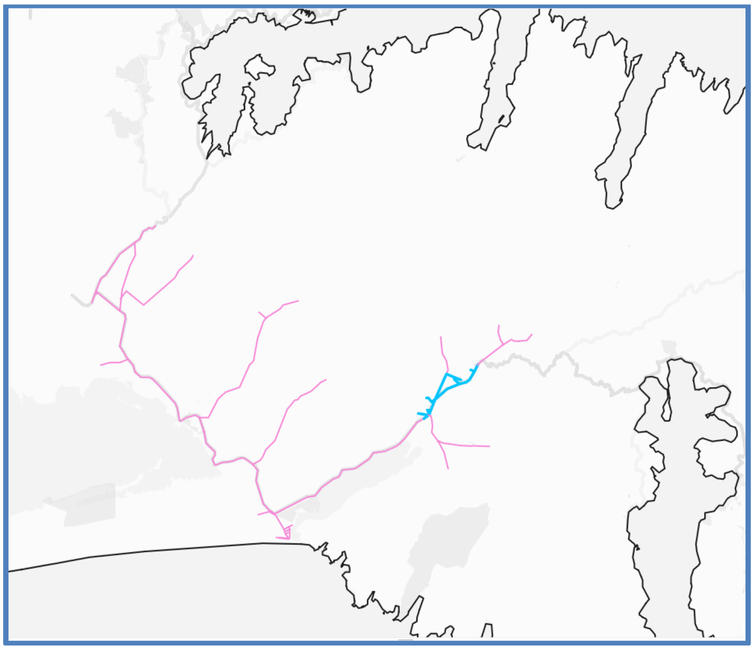
2.3 **Change proposed as part of the Draft Annual Plan 2022/23:** Council proposed to offer the kerbside service to all properties accessible to our collection vehicle, between Cooptown and Gebbies Valley. These properties will have the option to order three bins, or continue to use the existing facilities. We're keeping it flexible, as we know through consultation with residents that some people prefer the service they have now.

2.4 However, all developed properties that have the service available will be charged the full Waste Minimisation Targeted Rate. This is consistent with our policy throughout the city. Properties already paying the 75% part rate, will have an increase in annual rates of around $49 (incl GST).

2.5 For those properties on roads our collection trucks can't access there will be no change in service or charging.

2.6 The proposed expansion to our kerbside collection service will include all properties on the new collection route, shown in the map below:

Figure 1: Proposed additions to kerbside collection routes



3. Submissions on the proposal

3.1 62 submitters provided feedback on our proposed changes to kerbside collection rates. 66% supported the proposal, while 34% opposed.

3.2 Some submitters considered the proposed arrangements would be more convenient than weekly trips to the transfer station.

3.3 There were concerns from some submitters around safety issues of having wheelie bins in settlements that experience regular high wind events.

3.4 Others would like to see the service extended further still.

4. Staff advice

4.1 Staff recommend that the Council proceed with the extension of kerbside services to Wairewa as proposed in the Draft Annual Plan 2022/23, but with the following modifications:

4.1.1 Bin clips will be offered in Birdlings Flat to address concerns around high winds spreading rubbish;

4.1.2 Service will be extended up Okuti Valley to the road end (the original concerns about truck access have been resolved).

4.2 The recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council - Annual Plan meeting on 21 June 2022, include the adoption of Funding Impact Statement – Rating Information. That sets out the proposed extent of the kerbside service, which determines which properties pay the full differential on the Waste Minimisation Targeted Rate.

5. Officer Recommendations Ngā Tūtohu

That the Council:

1. Approves the extension of the *Wheeliebin Kerbside Collection Service in Wairewa* proposal, including the changes made in response to the submissions, subject to the *Funding Impact*

Item 3

Statement – Rating Information being adopted as part of the final Annual Plan 2022-23 on 21 June 2022.

Attachments / Ngā Tāpirihanga

There are no attachments to this report.

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

Document Name	**Location / File Link**
Not applicable	

Confirmation of Statutory Compliance / Te Whakatūturutanga 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

Author	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

4. Wheeliebin Kerbside Collection Service - Opt Out for Multi-unit Residential Developments

Reference / Te Tohutoro:	22/738065
Report of / Te Pou Matua:	Andrew Jefferies, Rates Revenue Manager, Andrew.jefferies@ccc.govt.nz
General Manager / Pouwhakarae:	Leah Scales, General Manager Resources

1. Brief Summary

1.1 The purpose of this report is to obtain Council agreement to the *Wheeliebin Kerbside Collection Service-Opt out for Multi-unit Residential Developments* proposal, including changes to the Rates Remission Policy that provide for financial opt-out from funding red bin kerbside collection and disposal costs.

2. Proposal in the Draft Annual Plan 2022/23

2.1 **Existing situation:** Our three-bin kerbside collection provides a door-to-door waste service for residents. However, we're aware this service doesn't work for large, multi-unit residential developments, where space to store wheelie bins and have them collected is limited.

2.2 At present, properties may choose not to receive wheelie bins. However, all developed properties pay for our kerbside collection service, whether they use it or not.

2.3 They pay for the kerbside collection and processing of recycling and organics (yellow and green bins) through the Waste Minimisation Targeted Rate. This rate is set at $196.45 per occupied unit in 2021/22.

2.4 They pay for the kerbside collection and disposal of rubbish (red bin) through the general rate, which is based on the capital value of each property.

2.5 **Change proposed as part of the Draft Annual Plan 2022/23:** Some multi-unit residential developments may choose to use a commercial recycling, organics and rubbish collection instead of our kerbside service. Residential developments using an approved alternative service will not pay the Targeted Rate if they:

2.5.1 Complete a waste management plan that meets the objectives of our Waste Minimisation and Management Plan; and

2.5.2 Demonstrate the use of an equivalent three-bin (rubbish, recycling and organics) service through a private contractor. The service must meet the objectives of our Waste Minimisation and Management Plan.

2.6 Multi- unit residential developments (10 or more units) that opt-out of our service won't have to pay the Targeted Rate. However, they will continue funding Council's other waste management activities, including the kerbside collection and disposal of rubbish (red bin), as that is part of the general rate, based on capital value.

2.7 A rates remission would be inserted into Council's Rates Remission Policy to implement the opt-out from the Targeted Rate.

3. Submissions on the proposal

3.1 73 submitters provided feedback on our proposed changes to kerbside collection rates. 30% supported the proposal while 70% opposed it. Those who indicated that they opposed did not oppose us making changes for multi-unit developments, they just don't think that they go far enough.

3.2 Submitters would like to see changes enable them to opt out of all kerbside collection costs (not just the Targeted Rate, but also the part of the General Rate that funds red bin kerbside collection and disposal).

4. Guidance from councillor briefings

4.1 Councillors directed staff to provide a way for multi-unit residential developments to opt out, not only from paying the Targeted Rate, but also from funding the red bin kerbside collection and disposal costs.

5. Staff advice and modified proposal

5.1 Staff have added a new remission covering the financial opt-out from funding red bin kerbside collection and disposal costs. The new remission will remit $83 of rates for each opt out, representing the average annual kerbside collection and disposal cost for the red bin.

5.2 The following <u>underlined</u> words have been added in the proposed Rates Remission Policy:

Remission 9: Wheelie bin service reduction

Objective

To provide rates relief from the Waste Minimisation targeted rate for rating units within multi-unit residential developments where the rating unit has opted out of receiving the 3-bin kerbside collection service<u>, and to provide further rates relief to the extent that kerbside collection and disposal costs for refuse are included within the general rate rather than the Waste Minimisation targeted rate.</u>

Conditions and criteria

This rates remission applies where a rating unit within a multi-unit residential development has, with the approval of Council, opted out of the 3-bin kerbside collection service. Note that opt out will be approved only where alternative arrangements are made for collection of all waste streams, and Council considers those arrangements provide an appropriately equivalent service.

Where the opt out applies for the whole year, the remission will be equal to the Waste Minimisation targeted rate<u>, plus $83 (representing the average annual kerbside collection and disposal cost for the red bin).</u>

Where the opt out applies for part of the year the Council may, at its discretion, grant a remission calculated based on the proportion of the year to which the opt out applies.

6. Officer Recommendations Ngā Tūtohu

That the Council:

1. Approves the *Wheeliebin Kerbside Collection Service-Opt out for Multi-unit Residential Developments* proposal, including changes to the Rates Remission Policy that provide for financial opt-out from funding red bin kerbside collection and disposal costs, subject to the approval of the Rates Remission Policy which is to be adopted as part of the final Annual Plan 2022-23 on 21 June 2022.

Attachments / Ngā Tāpirihanga

There are no attachments for this report.

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

Document Name	Location / File Link

Confirmation of Statutory Compliance / Te Whakatūturutanga 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

Author	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

5. Vacant Central City Land Differential and Remission

Reference / Te Tohutoro:	22/731147
Report of / Te Pou Matua:	Andrew Jefferies, Rates Revenue Manager, andrew.jefferies@ccc.govt.nz
General Manager / Pouwhakarae:	Leah Scales, General Manager Resources

1. Brief Summary

1.1 The purpose of this report is to seek Council approval for the *Vacant Central City Land Differential and Remission* proposal, including the changes made in response to the submissions on the Draft Annual Plan 2022/23.

2. Proposal in Draft Annual Plan 2022/23

2.1 The proposal published with the Draft Annual Plan 2022/23 contained two parts: a new differential on the value-based general rate, and a new rates remission.

2.2 The purpose of the proposal is to achieve a fairer balance of rates, recognising that vacant land currently pays relatively low rates (since rates are largely based on capital value) yet those owners benefit significantly from Council's activities.

New differential on the value-based general rate

2.3 A new "City Vacant" differential will be introduced, applying to the value-based general rate. It will have a value of 4 (compared with standard differential of 1, and business differential of 1.697).

2.4 It will apply to any rating unit:

2.4.1 which is located within the Central City Business Zone or the Central City Mixed Use (South Frame) Zone in the District Plan; and

2.4.2 where no active or consented use is being made of the land.

2.5 The "active or consented use" criteria means that a property will NOT have the City Vacant differential applied if it is:

2.5.1 developed (has a building on it), or is under development; or

2.5.2 in a temporary use that:

- is a permitted activity under rules in the District Plan (e.g. used as a support site for adjacent construction); or
- has an approved and fully implemented resource consent (e.g. open-air carpark).

2.6 If land has a resource consent for use as a carpark, we would not apply the City Vacant differential to that land. We note that the appearance of the land would be able to be managed through consent conditions.

New rates remission

2.7 A new rates remission (Remission 8: Vacant Central City Land) would be available for rating units paying the City Vacant differential. The remission would reduce payable rates to the level the land would have paid on the business differential.

2.8 Land would qualify for the remission if it is kept in an improved and maintained state, consistent with Council's Vacant Site Improvement Guide (https://ccc.govt.nz/culture-and-community/central-city-christchurch/develop-here/vacant-sites).

Expand the proposal?

2.9 We also invited comments on:

2.9.1 expanding the proposal in future to cover other parts of the city (not just the central city)

2.9.2 whether the Council should investigate options (for FY24 or beyond) for increasing rates on derelict central city buildings.

3. Submissions on the proposal

3.1 The following table summarises the results of submissions on this issue:

Question	Support	Oppose	Other
A new "City Vacant" differential rate	64% 46	17% 12	18% 13
A new rates remission for vacant land	50% 27	31% 17	18% 10
Wider application of a vacant differential rate	100% 26		
A financial mechanism to encourage/require owners to act in relation to Central City 'Barrier Sites'	78% 40	16% 8	6% 3

3.2 Some submissions raised concern that the proposal was not a lawful use of Council's rating powers.

3.3 There was strong support for extending the proposal to other parts of the city, and to derelict buildings.

4. Guidance from councillor briefings

4.1 **Lawfulness:** Councillors sought reassurance that the proposal is lawful.

4.2 **Consent delays:** Councillors were concerned that delays in Council's consenting processes could mean that consent applications (e.g. resource consent for an open-air carpark) are not processed in time for vacant land to avoid the higher City vacant differential. Councillors wanted the proposal to be amended to deal with that situation.

4.3 **Derelict buildings:** Councillors tested whether it was possible for the proposal to be amended to extend it to derelict buildings from 1 July 2022.

4.4 **Extend area:** Councillors also tested whether it was possible for the proposal to be amended to extend it to other parts of the city from 1 July 2022.

5. Staff advice and modified proposal

5.1 **Lawfulness:** While the proposal appears to be unique in New Zealand (no other councils impose a higher general rate differential on vacant land), staff consider that the proposal is authorised under the Local Government (Rating) Act 2002 and the Local Government Act 2002.

5.2 **Consent delays:** Staff have added a new remission covering the situation where the owner of vacant land loses the opportunity to avoid the higher City Vacant differential due to delay in

Council's consenting processes. The following words have been added in the Rates Remission Policy, at the end of Remission 8: Vacant Central City Land:

> **Further remission – consenting delay**
>
> Rates may also be remitted where Council considers that Council's actions or inactions have caused a delay in processing a building or resource consent relating to that land, and where Council considers that, if it had processed the consents in accordance with statutory timeframes, it is reasonable to expect that the land owner could have avoided being assessed for the City Vacant differential. The amount of rates remitted is at Council's discretion.

5.3 The recommendations in the paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, include the adoption of this Rates Remission Policy.

5.4 **Clarify "under development":** When defining the term "active or consented use", the term "under development" is used – see paragraph 0 above. Staff propose to change this term for clarification to read "under construction". This clarifies that a property that has development plans (e.g. architectural plans) does not have an "active or consented use" unless actual construction work has begun. The paper titled "Annual Plan 2022/23", which is going to the Council – Annual Plan meeting on 21 June 2022, will adopt the *Funding Impact Statement – Rating Information*, which includes this amendment.

5.5 **Derelict buildings:** It is not possible to modify the proposal to cover derelict buildings from 1 July 2022, since we did not consult on a detailed proposal to do that. Staff will carry out further work and report on options for a potential proposal for consultation ahead of the rating year beginning 1 July 2023.

5.6 **Extend area:** Again, it is not possible to extend the proposal to other areas of the city from 1 July 2022, since we did not consult on a detailed proposal to do that. Staff will carry out further work and report on options for a potential proposal for consultation ahead of the rating year beginning 1 July 2023.

6. Officer Recommendations Ngā Tūtohu

That the Council:

1. Approves the *Vacant Central City Land Differential and Remission* proposal, including the changes made in response to the submissions (remission to deal with consent delays, and clarifying "under development"), subject to the approval of the Rates Remission Policy and the *Funding Impact Statement – Rating Information* which are to be adopted as part of the final Annual Plan 2022-23 on 21 June 2022;

2. Direct staff to carry out further work and report on options for extending the Vacant Central City Land proposal to other areas of the city and to derelict buildings, with a view to consultation ahead of the rating year beginning 1 July 2023.

Attachments / Ngā Tāpirihanga

There are no attachments for this report.

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

Document Name	Location / File Link

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Signatories / Ngā Kaiwaitohu

Author	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

6. Policy on Remission and Postponement of Rates on Māori Freehold Land

Reference / Te Tohutoro:	22/740088
Report of / Te Pou Matua:	Andrew Jefferies, Rates Revenue Manager, Andrew.jefferies@ccc.govt.nz
General Manager / Pouwhakarae:	Leah Scales, General Manager Resources

1. Brief Summary

1.1 The purpose of this report is to adopt a new *Policy on Remission and Postponement of Rates on Māori Freehold Land* from 1 July 2022, incorporating some changes following submissions on the Draft Annual Plan 2022/23.

2. Proposal in Draft Annual Plan 2022/23

2.1 **Existing Policy:** The Council is required to have, and does have, a *Policy on Remission and Postponement of Rates on Māori Freehold Land*. The current version of the Policy outlines 12 criteria for rates relief. The first of those is that that relief may be provided where "the land is not in use". This has been the most important criteria in practice.

2.2 **New legislation:** In early 2021 legislation was passed amending the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA) to (among other things):

a) Make unused MFL non-rateable from 1 July 2021

b) Write off rates arrears on unused MFL from 1 July 2021

c) Provide that, from 1 July 2022, the Council's MFL Policy must support the principles set out in the Preamble to the Te Ture Whenua Maori Act 1993 (TTWM Act).

2.3 The Council is required to review its existing Policy to ensure it supports the principles set out in the Preamble to the TTWM Act, and to take into account the matters set out in Schedule 11 of the LGA (see below).

2.4 **Change proposed as part of the Draft Annual Plan 2022/23:** The Council proposed to adopt a new Policy from 1 July 2022. The key changes were:

a) The proposed Policy explicitly recognises the principles in the Preamble to TTWM Act as objectives of the Policy.

b) The current Policy applies to Māori Freehold Land and Māori customary land (of which there is none in the Christchurch takiwā). The proposed Policy may also be applied to:

- a Māori reservation
- "1967 land" (general land that ceased to be Māori land under Part 1 of the Māori Affairs Amendment Act 1967, where the land is still owned by the descendants of the persons who owned it immediately before it ceased to be Māori land)
- land returned to iwi or hapū ownership through treaty settlement or a right of first refusal scheme

3. Submissions on the proposal and staff advice

3.1 10 submitters provided feedback on our rates proposal. 50% supported the proposal, while 50% opposed.

3.2 A submission was received from Mahaanui Kurataiao Limited on behalf of the six Papatipu Rūnanga. Ngā Rūnanga "support the spirit of the Policy but oppose the text of the Policy". A set of proposed alterations were attached.

3.3 The following table sets out the suggestions made in the submission, along with the way staff propose we address those concerns:

Table 1: Submissions from Mahaanui Kurataiao / Rūnanga and Council Staff Recommendations

Submission	Council Staff Recommendation
(1) Introduction should acknowledge the rangatiratanga of Ngā Rūnanga as tangata whenua, and the Tiriti Partnership between Ngā Rūnanga and Council.	Agreed. In terms of the Tiriti Partnership, we have used the language from the *Relationship Agreement between Christchurch City Council and Ngā Rūnanga* (1 Sep 2016)
(2) The introduction should note the Ngāi Tahu Claims Settlement Act 1998 applies to the territory of the Council	Agreed
(3) The Policy objectives should include recognition of the tangata whenua status of Ngāi Tahu Papatipu Rūnanga	Agreed
(4) Include various empowering provisions relating to new legislative provisions (ss 20A, s98A, 62A and 65, LGRA)	Agreed

Submission	Council Staff Recommendation
(5) The Council should not hold sole discretionary decision-making authority in relation to the rating of Māori land. Decisions must be made in full cooperation with, and giving effect to the views of, Ngā Rūnanga. This can be undertaken through Te Hononga Council – Papatipu Rūnanga Committee.	Staff propose to add the following words near the beginning of the Policy Recognising this Relationship Agreement, the process for making decisions under this policy will be determined by Te Hononga Council – Papatipu Rūnanga Committee (Te Hononga), or an equivalent Committee mechanism, or in the absence of such a process, by Council staff in accordance with Council's delegations register. In the section headed "Land to which this policy applies" we would make the following change: "~~At the sole discretion of Council, this~~ This policy may also apply to the following types of land as if it were Māori freehold land" During 2022/23, Council staff will prepare the necessary papers for Council and Te Hononga to set up the decision-making process. Note that the Terms of Reference and delegations for Te Hononga will need to be amended – at present Te Hononga can make recommendations to the Council but does not have delegated authority to make formal decisions on behalf of the Council.
(6) Establish a Ngāi Tahu Rates Commission to which Council would transfer rates collected on Māori land. Commission would then reinvest rates collected on infrastructure and development projects. Invite Council to set a hui to discuss.	Council will discuss this further with Mahānui Kurataiao, Ngā Rūnanga and Te Hononga. This issue is separate from the drafting of the *Policy on Remission and Postponement of Rates on Māori Freehold Land*. No change is required to the Policy. Staff note that while it is not possible for Council to delegate rate-making powers under the legislation, further discussions could include consideration of alternative ways to achieve the objective. Staff expect that discussions will confirm Council's commitment to enabling greater participation by mana whenua in decision making especially for those rates for Māori freehold land. Rates on Māori freehold land in 2021/22 were around $80,000 (excluding Environment Canterbury rates and GST, and after being reduced for remissions). Staff will also work with other neighbouring Councils so that there is some consistency for Māori ratepayers and Ngā Rūnanga.

3.4 The proposed *Policy on Remission and Postponement of Rates on Māori Freehold Land (1 July 2022)* is attached as Attachment A. It shows tracked changes from the version published with the Draft Annual Plan 2022/23. It includes changes dealing with issues 1 to 5 above. No change is required for issue 6 because that issue is beyond the scope of the policy.

4. Schedule 11 considerations

4.1 When determining a new *Policy on Remission and Postponement of Rates on Māori Freehold Land*, Council must consider the following matters set out in Schedule 11 of the LGA (refer to s108(4) LGA):

a) the desirability and importance of each of the **objectives** (see below)

b) whether, and to what extent those **objectives** could be prejudicially affected if there is no remission/postponement

c) whether, and to what extent those **objectives** are likely to be facilitated by the remission/postponement

d) the extent to which different criteria and conditions for rates relief may contribute to different **objectives**.

4.2 The **objectives** in Schedule 11 are:

a) supporting the use of the land by the owners for traditional purposes

b) recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands

c) avoiding further alienation of Māori freehold land

d) facilitating any wish of the owners to develop the land for economic use

e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes

f) recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):

g) recognising and taking account of the importance of the land for community goals relating to preservation/protection of the natural environment

h) recognising the level of community services provided to the land and its occupiers

i) recognising matters related to the physical accessibility of the land.

4.3 An assessment of the Policy against the matters set out in Schedule 11 of the LGA is set out in Attachment B.

5. Officer Recommendations Ngā Tūtohu

That the Council:

1. Adopts the *Policy on Remission and Postponement of Rates on Māori Freehold Land (1 July 2022)* set out in Attachment A, including changes made in response to the submission by Mahaanui Kurataiao Limited/ Ngā Rūnanga, as discussed in this report.

Item 6

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ⇩	Policy on Remission and Postponement of Rates on Māori Freehold Land (1 July 2022)	22
B ⇩	Analysis Against Schedule 11 (s108(4) Local Government Act 2002)	30

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

Document Name	Location / File Link

Confirmation of Statutory Compliance / Te Whakatūturutanga 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

Author	Andrew Jefferies - Manager Rates Revenue
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - General Manager Resources/Chief Financial Officer

Policy on Remission and Postponement of Rates on Māori Freehold Land

> **Material** in shaded boxes provides background information but is not part of the Policy.

Acknowledgements and Council's Relationship with Ngā Rūnanga

Council acknowledges Te Ngāi Tū Ahuriri Rūnanga, Te Hapū o Ngāti Wheke (Rapaki), Te Rūnanga o Koukourārata, Wairewa Rūnanga, Te Taumutū Rūnanga and Ōnuku Rūnanga (together "Ngā Rūnanga") as tangata whenua of the area within the Christchurch takiwā (the territory of the Christchurch City Council).

As tangata whenua, Ngā Rūnanga hold tino rangatiratanga, past present and future. This rangatiratanga is immutable and has been acknowledged by Te Tiriti o Waitangi and the Ngāi Tahu Claims Settlement Act 1998.

> **Relationship Agreement between Christchurch City Council and Ngā Rūnanga (1 Sep 2016)**
>
> Council has a Relationship Agreement with Ngā Rūnanga. The purpose of the agreement is recorded as follows:
>
> "This Agreement records and embeds a new era of partnership between [Council and Ngā Rūnanga] that is based on mutual respect, the utmost standards of good faith and confidence that working jointly together will produce meaningful outcomes for current and future generations of all citizens, living within a vibrant and sustainable takiwā. - Mō tātou, ā, mō kā uri ā muri ake nei"

Recognising this Relationship Agreement, the process for making decisions under this policy will be determined by Te Hononga Council – Papatipu Rūnanga Committee (Te Hononga), or an equivalent Committee mechanism, or in the absence of such a process, by Council staff in accordance with Council's delegations register.

The Ngāi Tahu Claims Settlement Act 1998 applies to the area within the Christchurch takiwā.

Introduction

"Māori freehold land" is defined in the Local Government (Rating) Act 2002 as *land whose beneficial ownership has been determined by the Māori Land Court by freehold order*.

> **Maori freehold land in the Christchurch City Council takiwā (district)**
>
> As at 1 July 2021 there were 159~~163~~ rating units of Māori freehold land in the Christchurch City Council takiwā (district). Most are located in Rapaki, Gebbies Valley and Motukarara, and in Banks Peninsula at Koukourarata (Port Levy), Wairewa (Little River), Wainui, and Onuku. The total capital value of this land was around $37~~8~~ million.

The Council recognises that the ownership and use of Māori freehold land is different to general land. This Policy enables Council to respond to those differences in ways that are fair to owners and that encourage the long term retention, use and enjoyment of Māori freehold land by its owners.

The Council acknowledges the following features of Māori freehold land:

- Māori freehold land represents a very small proportion of land previously owned by Māori, the remainder of which has been alienated from Māori ownership and use.
- Much of the Māori freehold land in the Christchurch City Council takiwā is either unoccupied or unimproved or only partially used
- Much of the land is isolated and marginal in quality
- Māori freehold land usually has multiple owners making it challenging for individuals with a stake to get the necessary agreement from the owners to use or develop the land
- Multiple ownership presents challenges in terms of administering the land including the payment of rates. This can result in significant rates arrears which may need to be paid before the land is used or developed
- Some land has special significance which would make it undesirable to develop or reside on.

Definitions

Terms used in this Policy have the meaning given to them by the Local Government (Rating) Act 2002 and Te Ture Whenua Maori Act 1993.

Land to which this policy applies

This policy applies to Māori freehold land.

~~At the sole discretion of Council, this~~ This policy may also apply to the following types of land as if it were Māori freehold land:

- Māori customary land

Māori customary land

Council understands there is no land within the Christchurch City Council takiwā that is classified as Māori customary land.

- a Māori reservation set apart under section 338 of the Te Ture Whenua Maori Act 1993 or the corresponding provisions of any former enactment
- land described in section 62A(1)(a) and (b) of the Local Government (Rating) Act 2002 (“1967 land”)

“1967 land”

This term refers to general land that ceased to be Māori land under Part 1 of the Maori Affairs Amendment Act 1967, where the land is beneficially owned by the persons, or by the descendants of the persons, who beneficially owned the land immediately before the land ceased to be Māori land.

The 1967 amendment to the Māori Affairs Act required the Registrar of the Māori Land Court to reclassify some Māori freehold land as general land. This was sometimes done without the knowledge or agreement of the owners.

The Local Government (Rating) Act 2002 limits the actions that a local authority can take to recover unpaid rates in respect of 1967 land. In particular, it cannot carry out an abandoned land or rating sale (refer to s77(3A) and s67(3)(b)).

- land returned to iwi or hapū ownership through treaty settlement or a right of first refusal scheme

Rateability of Māori freehold land

The following land is fully non-rateable under Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 *(this is not a complete list of non-rateable land – refer to that Act for further details in some cases)*:

- An unused rating unit of Māori freehold land (clause 14A)
- Land that is subject to a Ngā Whenua Rāhui kawenata (clause 1A)
- Land used solely or principally as a place of religious worship (clause 9)
- Land used as a Māori burial ground (clause 10)
- Māori customary land (clause 11)
- Land that is used for the purposes of a marae (some exceptions apply) (clause 12)
- Land set apart as a Māori reservation (some exceptions apply) (clauses 13 and 13B)
- Māori freehold land on which a meeting house is erected (some exceptions apply) (clause 13A)

Non-rateable land may still have targeted rates set on it for sewerage and water supply, but will not have other rates applied.

Remission or postponement of rates is available only to the extent that rates are actually set on the land. Non-rateable Māori freehold land will not need to apply for a rates relief under this Policy, except to the extent that the land has rates set for sewer and water supply – those rates may be remitted under this Policy.

Valuation of Māori freehold land

Christchurch City Council sets rates primarily in proportion to the capital value of rating units. The capital value of a rating unit is determined by the Council's Valuation Service Provider – currently Quotable Value (QV).

For Māori freehold land rating units, QV first values the property as if it were general land, and then applies adjustments, which reduce the capital value, to reflect:

(i) adjustments under *Valuer-General v Mangatu Inc* [1997] 3 NZLR 641, which recognise among other things the very significant constraints on the sale of Māori freehold land

(ii) an adjustment factor applied for multiple owners, expressed as a percentage, and

(iii) an adjustment factor applied for sites of significance, expressed as a percentage.

To the extent that the capital value is adjusted downwards, Council rates set on the land will be correspondingly lower.

Who is liable for rates on Māori freehold land?

Normally the owner or registered lessee of a rating unit is liable for rates on land.

However, under section 96 of the Local Government (Rating) Act 2002, where a rating unit of Māori freehold land is in multiple ownership that is not vested in a trustee, a person actually using that land is liable for the rates on the land, regardless of whether the person using the land is one of the owners.

Section 62A of the same Act sets out a broadly similar provision for "1967 land".

Rates relief: remission and postponement

Rates relief under this Policy can take two forms: rates remission and rates postponement.

Council also has a Rates Remission Policy which applies generally to all land rather than specifically to Māori freehold land. Nothing in this Policy prevents owners of Māori freehold land from applying for a rates remission under that Rates Remission Policy. For example, a not-for-profit community-based organisation providing services from Māori freehold land might apply for a remission under the Rates Remission Policy. However, two rates remissions will not be given in respect of the same rates.

Council also has a Rates Postponement Policy which applies generally to all land. Owners of Māori freehold land may apply for rates postponement under that policy. If Council considers such a postponement is appropriate, Council may require the applicant to enter into an agreement with Council in relation to the postponed rates. This recognises that the Council would not ultimately be able to sell the land to recover any rates that remain unpaid following the end of the postponement.

Rates remission is generally preferred to rates postponement

Historically, the relief granted under previous versions of this Policy has tended to take the form of rates remissions rather than rates postponement. Council expects that is likely to continue. However, particular circumstances may well arise in future where Council considers postponement is more appropriate than a remission under this Policy.

Policy objectives

This Policy seeks to achieve the following objectives:

1. To recognise the rangatiratanga of Ngā Rūnanga over the land within the Christchurch takiwā.

~~1.~~2. To recognise that land is a taonga tuku iho of special significance to Māori and, for that reason, to promote the retention of Māori freehold land in the hands of its owners, their whanau, and their hapū, and to protect wāhi tapu.

~~2.~~3. To facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners, their whanau, and their hapū.

~~3.~~4. To ensure that owners of Māori freehold land contribute to Council's overall rates revenue requirement to the extent consistent with the first two objectives, and to the extent equitable with the contributions made by other land owners.

Conditions and criteria for postponement or remission of rates

Criteria

Rates relief under this Policy is granted entirely at the discretion of Council. The criteria for granting either a rates remission or rates postponement include some or all of the following:

1. the land is not in use

Council considers land would be in use if it is leased. Other circumstances that would be regarded as use include (but are not limited to) where a person or persons

(i) resides on the land,

(ii) depastures or maintains livestock on the land, or

(iii) stores anything on the land (compare the definition of "person actually using land" in section 5 of the Local Government (Rating) Act 2002)

Council considers that, while commercial grazing is a use, merely allowing animals to keep down the grass is not, in itself, a use. Council will consider other factors such as the whether the size and quality of the land would support commercial grazing.

Significant improvements on the land may indicate that a use is being made of the land.

Where land is difficult to access (e.g. it is landlocked or does not have legal access to a public road), that may indicate that no significant use is being made of the land.

Where the use is insignificant, Council may, at its sole discretion, provide rates relief.

Land is not regarded as used (for this purpose) merely because personal visits are made to the land or personal collections of kai or cultural or medicinal material are made from the land

Where use is being made of a portion the land, Council may, at its sole discretion, provide rates relief that recognises that the remaining portion is unused.

2. the land is being used for traditional purposes
3. where the land is used in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere).
4. the use of the land for other purposes is affected by the presence of wāhi tapu
5. the land has a high conservation value which the Council or community wish to preserve
6. the land is in multiple ownership or fragmented ownership, and no management or operating structure is in place to administer matters
7. there is a history of rate arrears and/or a difficulty in establishing who is/should be responsible for the payment of rates
8. where the rates relief is needed to avoid further alienation of Māori freehold land
9. where a rates remission is sought under section 114A of the Local Government (Rating) Act 2002 for Māori freehold land under development.

The key parts of s114A provide as follows:

114A Remission of rates for Māori freehold land under development

1) The purpose of this section is to facilitate the occupation, development, and utilisation of Māori freehold land for the benefit of its owners.

(2) A local authority must consider an application by a ratepayer for a remission of rates on Māori freehold land if—

(a) the ratepayer has applied in writing for a remission on the land; and

(b) the ratepayer or another person is developing, or intends to develop, the land.

(3) The local authority may, for the purpose of this section, remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land if the local authority is satisfied that the development is likely to have any or all of the following benefits:

(a) benefits to the district by creating new employment opportunities:

(b) benefits to the district by creating new homes:

(c) benefits to the council by increasing the council's rating base in the long term:

(d) benefits to Māori in the district by providing support for marae in the district:

(e) benefits to the owners by facilitating the occupation, development, and utilisation of the land.

(4) The local authority may remit all or part of the rates—

(a) for the duration of a development; and

(b) differently during different stages of a development; and

(c) subject to any conditions specified by the local authority, including conditions relating to—

(i) the commencement of the development; or

(ii) the completion of the development or any stage of the development.

(5) In determining what proportion of the rates to remit during the development or any stage of the development, the local authority must take into account—

(a) the expected duration of the development or any stage of the development; and

(b) if the land is being developed for a commercial purpose, when the ratepayer or ratepayers are likely to generate income from the development; and

(c) if the development involves the building of 1 or more dwellings, when the ratepayer or any other persons are likely to be able to reside in the dwellings.

Conditions

In general, Council will provide rates relief under this Policy only where an application is made in writing, signed by the ratepayer. This allows Council to obtain the information it needs to make a decision. However, if Council already has sufficient information, it may grant rates relief without an application.

Council will provide an application form for rates relief under this Policy, and will publish it on Council's website.

In the event that applications for rates relief are made by only one or a minority of owners, Council may require evidence of agreement or support from a greater proportion of owners.

Council may, at its discretion, review whether a property continues to qualify for rates relief under this Policy. In doing so, Council may seek further information from any party that has a relationship with that land. Council may also request a written application from the ratepayer (or owners, or trustee).

Council may seek undertakings from the ratepayer, owners, users or managers of the land to provide information about the ongoing use or circumstances of the land.

Council may, at its discretion, end the rates relief if it considers the land no longer qualifies for the relief, or if the ratepayer has not provided sufficient information to enable a review of rates relief for the property.

Conditions relating to applications under s114A (Māori freehold land under development)

Following an application for rates remission under s114A, Council may request additional documentation where necessary to determine the start and finish dates of a proposed development or the staging of a development.

Developments that are staged can apply for remission for each separate stage of the development.

Rates will be remitted until such time as the development is complete, or the development is generating income, or persons are residing in houses built upon the land. Council retains flexibility to apply the remission for a longer period of time where desirable.

Amount and timing of rates relief

The amount and timing of any rates relief provided under this policy is entirely at the discretion of the Council.

Other forms of rates relief for Māori freehold land

Rating units of Māori freehold land used as a single unit: Under s20A of the Local Government (Rating) Act 2002, a person actually using 2 or more rating units of Māori freehold land may apply for the rating units to be treated as 1 unit for the purposes of a rates assessment. This could reduce the number of fixed rates that are applied to the properties. Applications should be made by email to ratesinfo@ccc.govt.nz mentioning s20A of the Local Government (Rating) Act 2002. Council must treat the rating units as 1 unit for assessing a rate if:

(a) the units are used jointly as a single unit by the person; and

(b) Council is satisfied the units are derived from the same original block of Māori freehold land.

Separate rating area: Council may, on request, divide a "separate rating area" from a rating unit on Māori freehold land if one part of the land comprises a dwelling that is used separately from the other land in the rating unit. This could help the occupant of that dwelling claim a rates rebate for low income earners in relation to their own rates assessment (for more information, see https://ccc.govt.nz/services/rates-and-valuations/reductions/apply-for-a-rates-rebate-low-income-earners). This is governed by section 98A of the Local Government (Rating) Act 2002. Applications to divide a separate rating area should be made by email to ratesinfo@ccc.govt.nz mentioning 98A of the Local Government (Rating) Act 2002.

Adoption date

This policy was adopted on **[insert date]** and in accordance with section 108(4A) of the Local Government Act 2002 must be reviewed at least once every six years following this date.

	Objective	Desirability and importance	Extent prejudicially affected if there is no rates relief	Extent facilitated by the rates relief	Extent to which different criteria and conditions facilitate
(a)	supporting the use of the land by the owners for traditional purposes	High	High	High	Addressed directly by criteria 2
(b)	recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands	High	Moderate	High. Rates relief is available, not only for MFL but also "1967 land". The criteria recognise several aspects of the relationship of Māori with their ancestral lands (e.g. land used to support marae and associated papakāinga housing)	Addressed by several different criteria
(c)	avoiding further alienation of Māori freehold land	High	Moderate (since other "relief" is also provided such as non-rateability for unused MFL, and the ability to write off rates)	Recognised as a specific criteria and objective	The MFL Policy as a whole addresses this, but it is also addressed directly by criteria 8
(d)	facilitating any wish of the owners to develop the land for economic use	High	Moderate/High	MFL Policy provides for remissions of MFL under development	Addressed by criteria 9 and some other criteria
(e)	recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes	High	High	High	Addressed directly by criteria 4
(f)	recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere):	High	High	High	Addressed directly by criteria 3

	Objective	Desirability and importance	Extent prejudicially affected if there is no rates relief	Extent facilitated by the rates relief	Extent to which different criteria and conditions facilitate
(g)	recognising and taking account of the importance of the land for community goals relating to preservation/protection of the natural environment	High	Moderate (since other forms of "relief" are also available)	High	Addressed directly by criteria 5
(h)	recognising the level of community services provided to the land and its occupiers	High	Low. In Christchurch, rates are set predominantly based on the capital value (CV) of the land. The CV of land will already largely reflect the remoteness of the land from Council and community services.	Relief from rates on the basis of the level of Council services or other community services is not a focus of the MFL Policy, largely because Council considers the CV of the land will already reflect this aspect. Rates relief is provided for unused MFL.	Rates relief is provided for unused MFL. A criteria could have been included to allow rates relief specifically recognising the remoteness of the land, but in the Christchurch context where rates are predominantly CV based, this was not considered necessary or appropriate.
(i)	recognising matters related to the physical accessibility of the land.	High	Low. As for issue (h) above, Council rates will already reflect the physical accessibility of the land.	Relief from rates on the basis of physical accessibility of the land is not a focus of the MFL Policy, largely because Council considers the CV of the land will already reflect this aspect. Rates relief is provided for unused MFL.	Rates relief is provided for unused MFL. A criteria could have been included to allow rates relief specifically recognising the remoteness of the land, but in the Christchurch context where rates are predominantly CV based, this was not considered necessary or appropriate.

Item 7

7. Annual Plan 2022/23

Reference / Te Tohutoro:	22/716878
Report of / Te Pou Matua:	Peter Ryan, Head of Performance Management, Peter.Ryan@ccc.govt.nz
General Manager / Pouwhakarae:	Lynn McClelland, Assistant Chief Executive, Lynn.McClelland@ccc.govt.nz

1. Brief Summary

1.1 The purpose of this report is to present to the Council for consideration and adoption:

1.1.1 an analysis of the submissions and hearings made through the Annual Plan consultation process;

1.1.2 the outcome of the Council's considerations to date; and

1.1.3 Mayor's Recommendations for consideration before the Council adopts the Annual Plan 2022/23.

1.2 The Annual Plan process will be reviewed by the Council's Audit and Risk Management Committee at its meeting on 15 June 2022.

1.3 The Committee's opinion is provided to the Council in Section 12 of this report as well as a verbal update at the Council meeting.

1.4 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1)) Local Government Act 2002).

1.5 The consultation process for adoption of the Annual Plan 2022/23 was undertaken in accordance with the Council's statutory obligations.

1.6 Following its resolution to adopt the Annual Plan 2022/23, the Council will set and assess rates for the 2022-23 year.

2. Officer Recommendations Ngā Tūtohu

That the Council:

1. Receives the information included in this report and attachments;
2. Notes the recommendations of the Council's Audit and Risk Management Committee at its meeting on 15 June 2022, that an appropriate process has been followed in the preparation of the information that provide the basis for this Annual Plan 2022/23;
3. Adopts the Mayor's Recommendations set out in **Attachment A**;
4. Adopts the summary of the rates impact and net debt ratio impact of the Mayor's Recommendations set out in **Attachment B**;
5. Adopts the proposed changes to the Council's capital programme for 2022/23 set out in **Attachment C**;
6. Adopts the proposed changes to the Council's operating expenditure for 2022/23 set out in **Attachment D**;
7. Adopts the proposed Revenue and Financing Policy set out in **Attachment E**;

8. Adopts the proposed Funding Impact Statement – Rating Information set out in **Attachment F**. Note that the changes from the version published for consultation with the Draft Annual Plan 2022/23 are:

    a. Changing the term “under development” to “under construction” – this is used in the definition of “active or consented use” which is used to identify the land to which the new City Vacant differential will apply. This change is for clarification only, and is discussed in the paper “Vacant Central City Land Differential and Remission” (21 June 2022 Council – Annual Plan meeting);

    b. Removing reference to the *Water Supply, Wastewater and Stormwater Bylaw 2014* and instead referring to the *Water Supply and Wastewater Bylaw 2022*;

    c. Updating the map of the wheeliebin kerbside collection area to include the Okuti Valley, as discussed in the paper “Extending Wheeliebin Kerbside Collection Service in Wairewa” (21 June 2022 Council – Annual Plan meeting);

9. Adopts the proposed Rates Remission Policy set out in **Attachment G**. Note that the changes from the version published for consultation with the Draft Annual Plan 2022/23 are:

    a. Providing a new remission to support financial opt-out from funding red bin kerbside collection and disposal costs, as discussed in the paper “Wheeliebin Kerbside Collection Service - Opt Out for Multi-unit Residential Developments” (21 June 2022 Council – Annual Plan meeting);

    b. Providing a new remission covering the situation where the owner of vacant land loses the opportunity to avoid the higher City Vacant differential due to delay in Council’s consenting processes, as discussed in the paper “Vacant Central City Land Differential and Remission” (21 June 2022 Council – Annual Plan meeting);

10. Adopts the proposed minor changes, errors or omissions for levels of service, set out in **Attachment H**;

11. Notes the Thematic Analysis of the Annual Plan 2022/23 Submissions, set out in **Attachment I**;

12. Notes the Annual Plan 2022/23 - Management Sign-off for Process set out in **Attachment J;** and

13. Notes the Annual Plan 2022/23 - Management Sign-off for Significant Forecasting Assumptions set out in **Attachment K.**

14. Adopts the Annual Plan 2022/23 comprising the information and underlying documents adopted by the Council at the meeting dated 24 February 2022 (the draft Annual Plan 2022/23), as amended by resolutions 3-10 above and Attachments C-H.

15. Authorises the General Manager Resources/Chief Financial Officer to make the amendments required to ensure the published 2022/23 Annual Plan aligns with the Council’s resolutions of 21 June 2022 and to make any other non-material changes that may be required;

16. Authorises the General Manager Resources/Chief Financial Officer 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 2022/23 Annual Plan;

17. Having set out rates information in the Funding Impact Statement contained in the Annual Plan 2022/23 (adopted by the above resolutions), resolves to set the following rates under the Local Government (Rating) Act 2002 for the 2022-23 financial year, commencing on 1 July 2022 and ending on 30 June 2023 (all statutory references are to the Local Government (Rating) Act 2002).

a. a **uniform annual general charge** under section 15(1)(b) of $145.00 (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:

Differential Category	***Basis for Liability***	***Rate Factor (incl. GST)*** *(cents/$ of capital value)*
Standard	Capital Value	0.323283
Business	Capital Value	0.548611
Remote Rural	Capital Value	0.242462
City Vacant	Capital Value	1.293131

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:

Differential Category	***Basis for Liability***	***Rate Factor (incl. GST)*** *(cents/$ of capital value)*
Connected (full charge)	Capital Value	0.077068
Serviceable (half charge)	Capital Value	0.038534

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 $390.00 (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 0.047244 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 0.091404 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:

Differential Category	***Basis for Liability***	***Rate Charge (incl. GST)***
Full service	Per separately used or inhabited part of a rating unit	$189.50
Partial service	Per separately used or inhabited part of a rating unit	$142.13

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 $125.00 (incl. GST) per connection;

i. an **excess water supply commercial 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 and Wastewater Bylaw 2022, ***plus*** land under single ownership on a single certificate of title and used for three or more household residential units, boarding houses, motels, and rest homes of $1.18 (incl. GST) per m^3 or any part of a m^3 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.

The rating unit's water supply targeted rate allowance in m^3 per year is the volume of water equal to the assessed water supply targeted rate divided by $1.18.

For example, if a rating unit is assessed $1,000 for the water supply targeted rate, that rating unit's water supply targeted rate allowance for the year is 847.5m^3 ($1000 divided by $1.18/$m^3$), which is 2.32 m^3/day. Liability for the excess water supply commercial volumetric targeted rate is for any consumption in excess of that allocation.

j. an **excess water supply residential volumetric targeted rate** under section 19(2)(a) set for the following:

- all metered residential rating units where the meter records usage for a single rating unit;
- a rating unit where the meter records usage for multiple rating units, and where there is a special agreement in force specifying which rating unit / ratepayer is responsible for payment,

of $1.35 (incl GST) per m^3 or any part of a m^3 for consumption in excess of 700 litres per day;

k. 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;

l. a **heritage targeted rate** under section 16(3)(a) and 16(4)(a) on all rating units of 0.000774 cents per dollar of capital value (incl. GST);

m. 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;

n. a **special heritage (Arts Centre) targeted rate** under section 16(3)(a) and 16(4)(a) of 0.000609 cents per dollar of capital value (incl. GST);

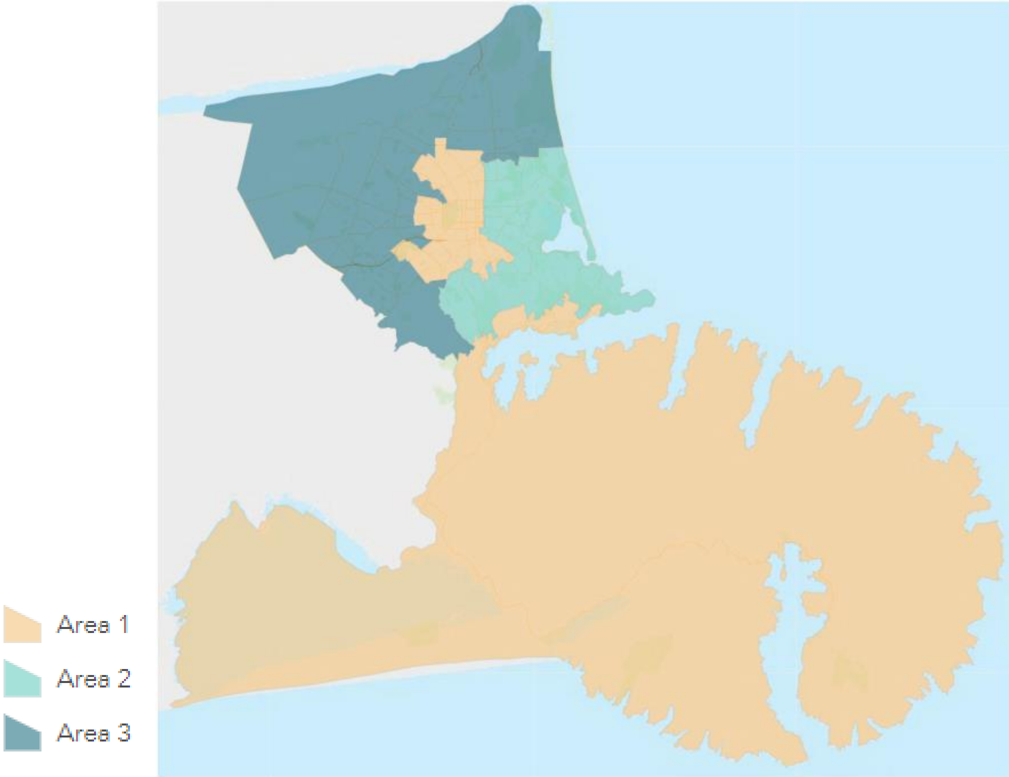
o. a **Central City Business Association targeted rate** under section 16(3)(b) and 16(4)(a) of $339.07 (incl. GST) per business rating unit in the Central City Business Association Area, where the land value of the rating unit is greater than or equal to $50,000;

p. an **Akaroa Health Centre targeted rate** under section 16(3)(b) and 16(4)(a) of $35.54 (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);

18. Resolves that all rates except the excess water supply commercial volumetric targeted rate, and the excess water supply residential volumetric targeted rate, are due in four instalments, and set the following due dates for payment:

Instalment	***1***	***2***	***3***	***4***
Area 1	15 August 2022	15 November 2022	15 February 2023	15 May 2023
Area 2	15 September 2022	15 December 2022	15 March 2023	15 June 2023
Area 3	31 August 2022	30 November 2022	28 February 2023	31 May 2023

Where the Instalment Areas are defined geographically in the Map and Table as follows:



Area 1	*Area 2*	*Area 3*
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.

19. Resolves that excess water supply commercial volumetric targeted rates, and excess water supply residential volumetric targeted rates are due for payment on the dates shown below in the “Due date” column, based on the week in which amounts are invoiced (shown in the “Week beginning” column). The “Penalty date” column will be referred to further below:

Week beginning	Due date	Penalty date
27/06/2022	25/08/2022	30/08/2022
4/07/2022	1/09/2022	6/09/2022
11/07/2022	8/09/2022	13/09/2022
18/07/2022	15/09/2022	20/09/2022
25/07/2022	22/09/2022	27/09/2022
1/08/2022	29/09/2022	4/10/2022
8/08/2022	6/10/2022	11/10/2022
15/08/2022	13/10/2022	18/10/2022
22/08/2022	20/10/2022	25/10/2022
29/08/2022	27/10/2022	1/11/2022
5/09/2022	3/11/2022	8/11/2022
12/09/2022	10/11/2022	15/11/2022

Week beginning	Due date	Penalty date
19/09/2022	17/11/2022	22/11/2022
26/09/2022	24/11/2022	29/11/2022
3/10/2022	1/12/2022	6/12/2022
10/10/2022	8/12/2022	13/12/2022
17/10/2022	15/12/2022	20/12/2022
24/10/2022	22/12/2022	27/12/2022
31/10/2022	29/12/2022	3/01/2023
7/11/2022	5/01/2023	10/01/2023
14/11/2022	12/01/2023	17/01/2023
21/11/2022	19/01/2023	24/01/2023
28/11/2022	26/01/2023	31/01/2023
5/12/2022	2/02/2023	7/02/2023
12/12/2022	9/02/2023	14/02/2023
19/12/2022	16/02/2023	21/02/2023
26/12/2022	23/02/2023	28/02/2023
2/01/2023	2/03/2023	7/03/2023
9/01/2023	9/03/2023	14/03/2023
16/01/2023	16/03/2023	21/03/2023
23/01/2023	23/03/2023	28/03/2023
30/01/2023	30/03/2023	4/04/2023
6/02/2023	6/04/2023	11/04/2023
13/02/2023	13/04/2023	18/04/2023
20/02/2023	20/04/2023	25/04/2023
27/02/2023	27/04/2023	2/05/2023
6/03/2023	4/05/2023	9/05/2023
13/03/2023	11/05/2023	16/05/2023
20/03/2023	18/05/2023	23/05/2023
27/03/2023	25/05/2023	30/05/2023
3/04/2023	1/06/2023	6/06/2023
10/04/2023	8/06/2023	13/06/2023
17/04/2023	15/06/2023	20/06/2023
24/04/2023	22/06/2023	27/06/2023
1/05/2023	29/06/2023	4/07/2023
8/05/2023	6/07/2023	11/07/2023
15/05/2023	13/07/2023	18/07/2023
22/05/2023	20/07/2023	25/07/2023
29/05/2023	27/07/2023	1/08/2023
5/06/2023	3/08/2023	8/08/2023
12/06/2023	10/08/2023	15/08/2023
19/06/2023	17/08/2023	22/08/2023
26/06/2023	24/08/2023	29/08/2023

20. Resolves to add the following penalties to unpaid rates:

    a. for the excess water supply commercial volumetric targeted rate, and the excess water supply residential volumetric targeted rate, a penalty of 7 per cent will be added to any portion of an invoiced amount not paid on or by the due date, to be added on the date shown in the "Penalty date" column in the table above, based on the week in which amounts are invoiced;

    b. for all rates except the excess water supply commercial volumetric targeted rate, and the excess water supply residential volumetric targeted rate, 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:

Instalment	***1***	***2***	***3***	***4***
Area 1	19 August 2022	18 November 2022	18 February 2023	19 May 2023
Area 2	20 September 2022	20 December 2022	18 March 2023	20 June 2023
Area 3	03 September 2022	03 December 2022	03 March 2023	03 June 2023

    c. for all rates, an additional penalty of 7 per cent will be added on 01 October 2022 to any rates assessed, and any penalties added, before 1 July 2022 and which remain unpaid on 01 October 2022;

    d. for all rates, a further penalty of 7 per cent will be added if any rates to which a penalty has been added under (c) above remain unpaid on 01 April 2023.

3. Background

3.1 The Long Term Plan (LTP) 2021-31 was approved by Council in June 2021. It followed a comprehensive process that reviewed operational expenditure, levels of service and the capital programme in a highly detailed way.

3.2 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1)) Local Government Act 2002).

3.3 The purpose of the plan is to:

3.3.1 contain the proposed annual budget and funding impact statement for 2022/23;

3.3.2 identify any variation from the financial statements and funding impact statement in the Council’s Long Term Plan for 2022/23;

3.3.3 provide integrated decision-making and co-ordination of the Council’s resources; and contribute to the accountability of the Council to the community.

3.4 The information for the Annual Plan 2022/23 has been prepared in accordance with the requirements of the LGA 2002. The information includes:

3.4.1 the proposed annual budget and funding impact statement for 2022/23;

3.4.2 any variation from the financial statements and funding impact statement included in the Council's 2021-2031 Long Term Plan for 2022/23;

3.4.3 proposed changes to the Council's capital programme for 2022/23 and any changes to the Level of Service provision for activities undertaken by the Council;

3.5 The draft Annual Plan 2022/23 was adopted by the Council on 24 February 2022.

3.6 The Council completed consultation with the community on the draft Annual Plan 2022/23 via a Consultation Document and underlying information adopted on 24 February 2022.

3.7 The Consultation Document and the underlying information were made publicly available and members of the public were given the opportunity to present their views and preferences in response;

3.7.1 Opportunity for members of the public to present at public hearings were available from 4 May to 11 May 2022.

3.7.2 All submissions, written and oral, have been analysed to identify the matters commented on, the reasons for those comments and the overall themes that emerged from the consultation process;

3.8 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2022/23 Submissions is **Attachment I** of this report.

3.9 In the time since the conclusion of the Hearings staff have held numerous briefings with councillors (17, 19, 23, 25 and 31 May 2022), provided responses to issues and questions raised, and received direction on all matters raised. The briefing of 25 May was open to the public.

3.10 Guidance provided by Elected Members and the Mayor's Recommendations has been built into the Annual Plan 2022/23 adoption documents, including expectations for rates increases.

3.11 Changes made largely reflect community feedback on the Draft Annual Plan or changes to Council's operating environment since February.

3.12 Having obtained specific guidance from councillors, staff prepared a report and attachments for the Annual Plan 2022/23. The process for preparing information has been the subject of a detailed series of staff sign offs that demonstrate compliance with the Council's statutory, financial, and legal obligations.

3.13 These signoffs (both management and for significant assumptions used in the Annual Plan) have been reviewed by the Audit and Risk Management Committee. In the opinion of the Committee an appropriate process has been followed in the preparation of this information.

3.14 In response to questions from councillors, staff have provided a wide range of advice and recommendations. Some are not Annual Plan recommendations *per se* (as they are processes or actions, not budget line items) but those with councillor support will be tracked as action items and their implementation reported back to Council. These requests will be tabled at the Council meeting.

3.15 Examples include the Port Hills Management Plan and increases to Community Arts Funding (both to be considered during the 2024/34 Long Term Plan process) and the Arts Precinct (where staff have been asked to work with the Central City Business Association and Christchurch NZ – as well as submitters - on other activation sites that could be used within the central city, on what would be required and what funds would be needed. Staff held an initial workshop with these and other stakeholder groups on 14 June 2022, to look at the future activation of the Performing Arts Precinct and other available land in the Central City. Further workshops are being planned.)

4. Financial Overview

Rates

4.1 The recommended Annual Plan includes a rates requirement (excl. GST) to be levied of $625.3 million.

4.2 The proposed average rates increase to all existing ratepayers of 4.56% is lower than the 4.97% forecast in the 2021-31 Long Term Plan and lower than the 4.96% proposed in the Draft Annual Plan. The average house will have a rates increase of $2.60 per week.

4.3 The increases for the average capital value property in the 3 sectors is:

Residential	4.55%
Business	4.25%
Remote Rural	2.66%

4.4 The material drop in the Remote Rural average from 4.41% in the Draft is largely due to a reduced general rate requirement of $5 million.

Operating Expenditure

4.5 Operational expenditure of $537.5 million is $10.0 million above the level forecast in the draft Annual Plan principally due to:

4.5.1 Additional inflation budgeted ($6.9 million),

4.5.2 Burwood Landfill – new consent granted for continued operations until FY24, operating costs added to budget ($2.7 million) (offset by higher revenues),

4.5.3 Insurance premiums increase ($1.4 million),

4.5.4 Additional resourcing costs added to Building Consenting ($1 million) to service higher volumes (offset by higher revenues),

4.5.5 Governors Bay Restoration Trust grant ($0.8 million – borrowed for),

4.5.6 Central City Vacant Land Remissions ($0.7 million) reflecting update to include remissions on sites where a consent is currently in progress,

4.6 These increases are partially offset by an adjustment to the opening date for Parakiore Recreation and Sport Centre ($3.8 million) (partially offset by lower revenues), and South West Leisure Centre ($1.3 million).

4.7 Interest costs are $4.1 million higher than projected in the Draft Annual Plan due to increase in interest rates. Noting that $2.4 million of this relates to onlending to subsidiaries which is recovered.

4.8 Details of all changes are shown in **Attachment D.**

Revenue

4.9 Total revenue excluding rates of $386.9 million is $37.4 million lower than that included in the Draft Annual Plan. The main revenue changes are:

4.9.1 Delayed Crown funding for the Te Kaha/Canterbury Multi Use Arena ($47.3 million), due to re-timing of the projected spend.

4.9.2 Reduced revenue of $1.7 million due to an adjustment to the opening date for Parakiore Recreation and Sport Centre.

4.9.3 Reduced parking revenues ($0.7 million) due to return to pre Covid levels taking longer than expected.

Partially offset by,

4.9.4 Burwood Landfill – new consent granted for continued operations until FY24 ($5.8 million),

4.9.5 Higher interest revenues of $5.1 million, due to increased interest rates ($2.4 million offset by subsidiaries onlending costs),

4.9.6 Higher Building Consenting revenues ($1 million).

Surplus, operating deficits, and sustainability

4.10 The recommended Annual Plan for 2022/23 shows an accounting surplus of $323.8 million before revaluations. Under accounting standards the Council is required to show all revenue, including recoveries from central Government and NZ Transport Agency, as income for the year. However, some of these recoveries reimburse the Council for capital expenditure. After adjusting for these capital revenues, the Council is forecasting a balanced budget for 2022/23.

Capital programme expenditure

4.11 The capital programme has been reviewed with heavy focus on deliverability and affordability, to ensure ratepayers are not levied in advance of funds being required. Details of proposed changes from Draft Annual Plan 2022/23 are shown in **Attachment C.** Key factors taken into account when considering deliverability were:

- Covid-19
- Supply chain issues
- Cost escalation
- Human resource availability (internal and external), and
- The Governments current reform programme (3 Waters, Future of Local Government, RMA)

4.12 The Council plans to invest $578.3 million in the capital programme in 2022/23, a decrease of $37.2 million from the Draft Annual Plan.

4.13 Decreased spend planned in 2022/23 compared to the Draft Annual Plan includes:

- Revised timing of spend on Te Kaha ($47.3 million),
- Rephased timing of Ōtākaro-Avon River Corridor ($2.5 million) from 2022/23 to 2026/27,
- Rephased Performing Arts Precinct spend ($2.4 million) from 2022/23 to 2023/24,
- The Square and Surrounds ($2 million) rephased from 2022/23 to 2023/24 and 2024/25,
- Hornby Development Contributions ($1.8 million) rephased from 2022/23 to 2023/24.

4.14 Increased spending in 2022/23 compared to the Draft Annual Plan relates to provision for an estimated $20 million of 2021/22 works expected to be carried forward to 2022/23, with a further $105 million moving to later years.

4.15 Other key changes from the Draft Annual Plan that do not impact 2022/23 include:

- Additional funding for Halswell Junction Road Extension ($5.5 million) budgeted in 2023/24.
- Budget for remediation of Barry's Bay Landfill included in 2023/24 ($1.8 million).

Capital programme funding

4.16 The capital programme is funded by subsidies and grants for capital expenditure, development contributions, proceeds from asset sales, rates and debt. In 2022/23 we will rate for $164.6 million of renewals which is consistent with our Financial Strategy.

Borrowing

4.17 The recommended Annual Plan includes new borrowing in 2022/23 of $177.5 million, a decrease of $60.9 million from the Draft Annual Plan, reflecting funds on hand due to lower capital delivery in 2021/22. Gross debt at 30 June 2023 is expected to be $2.26 billion, $169 million lower than the Draft Annual Plan as a result of lower capital delivery in 2021/22, and CCHL refinancing $50 million of debt directly.

4.18 In accordance with our financial strategy we will continue to ensure prudent and sustainable financial management of our operations and will not borrow beyond our ability to service and repay that borrowing.

5. Significant Assumptions

5.1 Significant assumptions were reviewed and there is no significant change from the Draft Annual Plan other than a rise in interest rates and an increased risk around inflation, despite an additional 1% provision provided for operating costs.

6. Financial Risk Management Strategy

6.1 The Council's policies to assist in managing its financial risk, including liquidity and funding risk management, interest rate exposure and counterparty credit risk are unchanged. An important element in assessing the value of the Council's risk management strategy is its five key financial ratios (two net debt, two interest and one liquidity). These key ratios are all expected to be met in 2022/23.

6.2 While all Financial Prudence benchmarks were met in the Draft, the Debt Servicing benchmark (borrowing costs as a percentage of revenue being less than 10%) is now not forecast to be met for 2022/23. It is forecast at 10.2%, resulting from significant increases in interest rates since February. It is expected to peak in 2024/25 at 11.3%. In the LTP this benchmark was expected to be breached in 2026/27 – 2028/29. It should be noted that some of the interest cost relates to borrowing for onlending to CCO's, which in turn generates offsetting interest revenue that the ratio doesn't account for. There is no concern around the ability to service the debt.

7. Fees and Charges

7.1 Other than several minor wording corrections/clarifications, the only proposed change from the previously published Draft Annual Plan 2022/23 is to reduce Library book hold fees from $3 to $2.

8. Changes to Levels of Service

8.1 There are three minor changes to levels of service proposed from the Draft Annual Plan 2022/23, each with accompanying rationale. These are attached in **Attachment H**.

9. Changes to Revenue, Financing and Rating Policies

9.1 There are three policies proposed to be changed (that is, changed from the policies currently in place for the 2021/22 financial year).

9.2 The Revenue and Financing Policy is the same as proposed for the Draft Annual Plan 2022/23. It provides support for the proposed general rate differential on vacant land within the central city, and the enables provision for financial contributions in the future. The proposed Revenue and Financing Policy is attached in **Attachment E**.

9.3 The Rates Remission Policy changes (compared with the Draft Annual Plan 2022/23) are described in two papers on the agenda for the 21 June 2022 Council – Annual Plan meeting:

- Vacant Central City Land Differential and Remission
- Wheeliebin Kerbside Collection Service - Opt Out for Multi-unit Residential Developments

The proposed Rates Remission Policy is attached in **Attachment G**.

9.4 The changes to the *Policy on Remission and Postponement of Rates on Māori Freehold Land* (compared with the Draft Annual Plan 2022/23) are described in a paper on the agenda for the 21 June 2022 Council – Annual Plan meeting called "Policy on Remission and Postponement of Rates on Māori Freehold Land".

10. Annual Plan Process

10.1 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1)) Local Government Act 2002).

10.2 The purpose of the plan is to:

10.2.1 contain the proposed annual budget and funding impact statement for 2022/23;

10.2.2 identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for 2022/23;

10.2.3 provide integrated decision-making and co-ordination of the Council's resources; and contribute to the accountability of the Council to the community.

10.3 The information for the Annual Plan 2022/23 has been prepared in accordance with the requirements of the LGA 2002. The information includes:

10.3.1 the proposed annual budget and funding impact statement for 2022/23;

10.3.2 any variation from the financial statements and funding impact statement included in the Council's 2021-2031 Long Term Plan for 2022/23;

10.3.3 proposed changes to the Council's capital programme for 2022/23 and any changes to the Level of Service provision for activities undertaken by the Council;

10.3.4 revised schedule of significant assumptions.

10.4 The information has been prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement included in the 2021-2031 Long Term Plan. It contains appropriate references to the provisions in the LTP which set out the Council's activities for the 2022/23 year.

10.5 The information also complies with the requirements set out in Part 2 of Schedule 10 of the LGA 2002 in respect of the information to be included in an Annual Plan.

10.6 Following adoption the final Annual Plan document will be published and distributed via the public web site, with a select number of hard copies made available to elected members, for public viewing through our libraries and service centres, and to the Parliamentary Library. Responses to submitters will be prepared and sent, and the responses to submissions and Thematic Analysis will be also published to the public site.

11. Consultation

11.1 The draft Annual Plan 2022/23 was adopted by the Council on 24 February 2022.

11.2 The Council completed consultation with the community on the draft Annual Plan 2022/23 via a Consultation Document and underlying information adopted on 24 February 2022.

11.2.1 The Consultation Document and the underlying information were made publicly available and members of the public were given the opportunity to present their views and preferences in response;

11.2.2 Opportunity for members of the public to present at public hearings were available from 4 May to 11 May 2022.

11.2.3 All submissions, written and oral, have been analysed to identify the matters commented on, the reasons for those comments and the overall themes that emerged from the consultation process;

11.2.4 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2022/23 Submissions is **Attachment I** of this report. The Thematic Analysis provides a summary of key issues identified by a significant number of submitters. The first part of the report provides an overview of the key themes and messages that have come through in submissions (including for four special topic consultations that were run in parallel with the Annual Plan). The latter part of the report provides detailed submissions analysis for some of the issues that were most popular with submitters. Also included is a breakdown of the number of submissions received, by Community Board, age and gender.

11.3 In the time since the conclusion of the Hearings staff have held numerous briefings with councillors (17, 19, 23, 25 and 31 May 2022), provided responses to issues and questions raised, and received direction on all matters raised. The briefing of 25 May was open to the public.

11.4 Guidance provided by Elected Members and the Mayor's Recommendations has been built into the Annual Plan 2022/23 adoption documents, including expectations for rates increases.

11.5 Changes made largely reflect community feedback on the raft Annual Plan or changes to Council's operating environment since February.

12. Audit and Risk Management Committee

12.1 Council's Audit and Risk Management Committee met on 15 June 2022 in respect of the information that provides the basis for the 2022/23 Annual Plan. The Committee resolved the following:

That the Audit and Risk Management Committee:

1. *Notes it has reviewed the general checklist and sign-off by management, including significant forecasting assumptions, in respect of the information that provides the basis for the Annual Plan 2022/23.*
2. *Advises the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.*

13. External Audit

Note that Annual Plans are not subject to formal audit by Audit New Zealand.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ⇩	Mayor’s Recommendations	48
B ⇩	Summary of the rates impact and net debt ratio impact of the Mayor’s Recommendations	53
C ⇩	Proposed changes to the Council’s capital programme	54
D ⇩	Proposed changes to the Council’s operating expenditure	55
E ⇩	Revenue and Financing Policy	56
F ⇩	Funding Impact Statement - Rating Information	83
G ⇩	Rates Remission Policy	98
H ⇩	Minor changes, errors or omissions - Levels of Service	103
I ⇩	Thematic Analysis of the Annual Plan 2022/23 Submissions	109
J ⇩	Annual Plan 2022/23 - Management Sign-off for Process	124
K ⇩	Annual Plan 2022/23 - Management Sign-off for Significant Forecasting Assumptions	134
L	Mayor's Recommendation *(Under Separate Cover)* - **CONFIDENTIAL**	

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

Document Name	Location / File Link
Draft Annual Plan 2022/23	Draft Annual Plan 2022/23 : Christchurch City Council (ccc.govt.nz)
Consultation Document for Annual Plan 2022/23	Consultation document : Christchurch City Council (ccc.govt.nz)
Long-term Plan 2021-31	Long-term Plan 2021-31 : Christchurch City Council (ccc.govt.nz)

Confirmation of Statutory Compliance / Te Whakatūturutanga 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

Authors	Boyd Kedzlie - Senior Business Analyst Bruce Moher - Acting Head of Finance Ryan McLachlan - Reporting Accountant
Approved By	Peter Ryan - Head of Performance Management Helen White - Head of Legal & Democratic Services Leah Scales - General Manager Resources/Chief Financial Officer Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

Mayor's Recommendations

The 2022/23 Annual Plan starts in a very different place than the one we consulted on in 2014 – my first as Mayor of Christchurch. The post-earthquakes cost-sharing agreement with central government had created several unbudgeted commitments that the Council could not fund.

We also faced 'financial shocks' at the time, including the cost of cleaning up after the devastating March and April 2014 floods. We established a cross-disciplinary Mayoral Taskforce to address the flood risk we had become exposed to as a result of the earthquakes.

We also had to budget for an extra $10 million so we could regain accreditation as a building consent authority which had been lost in June 2013. It is hard to believe the Council had lost accreditation at the time when we were rebuilding the city including planning through the Long Term Plan for 2015/25.

Reflecting on our first Long-Term Plan as a Council, we had not even settled our insurance claim before we had to sign it off. It was a difficult time for the Council as well as for our residents, many of whom were still struggling to resolve their own insurance claims.

The 2022/23 Annual Plan is based on the Long-Term Plan 2021-31, which was adopted by Council last year after consultation with our residents and months of discussions, workshops and briefings with elected members and Council staff. It was intended that this year's Annual Plan be a 'light touch' adjustment, taking into account some of the changes in circumstances that have occurred since then, as well as feedback from the community.

We are currently facing a number of challenges which we have had to take into account in finalising our 2022/23 Annual Plan. COVID continues to have an impact on both our staff and contractors. I would like to acknowledge and thank them for their dedication in maintaining services to a good standard during the community spread of the virus.

Inflation has also been an issue for the Council, particularly in the past six months. Continuing supply chain issues, cost escalation and skills shortages are affecting organisations across the globe, and we are no exception. The impact of the war in Ukraine coupled with the ongoing impacts of COVID particularly with lockdowns in China, has seen significant volatility in commodity prices.

Locally we are suffering from the fall out of the extensive damage to the Wastewater Treatment Plant following the fire in November last year. This has had significant flow-on effects to the local community which is having to live with the stench that the continued operation of the plant and the rotting biomass is producing. The remedial work is well underway.

In addition we have had to further investigate and and/or fine tune some individual services and projects. The Annual Plan 2022/23 captures these changes.

Despite the challenges we remain focused on the very clear message from our residents - that we must deliver our core services well, manage rates' affordability and at the same time continue to invest in the future.

The message to get the basics right came through very clearly in our latest Residents' Survey which showed that overall satisfaction in the Council has fallen. Naturally we are disappointed at the decline but we are determined to address the issues raised by our residents.

The survey results still show strong satisfaction with areas where there is personal contact with residents including our contact centre and face-to-face interactions at service centres, as well as strong satisfaction with Hagley Park, Botanic Gardens and Libraries. However, the overall decline in satisfaction demonstrates that the quality of our water and the condition of our roads, footpaths and other infrastructure matter to our residents and we need to continue to focus on these.

It is also clear that our residents are still disappointed with the chlorination of the drinking water.

In all our work it is important that we listen to and work with our community. That is when we are at our best. Communications are key and we need to 'up the ante' on the way we communicate in in what has become a far more contestable environment for basic facts. We are also not meeting our residents' expectations on how we engage the wider community in decision-making processes.

I acknowledge there are challenges in this area given that councillors have different perspectives on issues and often communicate quite different messages, which can be confusing. At the same time there are many council issues that are determined by statutory or regulatory frameworks, which neither staff nor elected members can influence in any way. This is very frustrating for our residents who expect their councillors to stick up for them – even when they cannot. We need to make it clearer as to what we can and can't influence.

I often use the example of the need for a buffer zone between residential areas and quarries. We tried to get this included in the District Plan, but we lost. The Independent Hearings Panel simply did not agree with our expert evidence. We did everything we could to offer our residents the reassurance they were seeking.

After careful consideration of submissions from the community (and those who took time to present personally at hearings) these are the specific changes to the Long Term Plan that are proposed to form the Annual Plan 2022/23. If adopted they will result in an average residential rates increase of 4.55% per cent for the 2022/23 financial year. For residents, this equates to an extra $135.20 a year or $2.60 a week. This compares with the planned Long Term Plan rates increase of 4.97% for 2022/23.

Environment

M1. Organics Processing Plant (OPP)

This is a critical issue for our city. I can fully appreciate the frustration expressed by residents over odour generated by the OPP. The first time it was brought to the Council's attention after I became the Mayor, the regulator could not confirm the OPP as the source. The regulator's view has changed, and we have acted. It is clear that steps that we have taken have reduced the level of odour, however councillors wish to do more while an alternative site is located.

Recommendation: an urgent briefing requested for councillors on specific actions and solutions can be undertaken with current funding, as well as the addition of future funding for -

OPP tailing removal (estimate) - **$1 million**

Anticipated June 2022 spend **$0.2 million** funded from operating surplus.

The remaining spend of **$0.8 million** in 2022/23 will be funded from within existing budget. No rates impact

M2. Waterways quality & compliance

It is vital that we control erosion and reduce sediment going into the city's waterways. Further resources for enforcement and education initiatives are required.

Recommendation: increase by **$250,000 per annum**. Rates impact 0.04%

M3. Takapūneke Reserve

Te Rūnanga o Ngāi Tahu and Ōnuku Rūnanga support an additional capital contribution to deliver the Takapūneke Reserve Master Plan. Stage one of the Takapūneke Reserve Master Plan working with Te Rūnanga o Ngāi Tahu and Ōnuku Rūnanga is currently underway. Staff support an additional capital contribution because:

1. This is culturally and historically a nationally significant site for mana whenua, Ngāi Tahu, iwi Māori, the City and the nation. An additional capital contribution would allow the completion of Stage 1 and maintain project momentum.

2. It will have particularly positive benefits to the wider community and support our partnership with mana whenua.

3. This work supports climate action by protecting Council and private landowner native vegetation and assists with restoration and planting projects.

Recommendation: add **$500,000** to the capital programme in 2022/23. Rates impact 0.001%

M4. Coronation Reserve

Staff are working on development plans for Coronation Reserve and wider issues of drainage and streets works. An additional capital contribution is sought to make works more efficient and effective (particularly around fire control concerns).

The new Community Partnership Ranger staff will work with the local residents to put a predator control programme in place.

Recommendation: add **$400,000** to the capital programme in 2022/23. Rates impact 0.001%

Facilities

M5. Robert McDougall Gallery Strengthening

Assurance has been provided that all weather tightness work is complete, therefore no further damage to the heritage fabric. Early work on the McDougall Gallery is programmed to start Q1 2022/23.

Recommendation: Council has already resolved to provide funding in future years. However if the Museum can confirm availability of their balance of funding at an earlier time, Council would consider bringing its funding forward in support.

M6. Akaroa Museum

The Council must ensure that this facility can continue to fulfil its role in caring for and sharing the significant local history of Akaroa and Banks Peninsula.

Recommendation: increase operational funding by **$10,000 per annum.** Rates impact 0.002%

M7. Governors Bay Jetty capital grant

Staff have been working with the Save the Jetty Trust since 2016. Council's contribution to date is $935K, but we are now making a full and final commitment to this historic restoration. This will result in the total costs of the restoration being shared equally. This model of cost-sharing fulfils the spirit of partnership we want to encourage.

Recommendation: add a capital grant of **$815,000** in 2022/23. Rates impact: 0.002%, and 0.01% in 2023/24

Services

M8. Libraries Holding Fee, and Concessions for Rural Residents

The recommendation is to set this fee at $2 not $3 as proposed in the draft Annual Plan. Customers with adult membership would be more likely to place holds if the fee was reduced. This would give them access to the specific titles they want to read, rather than limiting their reading to what is on the shelves when visiting the library. It also includes access to titles which are held in offsite storage due to being past their initial popularity, are out of print, or in poor condition. It is expected that reducing the holds charge would see an increase in holds from fee paying members with a corresponding increase in revenue. There is no charge for placing holds on eBooks, eAudiobooks and eMagazines. Currently 44.4% of our holds are for electronic titles. There is no charge for placing holds for Children and Concession members.

Cost **$75,000 per annum.** Rates impact 0.01%

M9. Concessions for rural residents

Include rural isolation as one of the criteria for concession membership to address the issue raised in the submission from Akaroa, to enable to access to free holds. Consideration would need to be given to the distance from the nearest library.

Cost **$5,000 per annum.** Rates impact 0.001%

Conclusion

As I said at the outset, this Annual Plan was always intended to be and remains a ‘light-touch’ review of the Long Term Plan, which was signed off last year. We are grateful to the team that have put in considerable work behind the scenes to provide councillors with advice and budget impacts on the range of proposals that have been raised and that we have considered.

Councillors have indicated that there are a number of amendments they wish the council as a whole to consider, and these will be addressed prior to resolving the final adoption of the Annual Plan.

Rates impact of recommended changes to Draft	Annual Plan (% to existing ratepayers)
Rates increase per Draft Annual Plan 2022/23	4.96
Impact of recommended changes	-0.40
Recommended Rates increase for 2022/23	**4.56**
Average Residential Rates increase	4.55

Net Debt Ratio impact of recommended changes to Draft	Annual Plan %
Ratio limit (net debt / revenue)	295
Draft Annual Plan 2022/23	160
Impact of recommended changes	-6
Net Debt Ratio for recommended Annual Plan 2022/23	**154**
Resulting Debt Headroom ($m)	**1392**

Annual Plan Recommended Capital Programme Changes		Change 2023	Change 2024	Total 2025 - 2031	Change comment
CPMS ID	**Project Title**	**$000**	**$000**	**$000**	
	Draft Annual Plan 2022/23 Capital expenditure	615,488			
405	Coronation Reserve Development	400	-	-	additional funding as a result of Annual Plan submissions
1026	Te Kaha Canterbury Multi Use Arena (CMUA)	(47,330)	(72,675)	119,717	revised cashflow forecast based on current work programme
1436	Takapūneke Reserve Planned Renewals	500	-	-	additional funding as a result of Annual Plan submissions
2356	Akaroa Wharf Renewal	(727)	-	727	revised cashflow forecast based on current work programme
2735	The Square & Surrounds	(1,976)	668	1,308	revised cashflow forecast based on current work programme
17916	Port Levy Toilet Block Renewal	(61)	61	-	revised cashflow forecast based on current work programme
18100	Purau Foreshore & Reserves Development	(100)	100	-	revised cashflow forecast based on current work programme
43715	Botanic Gardens Access & Carpark Development	(300)	300	-	revised cashflow forecast based on current work programme
58672	Ōtākaro-Avon River Corridor (OARC)	(2,500)	-	2,500	revised cashflow forecast based on current work programme
61821	Cunningham House Building Renewals (Heritage)	(500)	-	500	revised cashflow forecast based on current work programme
63027	Hornby Development Contributions Payment	(1,841)	1,841	-	revised cashflow forecast based on current work programme
64048	Performing Arts Precinct	(2,409)	2,409	-	revised cashflow forecast based on current work programme
65418	Botanic Gardens - Services renewal including sewage, water, power, IT	(173)	-	173	revised cashflow forecast based on current work programme
65469	Botanic Gardens - Rolleston Gate New Entrance	(163)	-	163	revised cashflow forecast based on current work programme
924	Halswell Junction Road Extension	-	5,500	-	additional funding required for project
65531	Barry's Bay Landfill Remediation	-	1,800	-	additional funding required for project
45164	Robert McDougall Gallery Strengthening	-	(6,658)	6,658	updated delivery profile
	Updated carry forward estimate	20,000	(6,240)	110,972	provision for 2021/22 carry forwards
	Total post draft recommended changes	**(37,181)**	**(72,893)**	**242,719**	
	Recommended Final 2022/23 Capital expenditure	**578,307**			

Opex changes for Final Annual Plan 2022/23	Opex Change	Rating Impact
	$000	
Draft Annual Plan rates increase to existing ratepayers		4.96%
Post Draft changes and corrections		
Inflation update	5,618	0.94%
Electricity update	(273)	(0.05%)
Insurance premiums update	1,446	0.24%
Rating base growth increase from 0.8% to 1.12%	(1,897)	(0.34%)
Interest rate update	4,050	0.68%
Debt servicing reduction caused by lower debt due to 2021/22 forecast capex carry forwards, changes in capex programme and covid debt repaid from forecast 2021/22 operating surplus	(6,892)	(1.15%)
National Dog Database Levy reduction (Dogs A/c funded)	(30)	0.00%
Parakiore - revised opening date from 1 Feb 2023 to 1 Sept 2023	(2,190)	(0.37%)
South West Leisure Centre delay in opening	(1,173)	(0.20%)
Rates remissions growth in numbers	146	0.03%
Burwood Landfill - new operations consent granted	(3,122)	(0.52%)
Parking Revenue post covid return to normal levels taking longer	675	0.11%
Rental relief for commercial tenants	100	0.02%
Barry's Bay landfill remediation. Opex to cover investigation with provisional $1.8m capex required in 2023/24. Options to be confirmed in report back to Council	150	0.03%
Monitor & Enforce short-term Accommodation Activities. Additional 2 compliance officers required	152	0.03%
Surplus Land management and consultation costs	300	0.05%
Health & Safety Resourcing plan	500	0.08%
Museum operating levy held at 0% increase for 2022/23	(415)	(0.07%)
Te Kaha project delay - retiming of operational costs	(220)	(0.04%)
Red Bin Rates remissions	35	0.01%
Misc. changes and corrections	436	0.07%
	(2,605)	**(0.45%)**
Mayor's recommendations		
Akaroa Museum operational funding	10	0.00%
Waterways quality and compliance	250	0.04%
Governors Bay Jetty capital grant $850k (borrowed for)	12	0.00%
Library Holds fees reduction from $3 to $2	75	0.01%
	347	**0.05%**
Recommended 2022/23 Annual Plan increase to existing ratepayers	**(2,258)**	**4.56%**

Revenue and Financing Policy

Introduction

Council adopts a Revenue & Financing Policy under section 102 of the Local Government Act 2002.

The purpose of this policy is to set out how each of our activities is to be funded – that is, who pays for what, and why. The policy outlines:

- Available funding sources (e.g. rates, fees, borrowing, etc.),
- Our funding considerations (i.e. the decision about how each of our activities is to be funded and the process followed to reach that decision), including
  - funding of operating costs (i.e. the funding mix we have chosen for each activity's operating costs), and
  - funding of capital costs (i.e. the funding mix we have chosen for each type of capital investment).

The application of this policy is supported by other policies as follows:

- Rates charges and definitions are set out in the Funding Impact Statement,
- Fees and charges for all activities are set out in the Fees & Charges Schedule,
- Development Contributions are set out in the Development Contributions Policy,
- Projected dollar revenues and costs for each activity are set out in the Activities and Services section, and for the council as a whole in the Funding Impact Statement.

Support for principles relating to Māori

Section 102(3A) of the Local Government Act 2002 provides that this policy must support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993 (that requirement is effective from 1 July 2024). These principles include recognition that land is a taonga tuku iho of special significance to Māori people, and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapū.

Council considers that this policy supports those principles, particularly when viewed in conjunction with Council's *Policy on Remission and Postponement of Rates for Māori Freehold Land* and Council's *Papakāinga / Kāinga Nohoanga Development Contributions Rebate Scheme*.

Available Funding Sources

General Rates

We set a general rate for all rateable land within the district. The general rate can be based on capital value, land value or annualised value. In addition, we set a uniform annual general charge (UAGC) as a fixed amount per rating unit, or a fixed amount per separately used or inhabited part (SUIP) of a rating unit.

General rates are used to fund those services where we believe there is a public benefit even though it may not be to the whole community. They typically fund those activities where there is no practical method for charging individual users and the benefit is wider than just the specific user.

We acknowledge that a UAGC is regressive, in that it represents a higher percentage tax on lower-value properties than on higher-value properties. However, it is considered appropriate for all property-owners to contribute at least a minimum amount towards the funding of Council Activities. We have therefore determined to apply a relatively low-level UAGC to each SUIP.

We collect the bulk of our general rates in proportion to each rating unit's capital value. Capital value represents the owner's full investment in the property, and is therefore considered to provide a more equitable basis for the general rate than the land value or annual value alternatives.

We consider that the benefits of our activities are distributed unevenly between different sectors of the community – in particular, that business properties tend to benefit relatively more and remote rural properties relatively less than other (standard) properties (including residential properties). Vacant land properties in the central city also benefit relatively more than standard properties that have corresponding capital values. We have therefore determined to apply differentials to the value-based general rate, based on the use to which the land is put and where the land is situated:

- All properties are charged at a standard rate, except those that meet the criteria for business, city vacant or remote rural set out in the Funding Impact Statement,

- Business properties are charged at a differential rate which is higher than the standard rate,
- "City vacant" properties (vacant land properties in the central city) are charged at a differential rate which is higher than the standard rate, and
- Remote rural properties are charged at a differential rate which is lower than the standard rate.

Targeted Rates

We use targeted rates where it is considered desirable and practicable *either* to enhance the transparency of our spending (i.e. so that ratepayers can see how much they pay for a particular activity) *or* to ensure that the cost of a particular item is borne by the group(s) deemed to derive most benefit from it.

We have determined that targeted rates shall be used for the following:

(a) Water Supply

Our water supply activity is considered to primarily benefit those properties which connect, or are able to connect, to the water supply network. Targeted rates will therefore be used to fund the activity from just those properties receiving or able to receive this benefit.

These targeted rates will collect the cash operating cost of the water supply activity plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation). The proportion of asset renewal and replacement costs covered by these targeted rates may be adjusted where this is considered desirable to help deliver predictable and less volatile rates increases from year to year.

We have identified three types of non-standard service for which it is considered appropriate to recover costs through separate, user-pays based targeted rates:

- Properties with a fire connection will be charged a fixed dollar Water Supply Fire Connection Targeted Rate per connection.
- Properties located outside the standard serviced area but receiving a restricted rural water supply will be charged a fixed dollar Restricted Water Supply Targeted Rate per unit of supply being provided.
- Properties located within the standard serviced area that have a high water use will be charged a volumetric excess water targeted rate per cubic metre of actual water consumption in excess of that property's daily allowance.

Aside from these targeted rates, capital value is considered to be the most equitable basis for targeted water rates (consistent with the approach taken for General Rates). All activity costs not collected through the above targeted rates for non-standard services will therefore be collected using a capital value based Water Supply Targeted Rate, applied to those properties located within the standard serviced area.

Some properties located within the standard serviced area may not be actually connected (most commonly vacant sections). We consider that the level of benefit received by these un-connected properties is lower than that received by connected properties. The Water Supply Targeted Rate will therefore be set differentially, with connected properties being charged at a higher differential rate than un-connected properties.

(b) Wastewater

Our wastewater (sewer) activity is considered to primarily benefit those properties which connect (or are able to connect) to the wastewater network. A targeted rate will therefore be used to fund the activity from just those properties receiving or able to receive this benefit.

This targeted rate will collect the cash operating cost of the activity plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation). The proportion of asset renewal and replacement costs covered by this targeted rate may be adjusted where this is considered desirable to help deliver predictable and less volatile rates increases from year to year.

Capital value is considered to be the most equitable basis for the Sewerage Targeted Rate (consistent with the approach taken for General Rates). The rate will be applied to those properties located within the sewer serviced area.

(c) Stormwater Drainage and Flood Protection & Control Works

We consider stormwater drainage and flood protection and control works primarily benefit properties within the serviced area. We consider it desirable and practical to enhance the transparency of our spending by using a targeted rate so ratepayers can see how much they pay for these activities.

This targeted rate will collect the cash operating cost of these activities plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation). The proportion of asset renewal and replacement costs covered by this targeted rate may be adjusted where this is considered desirable to help deliver predictable and less volatile rates increases from year to year.

Capital value is considered to be the most equitable basis for the Land Drainage Targeted Rate (consistent with the approach taken for general rates).

(d) Active Travel

We consider it desirable to separately fund a portion of our spending on active travel activities (including cycleways and pedestrian networks), so that our commitment to spend a minimum amount on this activity is transparent to ratepayers.

Active travel currently sits within the Transport activity. Revenue from this targeted rate will contribute to funding costs within that activity.

The benefit of this activity is considered to be distributed relatively evenly across all ratepayers. The Active Travel Targeted Rate will therefore be set as a fixed dollar amount and applied to all SUIPs (consistent with the UAGC).

(e) Recycling and Composting

Recycling and composting activities lie within the Solid Waste and Resource Recovery Group of Activities. We consider it desirable to use a Waste Minimisation Targeted Rate to fund recycling and composting costs so that ratepayers can see how much they pay for yellow and green bin services.

This targeted rate funds the cash operating cost of recycling and composting activities plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation).

The benefit of this activity is considered to be distributed evenly across all ratepayers to whom the yellow and green bin services are made available, except to the extent that more remote ratepayers do not receive a kerbside collection service. The Waste Minimisation Targeted Rate will therefore be set as a fixed dollar charge per SUIP (consistent with the UAGC), but set differentially – a higher fixed dollar charge will be applied where the property is located within the kerbside collection area.

(f) Business Improvement District (BID) Activities

Our Business Improvement District (BID) Policy provides for us to collect a targeted rate from business rating units located within a BID boundary where a poll of business and property owners has provided sufficient agreement for this to happen. Such a targeted rate may be a fixed charge or a variable charge based on capital value, or a combination of both, as decided on a case-by–case basis.

(g) Heritage costs

We intend to set a targeted rate to fund certain heritage costs for transparency so that ratepayers can see how much they contribute to those costs.

The costs intended to be recovered by this targeted rate include providing capital grant funding for the Canterbury Museum redevelopment, and funding restoration costs relating to the Provincial Chambers, Old Municipal Chambers and Robert McDougall strengthening and base isolation. The benefit of this is considered to be distributed evenly across all ratepayers. Capital value is considered to be the most equitable basis for the Heritage Targeted Rate (consistent with the approach taken for general rates). This targeted rate is to fund the capital cost of these projects over a 30 year period and will apply until 30 June 2051.

(h) Council Grants

We provide several grants schemes (within the Communities & Citizens or Strategic Planning activities), for the benefit of the community and funded by general rates.

From time to time Council determines that it is desirable to make a grant for a specific purpose.

In such circumstances, and subject to public consultation, such grant may be funded by a Grants Targeted Rate.

A Grants Targeted Rate:

- May be either a specific grant rated over a fixed period, or an annual grant rated on an ongoing basis.
- May be applied either universally or to a specifically identified group of ratepayers, usually as a fixed dollar charge per SUIP, depending on our assessment of how the benefits of the grant are distributed.

For any Grants Targeted Rate, the level of rate will be set in each Annual Plan based on the annual revenue required to fund the grant. However, the basis of the rate (for example, fixed dollar amount or value-based, universal or an identified group of ratepayers) will not be changed.

We currently set or propose the following Grants Targeted Rates under this Policy:

- Special Heritage (Cathedral) Targeted Rate:

  This rate relates to a $10 million Council grant (plus GST if any) supporting the restoration of the Anglican Cathedral, the benefit of which is considered to be distributed evenly to all ratepayers. The rate will be set as a fixed dollar charge per SUIP, applied to all properties across the District until 30 June 2028.
- Special Heritage (Arts Centre) Targeted Rate:

  This rate relates to a $5.5 million Council grant (plus GST if any) supporting the restoration of the Arts Centre, the benefit of which is considered to be distributed evenly to all ratepayers. The rate will be set based on capital value, applied to all properties across the District until 30 June 2031.
- Akaroa Health Centre Targeted Rate:

  This rate relates to a Council grant of up to $1.3 million (plus GST if any) supporting the development of the Akaroa Community Health Centre, the benefit of which is considered to be distributed evenly to all ratepayers in the eastern half of Banks Peninsula (rating units in valuation rolls 23890, 23900, 23910, 23920, 23930, 23940 or 23961). The rate will be set as a fixed dollar charge per SUIP, applied to all properties in the specified area until 30 June 2023.
- Central City Business Association Targeted Rate:

  We intend to set a targeted rate to fund a grant to the Central City Business Association. The rate will be set as a fixed dollar charge per rating unit, applied to all business rating units with a land value greater than or equal to $50,000, within the area covered by the Central City Business Association.

Development Contributions

We make significant capital investment in infrastructure specifically to service growth development in the District (i.e. new subdivision and/or more intensive development of existing developed land). We use development contributions to recover a fair and equitable portion of the cost of this investment from persons undertaking development.

Development contributions requirements are in accordance with the Local Government Act 2002 and our Development Contributions Policy.

Financial Contributions

The Council is able to require new developments to pay financial contributions which are used by the Council to fund works to mitigate or offset specified negative impacts of development.

Financial contributions requirements are in accordance with the Resource Management Act 1991, the Local Government Act 2002, the Christchurch District Plan and our Development Contributions Policy.

The details of any requirement would be included in the District Plan and Development Contributions Policy and any new or altered requirements would be consulted on through changes to those documents.

Grants & Subsidies

Some of our activities qualify for a grant or subsidy from the Crown (e.g. New Zealand Transport Agency (NZTA) for qualifying roading expenditure), or other entities. These are used as the initial source of funding where they are available.

Fees & Charges

We typically collect fees and charges where an Activity is perceived to provide benefit primarily to identifiable individuals or groups (i.e. user-pays), or where the need for the activity is driven by the actions or inactions of identifiable individuals or groups (i.e. exacerbator-pays).

However, consideration is also given to whether each fee or charge is practical and economically viable (including the extent to which fees may result in an unacceptable decrease in the use of council services), and whether such charging may undermine one of our identified core community outcomes (see "Council's Funding Considerations" below).

Borrowing

We borrow to fund spending where the benefit is perceived to endure for multiple years – for example, capital expenditure on improving assets, or growth prior to the collection of development contributions. Sometimes this may be in the form of equity in CCOs or advances to third parties. Some operational expenditure also meets this criteria – e.g. grant to Canterbury Museum for redevelopment.

Borrowing is undertaken corporately (i.e. as a single debt portfolio) for efficient debt management.

The funding of costs associated with borrowing

Repayment of rate-funded debt is via the general rate over a period of thirty years (COVID-19 related borrowing is repayable over five years), except for borrowing in relation to CCO equity.

Interest costs on debt relating to the capital works programme (excluding the earthquake rebuild or equity investments) are allocated to council activities for budgeting and funding purposes, in proportion to the amount of depreciation generated by that activity. The balance of interest costs are funded by general rates.

Proceeds from asset sales

Proceeds from asset sales will be used to reduce debt or any current borrowing requirement.

Interest, Dividends, & Other Revenues

Our principal investment revenues are the dividends received from our commercial subsidiaries (most importantly Christchurch City Holdings Ltd). Cash investments (e.g. term deposits with banks) are generally held only for liquidity purposes, as we are a net borrower.

Income from dividends, interest, and other sources not described above (e.g. petrol taxes) are treated as corporate revenues and are assumed to accrue to general ratepayers – i.e. they are not allocated against specific activities, but reduce the amount of general rates that we need to collect to fund those activities.

Council's Funding Considerations

Our decision about which funding sources to use to fund each activity is guided by the following considerations:

- Community Outcomes (i.e. what the activity is trying to achieve) – the source of funding for each activity is decided after considering the community outcome(s) to which it contributes.
- User-pays (i.e. how the benefits of an activity are distributed) – where the primary benefit from a council activity is provided to an identifiable group, it is preferable for that group to bear the principal cost of the activity.
- Exacerbator-pays (i.e. where the activity is required due to the activities or inactions of identifiable groups) – it is preferable for such costs to be paid for by those groups contributing to the need for the activity.
- Inter-generational equity (i.e. the period over which the benefits of an activity occur) – most operational expenditure provides a benefit only during the year that it is spent, so is best funded from current revenues; however, expenditure providing benefits over many years is more appropriately funded through borrowing (which is repaid over multiple years).
- Potential for distinct funding sources – it may improve the transparency and accountability of our spending on any particular activity if its funding is specifically identified (e.g. through a targeted rate), particularly where the cost is significant or where it is considered desirable to demonstrate that funding is being spent on a specific project. The potential benefit of such improved transparency and accountability are weighed against the cost of having to administer the specifically identified funding.

Our choice of funding for each activity is also guided by the overall impact that any allocation of charges and costs may have on the community. In particular, although some Activities should arguably be funded by user fees and charges due to the level of private benefit they provide, we may consider such user-charging inappropriate – for example, full user-funding of libraries and swimming pools may result in these services no longer being provided.

We have therefore determined that the following Activities will receive a material amount of funding from general rates:

- Transport
- Parks, Heritage & Coastal Environment
- Communities & Citizens
- Solid Waste and Resource Recovery
- Governance
- Economic Development
- Strategic Planning & Policy
- Regulatory Compliance & Licencing

Funding of Operating Costs

Where an activity is funded using a number of funding sources, our practice is to meet our operating costs in the first instance from fees & charges and grants & subsidies (subject to the considerations outlined above). If the activity requires further operational funding, this remainder is funded through rates.

The following pages set out our operational funding decision for each activity.

The analysis of each Activity is supported by three tables:

- *Table 1: Community Outcome* – this table identifies the community outcomes to which the activity primarily contributes.
- *Table 2: Funding Principles (operating costs only)* – this table shows how we have considered the other funding considerations set out in section 101(3)(a)(ii) to (v) of the Local Government Act 2002 in relation to funding the operating costs of the activity. This evaluation uses a simple high / medium / low scale for each of the following considerations:
  - User-pays – the degree to which the Activity can be attributed to individuals or identifiable groups rather than the community as a whole – refer to section 101(3)(a)(ii);
  - Exacerbator-pays – the degree to which the activity is required as a result of the action (or inaction) of individuals or identifiable groups – refer to section 101(3)(a)(iv);
  - Inter-generational equity – the degree to which benefits can be attributed to future periods; – refer to section 101(3)(a)(iii) and
  - Separate funding – the degree to which the costs and benefits justify separate funding for the activity – refer to section 101(3)(a)(v).
- *Table 3: Funding Decision* – this table shows our broad funding target for the activity (i.e. how much is paid for by individuals / groups, and how much by the community as a whole), and the associated funding mechanism used (i.e. general rates, targeted rates, user charges, etc.). As the precise balance between individual / group and community funding may vary in practice (particularly for volumetric fees and charges), the funding target is expressed in broad terms rather than specific percentages:
  - Low = this source provides 0%-25% of the funding for this activity;
  - Medium = this source provides 25%-75% of the funding for this activity; and
  - High = this source provides 75%-100% of the funding for this activity.

The specific revenue and cost projections for the LTP planning period are shown in the individual Funding Impact Statements in the Activities and Services section of the LTP.

Water Supply

Local authorities have an obligation under the Water Services Act 2021, and the Local Government Act 2002 to provide a drinking water supply to the urban areas of the District, to maintain its capacity, to protect it from contamination, and to ensure that it complies with the appropriate Drinking Water Standards and is safe.

Local Authorities also ensure an adequate supply of water for commercial use and for fire-fighting and ensure that it is managed in a way that supports the environmental, social and economic wellbeing of current and future generations.

This includes maintaining the network, including wells, pump stations, treatment facilities, reservoirs, and underground reticulation pipes and meters. We supply water through approximately 160,000 residential and business connections, through seven urban water supply schemes and six rural water supply schemes. This equates to 50-55 billion litres of water in a typical year, which is the equivalent of around 22,000 full Olympic size swimming pools.

The benefit of this Activity is considered to accrue primarily to those properties located in our geographic network area – that is all of those properties that can physically connect to the network. It is therefore considered appropriate to fund the bulk of this Activity from the Water Supply Targeted Rate applied to all properties located within this serviced area.

However, as the level of supply provided to some properties may differ from the standard supply provided to most there are also targeted rates for:

- Restricted Rural Supply
- Fire connection
- Excess water consumption

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Water Supply	Safe and healthy communities High quality drinking water

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	• Targeted Rate (High) • Fees & Charges (Low)	• Grants and Other (Low)

Wastewater

We build, own, operate and maintain wastewater networks and wastewater treatment plants to protect public health and the environment. The service is focussed on providing a reliable, safe and resilient system for conveying wastewater away from properties, for treatment and disposal.

Wastewater, also known as sewage, refers to the used water collected in internal drains from homes and businesses, and includes trade waste from industrial and commercial operations. Wastewater does not include stormwater drainage, which is collected, treated and re-introduced into the environment via a separate system.

Providing a wastewater collection, treatment and disposal service is core business for us, required by the Local Government Act 2002 and the Health Act 1956.

We implement these services for the community in a number of ways, this includes planning, day to day operations, planned and reactive maintenance, repair or renewal of damaged infrastructure, building new infrastructure and implementing improvements to the system.

Key deliverables are to:

- Collect, convey and treat wastewater in a safe, efficient and reliable manner;
- Discharge treated wastewater to the environment in compliance with resource consents;
- Reuse and/or dispose of wastewater treatment by-products, including biogas and bio-solids;
- Provide laboratory services to monitor treatment processes and treated wastewater quality; and
- Plan, regulate, build, maintain, manage and renew wastewater systems.

We collect wastewater from approximately 160,000 customers in Christchurch, Lyttelton, Diamond Harbour, Governors Bay, Akaroa, Duvauchelle, Tikao Bay and Wainui. We treat this wastewater at eight treatment plants and dispose the treated wastewater into the sea and to land irrigation schemes.

Although all residents benefit from the presence of a safe and reliable sewer network, the primary benefit accrues to those properties which are located within our geographic network area – that is all those properties that can physically connect to the network.

It is therefore considered appropriate to fund the bulk of this Activity from a Targeted Rate applied to all properties located within this serviced area.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Wastewater	Safe and healthy communities Healthy water bodies

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	• Targeted Rate (High) • Fees & Charges (Low)	• Grants & Other (Low)

Stormwater Drainage

This Activity collects and conveys stormwater during rainfall events, and is intrinsically linked to and interdependent with our Flood Protection & Control Works Activity to protect the community from the harmful effects of flooding.

The key physical assets used to deliver this activity are:

- The underground conveyance networks (including pipes, manholes, sumps, inlets and outlets);
- Open channels and overland flow path (including natural waterways such as rivers, streams and creeks, constructed drainage channels, in-channel structures, lining and retaining walls); and
- Treatment devices that are not within the Flood Protection and Control Works Activity (for example, where there is no flood protection component such as silt traps, gross debris traps or proprietary treatments devices such as cartridge filters) and flow level control devices.

We use a multi-value approach to stormwater, where the drainage value of the network is considered alongside other values such as ecology, culture, recreation, heritage and landscape. Together these are known as the 'six values' that we utilise in stormwater drainage and waterway management.

In delivering this service we provide a balanced mix of maintenance and renewals to preserve the levels of service and improve stormwater discharge quality to mitigate the human effect on water body health.

The benefit of this Activity is considered to accrue mostly to those properties located within the Council's drainage and stormwater infrastructure networks. It is therefore considered appropriate to fund this Activity and the Flood Protections & Control Works Activity together using a targeted rate.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Stormwater Drainage	Healthy water bodies Modern and robust city infrastructure and community facilities Safe and healthy communities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	• Targeted Rate (High) • Fees & Charges (Low)	• n/a

Flood Protection & Control Works

This Activity delivers floodplain management and stormwater management plan objectives to reduce the harm from flooding to the community and to improve the quality of surface water. It is intrinsically linked to and interdependent with our Stormwater Drainage Activity.

The activity includes construction of new flood protection infrastructure and management of existing infrastructure including:

- pump stations and water flow control devices and structures such as valve stations;
- stop-banks, tide gates and basins;
- water quality treatment devices such as basins, wetlands, tree pits and raingardens; and
- hydrometric monitoring devices, measuring rainfall along with surface water, sea and groundwater levels.

Basins and wetlands serve a dual purpose of providing stormwater detention for reducing flood risk as well as providing water quality treatment.

The benefit of this Activity is considered to accrue to properties located within the Council's drainage and stormwater infrastructure networks. It is therefore considered appropriate to fund this Activity and the Stormwater Drainage Activity together using a targeted rate.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Flood Protection & Control Works	Healthy water bodies Modern and robust city infrastructure and community facilities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Low	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	• Targeted Rate (High) • Fees & Charges (Low)	• n/a

Transport

Local government is responsible for planning for, providing, and maintaining safe road networks, including pedestrian linkages and attractive functional streetscapes. We maintain the assets that provide the District's local roading network, comprising the carriageways, footpaths, bridges, retaining walls, rail crossings, and associated drainage.

National highways linking the Christchurch District with the rest of the country are managed by central government through Waka Kotahi (NZTA) and work between the national and local roading networks is co-ordinated as much as possible.

The streets we manage provide a safe and efficient network that connect communities and facilitate the movement of people and goods around the District and to the adjoining region. Key deliverables include:

- Network planning
- Asset maintenance
- Renewal of life-expired infrastructure
- Improvements to the network

This Activity also relates to how the roading network and associated infrastructure is used and controlled, so that people have safe, easy, and reliable access to homes, shops, businesses, and leisure activities, from a variety of mode choices. This includes:

- Control over how the road corridor can be used by other parties (such as service authorities and developers);
- Planning, building, and maintaining the infrastructure required to support the operation of the bus network;
- Planning, building, operating, and maintaining the major cycleways network;
- Operating and maintaining traffic lights, traffic cameras, and traveller information portals;
- Operating and maintaining Christchurch's public parking facilities; and
- Planning and providing transport education initiatives.

The benefit of this Activity is considered to accrue primarily to road users. However, it is not considered practicable or desirable to fund this Activity separately, because the roading network is considered to be qualitatively different to the water and sewer networks which are funded through targeted rates. In particular:

- The roading network also delivers benefits to non-users, to a far greater extent than water or sewer networks, reducing the desirability of a "user-pays" funding approach.
- The extent of "use" is more difficult to determine than for water and sewer (for which benefit is more clearly binary between those that can connect and those that cannot).

This Activity is therefore primarily funded by the community as a whole, mostly through general rates. Waka Kotahi subsidies are treated as "Community-sourced" in table 3 below, as they are paid by central government rather than individuals or groups within the District.

The Active Travel Targeted Rate contributes to this Activity's spending on cycleways and pedestrian networks. This is classified as "Community funding" in Table 3, as the Active Travel Targeted Rate is applied universally to all rating units in the district. The use of the targeted rate here enhances the transparency of our spending on these activities and is intended to ensure that a certain minimum level of operational spending will be incurred on these activities.

While not specified in Table 3, we consider that greater use of fees & charges is appropriate where our control function provides permission to specific users for certain actions (such as use of the road corridor or marine activities).

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Transport	A well-connected and accessible City promoting active and public transport Modern and robust city infrastructure and facilities network Safe and healthy communities

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Transport Access	Medium	Low	Low	Medium
Transport Environment	Low	Low	Low	Low
Transport Safety	-	Low	Low	Medium

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Transport Access	Low	High	• Fees & Charges (Low)	• General Rates (Medium / High) • Grants & Other (Low)
Transport Environment	Low	High	• Fees & Charges (Low)	• General Rates (Medium) • Targeted Rate on whole District (Medium) • Grants & Other (Low)
Transport Safety	Low	High	• Fees & Charges (Medium)	• General Rates (Medium)

Parks, Heritage & Coastal Environment

Christchurch residents have a strong affinity with their parks, reserves, and open spaces. We wish to support this affinity, and maintain the notion of Christchurch as the "garden city".

This Activity involves the management of:

- Parks – We manage over 1200 parks and reserves, covering more than 9,384 hectares in Christchurch city and Banks Peninsula. Neighbourhood parks provide space and facilities for local communities. Garden & heritage parks provide botanical diversity and contribute to plant conservation and research. Sports parks provide both local spaces for neighbourhood community amenity as well as providing the necessary spaces to support organised and casual sport and recreational pursuits. Large Sports parks like Ngā Puna Wai provide high quality sports facilities to support community, regional and national sporting pursuits. Regional parks protect the region's natural landscape and biodiversity values, while accommodating extensive outdoor recreation. Significant parks such as Hagley Park, the Botanic Gardens, and Mona Vale also contribute to the economic well-being of the district by attracting visitors.
- Cemeteries – We administer burials and plot purchases as well as maintaining current and closed cemeteries.
- Heritage protection – We aim to preserve the district's built, natural and cultural heritage for the benefit of the current and future communities.
- Harbours & marine structures – We provide marine structures (including wharves & jetties, slipways & ramps, seawalls, recreational rafts, boat moorings, and wharf buildings), to facilitate access to the marine environment for residents, visitors and commercial operators for recreation, sport, tourism, commercial activities, and transport.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund it primarily from general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Heritage Management	Celebration of our identity through arts, culture, heritage and sport 21st century garden city we are proud to live in Vibrant and thriving city centre
Parks and Foreshore	Safe & Healthy Communities Unique landscapes and indigenous biodiversity are valued and stewardship exercised Celebration of our identity through arts, culture, heritage, sport and recreation 21st century garden city we are proud to live in

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Heritage Management	Low	Low	High	Low
Parks and Foreshore	Low	Low	Medium	Low

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Heritage Management	Low	High	• Fees & Charges (Low)	• General Rates (High)
Parks and Foreshore	Low	High	• Fees & Charges (Low)	• General Rates (High) • Grants & Other (Low)

Solid Waste and Resource Recovery

We collect and dispose of some of the district's solid waste, and work with the community to minimise waste by encouraging both residents and businesses to recycle their waste thereby reducing the volume of waste sent to the landfill.

This Activity includes:

- Recycling – reducing the amount of waste sent to landfill by collecting recyclable material from households and public places, advising the public of recycling options (for example, EcoDrops and register of recyclers), and by sorting and processing recyclable material.
- Organics / composting – collection of kitchen and garden waste from households and converting this into compost for resale. We encourage home composting and worm farms.
- Residual Waste – not everything can be recycled, the waste remaining is collected and transported to landfill.
- Closed landfill – monitoring the closed landfills around the District. This includes the capping and aftercare of the old Burwood landfill, where methane gas is captured, piped underground, and used to power some city buildings and parts of the Christchurch Waste Water Treatment Plant.
- Education – educating residents to make informed decisions on the best waste practices, focusing on the best environmental and social outcomes. We work with other councils on the "love food, hate waste" campaign, with regular workshops informing communities how to minimise the food waste generated by households.

Kerbside collection of general and recycling waste is provided to most properties across the district – other properties may deposit their waste at collection points.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund the bulk of costs from rates, supported by fees and charges for non-household and excess waste.

It is also considered desirable to make the cost of recycling and composting activity more transparent, so that ratepayers can see how much they are paying for these services. The operating cost of yellow and green wheelie bin services is therefore funded from a Targeted Rate.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Solid Waste and Resource Recovery	Sustainable use of resources and minimising waste Safe and healthy communities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Low	High	Medium	Medium

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
Medium	Medium	• Targeted Rates (Medium) • Fees & Charges (Low)	• General Rates (Medium) • Grants & Other (Low)

Communities & Citizens

Local Government is responsible for promoting the cultural and social well-being of communities, and for educating the public in regard to civil defence.

This supports strong communities by providing high quality library, sports & recreation, arts & cultural, community development, and emergency management services.

This Activity provides:

- opportunities for people to express themselves and be challenged by art, music, theatre, dance and other media and to understand and celebrate their many identities and heritage;
- libraries which act as a vehicle for access to knowledge, ideas and information and as a service open and available to anyone;
- encouragement to be more active more often through the provision of a range of sport and recreation facilities and programmes;
- community centres, halls and houses to encourage participation in local activities and build a sense of community; and
- information and advice to help citizens and communities, including support to community organisations to help them deliver the valuable services they provide.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate to fund the bulk of costs from rates, supported by fees and charges especially for Recreation, Sports, Community Arts and Events.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Canterbury & Akaroa Museums	Strong sense of community Celebration of our identity through arts, culture, heritage, sport and recreation
Christchurch Art Gallery	Celebration of our identity through arts, culture, heritage, sport and recreation Strong sense of community
Citizen and Customer Services	Active participation in civic life
Civil Defence Emergency Management	Safe and healthy communities
Community Development and Facilities	Strong Sense of Community Active Participation in Civic Life Safe & Healthy Communities Valuing the voices of all cultures and ages (including children)
Libraries	Strong sense of community Celebration of our identity through arts, culture, heritage and sport An inclusive, equitable economy with broad- based prosperity for all
Recreation, Sports, Community Arts & Events	Strong sense of community Safe and healthy communities Celebration of our identity through arts, culture, heritage, sport and recreation

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Canterbury & Akaroa Museums	Low	Low	Low	Low

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Christchurch Art Gallery	Low	Low	Medium	Low
Citizen and Customer Services	Low	Low	Low	Low
Civil Defence Emergency Management	Low	Low	Low	Low
Community Development and Facilities	Low	Low	Low	Low
Libraries	Low	Low	Low	Low
Recreation, Sports, Community Arts & Events	Medium	Low	Medium	Medium

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Canterbury & Akaroa Museums	Low	High	• Fees & Charges (Low)	• General Rates (High) • Grants & Other (Low)
Christchurch Art Gallery	Low	High	• Fees & Charges (Low)	• General Rates (High) • Grants & Other (Low)
Citizen and Customer Services	Low	High	• Fees & Charges (Low)	• General Rates (High)
Civil Defence Emergency Management	Low	High	• n/a	• General Rates (High)
Community Development and Facilities	Low	High	• Fees & Charges (Low) • Targeted Rates (Low)*	• General Rates (High) • Grants & Other (Low)
Libraries	Low	High	• Fees & Charges (Low)	• General Rates (High) • Grants & Other (Low)
Recreation, Sports, Comm Arts & Events	Medium	Medium	• Fees & Charges (Medium)	• General Rates (Medium) • Grants & Other (Low)

** The Akaroa Community Health Trust targeted rate is included in this Community Development and Facilities activity*

Housing

We wish to support vulnerable groups in the District's community by providing housing targeted towards the elderly, disabled, and those on low incomes.

This Activity involves asset management, maintenance, replacement, intensification, and a partnership programme that supports the provision of affordable accommodation to people on low incomes. We work collaboratively with central government to address housing supply and affordability issues, through the Christchurch Housing Accord agreement.

Most of the housing units are studio and one-bedroom units, with a small percentage of two, three, and four bedroom units. These Council-owned housing complexes are leased to the Ōtautahi Community Housing Trust, a Community Housing Provider, which then sub-lets these to those in need.

Our involvement in this Activity is intended to contribute to social well-being by ensuring that an adequate supply of safe, accessible, and affordable housing is available to those in need.

The benefit of this Activity is considered to accrue mostly to the housing tenants. It is therefore considered appropriate to fund the Activity mostly from user charges (housing rents) plus Income Related Rent Subsidies (IRRS). These are intended to be sufficient to cover operating costs without subsidy from rates or other sources.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Community Housing	Sufficient supply of, and access to, a range of housing Safe and healthy communities

Table 2: Funding Principles (operating costs only)

User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
High	Low	Medium	High

Table 3: Funding Decision (operating costs only)

Funding Target		Funding mechanism	
Individual / Group	Community	Individual / Group	Community
High	Low	• Fees & Charges (High)	• Grants & Other (Low)

Regulatory & Compliance

Regulation and compliance services are needed to administer the laws that govern building and development work, the health and safety of licensed activities, and the keeping of dogs. We enforce compliance with regulations, monitor individual licences and approvals, investigate complaints and non–compliance, and assess the potential effects of various activities while still enabling builders, developers and property owners to carry on their business.

Key outputs of this Activity are:

- Compliance services relating to Resource Management Act (District Plan), Building Act, Local Government Act, Litter Act, and local Council Bylaws;
- Animal Management;
- Alcohol Licensing;
- Food Safety and Health Licensing; and
- Environmental Health, including noise management, environmental nuisance and environmental health risks e.g. asbestos and land contamination.

The benefit of this Activity is considered to be mixed:

- Building Regulation and Land & Property Information Services activities – costs are mainly caused by applicants, but there is a wider community benefit in having a consented building stock.
- Regulatory Compliance & Licencing and Resource Consenting activities – costs are mainly caused by applicants and holders whose activities, if unregulated, could cause nuisance to the public or pose a threat to the safety or health of the community; however, the community benefits from the control of such potential nuisances and threats.

In addition, for Regulatory Compliance & Licencing activities, it is acknowledged that full cost recovery through user charges would increase those user charges to a point where full compliance may be discouraged. On balance, for that activity, it is considered appropriate to adopt material levels of funding from both fees & charges and general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Building Regulation	Great place for people, business and investment
Land & Property Information Services	Sufficient supply of, and access to, a range of housing
Regulatory Compliance & Licencing	Safe and healthy communities
Resource Consenting	Vibrant and thriving city centre Sufficient supply of, and access to, a range of housing

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Building Regulation	High	High	Medium	Medium
Land & Property Information Services	High	High	Low	Low
Regulatory Compliance & Licencing	Medium	Medium	Low	Medium
Resource Consenting	High	High	Medium	High

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Building Regulation	High	Low	• Fees & Charges (High)	• General Rates (Low)
Land & Property Information Services	High	n/a	• Fees & Charges (High)	• n/a
Regulatory Compliance & Licencing	Medium	Medium	• Fees & Charges (Medium)	• General Rates (Medium) • Grants & Other (Low)
Resource Consenting	High	Low	• Fees & Charges (Medium / High)	• General Rates (Low / Medium)

Economic Development

This activity is focused on delivering economic development initiatives to achieve long-term sustainable prosperity improvements for the region by:

- Creating high-value quality jobs and pathways to employment by driving growth of industry clusters, supporting new and existing businesses to be competitive, innovative and sustainable and improving alignment between skills and education and local employment opportunities.
- Attracting residents, talent, business and investors to grow the strength and resilience of the local economy.
- Attracting education, business, conference and leisure visitors to ensure local businesses have the customers they need to thrive, and the city has greater vibrancy for residents.
- Facilitating urban development projects that support local prosperity.

In addition this activity coordinates and leads city-wide international relations activity, in alignment with the 2020 International Relations Policy Framework (IRPF), and delivers scheduled and unscheduled Civic Ceremonies, National Ceremonies and Visits.

The benefit of this Activity is considered to accrue to the whole community. It is therefore considered appropriate to source funding mostly from general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Civic & International Relations	Great place for people, business and investment Active participation in civic life Strong sense of community Vibrant & thriving central city 21st century garden city we are proud to live in
Economic Development	Great place for people, business and investment A productive, adaptive and resilient economic base

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Civic & International Relations	-	-	High	Low
Economic Development	Low	Low	High	Low

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Civic & International Relations	n/a	High	• n/a	• General Rates (High) • Grants & Other (Low)
Economic Development	Low	High	• Fees & Charges (Low)	• General Rates (High)

Strategic Planning & Policy

Public Information and Participation

We are committed to being a resident-focused, outward looking organisation. To achieve this we provide our community with information that is timely, relevant and accurate through channels that our residents use.

We are making better use of new media – online, social media and targeted electronic communications to interest groups – to supplement and improve on traditional communications. We also manage media relationships and answer their queries. Our role is to promote the Council's activities including libraries, sports and recreation facilities and parks.

We also engage and consult with the public on Council projects and activities.

Strategic Planning, Future Development and Regeneration

Strategic planning, future development and regeneration work is fundamental to the workings of local government and touches on almost all aspects of Council activities. It helps meet community needs for good quality local infrastructure, local services, and performance of regulatory functions. It also supports the organisation to respond to the significant reforms underway right across our sector, and to prepare for the future.

This Activity provides strategic policy, city planning and urban regeneration services for us and our communities. We support the ongoing evolution of a resilient city that is better able to adapt to future challenges and take advantage of new opportunities. Responding to climate change and building climate resilience will be one of the biggest challenges Christchurch faces and this Activity leads that programme of work.

Key areas include to:

- provide specialised policy and strategy advice, enabling us to plan effectively for the future,
- develop, maintain and monitor the Christchurch District Plan which enables us to manage land use, subdivision and development,
- lead policy and strategy for transport to ensure people and businesses can easily move around the city,
- work with the community to enable their aspirations for quality places and neighbourhoods, including heritage,
- ensure that natural resources are used efficiently and sustainably to meet the needs of today and those of future generations,
- understand natural hazard risks to be better prepared for future challenges, and
- work collaboratively with strategic partners at a Greater Christchurch, regional and national level.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Public Information & Participation	Active participation in civic life Safe and healthy communities Identity through arts, culture, heritage and sport Strong sense of community Great place for people, business and investment
Strategic Planning, Future Development & Regeneration	Great place for people, business and investment Safe and healthy communities Sustainable use of resources and minimising waste

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Public Information & Participation	-	Low	Low	-
Strategic Planning, Future Development & Regen	Low	Low	Medium	Low

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Public Information & Participation	n/a	High	• n/a	• General Rates (High)
Strategic Planning, Future Dev & Regen	Low	High	• Fees & Charges (Low)	• General Rates (High) • Targeted Rates (Low)* • Grants & Other (Low)

* The ten-year special heritage (Cathedral) targeted rate is included in this activity.

Governance

Christchurch City Council is the second largest territorial local authority (TLA) in New Zealand. We are committed to participatory democracy for all residents, and actively encourage residents to participate in making deputations to Council and Community Boards, participating in hearings and engaging with Councillors and Community Board members. As a large TLA with a strong commitment to an active local democracy our effectiveness is dependent upon efficient and effective processes to support effective governance and good decision making.

In direct support of governance and decision making, this activity provides the following services:

- Secretariat services, information, support for our decision-making processes at governance-level meetings and hearings and to Elected Members of the Council and Community Boards
- Holding elections of Elected Members to the Council and Community Boards, polls and representation reviews
- Provision of information in accordance with LGOIMA
- Provide information, support and advice to the Mayor, Deputy Mayor and Councillors and Chief Executive
- Manage relationships with Treaty partners and Mana Whenua.

The benefit of this Activity is considered to accrue to the community as a whole. It is therefore considered appropriate for it to be funded primarily from general rates.

Table 1: Community Outcomes

Activity	Primary Outcome(s)
Governance & Decision Making	Active participation in civic life Strong sense of community Valuing the voices of all cultures and ages (including children)
Office of Mayor, Chief Exec, Mana Whenua	All

Table 2: Funding Principles (operating costs only)

Activity	User-Pays	Exacerbator-Pays	Inter-Generational Equity	Separate Funding?
Governance & Decision Making	Low	Low	Low	Low
Office of Mayor, Chief Exec, Mana Whenua	-	-	Medium	-

Table 3: Funding Decision (operating costs only)

Activity	Funding Target		Funding mechanism	
	Individual / Group	Community	Individual / Group	Community
Governance & Decision Making	Low	High	• Fees & Charges (Low)	• General Rates (High)
Office of Mayor, Chief Exec, Mana Whenua	-	High	• -	• General Rates (High)

Funding of Capital Costs

The term "Capital Cost" includes a range of relatively long-term investment spending:

- Equity investment in Council-controlled organisations (most importantly, Christchurch City Holdings Ltd, which owns the city's shares in the airport, port company, electricity lines company, and others);
- Network and community assets (the broadest category, including water, wastewater and stormwater networks, libraries, community halls, and community housing, and including strategic assets purchased in advance of need – for example, a drainage basin purchased to support anticipated future development); and
- Other assets (such as general plant and equipment).

Having considered the factors in section 101(3) of the Local Government Act 2002, we consider that capital investment in any particular Council Activity contributes to the same community outcomes as the operating costs of that activity (per tables above), and will tend to have the same distribution of benefits across the community. However, most capital investments are long-term in nature, so inter-generational equity is a far more important driver of our capital funding decision than it is for operational funding.

We have therefore determined that capital costs will be funded in accordance with the following principles:

- Investment in assets of a commercial or revenue-generating nature should be funded by borrowing, and be either self-funding or expected to deliver a net benefit to ratepayers in the long-term – any difference between investment income and funding costs in individual years will be allocated to or supported by general rates.
- Non-commercial capital investments will be funded in the first instance from borrowing, offset where appropriate by Crown grants and asset sales. Where the spending is to provide new assets to service growth (new subdivisions and/or more intensive development of developed land), the growth component is funded from Development Contributions.
- Capital renewals – we are moving towards fully funding the long run average asset renewals programme (net of subsidies) from rates. Any variation between that and the renewals programme in a particular year will be funded/deducted from the overall borrowing requirement.

Table: Council's Capital Funding Policy, by Investment Type

Investment type	Initial funding	Serviced and/or repaid by:
Equity investment in CCOs / CCTOs	• Debt (interest only)	• Dividends and Rates
Network & Community assets:		
• Renewal / replacement	• Rates and debt	• Rates
• Service Improvement	• Debt	• Rates
• Growth	• Debt and Development Contributions	• Future Development Contributions
• Mitigation and/ or offsetting of specific negative impacts of development	• Debt and Financial Contributions	• Future Financial Contributions
• Community Housing	• Debt	• Rent
Other assets	• Debt	• Rates

The application of these principles to individual Activities is tabulated below. The High / Medium / Low scale is the same as applied to the operational tables above. The specific capital spending and funding projections for the current planning period are shown in the individual Funding Impact Statements by group of activity.

Table: Council's Capital Funding Policy, by Activity

Activity	Rates	Borrowing	DCs/ FCs	Grants & Other
Water Supply	Medium	Medium	Low	Low
Wastewater	High	Low	Low	Low
Stormwater Drainage	Medium	Medium	Low	-
Flood Protection & Control Works	Low	High	Low	-
Transport				
Transport Access	Low	Medium	Low	Medium
Transport Environment	Low	Medium	Low	Medium
Transport Safety	Medium	Medium	Low	Medium
Parks, Heritage & Coastal Environment				
Heritage Management	High	Low	-	-
Parks and Foreshore	Medium	Medium	Low	Low
Solid Waste and Resource Recovery	Medium	Medium	-	Low
Communities & Citizens				
Canterbury & Akaroa Museums	High	Low	-	-
Christchurch Art Gallery	Medium	Medium	-	-
Citizen and Customer Services	-	-	-	-
Civil Defence Emergency Management	Medium	Medium	-	-
Community Development and Facilities	High	Low	-	-
Libraries	High	Low	-	-
Recreation, Sports, Comm Arts & Events	Medium	Medium	Low	-
Housing	-		-	High
Regulatory & Compliance				
Building Regulation	-	-	-	-
Land & Property Information Services	-	-	-	-
Regulatory Compliance & Licencing	High	Low	-	-
Resource Consenting				
Economic Development				
Civic & International Relations	-	-	-	-
Economic Development	-	-	-	-
Strategic Planning & Policy				
Public Information & Participation	-	-	-	-
Strategic Planning, Future Dev & Regen	-	High	-	-
Governance				
Governance & Decision Making	-	-	-	-
Office of Mayor, Chief Exec, Mana Whenua	-	-	-	-

Impact on well-being

We consider the use of the funding sources described above to meet our funding needs is appropriate. We expect the use of these funding sources will promote the current and future social, economic, environmental, and cultural well-being of the community by:

- Funding activities in ways that are generally perceived by the community as consistent, fair and reasonable
- Limiting the impact of rates on ratepayers, and especially on the most economically vulnerable ratepayers
- Setting fees and charges in a way that does not unduly limit social and economic participation
- Fairly balancing the impact of rates funding across multiple years

- Using fees and charges to provide an incentive for residents to reduce the need for us to incur additional costs
- Limiting the opportunities for ratepayers to use resources unproductively in order to avoid rates (ensuring rates are reasonably economically efficient)

Rating Information

Income from Rates

We use rates to fund the balance of our costs once all other funding sources are taken into account.

The total rates required to be assessed for the rating year beginning on 1 July 2022 is $625.3~~625.0~~ million (excluding GST). Two items of rating income are excluded from this figure, and from the specific rates details provided on the following pages:

- Excess water rates – excluded because it is dependent on actual volumes consumed during the year. Excess water rates are budgeted to be $6.7~~6.3~~ million (excluding GST) in 2022/23.

- Late payment penalties and arrears penalties – excluded because they are dependent on actual late rates payments occurring during the year, or arrears from previous years remaining outstanding during the year. Late payment penalties and arrears penalties are budgeted to be $2.8 million in 2022/23.

Income Collected from Rates (incl GST)

Rates Collected	**2022/23 Annual Plan ($000s)**
General Rates:	
Value-based General Rate	412,754
Uniform Annual General Charge	26,946
Targeted Rates:	
Water Supply:	
-- Normal Supply	84,975
-- Restricted Supply	293
-- Excess Supply [1]	-
-- Fire Service Connection	136
Land Drainage	50,623
Sewerage	103,750
Waste Minimisation	32,846
Active Travel	3,721
Special Heritage (Cathedral)	1,213
Akaroa Health Centre	100
Central City Business Association	207
Heritage	860
Special Heritage (Arts Centre)	677
	719,102
includes GST of	93,796
Total Excluding GST	**625,306**

[1] *Excess Water depends on actual volumes consumed*

Rating Base

The rates assessed for the 1 July 2022 to 30 June 2023 year are based on the following rating base:

	As at 30 June 2022
Number of rating units	~~178,830~~ 179,011
Number of Separately-Used or Inhabited Parts (SUIPs) of rating units	~~184,903~~185,835
Total capital value of rating units	$118.3~~117.6~~ billion
Total land value of those rating units	$50.5~~50.6~~ billion

Valuation system used for rating

We set rates under section 23 of the Local Government (Rating) Act 2002.

Some of our rates are in the form of fixed charges, but most are charged in proportion to each rating unit's rating valuation, where:

- A rating unit is the property which is liable for rates (usually a separate property with its own certificate of title), and
- Rating valuations are set by independent valuers, based on property market conditions as at a specified date (currently

1 August 2019) – their purpose is to enable councils to allocate rates equitably between properties across the District; they are *not* intended to be an indication of current market value or cost of construction.

We use capital value for rating purposes (commonly thought of as the value of the land plus any improvements).

Where parts of a rating unit can be allocated to different categories (Standard, Business, City Vacant and Remote Rural), we may apportion the rateable value of that rating unit among those parts in order to calculate the overall liability for the rating unit.

Legislation requires that rating valuations be updated at least every three years, so that the distribution of value-based rates reasonably reflects property market conditions. The 2019 valuations are used as the basis of rates calculations from 1 July 2020 until 30 June 2023.

Valuation adjustments during the rating year

Rating valuations must be adjusted whenever there is a significant change to the property (such as new building work or demolition), but:

- These adjustments must still be based on 2019 market prices, to maintain consistency across the tax base; and
- Rates charges cannot be changed to reflect the adjusted valuation until the next rating year (i.e. from 1 July)

Inspection of rates information

For every rating unit, information from the District Valuation Roll and Rating Information Database (including Capital Value and liability for current-year rates) is available for inspection on the Council's Internet site (www.ccc.govt.nz, under the heading 'Services', then 'Rates and valuations' then 'Rates and valuation search') or by enquiry at any Council Service Centre.

Rates for 2022/23

All of the rates and amounts set out in this document are proposed to apply to the rating year commencing 1 July 2022 and ending 30 June 2023, and include GST of 15 percent.

Some of our rates are set as a uniform amount per Separately Used or Inhabited Part of a rating unit (SUIP). In such cases, a SUIP is defined as a part which can be separately let and permanently occupied. Where the occupancy is an accessory to, or is ancillary to, another property or part thereof, then no separately used part exists. For example:

- not separately used parts of a rating unit include:
  - a residential sleep-out or granny flat without independent kitchen facilities;
  - rooms in a hostel with a common kitchen;
  - a hotel room with or without kitchen facilities;
  - motel rooms with or without kitchen facilities;
  - individual storage garages/sheds/ partitioned areas of a warehouse;
  - individual offices/premises of partners in a partnership.
- separately used parts of a rating unit include:
  - flats/apartments;
  - flats which share kitchen/bathroom facilities;
  - separately leased commercial areas even though they may share a reception.

General rates

General rates are collected in the form of both a value-based General Rate and a Uniform Annual General Charge (UAGC). The value-based General Rate is set on capital values on a differential basis under the Local Government (Rating) Act 2002.

Purpose of general rates:

General rates, including the UAGC, provide the majority of our total rates requirement, and are calculated as the net rate requirement after targeted rates are determined. General rates (including the UAGC) therefore fund all our activities except to the extent they are funded by targeted rates or by other sources of funding.

Value-based General Rate Differentials

Differentials are applied to the value-based General Rate. The objective of these differentials is to collect more from identified Business and City Vacant properties and less from identified Remote Rural properties than would be the case under an un-differentiated value-based General Rate, in accordance with our Revenue & Financing Policy.

The differential categories are defined as follows:

Standard

Any rating unit which is:

(a) used for residential purposes (including home-ownership flats); or

(b) a Council-operated utility network; or

(c) land not otherwise classified as Business, City Vacant or Remote Rural.

Business

Any rating unit (not being a City Vacant rating unit) which is:

(a) used for a commercial or industrial purpose (including travellers and special purpose accommodation, offices and administrative and associated functions, commercially-owned and operated utility networks, and quarrying operations); or

(b) land zoned Commercial or Industrial in the District Plan, situated anywhere in the District, except where the principal use is residential.

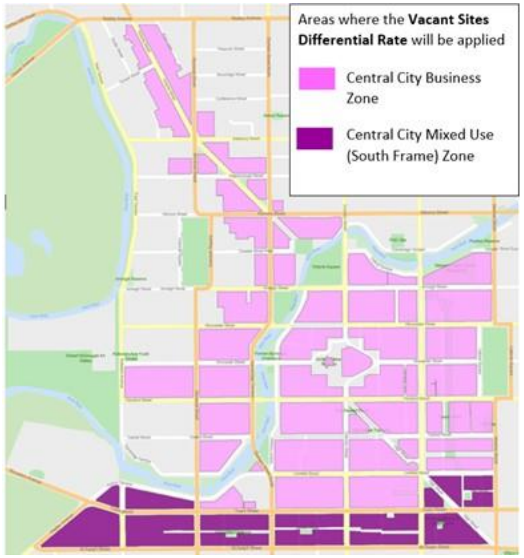
City Vacant

Any rating unit:

(a) which is located entirely or predominantly in the Central City Business Zone or the Central City Mixed Use (South Frame) Zone defined in the District Plan (see the map below); and

(b) where no active or consented use is being made of the land, as further described below.

The Central City Business Zone and the Central City Mixed Use (South Frame) Zone are shown in the following map.



An active or consented use is being made of the land where:

(a) it is developed (has a building on it), or is under ~~development~~construction, or

(b) in a temporary use that:

i. is a permitted activity under rules in the District Plan (e.g. used as a support site for adjacent construction); or

ii. has an approved and fully implemented resource consent (e.g. open-air carpark).

Remote Rural

Any rating unit which is:

(a) zoned residential or rural in the District Plan, *and*

(b) either

i. greater than 20 hectares in size; or

ii. situated outside the serviced area defined for the Sewerage Targeted rate (below), *and*

(c) either:

i. used solely or principally for agricultural, horticultural, pastoral, or forestry purposes or the keeping of bees or poultry; or

ii. vacant land not otherwise used.

For the purpose of clarity the Remote Rural category does not include any rating unit which is:

(a) used principally for industrial (including quarrying) or commercial purposes (as defined in Business above); or

(b) used principally for residential purposes (including home-ownership flats).

For the purpose of these differential sector definitions, the District Plan means our operative District Plan.

The Business Differential is 1.697 and the Remote Rural Differential is 0.75. These have not changed from the previous year (2021/22). The City Vacant differential, introduced from 1 July 2022, is 4.

Liability for the value-based General Rate is calculated as a number of cents per dollar of capital value:

Differential category	Rates (cents / $)	Differential factor	Rev ($000)
Standard	0.323283	1.000	273,504
Business	0.548611	1.697	130,168
City Vacant	1.293131	4.000	2,679
Remote Rural	0.242462	0.750	6,403

Uniform Annual General Charge (UAGC)

A portion of general rates is assessed as a UAGC, which is set under section 15(1)(b) of the Local Government (Rating) Act 2002.

Purpose of the UAGC: The UAGC modifies the impact of rating on a city-wide basis by ensuring that all rating units are charged a fixed amount to recognize the costs, associated with each property, which are uniformly consumed by the inhabitants of the community.

Liability for the UAGC is calculated as a uniform amount for each separately used or inhabited part of a rating unit:

Land	Basis	Rates ($)	Revenue ($000)
All land in District	SUIP	145.00	26,946

Targeted rates

Targeted rates are set under sections 16, 18, and 19, and schedules 2 and 3 of the Local Government (Rating) Act 2002. We do not accept Lump Sum Contributions (as defined by Section 117A of the Local Government (Rating) Act 2002) in respect of any targeted rate.

Targeted rates may be applied either uniformly on all rating units or only on an identified group of ratepayers, depending on our determinations under s101(3) of the Local Government Act 2002. The definition and objective of each of the Targeted rates is described below.

Water Supply Targeted Rate:

The purpose of this rate (in conjunction with the separate targeted rates for Restricted

Water Supply, Fire Connection, and Excess Water Supply described below) is to recover the cash operating cost of water supply, plus a significant share of the expected cost of related asset renewal and replacement (charged in lieu of depreciation) over the planning period.

It is assessed on every rating unit located within the serviced area, where the serviced area includes all rating units that are actually connected to the on-demand water reticulation system, those that have a connection kit installed at the boundary, and those located within a specified distance of any part of the on-demand water reticulation system ***except*** where connection of properties within the specified distance is not possible for technical reasons (for example, if connection would require crossing third party land or if we do not permit connection due to capacity constraints). For developed properties the specified distance is 100 metres measured from the water reticulation system to a building on the land. For undeveloped properties the specified distance is 30 metres measured from the water reticulation system to the property boundary.

The serviced area does not include rating units supplied by a registered drinking-water supplier other than Council. Those drinking water suppliers are Christchurch International Airport, Devondale Estate, Living Springs and Waterloo Business Park.

The Water Supply Targeted Rate is set differentially, depending on whether a rating unit is actually connected – connected rating units are charged at the "Connected" differential, and non-connected rating units are charged the "Serviceable" differential which is set at half of the Connected differential.

Liability for the Water Supply Targeted Rate is calculated as a number of cents per dollar of capital value.

Categories	Rates (cents / $)	Different-ial Factor	Rev ($000)
Connected	0.077068	1.00	84,060
Serviceable	0.038534	0.50	915

Restricted Water Supply Targeted Rate:

The purpose of this rate is to contribute to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above), by charging a uniform amount to properties not located within the Water Supply Targeted Rate serviced area but receiving a restricted water supply. It is assessed on every rating unit receiving the standard level of restricted service (being 1,000 litres of water supplied per 24-hour period). Where a rating unit receives multiple levels of service, they will be assessed multiple Restricted Water Supply Targeted Rates.

Liability for the Restricted Water Supply Targeted Rate is calculated as a uniform amount for each standard level of service received by a rating unit.

Categories	Rates ($)	Revenue ($000)
Connected	390.00	293

Water Supply Fire Connection Rate

The purpose of the Water Supply Fire Connection Rate is to contribute to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above), by charging a uniform amount to properties benefitting from a fire service connection. It is assessed on all rating units connected to the service on a per-connection basis.

Liability for the Water Supply Fire Connection Rate is calculated as a uniform amount for each connection:

Categories	Rates ($)	Revenue ($000)
Connected	125.00	136

Excess Water Supply Commercial Targeted Rate

The purpose of this targeted rate is for commercial properties that place an unusually high demand on the water supply system to contribute an additional amount to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above).

It is set under section 19 of the Local Government (Rating) Act 2002 and assessed as the water meters are read on every liable rating unit (see below), with invoices sent after each reading.

Liability for the Excess Water Supply Commercial Targeted Rate is calculated as a number of cents per cubic metre of water consumed in excess of the water supply targeted rate allowance for that rating unit:

Categories	Rates ($ per m^3 of excess water supplied)	Revenue ($000)
Liable	1.18	4,888

This rate will be charged to all rating units which receive a commercial water supply as defined in the Water Supply and ~~,~~ Wastewater ~~and Stormwater~~ Bylaw 2022~~2014~~, ***plus:***

(a) land under single ownership on a single certificate of title and used for three or more household residential units

(b) boarding houses

(c) motels

(d) rest homes

Each liable rating unit has a water supply targeted rate allowance. Water used in excess of this allowance will be charged at the stated rate per cubic metre.

The water supply targeted rate allowance for each property is effectively the amount of water already paid for under the Water Supply Targeted Rate – i.e. the total Water Supply Targeted Rate payable, divided by the above cubic-metre cost, then divided by 365 to give a daily cubic metre allowance. The Excess Water Supply Targeted Rate will be charged if actual use exceeds this calculated daily allowance, ***provided that*** all properties will be entitled to a minimum allowance of 0.6986 cubic metres per day.

For example, if a rating unit is assessed $1,000 for the Water Supply Targeted Rate, that rating unit's water supply targeted rate allowance for the year is 847.5 cubic metres ($1,000 divided by $1.18/$m^3$), which is 2.32 cubic metres per day. If the meter readings are 91 days apart then the allowance is 211.3 cubic metres for that billing period (2.32 m^3/day x 91 days).

Liability for the Excess Water Supply Commercial Targeted Rate for that billing period is for any consumption by that rating unit over 211.3 cubic metres. So if 300 cubic metres were used in that billing period, the liability for the Excess Water Supply Commercial Targeted Rate for that billing period would be $104.68 incl GST, which is the excess usage of 88.7 cubic metres (300m^3 – 211.3m^3) times the rate of $1.18/$m^3$.

The annual rates assessment identifies those ratepayers who are potentially liable for the Excess Water Supply Commercial Targeted Rate. It does not include the calculated liability as the water reading does not coincide with the assessment. Water meters are read progressively throughout the year. Following each reading, a water-excess charge invoice is issued for those rating units which are liable. The invoice will refer to the assessment and will bill for the consumption for the period of the reading.

The latest water supply targeted rate allowance will be used, calculated on a daily basis.

Excess Water Supply Residential Targeted Rate

This targeted rate also contributes to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above), by assessing additional charges on those residential properties placing an unusually high demand on the water supply system.

It is set under section 19 of the Local Government (Rating) Act 2002 and assessed as the water meters are read on every liable rating unit (see below), with invoices sent after each reading.

Liability for the Excess Water Supply Residential Targeted Rate is calculated as a number of cents per cubic metre of water used in excess of an allowance of 0.7 cubic metres per day per separately used or inhabited part (SUIP) of a rating unit.

Categories	Rates ($ per m^3 of excess water supplied)	Revenue ($000)
Liable	1.35	2,785

This rate will be charged to all metered residential rating units where the meter records usage for a single rating unit. The rate will also be charged where the meter records usage for multiple rating units where there is a special agreement in force specifying which rating unit/ratepayer is responsible for payment.

The annual rates assessment identifies those ratepayers who are potentially liable for the Excess Water Supply Residential Targeted Rate. It does not include the calculated liability as the water reading does not coincide with the assessment. Water meters are read progressively throughout the year. Following each reading, a water-excess charge invoice is issued for those rating units which are liable. The invoice will refer to the assessment and will bill for the consumption for the period of the reading.

Land Drainage Targeted Rate:

The purpose of this rate is to recover the cash operating cost of the stormwater drainage, and the flood protection and control works groups of activities, plus a significant share of the expected cost of related asset renewal and replacement (charged in lieu of depreciation) over the planning period. The rate is assessed on every rating unit which is within the serviced area. The serviced area includes all developed land within the District or where there is a land drainage service.

Liability for the Land Drainage Targeted Rate is calculated as a number of cents per dollar of capital value.

Categories	Rates (cents / $)	Revenue ($000)
Within serviced area	0.047244	50,623

Sewerage Targeted Rate:

The purpose of this rate is to recover the cash operating cost of wastewater collection, treatment and disposal, plus a significant share of the expected cost of related asset renewal and replacement (charged in lieu of depreciation) over the planning period. It is assessed on every rating unit located within the serviced area, where the serviced area includes all rating units that are actually connected to the wastewater network, those with a connection kit installed at the boundary, and those located within a specified distance of any part of the wastewater network ***except*** where connection of properties within the specified distance is not possible for technical reasons (for example, if connection would require crossing third party land or if we do not permit connection due to capacity constraints). For developed properties, the specified distance is 100 metres, measured from the wastewater network to a building on the land. For undeveloped properties, the specified distance is 30 metres measured from the wastewater network to the property boundary.

Liability for the Sewerage Targeted Rate is calculated as a number of cents per dollar of capital value.

Categories	Rates (cents / $)	Revenue ($000)
Within serviced area	0.091404	103,750

Active Travel Targeted Rate

The purpose of this rate is to contribute to the operating cost of the Active Travel Programme (including pedestrian networks and cycleways). It is assessed on all rating units in the District.

Liability for the Active Travel Targeted Rate is calculated as a uniform amount for each separately used or inhabited part of a rating unit:

Land	Basis	Rates ($)	Revenue ($000)
All land in District	SUIP	20.00	3,721

Heritage Targeted Rate

The purpose of this rate is to fund:

- a $23.5 million grant towards the Canterbury Museum redevelopment scheduled over 3 years from 2024/25.
- planned capital expenditure of $53.5 million associated with preserving key components of our own built heritage: the Provincial Chambers, Old Municipal Chambers and Robert McDougall Gallery.

The rate will recover these costs over 30 years. The rate is planned to cease in 2051/52. The rate will be phased in over three years from 2021/22, so the rate will increase in 2022/23 and again in 2023/34 to reach a level consistent with recovering the full capital costs above (excluding interest).

It is assessed on all rating units in the District.

Liability for the Heritage Targeted Rate is calculated as a number of cents per dollar of capital value.

Categories	Rates (cents / $)	Revenue ($000)
All land in District	0.000774	860

Special Heritage (Arts Centre) Targeted Rate

The purpose of this rate is to fund a $5.5 million grant to the Arts Centre paid over three years. The rate will recover this cost over 10 years.

The rate is planned to cease in 2031/32. The rate will be phased in over two years from 2021/22, so the rate will increase in 2022/23 to reach a level consistent with recovering the full cost above (excluding interest).

It is assessed on all rating units in the District.

Liability for the Special Heritage (Arts Centre) Targeted Rate is calculated as a number of cents per dollar of capital value.

Categories	Rates (cents / $)	Revenue ($000)
All land in District	0.000609	677

Special Heritage (Cathedral) Targeted Rate

The purpose of this rate is to fund a $10 million grant supporting the restoration of the Anglican Cathedral. It is assessed on all rating units in the District and will cease on 30 June 2028.

Liability for the Special Heritage (Cathedral) Targeted Rate is calculated as a uniform amount for each separately used or inhabited part of a rating unit:

Land	Basis	Rates ($)	Revenue ($000)
All land in District	SUIP	6.52	1,213

Akaroa Community Health Trust Targeted Rate

The purpose of this rate is to fund a grant of up to $1.3 million plus GST to the Akaroa Community Health Trust in June 2023. The rate will cease on 30 June 2023. The grant relates to the construction of a health centre in Akaroa.

Liability for the Akaroa Community Health Trust Targeted Rate is calculated as a uniform amount for each separately used or inhabited part of a rating unit within the eastern portion of Banks Peninsula ward (defined as valuation roll numbers 23890, 23900, 23910, 23920, 23930, 23940 and 23961):

Land	Basis	Rates ($)	Revenue ($000)
All land in specified valuation roll numbers	SUIP	35.54	100

Waste Minimisation Targeted Rate:

The purpose of this rate is to recover the cash operating cost of the collection and disposal of recycling and organic waste, plus a significant share of the expected cost of related asset renewal and replacement (charged in lieu of depreciation) over the planning period.

The Waste Minimisation Targeted Rate applies to all land within the District except for:

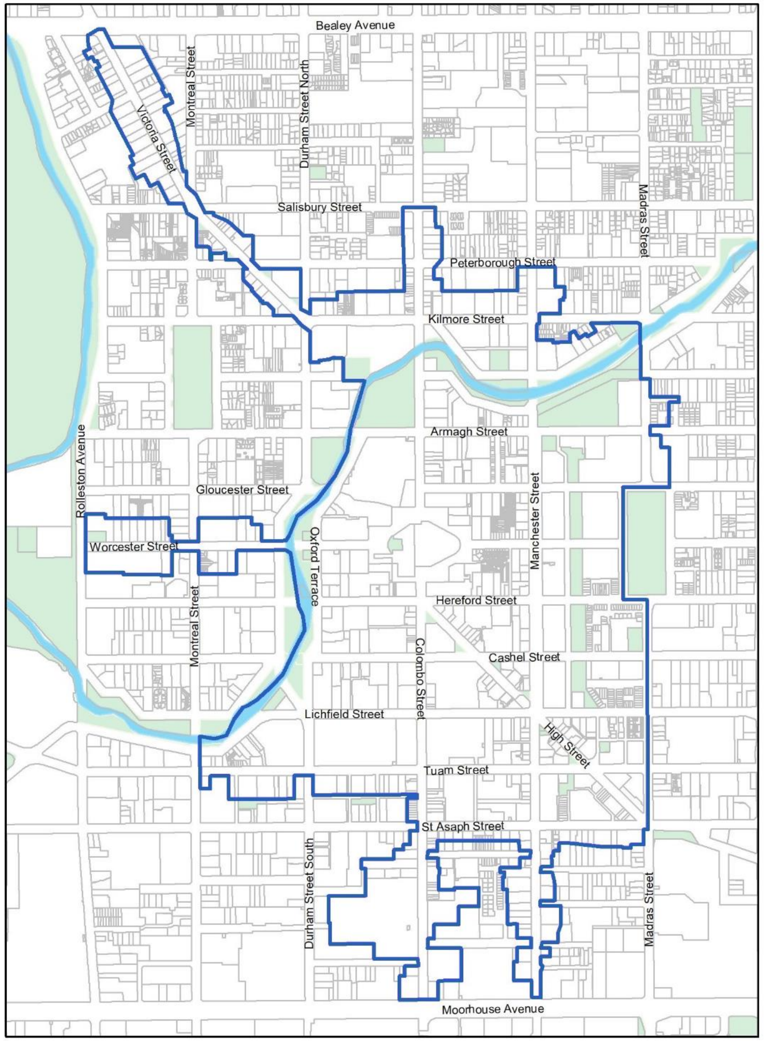
- Properties in the CBD area that receive the inner city bag collection service (refer to map below):
- land which does not have improvements recorded,
- land with a storage shed only and the capital value is less than $30,000.

The Waste Minimisation Targeted Rate is set differentially, based on location within or outside our kerbside collection area – rating units located within this area are charged at the Full Charge differential, and those located outside this area are charged at the Part Charge differential which is set at 75 per cent of the Full Charge differential. The kerbside collection area is shown in the map below, and can be viewed interactively on the Council's website.

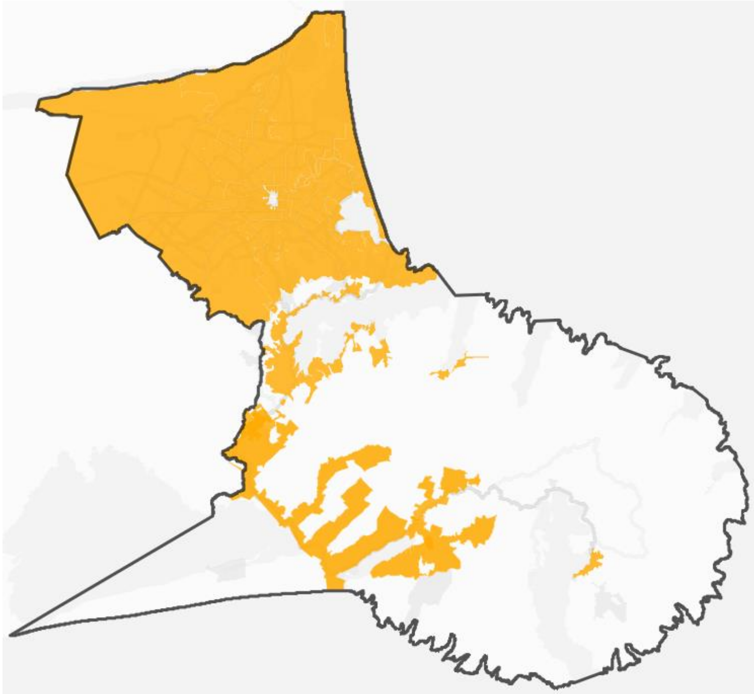
Liability for the Waste Minimisation Targeted Rate is calculated as a fixed dollar amount for each separately used or inhabited part of a rating unit that is within the land described above and assessed for the UAGC.

Categories	Basis	Rates ($)	Revenue ($000)
Full charge	SUIP	189.50	32,634
Part charge	SUIP	142.13	212

Inner City Bag Collection Service Area



Kerbside Collection Area



Central City Business Association Targeted Rate

The purpose of this rate is to fund a $180,000 (plus GST if any) grant to the Central City Business Association (CCBA) to support their activities.

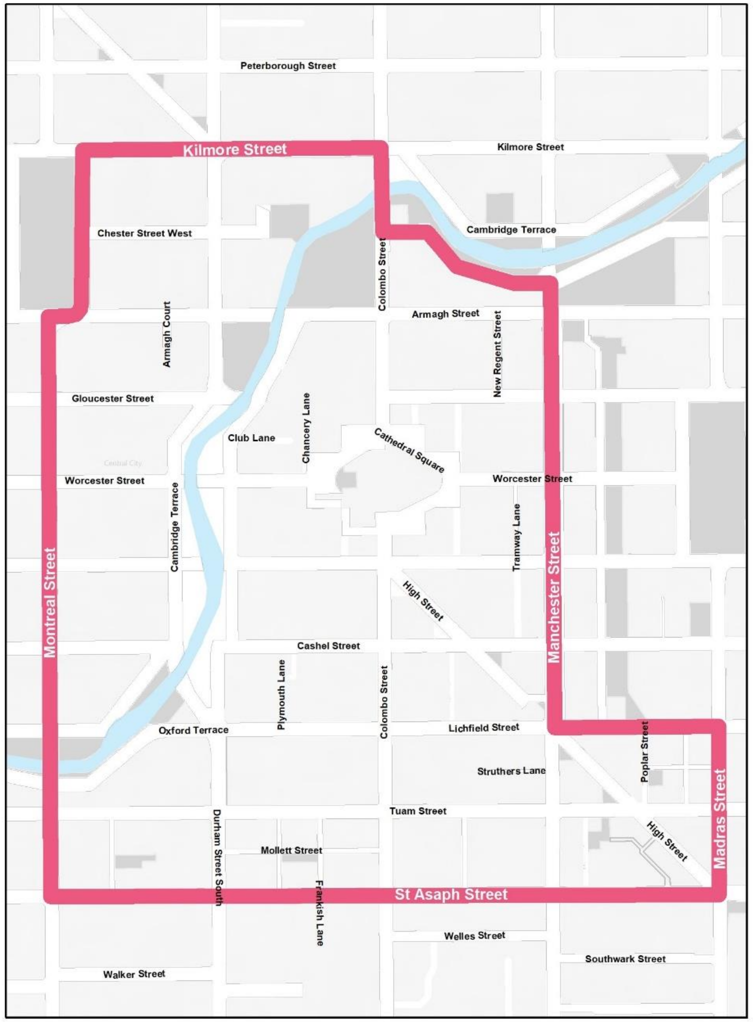
It is assessed on all business rating units in the CCBA Area that have a land value greater than or equal to $50,000.

The CCBA Area is the land within the red boundary defined shown in the map.

Liability for the CCBA Targeted Rate is calculated as a uniform amount for each rating unit.

Land	Basis	Rates ($)	Revenue ($000)
Business rating units within the CCBA Area with a land value greater than or equal to $50,000	Rating Unit	339.07	207

CCBA Area



Indicative rates

The following tables show our rates for a range of property types and values. Figures include 15% GST but exclude Ecan's regional council rates, late penalties, and any excess water charges.

The overall average rates increase to existing ratepayers this year is 4.56~~4.96~~% (excluding the forecast remitted portion of the ~~proposed~~ new City Vacant general rate differential, since those remissions are returned directly to the ratepayers who paid the rates). The rates increase experienced by each individual property will differ from this overall average, depending on:

(a) The property's classification (whether it's a standard, business, city vacant, or remote rural property).

(b) Which rates the property pays (for example, a property only pays the sewerage rate if it's within the sewerage serviced area).

(c) The capital value of the property.

(d) How many 'separately used or inhabited parts' (SUIPs) the property has. Fixed rates are paid based on the number of SUIPs. For example, a property with two flats will pay two fixed charges. Most residential properties have only one SUIP.

A detailed analysis of rates increases for particular groups of properties is set out in the rates analysis section.

The tables below show the components of the overall rates payable in 2022/23 for a range of property values in each sector.

Standard properties (includes residential houses)

- Around 158,900~~159,300~~ properties pay the standard value-based General Rate (mostly houses).
- They typically pay the value-based General Rate (Standard), the UAGC, and targeted rates for Water Supply (Connected), Land Drainage, Sewerage, Heritage, Special Heritage (Arts Centre), Waste Minimisation (Full Charge), Active Travel and Special Heritage (Cathedral).
- For properties classified by our valuation service provider as residential dwellings and flats (excluding multi-unit properties and vacant sections):
  - The average Capital Value (CV) is $508,608
  - Typical CCC rates on this average property are $3,109.45~~3,118.77~~

Breakdown of 2022/23 annual rates ($) for a standard property:

	Fixed rates ($)					Value-based rates ($)							
CV	UAGC	Waste Min. (Full)	Active Travel	Special Heritage (Cathedral)	All fixed rates	General Standard	Water Connected	Land Drainage	Sewerage	Heritage	Special Heritage (Arts Centre)	All value-based rates	Total ($)
200,000	145.00	189.50	20.00	6.52	361.02	646.57	154.14	94.49	182.81	1.55	1.22	1,080.76	1,441.78
300,000	145.00	189.50	20.00	6.52	361.02	969.85	231.20	141.73	274.21	2.32	1.83	1,621.15	1,982.17
400,000	145.00	189.50	20.00	6.52	361.02	1,293.13	308.27	188.98	365.62	3.10	2.44	2,161.53	2,522.55
500,000	145.00	189.50	20.00	6.52	361.02	1,616.42	385.34	236.22	457.02	3.87	3.05	2,701.91	3,062.93
600,000	145.00	189.50	20.00	6.52	361.02	1,939.70	462.41	283.46	548.42	4.64	3.65	3,242.29	3,603.31
700,000	145.00	189.50	20.00	6.52	361.02	2,262.98	539.48	330.71	639.83	5.42	4.26	3,782.67	4,143.69
800,000	145.00	189.50	20.00	6.52	361.02	2,586.26	616.54	377.95	731.23	6.19	4.87	4,323.06	4,684.08
1,000,000	145.00	189.50	20.00	6.52	361.02	3,232.83	770.68	472.44	914.04	7.74	6.09	5,403.82	5,764.84
1,500,000	145.00	189.50	20.00	6.52	361.02	4,849.25	1,156.02	708.66	1,371.06	11.61	9.14	8,105.73	8,466.75
Average House													
508,608	**145.00**	**189.50**	**20.00**	**6.52**	**361.02**	**1,644.24**	**391.97**	**240.29**	**464.89**	**3.94**	**3.10**	**2,748.43**	**3,109.45**

Business properties

- Around 14,400 properties pay the Business value-based General Rate
- They typically pay the value-based General Rate (Business), the UAGC, and targeted rates for Water Supply (Connected), Land Drainage, Sewerage, Heritage, Special Heritage (Arts Centre), Waste Minimisation (Full Charge), Active Travel and Special Heritage (Cathedral).
- Central city business properties may also pay the Central City Business Association (CCBA) Targeted Rate. The table below relates to ratepayers that do not pay those rates.
- For properties classified by our valuation service provider as commercial or industrial:
  - The average CV is $1,858,572
  - Typical CCC rates on this average property are $14,592.29~~14,692.84~~

Breakdown of 2022/23 annual rates ($) for a business property:

	Fixed rates ($)					Value-based rates ($)							
CV	UAGC	Waste Min. (Full)	Active Travel	Special Heritage (Cathedral)	All fixed rates	General Business	Water Connected	Land Drainage	Sewerage	Heritage	Special Heritage (Arts Centre)	All value-based rates	Total ($)
200,000	145.00	189.50	20.00	6.52	361.02	1,097.22	154.14	94.49	182.81	1.55	1.22	1,531.42	1,892.44
400,000	145.00	189.50	20.00	6.52	361.02	2,194.44	308.27	188.98	365.62	3.10	2.44	3,062.84	3,423.86
600,000	145.00	189.50	20.00	6.52	361.02	3,291.67	462.41	283.46	548.42	4.64	3.65	4,594.26	4,955.28
800,000	145.00	189.50	20.00	6.52	361.02	4,388.89	616.54	377.95	731.23	6.19	4.87	6,125.68	6,486.70
1,000,000	145.00	189.50	20.00	6.52	361.02	5,486.11	770.68	472.44	914.04	7.74	6.09	7,657.10	8,018.12
1,500,000	145.00	189.50	20.00	6.52	361.02	8,229.17	1,156.02	708.66	1,371.06	11.61	9.14	11,485.65	11,846.67
2,000,000	145.00	189.50	20.00	6.52	361.02	10,972.22	1,541.36	944.88	1,828.08	15.48	12.18	15,314.20	15,675.22
3,000,000	145.00	189.50	20.00	6.52	361.02	16,458.33	2,312.04	1,417.32	2,742.12	23.22	18.27	22,971.30	23,332.32
5,000,000	145.00	189.50	20.00	6.52	361.02	27,430.55	3,853.40	2,362.20	4,570.20	38.70	30.45	38,285.50	38,646.52
Average Business													
1,858,572	**145.00**	**189.50**	**20.00**	**6.52**	**361.02**	**10,196.33**	**1,432.36**	**878.06**	**1,698.81**	**14.39**	**11.32**	**14,231.27**	**14,592.29**

Remote Rural properties

- Around 2,300~~2,400~~ properties pay the Remote Rural value-based General Rate.
- They typically pay the value-based General Rate (Remote Rural), the UAGC, and targeted rates for Heritage, Special Heritage (Arts Centre), Waste Minimisation (Part Charge), Active Travel and Special Heritage (Cathedral).
- For properties classified by our valuation service provider as rural:
  - The average CV is $1,039,580
  - CCC rates on this average-value property are $2,848.61~~2,897.18~~

Breakdown of 2022/23 annual rates ($) for a remote rural property:

	Fixed rates ($)					Value-based rates ($)				
CV	UAGC	Waste Min. (Part)	Active Travel	Special Heritage (Cathedral)	All fixed rates	General Remote Rural	Heritage	Special Heritage (Arts Centre)	All value-based rates	Total ($)
200,000	145.00	142.13	20.00	6.52	313.65	484.92	1.55	1.22	487.69	801.34
400,000	145.00	142.13	20.00	6.52	313.65	969.85	3.10	2.44	975.38	1,289.03
600,000	145.00	142.13	20.00	6.52	313.65	1,454.77	4.64	3.65	1,463.07	1,776.72
800,000	145.00	142.13	20.00	6.52	313.65	1,939.70	6.19	4.87	1,950.76	2,264.41
1,000,000	145.00	142.13	20.00	6.52	313.65	2,424.62	7.74	6.09	2,438.45	2,752.10
1,500,000	145.00	142.13	20.00	6.52	313.65	3,636.93	11.61	9.14	3,657.68	3,971.33
2,000,000	145.00	142.13	20.00	6.52	313.65	4,849.24	15.48	12.18	4,876.90	5,190.55
3,000,000	145.00	142.13	20.00	6.52	313.65	7,273.86	23.22	18.27	7,315.35	7,629.00
5,000,000	145.00	142.13	20.00	6.52	313.65	12,123.10	38.70	30.45	12,192.25	12,505.90
Average Remote Rural Property										
1,039,580	**145.00**	**142.13**	**20.00**	**6.52**	**313.65**	**2,520.59**	**8.05**	**6.33**	**2,534.96**	**2,848.61**

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, sewerage, heritage and special heritage (Arts Centre) rates
- **Fixed rates:** the uniform annual general charge (UAGC), waste minimisation (full), active travel and special heritage (Cathedral) rates

The following table shows rates increases for typical houses of varying sizes.

Typical houses

CV	2021/22 Rates	2022/23 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
200,000	*$ 1,388.59*	**$ 1,441.78**	**$ 53.20**	$ 1.02	3.83%
300,000	*$ 1,902.40*	**$ 1,982.17**	**$ 79.77**	$ 1.53	4.19%
400,000	*$ 2,416.21*	**$ 2,522.55**	**$ 106.34**	$ 2.05	4.40%
500,000	*$ 2,930.02*	**$ 3,062.93**	**$ 132.92**	$ 2.56	4.54%
600,000	*$ 3,443.82*	**$ 3,603.31**	**$ 159.49**	$ 3.07	4.63%
700,000	*$ 3,957.63*	**$ 4,143.69**	**$ 186.06**	$ 3.58	4.70%
800,000	*$ 4,471.44*	**$ 4,684.08**	**$ 212.63**	$ 4.09	4.76%
1,000,000	*$ 5,499.06*	**$ 5,764.84**	**$ 265.78**	$ 5.11	4.83%
1,500,000	*$ 8,068.11*	**$ 8,466.75**	**$ 398.64**	$ 7.67	4.94%
2,000,000	*$ 10,637.15*	**$ 11,168.66**	**$ 531.51**	$ 10.22	5.00%
3,000,000	*$ 15,775.24*	**$ 16,572.48**	**$ 797.24**	$ 15.33	5.05%
Average House					
508,608	***$ 2,974.24***	**$ 3,109.45**	**$ 135.20**	**$ 2.60**	**4.55%**

The average house will have a rates increase of $2.60~~2.78~~ per week.

Typical businesses

A typical business pays the following rates:

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

The following table shows rates increases for typical business properties of varying sizes. It assumes the property does not pay the Central City Business Association (CCBA) Targeted Rate.

Typical businesses

CV	2021/22 Rates	2022/23 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
200,000	*$ 1,828.40*	**$ 1,892.44**	**$ 64.04**	$ 1.23	3.50%
400,000	*$ 3,295.84*	**$ 3,423.86**	**$ 128.02**	$ 2.46	3.88%
600,000	*$ 4,763.27*	**$ 4,955.28**	**$ 192.01**	$ 3.69	4.03%
800,000	*$ 6,230.71*	**$ 6,486.70**	**$ 255.99**	$ 4.92	4.11%
1,000,000	*$ 7,698.14*	**$ 8,018.12**	**$ 319.98**	$ 6.15	4.16%
1,500,000	*$ 11,366.73*	**$ 11,846.67**	**$ 479.95**	$ 9.23	4.22%
2,000,000	*$ 15,035.31*	**$ 15,675.22**	**$ 639.91**	$ 12.31	4.26%
3,000,000	*$ 22,372.48*	**$ 23,332.32**	**$ 959.84**	$ 18.46	4.29%
5,000,000	*$ 37,046.82*	**$ 38,646.52**	**$ 1,599.70**	$ 30.76	4.32%
Average Business					
1,858,572	***$ 13,997.63***	**$ 14,592.29**	**$ 594.66**	**$ 11.44**	**4.25%**

Typical remote rural

A typical remote rural property pays the following rates:

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

The following table shows rates increases for typical remote rural properties of varying sizes.

Typical remote rural property

CV	2021/22 Rates	2022/23 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
200,000	*$ 785.68*	**$ 801.34**	**$ 15.66**	$ 0.30	1.99%
400,000	*$ 1,259.51*	**$ 1,289.03**	**$ 29.52**	$ 0.57	2.34%
600,000	*$ 1,733.33*	**$ 1,776.72**	**$ 43.39**	$ 0.83	2.50%
800,000	*$ 2,207.16*	**$ 2,264.41**	**$ 57.25**	$ 1.10	2.59%
1,000,000	*$ 2,680.98*	**$ 2,752.10**	**$ 71.12**	$ 1.37	2.65%
1,500,000	*$ 3,865.54*	**$ 3,971.33**	**$ 105.79**	$ 2.03	2.74%
2,000,000	*$ 5,050.10*	**$ 5,190.55**	**$ 140.45**	$ 2.70	2.78%
3,000,000	*$ 7,419.22*	**$ 7,629.00**	**$ 209.78**	$ 4.03	2.83%
5,000,000	*$ 12,157.46*	**$ 12,505.90**	**$ 348.44**	$ 6.70	2.87%
Average Remote Rural Property					
1,039,580	***$ 2,774.75***	**$ 2,848.61**	**$ 73.86**	**$ 1.42**	**2.66%**

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. Applicants must provide financial accounts for the latest financial year for which accounts are available (not more than 18 months old). The accounts must be for the reporting entity which is directly responsible for paying the rates. Where there is a legal or reporting obligation on the reporting entity to have the accounts audited or reviewed, the accounts must have been audited or reviewed.

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 Community 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.

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.
    - 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.
- *Inability to pay* (including sickness, death, financial hardship, or other circumstances where it is considered fair and equitable for the remission to be applied):
    - 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.

- *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 the "Rating Information" part of Council's Funding Impact Statement.

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 2022/23, the remission is set at $26.65 + 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 after 1 July 2013 as part of a subdivision, land use consent or building consent,
- 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 Rates

Objective

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 rates 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:

- A ratepayer could not reasonably have been expected to know that a leak within their boundary has resulted in unusually high water consumption, and can provide evidence the leak has been repaired.
- A residential ratepayer provides evidence that water is used for personal medical purposes, and that has contributed to the high water use.
- A residential ratepayer provides evidence that the high water use is the result of a large number of family members (greater than 8) living in the residence.

Remission applies to:

All ratepayers liable for excess water rates.

Remission 8: Vacant Central City Land

Objective

To provide rates relief for vacant central city land that pays the City Vacant differential on the value-based general rate, where that land contributes to central city amenity.

Conditions and criteria

Rates may be remitted for vacant central city land where that land pays the City Vacant differential on the value-based general rate. The amount of rates remitted is at Council's discretion, but may be up to the amount that restores the land to the same rating position it would have been in if the City Vacant differential was not applied to the land.

Land qualifies for this remission if it is being kept in an improved and maintained state, consistent with Council's Vacant Site Improvement Guide. This will be assessed at the discretion of Council.

Council will grant this remission based on the circumstances of the land as at the beginning of the rating year.

Further remission – consenting delay

Rates may also be remitted where Council considers that Council's actions or inactions have caused a delay in processing a building or resource consent relating to that land, and where Council considers that, if it had processed the consents in accordance with statutory timeframes, it is reasonable to expect that the land owner could have avoided being assessed for the City Vacant differential. The amount of rates remitted is at Council's discretion.

Remission 9: Wheelie bin service reduction

Objective

To provide rates relief from the Waste Minimisation targeted rate for rating units within multi-unit residential developments where the rating unit has opted out of receiving the 3-bin kerbside collection service, and to provide further rates relief to the extent that kerbside collection and disposal costs for refuse are included within the general rate rather than the Waste Minimisation targeted rate.

Conditions and criteria

This rates remission applies where a rating unit within a multi-unit residential development has, with the approval of Council, opted out of the 3-bin kerbside collection service. Note that opt out will be approved only where alternative arrangements are made for collection of all waste streams, and Council considers those arrangements provide an appropriately equivalent service.

Where the opt out applies for the whole year, the remission will be equal to the Waste Minimisation targeted rate, plus $83 (representing the average annual kerbside collection and disposal cost for the red bin).

Where the opt out applies for part of the year the Council may, at its discretion, grant a remission calculated based on the proportion of the year to which the opt out applies.

Remission 10: 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.

Minor changes, errors and omissions
Levels of service

Contents

A. Proposed minor changes to Community Levels of Service

1. Recreation, Sports, Community Arts and Events

	Position	Name
Approval by General Manager	GM Citizens and Community	Mary Richardson
Activity Manager (Submitter)	Head of Recreation, Sports and Events	Nigel Cox

Rationale
Customer Experience Research Metrics and Performance Indicators (CERM PI - through the University of South Australia) has provided benchmarking information for each of our recreation and sports centres for a number of years now. However we are now the only New Zealand based Territorial Authorities (TA) using the service and a review of the information that we are getting and using from the annual survey suggests that there is value in bringing the level of service surveying in house as a component of the Net Promoter Score surveying programme (NPS).

With the introduction of the quarterly NPS monitoring, the value proposition of CERM PI has shifted; an NPS is a recognised industry best practice benchmark, and there is value in continuing this line of surveying.

Bringing the survey in house as part of the wider Residents Survey programme would enable better alignment of the questions with the level of service. Currently the question used for measurement asks “Overall, how satisfied are you as a customer of this centre?” while the level of service addresses satisfaction with range and quality of facilities.

Aligning the customer services questions with the set used across wider CCC resident’s survey (this is already the case in NPS survey) would enable benchmarking for customer services with other units across the organisation.

Additional questions could be added to the NPS survey that align with CERM PI to provide ongoing trend data, although some changes to the scales used for measurement would be recommended to bring them in line with the research best practice around balanced scales.

It would also bring additional benefits in terms of the potential for deeper analysis and analytics, including (but not limited to):

1. More in depth demographic analysis to support the preparation of the Recreation and Sport demographic profile
2. Deeper analysis of the qualitative (open-ended) feedback provided by respondents, including isolating it based on membership type and services used at each centre

3. The ability to track member satisfaction over time, interventions could then be taken when members signal declining satisfaction or that they are looking to discontinue their membership
4. There would also be benefits in terms of reducing respondent burden, as the two surveys that we currently ask our customers to respond to would be consolidated into a single survey and the focus could instead be on lifting response rates above the current 13%-15%.

Proposed Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
7.0.7	Deliver a high level of satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities	At least 80% satisfaction with the range and quality of facilities	Participants are surveyed annually in accordance with the NPS international benchmarking survey.

Current Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets				Method of Measurement
			Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
7.0.7	Deliver a high level of satisfaction with the range and quality of facilities	2021/22: 6.1 2020/21: 6.1 2019/20: 91.75% (6.0) 2018/19: 93% (6.0) 2017/18: 5.8	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	At least 80% satisfaction with the range and quality of facilities (5.6 on a 7 point scale using CERM)	Participants are surveyed annually in accordance with the CERM international benchmarking survey.

2. Community Development and Facilities

	Position	Name
Approval by General Manager	GM Citizens and Community	Mary Richardson
Activity Manager (Submitter)	Head of Community Support & Partnerships Unit	John Filsell

Rationale

This change to future targets reflects that Council approved disposal of a number of community facilities through the Long term Plan (LTP) process.

Proposed Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
2.0.1.1	Support the development of strong, connected and resilient communities by supporting the provision of a sustainable network of community facilities	80-84 Facilities	80-84 Facilities	80-84 Facilities	Total number of facilities detailed in the Asset Management Plan subject to facility disposal. From time to time facilities may be closed for maintenance and repair.

Current Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets			Method of Measurement
			Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
2.0.1.1	Support the development of strong, connected and resilient communities	2019/20: 91 facilities including community canters, halls, early	89-91 Facilities	89-91 Facilities	89-91 Facilities	Total number of facilities detailed in the Asset Management Plan subject to facility disposal. From

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LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets			Method of Measurement
			Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
	by supporting the provision of a sustainable network of community facilities	learning centres and voluntary libraries				time to time facilities may be closed for maintenance and repair.

3. Governance Decision Making

	Position	Name
Approval by General Manager	GM Citizens and Community	Mary Richardson
Activity Manager (Submitter)	Head of Community Support & Partnerships Unit	John Filsell

Rationale

This change to the level of service target is to allow for a very small number of administrative errors that may occur within the year. With the volume and complexity of requests received, achieving 100% responses is generally not realistic.

Proposed Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
4.1.29.2	Respond to requests for information held by Council in a manner that complies with the legislative processes and timelines set out in the	Provision of information is in accordance with	Provision of information is in accordance with	Provision of information is in accordance with	Review of the LGOIMA information provision

LOS number	Performance Measures Levels of Service (LOS)	Future Performance Targets			Method of Measurement
		Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
	Local Government Official Information and Meetings Act 1987 (LGOIMA)	LGOIMA principles and requirements – 99%	LGOIMA principles and requirements – 99%	LGOIMA principles and requirements – 99%	

Current Level of Service

LOS number	Performance Measures Levels of Service (LOS)	Historic Performance Trends	Future Performance Targets			Method of Measurement
			Year 2 2022/23	Year 3 2023/24	Year 10 2030/31	
4.1.29.2	Respond to requests for information held by Council in a manner that complies with the legislative processes and timelines set out in the LGOIMA	2019/20: 99.7% 2018/19: 99.7%	Provision of information is in accordance with LGOIMA principles and requirements – 100%	Provision of information is in accordance with LGOIMA principles and requirements – 100%	Provision of information is in accordance with LGOIMA principles and requirements – 100%	Review of the LGOIMA information provision

Annual Plan 2022 - 2023

Submissions Thematic Analysis

Prepared by Monitoring & Research

May 2022

How to use this document

The purpose of this document is not to provide analysis on everything that submitters commented on, but rather to provide a summary of key topics and issues identified by a number of submitters.

The analysis is based on the opinions of submitters, whether they are factually correct or not.

The first part of this report provides an overview of the key themes and messages that have come through in submissions, and the latter provides detailed submissions analysis for some of the topics and issues that were most popular with submitters.

Key Messages

This year submitters again provided us with detailed and well considered feedback. They responded to the questions we posed, and provided valuable feedback on our game plan.

Submitters highlighted the financial pressures that households are facing currently, and will likely continue to face into the foreseeable future. Many indicated that they were pleased to see the rates increase below what we had signalled in the LTP, however there was a general sense from many that they would like to see us look to reduce our spending further where we can to lessen the burden on households. Others signalled that they would be concerned if we looked to reduce rates further at the jeopardy of important projects and work programmes.

With this in mind, overall the feedback from submitters generally indicated that would like us to take a balanced approach, reducing our spending and the impacts on households where we can but not to the point where we need to sacrifice work and projects that our residents place value in to cut costs.

Residents in the east are feeling increasingly frustrated by our spending on things perceived as “nice to haves” when they feel that they are continuously having to fight to get investment in some of the basics. Submissions received from submitters in the east came with a sense of frustration that we appear to have forgotten about them when they are still waiting to see improvement in the condition and maintenance of infrastructure (particularly transport infrastructure) across many suburbs in the east of the city.

A number of submitters from Bromley also expressed their frustration with the ongoing challenges and issues that they face following the fire at the Waste Water Treatment Plant. Many highlighted that they would like to see us providing more support to residents in this area instead of signalling further rates increases when we are yet to resolve issues having significant impacts on their day to day lives.

Continuing to improve the condition of our assets and infrastructure was a theme that we saw across many topics and issues raised by submitters. While it was particularly prominent in submissions on our transport infrastructure and our planned spend in this area, it also featured in other areas such as parks, three waters and community facilities. There was a sense that some submitters were beginning to see the progress that they would like to see and encouraged us to continue to prioritise this area, however a number of submitters highlighted that we still have some way to go to reach the condition that our residents are expecting. Submissions this year highlighted that our residents really do expect us to get the basics right.

Our approach to climate action was a focus for some submitters, and while most were supportive of what we are doing already, most thought that we could still be doing more. There was a general consensus from these submitters that we need to get serious about prioritising climate action and mitigation and making it clear that they would like to see it embedded in all that we do.

A number of submitters also commented on city planning issues, highlighting concerns about the impacts of our continued growth. Whether it is the impacts of the new Medium Density Residential Standards or the impacts that continuing Greenfield growth will have on both the built and natural environment, there is a sense of apprehension about what continued growth means for our current residents.

Submissions on our tree canopy echoed this sentiment, submitters could see the need to provide homes for our growing population, but do not want to see this happening at the expense of our tree canopy. Others highlighted the role that our tree canopy will need to play in mitigating the impacts of climate change, particularly from the perspective of providing shade and cooling.

As with the LTP, we were once again reminded of the value that residents place on local facilities. Submissions on the Edgeware pool highlighted the importance of this facility to the community, with many submitters telling us of their memories of summers spent at the pool and learning to swim there. Submitters once again told us that we should not undervalue the service and sense of community provided by smaller, local facilities.

Submissions received on future uses for the land at 129 Gloucester Street also reiterated the importance of a range of facilities to meet a range of needs. Many of these submitters supported using the land for a community-led performing arts space, which would provide a more informal space than what is already in and what is planned for the rest of the performing arts precinct. These submitters indicated that they were pleased to see the Council abandon plans for a car park on this land, but were clear that any future use should be for performing arts. This community is extremely motivated to work with the Council to achieve the best possible outcome and use of the land.

Finally, while our residents are happy to provide us with feedback there was some feedback from them that we could make it easier to do so. While some submitters acknowledged that we have made good changes since last year, others feel that the documentation we provide is still hard and cumbersome to navigate which makes it hard for them to provide us with meaningful feedback. The message was clear that if we want our residents to engage, they want us to enable them to do so in an informed and meaningful way.

Who did we hear from?

Community Board	Number of Submitters	%* of Submitters
Not Stated	182	36%
Banks Peninsula	13	3%
Coastal – Burwood	24	5%
Halswell – Hornby – Riccarton	73	14%
Fendalton – Waimairi – Harewood	43	9%
Linwood – Central – Heathcote	53	10%
Papanui – Innes	104	21%
Spreydon - Cashmere	12	2%

Ward	Number of Submitters	%* of Submitters
Not Stated	182	36%
Banks Peninsula	13	3%
Burwood	13	3%
Cashmere	7	1%
Central	32	6%
Coastal	11	2%
Fendalton	32	6%
Halswell	61	12%
Harewood	4	1%
Heathcote	8	2%
Hornby	10	2%
Innes	97	19%
Linwood	13	3%
Papanui	7	1%
Riccarton	2	0.4%
Spreydon	5	1%
Waimairi	7	1%

*Proportion is calculated on the total number of submissions received before 23 April. Any received after this date have not been included in this analysis.

Who did we hear from?

Number of Submitters by Age Group

Age	Number of Submitters	% of Submitters
Not Stated	183	35%
Under 18 years	2	0.4%
18 – 24 years	15	3%
25 – 34 years	60	12%
35 – 49 years	99	19%
50 – 64 years	82	16%
65 years and over	75	15%

Number of Submitters by Gender

Gender	Number of Submitters	% of Submitters
Not Stated	198	38%
Male	137	26%
Female	179	35%
Gender Diverse	2	0.4%

Number of Submitters by Ethnicity

Gender	Number of Submitters	% of Submitters
NZ European	265	52%
Maori	20	4%
Pacific Peoples	8	1%
Asian	12	2%
Middle Eastern, Latin American & African	4	0.8%
Other European	36	7%
Other	20	4%

Rates

Residential Rates (140 Submissions)

Submitters were divided on the residential rates proposal, 62 submitters indicated that they support our proposal, 62 opposed and 24 provided other views or proposals.

Submitters who supported our residential rates proposal tended to fall into two groups:

a. Those who appreciate that we have made an effort to keep any rates increases as low as possible, noting appreciation that the overall increase has come in below what we signalled in the Long Term Plan

b. Those who are conscious that to continue to make progress across a range of council programmes and projects, some level of rates increase is going to be required. In this case submitters tended to indicate that they would rather see a rates rise than projects stall.

Those who opposed largely signalled that households are already under increasing pressure with the rising cost of living, and a further increase to their rates is going to add additional pressure. Some feel that their rates continue to increase but they do not see any additional benefits or services. There was a general sense among these submitters that Council should be looking for more ways to reduce our spending, as opposed to passing on increasing costs to rate payers through rates rises.

Special Topic | Proposal to increase rates on vacant central city land (69 Submissions)

Should Council introduce the City Vacant Differential rate within the Central City Business and South Frame zones?

Submitters were dived on the proposal to increase rates of vacant central city land in these areas. While the majority (46 submitters) indicated that they supported the introduction of a new “City Vacant” differential, twelve submitters signalled that they did not support the proposal and thirteen provided other views or proposals in their feedback.

Those who supported the introduction of the new differential highlighted the positive impacts it would have, including encouraging land owners to maintain and look after their vacant land to an appropriate standard, incentivising land owners to develop their land, and generally improving the overall look and feel and perceptions of our central city.

Submitters who opposed the introduction tended to be from our business and development communities, highlighting in their submissions the challenges involved in redeveloping the city post-quake. There was a sense from these submitters that treating vacant land and derelict buildings differently unfairly penalises the owners of vacant land. Some noted that they feel a more constructive approach would be for the council to proactively work with property owners on other incentives to get these sites developed, as opposed to taking a punitive approach.

Should Council introduce a remission to offset the City Vacant Differential Rate impact where owners improve the appearance of their vacant sites?

The majority of submitters supported introducing a remission to offset the City Vacant Differential Rate impact where owners improve the appearance of their vacant sites. Seventeen submitters opposed this proposal and ten provided other views or proposals in their submission.

Those who supported the proposal generally felt that it would further incentivise owners of vacant central city land to improve the appearance of their vacant sites and potentially consider working with local groups and organisations on temporary uses for the land. It was noted by some submitters who supported the proposal that we need to balance rewarding vacant land owners taking steps to maintain and improve their vacant sites with the overarching goal of seeing development begin on these sites.

Those who oppose the proposed remission tended to just generally indicate that they didn't support the proposal. Some of these submitters were of the opinion that providing a remission would just encourage land owners to tidy up their vacant sites and then continue to land bank for the foreseeable future, while others thought that it would be too subjective and hard to administer fairly.

Should Council introduce the City Vacant Differential rate in other parts of the city?

26 submitters indicated that they would support the Council introducing the City Vacant Differential in other parts of the city, highlighting that there is vacant land in a number of areas across the city that would benefit from being developed. New Brighton and areas of the Central City outside of the Central City Business and South Frame zones were the most common examples highlighted by submitters.

The benefits raised by submitters were similar to the benefits for the central city, including encouraging land owners to maintain and look after their vacant land to an appropriate standard, incentivising land owners to develop their land, and generally improving the overall look and feel and perceptions of these areas.

Should Council introduce an equivalent rating arrangement for remaining Central City 'Barrier Sites' (Derelict Buildings)?

The majority of submitters (40 submitters) indicated that they would support the introduction of an equivalent rating arrangement for remaining Central City 'Barrier Sites'. Eight submitters opposed this proposal and three provided other views or proposals.

There was a sense from the comments provided by submitters who supported this proposal that there is little difference between land banking vacant land and land banking land with derelict buildings. The issues with derelict buildings highlighted by submitters were similar to the issues with vacant sites, including the impacts that they have on the appearance of our central city and consequently people's perceptions of our central city, and a sense that they are holding back the progress and success of the central city.

Feedback from submitters who opposed was mixed, some feel that it would have no impact as the owners of barrier sites do not care and others feel that council should be exploring other solutions such as acquiring the properties. Feedback from the development sector highlighted issues with applying the differential fairly, the complications with heritage buildings and pros and cons of taking a punitive approach vs. incentivising the redevelopment of these sites.

Special Topic | Proposal for a new policy on Māori Freehold Land (8 submissions)

Five submitters indicated that they support replacing the existing Policy on Remission and Postponement of Rates on Māori Freehold Land (MFL Policy) with a new draft MFL Policy, five submitters indicated that they oppose replacing the existing policy.

Feedback on the proposal for a new rates remission and postponement policy on Māori Freehold Land was mixed, with five submitters providing feedback in support of the proposal and five providing feedback opposing the proposal.

Those who supported the proposal tended to generally acknowledge their support for the new proposal, indicating that it felt appropriate to update the policy to reflect the amendments made to the Local Government Act 2002 and the Local Government (Rating) Act 2002.

Those who opposed tended to fall into two groups. On one hand there were those who opposed enabling the land to sit undeveloped and special treatment for Māori owned landholdings, and on the other there was feedback from Rūnanga that we haven't quite got the policy right in terms of responding to our obligations under Te Tiriti o Waitangi. Specifics raised included a lack of decision-making provision for Rūnanga, that the process used to develop the policy do not met the good faith obligations of the Crown as tangata whenua have not had a role in the design of the policy, and that the policy does not allow for the exercise of rangatiratanga.

Our Planned Spending (70 submissions)

70 submitters provided a range of feedback on our planned spending.

There was a sense from submitters who supported our proposed spending that we have the balance and mix about right. Some highlighted again that it was good to see the Council considering the impacts of further rates increases on residents and considering different and more efficient ways of doing things.

There was a general feeling from those who opposed our proposed spending that there is more that we could do to reduce our spending and the subsequent burden on ratepayers. A number highlighted that they think we are spending in the wrong areas, some noting that there is still more we could do to get the basics right before worrying about the nice to haves.

More than half of the submitters (37 submissions) who commented on our planned spending provided alternative views or proposals. These can be broadly categorised into the following areas:

a. **Additional spending in specific geographic areas:** A number of areas were highlighted by submitters, including the wider Banks Peninsula and Coastal-Burwood community board areas, Phillipstown (Transport), Avondale (Transport), Bromley (Transport) and Spreydon (Green Space).

   One submitter noted that it would be beneficial for local communities to have more input into how we are spending money within their areas. Another signalled that they would like to see more focus be placed on spending development contributions revenue in growth areas.

b. **Reducing the burden on rate payers:** A number of submitters indicated that they would like to see us identify more areas where spending could be reduced to lessen the rates burden at a time when many are struggling with the increased cost of living and the ongoing economic impacts of Covid-19.

c. **Impacts of capital programme changes on Phillipstown:** members of the Phillipstown community highlighted their concern that changes to the capital programme will lead to their suburb being overlooked and work that they see as long overdue further delayed.

d. **Additional spending on specific activities:** Some submitters highlighted specific activities where they would like to see us spending more than we are proposing, including roads, footpaths and streetscape, stormwater infrastructure and parks, heritage and foreshore.

Other issues raised by submitters include more transparency in our documentation on where are spending (specifically the "Other" category) and staff and consultant costs.

Grants and Funding

Edgeware Pool (170 submissions)

The vast majority of submissions (160) received on the proposed capital grant for the Edgeware Pool supported the proposal. The community have made it clear what the reinstatement of this facility means to them, with many submitters telling us about their memories of summers spent swimming at the pool and learning to swim there. Others highlighted the important role of local facilities, particularly in a country where we are surrounded by water and have recently seen high drowning rates.

Those who opposed (7 submissions) generally felt that the responsibility for funding a community facility such as this should not fall with rate payers across the wider city, pointing out the original agreement that the council had with the community.

Transport

Roads (157 submissions)

Submissions received on our proposed spend on our road network covered a range of issues.

90 submissions were received on the Milns/Sparks/Sutherlands Road intersection upgrades. Submitters highlighted that the ongoing residential development and growth in Halswell is leading to increasing traffic and safety issues. They talked about a range of safety issues, including challenges crossing the road as a pedestrian in this area, safety issues caused by heavy vehicles and speed limits, and the difficulties of making right turns through an uncontrolled intersection, and would like to see the upgrades at the Milns/Sparks/Sutherlands Road intersection put on budget for this year.

A number of submissions (30 submitters) raised issues with roads in the east of Christchurch, indicating that they would like to see funding available for a range of projects. There is a general sense from these submitters that the council continues to forget about the eastern suburbs, and they would like to see investment in these areas before there is any more spending on perceived “nice to haves”.

Specific projects raised by submitters included:

- Road improvements, safety and streetscape enhancements included in the Ferry Road Master Plan for Ferry Road from Fitzgerald Avenue to Aldwins Road.
- Safety improvements along Ferry Road from Wilsons Road to Aldwins Road.
- Prioritising areas of Phillipstown for slow speed neighbourhoods, including Olliviers and Mathesons Roads
- Improving the condition of roads in the east, specific examples included Maces Road, Pages, Road, New Brighton Road, Fleete Street and Lake Terrace Road.

The resurfacing of Dawson Street was also raised by submitters (8 submissions). These submitters highlighted that Dawson Street is a shared zone used by a range of users (vehicles, pedestrians, cyclist, and families with prams) and any resurfacing should be done using a treatment appropriate for a range of uses and users. With this in mind they would like us to revisit the decision to use chip seal when resealing Dawson Street.

A number of submissions were received where submitters generally indicated that they were not happy with the condition of our roads, and think that we could do more to improve this.

Cycling Infrastructure (75 submissions)

Generally submitters who addressed our proposed spend on cycleways were supportive of the work we are doing to build our major cycleways network.

Submitters who support our proposed spend (33 submitters) highlighted the value they see in the continuing investment in our cycleways network, both in terms of making cycling in Christchurch safer and encouraging more people to travel by bike but also the benefits in terms of reducing emissions and addressing climate change. There submitters urged the council to continue with the work to complete the network.

A number of alternative views and proposals on our cycleways spend were provided by submitters (32 submitters). These can broadly be summarised into the following issues:

a. **Sparks Road Cycleway:** a number of submitters discussed the Sparks Road cycleway alongside their submissions on the Milns/Sparks/Sutherlands Roads intersection. These submitters would like to see the Sparks Road cycleway be extended to connect to Halswell, improving access to the Halswell Domain, Te Hāpua, and the Halswell commercial centre. Other submitters indicated that they would also like to see it better connect into Kennedy's Bush.

b. **Local Cycleways Connections:** A number of submitters highlighted the need for local connections that connect cyclists to the major cycleways network, particularly in terms of further improving safety for cyclists. Specific areas mentioned by submitters included connecting Cracroft and Westmorland to the Norwest Arc, a creative solution to connecting Lyttelton with the city, a connection from Quarrymans Trail from where it leaves Sparks Road to Halswell Road, and safety improvements in St Albans.

The majority of the submitters who opposed our proposed spending on cycleways (16 submitters) feel that there are other priorities that we should be focusing on, and that generally the cycleways were too expensive.

Footpaths and Streetscape (69 submissions)

The majority of submitters on our proposed spending on footpaths and streetscape provided other views or proposals (51 submitters), the vast majority of which identified other areas of the city where they would like to see us investing in footpaths.

Three key themes came through in the submissions on our footpaths and streetscapes:

a. **The condition of our footpaths:** Some submitters noted that they were pleased to see our focus on maintaining roads and footpaths for all users, and others vented their frustration with the condition and maintenance of our footpaths. There is a general sense from those who expressed frustrations that we could be doing more to maintain and improve the condition of our footpaths.

b. **Safety improvements:** a number of submitters highlighted areas where they would like to see safety improvements for pedestrians, including improving the condition of footpaths but also new or improved pedestrian crossings in some locations.

c. **Improving pedestrian facilities:** submitters who commented on this tended to feel that we should change our approach to designing pedestrian spaces to make sure that they are accessible for everyone, or in some locations begin to shift the focus away from car-centric environments towards more pedestrianised spaces.

As with our roads, submitters from the east (18 submitters) reiterated their frustrations with the condition of the pedestrian infrastructure in our eastern suburbs, again indicating that these communities are feeling like we have forgotten about them.

A number of submissions (21 submitters) also addressed pedestrian improvements required in Halswell, particularly around the Milns/Sparks/Sutherlands Road intersection. Improvements in this areas would allow residents to access local facilities (playgrounds, shopping centre, and the library) by foot, whereas at the moment they get in their car and drive as there are no safe pedestrian facilities.

Three Waters

Water Supply (29 submissions)

Submissions received on our proposed spend on water supply tended to support our continued investment, or highlight areas where further investment in specific areas.

Nine submitters highlighted the urgent need for upgrades to the water supply infrastructure in Okains Bay, with submitters expressing frustration at how long this work is taking and concern about the ongoing health risks.

Three Waters Reform (13 submissions)

Thirteen submitters provided feedback on the Government's proposed Three Waters Reform. Generally submitters indicated that they don't support the proposed model, some outright disagreeing and others indicating that they support the need for reform but not the proposed model. There were some calls for more information and clarity around the programme and potential impacts.

Kerbside Collection

Special Topic | Opting out of kerbside collection & targeted rate (74 submissions)

14 submitters indicated that they support the proposed change to kerbside collection rates that would allow multi-unit residential developments to opt out of kerbside collection. 43 submitters indicated that they opposed the proposed changes and six submitters provided other views or proposals.

The feedback provided was mixed feedback on our proposal to allow some multi-unit developments to opt out of the kerbside collection service and associated targeted rate.

While there was general support for enabling multi-unit developments to opt out, a number of submitters raised issues with the fact that they would still be required to continue funding the Council's other waste management activities, including the kerbside collection and disposal of rubbish. Submitters believed that the proposal should include the ability to opt out of all kerbside collection costs. These submitters also highlighted that they would like to see the council provide more transparent information on how much households pay in general for kerbside collection. It should be noted that these submitters did not oppose what we are proposing, but would like to see some further changes to the proposal.

Those who supported the proposal as it stands highlighted the advantages of alternative solutions for multi-unit developments, including managing the number of bins out on our streets each week in some of these areas. Others pointed out that it would remove the need for developers to provide space for each unit's bins, and that it was a fairer way of approaching things as the way we live and develop continues to change.

Special Topic | Proposed extension of kerbside collection service in Wairewa (62 submissions)

20 submitters indicated that they are supportive of the proposal to service additional properties in Wairewa. Nineteen opposed the proposal, fifteen submitters provided other views or proposals.

Feedback was also mixed on our proposal to extend our kerbside collection service to additional properties in Wairewa.

Those who supported the proposal noted the impacts that it would have in terms of improved convenience for residents who do not currently have access to the service, with many talking about the trip that they currently have to make to dispose of their rubbish, and the limited hours of the transfer station. Others thought it made good sense to extend the kerbside rubbish service to areas that already receive the recycling service.

A number of those who opposed live in Birdlings Flat, and highlighted issues around wind and weather, and difficulties for trucks getting in and out of the settlement. There were particular concerns around the frequent and strong winds often experienced at Birdlings Flat and the safety issues of having wheelie bins in the settlement during these winds. Others noted that the roads in the settlement are narrow, generally without kerbs and footpaths, and were concerned that having wheelie bins on the street for collection each week would create additional safety issues.

Others who opposed indicated that they were happy with the services currently available, and would object to being charged the full kerbside rate for a service that they do not want nor feel that they need.

Other submitters provided feedback on the additional areas that we are proposing to extend the service to, suggesting additional areas that they would like to see included.

Climate Change

28 submitters provided us with feedback on our proposed spend and approach to managing the effects of climate change. Submitters were clear that they supported the council taking climate action, however a number felt that we could be doing more to prioritise climate action. There is a sense that the Council should be leading the way on climate change initiatives in Christchurch, and while we have made a good start with projects like the major cycleways network, these submitters would still like to see us putting more emphasis on climate action.

Performing Arts Precinct

25 submitters addressed possible uses for the land previously designated for a carpark at 129 Gloucester Street. Many of these submitters noted their support for the decision made by council to abandon plans for a carpark in this location, and highlighted the opportunity that this site now presents.

Submitters were unanimous in their view that the future use of this land should be for performing arts, with many supporting a proposal put forward for a community-led performing arts space. Many of these submitters highlighted the need for a more informal performance space in the city, and believe that the proposed community-led space could provide for this.

City Planning

General Planning Issues (25 submissions)

25 submitters provided feedback on a range of city planning issues.

Many were concerned about the ongoing impacts of growth, whether it be intensification and the impacts that the Medium Density Residential Standards will have on communities or neighbourhoods or ongoing greenfields development and the environmental (built and natural environment) impacts of this type of growth.

Others indicated that they would like to see the council provide a regulatory framework and environment that better enabled different housing choices (such as tiny homes) and is easy to navigate.

Tree Canopy (14 submissions)

Included in the concerns about the ongoing impacts of growth was the ongoing impact that residential growth in particular is having on our tree canopy. Fourteen submitters highlighted that they would like to see us doing more to protect our tree canopy, and continuing to develop it.

Some submitters highlighted that it is going to be an important part of our approach to mitigating the impacts of climate change through providing shelter from the sun and wind, while others discussed the amenity value that trees bring to our neighbourhoods. Generally these submitters acknowledged that there is a need for us to provide housing for our growing population, but feel that this should not happen at the expense of our tree canopy.

Christchurch Waste Water Treatment Plant

24 submitters addressed the issues currently faced as a result of the fire at the Waste Water Treatment Plant. What we heard from them largely echoed what we have been hearing via other platforms – the impacts of the fire is having a significant impact on residents living in and around Bromley and they would like to see us resolve the situation as quickly as possible.

Many of these submitters said that the council should be compensating residents in the area in some way, as opposed to signalling that their rates would go up while they continue to deal with the impacts of the fire on their day to day lives.

Consultation, Engagement and Communications

Nineteen submitters provided feedback on our consultation, engagement and communications approach, both in terms of the annual plan specifically and more general feedback on our approach.

A number of submitters noted that they would like to see us providing more user friendly information to enable submitters to make well informed submissions. Others were pleased to see changes made since we consulted on the LTP to make it easier for submitters to navigate the documentation and get answers to questions, highlighting that when we do make changes our residents do notice and appreciate the changes.

Some submitters indicated that they do not think that we are genuine when we go out to consult, have predetermined outcomes, and generally do not listen to what residents are telling us.

Christchurch City Council Annual Plan 2022/23 Management Sign-off

SIGN-OFF BY MANAGEMENT FOR THE ANNUAL PLAN 2022/23 PROCESS

Initial	Signatory's Position	Number of sign-offs
ACE	Assistant Chief Executive, Strategic Policy and Performance	6
CFO/GMR	Chief Financial Officer / General Manager Resources	40
HFI	Head of Finance	40
CPR	Corporate Reporting Manager	15
MRR	Manager Rates Revenue	10
GFC	Group Financial Controller	4
HSPR	Head of Strategic Policy and Resilience	3
HCPP	Head of Corporate Planning and Performance	2
HLDS	Head of Legal and Democratic Services	2
HPMO	Head of Programme Management Office	1

Initial	Signatory's Position	Number of sign-offs
H3W	Head of Three Waters	1
HTW	Head of Transport and Waste	1
HPC	Head of Planning and Consents	1
HRC	Head of Regulatory Compliance	1
HBC	Head of Building Consenting	1
HPA	Head of Parks	1
HRSE	Head of Recreation, Sports and Events	1
HLI	Head of Libraries and Information	1
DAG	Director Art Gallery	1
HOCE	Head of Office of Mayor and Chief Executive	1

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
1. Financial Strategy and Infrastructure Strategy			
1.1. Does the Annual Plan comply with the Financial Strategy in the 2021-31 Long Term Plan?	Yes, although breach of Debt Servicing benchmark wasn't forecast until 2027.	ACE	☒
		CFO/GMR	☒
		HFI	☒
1.2. Does the Annual Plan comply with the Infrastructure Strategy in the 2021-31 Long Term Plan?	Yes	ACE	☒
		CFO/GMR	☒
		HFI	☒
		HSPR	☒
1.3. Are the "stories" that the financial and infrastructure strategies tell still consistent? A robust financial strategy cannot be developed in isolation from intended levels of service and the operational expenditure and capital expenditure programs associated with these.	Yes	ACE	☒
		CFO/GMR	☒
		HFI	☒
		HSPR	☒
2. Revenue and Financing Policy			
2.1. Does the Annual Plan comply with the revenue and financing policy in the 2021-31 Long Term Plan?	It complies with the revised Revenue and Financing Policy, on which we consulted in the Draft Annual Plan 2022/23, and which will be adopted prior to the Annual Plan itself.	CFO/GMR	☒
		HFI	☒
		MRR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
2.2. If not, have you planned a review of the RFP so that it is adopted before the Annual Plan?	See above	CFO/GMR	☒
		HFI	☒
		MRR	☒
3. Funding Impact Statement			
3.1. Does the Annual Plan contain a funding impact statement for the whole of council? (LGA 2002, sch 10 cl 20 (2)/Financial Reporting Regulations 2014)	Yes	CFO/GMR	☒
		HFI	☒
		MRR	☒
3.2. Does the funding impact statement contain two components: 3.2.1. a financial statement 3.2.2. information about funding sources. (LGA 2002, sch 10 cl 20(3))	Yes	CFO/GMR	☒
		HFI / CPR	☒
3.3. Does the whole-of-council funding impact statement have a nil balance (Financial Reporting Regulations 2014)?	Yes	CFO/GMR	☒
		HFI / CPR	☒
3.4. Does the funding disclosure contain details of each of the rates your local authority proposes to set and how these will be calculated (including specifying the relevant matters from Schedule Two and factors from Schedule Three of the Rating Act)?	Yes	CFO/GMR	☒
		HFI	☒
		MRR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
3.5. Is the funding disclosure specified with enough particularity that ratepayers can, for example, determine whether they are liable for any particular rate and what differential categories they are in?	Yes	CFO/GMR	☒
		HFI	☒
		MRR	☒
3.6. Does the funding disclosure include sample models of the impact of the rating proposals for the annual plan?	Yes	CFO/GMR	☒
		HFI	☒
		MRR	☒
3.7. Has the entire funding impact statement, but especially the funding disclosure, been reviewed for legal compliance by someone conversant with the LGA 2002 and the Rating Act?		CFO/GMR	☒
		HFI	☒
		HLDS	☒
		MRR	☒
3.8. Has the funding disclosure been checked for consistency with the revenue and financing policy set out in the long term plan?	It has been checked for consistency with the revised Revenue and Financing Policy, on which we consulted in the Draft Annual Plan 2022/23, and which will be adopted prior to the Annual Plan itself.	CFO/GMR	☒
		HFI	☒
		MRR	☒
3.9. Is the funding disclosure complete (i.e., is every rate that your local authority proposes to set included)?	Yes	CFO/GMR	☒
		HFI	☒
		MRR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
4. Financial Statements			
4.1. Does the Annual Plan include forecast financial statements for the financial year covered by the plan? (LGA 2002, sch 10 cl 18)	Yes	CFO/GMR	☒
		HFI / CPR	☒
4.2. Has the Annual Plan included the financial statements for the year preceding the annual plan? If yes, are these in the same format as the financial statements for the Annual Plan? (LGA 2002, sch 10 cl 19).	Yes	CFO/GMR	☒
		HFI / CPR	☒
4.3. Do all of the forecast financial statements comply with Generally Accepted Accounting Practice? (LGA 2002, s 111) + (Section 18 of part 2 of Schedule 10, of the LGA 2002) GAAP = applicable accounting standard = PBE FRS 42	Yes	CFO/GMR	☒
		HFI	☒
		GFC	☒
4.4. Has the Annual Plan included the rating base disclosures? (LGA 2002, sch 10 cl 20A)	Yes	CFO/GMR	☒
		HFI	☒
		MRR	☒
4.5. Has the Annual Plan included a statement showing the objectives for reserves, the starting and end balance for reserves and any movements in reserves? (LGA 2002, sch 10 cl 21)	Yes	CFO/GMR	☒
		HFI / CPR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
4.6. Have disclosures been made with respect to the Council's intended level of performance against fiscal benchmarks and indicators? (Financial Reporting Regulations 2014)?	Yes. Planned breach of Debt Servicing benchmark	CFO/GMR	☒
		HFI / CPR	☒
4.7. Are the prospective financial statements in the Annual Plan prepared in accordance with the appropriate financial reporting standards? • LGA 2002, Schedule 10, Section 18 – Forecast financial statements • PBE FRS 42	Yes	CFO/GMR	☒
		HFI	☒
		GFC Accounting Policies Only	☒
4.8. Has review of required disclosures in the prospective financial statements been performed? LGA 2002, Schedule 10	Yes	CFO/GMR	☒
		HFI / CPR	☒
		GFC Accounting Policies Only	☒
5. Balanced Budget Statements			
5.1. Is the Council running a balanced budget in the Annual Plan? (LGA 2002, s 100)	Yes	CFO/GMR	☒
		HFI / CPR	☒
5.2. If there is an unbalanced budget does the Annual Plan explain the reasons for the unbalanced budget, and the implications of the decision? (LGA 2002, s 10 cl 14)	n/a	CFO/GMR	☒
		HFI / CPR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
5.3. Is running an unbalanced budget prudent? (NB: Assessing prudence will necessitate consideration of the impacts beyond the life of the plan)	n/a	CFO/GMR	☒
		HFI / CPR	☒
5.4. Has the Council resolved to operate an unbalanced budget?	n/a	CFO/GMR	☒
		HFI / CPR	☒
5.5. Has the necessary analysis been performed with respect to the levels of service and the financial impacts in order to provide the Council and the auditors with assurance that the unbalanced budget is prudent?	n/a	CFO/GMR	☒
		HFI / CPR	☒
5.6. Are appropriate disclosures considered and / made in the Annual Plan regarding the unbalanced budget?	n/a	CFO/GMR	☒
		HFI / CPR	☒
5.7. Is an unbalanced budget an issue that warrants inclusion in the financial strategy?	n/a	CFO/GMR	☒
		HFI	☒
6. Forecasting Assumptions – See also Sign-off for Forecasting Assumptions where individual assumptions are signed off			
6.1. Has the Annual Plan identified all of the significant forecasting assumptions and risks? (LGA 2002, sch 10 cl 17(a))	Yes	CFO/GMR	☒
		HFI	☒
6.2. Has the Annual Plan disclosed the useful life of significant assets and funding sources for the replacement of significant assets? (LGA 2002, sch 10 cl 17(b))	Yes	CFO/GMR	☒
		HFI	☒
		GFC	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
6.3. Are there any disconnects between the assumptions disclosed in this section and those disclosed in the infrastructure strategy and the financial strategy in the 2021-31 Long Term Plan?	No	CFO/GMR	☒
		HFI	☒
		HSPR	☒
6.4. Did management review the assumptions and their significance afresh, or did it "roll over" the assumptions from the 2021-31 Long Term Plan?	Review in light of Covid, inflation, climate change and reform	CFO/GMR	☒
		HFI	☒
6.5. Has management checked economic assumptions with those others are making (e.g., is there a reason management is assuming interest rates of 10 percent when others are assuming 6-7 percent)?	Yes to a reasonable degree	CFO/GMR	☒
		HFI	☒
6.6. Should Council undertake scenario modelling of the impact if significant assumptions fail to materialise or are significantly different from those you expected? For example, a local authority reliant on central government funding for a particular large project might consider whether it needs a "plan B"; a growth council might want to forecast different scenarios for the receipt of development contributions revenue.	Not easy to model alternate inflation assumptions which is the biggest risk. Costs will be managed to budget during the year.	CFO/GMR	☒
		HFI	☒
6.7. Does the Annual Plan include the following (if not, should it)? 6.7.1. service level assumptions	Capital works only There is nothing of significance in relation to service level assumptions for this Annual Plan.	CFO/GMR	☒
		HFI	☒
6.7.2. demand assumptions (note that this includes demand driven by population growth and change, economic growth and transformation, and changing preferences)	Budgets incorporate growth and volume assumptions, they are not specifically identified in the significant assumptions.	CFO/GMR	☒
		HFI	☒
		HCPP	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
6.7.3. economic assumptions (interest rates both for council investments and council borrowing, investment/dividend flows from council assets, forecast changes in key costs.	Yes	CFO/GMR	☒
		HFI	☒
7. Capital Expenditure			
7.1. Does the capital expenditure show the following detail for each group of activity? (LGA 2002, sch 10 cl 3) • amount to meet additional demand • amount to improve levels of performance • amount to replace existing assets	Not required for an Annual Plan	CFO/GMR	☒
		HFI / CPR	☒
		HPMO	☒
8. Proposed changes to levels of service			
8.1. Do proposed changes to levels of service include significant or material differences from the content of the 2021-31 Long Term Plan (LGA 2002 Section 95 2A)	No significant changes to Levels of Service	ACE	☒
		HCPP	☒
9. Proposed Fees and Charges			
9.1. Fees and charges schedules - have these been prepared in line with LGA 2002 Section 12 and LGA 2002 Section 150 or other relevant legislation (eg. Building Act 2004, Food Act 2014, etc.)	Yes	ACE	☒
		CFO/GMR	☒
		HFI / CPR	☒
		H3W	☒
		HTW	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HPC	☒
		HRC	☒
		HBC	☒
		HPA	☒
		HRSE	☒
		HLI	☒
		DAG	☒
		HOCE	☒
10. Significance and Engagement Policy			
10.1. Does the process proposed to be used for adopting 2022/23 Annual Plan comply with the requirements of the LGA2002 and the Council's significance and engagement policy?		ACE	☒
		HLDS	☒

Christchurch City Council Annual Plan 2022/23 - Management Sign-off

SIGN-OFF BY MANAGEMENT FOR SIGNIFICANT FORECASTING ASSUMPTIONS IN THE ANNUAL PLAN 2022/23

Initial	Position	Number of sign-offs
CFO/GMR	Chief Financial Officer / General Manager Resources	33
HFI	Head of Finance	33
CPR	Corporate Reporting Manager	3
GT	Group Treasurer	2
GFC	Group Financial Controller	2

Initial	Position	Number of sign-offs
HCPP	Head of Corporate Planning and Performance	4
HLDS	Head of Legal and Democracy Services	3
HPMO	Head of Programme Management Office	1
HSPR	Head of Strategic Policy and Resilience	1
HPA	Head of Parks	3

Initial	Position	Number of sign-offs
H3W	Head of Three Waters	4
HTW	Head of Transport and Waste	4
HFPP	Head of Facilities, Property and Planning	4
FBP-IPRS	Finance Business Partner for Infrastructure, Planning & Regulatory Services	1
FBP-Res	Finance Business Partner for Resources	1

In preparing the Annual Plan it was necessary for Council to make a number of assumptions about the future. The following tables identify those forecasting assumptions which are significant in that if actual future events differ from the assumptions, it will result in material variances to this Plan. The table also identifies the risks that underlie those assumptions, the reason for that risk, and an estimate of the potential impact on the Plan if the assumption is not realised.

A number of assumptions have such a high level of uncertainty the financial impact of a change in the assumption is not able to be quantified. In these situations a description of the impact has been provided.

AREA	COMMENT	ASSESSMENT	
		Person Responsible	Sign-Off
Forecasting Assumptions			
Has management considered the level of uncertainty in each of the significant forecasting assumptions and risks?		CFO/GMR	☒
		HFI	☒
Where levels of uncertainty are high then the LTP must disclose: • the fact of the uncertainty • an estimate of the uncertainty on the financial estimate (Cl. 17, Sch. 10, LGA).	LTP requirement	CFO/GMR	☒
		HFI	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
1. Capital Programme and infrastructure assets					
1.1 **Capital works.** Programmes and projects are assumed to be delivered within budget and on time. The capital programme is generally managed within overall budget allocations requiring changes to programme or project budget to be found within available budgets. At a corporate level provision is made for delayed delivery by forecasting an annual capital budget carry forward based on delivery trends. There may also be some projects delivered ahead of forecast and these will be managed within borrowing allowances via bring backs.	Actual costs will vary from estimates, due to higher input prices and/or delivery delays, resulting in budget shortfalls. These are partially offset by the delay in borrowing. However, Council has tendered significant work and estimates are based on the best available information. Delays could also be due to consenting and consultation requirements. See also 3.8 for Covid impact.	Moderate/ Low	To the extent possible Council staff seek to proactively manage the delivery of capital works, substituting projects within a programme where necessary. Those that are unable to be completed as planned in the Annual Plan may be carried forward. The implications of this are: • possible additional reactive opex; not all delays lead to additional costs. • possible reduction in opex if the delay relates to a new facility. • projects may cost more than planned due to inflation. • less funds will need to be borrowed in the short term. Delaying new borrowing	CFO/GMR HFI HPMO	☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			will impact on the timing of financing costs. • possible reduction to levels of service. • Any inflationary increase in Council's costs that is not offset by efficiency gains or revenue is likely to impact the timing of future works or increase borrowing.		
1.2 **Sources of funds for replacing assets.** The sources of funds will occur as projected.	Funding does not occur as projected and borrowing is required.	Low	Council is well placed to borrow funds as required and remain within its LGFA benchmarks. The impact on rates for every $10 million of additional borrowing for capital works is a 0.11% increase to rates spread over two years. This increase accounts for the interest cost and repayment of the borrowing over 30 years.	CFO/GMR HFI	☒ ☒
1.3 **Asset life.** Useful life of assets is as recorded in asset management plans or based upon professional advice (the Accounting Policies detail the useful lives by asset class).	Useful life of an asset/s is significantly shorter than expected.	Moderate	Council maintains its databases with the latest condition information. However, piped networks are below ground making remaining life more difficult to accurately assess. Ideally assets are replaced just in time. Earlier replacement would put more pressure on the Council's capital programme, leading to higher depreciation expense and financing costs. Late replacement leads to more expensive replacements costs plus generally greater negative impacts on the operational costs, quality of service and environmental effects.	CFO/GMR HFI HTW H3W HPA HFPP	☒ ☒ ☒ ☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
1.4 **Carrying value of assets.** The opening statement of financial position reflects the correct asset values. The carrying value of assets are revalued on a regular basis.	Asset revaluations differ to that planned and change the projected carrying values of the assets and depreciation expense.	Low	Land and buildings were revalued as at 30 June 2021. Waste water, water supply and stormwater assets, were revalued at 30 June 2020. Roading assets were revalued at 30 June 2019. The valuation of the Council's facilities and infrastructural assets at optimum depreciated replacement cost involves a significant amount of judgement in estimating the replacement unit cost, asset condition (for underground assets) and the remaining useful life of the assets. *Note: That the asset values of three waters, roads and footpaths assets include additions (at cost less depreciation) and disposals since the last valuation.*	CFO/GMR HFI/CPR GFC *New note added 28 January 2022 (for draft)*	☒ ☒ ☒
2. Inflation. Growth and Population					
2.1 **Inflation.** The price level changes projected will occur. Council has considered both information provided by Business Economic Research Limited to all local authorities and a weighted mix of its own cost inputs in determining appropriate inflators. Different forecast inflation figures for capital and operational items are used in developing the plan due to the differing mix of cost inputs in each. Inflation adjustments used are: 2022/23	Inflation is materially higher or lower than anticipated.	High	Any short term impact will be met by managing costs within budget without impacting levels of service where possible.	CFO/GMR HFI/CPR	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
Capital 2.3% Opex 3.1%					
2.2 **Economic environment.** The Canterbury economy has recovered in line with the national economy post COVID lock-downs, and unemployment is low. Economic risks remain from global developments (particularly COVID outbreaks and developments in Ukraine) and domestic developments (particularly higher interest rates and lower house prices). However, Council has prepared this Plan on the assumption that a significant economic slowdown or recession will not occur in the 2022-23 year (based on the economic projections contained in the Government's May 2022 Budget Statement, the Reserve Bank's May 2022 Monetary Policy Statement, and bank economists' published responses to these documents).	That there are further unexpected local, national or international economic shocks such as further restrictions on movement and economic activity from future waves of the COVID-19 virus. This would further exacerbate the uncertainty around future economic activity.	Moderate	A significant deterioration in Christchurch's economic environment could impact on ratepayers' ability to pay rates. If revenue was negatively impacted it could lead the Council to decide to borrow more heavily or cut facilities and services provided to reduce the rate requirement. However, this is unlikely to eventuate within a single rating year and any decision to cut services or increase debt to reduce rates would be more likely to be addressed in a future Annual Plan or Long Term Plan.	CFO/GMR HFI HCPP	☒ ☒ ☒
2.3 **Development contributions revenue.** Council collects development contributions from property developers to fund the capital costs of providing infrastructure capacity to service growth development. Development contribution charges are based on apportioning the cost of providing growth infrastructure to the forecast number of new residential, commercial, industrial and other properties. This forecast is based on Council's Growth Model.	If the number of new properties paying development contributions is significantly less than forecast over the funding life of assets then revenue from development contributions will not be sufficient to fund the growth component of the Council's capital programme. If the timing of growth differs significantly from forecast this will impact on Council's cash flows	Low Low	The timing of growth, and its impact on Council's development contributions revenue, will have a low impact on the borrowing and interest expense assumptions in this Plan. Any shortfall in development contributions revenue must be funded initially by	CFO/GMR HFI HCPP	☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
The Council has assumed development will reflect the population and business growth model forecasts and has budgeted its development contributions revenue accordingly.	and may necessitate changes to planned borrowing. The location and timing of development is determined by a number of factors such as market forces which are outside the control of the Council.		borrowing which is funded from rates over the relevant debt financing term.		
2.4 **Population.** Planning for activities, and thus the likely cost of providing those activities assumes that the population of Christchurch will increase at the rate forecast by Council's growth model.	That population growth is higher than projected, and Council will need to provide additional unplanned services and infrastructure. That population growth is lower than projected, and the Council will be required to support excess levels of infrastructure and service delivery.	Low Low	Population projections are based upon a standard set of demographic assumptions. The level of risk is low but could impact the cost of providing activities. The impact of COVID-19 on migration is unknown at this stage.	CFO/GMR HFI HCPP	☒ ☒ ☒
2.5 **Rating base.** The capital value of the city increases annually due to subdivisions and development which leads to an increase in the rating base. Growth in the number of rating units and their capital value is expected to increase the rating base for 2022/23 by $9.1 million (1.5%) compared to 2021/22.	Rating base grows at a materially different rate from that projected.	Low	Actual growth in the rating base is never known until year end. Council staff work closely with QV in the period leading up to year end in order to have as accurate an assessment as possible. Variances between the forecast growth used for setting rates decimals and actual growth in the rating base will change the total rates revenue collected but this is unlikely to be material.	CFO/GMR HFI	☒ ☒
2.6 **Aging population.** The number of people over the age of 65 is expected to increase by 80% by 2051 to 117,800 (24%).	If the mix of ages within the population is significantly different from that forecast the range and types of services that have factored in the needs of	Low	Age projections are provided by Statistics New Zealand on a nation-wide basis. The projections for people who will be in post-retirement age groups is determined by the current population structure which does	CFO/GMR HFI	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
By 2051 the number of people over the age of 80 is expected to be around 10% of the population, compared to around 4% in 2021.	older persons may need to change.		not change significantly, especially in the ages from 45 to 65 years, which will be the retirement age group in the next 20 years.	HCPP	☒
3. Impact of policies and external factors					
3.1 **Council policy.** Given the significant extent of government reform Currently underway, there will be regular updates to Council policy in response to legislative changes and emerging strategic issues.	New legislation is enacted that requires a significant policy response or business change from Council or, Department of the Prime Minister and Cabinet (DPMC) uses its statutory powers such that a change is required to Council policy.	Low	Dealing with changes in legislation is part of normal Council operations.	CFO/GMR HFI HLDS	☒ ☒ ☒
3.2 **Waka Kotahi subsidies.** The Current Funding Assistance Rate (FAR) of 51% on qualifying expenditure will not change. We will receive the total amount of subsidy that we have assumed we will receive.	Changes in the FAR, changes to the overall amount in the National Land Transport Fund, changes to government transport priorities, and changes to eligibility criteria for projects could impact on the amount of subsidy funding we receive from Waka Kotahi as a contribution to Council's Transport budgets.	Low	Changes to government funding priorities and Waka Kotahi funding decisions are outside Council control and the risk varies from project to project. The maximum financial impact would be the elimination of the subsidy, which is extremely unlikely. Commitment to continuous programmes such as maintenance, operations, renewals and low cost/low risk have been confirmed through the 2021-24 National Land Transport Programme. At risk is the subsidy for the significant improvement projects. The Council is regularly in discussions with Waka Kotahi to gain more clarity on which projects will receive funding. The risk of change to Waka Kotahi subsidy is very low.	CFO/GMR HFI HTW FBP-IPRS	☒ ☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
3.3 **Resource Consents.** Conditions of resource consents held by Council will not be significantly altered.	Conditions required to obtain/maintain the consents will change, leading to the costs to obtain resource consents and/or implement consent conditions being higher than anticipated. These costs would not be covered by planned funding. For example, Council is currently working through the Akaroa wastewater consent issues.	Moderate/ Low	Advance warning of likely changes is anticipated. The financial impact of failing to obtain/renew resource consents cannot be quantified.	CFO/GMR HFI H3W	☒ ☒ ☒
3.4 **Legislative and Regulatory change.** The Government has initiated three significant reform programmes that will in time impact on the legislative and regulatory frameworks within which local government currently operates. These reform programmes are; three waters reform, resource management reform and the future for local government review. Given the expected timelines of the review processes the Council has assumed that no significant legislative or regulatory change will impact on the Council in the coming year, although this might change if the government follows through on its intention to enact the water service entities bill this year. The reform programmes are each covered in more detail below.	Should the local government legislative environment change, the activities and services the Council plans to provide over the period of this Plan could change which could impact on Council's costs and revenue requirements.	Low	The Government has several review programmes in progress which will significantly change the roles and responsibilities of local government as changes are implemented over time. At the time of preparing this Plan the Council is unable to determine how any potential legislative change might impact its operations or quantify the potential financial impact. Expected costs relating to enactment of the RMA (Housing Bill) and to the Council's involvement in Government reform processes have been incorporated in this Plan.	CFO/GMR HFI HLDS	☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
3.5 **Three Waters Reform.** The Council will continue to deliver three waters services over the life of the Annual Plan.	The Crown is proposing to establish four publicly-owned water service entities (WSEs) of significant scale to deliver three waters services. Councils will collectively retain nominal ownership of three waters assets which will be managed and controlled by the relevant WSE. Ownership of assets will be based on population but won't be stated on the Council's balance sheet. The changes required will significantly affect Council assets, liabilities, debt limits and operating expenditure and revenues from 2024/25. The following water activities are affected: • Water Supply • Wastewater Collection, Treatment and Disposal • Stormwater Drainage • Land Drainage	Moderate	These activities have planned direct costs in the 2023 financial year of $98.7 million, with a further $14.4 million of debt servicing and $7.9 million of other internal charges/overheads. Operating revenues total $7.6 million. The closing book value of these assets at 30 June 2021 was $5.9 billion, with a replacement cost of $10.2 billion. Council does not borrow separately for these activities, but estimates debt relating to these activities is in the order of $1 billion at 30 June 2021. There will be probable second order impacts, which Council will assess as part of its analysis of the reform proposal.	CFO/GMR HFI H3W	☒ ☒ ☒
3.6 **Potential climate change impacts.** The Ministry for the Environment and Stats NZ Environment Aotearoa 2019 report states all aspects of life in New Zealand will be impacted by climate change. The Council has adopted a Climate Resilience Strategy, which includes action programmes to respond to the impacts of climate change	The timing or severity of any climate change impacts could be worse than expected, meaning the Council is not sufficiently prepared.	Low	Variability in changes to the climate and its impacts and how we respond could result in different financial impacts. We have significant work to do to better understand our exposure and vulnerability to the impacts of climate change on our	CFO/GMR HFI	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
and the legislative requirements to consider the impacts of climate change. The Strategy identifies key projected local changes to climate that we must prepare for are: a. 0.5 metre rise in sea-level by 2075 and 1 metre sea-level rise by 2115; b. average temperatures will rise 0.5°C – 1.5°C by 2040 and by 3°C by 2090 c. reduced overall rainfall but an increase in extreme weather events. In addition, the Government has released for consultation Adapt and Thrive: Building a climate-resilient New Zealand the Draft National Adaptation Plan – Managed Retreat This seeks to limit the Crown's exposure to economic and fiscal pressures arising from the cost of implementing the managed retreat from areas where this is "intolerable risk" to impacts from climate change. This covers both sea level rise and natural hazards through weather events, flood and or drought.			assets and how we adapt, to determine the financial impacts.	HSPR	☒
3.7 Future for Local Government review. The Minister of Local Government has established a Ministerial Inquiry into the Future for Local Government.	If the Government fast-tracked one or more of the reform programmes so that change was required in the 2022/23 year this	Moderate	Council considers it unlikely that any recommendations could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are	CFO/GMR	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
The overall purpose of the review is to *"identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership."* The review includes, but is not limited to, the following: • roles, functions, and partnerships • representation and governance and • funding and financing The review panel is scheduled to present its final report to the Minister in April 2023. The Council has assumed the reform programmes will not materially impact on its costs or financial position in the 2022/23 year. Changes to what services local government delivers and how these are delivered will be implemented from the 2024/25 year onwards.	could have a significant impact on work programmes and budgets. There is currently no information available on the likely direction for the review beyond the coming year, although detailed review timelines have been provided.		made will be incorporated in the 2024-34 long-term plan. Unless specifically stated otherwise, Council has prepared the plan on the assumption its existing role and functions will continue for the life of the plan."	HFI HLDS	☒ ☒
3.8 Impact of Covid – 19 Operational and Capital Programme delivery will be able to occur without further significant financial, staffing or deliverability issues due to Covid-19.	Multiple risks around lockdowns, access to facilities and availability of vaccinated staff to continue delivering services. Also risks in securing external goods and services in a timely manner as required to deliver services and the capital programme.	High	Councils Covid-19 vaccination policy aims to minimise risk to staff and the public while continuing to provide services. Deliverability is a key factor in determining the Councils overall capital programme, taking into account a number of strategies to minimise costs and delay. However the future impact, or any Government or Council response cannot be pre-determined.	CFO/GMR HFI HTW H3W HPA HFPP	☒ ☒ ☒ ☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
4. Borrowing Related					
4.1 **Credit rating.** The Council's current rating is maintained.	Council's credit rating with Standard and Poor's is downgraded. This would increase the Council's cost of borrowing through increasing the interest rate on debt.	Low	Council's credit rating with Standard and Poor's was upgraded from A+ to AA- on 10 December 2019 with a stable outlook. The outlook was upgraded to positive in December 2021. There is low risk of a credit downgrade given the additional borrowing required to meet the capital programme planned for the next four years. If the Council falls one notch from its current credit rating (i.e. from AA- to A+) the cost of ***new*** borrowing and ***refinanced*** borrowing will increase by 5 basis points (0.05 percentage points) for the life of the borrowing. In such an event, interest costs in 2022/23 could increase by $0.20 million. This could increase to $1.5 million annually by 2027/28.	CFO/GMR HFI	☒ ☒
4.2 **Borrowing costs.** Net cost of ratepayer funded borrowing (i.e. including current and projected debt) is assumed to be 4.6% in 2022/23.	Interest rates will vary from those assumed.	Moderate	Projections are based on assumptions about future market interest rates. Projected debt is mostly hedged to reduce exposure to market rate fluctuations, but a moderate amount of risk remains. Market interest rates 0.5% higher than has been assumed would increase interest costs by around $2.5m in 2022/23. Council manages interest rate exposure in accordance with its Liability Management Policy, and in line with advice from an independent external advisor.	CFO/GMR HFI	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
4.3 **Securing external funding.** New, or renewal of existing borrowings on acceptable terms can be achieved.	That new borrowings cannot be accessed to refinance existing debt or fund future capital requirements.	Low	The Council minimises its funding risk by maintaining a mix of current and non-current borrowings in accordance with its Liability Management Policy.	CFO/GMR	☒
				HFI	☒
4.4 **LGFA Guarantee.** Each of the shareholders of the LGFA is a party to a deed of Guarantee, whereby the parties to the deed guarantee the obligations of the LGFA and they guarantee obligations of other participating local authorities to the LGFA, in the event of default.	In the event of a default by the LGFA, each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each respective guarantor is set in relation to each guarantor's relative rates income.	Low	The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is remote. The likelihood of a local authority borrower defaulting is extremely low and LGFA has recovery mechanisms that would be applied prior to any call on the Guarantee. All of the borrowings by a local authority from the LGFA are secured by a rates charge.	CFO/GMR	☒
				HFI	☒
4.5 **Opening debt:** The opening debt of $2,140 million is made up of; $222 million of equity investments, mainly in CCTOs (Venues Ōtautahi Ltd (formerly Vbase) $185 million), $611 million borrowed for on-lending, (in accordance with the Council's Liability Management Policy), $1,218 million of capital works and earthquake related borrowing. There is an additional $71.5 million borrowed internally from the Capital Endowment Fund. $89 million finance lease (Civic Building).	Actual opening debt differs from forecast.	Low	Council's debt requirements are well understood and closely managed. It is unlikely that opening debt will be significantly different to forecast.	CFO/GMR	☒
				HFI/CPR	☒
				GT	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
5. Investment related					
5.1 **Return on investments.** Interest received on cash and general funds invested is assumed to be 3.0% for 2022/23. The return on the Capital Endowment Fund (most of which is currently invested internally) is assumed to be 3.4% for 2022/23.	Interest rates will vary from those projected.	Low	Financial impact is unlikely to be significant.	CFO/GMR HFI GT	☒ ☒ ☒
5.2 **Value of investment in subsidiaries** The opening statement of financial position is assumed to reflect the correct investment values. The carrying value of CCO investments are revalued on a regular basis.	CCO revaluations will differ to that planned and change projected carrying values of the investments.	Low	The valuation of the Council's investments in subsidiary and associated companies at fair value has a material impact on the amounts recognised in these prospective financial statements and involves a significant amount of judgement. Independent valuers are commissioned to perform these valuations on a periodic (currently annually) basis, at intervals sufficient to ensure that the fair value of these investments does not differ materially from their carrying value.	CFO/GMR HFI	☒ ☒
5.3 **CCTO income.** It has been assumed that CCHL will deliver dividend income at the levels forecast in this Plan.	If CCHL delivers a lower than projected dividend the Council will need to source alternate funding.	Low	CCTOs provide the Council with dividend forecasts through their Statements of Intent and actual performance is monitored through the quarterly reporting process. Returns are expected to be as forecast in this Plan. Should additional dividend income be received the level of borrowing forecast in this Plan will be reduced.	CFO/GMR HFI	☒ ☒
5.4 **Tax planning.** The Council (parent) will be operating at a tax loss for the period covered	If subvention payments are lower than planned the Council will	Low	CCTOs provide the Council with dividend forecasts through their Statements of Intent	CFO/GMR HFI	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
by this Plan due to the availability of tax deductions on some Council expenditure. This allows the Council's profit-making subsidiaries to make payments (known as subvention payments) to Council instead of tax payments.	need to source alternative funding.		and actual performance is monitored through the quarterly reporting process. Returns are expected to be as forecast in this Plan.	GFC	☒
6. Services and Operations					
6.1 **Community housing.** The Council's Community housing assets are leased to Ōtautahi Community Trust, who are responisble for operataions, maintenance and renewals. Council retains asset ownership.	Community housing remains ring-fenced from rates, through a separate Housing Fund. The ongoing revenue source for this fund is the lease payments from the Ōtautahi Community Housing Trust. Modelling for the Housing Fund indicates that its sustainability is sensitive to small changes and there is a risk that: • The lease payments are not sufficient to enable the social housing portfolio to be financially viable in the long term. • Higher than expected expenditure (e.g. due to asset failure or external events) reduces the financial sustainability in the short term (2 years).	Medium	With a focus on repairing earthquake damage, lifting quality standards and addressing deferred maintenance, there has been significant expenditure from the fund over the last 5 years. The fund is now in a depleted state, and is not anticipated to accumulate until 2026/27. During this period it is at a heightened risk, albeit this is mitigated by the ability to defer programmes if necessary. The continued inability for councils to access Government funding through the income related rent subsidy is an ongoing source of frustration for the Council. If the Council could access this funding the level of uncertainty associated with this activity would reduce significantly.	CFO/GMR HFI HFPP FBP-Res	☒ ☒ ☒ ☒
6.2 **Contract rates.** It has been assumed that re-tendering of major contracts will not result	There is a significant variation in price from re-tendering contracts.	High	Where possible Council would review the appropriate scope of work, or alternatively	CFO/GMR HFI	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
in cost increases other than those comparable with the rate of inflation.	There is currently some post-Covid 19 increase in cost around the supply chain with further complications as a result of the war in Ukraine. Additionally some contracts are impacted by the Councils 2021 living wage decision.		adjust the budget between services to free up additional funding. Inflation is currently running at around 6%. On its own, this presents a real risk. However, there also remains volatility in the supply chain and shortages of construction materials, which will undoubtedly place further upward pressure on costs. The ‘post covid increase’ appears greater now than a few months ago, with no sign of its influence diminishing anytime soon. Similarly, the labour market is also under considerable pressure, with organisations routinely increasing wages to retain and secure staff. Inevitably this will impact contract rates. Some potential cost increases may be mitigated or offset through the negotiation period by revising the scope of services or accepting a lower level of services, such as inspections and cleaning frequencies. We will also be challenging/tasking Contractors to identify and suggest cost savings and improved efficiencies and consolidating services within existing contracts where possible. However, it is unlikely that any potential savings will outweigh increased contractor and supply costs, so some budgetary adjustments may be necessary.	HTW H3W HPA HFPP	☒ ☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
7. Insurance cover and natural disaster financing					
7.1 **Insurance cover.** The Council has adequate Material Damage cover for all above ground buildings which are undamaged and fire cover for significant unrepaired buildings.	Risk of major loss through fire	Low	The results of external and independent modelling carried out during 2019 suggests that the Council's insurance cover is sufficient to meet two times the maximum loss. This modelling will be updated prior to 30 June 2022. Any financial impact is not expected to be significant.	CFO/GMR HFI	☒ ☒
7.2 **Natural disaster financial implications.** The Christchurch region is susceptible to damage from earthquake, flooding and tsunamis.	Council has limited insurance cover in place for damage to infrastructure networks from flooding, tsunami and earthquake events and relies on the strength of its statement of financial position plus access to central government emergency funding in the event of another major event.	Moderate	Financial implications of another significant natural disaster event are large, particularly when our ability to borrow may be limited due to the high debt to revenue ratios forecast. This risk is considered in preparing forecasts and particular attention is paid to the financial headroom for each year. Financial headroom is a measure of Council's ability to borrow in the event of an emergency.	CFO/GMR HFI	☒ ☒

8. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.
Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

(a) Shall be available to any member of the public who is present; and
(b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
7.	ANNUAL PLAN 2022/23				
	ATTACHMENT L - MAYOR'S RECOMMENDATION	S7(2)(H), S7(2)(I)	COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	THE RELEASE OF THIS INFORMATION WOULD COMPROMISE THE NEGOTIATIONS OF TENDER.	FOLLOWING THE AWARD OF CONSTRUCTION TENDER.