

## **Audit and Risk Management Committee**

### **AGENDA**

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#### **Notice of Meeting:**

An ordinary meeting of the Audit and Risk Management Committee will be held on:

**Date:** Tuesday 20 June 2023  
**Time:** 1pm  
**Venue:** Council Chambers, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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#### **Membership**

Chairperson	Ms Kim Wallace
Deputy Chairperson	Councillor Jake McLellan
Members	Councillor Tyrone Fields
	Councillor Sam MacDonald
	Councillor Tim Scandrett
	Ms Jacqueline Robertson Cheyne
	Mrs Hilary Walton

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**14 June 2023**

#### **Principal Advisor**

Leah Scales  
General Manager - Resources / CFO  
Tel: 941 8999

Luke Smeele  
Committee & Hearings Advisor  
941 6374  
luke.smeele@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

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

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<https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/>

## Developing Resilience in the 21st Century

Strategic Framework



Whiria ngā whenu o ngā papa,  
honoa ki te maurua tāuikiuki

Bind together the strands of each mat and join  
together with the seams of respect and reciprocity

### Ōtautahi–Christchurch is a city of opportunity for all

Open to new ideas, new people and new ways of doing things – a city where anything is possible

#### Principles

Being open,  
transparent and  
democratically  
accountable

Promoting  
equity, valuing  
diversity and  
fostering inclusion

Taking an inter-generational approach  
to sustainable development,  
prioritising the social, economic  
and cultural wellbeing of  
people and communities  
and the quality of the  
environment, now  
and into the  
future

Building on the  
relationship with  
Te Rūnanga o Ngāi Tahu  
and the Te Hononga–Council  
Papatipu Rūnanga partnership,  
reflecting mutual understanding  
and respect

Actively collaborating and  
co-operating with other  
local, regional  
and national  
organisations

Ensuring  
the diversity  
and interests of  
our communities  
across the city and the  
district are reflected in  
decision-making

#### Community Outcomes

##### Resilient communities

Strong sense of community  
Active participation in civic life  
Safe and healthy communities  
Celebration of our identity  
through arts, culture, heritage,  
sport and recreation  
Valuing the voices of all cultures  
and ages (including children)

##### Liveable city

Vibrant and thriving city centre  
Sustainable suburban and  
rural centres  
A well connected and accessible  
city promoting active and  
public transport  
Sufficient supply of, and  
access to, a range of housing  
21st century garden city  
we are proud to live in

##### Healthy environment

Healthy water bodies  
High quality drinking water  
Unique landscapes and  
indigenous biodiversity are  
valued and stewardship  
exercised  
Sustainable use of resources  
and minimising waste

##### Prosperous economy

Great place for people, business  
and investment  
An inclusive, equitable economy  
with broad-based prosperity  
for all  
A productive, adaptive and  
resilient economic base  
Modern and robust city  
infrastructure and community  
facilities

#### Strategic Priorities

Enabling active  
and connected  
communities  
to own their future

Meeting the challenge  
of climate change  
through every means  
available

Ensuring a high quality  
drinking water supply  
that is safe and  
sustainable

Accelerating the  
momentum  
the city needs

Ensuring rates are  
affordable and  
sustainable

#### Ensuring we get core business done while delivering on our Strategic Priorities and achieving our Community Outcomes

Engagement with  
the community and  
partners

Strategies, Plans and  
Partnerships

Long Term Plan  
and Annual Plan

Our service delivery  
approach

Monitoring and  
reporting on our  
progress

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**AUDIT AND RISK MANAGEMENT COMMITTEE - TERMS OF REFERENCE NGĀ ĀRAHINA MAHINGA**

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<b>Chair</b>	Kim Wallace (Independent)
<b>Deputy Chair</b>	Councillor McLellan
<b>Membership</b>	Councillor Fields Councillor MacDonald Councillor Scandrett  External Members: Mr Hilary Walton Ms Jacqueline Robertson Cheyne
<b>Quorum</b>	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
<b>Meeting Cycle</b>	Quarterly and as required
<b>Reports To</b>	Council

***Purpose***

To assist the Council to discharge its responsibility to exercise due care, diligence and skill in relation to the oversight of:

- the robustness of the internal control framework;
- the integrity and appropriateness of external reporting, and accountability arrangements within the organisation for these functions;
- the robustness of risk management systems, process and practices;
- internal and external audit;
- accounting policy and practice;
- compliance with applicable laws, regulations, standards and best practice guidelines for public entities; and
- the establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.

The foundations on which this Committee operates, and as reflected in this Terms of Reference, includes: independence; clarity of purpose; competence; open and effective relationships and no surprises approach.

***Procedure***

- In order to give effect to its advice the Committee should make recommendations to the Council and to Management.
- The Committee should meet the internal and the external auditors without Management present as a standing agenda item at each meeting where external reporting is approved, and at other meetings if requested by any of the parties.
- The external auditors, the internal audit manager and the co-sourced internal audit firm should meet outside of formal meetings as appropriate with the Committee Chair.

- The Committee Chair will meet with relevant members of Management before each Committee meeting and at other times as required.

### ***Responsibilities***

#### Internal Control Framework

- Consider the adequacy and effectiveness of internal controls and the internal control framework including overseeing privacy and cyber security.
- Enquire as to the steps management has taken to embed a culture that is committed to probity and ethical behaviour.
- Review the processes or systems in place to capture and effectively investigate fraud or material litigation should it be required.
- Seek confirmation annually and as necessary from internal and external auditors, attending Councillors, and management, regarding the completeness, quality and appropriateness of financial and operational information that is provided to the Council.

#### Risk Management

- Review and consider Management's risk management framework in line with Council's risk appetite, which includes policies and procedures to effectively identify, treat and monitor significant risks, and regular reporting to the Council.
- Assist the Council to determine its appetite for risk.
- Review the principal risks that are determined by Council and Management, and consider whether appropriate action is being taken by management to treat Council's significant risks. Assess the effectiveness of, and monitor compliance with, the risk management framework.
- Consider emerging significant risks and report these to Council where appropriate.

#### Internal Audit

- Review and approve the annual internal audit plan, such plan to be based on the Council's risk framework. Monitor performance against the plan at each regular quarterly meeting.
- Monitor all internal audit reports and the adequacy of management's response to internal audit recommendations.
- Review six monthly fraud reporting and confirm fraud issues are disclosed to the external auditor.
- Provide a functional reporting line for internal audit and ensure objectivity of internal audit.
- Oversee and monitor the performance and independence of internal auditors, both internal and co-sourced. Review the range of services provided by the co-sourced partner and make recommendations to Council regarding the conduct of the internal audit function.
- Monitor compliance with the delegations policy.

#### External Reporting and Accountability

- Consider the appropriateness of the Council's existing accounting policies and practices and approve any changes as appropriate.
- Contribute to improve the quality, credibility and objectivity of the accounting processes, including financial reporting.
- Consider and review the draft annual financial statements and any other financial reports that are to be publicly released, make recommendations to Management.
- Consider the underlying quality of the external financial reporting, changes in accounting policy and practice, any significant accounting estimates and judgements, accounting implications of new and significant transactions, management practices and any significant disagreements



between Management and the external auditors, the propriety of any related party transactions and compliance with applicable New Zealand and international accounting standards and legislative requirements.

- Consider whether the external reporting is consistent with Committee members' information and knowledge and whether it is adequate for stakeholder needs.
- Recommend to Council the adoption of the Financial Statements and Reports and the Statement of Service Performance and the signing of the Letter of Representation to the Auditors by the Mayor and the Chief Executive.
- Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements, and assess whether appropriate action has been taken by management.
- Request visibility of appropriate management signoff on the financial reporting and on the adequacy of the systems of internal control; including certification from the Chief Executive, the Chief Financial Officer and the General Manager Corporate Services that risk management and internal control systems are operating effectively;
- Consider and review the Long Term and Annual Plans before adoption by the Council. Apply similar levels of enquiry, consideration, review and management sign off as are required above for external financial reporting.
- Review and consider the Summary Financial Statements for consistency with the Annual Report.

#### External Audit

- Annually review the independence and confirm the terms of the audit engagement with the external auditor appointed by the Office of the Auditor General. Including the adequacy of the nature and scope of the audit, and the timetable and fees.
- Review all external audit reporting, discuss with the auditors and review action to be taken by management on significant issues and recommendations and report to Council as appropriate.
- The external audit reporting should describe: Council's internal control procedures relating to external financial reporting, findings from the most recent external audit and any steps taken to deal with such findings, all relationships between the Council and the external auditor, Critical accounting policies used by Council, alternative treatments of financial information within Generally Accepted Accounting Practice that have been discussed with Management, the ramifications of these treatments and the treatment preferred by the external auditor.
- Ensure that the lead audit engagement and concurring audit directors are rotated in accordance with best practice and NZ Auditing Standards.

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Compliance with Legislation, Standards and Best Practice Guidelines

- Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and Best Practice Guidelines.

Appointment of Independent Members

- Identify skills required for Independent Members of the Audit and Risk Management Committee. Appointment panels will include the Mayor or Deputy Mayor, Chair of Finance & Performance Committee and Chair of Audit & Risk Management Committee. Council approval is required for all Independent Member appointments.
- The term of the Independent members should be for three years. (It is recommended that the term for independent members begins on 1 April following the Triennial elections and ends 31 March three years later. Note the term being from April to March provides continuity for the committee over the initial months of a new Council.)
- Independent members are eligible for re-appointment to a maximum of two terms. By exception the Council may approve a third term to ensure continuity of knowledge.

***Long Term Plan Activities***

- Consider and review the Long Term and Annual Plans before adoption by the Council. Apply similar levels of enquiry, consideration, review and management sign off as are required above for external financial reporting.

### Audit and Risk Management Committee Forward Work Programme 2023

2023	Feb	Apr	Jun	Aug	Annual Report Sep	Dec
<b>Update Reports</b>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Procurement</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Cyber Security</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Procurement</li> <li>Major Litigation Report</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> </ul>	<ul style="list-style-type: none"> <li>Cyber Security</li> <li>Risk and Assurance</li> </ul>	<ul style="list-style-type: none"> <li>Risk and Assurance</li> <li>Procurement</li> <li>Te Kaha</li> </ul>
<b>Other Reports</b>	<ul style="list-style-type: none"> <li>Holidays Act Remediation Programme Completion</li> <li>Christchurch City Holdings</li> </ul>	<ul style="list-style-type: none"> <li>Te Kaha</li> </ul>	<ul style="list-style-type: none"> <li>LTP Process</li> <li>Cyber Security Report</li> <li>Parakiore</li> <li>Report to Governors FY22</li> </ul>	<ul style="list-style-type: none"> <li>CCHL</li> <li>Changes to Procurement Framework</li> <li>Conflict of Interest and Gift Declaration</li> </ul>		
<b>Annual Report</b>		<ul style="list-style-type: none"> <li>External Reporting and Audit Programme for 2022/23 Update</li> </ul>		<ul style="list-style-type: none"> <li>Update on critical judgments, estimates &amp; assumptions</li> <li>Financial Statements Update - Valuations</li> </ul>	<ul style="list-style-type: none"> <li>Financial Statements and Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Debenture trust audit report</li> <li>Audit NZ Management Letter from prior year's audit</li> </ul>
<b>Annual Plan</b>	<ul style="list-style-type: none"> <li>Draft Annual Plan</li> </ul>		<ul style="list-style-type: none"> <li>Final Annual Plan</li> </ul>			

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Part A	Matters Requiring a Council Decision
Part B	Reports for Information
Part C	Decisions Under Delegation

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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.

### **3. Confirmation of Previous Minutes Te Whakaāe o te hui o mua**

That the minutes of the Audit and Risk Management Committee meeting held on [Friday, 21 April 2023](#) be confirmed (refer page 10).

### **4. Public Forum Te Huinga Whānui**

There were no public forum requests received at the time the agenda was prepared

### **5. Deputations by Appointment Ngā Huinga Whakaritenga**

There were no deputations by appointment at the time the agenda was prepared.

### **6. Petitions Ngā Pākikitanga**

There were no petitions received at the time the agenda was prepared.



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## Audit and Risk Management Committee OPEN MINUTES

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**Date:** Friday 21 April 2023  
**Time:** 9.38am  
**Venue:** Council Chambers, Level 2, Civic Offices,  
53 Hereford Street, Christchurch

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**Present**

Chairperson	Ms Kim Wallace
Deputy Chairperson	Councillor Jake McLellan
Members	Councillor Tyrone Fields
	Councillor Sam MacDonald
	Councillor Tim Scandrett
	Ms Jacqueline Robertson Cheyne
	Mrs Hilary Walton

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**Principal Advisor**

Leah Scales  
General Manager - Resources / CFO  
Tel: 941 8999

Luke Smeele  
Committee & Hearings Advisor  
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- Part A**      **Matters Requiring a Council Decision**  
**Part B**      **Reports for Information**  
**Part C**      **Decisions Under Delegation**
- 

The agenda was dealt with in the following order.

**1. Apologies Ngā Whakapāha**

**Part C**  
**Committee Decision**

There were no apologies.

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

**Part B**  
There were no declarations of interest recorded.

**3. Confirmation of Previous Minutes Te Whakaāe o te hui o mua**

**Part C**  
**Committee Resolved ARCM/2023/00009**

That the minutes of the Audit and Risk Management Committee meeting held on Monday, 27 February 2023 be confirmed.

Ms Wallace/Councillor MacDonald

**Carried**

**4. Public Forum Te Huinga Whānui**

**Part B**  
There were no public forum presentations.

**5. Deputations by Appointment Ngā Huinga Whakaritenga**

**Part B**  
There were no deputations by appointment.

**6. Presentation of Petitions Ngā Pākikitanga**

**Part B**  
There was no presentation of petitions.

## 7. Audit Plan 2022/23 Timing Update

### Committee Comment

1. The Committee requested that the completed Audit Plan is circulated to the members.
2. The Officer Recommendation was accepted without change.

### Committee Resolved ARCM/2023/00010

#### Part C

That the Audit and Risk Management Committee:

1. Receive the information in the Audit Plan Timing Update Report.
2. Note that the Audit plan for 2022/2023 will be completed in May 2023
3. Delegate authority to the Committee Chair to review the audit plan 2022/23 from Audit NZ.

Councillor MacDonald/Councillor Scandrett

Carried

## 8. Resolution to Exclude the Public

### Committee Resolved ARCM/2023/00011

#### Part C

That Barry Bragg and David Kennedy of Te Kaha Project Delivery remain after the public have been excluded for Item 11 of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Council. That Chantelle Gernetzky and Debbie Bradfield of Audit New Zealand, remain after the public have been excluded for Items 9-12 of the public excluded agenda as they have knowledge that is relevant to those items and will assist the Council.

#### AND

That at 9.43am the resolution to exclude the public set out on pages 17 to 19 of the agenda be adopted.

Ms Wallace/Councillor McLellan

Carried

**The public were re-admitted to the meeting at 11:23am.**

**Meeting concluded at 11:24am.**

**CONFIRMED THIS 20<sup>th</sup> DAY OF JUNE 2023**

**KIM WALLACE  
CHAIRPERSON**

## 7. Consideration of the Council's Annual Plan 2023/24

Reference / Te Tohutoro: 22/1491203

Report of / Te Pou Matua:	Peter Ryan, Head of Corporate Planning and Performance, (Peter.Ryan@ccc.govt.nz)
General Manager / Pouwhakarae:	Lynn McClelland, Assistant Chief Executive Strategic Policy and Performance (lynn.mcclelland@ccc.govt.nz)

### 1. Nature of Decision or Issue and Report Origin

- 1.1 The purpose of this report is to support the Audit and Risk Management Committee (ARMC) in reviewing the process and significant forecasting assumptions, and supporting documentation used in developing the Annual Plan 2023/24, and to subsequently provide advice to Council that, in the Committee's opinion, an appropriate process has been followed in the preparation of this information.
- 1.2 The Council is required to prepare and adopt a Draft Annual Plan for each financial year (s.95(1)) Local Government Act 2002).  
The purpose of the plan is to:
  - contain the proposed annual budget and funding impact statement for 2023/24;
  - identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for the financial year 2023/24;
  - provide integrated decision-making and co-ordination of the Council's resources; and contribute to the accountability of the Council to the community.
- 1.3 The decisions in this report are of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. There are no material changes to significant levels of service or acquisition/disposal of strategic assets in the proposed Annual Plan.

### 2. Officer Recommendations / Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Notes it has reviewed the general checklist and sign-offs by management, including significant forecasting assumptions, in respect of the information that provides the basis for the Annual Plan 2023/24.
2. Advises the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.
3. Notes that the Annual Plan 2023/24 documents (including the report to Council) will be released when published in the Council Agenda for its meeting commencing 27 June 2023.

### 3. Reason for Report Recommendations / Ngā Take mō te Whakataua

- 3.1 The purpose of this report is to support the Audit and Risk Management Committee (ARMC) in reviewing the process and significant forecasting assumptions, and supporting documentation used in developing the Annual Plan 2023/24, and to subsequently provide advice to Council that, in the Committee's opinion, an appropriate process has been followed in the preparation of this information.
- 3.2 Note that approval of the final content of the Annual Plan 2023/24 falls to the Council.
- 3.3 The draft Annual Plan 2023/24 was adopted by the Council on 28 February 2023.

- 3.4 The Council completed consultation with the community on the draft Annual Plan 2023/24 via a Consultation document and underlying information adopted on 28 February 2023.
  - 3.4.1 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;
  - 3.4.2 Opportunity for members of the public to present at public hearings was available from 27 April to 4 May 2023;
  - 3.4.3 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;
  - 3.4.4 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2023/24 Submissions is **Attachment C** 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. 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.
- 3.5 In the time since the conclusion of the Hearings staff have held numerous briefings with councillors (15, 24, 30 May, 1 and 6 June 2023), provided responses to issues and questions raised, and received direction on all matters raised. The briefing of 1 June was open to the public.
- 3.6 Guidance provided by Elected Members and the Mayor's Recommendations are being built into the Annual Plan 2023/24 adoption documents, including expectations for rates increases.
- 3.7 Changes made largely reflect community feedback on the draft Annual Plan or changes to Council's operating environment since adopting the draft in February.
- 3.8 The Council report and updated adoption documents will be made available on the public agenda on 22 June 2023 for Council consideration. A working copy of these documents will be made available (under separate cover) in advance to the Audit and Risk Management Committee in **Attachment D**. These documents may differ from the actual documents that will form the report to Council for the adoption of the final Annual Plan 2023/24.
- 3.9 This is to ensure that the ARMC report does not pre-empt the Council report in terms of public release. The full ARMC report and attachment can be made public once the Council agenda goes live.
- 3.10 Staff do not anticipate any significant or material changes between the ARMC meeting (20 June) and the expected release date of the Council Annual Plan report and agenda (22 June).
- 3.11 The process for preparing information has been the subject of a series of management sign-offs, including the Executive Leadership Team, that support compliance with the Council's relevant statutory, financial, and legal obligations. The general checklists and sign-off schedules are in **Attachments A and B**.
- 3.12 The Council meeting to adopt the Annual Plan 2023/24 is scheduled for 27 June 2023, with an additional date of 29 June 2023, should it be required.
- 3.13 The Annual Plan is on track for adoption by Council on 27/29 June, provisional on ARMC advice.

- 3.14 Following adoption, the final Annual Plan document will be published and distributed via the public website, 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 staff responses to submissions and the Thematic Analysis will be also published to the public site.

#### 4. Alternative Options Considered / Ētahi atu Kōwhiringa

- 4.1 No alternative process or options are available, and have therefore not been considered.

#### 5. Detail / Te Whakamahuki

- 5.1 The Annual Plan is a Council decision and may affect all wards/Community Board areas.

#### 6. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

##### Strategic Alignment / Te Rautaki Tīaroaro

- 6.1 This report supports the [Council's Long Term Plan \(2021 - 2031\)](#):
- 6.2 Internal Activities
- 6.2.1 Activity: Performance Management and Reporting
- Level of Service: 13.1.1 Implement the Long Term Plan and Annual Plan programme plan - Critical path milestone due dates in programme plans are met.

##### Policy Consistency / Te Whai Kaupapa here

- 6.3 The decision is consistent with Council's Plans and Policies.

##### Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 6.4 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does specifically impact Mana Whenua, their culture and traditions.
- 6.5 The decision does not involve a matter of interest to Mana Whenua and will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 6.6 In keeping with our agreed partnership priorities, matters of interest are a focus area for the upcoming Long Term Plan 2024-34 and new processes are in train to ensure that our partnership priorities are met for the LTP.

##### Climate Change Impact Considerations / Ngā Whai Whakaaro mā te Āhuarangi

- 6.7 There are no specific or material Climate Change impact considerations in relation to this report, however the Annual Plan reflects the Council's current Climate Resilience Strategy and there will be significant focus on climate resilience in the upcoming 2024 LTP.

##### Accessibility Considerations / Ngā Whai Whakaaro mā te Hunga Hauā

- 6.8 There are no specific accessibility considerations in relation to this report.

#### 7. Resource Implications Ngā Hīraunga Rauemi

##### Capex/Opex / Ngā Utu Whakahaere

- 7.1 Cost to Implement – within existing budgets.
- 7.2 Maintenance/Ongoing costs – considered core business/within business as usual.
- 7.3 Funding Source – existing budgets.

**Other / He mea anō**

7.4 N/A.

## 8. Legal Implications Ngā Hīraunga ā-Ture

### Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa

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




### Other Legal Implications / Ētahi atu Hīraunga-ā-Ture

8.2 There is no legal context, issue or implication relevant to this decision, other than that which have been considered as part of the regular Annual Plan management process and sign-offs.

## 9. Risk Management Implications Ngā Hīraunga Tūraru

9.1 The management and significant assumptions sign-offs attached break down and set out responses to a wide range of specific risks.

## Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Annual Plan 2023/24 - Management Sign-off for Process	23/902867	18
B 	Annual Plan 2023/24 - Management Sign-off for Significant Assumptions	23/902871	34
C 	Thematic Analysis of the Annual Plan 2023/24 Submissions	23/870042	52
D	Annual Plan 2023/24 adoption documents ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>		

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

Document Name – Location / File Link	
Draft Annual Plan 2023/24	<a href="https://ccc.govt.nz/draft-annual-plan-2022-23">Draft Annual Plan 2022/23 : Christchurch City Council (ccc.govt.nz)</a>
Consultation Document for Annual Plan 2023/24	<a href="https://ccc.govt.nz/consultation-document">Consultation document : Christchurch City Council (ccc.govt.nz)</a>
Long-term Plan 2021-31	<a href="https://ccc.govt.nz/long-term-plan-2021-31">Long-term Plan 2021-31 : Christchurch City Council (ccc.govt.nz)</a>

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

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

(a) This report contains:

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



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

## Signatories / Ngā Kaiwaitohu

<b>Authors</b>	Boyd Kedzlie - Senior Business Analyst Adelaine Hansson - Performance Analyst Amber Tait - Performance Analyst Ron Lemm - Manager Legal Service Delivery, Regulatory & Litigation
<b>Approved By</b>	Peter Ryan - Head of Corporate Planning & Performance Helen White - Head of Legal & Democratic Services Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance Leah Scales - General Manager Resources/Chief Financial Officer

Christchurch City Council Annual Plan 2023-24 Management Sign-off

## SIGN-OFF BY MANAGEMENT FOR THE 2023/24 ANNUAL PLAN PROCESS

Initial	Signatory's Position	Number of sign-offs
ACE	Assistant Chief Executive, GM Strategic Policy and Performance	6
CFO	Chief Financial Officer, GM Resources	40
HF	Head of Finance	40
MCR	Manager Corporate Reporting	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	1
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
<b>1. Financial Strategy and Infrastructure Strategy</b>			
1.1. Does the Annual Plan comply with the Financial Strategy in the 2021-31 Long Term Plan?		ACE	☒
		CFO	☒
		HF	☒
1.2. Does the Annual Plan comply with the Infrastructure Strategy in the 2021-31 Long Term Plan?		ACE	☒
		CFO	☒
		HF	☒
		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.		ACE	☒
		CFO	☒
		HF	☒
		HSPR	☒
<b>2. Revenue and Financing Policy</b>			
2.1. Does the Annual Plan comply with the revenue and financing policy in the 2021-31 Long Term Plan?		CFO	☒
		HF	☒
		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?	N/A	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
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)		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
3.3. Does the whole-of-council funding impact statement have a nil balance (Financial Reporting Regulations 2014)?	Yes	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>

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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)?		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
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?	Map of the wheelie bin serviced area to be inserted	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.6. Does the funding disclosure include sample models of the impact of the rating proposals for the annual plan?	Yes	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>



AREA	COMMENTS	ASSESSMENT	
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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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		HLDS	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.8. Has the funding disclosure been checked for consistency with the revenue and financing policy set out in the long term plan?	Yes	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
3.9. Is the funding disclosure complete (i.e., is every rate that your local authority proposes to set included)?	Yes	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
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<b>4. Financial Statements</b>			
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
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	Disclosure is consistent with prior year. No change in PBE FRS 42. Accept compliance.	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GFC	<input checked="" type="checkbox"/>
		CFO	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
4.4. Has the Annual Plan included the rating base disclosures? (LGA 2002, sch 10 cl 20A)	Yes		
		HF	<input checked="" type="checkbox"/>
		MRR	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
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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	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
4.7. Are the prospective financial statements in the Annual Plan prepared in accordance with the appropriate financial reporting standards? <ul style="list-style-type: none"><li>LGA 2002, Schedule 10, Section 18 – Forecast financial statements</li><li>PBE FRS 42</li></ul>		CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		GFC Accounting Policies Only	<input checked="" type="checkbox"/>
4.8. Has review of required disclosures in the prospective financial statements been performed?  LGA 2002, Schedule 10		CFO	<input checked="" type="checkbox"/>
		HF Consistent format.	<input checked="" type="checkbox"/>
		GFC Accounting Policies Only	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
5. Balanced Budget Statements			
5.1. Is the Council running a balanced budget in the Annual Plan? (LGA 2002, s 100)	Yes	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
5.4. Has the Council resolved to operate an unbalanced budget?	n/a	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
5.6. Are appropriate disclosures considered and / made in the Annual Plan regarding the unbalanced budget?	n/a	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
		MCR	<input checked="" type="checkbox"/>
5.7. Is an unbalanced budget an issue that warrants inclusion in the financial strategy?	n/a	CFO	<input checked="" type="checkbox"/>



AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HF	☒
<b>6. Forecasting Assumptions – See also Sign-off for Forecasting Assumptions where individual assumptions are signed off</b>			
6.1. Has the Annual Plan identified all of the significant forecasting assumptions and risks? (LGA 2002, sch 10 cl 17(a))		CFO	☒
		HF	☒
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))	Useful life of significant assets is part of the accounting policies.	CFO	☒
		HF	☒
		GFC	☒
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 2024-34 Long Term Plan?		CFO	☒
		HF	☒
		HSPR	☒
	Rolled over then reviewed in detail	CFO	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
6.4. Did management review the assumptions and their significance afresh, or did it “roll over” the assumptions from the last Annual/Long Term Plan?		HF	<input checked="" type="checkbox"/>
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	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
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.		CFO	<input checked="" type="checkbox"/>
		HF Conservative Budgeting for Capital Revenues	<input checked="" type="checkbox"/>
6.7. Does the Annual Plan include the following (if not, should it)? 6.7.1. service level assumptions	Unchanged from LTP	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
6.7.2. demand assumptions (note that this includes demand driven by population growth and change, economic growth and transformation, and changing preferences)	Within Asset Management Plans driving Capital Program	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HCPP	☒
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.		CFO	☒
		HF	☒
<b>7. Capital Expenditure</b>			
7.1. Does the capital expenditure show the following detail for each group of activity? (LGA 2002, sch 10 cl 3) <ul style="list-style-type: none"> <li>amount to meet additional demand</li> <li>amount to improve levels of performance</li> <li>amount to replace existing assets</li> </ul>	Not required for an Annual Plan	CFO	☒
		HF	☒
		MCR	☒
		HPMO	☒
<b>8. Proposed changes to levels of service</b>			
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 material or significant changes have been proposed to LOS by councillors or staff. There is a small number of minor amendments.	ACE	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HCPP	☒
<b>9. Proposed Fees and Charges</b>			
<p>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 (e.g., Dog Control Act 1990, Building Act 2004, Food Act 2014, etc.)</p> <p><b>NOTE:</b> Dog Registration fees section is included for adoption with Annual Plan 2023/24 on the basis proposed amendments were adopted initially with the draft Annual Plan</p>	Yes	ACE	☒
		CFO	☒
		HF	☒
		MCR	☒
		H3W	☒
		HTW	☒
		HPC	☒
		HRC	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HBC	<input checked="" type="checkbox"/>
		HPA	<input checked="" type="checkbox"/>
		HRSE	<input checked="" type="checkbox"/>
		HLI	<input checked="" type="checkbox"/>
		DAG	<input checked="" type="checkbox"/>
		HOCE	<input checked="" type="checkbox"/>
10. Significance and Engagement Policy			
10.1. Does the process proposed to be used for adopting 2023/24 Annual Plan comply with the requirements of the LGA2002 and the Council’s significance and engagement policy?		ACE	<input checked="" type="checkbox"/>

Christchurch City Council Plan 2023-24 - Management Sign-off

## SIGN-OFF BY MANAGEMENT FOR SIGNIFICANT FORECASTING ASSUMPTIONS IN THE 2023-24 ANNUAL PLAN

Initial	Position	Number of sign-offs	Initial	Position	Number of sign-offs	Initial	Position	Number of sign-offs
CFO	Chief Financial Officer, GM Resources	33	HLDS	Head of Legal and Democracy Services	3	HCGP	Head of City Growth & Property	3
HF	Head of Finance	33	HPMO	Head of Programme Management Office	1	SMF	Senior Manager Facilities	3
MCR	Manager Corporate Reporting	3	HSPR	Head of Strategic Policy and Resilience	1	FBP-IPRS	Finance Business Partner for Infrastructure, Planning & Regulatory Services	1
GT	Group Treasurer	5	HPA	Head of Parks	3	FBP-Res	Finance Business Partner for Resources	1
GFC	Group Financial Controller	3	H3W	Head of Three Waters	5			
HCPP	Head of Corporate Planning and Performance	4	HTW	Head of Transport and Waste	4			

In preparing this Annual Plan it was necessary for Council to make several 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.

Several 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?	Yes	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>
Where levels of uncertainty are high then the LTP must disclose: <ul style="list-style-type: none"><li>The fact of the uncertainty</li><li>An estimate of the uncertainty on the financial estimate (Cl. 17, Sch. 10, LGA).</li></ul>	Not an LTP	CFO	<input checked="" type="checkbox"/>
		HF	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>1. Capital Programme and infrastructure assets</b>					
<b>1 Capital Works.</b> 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.	If actual costs will vary from estimates, due to higher input prices and/or delivery delays, then this could result in budget shortfalls.  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:  <ul style="list-style-type: none"> <li>Possible additional reactive opex; not all delays lead to additional costs.</li> <li>Possible reduction in opex if the delay relates to a new facility.</li> </ul>	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				HPMO	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
	See also 3.8 for Covid impact.		<ul style="list-style-type: none"> <li>Projects may cost more than planned due to inflation.</li> <li>Less funds will need to be borrowed in the short term. Delaying new borrowing will impact on the timing of financing costs.</li> <li>Possible reduction to levels of service.</li> <li>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.</li> </ul>		
1.1 Sources of funds for replacing assets. The sources of funds will occur as projected.	If funding does not occur as projected, then borrowing is required.	Low	If required, Council is well placed to borrow funds as required and remain within its LGFA benchmarks. The impact to ratepayers of every \$10 million of additional borrowing for capital works is a 0.12% increase to rates spread over two years. This increase accounts for the interest cost and repayment of the borrowing over 30 years.	CFO	☑
				HF	☑
1.2 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).	If the useful life of an asset/s is significantly shorter than expected, then the asset will need to be replaced sooner than planned and budgeted for.  If the useful life of an asset is longer than expected, then the	Moderate	Council maintains its databases with the latest known condition information. However, piped networks are below ground making condition more difficult to assess.  Ideally assets are replaced just in time. Earlier replacement would put more pressure on the Council's capital	CFO	☑
				HF	☑
				HTW	☑
				H3W	☑
				HPA	☑



Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
	asset may be replaced sooner than required resulting in a loss of economic life and a consequential higher cost of service.		programme, financing costs and rates requirement. Late replacement can lead to more expensive replacement costs plus generally greater impacts on the operational costs, community, and the environment.	HCGP (Housing)	☒
				SMF	☒
<b>1.3 Carrying value of assets.</b> The opening statement of financial position reflects correct asset values.  The carrying value of assets are reviewed and updated on a regular basis.	If asset revaluations differ to that planned and change projected carrying values of assets, depreciation expense and certain ratios may be impacted.	Low	Land and buildings were revalued as at 30 June 2022.	CFO	☒
			Wastewater, water supply and stormwater assets, were revalued as at 30 June 2020, and a fair value assessment undertaken at 30 June 2022.	HF	☒
			Roading assets were revalued as at 30 June 2022.	MCR	☒
			The valuation of the Council's facilities and infrastructure 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.	GFC  New note added 28 January 2022	☒
<b>2. Inflation, Growth and Population</b>					
		Moderate		CFO	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>2.1 Inflation.</b> 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. It also receives external advice on forecast future salary movements.  Where specific contractual or determined increases are not identified Council has used an inflation assumption of 5.8% for operational costs for the 2023/24 plan.	If inflation is materially higher or lower than anticipated, then the Council will have a revenue shortfall or surplus relative to its planned work programme.  If inflation on costs is not offset by inflation on revenues, then the Council will have a revenue shortfall relative to affected planned work programmes.	Low	Any short-term impact will be managed by managing costs to budget without impacting levels of service where possible.	HF	<input checked="" type="checkbox"/>
				MCR	<input checked="" type="checkbox"/>
<b>2.2 Economic Environment.</b> The Reserve Bank of New Zealand's Monetary Policy Statement of May 2023 projected that restrictive interest rates will be required for the foreseeable future, to ensure that inflation returns to the 1-3% target range. Issues highlighted in the Statement are: <ul style="list-style-type: none"> <li>Economic growth is projected to decline in 2023 as tighter monetary policy dampens demand to more sustainable levels, resulting in a mild recession.</li> <li>Annual consumer price index inflation is projected to continue to decline from high levels, from 6.7% in March 2023 to 3.7% by June 2024. The inflationary impact of Cyclone Gabriel rebuild and strong inward migration remains uncertain.</li> </ul>	If unexpected local, national, or international economic shocks occur and have a significant negative impact the economic environment affecting Council costs and or revenue, then a range of risk factors may materialise including: <ul style="list-style-type: none"> <li>An unexpected increase in inflation</li> <li>An increased incidence of supply chain interruptions and delays</li> <li>An increase in late and non-payment of rates</li> </ul>	Moderate	A significant deterioration in the economic environment could negatively impact on Council's finance and operating costs, its revenue from sources driven by external demand such as consents and development contributions and on ratepayers' ability to pay rates.  If increased costs and/ or reduced revenue negatively impacts on the Council's balance sheet it could lead the Council to decide to borrow more or reduce service/ project delivery.  However, these risks are considered to be unlikely to eventuate to a significant degree within a single rating year. Any decision to significantly cut services or increase debt would be more likely to be addressed in a future Annual Plan or Long Term Plan.	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				HCPP	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<ul style="list-style-type: none"> <li>Interest rates are projected to be stable at current high levels over the 2023/24 financial year, with a slow reduction in the Official Cash Rate not expected until at least the second half of 2024.</li> <li>Employment is projected to slow to more sustainable levels as the economy slows, with unemployment rising from 3.4% in March 2023 to 5.4% by the end of 2024.</li> </ul> <p>Council has prepared this Plan on the assumption that inflation and interest rates will remain high – see assumptions for both – but that a significant economic recession will not occur in the 2023-24 year.</p>					
<b>2.3 Development contributions revenue.</b> The Council has assumed development will reflect the population and business growth model growth forecasts and has budgeted its development contributions revenue accordingly.	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 and may necessitate changes to planned borrowing.	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 borrowing which is funded from rates over the relevant debt financing term.	CFO	☑
				HF	☑
				HCPP	☑

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
	The location and timing of development is determined by several factors such as market forces which are outside the control of the council.				
<b>2.4 Population.</b> That population and business growth will occur as forecast by the Council's growth modelling.	If population and/ or business growth is higher than projected, then the Council will need to provide additional unplanned services and infrastructure.  If growth is lower than projected, then the Council will be required to support excess levels of infrastructure and service delivery.	Low	Population projections are based upon a standard set of demographic assumptions. The Council revises its growth modelling annually based on the best information available at the time.	CFO	☑
				HF	☑
				HCPP	☑
<b>2.5 Rating Base.</b> Growth in the number and value of rating units is expected to increase the rating base for 2023/24 by \$9.3 million (1.5%) compared to 2022/23.	If the rating base grows at a materially different rate from that projected, then rates income may be materially different to that planned.	Low	Actual growth in the rating base is never known until year end because of the process by which it is measured. 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 and actual growth in the rating base will cause changes to the total rates revenue collected.	CFO	☑
				HF	☑
				GFC	☑
		Low		CFO	☑

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>2.6 Aging population.</b> The number of people over the age of 65 is expected to increase by 80% by 2051 to 117,800 (24%).  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.	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 older persons may need to change.		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 not change significantly, especially in the ages from 45 to 65 years, which will be the retirement age group in the next 20 years.	HF	☑
				HCPP	☑
<b>3. Impact of policies and external factors</b>					
<b>3.1 Council policy.</b> Given the significant extent of government reform, there will be regular updates to Council policy in response to legislative changes and emerging strategic issues. Known changes are appropriately budgeted for.	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 that was unplanned.	Low	Dealing with changes in legislation is part of normal Council operations. Any financial impact is managed, which may include deferring other work.	CFO	☑
				HF	☑
				HLDS	☑
<b>3.2 Waka Kotahi subsidies.</b> 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.	If there are changes in the FAR, and/ or the overall amount in the National Land Transport Fund, then there could be changes to government transport priorities, and to funding eligibility criteria for projects which could impact on the amount of subsidy we receive from Waka Kotahi or change the projects for which we receive funding.	Moderate	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.  Decisions on what improvement projects will be funded through the National Land Transport Fund will not likely be confirmed until after approval of the Detailed Business Case, and this means there is some	CFO	☑
				HF	☑
				HTW	☑
				FBP-IPRS	☑

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			inherent uncertainty around funding for some improvement projects. The Council is regularly in discussions with Waka Kotahi to gain more clarity on which projects will receive funding.  The Council adjusts its work programme and budget assumptions if necessary to align with Waka Kotahi funding availability.		
<b>3.3 Resource Consents.</b> 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.  Council is currently working through the Akaroa wastewater consent issues.	Moderate/ Low	Advance warning of likely changes is anticipated.	CFO	<input checked="" type="checkbox"/>
			The financial impact of failing to obtain/renew resource consents cannot be quantified.	HF	<input checked="" type="checkbox"/>
				H3W	<input checked="" type="checkbox"/>
<b>3.4 Legislative and Regulatory change.</b> The Government has initiated three significant reform programmes that will in time impact on the legislative and regulatory frameworks	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.	CFO	<input checked="" type="checkbox"/>
			At the time of preparing this Plan the Council is unable to determine how any potential legislative change might impact	HF	<input checked="" type="checkbox"/>
				HLDS	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<p>within which local government currently operates.</p> <p>These reform programmes are; three waters reform, resource management reform and the future for local government review.</p> <p>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.</p> <p>The reform programmes are each covered in more detail below.</p>			<p>its operations or quantify the potential financial impact.</p> <p>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.</p>		
<p><b>3.5 Three Waters Reform.</b> The Council will continue to deliver three waters services over the life of the Annual Plan.</p> <p>It is assumed that the transfer of assets and liabilities to the new Entity will occur at midnight on 30 June 2026.</p>	<p>If the transfer of three waters assets and responsibility for service delivery to a new water services entity is brought forward to the 2023/24 year, then large parts of this Annual Plan will be inaccurate. This could create significant budgeting and operating issues for the Council.</p>	Low	<p>The Council is in close contact with the National Transition Unit department within the Department of Internal Affairs which is responsible for overseeing the transfer of three waters assets and service delivery to water services entities. The NTU is very aware that it needs to be transparent with requirements on councils in this process.</p> <p>The work programmes and budgets for three waters activities have been prepared as if the Council will deliver these services indefinitely though with close liaison with the NTU to facilitate a smooth transition.</p>	CFO	☒
				HF	☒
				H3W	☒
		Low		CFO	☒



Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>3.6 Potential climate change impacts.</b> 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 projected local changes to climate that we must prepare for are: a. 0.48 metre rise in sea-level by 2070 and 1 metre sea-level rise by 2100; b. average temperatures will rise 0.5°C – 1.5°C by 2040 and by 3.5°C by 2090 c. changes in rainfall and extreme weather events.	The timing or severity of any climate change impacts could be worse than expected, meaning the Council is not sufficiently prepared.		The Council has developed a Climate Resilience Strategy, which identifies action programmes to respond to the impacts of climate change and the legislative requirements to consider the impacts of climate change.  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 have a better understanding of our exposure and vulnerability to the impacts of climate change on our assets and how we adapt, to determine the financial impacts.	HF	<input checked="" type="checkbox"/>
				HSPR	<input checked="" type="checkbox"/>
<b>3.7 Future for Local Government Review.</b> The Council has assumed any resulting reforms will not materially impact on its costs or financial position in the 2023/24 year. Changes to what services local government delivers and how these are delivered will be implemented from the 2024/25 year onwards.	If the Government fast-tracked one or more of the recommended reforms so that change was required in the 2023/24 year, then this could have a significant impact on work programmes and budgets.	Low	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 made will be incorporated in the 2024-34 long-term plan.	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				HLDS	<input checked="" type="checkbox"/>
<b>3.8 Impact of Covid-19</b> Operational and Capital Programme delivery will be able to occur without significant financial, staffing or deliverability issues due to Covid-19.	If Covid-19 re-emerges as a significant health risk resulting in lockdowns and other responses that interrupt normal work life, then the Council is unlikely to be able to deliver its work programme as planned and budgeted.	High	Councils Covid-19 vaccination policy aims to minimise risk to staff and the public while continuing to provide services.  The Council better understands the implications of a Covid-19 or similar pandemic on its operations and the need to reprioritise work and functions than	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				HTW	<input checked="" type="checkbox"/>
				H3W	<input checked="" type="checkbox"/>
				HPA	<input checked="" type="checkbox"/>



Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			previously and has plans in place to minimise disruption.	HCGP	<input checked="" type="checkbox"/>
			The Council is now significantly better prepared to have staff work from home if required.	SMF	<input checked="" type="checkbox"/>
<b>4. Borrowing Related</b>					
<b>4.1 Credit Rating.</b> The Council's current rating of AA is maintained.	If the Council's credit rating with Standard and Poor's is downgraded, then the Council's cost of borrowing is likely to increase. This would increase the budget required to service debt which would reduce funding available for other things.	Low	A one-notch downgrade at some point in the future (i.e., from AA to AA-) would not affect any debt existing at the time but would increase the cost of new borrowing and refinancing by an estimated 5 basis points (0.05 percentage points) for the life of the borrowing.	CFO	<input checked="" type="checkbox"/>
			Such an event occurring at the start of 2023/24 would increase interest costs by an estimated \$0.2 million in 2023/24, rising to \$1.4 million annually by 2028/29.	HF	<input checked="" type="checkbox"/>
				GT	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>4.2 Borrowing Costs.</b> Net cost of ratepayer funded borrowing (i.e. including current and projected debt) is projected to be 5.0% in 2023/24.	If interest rates increase to above the assumed level, then the Council's debt servicing costs will increase.  This would increase the budget required to service debt which would reduce funding available for other things.	Moderate	Council manages its interest rate exposure in accordance with its Liability Management Policy, and in line with advice from an independent external advisor.  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 projected would increase interest costs by around \$2.5m in 2023/24.	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				GT	<input checked="" type="checkbox"/>
<b>4.3 Securing External Funding.</b> New, or renewal of existing borrowings on acceptable terms can be achieved.	If new borrowing cannot be accessed to refinance existing debt or fund future capital requirements, then the Council could need to borrow from unconventional sources or default on its debts.	Low	The Council controls its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Liability Management Policy.	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				GT	<input checked="" type="checkbox"/>
<b>4.4 LGFA Guarantee.</b> Each shareholder of the LGFA is a party to a deed of Guarantee, whereby they guarantee the obligations of the LGFA and the obligations of other participating local authorities in the event of default.	If the LGFA couldn't meet its obligations, then each guarantor would be liable to pay a proportion of the amount owing. The proportion to be paid by each 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 the borrowings by a local authority from the LGFA are secured by a rates charge.	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
<b>4.5 Opening Debt:</b> The Council's opening debt of \$2,365 million is made up of;	If the Council's actual opening debt differs from forecast, then	Low	Council's debt requirements are well understood and closely managed. It is	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<ul style="list-style-type: none"><li>• \$221 million of equity investments, mainly in CCTOs (Venues Ōtautahi Ltd \$185 million),</li><li>• \$816 million of money borrowed for on-lending, (in accordance with the Council’s Liability Management Policy),</li><li>• \$1,243 million of capital works and earthquake related borrowing. There is an additional \$61.5 million borrowed internally from the Capital Endowment Fund.</li><li>• \$85 million finance lease (Civic Building).</li></ul>	the debt servicing costs may be higher than budgeted.		unlikely that opening debt will be significantly different to forecast.	MCR	☒
				GT	☒
5. Investment related					
<b>5.1 Return on investments.</b> That interest received on cash and general funds invested is projected to be 5.5% for 2023/24.  The return on the Capital Endowment Fund (most of which is currently invested internally) is calculated at 4.5% for 2023/24.	If interest rates are lower than projected, then Council’s revenue from interest will be less than budgeted.  Conversely, if interest rates are higher than projected, then Council’s revenue from interest will be more than budgeted.	Low	Any financial impact is unlikely to be significant.	CFO	☒
				HF	☒
				GT	☒
<b>5.2 Value of Investment in Subsidiaries</b> That the opening statement of financial position reflects the correct investment values.	If CCO revaluations differ significantly from the assumed values, then Council’s assets will be overstated.	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	CFO	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			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.	HF	☒
5.3 CCTO income. CCHL will deliver dividend income at the levels forecast in this Plan.	If CCHL delivers a lower than projected dividend, then the Council will need to source alternate funding.  If additional dividend income is received, then the level of borrowing forecast in this Plan will be reduced.	Low	CCTOs are monitored by their Statements of Intent and quarterly reporting to the Council.	CFO	☒
				HF	☒
5.4 Tax planning. The Council (parent) will operate a tax loss for the period covered 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.	If subvention payments are lower than planned, then the Council's revenue will be less than budgeted.	Low	CCTOs are monitored by the Statement of Intent and a quarterly performance reporting process. Returns are expected to continue as forecast in this Plan.	CFO	☒
				HF	☒
				GFC	☒
6. Services and Operations					
6.1 Community housing. The Council's community housing assets are leased to Otautahi Community Trust, who are responsible for operations, maintenance	If lease revenue is not sufficient to enable the social housing portfolio to be financially viable then alternative sources of	Medium	With a focus on repairing earthquake damage, lifting quality standards, and addressing deferred maintenance, there has been significant expenditure from the	CFO	☒
				HF	☒
				HCGP	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
and renewals. It is assumed that 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.	funding may need to be found which may include from rates.  If expenditure is higher than expected expenditure (e.g., due to asset failure or external events) then additional sources of funding may need to be found which may include from rates.		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 some expenditure if necessary.	FBP-Res	<input checked="" type="checkbox"/>
<b>6.2 Contract Rates.</b> Re-tendering of major contracts will not result in cost increases in excess of the rate of inflation.	There is currently some post Covid increase in cost around the supply chain.  Additionally, some contracts are impacted by the Council's 2021 living wage decision.  If there is a significant variation in price from re-tendering contracts, then the costs of providing services will increase beyond what is budgeted.	High	Where possible Council would review the scope of work under an affected contract, or alternatively adjust the budget between services to free up additional funding.  Inflation is currently running at 6.7%. On its own, this presents a real risk. However, there also remains volatility in supply chains and shortages of construction materials, placing 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	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>
				HTW	<input checked="" type="checkbox"/>
				H3W	<input checked="" type="checkbox"/>
				HPA	<input checked="" type="checkbox"/>
				SMF	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			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.		
<b>7. Insurance cover and natural disaster financing</b>					
<b>7.1 Insurance cover.</b> 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 2022 suggests that the Council's insurance cover is sufficient to meet two times the maximum loss. Any financial impact is not expected to be significant. Recent advise on the mix of coverage now able to be provided on Councils housing stock, will impact premiums.	CFO	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
<b>7.2 Natural disaster financial implications.</b> The Christchurch region will at some time experience earthquake, flooding and tsunami events that will result in damage to Council infrastructure. It is assumed the Council's insurance along with central government assistance will cover the cost of repairs.	If the Council's insurance cover and expected Government assistance isn't sufficient to cover the costs of repairing Council infrastructure following a natural disaster, then additional funding will need to be found.	Moderate	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.  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	<input checked="" type="checkbox"/>
				HF	<input checked="" type="checkbox"/>

# Annual Plan 2023 - 2024

## Submissions Thematic Analysis

Prepared by Monitoring & Research

May 2023



### 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 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.

Note: The number of submitters provided in brackets next to each category heading are indicative of the number of submitters who commented on each theme/category. Where we have asked specific multiple-choice questions, the figures have been provided in the associated tables within each category.

## Key Messages

The financial pressures that households are facing were front of mind for many submitters this year. Submitters commonly acknowledged the significant work that had gone in to keeping the proposed rates increase low and appreciated that the financial pressure on households had been considered as the annual plan was being formulated.

On the other hand, a large cohort of submitters expressed apprehension that such a conservative increase may compromise the long-term progress of the city. These submitters tended to be concerned about the growing impacts of our changing climate and urged us to allocate greater resources towards initiatives aimed at reducing emissions and minimizing the effects of climate change.

Threads of concern about climate change and reducing our emissions ran through many submissions this year, with submitters urging us to take climate change seriously and do more to support emissions reduction and ensure we meet our climate goals. While this was particularly prominent in submission points on transport, it was also evident through many other categories and topics.

Transport remained a significant focus for submitters, with hundreds of submitters addressing a range of transport issues. Over recent years, we have seen a shift in the nature of the submissions on transport issues. This year we have seen the primary issues covered by submitters shift away from the maintenance and quality of our transport infrastructure, with instead a strong emphasis on prioritising investment in public transport infrastructure, footpaths, streetscapes, and cycleways, and the future of our transport network coming to the fore.

Many submitters highlighted the importance of investing in active and public transport, with many indicating they would support more investment in footpaths, cycleways and public transport infrastructure. While some were happy with our proposed spend in these areas, many indicated that they would like to see us spending more. These submitters regularly noted that transport is a significant source of emissions in Christchurch, and urged us to invest more in activities, programmes and projects that will contribute to emissions reduction.

Safety was a focus of many submissions addressing transport issues, with calls for us to do more to make it safer to travel in Christchurch. Safety was a theme across all transport categories, however it was particularly prominent in relation to investing in cycling infrastructure. Submitters highlighted the importance of providing safe cycling infrastructure across the city and called for us to get on and deliver the promised major cycleways network.

Residents of the east continue to express their frustration with what they see as a lack of progress in their neighbourhoods. Many submitters advocated for work planned in these areas to be completed earlier than currently programmed.

Other submitters from a range of areas across the city highlighted the ongoing impacts that regular surface flooding is having on their quality of life, urging us to do something to resolve these ongoing issues.

We were again reminded of the value that our community facilities provide for residents and communities by several submitters. Once more, our residents have told us that we should not undervalue the service or sense of community that our community facilities provide and foster.

This was highlighted by submitters addressing the rebuild/repair of the South Library and additional canoe polo courts at Lake Roto Kohatu in particular.

Submitters highlighted the importance of the South Library for communities in the south of the city, with a clear message that the community expect a fit for purpose facility to be delivered out of the repair/rebuild process. Submitters expressed a significant level of concern about a reduced budget or scope for the facilities.

Submitters addressing the need for additional canoe polo courts at Lake Roto Kohatu highlighted the importance of providing facilities that offer young people in our city a range of opportunities to be active and participate in the sports and activities that they enjoy.

Once again, the desire to take a partnership approach on projects was a key theme among many submissions. We have a range of communities and community groups and organisations who care deeply and want to work with us on achieving good outcomes for their communities and/or projects.

Submitters also suggested that we should explore more partnership opportunities, particularly in the context of disposing of council owned land. Many submitters suggested alternative uses for the land which would involve us partnering with communities, groups or organisations to achieve outcomes that would have wider benefit for our communities and residents.

Numerous submitters talked of a need to reduce wasteful spending and focus on core services or the basics, however there was little consensus on what is a core service or what the basics look like, and the reality is, these are likely to differ from resident to resident - one person's 'nice to have' is another person's core service.

There were several topics and issues where the preferences or opinions of submitters were divided. The proposed increase to the daily residential water allowance and the wheels to wings cycleway are just two of many examples. In some instances, submitters talked about finding the right balance on an issue, which serves as a good reminder of the need bring together and balance the varying views, opinions and preferences of our residents and communities when making decisions.

## Who did we hear from?

\*Not stated includes submitters who did not provide a postal address, those who provided only a street name or suburb, and any submitters who used a PO Box address

Community Board	Number of Submitters	%* of Submitters
Not Stated*	240	29%
Te Pātaka o Rākaihautū Banks Peninsula	31	4%
Waitai Coastal-Burwood-Linwood	66	8%
Waipuna Halswell-Hornby-Riccarton	70	9%
Waimāero Fendalton-Waimairi-Harewood	108	13%
Waipapa Papanui-Innes-Central	119	15%
Waihoru Spreydon-Cashmere-Heathcote	182	22%
Total	816	100%

Ward	Number of Submitters	%* of Submitters
Not Stated	240	29%
Banks Peninsula	31	4%
Burwood	18	2%
Cashmere	79	10%
Central	48	6%
Coastal	30	4%
Fendalton	31	4%
Halswell	30	4%
Harewood	47	6%
Heathcote	60	7%
Hornby	17	2%
Innes	16	2%
Linwood	18	2%
Papanui	55	7%
Riccarton	23	3%
Spreydon	43	5%
Waimairi	30	4%

## Who did we hear from?

### Number of Submitters by Age

Age	Number of Submitters	% of Submitters
Not Stated	216	26%
Under 18 years	9	1%
18 – 24 years	34	4%
25 – 34 years	85	10%
35 – 49 years	151	18%
50 – 64 years	169	21%
65 years and over	154	19%

### Number of Submitters by Gender

Gender	Number of Submitters	% of Submitters
Not Stated	253	31%
Male	290	35%
Female	268	33%
Gender Diverse	7	0.1%

### Number of Submitters by Ethnicity

Ethnicity	Number of Submitters	% of Submitters
NZ European	511	62%
Māori	25	3%
Pacific Peoples	4	0.5%
Asian	18	2%
Middle Eastern, Latin American & African	7	1%
Other European	48	6%
Other	43	5%

## Why do we collect demographic information?

It is important that we understand both who we have and have not heard from when we consult on issues that affect everyone in the city. We include a standard set of demographic questions across our consultations that help us better understand this. These questions are optional; submitters do not have to answer them to make a submission.

Where possible, we align the questions we ask with the information that StatsNZ collects via the census. This ensures that we are capturing the information that is consistent with the national approach to reporting on demographics, but also enables us to benchmark and understand whether we have heard from a representative group of submitters.

## Rates

### Residential Rates (374 submitters)

While there was mixed feedback on the overall quantum of the rates increase, a large number of submitters indicated that they appreciated the effort to keep rates increases as low as possible at a time when households are under an increasing amount of financial pressure.

The majority (n=157) of submitters who provided feedback on the rates proposal were supportive of the proposed increase in the draft plan, while 75 submitters opposed this proposal and 75 provided alternative proposals.

Many of those who supported the proposed increase noted that it was below inflation, and highlighted their appreciation of the work that had been done to be able to deliver a proposed increase that was below inflation. Others indicated that they would rather a small increase than to see the city go backwards or to see projects or services that are important to them impacted by significant cost cutting to keep rates down. There was an acknowledgement from some that much like households, our costs were also increasing, and some level of rates increase was needed to account for this.

Other submitters expressed frustration with ongoing rates increases of any level, suggesting that we need to cut our cloth to fit within our means, just like households must. Many expressed concerns about their ongoing ability to afford yearly rates increases, particularly when households are facing increasing financial pressures from a number of fronts. Many suggested that rates increases would not be necessary if we reduced unnecessary spending and focused on core services. While it was unclear what core services meant to each submitter, spending on social and cultural initiatives and staff salaries were highlighted by submitters as areas where cuts could be made.

Around 30 submitters indicated that they thought the proposed increase should be higher. These submitters tended to feel that we were putting progress on important issues, programmes, and projects in jeopardy by focusing on keeping rates as low as possible. These submitters tended to indicate that they would rather see a larger rates increase that ensured continued investment and progress on projects that contribute to the city's liveability, with a particular focus on those that will improve environmental sustainability.

General comments on rates tended to highlight concerns about the ongoing affordability of rates, particularly for low-income households. The need for council to strike the right balance between keeping rates down but keeping the city moving forward was stressed by many. Some indicated that they would be happy with the proposed increase so long as spending on issues that they see as important is prioritised, while others emphasised that they feel we need to continue to reduce unnecessary spending.

Age had some bearing on support of the rates proposal. Those aged 24 years and under were more likely to propose an alternative, while those aged 35 years and over were more likely to oppose the proposed increase.



### Business Differential (187 submitters)

The majority of submitters who commented on the business differential were supportive of adjusting the balance so that the business sector continues to pay the same proportion of rates as it currently does. Some noted that they don't want to see a disproportionate burden put on businesses, but support changing the differential to keep it in line with what they currently pay.

Those who opposed tended to highlight that much like households, businesses were struggling with increasing costs. There was mention that as a city we should be enabling business and doing more to support them and acknowledging the value that they bring to the city.

Business Differential	Number of Submitters	% of Submitters
Support scaling up the business differential, so business sector as a whole pays the same proportion of overall rates that it currently does.	289	89%
Do not support scaling up the business differential, so business sector as a whole pays the same proportion of overall rates that it currently does.	37	11%

Note: Numbers in table(s) based on responses to multiple choice questions

### Uniform Annual General Charge (270 submitters)

Feedback on the proposal to lower the uniform annual general charge to \$50 was mixed.

Of the submitters who indicated their preference in the multiple-choice question, 64% (n=219) supported retaining the UAGC at the current level of \$153 while 36% supported setting it at the lower value of \$50.

UAGC	Number of Submitters	% of Submitters
Our proposal (A): Our current proposed UAGC of \$153 in 2023/24. This is in line with the current proportion of your rates bill that forms the UAGC, and is in line with the overall rates increase.	219	64%
The alternative (B): Setting the UAGC at a lower value of \$50, reducing the overall rates on properties with a lower capital value, but leaving a \$17 million shortfall in the Council's rates take, which would need to be made up by other ratepayers.	122	36%

Note: Numbers in table(s) based on responses to multiple choice questions



Feedback from those who supported maintaining the UAGC at \$153 highlighted that:

- Our UAGC is already one of the lowest in country and is significantly less than some other councils' charge.
- Service delivery is not based on capital value; in some instances, it is equitable for all rate payers to contribute proportionally, regardless of their capital value, given that they are all entitled to similar levels of access and benefit from the services covered by the UAGC.

Several submitters highlighted that they feel the ones who will be hit the hardest by proposal B are the hard-working middle-income earners. This was often accompanied by feedback that these households are already struggling to keep up with the ongoing pressures they are facing. Others felt that rates relief mechanisms would be a better way to target assistance to the households that need it.

Those who supported setting the UAGC at a lower value of \$50 tended to feel that reducing the burden on low-income households and redistributing it to those with more ability to pay would be a fairer and more equitable approach. There was a sense from these submitters that we have an obligation to protect and reduce hardship on households who are more likely to be financially vulnerable and most affected by the current cost of living challenges.

Generally, submitters in the 18 – 24 years and 25 – 34 years age groups tended to be more supportive of lowering the UAGC to \$50, however the majority of 25 – 34 year olds still supported maintaining it at the proposed \$153. Those over the age of 35 years were more likely to support retaining the UAGC at \$153.

Age	Our proposal (A): \$153		The alternative (B): \$50	
	Number of Submitters	% of Submitters	Number of Submitters	% of Submitters
Not Stated	13	81%	3	19%
Under 18 years	2	100%		
18 – 24 years	8	44%	10	56%
25 – 34 years	34	59%	24	41%
35 – 49 years	51	65%	28	35%
50 – 64 years	50	64%	28	36%
65 – 79 years	59	68%	28	32%
Over 80 years	2	67%	1	33%
Total	219	64%	122	36%

Submitters from the Banks Peninsula, Linwood, Hornby, Riccarton, Central Spreydon and Heathcote wards tended to be more supportive of the alternative (\$50), while those in the Coastal, Burwood, Halswell, Fendalton, Waimairi, Harewood, Papanui and Cashmere wards tended to be more supportive of retaining it at \$153.

Community Board	Our proposal (A): \$153		The alternative (B): \$50	
	Number of Submitters	% of Submitters	Number of Submitters	% of Submitters
Not Stated*	65	71%	26	29%
Te Pātaka o Rākaihautū Banks Peninsula	2	33%	4	67%
Waitai Coastal-Burwood-Linwood	16	50%	16	50%
Coastal	9	56%	7	44%
Burwood	6	67%	3	33%
Linwood	1	14%	6	86%
Waipuna Halswell-Hornby-Riccarton	16	67%	8	33%
Halswell	13	93%	1	7%
Hornby	1	25%	3	75%
Riccarton	2	33%	4	67%
Waimāero Fendalton-Waimairi-Harewood	35	70%	15	30%
Fendalton	14	78%	4	22%
Waimairi	9	56%	7	44%
Harewood	12	75%	4	25%
Waipapa Papanui-Innes-Central	38	72%	15	28%
Papanui	30	83%	6	17%
Innes	2	50%	2	50%
Central	6	46%	7	54%
Waihoru Spreydon-Cashmere-Heathcote	47	55%	38	45%
Spreydon	8	42%	11	58%
Cashmere	22	81%	5	19%
Heathcote	17	44%	22	56%
<b>Total</b>	<b>219</b>	<b>64%</b>	<b>122</b>	<b>36%</b>

Note: Numbers in table(s) based on responses to multiple choice questions

**City Vacant Differential (97 submitters)**

The majority of submitters (n= 240) supported extending the City Vacant Differential rating to the commercial areas of New Brighton, Lyttelton, Sydenham and Linwood Village. Generally, these submitters felt that in many cases the sites and owners who would be impacted by this were holding up development in many of these areas, and extending the vacant differential into these areas would encourage better use of vacant land.

These submitters emphasized that they feel it is important that landowners are motivated to either develop their land in these areas or sell it to someone who is motivated to develop it and use it productively.

Those who opposed the extension of the city vacant differential felt that the council should be supporting development, providing incentives for them to develop their land as opposed to punishing them for not doing so (i.e., the carrot vs. stick approach). These submitters warned that it may lead to Christchurch being seen as anti-development.

City Vacant Differential	Number of Submitters	% of Submitters
Support extending the use of City Vacant Differential rating in the commercially zoned areas of New Brighton, Lyttelton, Sydenham and Linwood Village	240	82%
Oppose extending the use of City Vacant Differential rating in the commercially zoned areas of New Brighton, Lyttelton, Sydenham and Linwood Village	53	18%

Note: Numbers in table(s) based on responses to multiple choice questions.

**Capital Endowment Fund (84 submitters)**

Submitters who supported using \$1 million from the capital endowment fund recognised the importance of community organisations and the need to support them, while also acknowledging the pressure on households currently and the need to reduce the burden on them. There was general agreement from these submitters that option 1 struck the right balance.

Those who favoured option 2 expressed concerns about using funds from the capital endowment fund and were concerned that overall, it would reduce the amount of community funding available. They would prefer that less of the funds in the capital endowment fund were used to reduce rates, leaving more there for its intended purpose.

There were concerns from some submitters that this would be a move towards reducing the amount of community funding available over time, while on the other hand submitters noted that they do not see providing community grants as core council business.

Capital Endowment Fund	Number of Submitters	% of Submitters
Option 1: Using \$1 million from the CEF for one year only to fund grants, and reduce the overall average rates increase by 0.16%.	195	64%
Option 2: Using \$500,000 from the CEF for one year only to fund grants, and reduce the overall average rates increase by 0.08%.	110	36%

Note: Numbers in table(s) based on responses to multiple choice questions.

## Excess Water Charge

### Excess Water Charge (103 submitters)

A number of submitters provided feedback on the excess water charge. The majority of these were general comments about the charge and its use as a mechanism to reduce water use.

20 submitters indicated their support for the excess water charge, 23 opposed, 25 provided alternative proposals and 37 provided general comments or feedback.

Many of those who indicated their support for the charge highlighted the importance of water conservation and providing incentives to encourage people to be more considerate with their water use. Some submitters highlighted that the charge has already made a difference with water use decreasing over the 2022/2023 summer.

Those who opposed tended to raise concerns around the equity of the charge, with many calling for it to be removed altogether. The issues identified by submitters largely stem from the charge not taking into account the size of the property or the number of residents occupying it. Others mentioned that they believe that access to water is a basic human right and residents should have free access to as much water as they need. Submitters raised concerns about being charged for water when there are still a large number of leaks from council infrastructure that have not been addressed.

Submitters proposed a range of alternatives. In many instances suggestions were made that the charge should not be implemented until we have fixed all the leaks that we are responsible for and/or every house has its own meter, and the charge can be applied in a way that is fair and equitable. Others thought that it unfairly penalised those who keep and care for large gardens, and some concessions should be allowed for this or we risk putting our garden city identity at risk. There were suggestions from others that instead of charging an excess water rate, all water charging should just be volumetric with people paying for what they use.

The general comments and feedback echoed the key messages raised by other submitters. Many of these submitters indicated that they do not think the charge is being applied in a way that is fair and equitable. Submitters questioned how fair the charge is when it does not take into account the size of the property or the number of residents occupying it. Others raised questions about the fairness of how the charge is being applied, noting that we do not currently charge multi-unit

developments on a shared meter. The impact of different soil types across the city was raised by others.

#### Daily water allowance for residential properties (233 submitters)

Submitters were divided on the proposed increase to the daily allowance of water for residential properties, with no clear preference either way.

Of the submitters who responded to the multiple-choice question on the daily limit, 50% (n=191) support increasing the allowance to 900 litres a day, while 50% (n=190) indicated that they would like the daily limit to stay at 700 litres.

Some submitters indicated a preference in their comments only. Of these submitters, 15 support increasing the daily allowance to 900 litres while 19 do not support the proposal.

Daily water allowance	Number of Submitters	% of Submitters
Support increasing daily allowance to 900 litres a day for residential properties	191	50%
Oppose increasing daily allowance to 900 litres a day for residential properties	190	50%

Note: Numbers in table(s) based on responses to multiple choice questions.

Those who support increasing the daily allowance expressed concerns about the equity of the 700 litre daily allowance, feeling that it compromises the ability to keep and care for gardens, places unnecessary pressure on large families, and that the 900 litre option generally strikes a better balance between the need to conserve water and ensuring that the charge is fair and equitable.

In a number of instances submitters who support the increase acknowledged the need for water conservation and to be good stewards of our water resources but were more comfortable with the 900 litre daily allowance. Other submitters indicated that they still weren't happy with the charge but thought that increasing the daily allowance to 900 litres was a step in the right direction.

Those who opposed tended to feel that 700 litres was already a generous daily allowance and those who are high users should pay their fair share for the additional pressure they are putting on the network. The importance of water conservation and protecting our water resources was regularly highlighted by these submitters, with some noting that in the context of our changing climate we need to be using water more carefully. These submitters indicated that they feel increasing the daily allowance to 900 litres will send the wrong message and could result in more careless use of water. There was support for continuing with the exemptions being provided to large families and those with medical needs.

In a number of instances submitters encouraged us to look at other ways of promoting water conservation, including the use of rainwater tanks and incentives for their uptake. Some submitters think that rainwater tanks should be mandatory for new subdivisions and developments.

Submitters over the age of 50 years were more likely to support increasing the daily residential allowance to 900 litres, while those under the age of 34 years were more likely to oppose raising the daily allowance.



Age	Support increasing daily allowance to 900 litres a day for residential properties		Do not support increasing daily allowance to 900 litres a day for residential properties	
	Number of Submitters	% of Submitters	Number of Submitters	% of Submitters
Not Stated	11	79%	3	21%
Under 18 years	2	100%		
18 – 24 years	1	6%	16	94%
25 – 34 years	17	27%	45	73%
35 – 49 years	42	44%	54	56%
50 – 64 years	49	56%	39	44%
65 – 79 years	67	68%	31	32%
Over 80 years	2	50%	2	50%
Total	191	50%	190	50%

Geographically, views were also mixed. Submitters who live in the Burwood, Halswell, Hornby, Papanui, Innes and Heathcote wards tended to be more supportive of increasing the daily allowance to 900 litres.

Submitters who live in the Linwood, Central, Waimairi, Spreydon and Cashmere wards tended to be more supportive of retaining the daily allowance at 700 litres.

Community Board	Support increasing daily allowance to 900 litres a day for residential properties		Do not support increasing daily allowance to 900 litres a day for residential properties	
	Number of Submitters	% of Submitters	Number of Submitters	% of Submitters
Not Stated*	48	45%	59	55%
Te Pātaka o Rākaihautū Banks Peninsula	3	50%	3	50%
Waitai Coastal-Burwood-Linwood	22	58%	16	42%
Coastal	10	56%	8	44%
Burwood	10	83%	2	17%
Linwood	2	25%	6	75%
Waipuna Halswell-Hornby-Riccarton	20	69%	9	31%
Halswell	13	76%	4	24%
Hornby	3	75%	1	25%
Riccarton	4	50%	4	50%
Waimāero Fendalton-Waimairi-Harewood	26	50%	26	50%

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Fendalton	11	58%	8	42%
Waimairi	6	40%	9	60%
Harewood	9	50%	9	50%
Waipapa Papanui-Innes-Central	27	50%	27	50%
Papanui	22	63%	13	37%
Innes	3	60%	2	40%
Central	2	14%	12	86%
Waihoru Spreydon-Cashmere-Heathcote	45	47%	50	53%
Spreydon	6	30%	14	70%
Cashmere	9	29%	22	71%
Heathcote	30	68%	14	32%
<b>Total</b>	<b>191</b>	<b>50%</b>	<b>190</b>	<b>50%</b>

Note: Numbers in table(s) based on responses to multiple choice questions.

## Our Proposed Spending (118 submitters)

Submitters provided a wide range of feedback on our proposed spending, including a significant number of alternative proposals (n=67). 13 submitters indicated their support for our proposed spending, 11 opposed and 32 provided general comments or feedback.

Alternative proposals ranged from requests that we spend more on specific projects or in specific areas, to calls for us to reduce our spending, particularly on perceived nice to haves and things that submitters did not deem to be core council services.

Requests for additional spending on services echoed the feedback that we received across other themes and categories, including investing more in our transport infrastructure (particularly public transport infrastructure, cycleways and footpaths), prioritising maintenance of our assets and infrastructure, and more investment in reducing emissions and the impacts of climate change.

Some submitters expressed a real concern about the future, and what that might look like for Christchurch if we don't prioritise spending on important issues.

On the other hand, a number of submitters expressed their frustration with our spending on perceived nice to haves and things that are not seen as critical or important. These submitters were often frustrated by the way we are designing infrastructure and the costs of building and maintaining it. Many of these submitters referenced spending on core services or the basics, however there was no clear consensus on what constitutes core services or the basics. In reality, these are likely to differ from resident to resident - one person's 'nice to have' is another person's core service.

Issues raised in the general comments and feedback were very similar to those in the alternative proposals, with a particular focus on prioritising investment in areas and activities that will support emissions reduction and reducing our climate impact.

Many submitters expressed concerns about staff matters, both the amount that the organisation spends on staff costs and on the other hand concerns about spending on consultants instead of building internal knowledge and capacity. Staff retention was also addressed by some submitters.

## Transport

Transport spending and issues were once again a priority for submitters this year. Generally, the nature of submissions received on transport has been changing over recent years.

This year we have seen the issues covered by submitters shift away from the maintenance and quality of our transport infrastructure, with instead a strong emphasis on prioritising investment in public transport infrastructure, footpaths, streetscapes, and cycleways, and the future of our transport network coming to the fore.

### Cycleways (288 submitters)

More than a third of submitters (35%) provided feedback on our proposed spending on cycling infrastructure or more general feedback on cycling infrastructure in Christchurch.

150 submitters indicated that they support our proposed spending on cycleways, 32 opposed, 92 provided alternative proposals and 35 provided general feedback or comments.

Most of the submitters who indicated their support for our proposed spending on cycleways were signalling their support for investment in active and public transport in general. Others expressed their support of continued investment in cycleways, with a view that we need to get on and complete the rest of the major cycleways network. The positive climate impacts of investment in cycleways were highlighted alongside the importance of improving safety for cyclists.

Those who opposed our proposed spending had mixed views. Some provided the feedback that we are spending too much on cycleways and that the money would be better spent elsewhere, while others indicated that they would like to see spending on cycleways prioritised and some projects brought forward and completed earlier.

Alternative proposals largely focused on the deferral of cycleways projects and increased funding for cycling infrastructure in general or infrastructure in specific areas of the city. There were several requests for additional cycling infrastructure in various parts of the city, with the east featuring prominently in these requests. There was a sense from many that the council needs to honour the promises it has made and deliver on the planned network.

The safety benefits of cycling infrastructure were regularly pointed out by submitters requesting that we spend more on cycling infrastructure, with many indicating that they still do not feel it is safe to cycle in Christchurch. There was a sense from many of these submitters that the best way to reduce our environmental impact is to provide safe, accessible transport alternatives that will encourage more people to consider how they are travelling.

### Wheels to Wings (304 submitters)

304 submitters provided feedback on the proposal to not begin construction on the Wheels to Wings cycleway for 12 months to give councillors and staff time to work closely with the community to address concerns about the cycleway's design.



236 opposed the proposal to not begin construction for 12 months, 27 supported the proposal, 17 provided alternative proposals and 29 made general comments about the project.

Feedback from those who opposed the proposal emphasized that the proposed cycleway has already undergone significant public consultation; there was a sense from some of these submitters that delaying it further would be pandering to 'NIMBYism' instead of doing the right thing by getting on with it and providing the promised infrastructure.

The importance of this cycleway as part of the wider network was regularly discussed by submitters, who also drew attention to the role that both this cycleway and the wider network will play in lowering carbon emissions, promoting active transport, and making the city safer for those who choose to travel by bike. Submitters pointed out the significance of the northwest as an employment node, and the need to provide safe infrastructure for those travelling to work in the area. Others highlighted the need to provide safe infrastructure for children travelling to school in the area.

There were concerns from some that delaying the start of construction would put the government funding in jeopardy.

Those who supported the proposal tended to be residents who live on Harewood Road or nearby. Their feedback tended to focus on concerns about the design of the proposed cycleway and the impacts that it would have on both residents and businesses in the area. In some instances, they indicated that they would like to see the project cancelled altogether. The impacts on travel at peak times was a concern for many, along with concerns about their ability to access their properties with ease. Others raised concerns that the proposed design or cycleways in general are over engineered, costly and should not be a priority when households are facing financial pressure.

Many of the submitters who were supportive of the 12-month pause or not proceeding at all indicated that they still want to see the traffic lights installed at Harewood/Breens/Gardiners intersection.

Those who provided alternatives tended to feel that the proposed cycleway should just be cancelled altogether or significantly altered or scaled back. There was a sense from a number of these submitters and those who supported the proposal that we have not listened to the community or considered their concerns in the proposed design.

General comments and feedback tended to address whether there really is a need for this level of cycling infrastructure, concerns about the cost, potential traffic disruption and safety concerns. In some instances, submitters noted that they feel the money would be better spent on other things, including road and footpath repairs and maintenance, or improving our public transport infrastructure.

On the other hand, submitters highlighted the benefits that a safe cycleway on Harewood Road would bring, particularly the improvements to cyclist safety and the environmental benefits of reducing emissions.

#### **Footpaths and Streetscapes (214 submitters)**

A range of feedback was received on our proposed spending on footpaths and streetscapes. 144 submitters indicated that they support our proposed spending, 4 opposed, 52 put forward alternative proposals and 22 provided general comments or feedback.

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Those who support our proposed spending tended to indicate that they are generally supportive of investment in infrastructure that provides for active and public transport. Many noted that they were pleased to see we are prioritising improving the quality of our footpaths, and there was strong support for the roving maintenance crew and the intent of this proposal.

Those who opposed our proposed spending tended to be concerned about the deferral of footpath maintenance and pedestrian improvement projects.

Alternative proposals included a range of other areas and projects that submitters would like prioritised, many of which are in the east of the city. Issues raised included the maintenance of roadside kerbs and berms, hazardous footpaths and intersections, the need for footpath upgrades, pedestrian crossings and seating, and reports of overflowing rubbish bins in public spaces. Others suggested that we should be reducing spending on perceived nice to haves to enable more investment into our footpaths and streetscapes.

General comments from submitters covered concerns about the deteriorating condition of footpaths and streetscapes. Overall, the comments were reflective of a desire for improved maintenance of our footpaths and streetscapes.

#### **Public Transport Infrastructure (182 submitters)**

Investment in public transport infrastructure was a priority for many submitters this year. 136 submitters indicated that they support our proposed spending, 2 opposed, 35 provided alternatives and 15 made general comments or provided general feedback about our public transport infrastructure.

Those who supported our proposed spend largely just signalled their support for ongoing investment in public and active transport. The importance of transport choice was highlighted.

Alternative proposals largely focused on more investment in public transport infrastructure that will make it easier and quicker to travel by public transport. Submitters acknowledged the need to reduce emissions, and the role that public transport has to play in providing alternative travel options.

#### **Roads (126 submitters)**

The level of feedback provided on our proposed spending on roads was significantly lower than we have seen in previous years. 126 submitters provided feedback; 11 supported our proposed spending, 8 opposed, 80 provided alternatives and 36 submitters provided general comments or feedback.

Alternatives provided by submitters included the familiar messages of to reduce the number of patch jobs being done and instead focus on fixing things properly, and a greater focus on improving the condition of infrastructure in the east.

Submitters raised a number of specific roads and intersections that they feel need attention. Many of the requests related to safety improvements.

It was common for submitters to indicate that they do not feel we are putting enough focus on the basics or core services, and as a result the quality of our infrastructure is suffering.

#### **Other Transport Issues (160 Submitters)**

A number of other transport issues were addressed by submitters, including emissions reduction, the inner-city shuttle, the availability of rubbish bins and the emptying of bins in public spaces, the roving footpath crew and the future of our transport network.

A significant number of these submitters (n=130) provided their support for our proposed spending, particularly the roving footpath maintenance crew noting their support for improving the safety and accessibility of our footpaths. One submitter noted that while they were supportive, they felt that it was just a scratch on the surface of the issue.

Several alternative proposals were put forward by submitters, including investigating the use of light rail for public transport, prioritising getting the inner-city shuttle reinstated, and proposals to address a range of safety concerns.

Submitters requested that we bring forward work in the east, noting inequities in the condition of transport infrastructure across the city.

In some instances, submitters encouraged us to look critically at our proposed transport spending and consider how we could make travel in Christchurch more sustainable.

### Stormwater & Land Drainage (48 submitters)

Stormwater and land drainage issues were a focus for those submitters who are currently dealing with ongoing challenges with surface flooding. Of the 48 submitters who addressed the topic, 7 supported our proposed spending, 8 opposed and 31 provided alternatives.

Alternatives proposed by submitters included requests for investment in specific parts of the city, focusing on their own needs and priorities as opposed to spending across the wider network. Specific areas where submitters are looking for more investment included New Brighton, Woolston, Brooklands and Spencerville, Brenchley Avenue, Tenby Place and the Dudley Culvert.

In some instances, submitters addressed the need for proactive investment in coastal areas in the interests of climate resilience and flood protection.

Many of the submitters who addressed stormwater and land drainage were frustrated with the ongoing challenges they face as a result of surface flooding and called for more investment to help protect and preserve their quality of life.

In other instances, submitters called for more proactive maintenance (particularly regular clearing of drains) to help reduce the amount of surface flooding seen during heavy rain events.

### Other/Special Interest Topics

#### Climate Change (73 Submitters)

Concerns about our changing climate and the things we can do to address this featured prominently throughout submissions this year, as reflected throughout this analysis. 73 submitters directly addressed our investment in climate change and climate issues.

Submitters provided strong support for climate initiatives in the draft plan, however many felt that they did not go far enough.

50 of these submitters provided alternative proposals that stressed the need for additional funding for strategies, programmes and projects that are going to contribute to building climate resilience and reducing emissions. Some submitters called for more investment in biodiversity and ecological restoration, acknowledging the positive impacts this would have for climate resilience. Others indicated that they would like to see us do more to encourage green infrastructure and eco-friendly buildings and businesses.

Submitters pointed out that we have an obligation to support, protect and provide for both our current and future residents and communities.

#### **Disposal of Council Owned Land (261 Submitters)**

Submitters provided mixed views on the proposed disposal of council owned land. 261 submitters provided feedback; 64 supported the proposed disposal of the land, 12 opposed and 166 submitters provided alternative proposals. 21 provided general comments and feedback.

Those who supported the disposal of the proposed land believed if they had been deemed as surplus to requirement, they should be sold to help reduce rates, borrowing and debt. There was a desire from many that they are sold in a competitive market to achieve the highest possible price.

The alternative proposals covered a range of suggestions, including leasing some properties instead of selling them, finding alternative uses such as social housing or public amenities, using the land to plant more trees or turning some parcels into parks or community spaces. Others expressed concerns about the future use of red zoned land, or a desire to see it offered back to those who owned it prior to it being red zoned.

Submitters commonly indicated that they thought some of the properties should be used to provide housing, with suggestions including selling to private developers or donating the land to social housing providers.

The proposed sale of land in Diamond Harbour was a particular focus, with the community stressing that they have a strong desire to work in partnership with us to see the land become a permanent reserve. Many submitters highlighted that it is already used in this way by the community, and the community are prepared to do their bit to help care for and maintain it.

In a number of instances, the proposals put forward highlighted a desire for a partnership approach to the future of these properties, with many communities and organisations proposing alternative uses for them.

Several submitters highlighted the importance of involving the community further in the decision making around the future of these properties.

#### **Canoe Polo Courts (54 Submitters)**

Several submissions were received in support of funding for two additional canoe polo courts at Lake Roto Kohatu, to support the growing sport.

The challenges of operating and supporting a sport that continues to grow in popularity with the facilities currently available was highlighted by a number of submitters. There was a sense that we support many other sports and organisations with the facilities that they need, and now it is their turn to see some investment in their sport. As the sport continues to grow, the demand on the facilities will continue to grow too.



Submitters highlighted the potential benefits for the city of having the appropriate facilities to host national tournaments.

**South Library (81 submitters)**

Submissions received on the South Library drew attention to the importance of this community facility for those who live in the south of Christchurch. Submitters expressed strong opposition to any reductions to the budget or scope of the project, emphasizing the need for a fit for purpose facility that acts not only as a library but also as a community hub.

Submitters had varying opinions on whether the facility should be rebuilt or strengthened and repaired, but regardless of their opinion on the right approach, they were unanimous and unwavering in their message around the importance of the project delivering a facility that is fit for purpose and will meet the needs of the community.

Several submitters also addressed the infrastructure needed to support the facility, particularly a range of safe ways to get there. Safe speed zones and completing the major cycleways and the required links and connections featured prominently in these submissions.



## 8. Procurement and Contracts Unit FY23 Q3 Report

Reference / Te Tohutoro: 23/343469

Report of / Te Pou Paul Cateriano, Head of Procurement and Contracts  
Matua: (Paul.CaterianoMasana@ccc.govt.nz)

General Manager / Leah Scales, General Manager Resources/Chief Financial Officer  
Pouwhakarae: (Leah.Scales@ccc.govt.nz)

### 1. Nature of Information Update and Report Origin

- 1.1 Quarterly Audit and Risk Committee Report
- 1.2 Description: LTP/AP22: 13.1.23.1 Procurement and Contract Management Compliance Monitoring and Reporting  
Target: Report to Audit and Risk Management Committee monitoring compliance on time:100%  
MoM: (M) Report to Audit and Risk Management Committee every quarter.

### 2. Officer Recommendations Ngā Tūtohu

That the Audit and Risk Management Committee:

1. Receive the information in this Quarterly Procurement Report

### 3. Long Term Plan Activity Reports

- 3.1 **LTP/AP22: 13.1.21.1** Procurement and Contract Management is managed as a shared service delivery - Performance.  
Return on Investment (ROI) = total Cost Reduction/Avoidance  
3.1.1 For more detail refer to [Attachment A Financial Benefits](#).  
3.1.2 Below summary of updated financial benefits.

	CAPEX		OPEX	
	Cost Avoidance	Cost Reduction	Cost Avoidance	Cost Reduction
Target %	10%	5%	5%	2%
Actual %	0.00%	18.16%	10.82%	15.86%
Total Benefit \$	\$ -	\$ 4,755,685.14	\$ 1,366,517.57	\$ 4,596,256.79

- 3.1.3 A calculation error on the actual % cost avoidance value was identified on last report. It has now been amended for this report.
- 3.1.4 Project actual savings are an average of all projects completed in FY23 to date and are calculated as per the below:
  - A cost reduction is when the awarded amount is less than the pre-tender estimate.
  - A cost avoidance is when the awarded amount is larger than the estimated amount, but less than the tendered amount.
- 3.2 **LTP/AP22: 13.1.21.2** Procurement and Contract Management is managed as a shared service delivery - Performance.  
Sustainable return through procurement activity - 85% of sourcing activity and contract management activity to achieve sustainable outcomes annually.

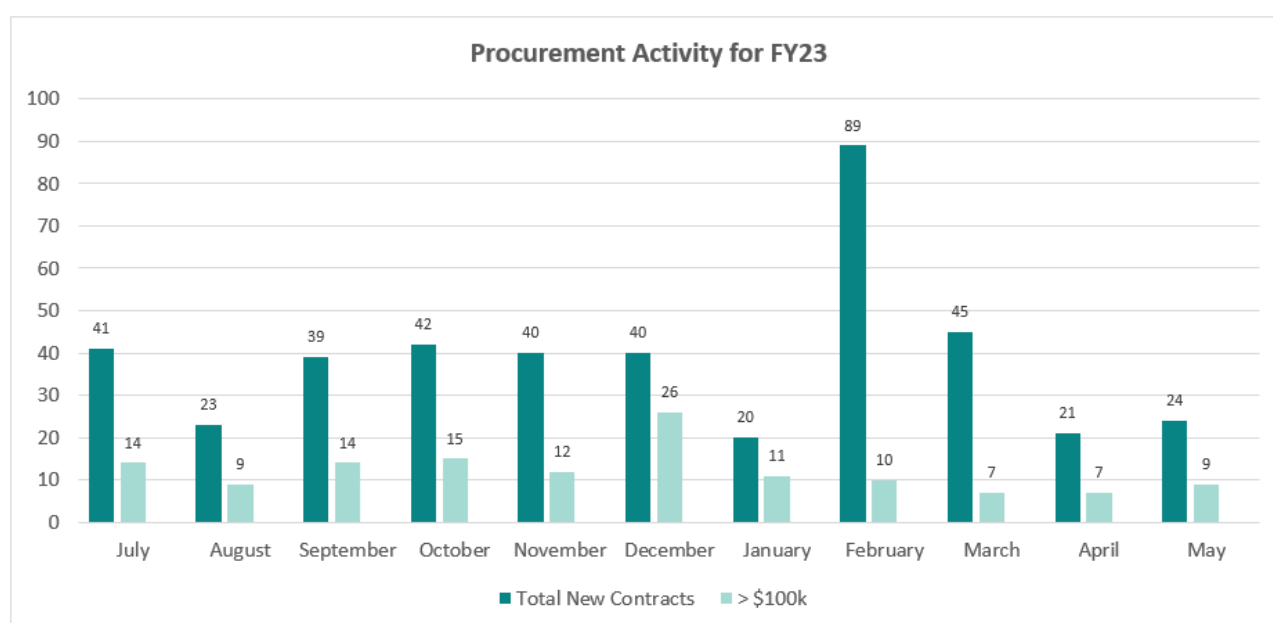
- 3.2.1 Refer to [Attachment B Non-Financial Benefits](#). See below summary of non-financial benefits.

Non Price Benefits for FY2023	
Relevant Contract Management*	98
Sourcing	16
<b>Total Relevant Activity</b>	<b>114</b>
<b>All Non Price Benefits</b>	<b>68</b>
<b>% of Target</b>	<b>59.65%</b>
<b>Sustainable Benefits</b>	<b>26</b>
<b>% of Target</b>	<b>22.81%</b>

\*Note: Contract Management benefit tracker for variations, extensions, renewals, and price escalations

- Sustainable benefits reported represent 22.81% of the total relevant activity. However, all tender processes asked and evaluated on the 10 mandatory organisational sustainability questions. In addition, 15 non-financial benefits were captured for Q3 FY23, 6 of which claim a contract specific sustainable outcome. Procurement and Contracts Unit is reviewing all relevant activity to ensure sustainable benefits are properly captured and reported on.
- 3.3 **LTP/AP22: 13.1.22.1** Procurement and Contract Management is managed as a shared service delivery - Conformance.  
95% of all procurement activity more than \$100k (Excl. GST) put to market through RFP/T.
- 3.3.1 YTD FY23 performance against the level of service target on the percentage of contracts put to market through a Request for Proposal (RFP) or a Request for Tender (RFT) is summarised below.

The table below shows the procurement activity in FY23. 100% of procurement activity followed the Council Procurement Framework.



- 3.4 **LTP/AP22: 13.1.22.3** Procurement and Contract Management is managed as a shared service delivery - Conformance.  
100% of Procurement & Contract recommended Departures have valid procurement plans/strategies and risk assessment.



3.4.1 Of the 118 contracts set up, there were 31 departures in total submitted for this quarter, of which 29 of these were over \$100k.

3.4.2 See main reasons for the departures in Q3 FY23.

Reason for Departure Q3 FY23	Departure Request
<b>Approved</b>	<b>30</b>
Emergency Procurement in accordance with rule 5	1
Only one supplier has the capacity to deliver at the time required and this can be adequately attested	3
Standardisation/compatibility with existing equipment or services & can be achieved through only 1 supplier	8
The goods or services require specialised skills or are very complex	10
The required goods or services are available from only one source	3
There is a limited number of qualified suppliers	4
When a panel is created and the market approach differs from our standard Market Approach in Rule 27	1
<b>Not approved</b>	<b>2</b>
The goods or services require specialised skills or are very complex and there is a limited number of qualified suppliers	1
There is a limited number of qualified suppliers	1
<b>Total Q3 FY23</b>	<b>32</b>

3.4.3 The rationale for not going to market is justified based on the Office of the Auditor General Procurement Guidance for Public Entities.

3.4.4 A summary of the suppliers, scope of services, expenditure, and rationale for not going to market is provided in [Attachment C](#).

## 4. Other Procurement Reports

### 4.1 **Top 20 Supplier Spend report** (based on spend only)

4.1.1 Q3 FY23 YTD actual spend is shown in [Attachment D](#).

4.1.2 “Off Contract” expenditure for the Top 20 suppliers is at 4.82% at the end of Q3 FY23. Supplier and contract management activities have helped keeping the off-contract spend down even though the Council is transitioning to the new SAP self-service requisition system. Training of staff to allocate spend to contracts is currently in progress.

4.1.3 The Top 20 supplier spend is spread across 177 active contracts, the majority with City Care (37) and Fulton Hogan Group (36).

### 4.2 **All of Council Procurement Activity Report** (March April FY23)

4.2.1 [Attachment E](#) provides reporting at group level on:

- Council Expenditure
- Procurement and purchasing compliance:
  - off contract spend,
  - purchase orders (PO's) after invoice;
  - departures; and
  - contracts with consumed spend (committed to a purchase order) over 100%

- new contracts awarded signed and the expected committed spend value.
- 4.2.2 Total off contract spend YTD is \$19.6m. Off contract spend has decreased by \$0.7M (\$759,116) compared to the previous 2 months.
- 4.2.3 1689 purchase orders have been raised after invoice; this is an increase of 7.52% for the same period in FY22.
- 4.2.4 88 departures have been submitted in FY23. 75% are approved, 22.73% in process and 2.27% are rejected or cancelled.
- 4.2.5 389 contracts have been created in FY23. 15% of these contracts have commitments of over 100% of the awarded/estimated value. Factors that are contributing to the over commitment could include:
  - target value in our SAP enterprise resource planning (ERP) system is \$1;
  - estimated contract value was too low; or
  - contract administration was not completed after an agreed variation.

#### 4.3 Supplier Panel (Panel) Expenditure

- 4.3.1 [Attachment F](#) provides the expenditure by supplier within each of the Council's Panel Agreements.

Panels	Number	Panels with Spend
Active	55	34
Inactive closed panels with outstanding spend	15	15

- Note: Inactive Panels are closed panels with outstanding PO's that need to be receipted and paid, these Panel Contracts are closed out in SAP. New Statements of work can only be raised against an active panel.

#### 4.3.2 Significant Panel spend for FY23 Q2:

- \$26.71m – 3 Waters Drainage/WW/SW/LD PAN38
- \$19.17m – 3 Waters Works Potable Water PAN036

#### 4.3.3 Panels completed and closed in FY23 Q3:

- Three Waters – Hybrid Delivery Model (HDM)
  - Three Waters Hybris Delivery Model 2.0 Panels have been awarded and will replace this panel with any new Works. Current works will continue the original panel contract and will close out once projects are completed.

#### 4.3.4 Panels reviewed and extended in FY23 Q2:

- PAN049 Consenting and Compliance – Engineering Services Panel and PAN050 Consenting and Compliance – RMA Resource Consent Processing & Advisory Services Panel have now executed last extension and will need to go to market in FY24 Q1.

#### 4.3.5 Panels in procurement planning, out to market or evaluation:

- PAN045 Property Valuation Services Panels has had an extension agreed upon till end of Q4 and PAN046 BCA Processing Panel have procurement plans being worked on
- PAN060 Pavement and Utilities Investigation Services Panel and PAN068 Planning and Natural Environment – both have procurement plans being worked on

- Water Reticulation Panel – Procurement Strategy approved, market documentation being drafted
- PAN067 MSA SAP New Zealand Ltd Services for Digital is out in the market

#### 4.3.6 **Panels reviewed and members added:**

- PAN053 Transport Professional Consultants Panel, 1 supplier added

#### 4.3.7 **New Panels awarded** for the period of October to December 2022:

- Three Waters – Hybrid Delivery Model – Physical Works Panel 2.0 PAN084
- Hearing Commissioners Panel 2023-2028

## 5. Internal Audit Status

### 5.1 [Attachment G](#) Procurement and Contracts Audit Status.

Both open audit actions are resolved through the SAP programme and are being kept open for compliance and monitoring.

### 5.2 [Attachment H](#) Contract Management Audit Report – December 2022

## 6. Market update

### 6.1 Updated market report from EBOSS Supply Chain update 2023, see full report [Attachment I](#). Highlights from the report below:

#### 6.1.1 **Product cost increases:**

- The price of building products increased 19% on average over the last 12 months
- 6% was the average increase to customers from July 2022 to Jan 2023
- 1 in 12 suppliers say they have decreased sell prices over the last 6 months
- 50% of suppliers expect costs to stabilise over the next 6 months
- Suppliers predict an average 3% increase in product prices over the next 6 months

#### 6.1.2 **Stock holdings:**

- 59% of suppliers say they have increased their stock holdings and inventory from 6 months ago

#### 6.1.3 **Logistics:**

- 31% of suppliers reported supply constraints in February 2023, compared with 64% in July 2022.
- Suppliers in the Finish category are least confident with 41% still reporting issues supplying the market
- 65% of suppliers say they are currently experiencing freight issues, compared to 83% six months ago
- 31% of suppliers say that domestic freight has become more constrained compared to a year ago
- 31% of suppliers say they have been impacted by the recent weather events.

#### 6.1.4 **Narrowing margins:**

- 98% of suppliers say they are experiencing inflationary pressure

- 24% of suppliers say increase in the cost of staff is the biggest inflationary pressure on their business right now, while 21% say either increases in operational costs or increases in the cost of materials is the biggest inflationary pressure
- The buy-in cost of building materials grew 79% over the past two years
- 3 in 10 suppliers have passed on all cost increases to date
- 27% say they plan to pass on recent cost increases, and 35% say they plan to absorb historical cost increases
- Suppliers of structural products have seen a 13% increase in buy-in costs over the last 6 months, but have only increased prices by 3%
- 54% of suppliers in the structural products category say there are cost increases they won't pass through to customers

#### 6.1.5 What does this mean for Council



- We expect prices to be high for materials, however price increases should level out in the next 6 months.
- We can expect a level of product supply certainty as suppliers keep more stock in NZ compared to 6 months ago, although with almost a third of suppliers impacted by recent weather events, other delays to supply are a risk.
- Only 3 in 10 suppliers have passed on costs, with 27% of suppliers planning to pass on costs to remain sustainable. This could indicate that future tenders will include passed on operation costs that the Council will have to budget for.

#### 6.1.6 Potential opportunities

- Council staff are collaborating with other procurement professionals to share knowledge, information and lessons learnt.
- Council procurement special projects team are exploring options for streamlining some procurement processes at Council to achieve the objectives outlined below:
  - Ensure compliance and assurance to Council Procurement policy and Procurement Framework Rules
  - Communicate effectively with our Suppliers and internal stakeholders;
  - Decrease the administrative burden and increase strategic capability of procurement;
  - Make the Procurement process more efficient, safe, and easy for our internal stakeholders and suppliers to do business;
  - Enable effective forward planning;
  - Provide integrated tools for project, supplier and contract management;
  - Centralise information for better reporting and decision making; and
  - Will provide the foundation for future enhancements.
- Council staff plan to engage suppliers early to help build a business case. Waka Kotahi have approached the market with a similar need. Council staff are connecting with the Procurement lead to discuss information sharing.
- Gathering and reporting on supplier demographic information. This will give visibility to Council on where our direct spend is going.

- Procurement team at council are working on a pipeline for FY24-FY28, however in the interim we will focus on ongoing infrastructure delivery cost benchmarking at early stage of procurement, which could guide us towards better infrastructure decisions.

## Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A	Attachment A Financial Benefits FY23 ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/908835	
B	Attachment B Non financial Benefits for FY23 ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/908836	
C	Attachment C - Departures Report Q3 FY23 ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/908837	
D 	Attachment D Top 20 Expenditure YTD FY23 Q3	23/908838	83
E	Attachment E All of Council Procurement Activity March to April FY23 ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/909007	
F	Attachment F Panel Expenditure Supplier Commitments Q3FY23 ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/908841	
G	Attachment G Procurement and Contracts Audit Action Report ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/908842	
H	Attachment H Contract Management Audit Report - December 2022 ( <i>Under Separate Cover</i> ) - <b>CONFIDENTIAL</b>	23/908844	
I 	Attachment I EBOSS-Supply-Chain-Q1-2023-Update	23/908845	85

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

Document Name – Location / File Link
Not applicable

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

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

(a) This report contains:

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

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

## Signatories / Ngā Kaiwaitohu

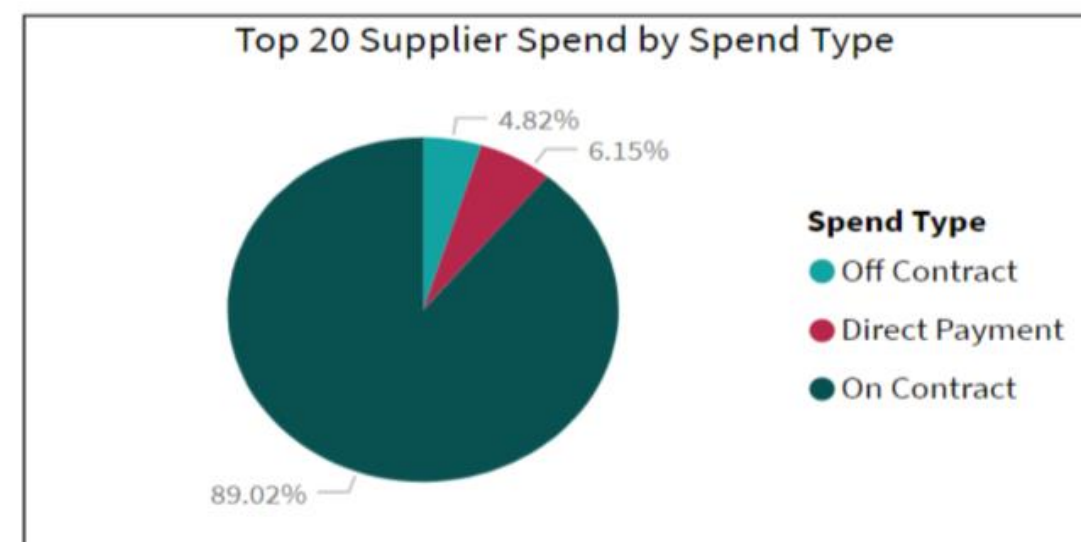
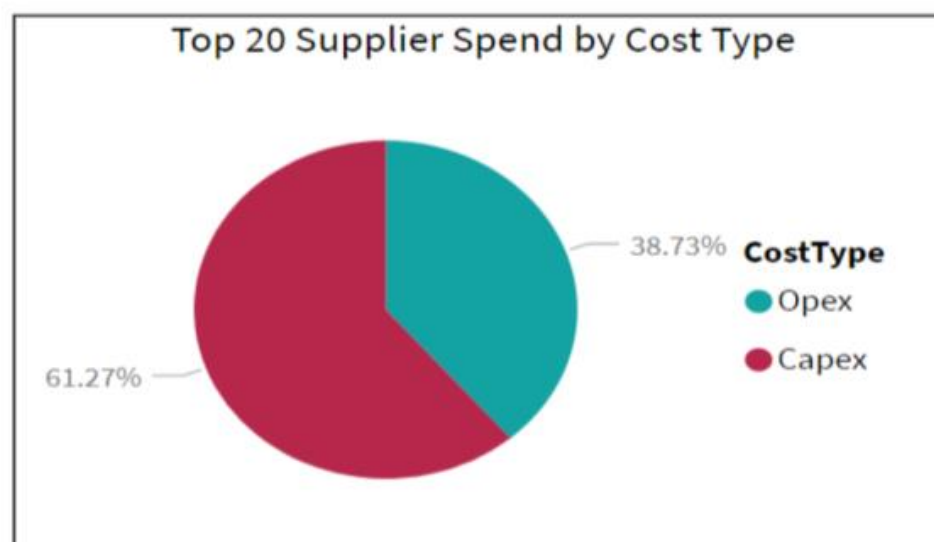
<b>Authors</b>	Paul Cateriano - Head of Procurement & Contracts Elizabeth Espin - Team Leader Procurement Special Projects Chris Banks - Senior Procurement Reporting Analyst Luke Stevens - Manager Procurement
<b>Approved By</b>	Paul Cateriano - Head of Procurement & Contracts Leah Scales - General Manager Resources/Chief Financial Officer

Item 8



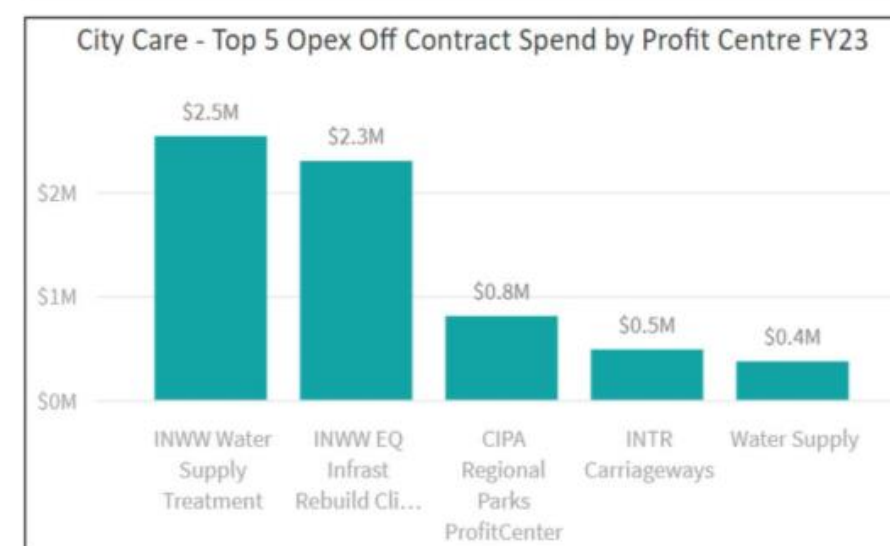
Top 20 Supplier Spend (000's) - FY23

Costtype Vendor	Capex				Opex				Total ▼
	Direct Payment	Off Contract	On Contract	Total	Direct Payment	Off Contract	On Contract	Total	
BESIX Watpac NZ (CMUA) Limited	\$1,511K		\$67,415K	\$68,926K					\$68,926K
City Care Ltd	\$302K	\$1,288K	\$16,245K	\$17,834K		\$1,057K	\$40,118K	\$41,175K	\$59,009K
Fulton Hogan Ltd (Hornby)	\$1,063K	\$1,260K	\$29,476K	\$31,799K		\$2,284K	\$10,037K	\$12,321K	\$44,120K
Marsh Limited	\$6,900K		\$336K	\$7,236K	\$28,719K		\$36K	\$28,755K	\$35,991K
Seipp Construction Ltd	\$360K	\$34K	\$18,136K	\$18,530K			\$3,799K	\$3,799K	\$22,329K
Waste Management Ltd			\$21K	\$21K		\$14K	\$17,987K	\$18,001K	\$18,023K
Higgins Contractors Limited	\$66K	\$331K	\$3,394K	\$3,791K		\$3,685K	\$7,507K	\$11,192K	\$14,983K
Ecocentral LTD		\$8K	\$286K	\$294K		\$69K	\$13,162K	\$13,231K	\$13,525K
Isaac Construction Ltd	\$332K	\$23K	\$12,031K	\$12,385K	\$2K			\$2K	\$12,387K
Naylor Love Canterbury Limited			\$10,397K	\$10,397K					\$10,397K
HEB Construction Ltd	\$92K	\$1K	\$367K	\$460K		\$4,750K	\$4,723K	\$9,472K	\$9,932K
Meridian Energy Ltd	\$3K			\$3K	\$9,317K			\$9,317K	\$9,320K
Hunter Civil Ltd	\$424K	\$3K	\$8,345K	\$8,771K					\$8,771K
Grounds & Services Limited	\$213K	\$146K	\$7,132K	\$7,492K		\$74K		\$74K	\$7,566K
John Fillmore Contracting Ltd	\$405K	\$57K	\$6,999K	\$7,461K					\$7,461K
Beca Ltd		\$228K	\$5,259K	\$5,486K	\$24K	\$236K	\$1,059K	\$1,319K	\$6,806K
Recreational Services Limited		\$97K	\$321K	\$418K		\$498K	\$4,957K	\$5,455K	\$5,873K
Connetics Ltd		\$118K	\$1,241K	\$1,359K		\$36K	\$4,063K	\$4,100K	\$5,459K
SAP NZ LTD		\$56K	\$2,130K	\$2,186K		\$173K	\$3,050K	\$3,223K	\$5,410K
Utilities Infrastructure NZ Ltd	\$72K		\$5,018K	\$5,090K					\$5,090K

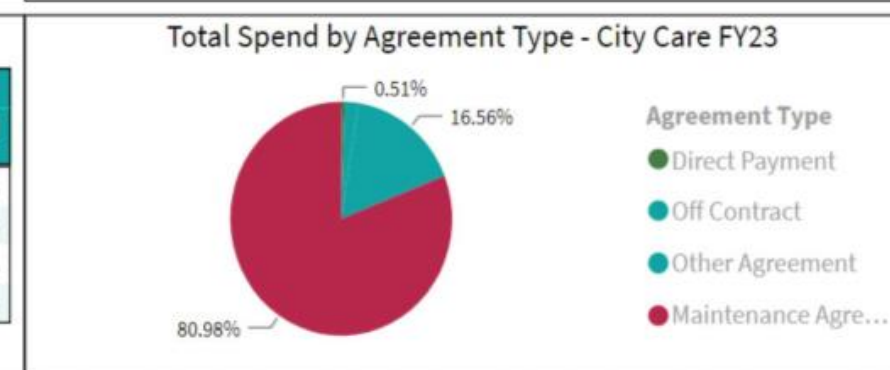


Data as of 12 May 2023

Costtype	Capex		Opex		Total	
Title	Spend	% Spend	Spend	% Spend	Spend	% Spend
INWW Three Waters & Waste	\$57,929,420.47	17.13%	\$130,906,693.72	38.71%	\$188,836,114.19	55.84%
INTR Transport & Waste Management	\$6,867,847.54	2.03%	\$76,402,999.83	22.59%	\$83,270,847.37	24.62%
CIPA Parks	\$9,659,361.18	2.86%	\$19,611,548.30	5.80%	\$29,270,909.48	8.66%
REFP Facilities and Asset Planning Team	\$4,453,504.02	1.32%	\$10,701,245.86	3.16%	\$15,154,749.88	4.48%
CIRS Recreation & Sports Unit	\$2,024,773.67	0.60%	\$4,181,960.41	1.24%	\$6,206,734.08	1.84%
CICO Community Support & Partnerships	\$3,398,953.16	1.01%	\$2,202,195.41	0.65%	\$5,601,148.57	1.66%
CILU Libraries & Information Unit	\$1,358,198.83	0.40%	\$4,157,110.99	1.23%	\$5,515,309.82	1.63%
CIAG Art Gallery	\$1,222,982.25	0.36%	\$2,171,599.69	0.64%	\$3,394,581.94	1.00%
SPSR Strategic Policy & Resilience			\$272,430.24	0.08%	\$272,430.24	0.08%
INSC Sustainable City Growth & Property			\$154,686.04	0.05%	\$154,686.04	0.05%
INRE Regulatory Compliance			\$153,347.65	0.05%	\$153,347.65	0.05%
CIVC Vertical Capital Delivery			\$141,701.12	0.04%	\$141,701.12	0.04%
SPSP Strategic Policy and Performance	\$91,208.86	0.03%			\$91,208.86	0.03%
INTS Technical Services & Design			\$76,353.75	0.02%	\$76,353.75	0.02%
REIT Digital			\$36,092.53	0.01%	\$36,092.53	0.01%
INPC Planning & Consents			\$7,691.41	0.00%	\$7,691.41	0.00%
SPMC Office Mayor & Chief Executive			\$960.74	0.00%	\$960.74	0.00%
REER Resources Group			\$774.53	0.00%	\$774.53	0.00%
RESC Smart Cities			\$656.18	0.00%	\$656.18	0.00%
REBS Business Support & Continuous Improvement			\$568.96	0.00%	\$568.96	0.00%



Costtype			Capex		Opex		Total	
Agreement Type	Spend	% Spend	Spend	% Spend	Spend	% Spend	Spend	% Spend
Direct Payment	\$8,089.55	100.00%	\$3,479,902.59	3.82%	\$2,948,984.35	1.17%	\$6,436,976.49	1.88%
Maintenance Agreement			\$46,204,042.46	50.77%	\$217,700,683.32	86.50%	\$263,904,725.78	77.01%
Off Contract			\$3,717,374.20	4.08%	\$1,961,659.68	0.78%	\$5,679,033.88	1.66%
Other Agreement			\$37,601,750.35	41.32%	\$29,077,680.99	11.55%	\$66,679,431.34	19.46%



Data as of 12 May 2023





Item 8

Attachment I

EBOSS SUPPLY CHAIN Q1 UPDATE 2023 — 02

# THE CURRENT SITUATION:

Supply issues have eased dramatically, but in a softening market suppliers need to carefully position their business and resources.

In July 2021, eight in ten businesses were having issues supplying the market. This has dropped back to just three in ten in February 2023.

With supply getting back to pre-covid levels, what is the impact on the price of building products and the buildability of residential and commercial buildings? Over the last two years the price of building products has increased 45%, however, current pricing suggests that price increases will become a thing of the past with one in ten suppliers forecasting that they will lower the prices of products over the next six months.

It is a delicate position for suppliers, who require careful management to navigate a softening market. They need to balance:

- Residual impact of a 79% increase in the costs of their materials over the last two years
- Rising domestic costs driven by staff costs and operational costs
- Holding higher levels of stock and increased finance costs

The February 2023 BRANZ forecast paints a 18% drop in residential consents and a stabilisation at near record levels for commercial construction. This suggests that the industry may not be as badly impacted as previously reported.

## THE SURVEY

The data for this update was gathered in February 2023, with responses from managers of 224 leading product suppliers across all main product categories.

### CATEGORY:

Structure n=38

Enclosure n=77

Interior n=71

Finish n=44

External & Other n=43

### REVENUE:

Under \$10m n=41

\$10m - \$49.9m n=44

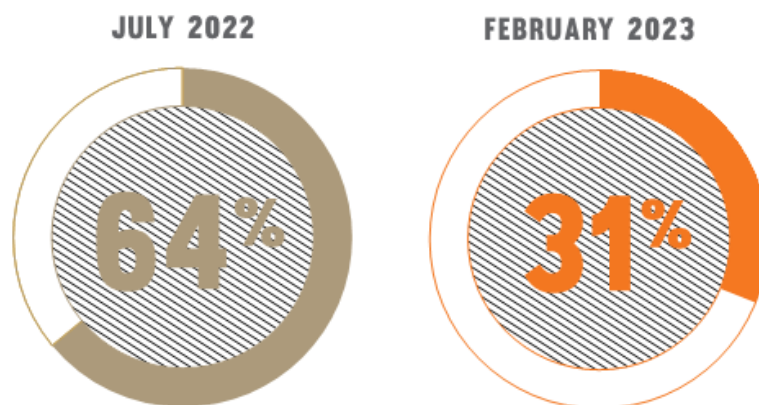
\$30m + n=32

Not provided n=107

EBOSS SUPPLY CHAIN Q1 UPDATE 2023 – 03

## SUPPLY CONSTRAINTS HAVE REDUCED DRAMATICALLY

THE PROPORTION REPORTING ISSUES SUPPLYING THE MARKET HAS HALVED

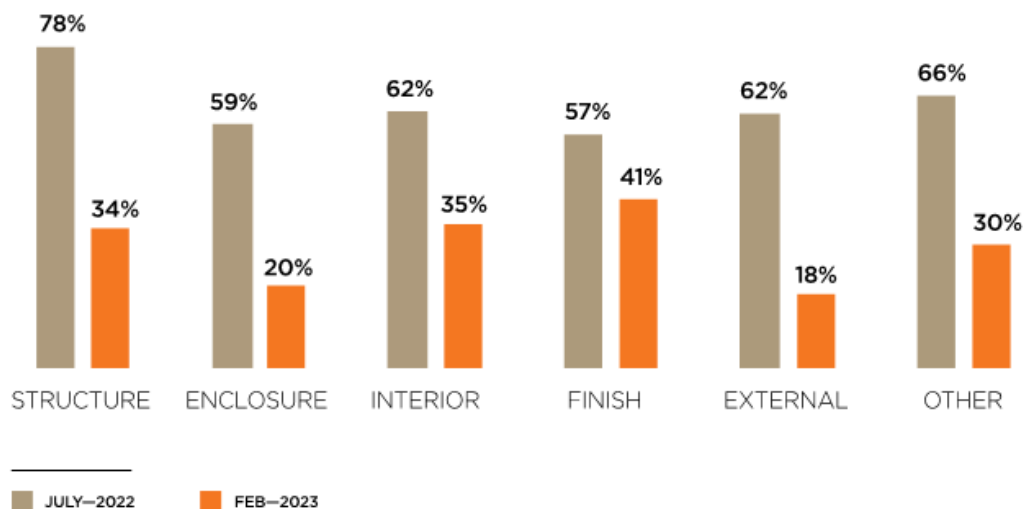


The proportion of suppliers experiencing issues supplying the market has halved in the last six months as freight and supply chain issues have eased.

What suppliers are faced with now is balancing stock levels against softening demand, and balancing the cumulative impact of historical price increases while maintaining price competitiveness.

Thus, while it may look like a more positive picture in terms of constrained supply, we are still at a critical point in terms of business' financial sustainability.

### THE PROPORTION OF SUPPLIERS EXPERIENCING SUPPLY ISSUES DIFFERS BY CATEGORY



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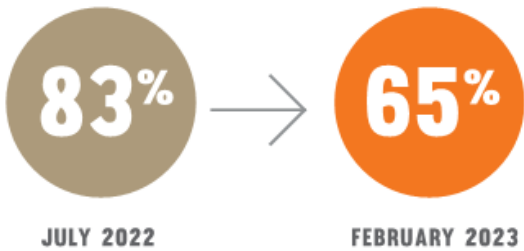
EBOSS SUPPLY CHAIN Q1 UPDATE 2023 — 04

# FREIGHT PRESSURES ARE SHIFTING CLOSER TO HOME

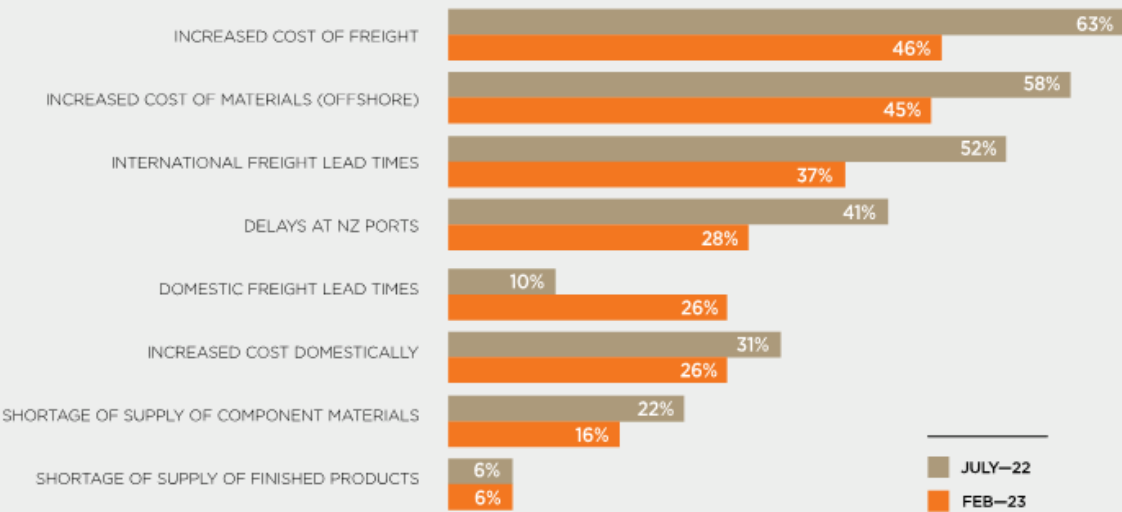
The picture around freight has changed in the last 12 months, from constrained international freight to constrained domestic freight. The recent weather events will have a further impact on this issue.

One in three (31%) say they are facing delays with domestic freight due to longer lead times compared to a year ago, while just 11% say the same for international freight.

## EXPERIENCING FREIGHT ISSUES



## FACTORS IMPACTING YOUR ABILITY TO SUPPLY RIGHT NOW



*“International container shipping costs are still higher than pre-pandemic levels but are substantially coming back closer to normal.”*

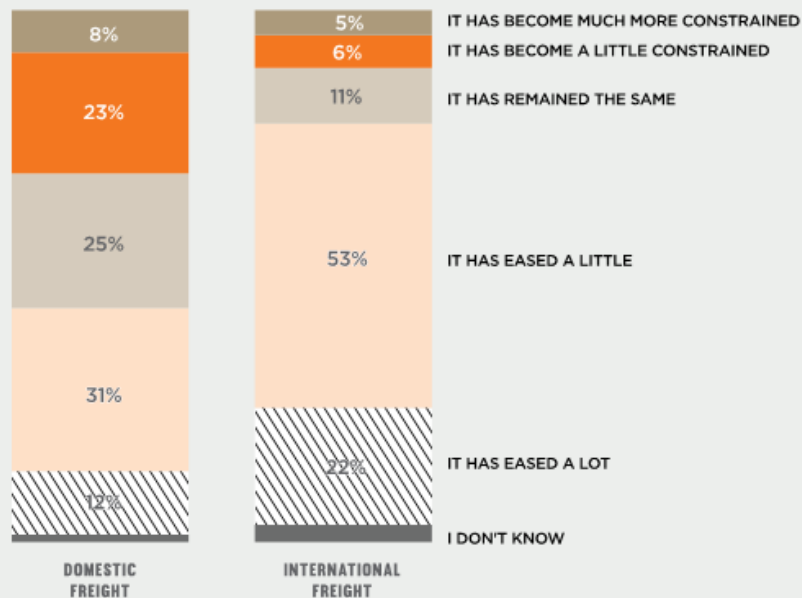
*“There is not enough personnel to get the product onto the floor. This is the main issue right now — skilled trades people. This results in project delays, and subsequently increased costs as product hasn’t been ordered.”*

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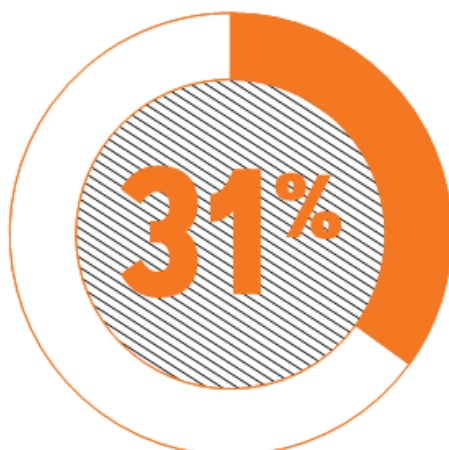
### COMPARED TO A YEAR AGO, HOW HAS DOMESTIC AND INTERNATIONAL FREIGHT CHANGED?



*"[There will be] long term effects on the logistics industry within NZ due to the damage to our roading infrastructure."*

*"It's not so much the cost of the freight, it's more the logistical challenges with so many bridges gone and roads closed."*

## DOMESTIC FREIGHT HAS BEEN HAMPERED BY RECENT WEATHER EVENTS



OF SUPPLIERS HAVE BEEN IMPACTED BY THE RECENT NORTH ISLAND WEATHER EVENTS

This survey was conducted after the anniversary weekend floods and Cyclone Gabrielle. While just 4% said they had been significantly impacted, a further 27% said they were somewhat impacted. When added to inflationary pressures and other factors impacting supply, it's just one more issue to deal with.

The impact of the weather events was higher for larger revenue businesses — 38% of \$30m+ businesses say they are impacted, compared to just 24% of businesses with revenue under \$10m.

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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 – 06

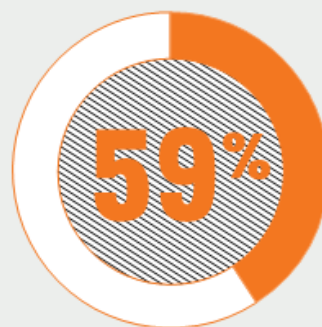
*"We experienced delayed service initially. The expectation is a significant upside once the extent of the damage is realised and remedial work is actioned."*

*"One major supplier out of action for 4 months. We are able to cope with alternative supply."*

## BALANCING THE RISK OF ELEVATED STOCK LEVELS IN A SOFTENING CONSTRUCTION MARKET



**INCREASED THEIR  
STOCK HOLDINGS  
FEB TO JULY 2022**



**INCREASED THEIR  
STOCK HOLDINGS  
AUG 22 TO JAN 23**



**MAINTAINED (LIKELY  
ELEVATED) STOCK HOLDINGS  
AUG 22 TO JAN 23**

We asked suppliers in July 2022 whether they had increased, decreased, or kept stable their stock holdings compared to six months prior. We asked the same again in February.

In July last year, 71% of suppliers had increased their stock holding. Since then the majority of suppliers (59%) have further increased their stock levels, with a quarter stabilising their already elevated stock holdings.

What this means is that the already elevated stock holdings from last year remain, and have likely increased again from where they were six months ago.

While average lead times are declining, this may be at the expense of cash flow for suppliers. It also means that even if buy-in costs start to decline, suppliers are holding stock purchased at an elevated rate with higher overheads and increased finance costs, and it will take a while for this to filter through the market.

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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 — 07

## LEAD TIMES CLOSING IN ON PRE-COVID LEVELS

### AVERAGE LEAD TIME



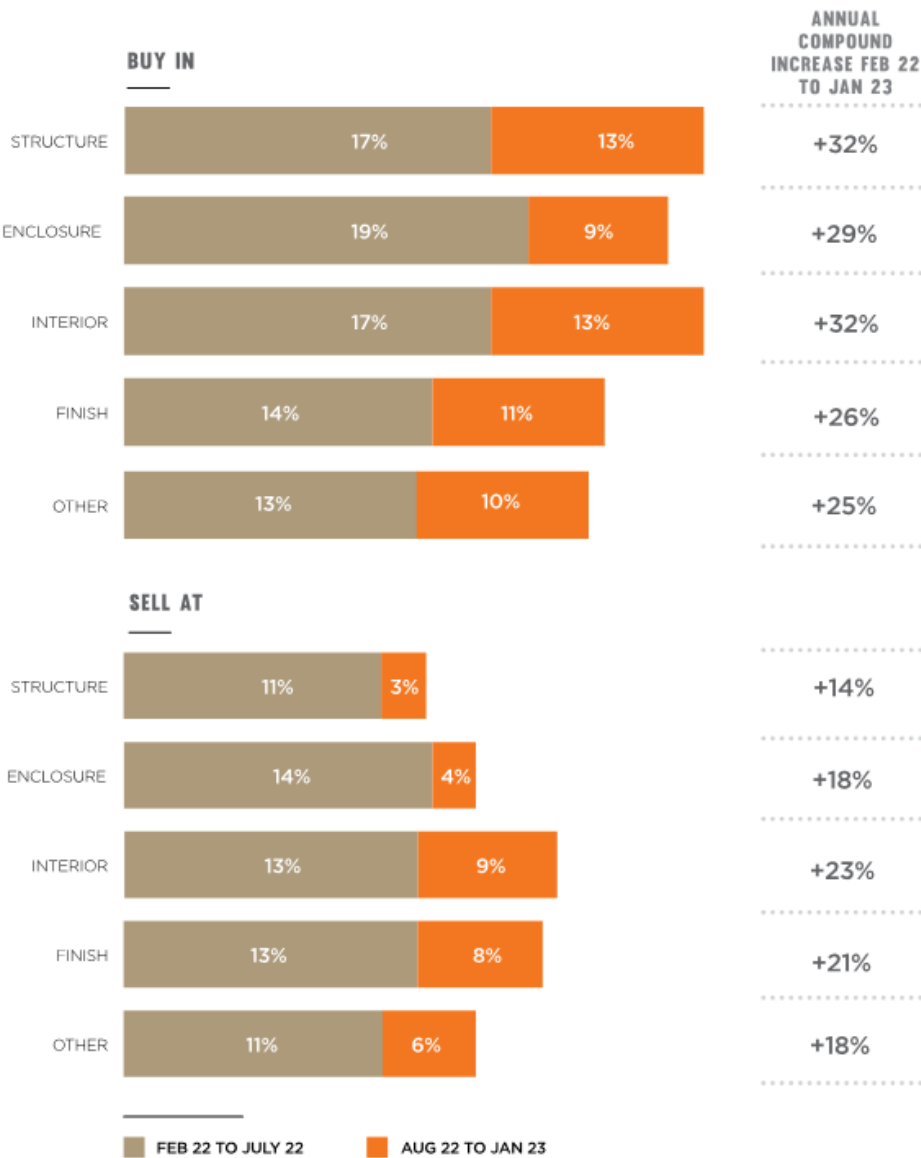
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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 — 08

# PRICES INCREASED BY 19% ON AVERAGE IN THE LAST YEAR



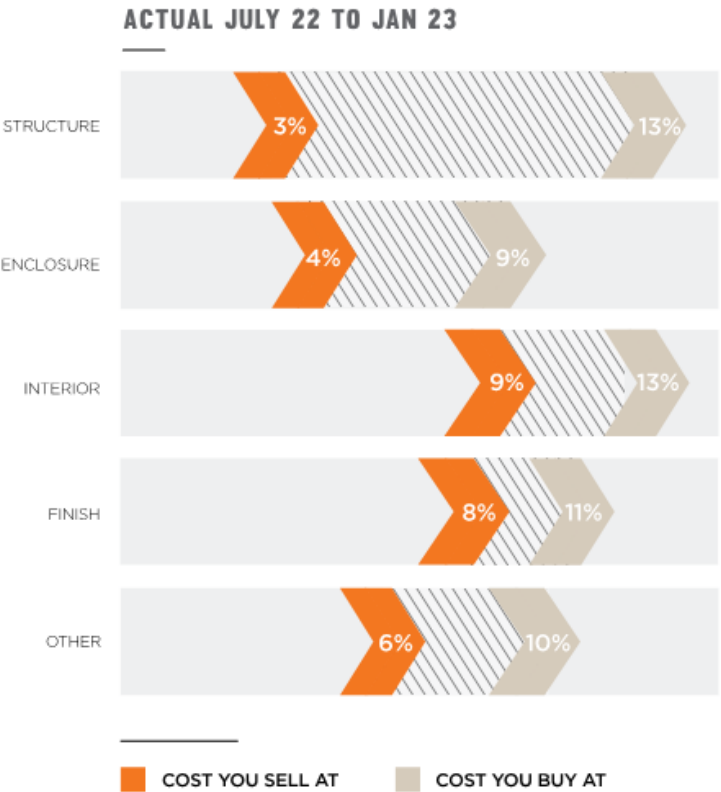
Item 8

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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 – 09

# SQUEEZED MARGINS LED BY STRUCTURAL PRODUCTS



11% IS THE AVERAGE INCREASE TO THE COST OF MATERIALS TO SUPPLIERS (SUPPLIER BUY COST)

6% IS THE AVERAGE INCREASE TO CUSTOMERS (SUPPLIER SELL PRICE)

Structural products show the most price disparity. Suppliers of products in this category are most likely to say there are increases they won't pass through (54% say this).

Comments suggest that this is in an effort to maintain a competitive position.

## SUPPLIERS ARE REDUCING MARGINS TO MAINTAIN STABILITY:

"We have sacrificed margin as much as we can to maintain stability in the market. We are definitely making less money but hope that the international reductions in raw material costs and exchange rate rebounds we are seeing will bring that right as new stock lands."

## WITHOUT THAT PRICE STABILITY, THERE'S A FEAR OF LOSING PROJECTS:

"Our product is a high-end item and we already struggled with costs to the client before any increases happened from our supplier. We will find it harder in today's market to push projects across the line."

## THOUGH THERE ARE PLANS TO START PASSING THROUGH HISTORICAL INCREASES:

"The buying cost increases which we have experienced in the last 6 months will be passed to the customers from March onwards."

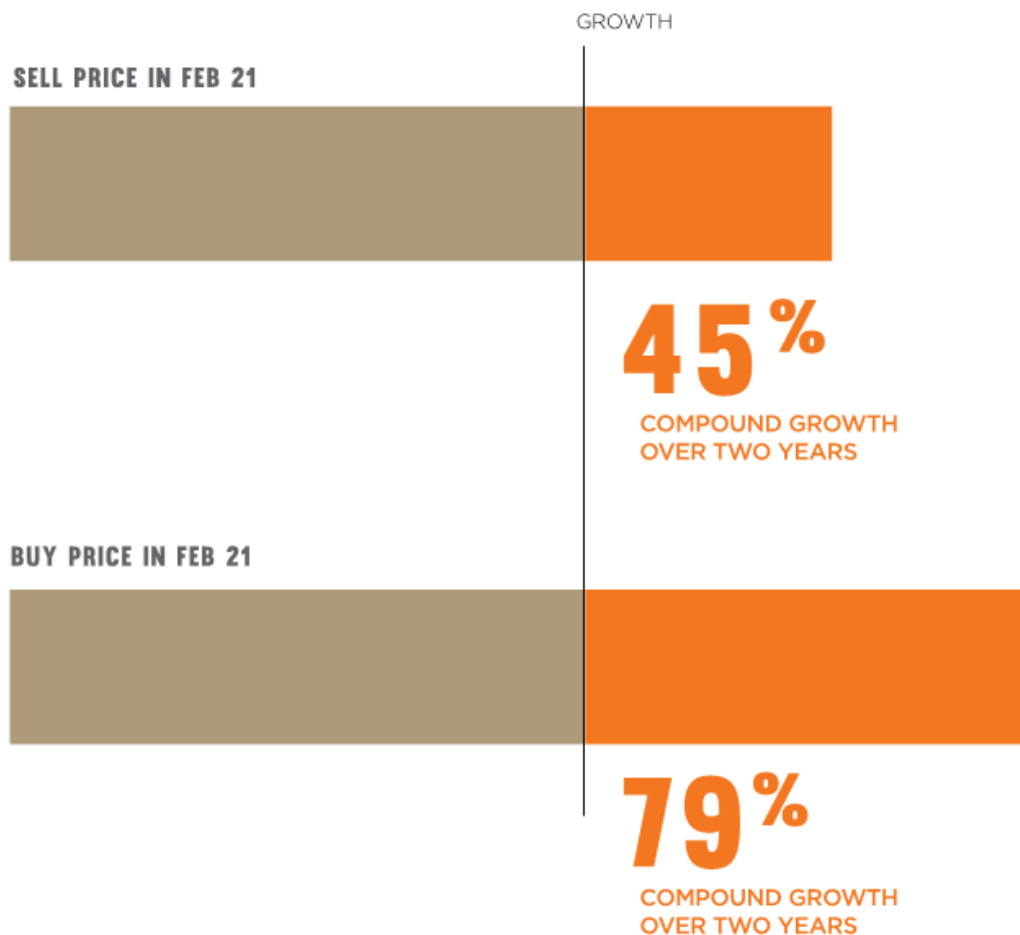
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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 – 010

## THE LAST TWO YEARS SHOW SHRINKING MARGINS

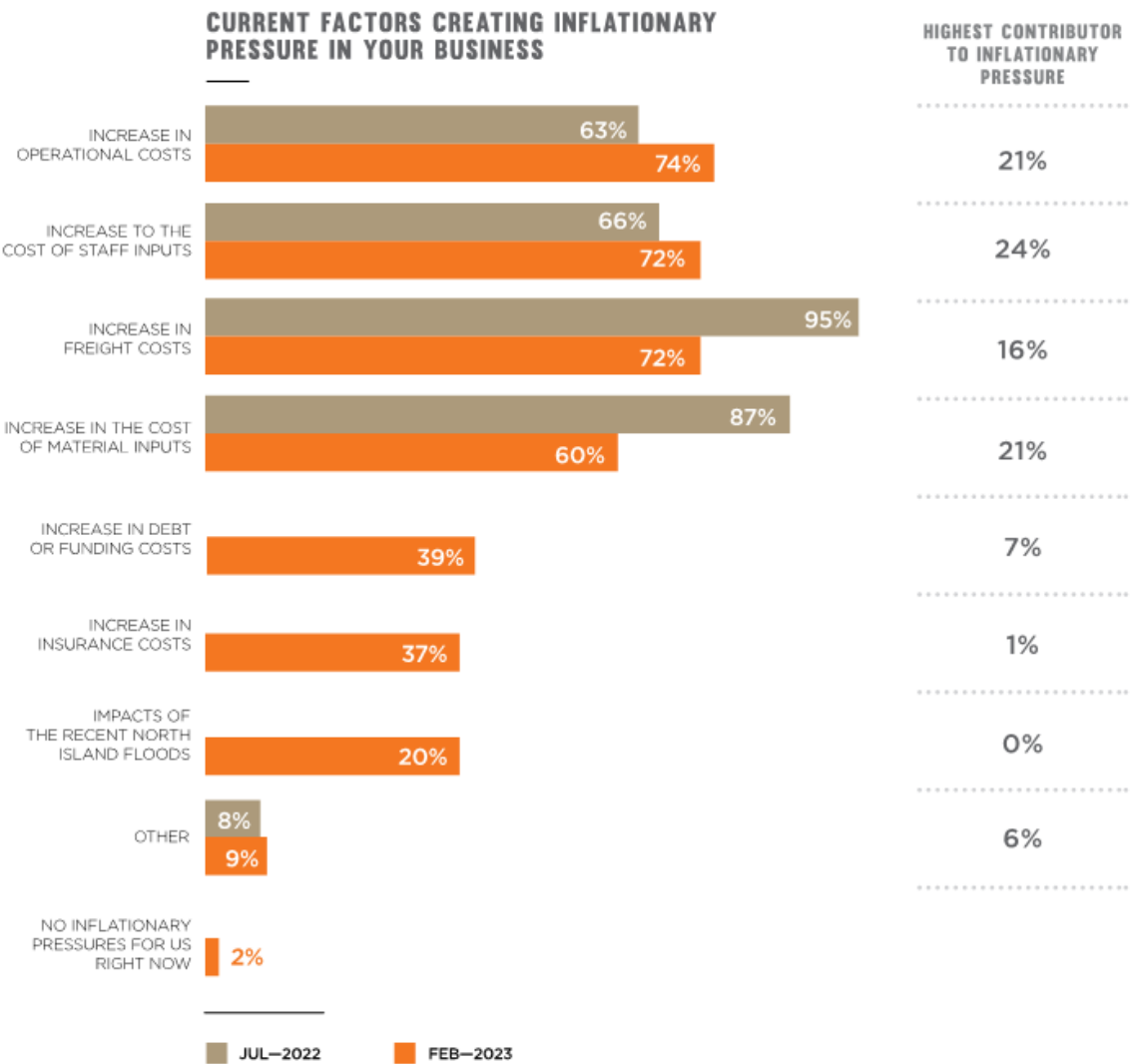
### COMPOUND PRICE GROWTH FEB 2021 TO FEB 2023

Over the last two years building products sold in NZ increased an average of 45%. Over the same period the buy-in costs of these products increased by 79% on average. N.B. The cost increases do not cover staff and overhead costs which are the two highest inflationary factors.



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# LOCAL FACTORS ARE BUILDING UP PRICING PRESSURE

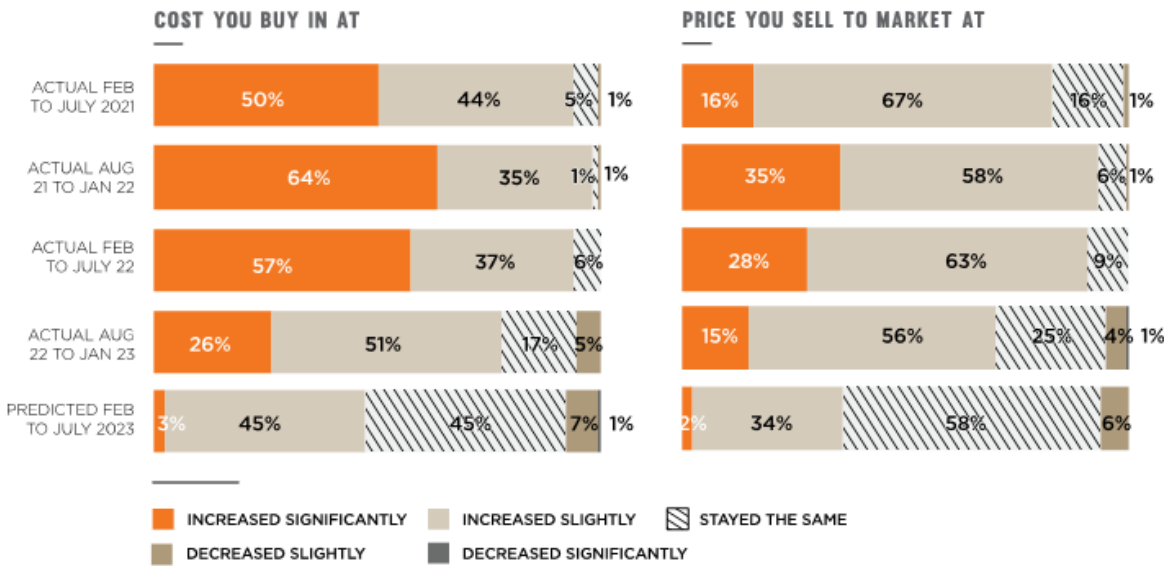


While freight costs and input costs have reduced, more businesses are feeling the pinch of operational costs and staff inputs. Added to that, one in five are feeling the impacts from the recent North Island weather events.

Businesses have responded to inflationary pressures by focussing on sales and marketing, delaying expenditure, and decreasing costs. The reaction has differed depending on business revenue. Lower revenue businesses are more likely to push sales and marketing, and to lower their headcount. By contrast businesses with \$10m-\$29m are more likely than others to enter new markets or categories.

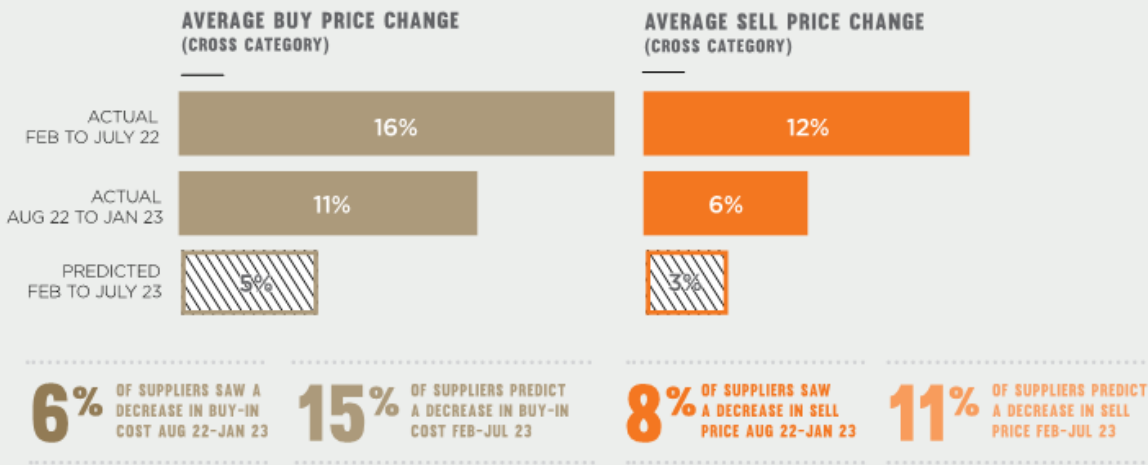
# 50% OF SUPPLIERS EXPECT COSTS TO STABILISE

The average increase to sell prices has halved to 6% over the last six months, across all categories combined. In addition, we see over 50% of suppliers expecting the next six months to bring stable or decreased buy-in costs.



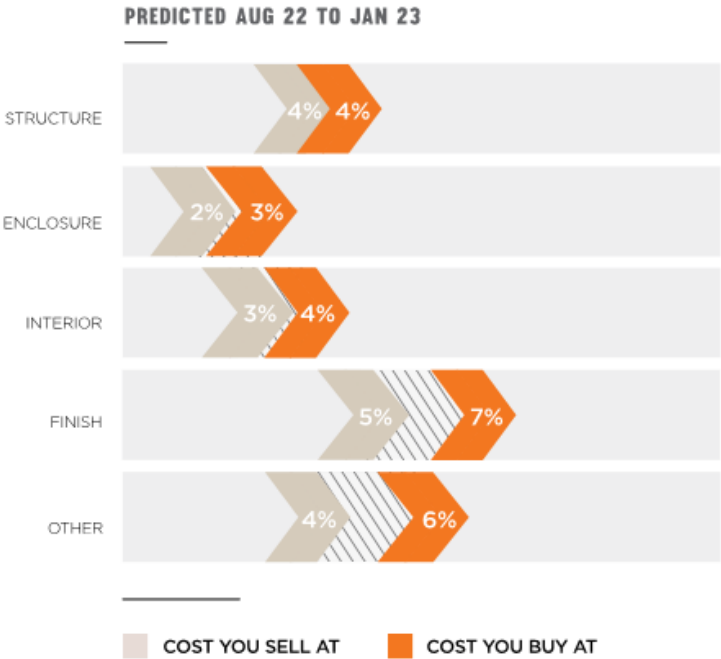
# THE AVERAGE PRICE INCREASE IS ON A DOWNWARD TRAJECTORY

The average increase to sell prices has halved over the last six months across all categories combined, now sitting at 6%. In fact, one in 12 suppliers have decreased sell prices over the last six months.



EBOSS SUPPLY CHAIN Q1 UPDATE 2023 — 013

## CLADDING AND ROOFING LEAD PRICE STABILISATION



**5%**  
IS THE AVERAGE  
INCREASE TO THE  
COST OF MATERIALS  
TO SUPPLIERS  
(SUPPLIER BUY-IN COST)

**3%**  
IS THE AVERAGE  
INCREASE TO  
CUSTOMERS  
(SUPPLIER SELL PRICE)

*"We are starting to see evidence of lower import freight costs and some supplier decreases and hope these will be enough to cover additional staff and electricity costs."*

## DEMAND LIKELY TO INFLUENCE SHORT TERM PRICING

Just three in ten suppliers have passed on all cost increases to date. A similar proportion still have historical increases to be passed on, while 35% say they are going to absorb historical increases.

What this means is that even if buy prices stabilise, sell prices are likely to continue to increase for a while longer. This also raises concern for the near term sustainability of some suppliers. Over the last two years, EBOSS report data suggests margin shortfalls, with repeated price increases that have not been fully passed on. Ultimately local demand will dictate this — if demand falls suppliers may be forced to meet the market at reduced pricing.

### WHICH OF THE FOLLOWING BEST DESCRIBES YOUR POSITION AROUND COST INCREASES?

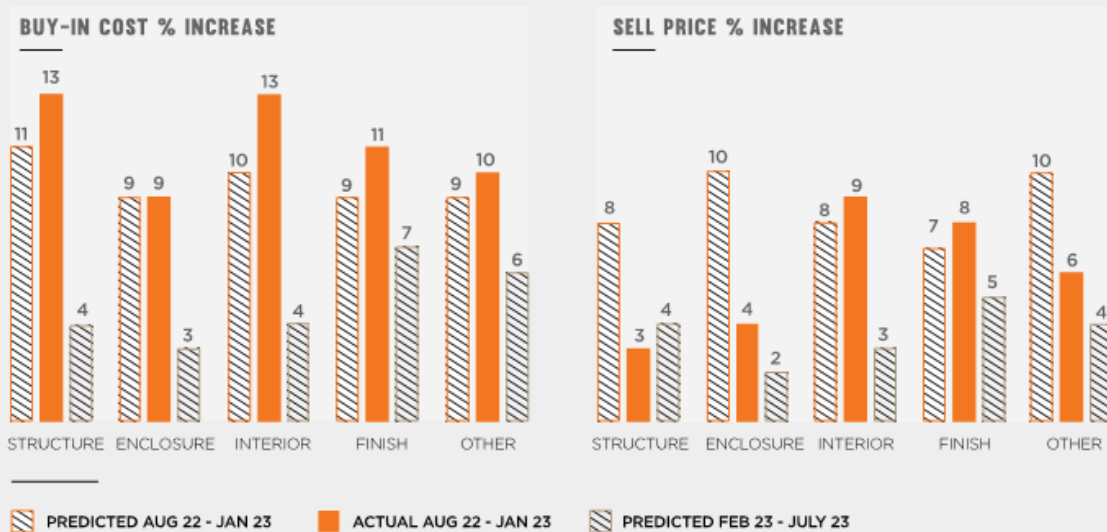


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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 – 014

## HOWEVER, SUPPLIERS HAVE BEEN POOR AT JUDGING FUTURE PRICE CHANGES

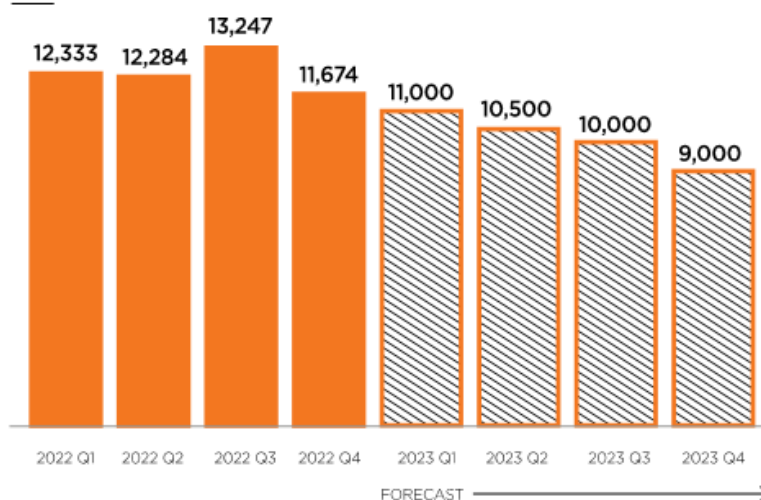
Historically suppliers have underestimated price increases which leaves them in a position where they are forced to continue to increase prices, even when their cost prices are stable or decreasing.



## NEW DWELLING CONSENTS – NO CLIFF IN SIGHT AS MANY ARE EXPECTING

The latest BRANZ forecasts continue to show residential consents for new builds falling over the remaining quarters of 2023 after the record numbers seen last year. However, the expected 32% drop from the record number of 13,000+ consents in Q3 has eased to 24% for Q3 23. BRANZ forecasts estimate -40,000 residential consents for 2023.

BRANZ QUARTERLY RESIDENTIAL DWELLING CONSENTS FORECAST



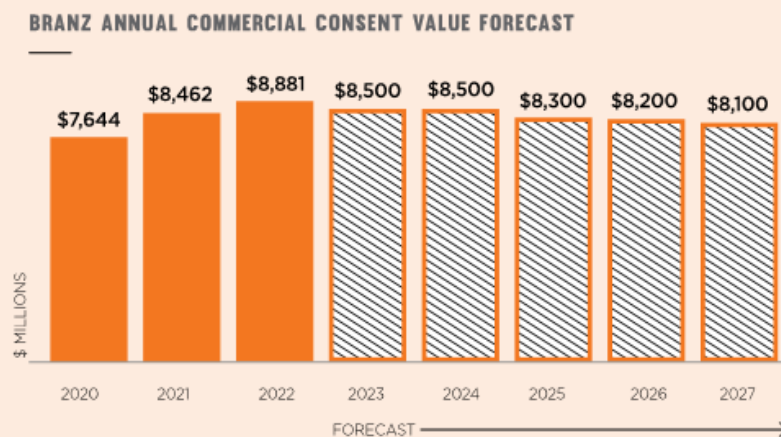
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EBOSS SUPPLY CHAIN Q1 UPDATE 2023 — 015

## COMMERCIAL WORK SET TO CONTINUE AT NEAR RECORD LEVELS

Thanks to a strong pipeline of education and health work from the government, commercial construction forecasts remain healthy. Industrial activity currently represents approximately 30% of construction consent value in a continued response to bolstering domestic production and storage capacity.

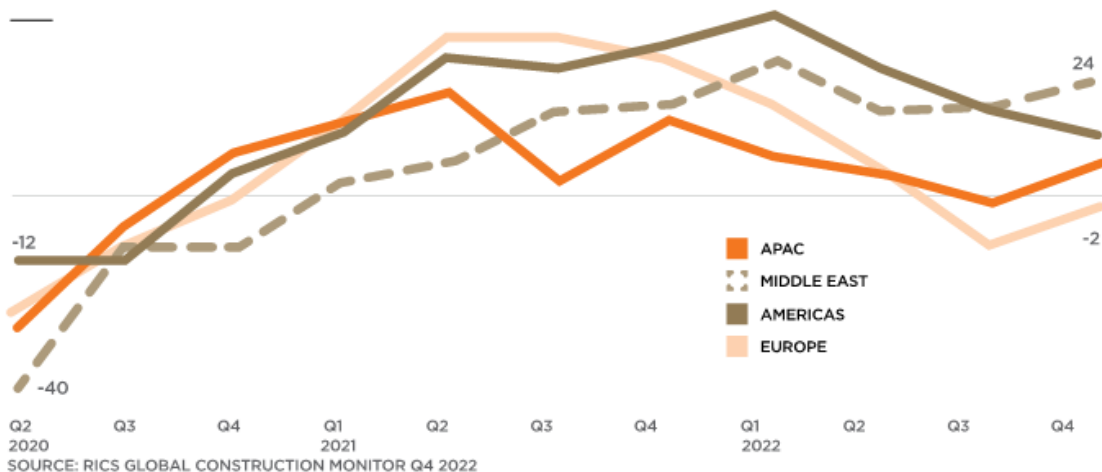


## GLOBAL PERSPECTIVES ON CURRENT AND EXPECTED CONSTRUCTION ACTIVITY

In Q4, the RICS Global Construction Activity Index (CAI) saw global sentiment improve slightly from +3 to +8, driven by a strengthening outlook in the infrastructure sector.

However, this masks a clear trend globally of a fall in residential construction where global sentiment has fallen from +20 to -16 over 2022, driven primarily by Europe and the USA. A decrease in residential and commercial construction globally should result in growing product availability and more competitive pricing from international manufacturers.

### CONSTRUCTION ACTIVITY INDEX BY REGION



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Item 8

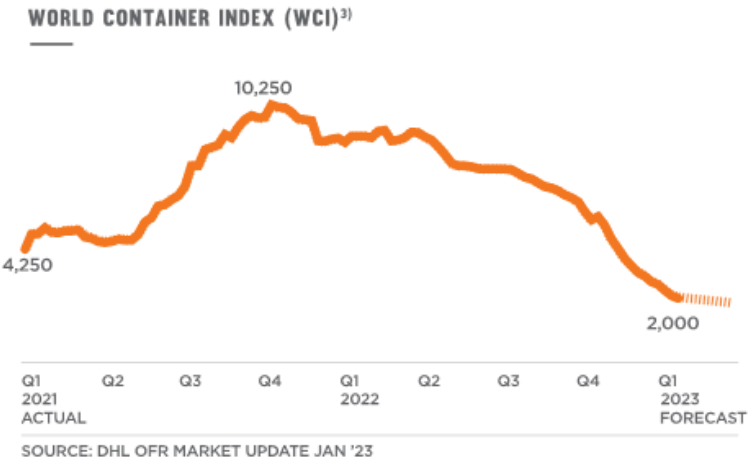
Attachment I

# GLOBAL FREIGHT FORECAST TO EASE WITH GROWING CAPACITY

## CURRENT OUTLOOK

The US\$ spot rates for 40-ft containers, referenced in the World Container Index, fell in Q1 2023 and are forecast to ease further.

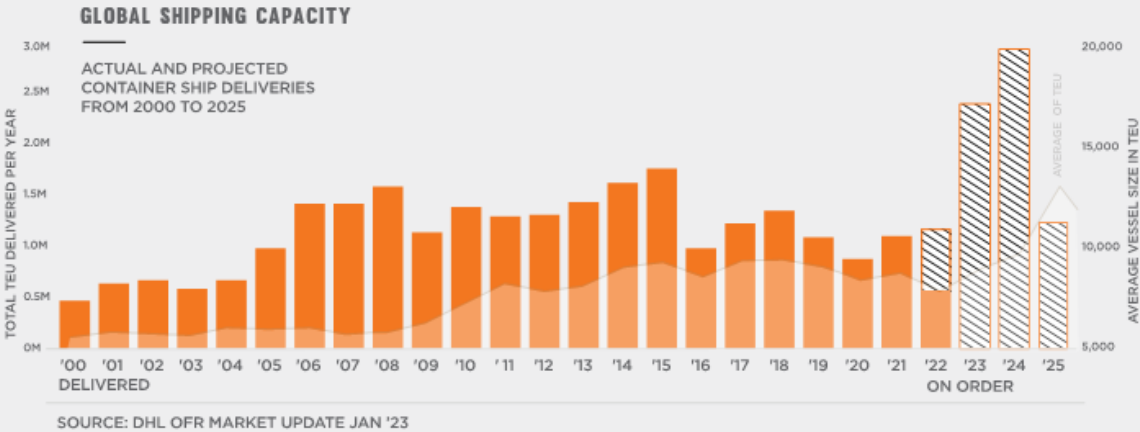
With China continuing to emerge from Covid restrictions, there was no usual pre-Chinese New Year rush and in fact many carriers implemented 'blank voyages' in January — a term used when a shipping line skips a port or an entire voyage of a scheduled sailing route.



## THE FORECAST

Demand is expected to continue to soften globally with availability improving and delivery reliability surpassing '20 and '21 levels.

Global shipping capacity is set to increase by a third over the next 3 years, largely bolstered by significantly larger and more fuel efficient ships. As a comparison, in 2021 there was just one vessel able to carry over 24,000 containers. At the end of this year that will grow to 56. The impact of these giant "Megamax" vessels hitting the seas is twofold: global supply will quickly outstrip demand and it's good news for lowering the carbon measurement of imported building products.





## IN SUMMARY, HOW ARE SUPPLIERS RESPONDING TO A CHANGING MARKET?

### THERE IS CONCERN FOR REVENUE OF THE FUTURE, AND A PUSH FOR MARKET SHARE:

*"We believe the market is cooling – many have had projects shelved. Unless we can gain market share our business will decrease in revenue."*

*"Suppliers will have a lot more stock on hand than anticipated, making the market more competitive."*

### SOME ARE LOOKING TO STRONG PERFORMING CONSTRUCTION CATEGORIES AND MORE NICHE MARKETS TO MAINTAIN DEMAND:

*"Currently NZ commercial construction remains strong and our ability to grow share is helping us deliver solid business results."*

*"Increased competition due to a smaller pie will require re-imagining product offers & penetration into peripheral markets."*

### OTHERS ARE LOOKING TO NEW OPERATING MODELS AND OFFERS TO MAINTAIN MARGIN:

*"We are looking at selling direct to market to better control the end price."*

*"We are actively pursuing new markets in Australia."*

### SOME SIMPLY SEE THIS AS THE NORMAL CYCLE OF THE MARKET – THAT THINGS WILL BOUNCE BACK (ESPECIALLY WITH THE IMPACTS OF RECENT WEATHER EVENTS):

*"We expect the pipeline will shorten, but recover before it fully empties. There will be a cull of poor/weak players."*

*"The market will diminish for a period though this is cyclical which has not happened for a longer than normal period."*

# APPENDIX

The categories are described as:

**Structure:** Aluminium, Composite Panels for Floors and Walls, Concrete, Fasteners and Connectors, Masonry, Plastics, Site Safety and Roof Access Equipment, Stainless Steel, Steel, Structural Systems, Structural Timber

**Enclosure:** Awnings and Canopies, Enclosure Adhesives, Sealants and Fasteners, Enclosure Balustrades and Stairs, Exterior Decorative Items, Flashings and Expansion Joints, Glazing, Insulation, Roofing and Decking, Tanking and Pre-Cladding, Wall Cladding, Windows, and Doors

**Interior:** Ceiling Systems, Floors, Furniture, Hardware, Joinery Fixtures and Appliances, Partitions and Interior Doors, Signs and Features, Wall, and Ceiling Linings

**Finish:** Applied Coatings, Carpeting, Flooring Ancillaries, Flooring Underlays, Overlay Flooring and Wall Panels, Painting, Decoration and Coating, Resilient Surfacing, Tiling

**External:** Engineering Works, External Heating, Landscaping, Roads and Paving, Stretched Fabric Systems

**Other:** Services, Central Vacuum Systems, Communications and Controls, Fire Safety, Heating and Cooling, Lighting and Electrical, Plumbing and Drainage, Sanitaryware, Tapware, Transport, Ventilation and Air Conditioning

# ABOUT EBOSS

Established in 2006, EBOSS works with leading building product suppliers to assist in material selection by specifiers. Trusted by 30,000 architects, designers, builders, sub-trades, council planners and engineers, who subscribe to the EBOSS digital product library and publications, EBOSS regularly engage with members of New Zealand's architectural, design and construction community.

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+64 9 550 5464

Note: The ratings in some of the stacked bar charts may not add to 100%. This is due to rounding.

## 9. LTP 2024-34 Update

Reference / Te Tohutoro: 23/811865

Report of / Te Pou Matua:	Peter Ryan, Head of Corporate Planning and Performance, (Peter.Ryan@ccc.govt.nz)
Senior Manager / Pouwhakarae:	Lynn McClelland, Assistant Chief Executive Strategic Policy and Performance (lynn.mcclelland@ccc.govt.nz)

### 1. Nature of Information Update and Report Origin

- 1.1 The purpose of this report is to provide an update on progress against the LTP work programme to the Audit and Risk Management Committee (ARMC), including any risks or impediments to the project and its key workstreams.
- 1.2 As outlined in the Councillors' Letter of Expectation for the LTP 2024-34, there is an expectation that the process is transparent. An update on the progress of the climate resilience component of the LTP was also requested as part of this report.

### 2. Officer Recommendations Ngā Tūtohu

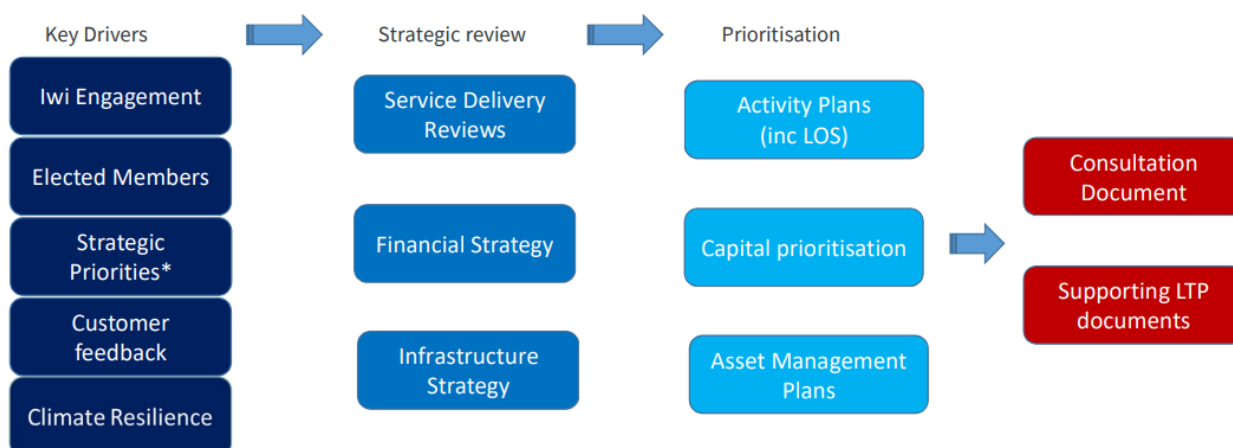
That the Audit and Risk Management Committee:

1. Receive the information in the LTP 2024-34 Update report.

### 3. Brief Summary

- 3.1 Under the Local Government Act 2002 a local authority must have an LTP in place at all times. The structure, timing, information provided and consultation processes are defined by the legislation. LTPs are audited by the Office of the Auditor-General through Audit NZ.
- 3.2 The flagship document of the LTP is the Consultation document (CD) which must set out the challenges facing the city as well as the options and recommendations of the Council for community consultation. This is the key document from resident's point of view.
- 3.3 It is supported by Infrastructure and Financial Strategies that must have a minimum horizon of 30 years. These too must set out the challenges, options and recommendations that inform the LTP, as well as guiding the development of the capital programme.
- 3.4 Supporting these are technical documents (activity and asset management plans) that span the Council's services.
- 3.5 There are other key drivers behind the LTP. This includes a Letter of Expectation from the Mayor and Council, which sets out priorities to be addressed as well as defining the LTP process (**Attachment A**.)
- 3.6 The key priorities of the Letter include:
  - 3.6.1 A focus on the Strategic Framework as the basis of LTP planning (**Attachment B**);
  - 3.6.2 A focus on rūnanga as partners in LTP development;
  - 3.6.3 An effective roll out of climate resilience initiatives;
  - 3.6.4 A demonstrably deliverable capital programme across all years of the LTP;
  - 3.6.5 A joint development process between Council and staff July-December 2023.
- 3.7 These drivers and their role in informing the development of the LTP are summarised below:

## High level phasing approved by ELT and Council



- 3.8 The Letter is also specific about the need for a joint development process between Council and staff, which was highly successful during the 2021 process.
- 3.9 This commences with staff building first draft LTP documents (strategies and plans as described above) up to 30 June 2023, followed by joint briefings with councillors from July to December 2023 to refine, adjust and align LTP components. The results will inform the draft LTP to be adopted in February 2024, followed by community consultation and adoption of a final LTP in June 2024.
- 3.10 Council approved an LTP work plan in July 2022, summarised below.

## High level timings for LTP 2024-34



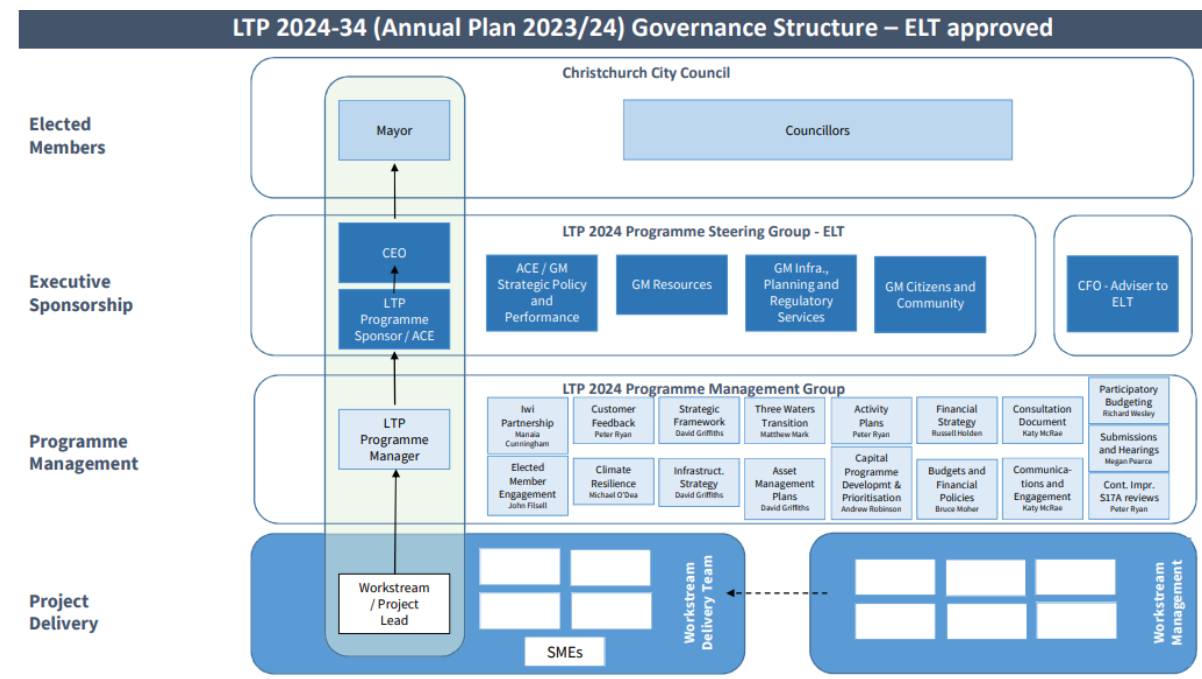
## Timings for Annual Plan 2023/24



- 3.11 The LTP programme has been broken down into a series of specific work streams, each headed by an accountable manager. Each work stream has an approved project plan, setting out key deliverables and milestones.
- 3.12 Work stream leads have been meeting fortnightly with the Programme Sponsor (Lynn McClelland) and Programme Manager (Peter Ryan) for the past six months to progress the project. A table setting out individual work streams and their leaders is set out below.

1. Iwi Partnership	Manaia Cunningham
2. Elected Member Engagement	John Filsell
3. Customer Feedback	Peter Ryan
4. Climate Resilience	Lisa Early
5. Strategic Framework	David Griffiths
6. Infrastructure Strategy	David Griffiths
7. Asset Management Plans	David Griffiths
8. Three Waters Transition	Matthew Mark
9. Capital programme development and prioritisation	Andrew Robinson
10. Activity Plans	Peter Ryan
11. Financial Strategy	Russell Holden
12. Budgets and Financial Policies	Bruce Moher
13. Consultation document	Katy McRae
14. Communications and Engagement	Katy McRae
15. Participatory budgeting	Andrew Robinson
16. Submissions and Hearings	Megan Pearce
17. Continuous Improvement Reviews (s17A)	Peter Ryan (with support from Risk and Assurance)

- 3.13 Governance of the LTP is clear and well-established. Council is the decision-making body, in line with the requirements of LGA 2002. The Executive Leadership Team acts as Steering Group, supported by an operational Programme Management Group – see below.
- 3.14 The programme plan, phasing, work streams and governance models have all been approved by ELT and Council.



### Progress Update

- 3.15 Overall the LTP programme is largely on track. Overlap with a complex Annual Plan process has caused some stress around resourcing, which appears temporary.

### Iwi Partnership

- 3.16 There is a strong focus on working with rūnanga as partners from the commencement of the LTP process. There have been extensive meetings between staff, including Te Tiriti Relations team, and Te Kahui Kahukura/rūnanga representatives to understand which priorities should be factored into initial thinking.
- 3.17 An important part of this partnership was the meeting of Te Hononga Council - Papatipu Rūnanga Committee on 24 May 2023. At this meeting each of the six Papatipu Rūnanga presented their priorities for informing the development of the Long-term Plan 2024-34. The detail of these priorities will be provided to Heads of Service to help inform the development of activity plans, asset management plans and the capital programme. An update will be provided back to Te Hononga Council - Papatipu Rūnanga Committee towards the conclusion of the joint development process to communicate how and where the identified priorities have been incorporated into the Long-term plan.

### Strategic Framework (Community Outcomes and Strategic Priorities)

- 3.18 On track. These have now been approved by Council as the basis of planning, including LTP planning.

### Customer Feedback

- 3.19 On track. Resident Survey results were received by Council in May and have been provided to Heads of Service to inform the development of activity plans and the capital programme. An update of the Environmental Scan (first provided post-election) will be provided for the start of the joint development process.

### Climate Resilience

- 3.20 On track. A comprehensive update on embedding climate resilience in the LTP has been supplied by Dr Lisa Early from the Climate Resilience team – see **Attachment C**.

### Infrastructure Strategy

- 3.21 On track. The IS has been in development for some time and is in a strong position to meet its objectives – to set out the challenges facing our city, the options available and the Most Likely Scenario, which will in turn inform asset and activity plans as well as capital prioritisation.

### Financial Strategy

- 3.22 A focus area. Finance staff have been extensively involved in Annual Plan development, which has impacted their ability to advance the FS. Once drafted the FS will set out the financial context facing CCC over time, the key decisions to be made and their linkages to the Infrastructure Strategy and supporting plans.

### Activity Plans

- 3.23 On track, despite Annual Plan impacts on key Heads of Service. All activity managers have held two development meetings (supported by their cross functional teams) and appear on track to present draft activity plans to the ELT on 11 July. As per the councillor's Letter of Expectation these will be made available to Council from July-December for the joint development process.

### Asset Plans

- 3.24 A focus area. There is complexity around Three Waters asset plans due to the change of direction from central government on when the transition will occur. There are also some resourcing issues.
- 3.25 The remaining asset plans are working to a more sharply focused template and appear on track to update 2021 LTP content. There are some significant questions around the quality of asset data, which is variable across asset classes.

### Capital Prioritisation

- 3.26 On track. A model has been developed and considered by the ELT. It has taken those presentation and prioritisation methodologies that were successful with councillors in the 2021 LTP process and enhanced those approaches.
- 3.27 To be clear it is not expected that this approach will deliver a final capital programme. It will deliver a complete starting position across the whole programme - focused on deliverability across the life of the LTP – that will enable constructive debate at governance level. This is in line with the Letter of Expectation.

#### Risks

- 3.28 There are always risks to any process as large and complex as an LTP. Key risks include:
- 3.28.1 uncertainty around central government reforms, especially impacts on Three Waters
  - 3.28.2 uncertainty around long-term economic factors (inflation, growth etc)
  - 3.28.3 successful partnerships with key stakeholders
  - 3.28.4 successful project management, including alignment of LTP components
  - 3.28.5 successful joint development process between Council and staff (July - December 2023)
  - 3.28.6 balancing future-oriented works (including climate resilience) with BAU needs
  - 3.28.7 prioritising a deliverable capital programme over the life of the LTP.
- 3.29 The LTP programme team works closely with the Risk and Assurance team. Risks have been identified at both enterprise and operational level.
- 3.30 Enterprise-level risks – as well as their potential impacts, likelihood and mitigations - will be reported regularly to ELT and ARMC.

#### Conclusion

- 3.31 The LTP process is at an early stage. Overall the programme and its constituent work streams are proceeding well and to plan. Comprehensive project management, risk, oversight and related processes are in place.
- 3.32 It is expected that from end July 2023 a monthly update will be provided to ELT, Finance and Performance Committee (under delegation from Council) and ARMC to ensure clear oversight and advice.

## 4. Alternative Options Considered / Ētahi atu Kōwhiringa

- 4.1 N/A.

## 5. Detail / Te Whakamahuki

- 5.1 The decision affects all Community Board areas, but is designed to consider and give effect to Community Board plans.

## 6. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

### Strategic Alignment /Te Rautaki Tīaroaro

- 6.1 This report the [Council's Long Term Plan \(2021 - 2031\)](#):
- 6.1.1 Activity: Performance Management and Reporting
    - Level of Service: 13.1.1 Implement the Long Term Plan and Annual Plan programme plan - Critical path milestone due dates in programme plans are met.



**Policy Consistency / Te Whai Kaupapa here**

6.2 The decision is consistent with Council's Plans and Policies.

**Impact on Mana Whenua Ngā Whai Take Mana Whenua**

6.3 The decision is around a reporting process so does not directly involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture and traditions.

6.4 The decision is around a reporting process so does not involve a matter of interest to Mana Whenua and <could/will not> impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.

**Climate Change Impact Considerations / Ngā Whai Whakaaro mā te Āhuarangi**

6.5 See Attachment 3.

**Accessibility Considerations / Ngā Whai Whakaaro mā te Hunga Hauā**

6.6 N/A.

**7. Resource Implications Ngā Hīraunga Rauemi**

**Capex/Opex / Ngā Utu Whakahaere**

7.1 Cost to Implement – Audit costs are budgeted. If there is a significant cost increase (which has not been signalled) this will need to be budgeted.

7.2 Maintenance/Ongoing costs – LTP work is covered by BAU budgeting for staff as planning is considered a core role responsibility.

**Other / He mea anō**

7.3 N/A.

**8. Legal Implications Ngā Hīraunga ā-Ture**

**Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa**

8.1 Covered by LGA 2002 and Council resolution to adopt the Letter of Expectation.

**Other Legal Implications / Ētahi atu Hīraunga-ā-Ture**







8.2 As a routine reporting process there is no legal context, issue or implication relevant to this decision.

**9. Risk Management Implications Ngā Hīraunga Tūraru**

9.1 Noted in Background section, 3.28.



## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Christchurch and Banks Peninsula Long Term Plan 2024-34 Councillors' Expectations	23/463470	110
B  	Draft Strategic Framework adopted by Council 5 April 2023	23/512903	119
C  	Embedding Climate Resilience in LTP 2024	23/845714	121

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

Document Name – Location / File Link
<a href="#">Te Hononga Council – Papatipu Rūnanga Committee meeting – Agenda 24 May 2023</a>
<a href="#">Environmental Scan for Elected Members – post-election October 2022</a>

## 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

<b>Authors</b>	Peter Ryan - Head of Corporate Planning & Performance Boyd Kedzlie - Senior Business Analyst Adelaine Hansson - Performance Analyst
<b>Approved By</b>	Peter Ryan - Head of Corporate Planning & Performance Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

22 March 2022

## Christchurch and Banks Peninsula Long Term Plan 2024-34: Councillors' Expectations

Dear Dawn,

As indicated, I have prepared this letter setting out Councillors' expectations to help inform the work that you and your staff will undertake to support development of the Long-Term Plan (LTP) 2024 – 2034.

**Part A** makes clear Councillors' expectations around LTP content – the major strategic issues that the LTP needs to address. **Part B** is designed to provide clarity and certainty to both governance and staff around how the LTP process will unfold.

### Context

Christchurch is a fantastic city that is on the move. It is the place where we all call home, and where we want to do our part to make it an even better place to live, work, play and invest.

Christchurch has faced more than its fair share of challenges over the past decade, including those arising from earthquakes, floods, fires, water supply security concerns, terrorist attacks and the current pandemic recovery. The human, financial and environmental costs to our city have been great.

We now face significant change to our sector flowing from Government reforms, as well as the ongoing impacts of long term challenges faced by our community such as climate change, increasing inequality, rising cost of living and affordability issues. Our Council must also confront the immediate challenge of rising inflation, skills shortages and supply chain disruptions on our operations and capital projects.

Amongst the changes will be the implementation of Three Waters reforms from 1 July 2024. This means that the LTP 2024-34 will not include Three Waters and will reflect a post-reform Council in line with the Government's direction. We anticipate considering a range of scenarios as part of the development process.

However, the large investments over the past decade, our location as the gateway to the Antarctic and South Island, and our status as our nation's second largest city mean we are

22 March 2022

well-placed to respond to these challenges. This will help us put Christchurch 'on the map' as the best place to live, work, invest and play in New Zealand.

Councillors are determined to realise their vision for Christchurch as 'a city of opportunities.' Our city must continue to thrive and grow sustainably by attracting new businesses, people and investment. We want to provide, encourage, enable and improve the services that are essential for sustainable growth, resilience, liveable neighbourhoods, safe and healthy natural environments, and to support diverse cultural interests, activities and events. This should occur within the context of increasing partnership with mana whenua and greater collaboration with neighbouring councils and government agencies. The Greater Christchurch Partnership and Canterbury Mayoral Forum will offer opportunities for this collaboration to increase.

Overall, we are expecting sound, evidence-based advice and options to help us make informed choices in the best interest of our city, our environment and our residents.

## Part A - Key themes of the LTP 2024

We recognise that the joint development approach between Councillors and staff which formed the basis of the LTP 2021 was very successful and we want to build on that approach.

Councillors have worked well with ELT on a Strategic Framework which lays the foundation for LTP 2024. We expect that the Framework will set out our commitment to working in partnership with Ngāi Tahu to achieve meaningful outcomes that benefit the whole community. The Framework sets out the strategic priorities that will be our focus for work programme planning and investment over this Council term. We are aiming to finalise the Framework by the end of March 2023 in order for it to underpin all subsequent LTP work. We are currently discussing the following draft strategic priorities:

- Put people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection
- Champion Christchurch and collaborate to build our role as a leading New Zealand city
- Build trust and confidence in the Council through meaningful communication, listening to and working with residents

22 March 2022

- Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change.
- Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents
- Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind

To achieve these outcomes we need to provide clear direction for the LTP at an early stage. To ensure success this should include:

#### **Genuine partnership with Mana Whenua**

The draft Strategic Framework acknowledges Ngāi Tahu rangatiratanga over its takiwā and commits the Council to partnering with mana whenua to achieve meaningful outcomes that benefit the whole community.

The LTP presents the first key opportunity this Council term to advance the Council partnership with Papatipu Rūnanga and to discuss meaningful outcomes. The Mayor and Councillors expect that the LTP programme will enable authentic partnership and active dialogue with mana whenua.

#### **Joint Development between Councillors and staff**

It is expected that the joint development process used in the 2021 LTP will be continued and refined. This ensures that the views of Councillors and Community Board plans are taken into account from an early stage, and that debate and direction-setting is based on transparent, objective and accurate staff advice. Early engagement across our communities is also a key part of the approach. There must be sufficient time set aside for pre-engagement to occur in a transparent and measured way. The purpose and scope of pre-engagement will need to be agreed over coming weeks between Councillors and staff.

#### **Listening to our customers, communities, and businesses**

There is a wealth of feedback from our community in the Resident and Point of Contact Surveys, as well as other sources. These highlight areas of high satisfaction as well as areas where improvement is needed.

It is important that a diversity of voices is heard, that we actively listen to what our communities are saying and that the LTP provides options for addressing those community ambitions and concerns, including those voices that are not part of our current way of

22 March 2022

thinking. The LTP should provide certainty for our community on what we will do in response to the feedback they give us.

There is also a need to identify opportunities to work more closely with businesses and community groups to unlock the potential of our city. Feedback will need to be balanced with financial sustainability and deliverability during LTP decision-making as we will be confronting some hard choices.

### Committing to a Climate Resilient City

Christchurch is vulnerable to the impacts of climate change and has a significant role in the district's greenhouse gas emissions reductions efforts, and protecting our natural environment. It is essential that the Infrastructure Strategy, Asset Management and Activity Plans all include meaningful actions to reduce our greenhouse gas emissions, increase our resilience to more frequent and extreme weather events, and reduce our community's overall vulnerability to the impacts of climate change.

### Continuous Improvement

Given the dynamic nature of Council's operating environment it is critical that the organisation continues to learn and improve. Council expects to see innovative thinking applied to the financial and infrastructure strategies, activity plans, business reviews, S17a service delivery reviews, and in particular the Letters of Expectation with our group of companies, and for these to inform the LTP. It is critical that staff provide advice during the LTP process that reflects new and innovative ways to achieve outcomes for our community.

### Infrastructure Strategy

The Infrastructure Strategy (IS) needs to inform many of the key LTP documents. It must contain a strategic view of our key infrastructure opportunities and challenges, including residual earthquake damage to infrastructure, and options to address these. It should include opportunity cost assessments for councillors to consider when evaluating options. The preferred option must be supported by an investment proposal, which should be well progressed early on in the LTP process so that it can frame the development of the capital programme and be closely aligned with the Financial Strategy and Strategic Priorities. The IS will also help to shape and inform the Consultation Document.

The IS must be understood as a strategy: it should give high level direction for the future of our infrastructure planning and investment; lead the development of the asset plans, the



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capital programme and capital prioritisation process. This will include a clear view of essential asset management and renewals as well as more discretionary projects. It should avoid being 'backcast' (a simple retrofit to existing asset plans.) The IS will both inform, and be informed by, activity plans and asset plans through an iterative process.

The 30-year horizon for the IS makes it high level enough that it will not hinder the ability to defer programmes to later years, if required by deliverability challenges. It is therefore important that the proposed capital programme is clearly visible to Community Boards and residents as part of the LTP engagement process and extends beyond the traditional ten year view. Projects should be available by ward over the life of the LTP.

Council expects that the overall direction of the IS (and ideally its preferred option) to be available for asset plans and activity plans to reference while they are being co-developed. It is expected that staff will have considered other Council's IS and asset planning documents in light of the feedback from the Auditor-General after the LTP 2021.

## Financial Strategy

The long-term financial management approach needs to focus on keeping rates and other fees and charges affordable over time, while at the same time balancing the need for fit-for-purpose services and our residents' quality of life. It must also present a clear picture of the Council's long term strategic approach to debt ensuring we are taking a whole life costing and intergenerational approach.

### Rating approach

Councillors wish to signal a clear expectation that rates increases will be contained and they must always be justifiable. It is timely for Council to undertake an assessment of our rating base and approach and how well it is understood.

More broadly, the Financial Strategy should:

1. Provide the economic context, interest rates and inflation projections and debt profile within which are proposed options for rates setting.
2. Be clear on the role and performance of CCHL and the CCTOs, and their contribution to Council's financial resilience over time.
3. Provide an assessment of the impact of the RMA reforms as best can be assessed at this point in the reform programme. Based on observations from the last LTP process.

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4. We would also like staff to consider the following:
- the capital programme be proposed at a level that responds to actual need and that is demonstrably deliverable and affordable in each year of the LTP.
  - alleviate an unacceptably high capital programme 'bow wave' with inevitably large carry-forwards each year, which has the potential to drive unnecessarily high rates increases (note that while we do not borrow for what we are not delivering, that work is built into our plans and therefore rates increases).
  - as the capital programme changes, any related opex implications must be clearly called out and evidence based – including whole-of-life costing implications.
  - Activity budgets should be available when activity plans are reviewed by Councillors. These could be draft budgets for activities that are not changing markedly, but with indicative budgets for activities where any major change is proposed.
  - Impacts to Levels of Service arising from budget changes must be transparent to Councillors in activity plans.
  - Adjustments to (or deletion of) capital projects/programmes or Levels of Service must be transparent in LTP documents, including the CD.

## Part B - The LTP Process

It is essential that both Councillors and staff have a clear and mutually agreed understanding of how the LTP process will unfold. The advice below is informed by what worked well during the LTP 2021 process. It also reflects improvements based on the LTP 2021 process review, which included input from senior managers and councillors, as well as the Office of the Auditor-General.





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### Restoring trust and confidence

The LTP process needs to provide ample opportunities for a full range of issues to be canvassed. Residents, business and communities of interest and other key stakeholders must be broadly engaged on key issues and options so we hear the many and varied voices of our community as we consider those issues. This places an obligation on Council and staff to ensure that accurate, easy to assimilate information on options (and their impacts) is available to all our stakeholders to help inform their views. We want a two way conversation that is:

- collaborative and meaningful
- designed to deliver real benefits for the city equitably and at reasonable cost for all generations
- communicated clearly so the community is aware of the responses and the reasons for the decisions we have made.

In addition to early work with mana whenua partners, Councillors expect the LTP process to create better connections with disenfranchised communities, and to consider stakeholder-specific assessments. We also want to see more youth-focused engagement (by youth for youth). Where relevant, there should also be more project-based engagement to encourage and support community involvement and more submissions.

### Consultation Document

The Consultation Document (CD) is the flagship and main public document of the LTP. It is led by the Mayor and will set out the key issues being considered, and the options available in response to those issues. The right CD will encourage and support community involvement. It will be important to retain clear accountability for the Consultation Document (CD) development within the Communications and Engagement Unit, so it is written in plain and consistent language rather than technical jargon, with the options to be considered by the Council and community are articulated clearly and accessible to all.

The Consultation Document will be supported by a range of related tools and communication streams to ensure that all people in our community can participate and contribute. There will continue to be an option to submit through easy to use online surveys.

### The Joint Development Process

This was successful in 2021. Councillors felt that they had clear oversight of the LTP strategies and plans, as well as sufficient time to scrutinise them and provide feedback.

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The overarching objective of the plan (that the suite of LTP documents are available in draft form by 1 July 2023) remains. Councillors should also be engaged early on levels of service to ensure they understand the issues and options they consult on. It is essential that there is a measured and transparent programme of presentations on activity and asset plans to Council between July and December 2023 that allows for questions and the opportunity to circle back if needed. Staff should find meaningful ways to enhance transparency during this process.

This programme of presentations should be set and agreed with elected members now so that there is clarity for both the managers presenting and for the councillors. Focus areas for activity plan presentations include:

- clear line of sight from high level outcomes (Strategic Framework, including climate resilience and other relevant Strategy documents) to proposed levels of service and capital projects.
- a capital prioritisation process that has a focus on community need, deliverability, affordability and climate resilience across all capital portfolios.
- Levels of Service that are consistently SMART (specific, measurable, achievable, relevant and time-bound) and which will provide transparency of non-financial performance across services. We note there are legislatively prescribed LOS, and in addition we wish to focus our efforts on a reduced suite of LOS that are most critical and meaningful.

It is also expected that once the strategies and plans are in draft form on 1 July 2023 they will be available to councillors on the BigTinCan. All of these refinements were valuable in the 2021 process.

### Other Issues

Rather than proscribing the more detailed elements of the LTP Programme, the *LTP 2024-34 Programme Plan* (approved by the Executive Leadership Team and Council in June 2022) remains the approved LTP process. Please report progress against this programme plan monthly to the Finance and Performance Committee, including any risks or impediments to the project and its key work streams.

Councillors need a clear stocktake of on-hold Annual Plan and LTP proposals from the last triennium, so that we can confirm whether this work should form part of the 2024 LTP.

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## Community and Stakeholder Engagement

Community Boards need to develop their Plans early in the triennium and they need to be aligned with the Council's strategic framework. This will assist the ability to integrate Community Board Plans at an earlier stage in the LTP process. This reinforces the need for a timely sign off on the strategic framework by the new council.

As stated, early engagement and partnership with Ngāi Tahu/ Ngā Papatipu Rūnanga must be programmed specifically into the LTP programme plan.

In addition, I welcome staff advice on the potential to have early conversations with the community, to help support the development of an LTP that closely matches the priorities of residents whilst recognising intergenerational impacts. Particular attention needs to be given to how we reach a greater diversity of residents in our early engagement, and during the formal consultation period.

Thank you for the opportunity to provide this expression of expectations on behalf of Councillors. I hope it will help guide the organisation as you implement the LTP process.

Regards

**Phil Mauger**  
**Mayor**

**DRAFT**

Our focus this Council term 2022 - 2025	Our goals for this Long Term Plan 2024 - 2034	Our intergenerational vision 2022 – 2052
<p><b>DRAFT STRATEGIC PRIORITIES</b></p> <ul style="list-style-type: none"><li>• Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection</li><li>• Champion Christchurch and collaborate to build our role as a leading New Zealand city</li><li>• Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents</li><li>• Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our biodiversity, water bodies and tree canopy.</li><li>• Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents</li><li>• Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind</li></ul>	<p><b>DRAFT COMMUNITY OUTCOMES</b></p> <p><b>A collaborative confident city</b></p> <p>Our residents have the opportunity to actively participate in community and city life, have a strong sense of belonging and identity, and feel safe</p> <p><b>A green, liveable city</b></p> <p>Our neighbourhoods and communities are accessible and well-connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy</p> <p><b>A cultural powerhouse city</b></p> <p>Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events 'powerhouse'</p> <p><b>A thriving prosperous city</b></p> <p>Our city is a great place for people, business and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions</p>	<p><b>VISION</b></p> <p>A place of opportunity for all Open to new ideas, new people, new investment and new ways of doing things - a place where anything is possible</p>
<p>Ngāi Tahu has rangatiratanga over its takiwā - the Council is committed to partnering with Ngāi Tahu to achieve meaningful outcomes that benefit the whole community</p>		

DRAFT

### Embedding Climate Resilience within the 2024-34 Long Term Plan

Embedding climate resilience within the work of a large and diverse organisation is a highly complex undertaking. While the climate science is clear on the need for action, our knowledge on the best actions to take is still developing and our expertise is newly gained. Additionally, central government guidance is not fully formed. We are actively working with other Councils and organisations to learn from them, and following national and international guidance and best practice wherever possible.

The Council is undertaking work to embed climate resilience throughout the organisation by initially focusing on key organisational processes and enablers, such as:

1. The 2024-34 Long Term Plan
2. Council decision reports
3. Procurement
4. Project management
5. Risk management
6. Monitoring and reporting

The purpose of this section is to provide a high-level overview of how climate change is being embedded within the 2024-34 Long Term Plan (LTP). Our key areas of focus for this LTP are:

1. Using consistent assumptions about climate change in our planning and decision-making.
2. Building a foundation of data, improving our understanding of our emissions and vulnerability, and developing options that respond to these over time.
3. Identifying pilot projects for each activity to fill knowledge gaps and trial ways to increase our climate resilience and reduce emissions.

Climate resilience is a key driver of the LTP, featuring prominently within the Mayor's Letter of Expectations, the Community Outcomes and Strategic Priorities (see below). Climate change has also been identified as a key issue for the Infrastructure Strategy, which means it will be given special attention as the strategy is prepared and implemented through the Asset Management Plans.

The 2023 **Mayor's Letter of Expectations** to the organisation for the LTP states:

*...It is essential that the Infrastructure Strategy, Asset Management and Activity Plans all include meaningful actions to reduce our greenhouse gas emissions, increase our resilience to more frequent and extreme weather events, and reduce our community's overall vulnerability to the impacts of climate change...*

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

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

Consequently, Activity Plans and Asset Management Plans must include explanations on how they will be affected by or contribute to climate change, for both the Council and community, and appropriate responses. Each Activity / Asset Plan writer is being asked to answer the following key questions:



1. Identify your main sources of greenhouse gas emissions.
2. Identify options for reducing your greenhouse gas emissions.
3. Understand how climate change will affect your assets and activities.
4. Identify options for managing climate risks.
5. Develop pilot projects to help address data / resource gaps for your activity.
6. Appropriately reflect climate resilience within your levels of service.

In the Key Drivers section of the Activity Plan template, staff are being asked to explain how climate change can be a driver of their activities, for example, a hotter and drier climate will drive demand for water supplies, shade in public places and cool public buildings. In the Risk Section there will be an explanation of key risks, consequences, and mitigation options.

To assist staff in responding to these questions, comprehensive guidance has been prepared and placed on the Council's intranet (The HUB) including key resources and tools. Staff training has been provided in the use of the tools and an LTP Pit Crew process has assigned climate resilience staff to each activity area to help guide and shape planning and actions.

Examples of the resources provided to staff to help answer these questions are listed below with links provided where the resource are publicly available.

**Risk screening resources:**

1. [Christchurch District Climate Risk Screening](#).
2. A new Climate Risk Explorer Tool (REX), developed specifically for the Council in collaboration with Canterbury University, that helps identify the impacts of sea-level rise, coastal erosion, ground water and flood risks on Council assets.
3. The [Coastal Hazards Viewer](#) tool that can be used to screen for coastal flooding, erosion, and ground water risks, but is not linked to data on Council assets.
4. [Catalogue of Coastal Hazard Adaptation Options](#).
5. A new Climate Change and Health Waitaha Canterbury report prepared in collaboration with Canterbury Community Public Health | Te Mana Ora | National Public Health Service.

The climate guidance sets out key assumptions for staff to use when considering how our local climate may change over time. These assumptions are summarised in the District Risk Screening document and align with the [MFE guidance for local government](#) and other local reports that investigate local projections.

A hierarchy of adaptation responses is outlined in the guidance, with detailed explanations for each option. The guidance states the Council should avoid risk to the community and infrastructure (i.e., first do no harm). For existing assets and wherever possible, move away from known risks, and finally, if moving is not an option, detailed adaptation considerations are provided in the guidance.

**Greenhouse gas emission resources:**

1. Sources of greenhouse gas emissions from [Christchurch District](#) and the Council organisation.
2. Ministry for the Environment's [Emission Factors Workbook](#).
3. Waka Kotahi [Project Emissions Estimator Tool](#) (PEET) for roading projects
4. A new Three Waters specific emissions estimator tool (3W-PEET)
5. Building Research Association NZ carbon tools such as [CO<sub>2</sub>NSTRUCT](#) and [LCA Quick](#) for vertical projects
6. Treasury [shadow price of carbon](#) contained within its cost - benefit analysis guide (page 77).



The guidance also begins to set expectations for implementation of the LTP. This includes the need to consider whole-of-life costs, emissions, and vulnerability to enable informed decisions to be made about large scale and long-term investments.

While we are setting objectives and providing guidance, the ability to translate this into action in a consistent way is not certain. It is likely there will be some unevenness in uptake, reflecting service area, capacity and capability, and we will apply best efforts to address this. We are aware of the need to bring people along with us and to provide them with education and support.

## **10. 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.	CONSIDERATION OF THE COUNCIL'S ANNUAL PLAN 2023/24				
	ATTACHMENT D - ANNUAL PLAN 2023/24 ADOPTION DOCUMENTS	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	THE INFORMATION IN THE CURRENT DRAFT VERSION OF THE COUNCIL'S ANNUAL PLAN REMAINS SUBJECT TO CHANGE. PREMATURE RELEASE OF THIS INFORMATION COULD PREJUDICE THOSE PEOPLE AND ENTITIES THAT MAY BE AFFECTED BY ANY CHANGES MADE.	ANNUAL PLAN WILL BE PUBLISHED IN THE COUNCIL AGENDA 22 JUNE 2024
8.	PROCUREMENT AND CONTRACTS UNIT FY23 Q3 REPORT				
	ATTACHMENT A - ATTACHMENT A FINANCIAL BENEFITS FY23	S7(2)(B)(II), S7(2)(H), S7(2)(J)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, PREVENTION OF IMPROPER ADVANTAGE	TERMS NEGOTIATED WITH SUPPLIERS THAT COULD PREJUDICE THEIR COMMERCIAL POSITION	28 JUNE 2024 ON REVIEW OF HEAD OF PROCUREMENT AND CONTRACTS
	ATTACHMENT B - ATTACHMENT B NON FINANCIAL BENEFITS FOR FY23	S7(2)(B)(II), S7(2)(H), S7(2)(J)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, PREVENTION OF IMPROPER ADVANTAGE	TERMS NEGOTIATED WITH SUPPLIERS THAT COULD PREJUDICE THEIR COMMERCIAL POSITION	28 JUNE 2024 ON REVIEW OF HEAD OF PROCUREMENT AND CONTRACTS

	ATTACHMENT C - ATTACHMENT C - DEPARTURES REPORT Q3 FY23	S7(2)(B)(II), S7(2)(H), S7(2)(J)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, PREVENTION OF IMPROPER ADVANTAGE	TERMS NEGOTIATED WITH SUPPLIERS THAT COULD PREJUDICE THEIR COMMERCIAL POSITION	28 JUNE 2024  ON REVIEW OF HEAD OF PROCUREMENT AND CONTRACTS
	ATTACHMENT E - ATTACHMENT E ALL OF COUNCIL PROCUREMENT ACTIVITY MARCH TO APRIL FY23	S7(2)(B)(I), S7(2)(B)(II)	TRADE SECRET, PREJUDICE COMMERCIAL POSITION	TERMS NEGOTIATED WITH SUPPLIERS THAT PREJUDICE THEIR COMMERCIAL POSITION	28 JUNE 2024  ON REVIEW OF HEAD OF PROCEUREMENT AND CONTRACTS
	ATTACHMENT F - ATTACHMENT F PANEL EXPENDITURE SUPPLIER COMMITMENTS Q3FY23	S7(2)(B)(I), S7(2)(B)(II)	TRADE SECRET, PREJUDICE COMMERCIAL POSITION	TERMS NEGOTIATED WITH SUPPLIERS THAT COULD PREJUDICE POSITION	28 JUNE 2024  ON REVIEW OF THE HEAD OF PROCUREMENT AND CONTRACTS
	ATTACHMENT G - ATTACHMENT G PROCUREMENT AND CONTRACTS AUDIT ACTION REPORT	S7(2)(B)(I), S7(2)(B)(II)	TRADE SECRET, PREJUDICE COMMERCIAL POSITION	TERMS NEGOTIATED WITH SUPPLIERS THAT COULD PREJUDICE POSITION	28 JUNE 2024  ON REVIEW OF HEAD OF PROCUREMENT AND CONTRACTS
	ATTACHMENT H - ATTACHMENT H CONTRACT MANAGEMENT AUDIT REPORT - DECEMBER 2022	S7(2)(B)(I), S7(2)(B)(II)	TRADE SECRET, PREJUDICE COMMERCIAL POSITION	TERMS NEGOTIATED WITH SUPPLIERS THAT COULD PREJUDICE THEIR COMMERCIAL POSITION	28 JUNE 2024  ON REVIEW OF HEAD OF PROCUREMENT AND CONTRACTS
11.	PUBLIC EXCLUDED AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES - 22 NOVEMBER 2022			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	

12.	PUBLIC EXCLUDED AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES - 27 FEBRUARY 2023			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
13.	PUBLIC EXCLUDED AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES - 21 APRIL 2023			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
14.	MAJOR LITIGATION REPORT	S7(2)(G)	MAINTAIN LEGAL PROFESSIONAL PRIVILEGE	THE CONTENT OF THIS REPORT IS LEGALLY PRIVILEGED	1 JULY 2024 WHEN THE HEAD OF LEGAL SERVICES CONSIDERS THAT THE STATUTORY REASONS FOR WITHHOLDING THE REPORT NO LONGER APPLY. THIS REPORT WILL BE REVIEWED BY THE HEAD OF LEGAL SERVICES ANNUALLY.
15.	ARMC PAPER - REPORT TO GOVERNORS FY22	S7(2)(C)(I)	PROTECTION OF SOURCE OF INFORMATION	INFORMATION ON CCC SYSTEMS ARE DISCLOSED IN THE AUDIT NZ REPORT.	20 APRIL 2024 ARMC TO SHARE FY23 REPORT TO GOVERNORS
16.	CYBER SECURITY PROGRAMME - SUPPLEMENTARY UPDATE	S7(2)(C)(II)	PREVENT DAMAGE TO THE PUBLIC INTEREST	DISCLOSURE OF OUR APPROACH TO CYBER SECURITY WILL INCREASE THE RISK OF COUNCIL BEING A TARGET, RESULTING IN POTENTIAL SERVICE DISRUPTIONS AND / OR INFORMATION BREACHES THAT	THE CYBER SECURITY PROGRAMME UPDATE REPORT MAY ONLY BE RELEASED IF THE CHIEF EXECUTIVE HAS DETERMINED THAT

				WILL NOT BE IN THE PUBLIC INTEREST.	THERE ARE NO LONGER ANY REASONS UNDER THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETING ACT TO WITHHOLD THE INFORMATION.
17.	RISK AND ASSURANCE UPDATE	S7(2)(E), S7(2)(J)	PREVENTION OF MATERIAL LOSS, PREVENTION OF IMPROPER ADVANTAGE	FINANCIAL AND SECURITY CONTROLS EXAMINED IN THE REPORT ARE DESIGNED TO PREVENT MATERIAL LOSS AND IMPROPER ADVANTAGE AND THEREFORE NEED TO BE PUBLIC EXCLUDED.	WHEN INTERNAL CONTROLS DISCUSSED ARE NO LONGER RELIED UPON.
18.	PARAKIORE	S7(2)(I)	CONDUCT NEGOTIATIONS	NEGOTIATIONS COULD BE COMPROMISED, COMMERCIALY SENSITIVE INFORMATION	UPON REVIEW AND APPROVAL OF THE CHIEF EXECUTIVE