Christchurch City Council
AGENDA

Notice of Meeting:

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

Date:	**Tuesday 27 June 2023**
Time:	**9.30 am**
Venue:	**Council Chambers, Civic Offices, 53 Hereford Street, Christchurch**

Membership

Chairperson	Mayor Phil Mauger
Deputy Chairperson	Deputy Mayor Pauline Cotter
Members	Councillor Kelly Barber
	Councillor Melanie Coker
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor James Gough
	Councillor Tyla Harrison-Hunt
	Councillor Victoria Henstock
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Jake McLellan
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett
	Councillor Sara Templeton

22 June 2023

Principal Advisor
Dawn Baxendale
Chief Executive
Tel: 941 8999

Cathy Harlow
Committee and Hearings Advisor
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Karakia Tīmatanga

Opening Prayer

Whakataka te hau ki te uru	*English translation*
Whakataka te hau ki te tonga	Cease the winds from the west
Kia mākinakina ki uta	Cease the winds from the south
Kia mātaratara ki tai	Let the breeze blow over the land
E hī ake ana te atakura	Let the breeze blow over the ocean
He tio, he huka, he hau hunga	Let the red-tipped dawn come with a sharpened air.
Tihei mauri ora!	A touch of frost, a promise of a glorious day.

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. Annual Plan 2023/24

Reference / Te Tohutoro: 23/469000

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 present to Council for consideration and adoption:
- an analysis of the submissions and hearings made through the Annual Plan consultation process;
- the outcome of the Council's considerations to date; and
- Mayor's Recommendations for consideration before the Council adopts the Annual Plan 2023/24, and
- the Annual Plan 2023/24, including any attached documents.

1.2 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1)) Local Government Act 2002).
The purpose of the plan is to:
- contain the 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 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.

2. Officer Recommendations Ngā Tūtohu

That the Council Annual Plan:

1. Receives the information included in this report and attachments;
2. Notes the recommendations of the Council's Audit and Risk Management Committee at its meeting on 20 June 2023, that an appropriate process has been followed in the preparation of the information that provides the basis for this Annual Plan 2023/24;
3. Adopts the Mayor's Recommendations set out in **Attachment A**;
4. Adopts the summary of the financial, rates, and benchmark impacts including proposed operational changes for 2023/24 set out in **Attachment B**;
5. Adopts the proposed changes to the Council's capital programme for 2023/24 set out in **Attachment C**;
6. Adopts the proposed Funding Impact Statement – Rating Information set out in **Attachment D**.
7. Notes the Thematic Analysis of the Annual Plan 2023/24 Submissions, set out in **Attachment E**;

8. Notes the Annual Plan 2023/24 - Management Sign-off for Process set out in **Attachment F**; and

9. Notes the Annual Plan 2023/24 - Management Sign-off for Significant Forecasting Assumptions set out in **Attachment G.**

10. Adopts the Annual Plan 2023/24 comprising the information and underlying documents adopted by the Council at the meeting dated 28 February 2023 (the draft Annual Plan 2023/24), as amended by resolutions 3-6 above and Attachments B-D.

11. Authorises the General Manager Resources/Chief Financial Officer to make the amendments required to ensure the published 2023/24 Annual Plan aligns with the Council's resolutions of 27 June 2023 and to make any other non-material changes that may be required;

12. Authorises the General Manager Resources/Chief Financial Officer to borrow, in accordance with the Liability Management Policy, sufficient funds to enable the Council to meet its funding requirements as set out in the 2023/24 Annual Plan.

13. Having set out rates information in the Funding Impact Statement – Rating Information contained in the Annual Plan 2023/24 (adopted as **Attachment D** by the above resolutions), resolves to set the following rates under the Local Government (Rating) Act 2002 for the 2023-24 financial year, commencing on 1 July 2023 and ending on 30 June 2024 (all statutory references are to the Local Government (Rating) Act 2002).

    a. a **uniform annual general charge** under section 15(1)(b) of $153.00 (incl. GST) per separately used or inhabited part of a rating unit;

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

Differential Category	***Basis for Liability***	***Rate Factor (incl. GST)*** *(cents/$ of capital value)*
Standard	Capital Value	0.211685
Business	Capital Value	0.469940
Remote Rural	Capital Value	0.158763
City Vacant	Capital Value	0.957449

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

Differential Category	***Basis for Liability***	***Rate Factor (incl. GST)*** *(cents/$ of capital value)*
Connected (full charge)	Capital Value	0.067836
Serviceable (half charge)	Capital Value	0.033918

    d. a **restricted water supply targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units with one or more connections to restricted water supply systems of $390.00 (incl. GST) for each standard level of service received by a rating unit;

    e. a **land drainage targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.035731 cents per dollar of capital value (incl. GST);

    f. a **sewerage targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.075347 cents per dollar of capital value (incl. GST);

g. a **waste minimisation targeted rate** under sections 16(3)(b) and 16(4)(b) set differentially depending on whether a full or partial service is provided, as follows:

Differential Category	***Basis for Liability***	***Rate Charge (incl. GST)***
Full service	Per separately used or inhabited part of a rating unit	$184.75
Partial service	Per separately used or inhabited part of a rating unit	$138.56

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

h. **a water supply fire connection targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units receiving the benefit of a water supply fire connection of $125.00 (incl. GST) per connection;

i. an **excess water supply commercial volumetric targeted rate** under section 19(2)(a) set for all rating units which receive a commercial water supply as defined in the Water Supply and Wastewater Bylaw 2022, ***plus*** land under single ownership on a single certificate of title and used for three or more household residential units, boarding houses, motels, and rest homes of $1.35 (incl. GST) per m^3 or any part of a m^3 for consumption in excess of the rating unit's water supply targeted rate allowance, ***provided that*** all properties will be entitled to a minimum consumption of 0.6986 cubic metres per day.

The rating unit's water supply targeted rate allowance in m^3 per year is the volume of water equal to the assessed water supply targeted rate divided by $1.35.

For example, if a rating unit is assessed $1,000 for the water supply targeted rate, that rating unit's water supply targeted rate allowance for the year is 740.7m^3 ($1000 divided by $1.35/$m^3$), which is 2.03 m^3/day. Liability for the excess water supply commercial volumetric targeted rate is for any consumption in excess of that allocation.

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

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

of $1.35 (incl GST) per m^3 or any part of a m^3 for consumption in excess of 900 litres per day;

k. an **active travel targeted rate** under section 16(3)(a) and 16(4)(a) of $20.00 (incl. GST) per separately used or inhabited part of a rating unit;

l. a **heritage targeted rate** under section 16(3)(a) and 16(4)(a) on all rating units of 0.001886 cents per dollar of capital value (incl. GST);

m. a **special heritage (Cathedral) targeted rate** under section 16(3)(a) and 16(4)(a) of $6.52 (incl. GST) per separately used or inhabited part of a rating unit;

n. a **special heritage (Arts Centre) targeted rate** under section 16(3)(a) and 16(4)(a) of 0.000416 cents per dollar of capital value (incl. GST);

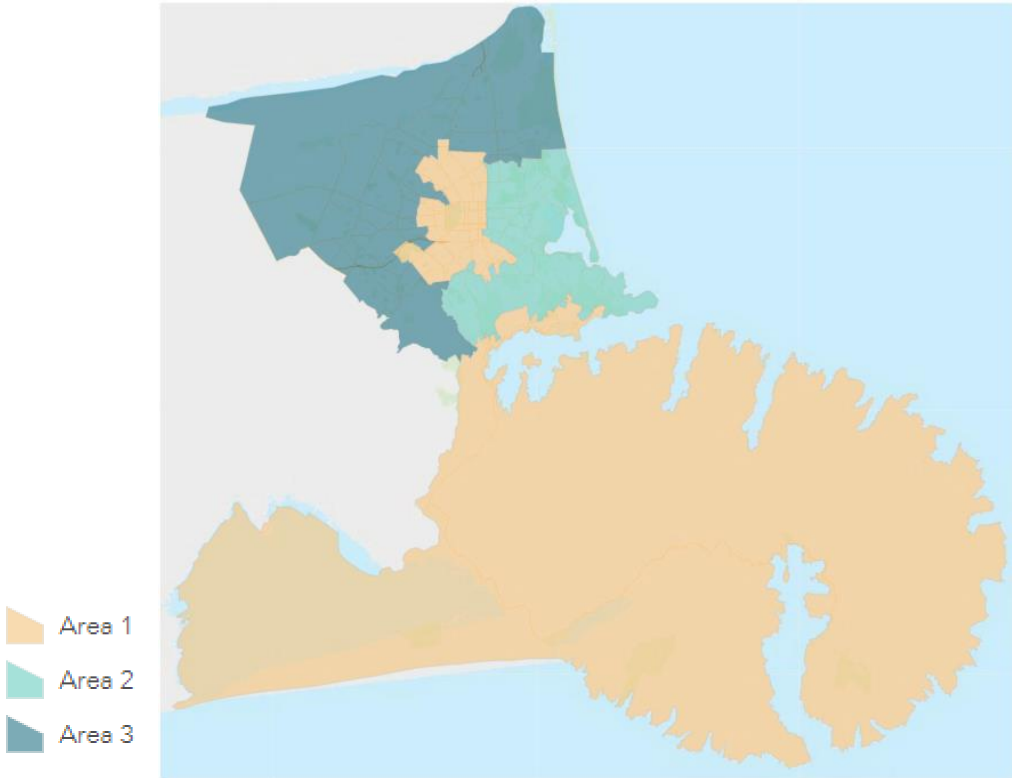
o. a **Central City Business Association targeted rate** under section 16(3)(b) and 16(4)(a) of $392.36 (incl. GST) per business rating unit in the Central City Business Association Area, where the land value of the rating unit is greater than or equal to $90,000;

14. Notes that business differential on the value-based general rate has changed from 1.697 in 2022/23 to 2.22 in 2023/24. Similarly, the City Vacant differential has increased from 4 in 2022/23 to 4.523 in 2023/24.

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

Instalment	***1***	***2***	***3***	***4***
Area 1	15 August 2023	15 November 2023	15 February 2024	15 May 2024
Area 2	15 September 2023	15 December 2023	15 March 2024	15 June 2024
Area 3	31 August 2023	30 November 2023	28 February 2024	31 May 2024

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



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

16. Resolves that excess water supply commercial volumetric targeted rates, and excess water supply residential volumetric targeted rates are due for payment on the dates shown below in

the "Due date" column, based on the week in which amounts are invoiced (shown in the "Week beginning" column). The "Penalty date" column will be referred to further below:

Week beginning	Due date	Penalty date
3/07/2023	31/08/2023	5/09/2023
10/07/2023	7/09/2023	12/09/2023
17/07/2023	14/09/2023	19/09/2023
24/07/2023	21/09/2023	26/09/2023
31/07/2023	28/09/2023	3/10/2023
7/08/2023	5/10/2023	10/10/2023
14/08/2023	12/10/2023	17/10/2023
21/08/2023	19/10/2023	24/10/2023
28/08/2023	26/10/2023	31/10/2023
4/09/2023	2/11/2023	7/11/2023
11/09/2023	9/11/2023	14/11/2023
18/09/2023	16/11/2023	21/11/2023
25/09/2023	23/11/2023	28/11/2023
2/10/2023	30/11/2023	5/12/2023
9/10/2023	7/12/2023	12/12/2023
16/10/2023	14/12/2023	19/12/2023
23/10/2023	21/12/2023	26/12/2023
30/10/2023	28/12/2023	2/01/2024
6/11/2023	4/01/2024	9/01/2024
13/11/2023	11/01/2024	16/01/2024
20/11/2023	18/01/2024	23/01/2024
27/11/2023	25/01/2024	30/01/2024
4/12/2023	1/02/2024	6/02/2024
11/12/2023	8/02/2024	13/02/2024
18/12/2023	15/02/2024	20/02/2024
25/12/2023	22/02/2024	27/02/2024
1/01/2024	29/02/2024	5/03/2024
8/01/2024	7/03/2024	12/03/2024
15/01/2024	14/03/2024	19/03/2024
22/01/2024	21/03/2024	26/03/2024
29/01/2024	28/03/2024	2/04/2024
5/02/2024	4/04/2024	9/04/2024
12/02/2024	11/04/2024	16/04/2024
19/02/2024	18/04/2024	23/04/2024
26/02/2024	25/04/2024	30/04/2024
4/03/2024	2/05/2024	7/05/2024
11/03/2024	9/05/2024	14/05/2024
18/03/2024	16/05/2024	21/05/2024
25/03/2024	23/05/2024	28/05/2024
1/04/2024	30/05/2024	4/06/2024
8/04/2024	6/06/2024	11/06/2024
15/04/2024	13/06/2024	18/06/2024

Week beginning	Due date	Penalty date
22/04/2024	20/06/2024	25/06/2024
29/04/2024	27/06/2024	2/07/2024
6/05/2024	4/07/2024	9/07/2024
13/05/2024	11/07/2024	16/07/2024
20/05/2024	18/07/2024	23/07/2024
27/05/2024	25/07/2024	30/07/2024
3/06/2024	1/08/2024	6/08/2024
10/06/2024	8/08/2024	13/08/2024
17/06/2024	15/08/2024	20/08/2024
24/06/2024	22/08/2024	27/08/2024

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

    a. for the excess water supply commercial volumetric targeted rate, and the excess water supply residential volumetric targeted rate, a penalty of 10 per cent will be added to any portion of an invoiced amount not paid on or by the due date, to be added on the date shown in the "Penalty date" column in the table above, based on the week in which amounts are invoiced;

    b. for all rates except the excess water supply commercial volumetric targeted rate, and the excess water supply residential volumetric targeted rate, a penalty of 10 per cent will be added to any portion of an instalment not paid on or by the due date, to be added on the following dates:

Instalment	*1*	*2*	*3*	*4*
Area 1	18 August 2023	21 November 2023	20 February 2024	20 May 2024
Area 2	20 September 2023	20 December 2023	20 March 2024	20 June 2024
Area 3	5 September 2023	5 December 2023	4 March 2024	6 June 2024

    c. for all rates, an additional penalty of 10 per cent will be added on 1 October 2023 to any rates assessed, and any penalties added, before 1 July 2023 and which remain unpaid on 1 October 2023;

    d. for all rates, a further penalty of 10 per cent will be added if any rates to which a penalty has been added under (c) above remain unpaid on 1 April 2024.

3. Reason for Report Recommendations Ngā Take mō te Whakatau

3.1 All Councils in New Zealand are required to have an approved Long Term Plan in place at all times, or an LTP updated by an Annual Plan.

3.2 This Annual Plan was prepared after extensive consultation with our community as well as briefings with Council – see section 6 ‘Background’ for details.

4. Alternative Options Considered Ētahi atu Kōwhiringa

4.1 N/A.

5. Detail Te Whakamahuki

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

5.2 The decision affects the following wards/Community Board areas:

5.2.1 All wards and Community Board areas.

6. Background

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

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

6.3 The purpose of the plan is to:

6.3.1 contain the proposed annual budget and funding impact statement for 2023/24;

6.3.2 identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for 2023/24;

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

6.4 The information for the Annual Plan 2023/24 has been prepared in accordance with the requirements of the LGA 2002. The information includes:

6.4.1 the proposed annual budget and funding impact statement for 2023/24;

6.4.2 any variation from the financial statements and funding impact statement included in the Council's 2021-2031 Long Term Plan for 2023/24;

6.4.3 proposed changes to the Council's capital programme for 2023/24 and any changes to the Level of Service provision for activities undertaken by the Council;

6.5 The draft Annual Plan 2023/24 was adopted by the Council on 28 February 2023.

6.6 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.

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

6.7.1 Opportunity for members of the public to present at public hearings was available from 27 April to 4 May 2023;

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

6.8 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 E** of this report.

6.9 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.

6.10 Guidance provided by Elected Members and the Mayor's Recommendations has been built into the Annual Plan 2023/24 adoption documents, including expectations for rates increases.

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

6.12 Having obtained specific guidance from councillors, staff prepared a report and attachments for the Annual Plan 2023/24. The process for preparing information has been the subject of a detailed series of staff sign offs that demonstrate compliance with the Council's statutory, financial, and legal obligations.

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

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

7. Financial Overview

Rates

7.1 The recommended Annual Plan includes a rates requirement (excl. GST) to be levied of $679.2 million.

7.2 The proposed average rates increase to all existing ratepayers of 6.33% is higher than the 5.42% forecast in the 2021-31 Long Term Plan and higher than the 5.68% proposed in the Draft Annual Plan. The average house will have a rates increase of $3.97 per week.

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

Residential	6.52%
Business	5.61%
Remote Rural	-0.60%

7.4 The material drop in the Remote Rural average from 0.69% in the Draft is largely due to a reduced general rate requirement of $5.6 million.

Operating Expenditure

7.5 Operational expenditure of $605.8 million is $20.6 million above the level forecast in the draft Annual Plan principally due to:

7.5.1 Additional projects funded from the Crowns Better Off funding package ($7.6 million),

7.5.2 Water Supply chlorination and other operational and maintenance costs ($4.9 million),

7.5.3 Personnel costs ($4.6 million),

7.5.4 Costs relating to the living wage announcement ($3.9 million), and other notified contract increases ($0.6 million),

7.5.5 Lower Consenting costs reflecting forecast volume reduction ($1.4 million).

7.6 Interest costs are $4.7 million higher than projected in the Draft Annual Plan largely due to updated interest rates relating to onlending to subsidiaries which is recovered ($2.6 million), the retiming of Te Kaha borrowing ($2.6 million), and a reduction from reassessing the projected opening debt position ($1 million).

7.7 Details of all changes are shown in **Attachment B**, Financial changes from the Draft Annual Plan.

Revenue

7.8 Total revenue excluding rates of $479.9 million is $20.3 million higher than that included in the Draft Annual Plan. The main revenue changes are:

7.8.1 Additional Crown project funding ($10.5 million) substantially related to the Better Off funding package,

7.8.2 Additional subvention receipts available ($10 million),

7.8.3 Higher interest revenues of $3.4 million, due to increased interest rates and higher opening onlending to CCHL,

7.8.4 Additional Waka Kotahi operational revenue mainly from CERF projects ($1.2 million),

Partially offset by,

7.8.5 Lower Waka Kotahi capital revenues ($3.2 million),

7.8.6 Reduced commercial excess water and trade waste revenue ($1.9 million),

7.8.7 Lower forecast consenting volumes ($1.7 million).

Surplus, operating deficits, and sustainability

7.9 The recommended Annual Plan for 2023/24 shows an accounting surplus of $118.1 million before revaluations. Under accounting standards the Council is required to show all revenue, including recoveries from central Government and NZ Transport Agency, as income for the year. However, some of these recoveries reimburse the Council for capital expenditure. After adjusting for these capital revenues, the Council is forecasting a balanced budget for 2023/24.

Capital programme expenditure

7.10 The capital programme has been reviewed with heavy focus on deliverability, to ensure ratepayers are not levied in advance of funds being required. Details of proposed changes from Draft Annual Plan 2023/24 are shown in **Attachment C.** Key factors taken into account when considering deliverability were:

- Labour demands and resultant shortages (internal and external),
- Ongoing supply chain issues,
- Cost escalation pressures.

7.11 The Council plans to invest a total of $746.4 million in the capital programme in 2023/24, an increase of $130.5 million from the Draft Annual Plan.

7.12 Increased spend planned in 2023/24 compared to the Draft Annual Plan includes the following (refer **Attachment C** for the full list):

- Revised timing of spend on Te Kaha (+$127.0 million),
- Additional Council funding to support the changes for the Coastal Pathway (+$1.4 million),
- Rephasing of Akaroa Wharf Redevelopment to reflect design, consenting and procurement (-$4.3 million),
- Rephasing of the Canterbury Provincial Chambers Stage 1 allowance (-$1.5 million),

- The Grassmere Housing Development Infrastructure Acceleration Funding from Central Government (total $30.9million) requires a net positive investment in horizontal infrastructure (+$1.8million),
- The Better Off Funding from Central Government (total $11.75 million for capital expenditure over 4 years) provides investment in Parks and Community (+$0.9million).
- Revised timing of spend on Matatiki: Hornby Community Centre reflecting good progress (+$4.6 million). This includes funding of $450,000 from Better Off Funding Initiative provided by Central Government,
- The Tsunami Warning System is rephased to provide time to continue to work on the technical solution before implementation (-$0.7 million),
- The Takapūneke Reserve has been allocated additional funds (+$0.5 million).

7.13 Other key changes from the Draft Annual Plan that do not impact 2023/24 include change requests and drawdowns completed under staff delegations and reported to Council on a quarterly basis. These have a net zero impact on 2023/24.

Capital programme funding

7.14 The capital programme is funded by subsidies and grants for capital expenditure, development contributions, proceeds from asset sales, rates and debt. In 2023/24 we will rate for $192.7 million of renewals which is consistent with our Financial Strategy.

Borrowing

7.15 The recommended Annual Plan includes net new borrowing in 2023/24 of $293.9 million, an increase of $114.9 million from the Draft Annual Plan, reflecting the advanced spend timing in relation to Te Kaha. Gross debt at 30 June 2023 is expected to be $2.66 billion, $125 million higher than the Draft Annual Plan due to Te Kaha.

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

8. Significant Assumptions

8.1 Significant assumptions were reviewed and there is no significant change from the Draft Annual Plan. A number have been rewritten for improved clarity of risk.

9. Financial Risk Management Strategy

9.1 The Council’s policies to assist in managing its financial risk, including liquidity and funding risk management, interest rate exposure and counterparty credit risk are unchanged. An important element in assessing the value of the Council’s risk management strategy is its five key financial ratios (two net debt, two interest and one liquidity). These key ratios are all expected to be met in 2023/24.

9.2 The two Financial Prudence benchmarks not expected to be met in the Draft Annual Plan remain so. They are the Rates Affordability benchmark and the Debt Servicing benchmark.

9.3 The Rates Affordability benchmark measures the notional year on year increase in rates. For 2023/24 it is 8.4%, up from 7.8% in the Draft, and compared to the LTP benchmark of 7.2% (which was based on the projected LTP notional increase of 6.2% plus 1% variation). Significantly higher inflation and interest costs compared to the 2.3% inflation and 2.4% new borrowing cost incorporated in the LTP have largely caused the higher increase.

9.4 The Debt Servicing benchmark (borrowing costs as a percentage of revenue being less than 10%) is not forecast to be met for 2023/24. It is forecast at 11.2%, resulting from significant increases in interest rates since February 2022 and additional borrowing for on-lending to subsidiaries. In the LTP this benchmark was expected to be breached in 2026/27 – 2028/29. Approximately one third of the interest cost relates to on-lending to subsidiaries which generates offsetting interest revenue that the ratio doesn't consider. Without this cost the ratio is well below the 10% benchmark. There is no concern around the ability to service the debt.

10. Fees and Charges

10.1 There are a number of minor wording corrections/clarifications from the Draft Annual Plan schedule.

11. Changes to Levels of Service

11.1 There are no additional changes to levels of service other than those adopted with the Draft Annual Plan 2023/24.

12. Annual Plan Process

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

12.2 The purpose of the plan is to:

12.2.1 contain the proposed annual budget and funding impact statement for 2023/24;

12.2.2 identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for the financial year 2023/24;

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

12.3 The information for the Annual Plan 2023/24 has been prepared in accordance with the requirements of the LGA 2002. The information includes:

12.3.1 the proposed annual budget and funding impact statement for 2023/24;

12.3.2 any variation from the financial statements and funding impact statement included in the Council's 2021-2031 Long Term Plan for 2023/24;

12.3.3 proposed changes to the Council's capital programme for 2023/24 and any changes to the Level of Service provision for activities undertaken by the Council;

12.3.4 revised schedule of significant assumptions.

12.4 The information has been prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement included in the 2021-2031 Long Term Plan. It contains appropriate references to the provisions in the LTP which set out the Council's activities for the 2023/24 financial year.

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

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

Item 3

13. Consultation

13.1 The draft Annual Plan 2023/24 was adopted by the Council on 28 February 2023.

13.2 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.

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

13.2.2 Opportunity for members of the public to present at public hearings was available from 27 April to 4 May 2023. We received 811 submissions and 115 submitters appeared in person;

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

13.2.4 The result of this work has been provided to elected members to assist with their deliberations. The Thematic Analysis of the Annual Plan 2023/24 Submissions is **Attachment E** of this report. The Thematic Analysis provides a summary of key issues identified by a significant number of submitters. The first part of the report provides an overview of the key themes and messages that have come through in submissions (including for four special topic consultations that were run in parallel with the Annual Plan). The latter part of the report provides detailed submissions analysis for some of the issues that were most popular with submitters. Also included is a breakdown of the number of submissions received, by Community Board, age and gender.

13.3 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.

13.4 Guidance provided by Elected Members and the Mayor’s Recommendations has been built into the Annual Plan 2023/24 adoption documents, incorporating any rates impact.

13.5 Changes made largely reflect community feedback on the draft Annual Plan or changes to Council’s operating environment since adopting the draft in February.

14. Audit and Risk Management Committee

14.1 Council’s Audit and Risk Management Committee met on 20 June 2023 in respect of the information that provides the basis for the 2023/24 Annual Plan. The Committee resolved the following:

That the Audit and Risk Management Committee:

1. *Notes it has reviewed the general checklist and sign-off by management, including significant forecasting assumptions, in respect of the information that provides the basis for the Annual Plan 2023/24.*

2. *Advises the Council that in the Committee’s opinion an appropriate process has been followed in the preparation of this information.*

15. External Audit

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

Item 3

16. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

Strategic AlignmentTe Rautaki Tīaroaro

16.1 This report supports the Council's Long Term Plan (2021 - 2031):

16.2 Internal Activities

16.2.1 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

16.3 The decisions are consistent with Council's Plans and Policies.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

16.4 The annual plan involves a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, in that Takapūneke Reserve will receive additional funds.

16.5 The purpose of the Annual Plan is to update specific content from the last Long Term Plan, especially where circumstances have changed. It is not a fundamental review of plans.

16.6 The Long Term Plan 2021 contained a range of services and initiatives whose purpose was to involve and support Mana Whenua in the future planning, direction and development of the city. That relationship must be extended and built upon as a partnership during the development of the 2024-34 Long Term Plan.

16.7 New processes are already in train to ensure that our partnership priorities are met for the 2024 LTP. This includes the appointment of new Te Tiriti Relations advisors, and ongoing discussions and relationship-building with Mana Whenua representatives. Discussion with the Te Tiriti Relations advisors as part of this process indicated their preference to focus on co-development of the Strategic Framework and 2024 LTP rather than the details of the Annual Plan 2023/24.

16.8 The LTP process specifically includes early involvement of Mana Whenua in both the setting of Strategic Framework that will drive the next LTP, and in the detailed planning phases that occur (around services, projects and processes) before a draft LTP is developed. These are new processes and are still being developed and refined.

16.9 The Council directly engages with iwi – Te Rūnanga o Ngāi Tahu, and six of the Papatipu Rūnanga who fall within the Council catchment as mana whenua of respective rohe: Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Wairewa Rūnanga, Te Rūnanga o Koukourārata, Ōnuku Rūnanga and Te Taumutu Rūnanga.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

16.10 This Annual Plan continues with the climate change commitments set out in the 2021 Long Term Plan and sets the stage for further initiatives in the 2024 LTP.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

16.11 Not relevant.

17. Resource Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

17.1 Cost to Implement - within existing budget.

17.2 Maintenance/Ongoing costs - within existing budget.

17.3 Funding Source - existing budget per Council's Long Term Plan (2021 – 2031.)

Other He mea anō

17.4 None.

18. Legal Implications Ngā Hīraunga ā-Ture

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

18.1 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

18.2 There is no additional legal context, issue or implication relevant to this decision.

19. Risk Management Implications Ngā Hīraunga Tūraru

19.1 Risks identified and managed through the general checklists and sign-offs by management, including significant forecasting assumptions, reviewed by Audit and Risk Management Committee.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Mayor's Commentary and Recommendations	23/939657	20
B	Financial changes from the Draft Annual Plan	23/976468	28
C	Proposed changes to the Council's capital programme	23/929940	30
D	Funding Impact Statement - Rating Information	23/946364	31
E	Thematic Analysis of the Annual Plan 2023/24 Submissions	23/870042	47
F	Annual Plan 2023/24 - Management Sign-off for Process	23/902867	69
G	Annual Plan 2023/24 - Management Sign-off for Significant Forecasting Assumptions	23/902871	85

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

Document Name – Location / File Link

Draft Annual Plan 2023/24	Draft Annual Plan 2023/24 : Christchurch City Council (ccc.govt.nz)
Consultation Document for Annual Plan 2023/24	ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Plans/annual-plan/2023-2024/Draft-Annual-Plan-2023-2024-Consultation-document.pdf
Long-term Plan 2021-31	Long Term Plan 2021–2031 : Christchurch City Council (ccc.govt.nz)

Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

(a) This report contains:

(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

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

Signatories Ngā Kaiwaitohu

Authors	Boyd Kedzlie - Senior Business Analyst Adelaine Hansson - Performance Analyst Bruce Moher - Manager Corporate Reporting Andrew Jefferies - Manager Rates Revenue Andrew Robinson - Head of Programme Management Office Peter Ryan - Head of Corporate Planning & Performance Ron Lemm - Manager Legal Service Delivery, Regulatory & Litigation
Approved By	Peter Ryan - Head of Corporate Planning & Performance Russell Holden - Head of Finance Helen White - Head of Legal & Democratic Services Leah Scales - General Manager Resources/Chief Financial Officer Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance Dawn Baxendale - Chief Executive

Mayor's Recommendations for Annual Plan 2023-2024

The 2023/24 Annual Plan has been a thorough and challenging process for our new Council to work through. But we have reached a point where we are looking at an average rate rise under the current rate of inflation. Starting from an expected increase of 14.6%, to be considering an increase less than half of that is an incredible result.

It has come after months of hard work by councillors and staff who have provided many different options for our Council to consider. They have been very thorough in their assessment and identified several options which help reduce the burden our rates will have on people's wallets this year. We have done this while balancing our own cost increases – namely from inflation, insurance and interest rates.

We are all very aware of the importance of reducing the burden the Council's rates place on households given the increasing cost of living, especially those on low and fixed incomes.

One factor that is impacting the way rate rises are distributed across the city has been the three yearly revaluation of properties. This is required by law to be done every three years by an independent valuer and has seen some neighbourhoods with traditionally lower house prices increase at a greater percentage than the average. While neighbourhoods with higher values still pay larger average dollar amounts, some neighbourhoods with lower values will see their rates increase by a greater percentage than the average.

Draft Annual Plan

In February, following months of work looking at options, we proposed a draft Annual Plan with an overall rate increase of 5.68%. This took into account the impact of revaluations and rising costs for Council.

Underpinning our draft Annual Plan were the clear messages from our community through the residents' surveys over the last several years. People want us to keep rates down, improve our basic infrastructure and maintain our community services. They also have a strong desire to protect our waterways and water supplies, clean up our environment and reduce our emissions. People have also told us to lift our game when delivering on these expectations.

Lifting people's trust and confidence in Council was a major focus during last year's election. This will take time, but the first step is for us to deliver on the things people keep telling us they want. Some of the steps we are taking in this Annual Plan include:

- Kept the total rate rise under the rate of inflation (6.7% in March '23).
- Maintained existing levels of service.
- Kept our capital programme based on what we can actually deliver.
- Maintained our living wage employer status.
- Set up roving Council Maintenance Crews to repair footpaths.

Our Council also made the decision to propose some specific, one-off adjustments for the 2023/24 financial year to keep rate increase down without cutting services. These include:

- Reducing the number of vacancies being filled.
- Utilising our subvention receipt revenue.
- Disposing of unused Council properties.

Consultation

Through March to May, the community had the opportunity to have their say and give us a steer on what they would like to see. We received 811 submissions and heard from 115 submitters in person. This was very helpful in giving us a direction for setting the final Annual Plan.

There are significant areas where we heard differing views throughout consultation. Councillors also have differing views on these topics. We will discuss these topics individually and decide how to proceed before our final Annual Plan is adopted:

- Increasing the average daily water allocation to 900L for excess water targeted rates,
- Reducing the Uniform Annual General Charge to $50 per rateable unit,
- Utilising up to $1 million from the Community Endowment Fund to offset rates.

The outcome of these debates will determine what the overall rate increase figure will be.

Amendments

Since February, several amendments to the draft Annual Plan have arisen from submitters, staff and councillors. These are now proposed for inclusion in our Annual Plan.

Amendments advised by staff are based on additional information, submissions, analysis and subsequent Council decisions since the end of February. This includes bringing forward capital funding for Te Kaha due to the project's speed of delivery bringing schedules forward. This will result in a lower rates impact towards the end of the project when it was originally budgeted.

Further amendments proposed by the Mayor and Councillors are the result of submissions from the community and hearing from submitters through our hearing panel process. If adopted, these and the staff amendments will result in an overall average rates increase of 6.33% across all properties.

For the average residential property this is an increase of 6.52%, which means an extra cost of $206 a year or $3.97 per week. This compares with the planned Long-Term Plan 2021-31 rate increase of 5.42% for 2023/24.

There are four topics which have been identified by councillors for detailed debate. These will be proposed as amendments, then debated and voted on individually as recommendations M.1 and C.1 to C.3. Further to these amendments, councillors have indicated that there are additional amendments for the Council to consider.

The final rates increase figure will depend on the outcome of these amendments and any additional amendments moved by councillors. These will be addressed prior to resolving the final adoption of the Annual Plan.

Finally, there are some noting amendments included from the Mayor and Councillors to help inform staff planning for the Long-Term Plan 2024-34. These will help provide Council with information and advice well in advance of any decisions for the Long-Term Plan process.

Recommended Amendments

The Mayor, on advice from the Chief Executive, recommends that the following amendment to the draft annual plan 2023/24 be adopted by Council:

M.1 That Council increases the amount of planned subvention receipts by $10 million in each of 2023/24 and 2024/25 to reduce the rates requirement in those years.

Proposed Amendments from Councillors

C.1 Excess Water Supply Targeted Rate

That the Council retains the allowance of 700 litres of water a day for residential properties before Council charges for their excess water supply.

Coker/Cotter

C.2 Universal Annual General Charge

That the Council adopts alternative Option (B) in the Annual Plan Consultation Document and reduces the UAGC to the lower value of $50.

McLellan/Coker

C.3 Capital Endowment Fund

That only $500,000 is taken from Capital Endowment Fund to fund grants that are normally funded by rates for 2023/24

Cotter/*TBA*

Mayor and Councillor amendments

The Mayor and Deputy Mayor recommend that Council:

a) Cr Moore

Reduces budgeted expenditure on the Provincial Chambers in 23/24 from $2M to $0.5M, with the $1.5 million reduction being retimed to 2024/25.

b) Cr Fields

Notes that, to improve fire resilience for the Birdlings Flat community, staff will initiate a change request to bring funding forward for #59941 – WS Banks Peninsula Communal fire Water Storage Tanks.

c) Cr McLellan

Restricts the disposal of Sandilands housing lots to Community Housing Providers, Progressive Homeownership providers and consortia committed to providing affordable homes (for either ownership or rental).

d) Cr Templeton

Requests that Council are advised via Three Waters reporting of results of spot checks of building sites by Council Staff to assess compliance with environmental standards, especially around runoff and sedimentation in the stormwater system.

e) Cr Barber

Notes that staff will use existing budgets to:

(a) undertake scoping work to understand the community need, capacity and capability to develop and deliver a Preston's community facility; and

(b) report to Council and the Waitai Coastal-Burwood-Linwood Community Board on options as part of the 2024-2034 Long Term Plan process.

f) Cr Barber

Notes that staff will use existing budgets to:

(a) undertake scoping work on a permanent solution to the surface flooding that occurs in Newport Street and Tenby Place; and

(b) report to Council on options as part of the 2024-2034 Long Term Plan process.

g) Cr Gough

Notes that staff will use existing budgets to:

(a) undertake scoping work on a permanent solution to the surface flooding that occurs in Brenchley Avenue; and

(b) report to Council on options as part of the 2024-2034 Long Term Plan process.

h) Cr Templeton

Notes for clarity that, as per Council resolution 2023/00006 on 28 February 2023, staff can commence construction on the Wheels to Wings MCR as soon as staff and local Councillors have completed further work with the affected communities on previously identified design concerns as part of the detailed design process.

i) Deputy Mayor Cotter

Notes that staff will use existing budgets to:

(a) investigate options in relation to the request by the Isaac Theatre Royal that the $2,000,000 interest free loan made to it by Council in July 2014 be forgiven; and

(b) provide Council with a memo of findings, including advice on any repayment extension that may be required, to allow the matter to form part of the 2024-2034 Long Term Plan process.

j) Mayor Mauger

Authorises officers to engage with the Trust Board of Te Matatiki Toi Ora The Arts Centre and report back on options for the use of 39 Hereford Street, Christchurch (previously the University of Canterbury Student Union and thereafter the home of The Dux de Lux) before adopting the draft Long-Term Plan 2024-2034.

k) ***Cr McLellan***

Requests that the stewardship of the heritage listed Avon-Loop Pump Houses shifts to the Parks team, who have the cost of restoration for heritage purposes assessed and report back to Council on heritage restoration cost options before adopting the draft Long-Term Plan 2024-2034

l) Mayor Mauger

Authorises officers to:

a) Investigate and analyse options for installing an electrolysis generator for hydrogen and oxygen to be used for aeration at the Christchurch Waste Water Treatment Plant, including as part of an integrated design, and

b) Report back to Council on options for installation to consider before adopting the draft Long-Term Plan 2024-2034.

m) Mayor Mauger

Requests officers to update work on a separate glass collection system to allow for the inclusion of a project in the draft 2024-34 Long Term Plan.

Conclusion

Our Annual Plan for 2023/24 balances the need to maintain and deliver the services our community expect us to while limiting the rates burden on households and businesses. It is the culmination of months of hard work from staff and councillors to reach this point.

Alongside this work, Council staff have also begun preparations for our Long-Term Plan 2024-2034. This is a significant amount of work which looks over the next ten years for our city. Our final Annual Plan sets the scene for this.

This means that the decisions we will need to make for our Long-Term Plan 2024-2034 will require us to have an honest conversation about what we can afford and what we need to look at. As a Council and a community, we need to decide what we can afford to pay in rates, and what we can provide for that amount of money.

This will be an even bigger balancing act and work will be starting as soon as this Annual Plan is passed to draft a Long-Term Plan which delivers the best balance for our community.

Our community expect us to lead and make tough decisions to deliver the right services in the right place without putting excessive burden on their household budgets.

Attachment B – Financial changes from Draft

Long Term Plan 2023/24	Financial Overview $000	Draft Annual Plan 2023/24	Recommended Final Annual Plan 2023/24	Change from Draft	Note
	Funding Summary				
536,800	Operating expenditure	585,222	605,822	20,600	1
676,059	Capital programme	615,821	746,357	130,536	2
89,765	Interest expense	126,479	131,146	4,667	3
86,709	Debt repayment	60,211	59,568	(643)	4
3,037	Movements in reserves	-	-	-	
1,392,370	**Total expenditure**	**1,387,733**	**1,542,893**	**155,160**	
	funded by :				
158,093	Fees, charges and operational subsidies	173,914	191,323	17,409	5
54,541	Dividends received	56,823	56,823	-	
17,621	Interest received	49,691	53,063	3,372	3
520	Asset sales	1,544	1,544	-	
23,112	Development contributions	23,112	23,112	-	
56,289	Capital grants and subsidies	154,493	154,046	(447)	
-	Movement in reserves	1,973	1,701	(272)	
-	Working Capital reduction	347	347	-	
310,176	**Total funding available**	**461,897**	**481,959**	**20,062**	
1,082,194	**Balance required**	**925,836**	**1,060,934**	**135,098**	
411,981	Borrowing	241,365	372,677	131,312	2
670,213	**Rates**	**684,471**	**688,257**	**3,786**	
661,120	**Rates to be levied on 1 July**	673,740	679,229	5,489	6
6.26%	Nominal rates increase on 1 July (excl growth)	7.65%	8.52%	0.88%	
5.42%	**Percentage rate increase to existing ratepayers**	**5.68%**	**6.33%**	**0.65%**	

Notes:

1. Operating expenditure – details below
2. Capex / Borrowing – changes to capex are shown in Attachment C. The large change is the retiming of Te Kaha expenditure which directly impacts borrowing and indirectly impacts interest expense.
3. Interest – The net increase in interest cost relates to the earlier Te Kaha borrowing, partly offset by lower forecast opening debt at 1 July 2023. $2.6 million of the increase in both interest expense and revenue relates to onlending to CCHL (net nil impact) resulting from higher opening onlending and an increase in the floating interest rate.
4. Debt repayment is lower due to forecast lower borrowing in 2022/23 than in the Draft.
5. Revenue – details below
6. The higher 1 July rates levy includes the impact of reduced excess water rate revenue due to increasing the residential daily limit.

Schedule of changes (revenue and expenditure) to the Draft Annual Plan

	Opex impact $	Rates impact 2023/24
Draft Annual Plan 2023/24		**5.68%**
Changes:		
Three Waters chlorination, maintenance & rates costs, revenue reduction	7,535,000	1.18%
Salaries provision reassessment	4,640,000	0.63%
Living wage announcement contract increases	3,902,864	0.61%
Debt servicing costs relating to:		
Retiming of Te Kaha spend/borrowing	2,590,152	0.41%
Other capex net changes incl Mayor's capex recommendations	88,599	0.01%
Opening cash and debt reassessment	(1,734,879)	-0.26%
Valuation contract and Audit fees update	360,000	0.06%
Housing insurance reassessment	250,000	n/a
Mayors opex recommendations	82,000	0.01%
Other minor corrections and Councillor amendments	(67,475)	-0.01%
Hornby opening update	(237,603)	-0.04%
Rating growth update from 1.3% to 1.5%	(1,252,000)	-0.21%
NZTA opex update	(1,173,580)	-0.17%
Subvention receipts reassessment	(10,000,000)	-1.57%
Recommended Final Annual Plan 2023/24		**6.33%**

Council and Prudence Regulations Benchmarks

Benchmark	Limit		Planned	Met
Rates affordability benchmark - increases		7.2%	8.4%	No
Debt affordability benchmark ($m)	<	3,540	2,660	Yes
Net debt as a percentage of equity	<	20%	9%	Yes
Net debt as a percentage of total revenue	**<**	**290%**	**144%**	**Yes**
Net interest as a percentage of total revenue	<	20%	7%	Yes
Net interest as a percentage of annual rates income	<	30%	11%	Yes
Liquidity	>	110%	114%	Yes
Balanced budget benchmark	**>**	**100%**	**107%**	**Yes**
Essential services benchmark	>	100%	121%	Yes
Debt servicing benchmark	<	10%	11.4%	No

Christchurch City Council

Attachment C : Annual Plan 2023/24 - Recommended Capital Programme Changes

27 June 2023

$000

CPMS ID	Project Title	Draft Annual Plan 2023/24	Recommended Final Annual Plan 2023/24	Change from Draft
67	Strategic Land Acquisitions	0	350	350
862	Matatiki: Hornby Centre	11,799	16,403	4,604
1026	Te Kaha Canterbury Multi Use Arena (CMUA)	150,480	277,448	126,968
1436	Takapūneke Reserve Planned Renewals	0	500	500
2356	Akaroa Wharf Renewal	6,495	2,200	(4,295)
15704	Tsunami Warning System	1,280	580	(700)
22167	Canterbury Provincial Chambers (Stage 1)	2,113	613	(1,500)
26601	Major Cycleway - Ōtākaro-Avon Route (Section 1) Fitzgerald to Swanns Road Bridge (OARC)	0	100	100
26607	Major Cycleway - Southern Lights Route (Section 1) Strickland to Tennyson	0	200	200
42013	Cranford Street New Signalised Intersection	0	363	363
55894	Evans Pass Road & Reserve Terrace Remedial Works	563	763	200
56802	Multicultural Recreation and Community Centre	0	120	120
70633	WW Fitzgerald Ave Brick Barrel Mains Renewal	2,000	1,489	(512)
71306	Coastal Pathway & Moncks Bay - Council Funded	0	1,402	1,402
71995	WS Grassmere to Mays Link Main	0	450	450
71996	WW Grassmere Wet Weather Storage Facility	0	1,200	1,200
73097	Urban Forest Implementation - Phase 1	0	575	575
73397	Programme - Regional Parks Restoration and Pest Control	0	210	210
73852	East Papanui ODP Upsize Carriageway Widening	0	300	300
Total		174,730	305,266	130,536

Rating Information

Income from Rates

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

The total rates required to be assessed for the rating year beginning on 1 July 2023 is $679.2 million (excluding GST). Two items of rating income are excluded from this figure:

- Excess water rates – excluded because it is dependent on actual volumes consumed during the year. Excess water rates are budgeted to be $5.0 million (excluding GST) in 2023/24.
- Late payment penalties and arrears penalties – excluded because they are dependent on actual late rates payments occurring during the year, or arrears from previous years remaining outstanding during the year. Late payment penalties and arrears penalties are budgeted to be $4.1 million in 2023/24.

Income Collected from Rates (incl GST)

Rates Collected	**2023/24 Annual Plan ($000s)**
General Rates:	
Value-based General Rate	421,457
Uniform Annual General Charge	28,996
Targeted Rates:	
Water Supply:	
-- Normal Supply	108,561
-- Restricted Supply	301
-- Excess Supply [1]	-
-- Fire Service Connection	139
Land Drainage	55,952
Sewerage	124,013
Waste Minimisation	32,695
Active Travel	3,778
Special Heritage (Cathedral)	1,231
Central City Business Association	242
Heritage	3,072
Special Heritage (Arts Centre)	677
	781,114
includes GST of	101,884
Total Excluding GST	**679,229**

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

Rating Base

The rates assessed for the 1 July 2023 to 30 June 2024 year are based on the following rating base:

	As at 30 June 2023
Number of rating units	182,256
Number of Separately-Used or Inhabited Parts (SUIPs) of rating units	189,514
Total capital value of rating units	$172.4 billion
Total land value of those rating units	$86.4 billion

Valuation system used for rating

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

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

- A rating unit is the property which is liable for rates (usually a separate property with its own certificate of title), and
- Rating valuations are set by independent valuers, based on property market conditions as at a specified date (currently 1 August 2022) – their purpose is to enable

councils to allocate rates equitably between properties across the District; they are *not* intended to be an indication of current market value or cost of construction.

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

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

Legislation requires that rating valuations be updated at least every three years, so that the distribution of value-based rates reasonably reflects property market conditions. The 2022 valuations are used as the basis of rates calculations from 1 July 2023 until 30 June 2024.

Valuation adjustments during the rating year

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

- These adjustments must still be based on 2022 market prices, to maintain consistency across the tax base; and
- Rates charges cannot be changed to reflect the adjusted valuation until the next rating year (i.e. from 1 July)

Inspection of rates information

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

Rates for 2023/24

All of the rates and amounts set out in this document are proposed to apply to the rating year commencing 1 July 2023 and ending 30 June 2024, and include GST of 15 percent.

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

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

General rates

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

Purpose of general rates:

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

Value-based General Rate Differentials

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

The differential categories are defined as follows:

Standard

Any rating unit which is:

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

(b) a Council-operated utility network; or

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

Business

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

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

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

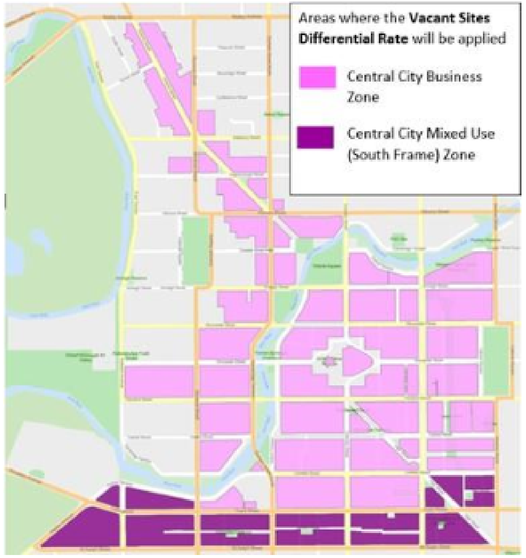
City Vacant

Any rating unit:

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

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

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



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

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

(b) in a temporary use that:

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

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

Remote Rural

Any rating unit which is:

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

(b) either

i. greater than 20 hectares in size; or

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

(c) either:

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

ii. vacant land not otherwise used.

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

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

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

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

The Business Differential is 2.22 (increased from 1.697 in 2022/23) and the City Vacant Differential is 4.523 (increased from 4 in 2022/23). The Remote Rural Differential is 0.75 (unchanged from 2022/23).

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

Differential category	Rates (cents / $)	Differential factor	Rev ($000)
Standard	0.211685	1.000	272,461
Business	0.469940	2.220	140,568
City Vacant	0.957449	4.523	2,443
Remote Rural	0.158763	0.750	5,985

Uniform Annual General Charge (UAGC)

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

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

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

Land	Basis	Rates ($)	Revenue ($000)
All land in District	SUIP	153.00	28,996

Targeted rates

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

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

Water Supply Targeted Rate:

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

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

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

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

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

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

Categories	Rates (cents / $)	Differential Factor	Rev ($000)
Connected	0.067836	1.00	107,270
Serviceable	0.033918	0.50	1,291

Restricted Water Supply Targeted Rate:

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

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

Categories	Rates ($)	Revenue ($000)
Connected	390.00	301

Water Supply Fire Connection Rate

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

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

Categories	Rates ($)	Revenue ($000)
Connected	125.00	139

Excess Water Supply Commercial Targeted Rate

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

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

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

Categories	Rates ($ per m^3 of excess water supplied)	Revenue ($000)
Liable	1.35	3,181

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

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

(b) boarding houses

(c) motels

(d) rest homes

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

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

For example, if a rating unit is assessed $1,000 for the Water Supply Targeted Rate, that rating unit's water supply targeted rate allowance for the year is 740.7 cubic metres ($1,000 divided by $1.35/m^3), which is 2.03 cubic metres per day. If the meter readings are 91 days apart then the allowance is 184.7 cubic metres for that billing period (2.03 m^3/day x 91 days).

Liability for the Excess Water Supply Commercial Targeted Rate for that billing period is for any consumption by that rating unit over 184.7 cubic metres. So if 300 cubic metres were used in that billing period, the liability for the Excess Water Supply Commercial Targeted Rate for that billing period would be $155.68 incl GST, which is the excess usage of 115.3 cubic metres (300m^3 – 184.7m^3) times the rate of $1.35/m^3.

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

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

Excess Water Supply Residential Targeted Rate

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

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

Liability for the Excess Water Supply Residential Targeted Rate is calculated as a number of cents per cubic metre of water used in excess of an allowance of 0.9 cubic metres per day per separately used or inhabited part (SUIP) of a rating unit.

Categories	Rates ($ per m^3 of excess water supplied)	Revenue ($000)
Liable	1.35	2,522

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

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

Land Drainage Targeted Rate

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

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

Categories	Rates (cents / $)	Revenue ($000)
Within serviced area	0.035731	55,952

Sewerage Targeted Rate

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

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

Categories	Rates (cents / $)	Revenue ($000)
Within serviced area	0.075347	124,013

Active Travel Targeted Rate

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

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

Land	Basis	Rates ($)	Revenue ($000)
All land in District	SUIP	20.00	3,778

Heritage Targeted Rate

The purpose of this rate is to fund:

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

The rate will recover these costs over 30 years. The rate is planned to cease in 2051/52. The rate will be phased in over three years from 2021/22, so the rate will increase in 2022/23 and again in 2023/24 to reach a level consistent with recovering the full capital costs above (excluding interest).

It is assessed on all rating units in the District.

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

Categories	Rates (cents / $)	Revenue ($000)
All land in District	0.001886	3,072

Special Heritage (Arts Centre) Targeted Rate

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

The rate is planned to cease in 2031/32. It is assessed on all rating units in the District.

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

Categories	Rates (cents / $)	Revenue ($000)
All land in District	0.000416	677

Special Heritage (Cathedral) Targeted Rate

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

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

Land	Basis	Rates ($)	Revenue ($000)
All land in District	SUIP	6.52	1,231

Waste Minimisation Targeted Rate

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

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

- Properties in the CBD area that receive the inner city bag collection service (refer to map below):

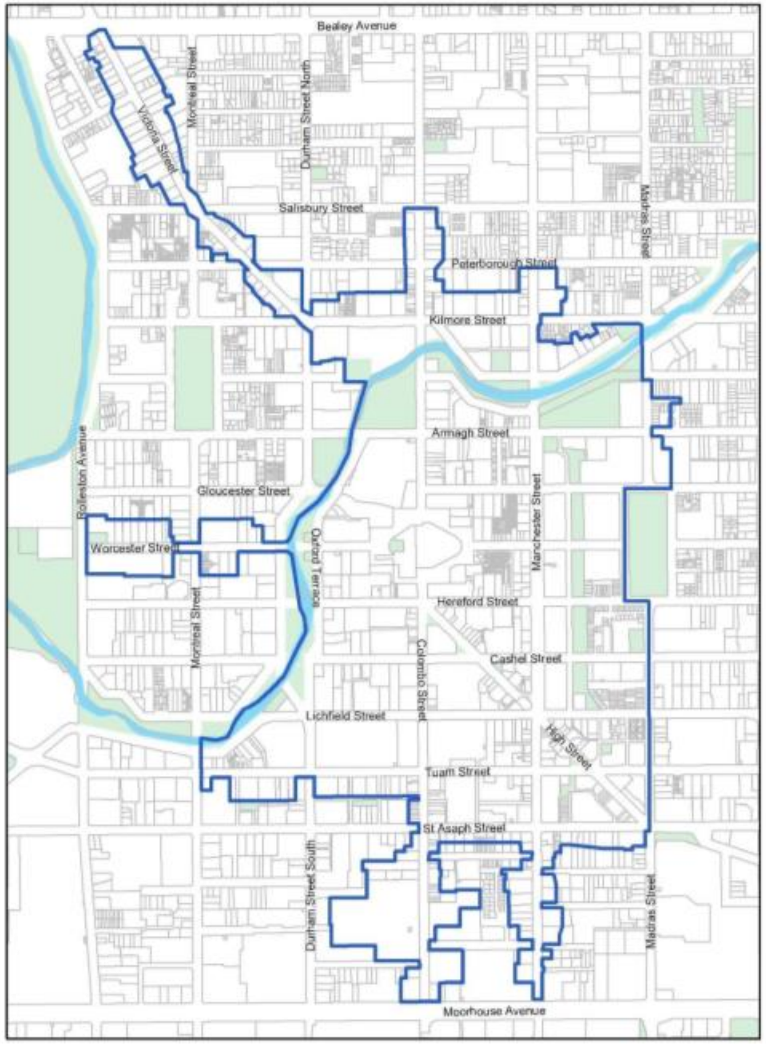
- land which does not have improvements recorded,
- land with a storage shed only and the capital value is less than or equal to $175,000.

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

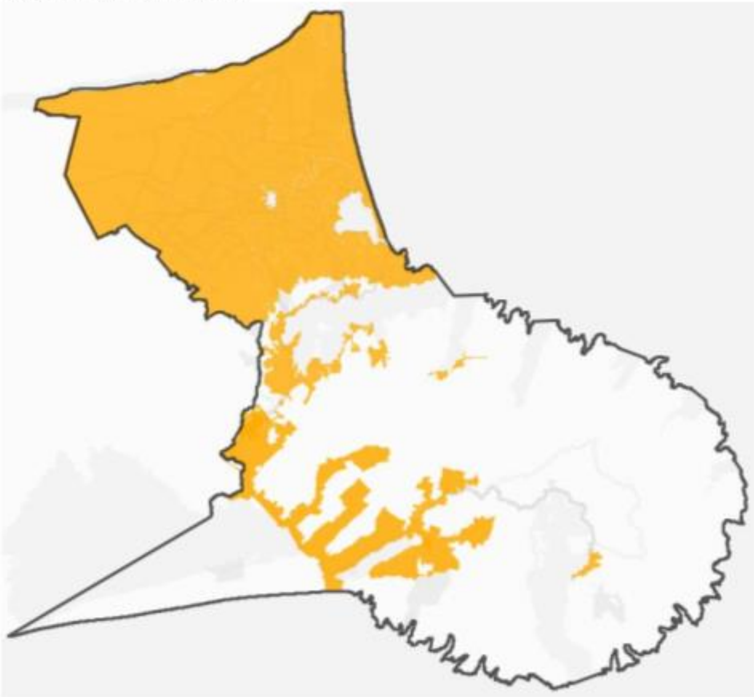
Liability for the Waste Minimisation Targeted Rate is calculated as a fixed dollar amount for each separately used or inhabited part of a rating unit that is within the land described above and assessed for the UAGC.

Categories	Basis	Rates ($)	Revenue ($000)
Full charge	SUIP	184.75	32,495
Part charge	SUIP	138.56	199

Inner City Bag Collection Service Area



Kerbside Collection Area



Item 3

Attachment D

Central City Business Association Targeted Rate

The purpose of this rate is to fund a $210,000 (plus GST if any) grant to the Central City Business Association (CCBA) to support their activities.

It is assessed on all business rating units in the CCBA Area that have a land value greater than or equal to $90,000.

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

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

Land	Basis	Rates ($)	Revenue ($000)
Business rating units within the CCBA Area with a land value greater than or equal to $90,000	Rating Unit	392.36	242

CCBA Area

Penalties

The following penalties on unpaid rates will be added in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002:

Late payment penalty: A penalty of 10 per cent will be added to any portion of an invoiced amount not paid on or by the due date. The date on which these penalties will be added is specified in Council resolutions.

First arrears penalty: An additional penalty of 10 per cent will be added on 1 October 2023 to any rates assessed, and any penalties added, before 1 July 2023 and which remain unpaid on 1 October 2023.

Second arrears penalty: A further penalty of 10 per cent will be added if any rates to which the first arrears penalty has been added remain unpaid on 1 April 2024.

Indicative rates

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

The overall average rates increase to existing ratepayers this year is 6.33%. The rates increase experienced by each individual property will differ from this overall average, depending on:

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

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

(c) The 2022 capital value of the property.

(d) The extent to which the property's capital value has increased in the 2022 revaluation relative to other properties.

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

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

The tables below show the components of the overall rates payable in 2023/24 for a range of property values in each sector.

Standard properties (includes residential houses)

- Around 161,000 properties pay the standard value-based General Rate (mostly houses).
- They typically pay the value-based General Rate (Standard), the UAGC, and targeted rates for Water Supply (Connected), Land Drainage, Sewerage, Heritage, Special Heritage (Arts Centre), Waste Minimisation (Full Charge), Active Travel and Special Heritage (Cathedral).
- For properties classified by our valuation service provider as residential dwellings and flats (excluding multi-unit properties and vacant sections):
    - The average Capital Value (CV) is 764,364
    - Typical CCC rates on this average property are $3,367

Breakdown of 2023/24 annual rates ($) for a standard property:

	Fixed rates ($)					Value-based rates ($)							
CV	UAGC	Waste Min. (Full)	Active Travel	Special Heritage (Cathedral)	All fixed rates	General Standard	Water Connected	Land Drainage	Sewerage	Heritage	Special Heritage (Arts Centre)	All value-based rates	Total ($)
200,000	153.00	184.75	20.00	6.52	364.27	423.37	135.67	71.46	150.69	3.77	0.83	785.80	1,150.07
400,000	153.00	184.75	20.00	6.52	364.27	846.74	271.34	142.92	301.39	7.54	1.66	1,571.60	1,935.87
500,000	153.00	184.75	20.00	6.52	364.27	1,058.43	339.18	178.66	376.74	9.43	2.08	1,964.51	2,328.78
600,000	153.00	184.75	20.00	6.52	364.27	1,270.11	407.02	214.39	452.08	11.32	2.50	2,357.41	2,721.68
700,000	153.00	184.75	20.00	6.52	364.27	1,481.80	474.85	250.12	527.43	13.20	2.91	2,750.31	3,114.58
800,000	153.00	184.75	20.00	6.52	364.27	1,693.48	542.69	285.85	602.78	15.09	3.33	3,143.21	3,507.48
1,000,000	153.00	184.75	20.00	6.52	364.27	2,116.85	678.36	357.31	753.47	18.86	4.16	3,929.01	4,293.28
1,500,000	153.00	184.75	20.00	6.52	364.27	3,175.28	1,017.54	535.97	1,130.21	28.29	6.24	5,893.52	6,257.79
2,000,000	153.00	184.75	20.00	6.52	364.27	4,233.70	1,356.72	714.62	1,506.94	37.72	8.32	7,858.02	8,222.29
Average House													
764,364	153.00	184.75	20.00	6.52	364.27	1,618.04	518.51	273.12	575.93	14.42	3.18	3,003.20	3,367.47

Business properties

- Around 14,300 properties pay the Business value-based General Rate
- They typically pay the value-based General Rate (Business), the UAGC, and targeted rates for Water Supply (Connected), Land Drainage, Sewerage, Heritage, Special Heritage (Arts Centre), Waste Minimisation (Full Charge), Active Travel and Special Heritage (Cathedral).
- Central city business properties may also pay the Central City Business Association (CCBA) Targeted Rate. The table below relates to ratepayers that do not pay those rates.
- For properties classified by our valuation service provider as commercial or industrial:
  - The average CV is 2,442,382
  - Typical CCC rates on this average property are $16,268

Breakdown of 2023/24 annual rates ($) for a business property:

	Fixed rates ($)					Value-based rates ($)							
CV	UAGC	Waste Min. (Full)	Active Travel	Special Heritage (Cathedral)	All fixed rates	General Business	Water Connected	Land Drainage	Sewerage	Heritage	Special Heritage (Arts Centre)	All value-based rates	Total ($)
200,000	153.00	184.75	20.00	6.52	364.27	939.88	135.67	71.46	150.69	3.77	0.83	1,302.31	1,666.58
500,000	153.00	184.75	20.00	6.52	364.27	2,349.70	339.18	178.66	376.74	9.43	2.08	3,255.78	3,620.05
1,000,000	153.00	184.75	20.00	6.52	364.27	4,699.40	678.36	357.31	753.47	18.86	4.16	6,511.56	6,875.83
1,500,000	153.00	184.75	20.00	6.52	364.27	7,049.10	1,017.54	535.97	1,130.21	28.29	6.24	9,767.34	10,131.61
2,000,000	153.00	184.75	20.00	6.52	364.27	9,398.80	1,356.72	714.62	1,506.94	37.72	8.32	13,023.12	13,387.39
2,500,000	153.00	184.75	20.00	6.52	364.27	11,748.50	1,695.90	893.28	1,883.68	47.15	10.40	16,278.90	16,643.17
3,000,000	153.00	184.75	20.00	6.52	364.27	14,098.20	2,035.08	1,071.93	2,260.41	56.58	12.48	19,534.68	19,898.95
4,000,000	153.00	184.75	20.00	6.52	364.27	18,797.60	2,713.44	1,429.24	3,013.88	75.44	16.64	26,046.24	26,410.51
5,000,000	153.00	184.75	20.00	6.52	364.27	23,497.00	3,391.80	1,786.55	3,767.35	94.30	20.80	32,557.80	32,922.07
Average Business													
2,442,382	153.00	184.75	20.00	6.52	364.27	11,477.73	1,656.81	872.69	1,840.26	46.06	10.16	15,903.72	16,267.99

Remote Rural properties

- Around 2,300 properties pay the Remote Rural value-based General Rate.
- They typically pay the value-based General Rate (Remote Rural), the UAGC, and targeted rates for Heritage, Special Heritage (Arts Centre), Waste Minimisation (Part Charge), Active Travel and Special Heritage (Cathedral).
- For properties classified by our valuation service provider as rural:
  - The average CV is 1,557,204
  - CCC rates on this average-value property are $2,826

Breakdown of 2023/24 annual rates ($) for a remote rural property:

	Fixed rates ($)					Value-based rates ($)				
CV	UAGC	Waste Min. (Part)	Active Travel	Special Heritage (Cathedral)	All fixed rates	General Remote Rural	Heritage	Special Heritage (Arts Centre)	All value-based rates	Total ($)
200,000	153.00	138.56	20.00	6.52	318.08	317.53	3.77	0.83	322.13	640.21
500,000	153.00	138.56	20.00	6.52	318.08	793.82	9.43	2.08	805.33	1,123.41
800,000	153.00	138.56	20.00	6.52	318.08	1,270.10	15.09	3.33	1,288.52	1,606.60
1,000,000	153.00	138.56	20.00	6.52	318.08	1,587.63	18.86	4.16	1,610.65	1,928.73
1,500,000	153.00	138.56	20.00	6.52	318.08	2,381.45	28.29	6.24	2,415.98	2,734.06
2,000,000	153.00	138.56	20.00	6.52	318.08	3,175.26	37.72	8.32	3,221.30	3,539.38
3,000,000	153.00	138.56	20.00	6.52	318.08	4,762.89	56.58	12.48	4,831.95	5,150.03
4,000,000	153.00	138.56	20.00	6.52	318.08	6,350.52	75.44	16.64	6,442.60	6,760.68
5,000,000	153.00	138.56	20.00	6.52	318.08	7,938.15	94.30	20.80	8,053.25	8,371.33
Average Remote Rural Property										
1,557,204	153.00	138.56	20.00	6.52	318.08	2,472.26	29.37	6.48	2,508.11	2,826.19

Rates analysis

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

Typical houses

A typical house pays the following rates:

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

The following table shows rates increases for typical houses of varying sizes. It assumes that the valuation for each house increases in the 2022 General Revaluation by the average amount for houses: 47.7%.

Typical houses

2023/24		2022/23		Rates Change		
CV	Rates	CV	Rates	$ per year	$ per week	%
300,000	$ **1,542.97**	203,152	$ 1,460.04	$ **82.93**	$ 1.59	5.68%
400,000	$ **1,935.87**	270,869	$ 1,826.38	$ **109.49**	$ 2.11	5.99%
500,000	$ **2,328.78**	338,586	$ 2,192.72	$ **136.05**	$ 2.62	6.20%
600,000	$ **2,721.68**	406,304	$ 2,559.07	$ **162.61**	$ 3.13	6.35%
700,000	$ **3,114.58**	474,021	$ 2,925.41	$ **189.17**	$ 3.64	6.47%
800,000	$ **3,507.48**	541,738	$ 3,291.75	$ **215.73**	$ 4.15	6.55%
1,000,000	$ **4,293.28**	677,173	$ 4,024.43	$ **268.85**	$ 5.17	6.68%
1,200,000	$ **5,079.08**	812,607	$ 4,757.11	$ **321.97**	$ 6.19	6.77%
1,500,000	$ **6,257.79**	1,015,759	$ 5,856.13	$ **401.65**	$ 7.72	6.86%
2,000,000	$ **8,222.29**	1,354,345	$ 7,687.84	$ **534.45**	$ 10.28	6.95%
3,000,000	$ **12,151.30**	2,031,518	$ 11,351.25	$ **800.05**	$ 15.39	7.05%
Average House						
764,364	**$ 3,367.47**	**517,607**	**$ 3,161.20**	**$ 206.27**	**$ 3.97**	**6.52%**

The average house will have a rates increase of $3.97 per week.

Typical businesses

A typical business pays the following rates:

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

The following table shows rates increases for typical business properties of varying sizes. It assumes that the valuation for each business increases in the 2022 General Revaluation by the average amount for businesses: 24.4%. It assumes the property does not pay the Central City Business Association (CCBA) Targeted Rate.

Typical businesses

2023/24		2022/23		Rates Change		
CV	Rates	CV	Rates	$ per year	$ per week	%
300,000	$ **2,317.74**	241,119	$ 2,208.77	$ **108.97**	$ 2.10	4.93%
500,000	$ **3,620.05**	401,865	$ 3,440.60	$ **179.45**	$ 3.45	5.22%
1,000,000	$ **6,875.83**	803,729	$ 6,520.19	$ **355.64**	$ 6.84	5.45%
1,500,000	$ **10,131.61**	1,205,594	$ 9,599.77	$ **531.84**	$ 10.23	5.54%
2,000,000	$ **13,387.39**	1,607,458	$ 12,679.36	$ **708.03**	$ 13.62	5.58%
2,500,000	$ **16,643.17**	2,009,323	$ 15,758.94	$ **884.23**	$ 17.00	5.61%
3,000,000	$ **19,898.95**	2,411,187	$ 18,838.53	$ **1,060.42**	$ 20.39	5.63%
4,000,000	$ **26,410.51**	3,214,916	$ 24,997.70	$ **1,412.81**	$ 27.17	5.65%
5,000,000	$ **32,922.07**	4,018,645	$ 31,156.86	$ **1,765.21**	$ 33.95	5.67%
Average Business						
2,442,382	**$ 16,267.99**	**1,963,013**	**$ 15,404.06**	**$ 863.92**	**$ 16.61**	**5.61%**

Typical remote rural

A typical remote rural property pays the following rates:

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

The following table shows rates increases for typical remote rural properties of varying sizes. It assumes that the valuation for each remote rural property increases in the 2022 General Revaluation by the average amount for remote rural properties: 50.1%.

Typical remote rural property

2023/24		2022/23		Rates Change		
CV	Rates	CV	Rates	$ per year	$ per week	%
300,000	$ **801.28**	199,854	$ 801.00	$ **0.27**	$ 0.01	0.03%
500,000	$ **1,123.41**	333,090	$ 1,125.91	$ **(2.50)**	$ (0.05)	-0.22%
800,000	$ **1,606.60**	532,944	$ 1,613.26	$ **(6.66)**	$ (0.13)	-0.41%
1,000,000	$ **1,928.73**	666,180	$ 1,938.16	$ **(9.43)**	$ (0.18)	-0.49%
1,500,000	$ **2,734.06**	999,270	$ 2,750.42	$ **(16.36)**	$ (0.31)	-0.59%
2,000,000	$ **3,539.38**	1,332,360	$ 3,562.68	$ **(23.30)**	$ (0.45)	-0.65%
3,000,000	$ **5,150.03**	1,998,540	$ 5,187.19	$ **(37.16)**	$ (0.71)	-0.72%
4,000,000	$ **6,760.68**	2,664,719	$ 6,811.70	$ **(51.02)**	$ (0.98)	-0.75%
5,000,000	$ **8,371.33**	3,330,899	$ 8,436.21	$ **(64.88)**	$ (1.25)	-0.77%
Average Remote Rural Property						
1,557,204	**$ 2,826.19**	**1,037,378**	**$ 2,843.35**	**$ (17.16)**	**$ (0.33)**	**-0.60%**

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%
Waihoro 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%
Waihoro Spreydon-Cashmere-Heathcote	47	55%	38	45%
Spreydon	8	42%	11	58%
Cashmere	22	81%	5	19%
Heathcote	17	44%	22	56%
Total	219	64%	122	36%

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

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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.

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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%
Waihoro Spreydon-Cashmere-Heathcote	45	47%	50	53%
Spreydon	6	30%	14	70%
Cashmere	9	29%	22	71%
Heathcote	30	68%	14	32%
Total	191	50%	190	50%

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.

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.

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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 if 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.

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
1. Financial Strategy and Infrastructure Strategy			
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	☒
2. Revenue and Financing Policy			
2.1. Does the Annual Plan comply with the revenue and financing policy in the 2021-31 Long Term Plan?		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	☒
		HF	☒
		MRR	☒

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	☒
		HF	☒
		MRR	☒
3.2. Does the funding impact statement contain two components: 3.2.1. a financial statement 3.2.2. information about funding sources. (LGA 2002, sch 10 cl 20(3))	Yes	CFO	☒
		HF	☒
		MCR	☒
3.3. Does the whole-of-council funding impact statement have a nil balance (Financial Reporting Regulations 2014)?	Yes	CFO	☒
		HF	☒
		MCR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	**Sign-Off**
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	☒
		HF	☒
		MRR	☒
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	☒
		HF	☒
		MRR	☒
3.6. Does the funding disclosure include sample models of the impact of the rating proposals for the annual plan?	Yes	CFO	☒
		HF	☒
		MRR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
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	☒
		HF	☒
		HLDS	☒
		MRR	☒
3.8. Has the funding disclosure been checked for consistency with the revenue and financing policy set out in the long term plan?	Yes	CFO	☒
		HF	☒
		MRR	☒
3.9. Is the funding disclosure complete (i.e., is every rate that your local authority proposes to set included)?	Yes	CFO	☒
		HF	☒
		MRR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
4. Financial Statements			
4.1. Does the Annual Plan include forecast financial statements for the financial year covered by the plan? (LGA 2002, sch 10 cl 18)	Yes	CFO	☒
		HF	☒
		MCR	☒
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	☒
		HF	☒
		MCR	☒
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	☒
		HF	☒
		GFC	☒
		CFO	☒

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	☒
		MRR	☒
4.5. Has the Annual Plan included a statement showing the objectives for reserves, the starting and end balance for reserves and any movements in reserves? (LGA 2002, sch 10 cl 21)	Yes	CFO	☒
		HF	☒
		MCR	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
4.6. Have disclosures been made with respect to the Council's intended level of performance against fiscal benchmarks and indicators? (Financial Reporting Regulations 2014)?	Yes	CFO	☒
		HF	☒
		MCR	☒
4.7. Are the prospective financial statements in the Annual Plan prepared in accordance with the appropriate financial reporting standards? • LGA 2002, Schedule 10, Section 18 – Forecast financial statements • PBE FRS 42		CFO	☒
		HF	☒
		GFC Accounting Policies Only	☒
4.8. Has review of required disclosures in the prospective financial statements been performed? LGA 2002, Schedule 10		CFO	☒
		HF Consistent format.	☒
		GFC Accounting Policies Only	☒
		MCR	☒

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	☒
		HF	☒
		MCR	☒
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	☒
		HF	☒
		MCR	☒
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	☒
		HF	☒
		MCR	☒

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

AREA	COMMENTS	ASSESSMENT	
		Responsibility	Sign-Off
		HF	☒
6. Forecasting Assumptions – See also Sign-off for Forecasting Assumptions where individual assumptions are signed off			
6.1. Has the Annual Plan identified all of the significant forecasting assumptions and risks? (LGA 2002, sch 10 cl 17(a))		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	☒
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	☒
		HF	☒
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	☒
		HF Conservative Budgeting for Capital Revenues	☒
6.7. Does the Annual Plan include the following (if not, should it)? 6.7.1. service level assumptions	Unchanged from LTP	CFO	☒
		HF	☒
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	☒
		HF	☒

AREA	COMMENTS	ASSESSMENT Responsibility	ASSESSMENT 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	☒
7. Capital Expenditure			
7.1. Does the capital expenditure show the following detail for each group of activity? (LGA 2002, sch 10 cl 3) • amount to meet additional demand • amount to improve levels of performance • amount to replace existing assets	Not required for an Annual Plan	CFO	☒
		HF	☒
		MCR	☒
		HPMO	☒
8. Proposed changes to levels of service			
8.1. Do proposed changes to levels of service include significant or material differences from the content of the 2021-31 Long Term Plan (LGA 2002 Section 95 2A)	No 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	☒
9. Proposed Fees and Charges			
9.1. Fees and charges schedules - have these been prepared in line with LGA 2002 Section 12 and LGA 2002 Section 150 or other relevant legislation (e.g., Dog Control Act 1990, Building Act 2004, Food Act 2014, etc.) ***NOTE:*** *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*	Yes	ACE	☒
		CFO	☒
		HF	☒
		MCR	☒
		H3W	☒
		HTW	☒
		HPC	☒
		HRC	☒

AREA	COMMENTS	ASSESSMENT	
		Responsibility	**Sign-Off**
		HBC	☒
		HPA	☒
		HRSE	☒
		HLI	☒
		DAG	☒
		HOCE	☒
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	☒

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
CFO	Chief Financial Officer, GM Resources	33
HF	Head of Finance	33
MCR	Manager Corporate Reporting	3
GT	Group Treasurer	5
GFC	Group Financial Controller	3
HCPP	Head of Corporate Planning and Performance	4

Initial	Position	Number of sign-offs
HLDS	Head of Legal and Democracy Services	3
HPMO	Head of Programme Management Office	1
HSPR	Head of Strategic Policy and Resilience	1
HPA	Head of Parks	3
H3W	Head of Three Waters	5
HTW	Head of Transport and Waste	4

Initial	Position	Number of sign-offs
HCGP	Head of City Growth & Property	3
SMF	Senior Manager Facilities	3
FBP-IPRS	Finance Business Partner for Infrastructure, Planning & Regulatory Services	1
FBP-Res	Finance Business Partner for Resources	1

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	☒
		HF	☒
Where levels of uncertainty are high then the LTP must disclose: • The fact of the uncertainty • An estimate of the uncertainty on the financial estimate (Cl. 17, Sch. 10, LGA).	Not an LTP	CFO	☒
		HF	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
1. Capital Programme and infrastructure assets					
1 **Capital Works.** Programmes and projects are assumed to be delivered within budget and on time. The capital programme is generally managed within overall budget allocations requiring changes to programme or project budget to be found within available budgets. At a corporate level provision is made for delayed delivery by forecasting an annual capital budget carry forward based on delivery trends. There may also be some projects delivered ahead of forecast and these will be managed within borrowing allowances via bring backs.	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: • Possible additional reactive opex; not all delays lead to additional costs. • Possible reduction in opex if the delay relates to a new facility.	CFO	☒
				HF	☒
				HPMO	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
	See also 3.8 for Covid impact.		• Projects may cost more than planned due to inflation. • Less funds will need to be borrowed in the short term. Delaying new borrowing will impact on the timing of financing costs. • Possible reduction to levels of service. • Any inflationary increase in Council's costs that is not offset by efficiency gains or revenue is likely to impact the timing of future works or increase borrowing.		
1.1 **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	☒ ☒ ☒ ☒ ☒

Christchurch City Council

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	☒
1.3 **Carrying value of assets.** 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. Wastewater, water supply and stormwater assets, were revalued as at 30 June 2020, and a fair value assessment undertaken at 30 June 2022. Roading assets were revalued as at 30 June 2022. 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.	CFO	☒
				HF	☒
				MCR	☒
				GFC *New note added 28 January 2022*	☒
2. Inflation, Growth and Population					
		Moderate		CFO	☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
2.1 **Inflation.** The price level changes projected will occur. Council has considered both information provided by Business Economic Research Limited to all local authorities and a weighted mix of its own cost inputs in determining appropriate inflators. 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 MCR	☒ ☒
2.2 **Economic Environment.** 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: • Economic growth is projected to decline in 2023 as tighter monetary policy dampens demand to more sustainable levels, resulting in a mild recession. • Annual consumer price index inflation si 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.	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: • An unexpected increase in inflation • An increased incidence of supply chain interruptions and delays • An increase in late and non-payment of rates	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 HF HCPP	☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
• 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. • 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. 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.					
2.3 Development contributions revenue. 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.				
2.4 **Population.** 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	☒ ☒ ☒
2.5 **Rating Base.** 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
2.6 Aging population. The number of people over the age of 65 is expected to increase by 80% by 2051 to 117,800 (24%). 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	☒ ☒
3. Impact of policies and external factors					
3.1 Council policy. 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	☒ ☒ ☒
3.2 Waka Kotahi subsidies. The Current Funding Assistance Rate (FAR) of 51% on qualifying expenditure will not change. We will receive the total amount of subsidy that we have assumed we will receive.	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.		
3.3 **Resource Consents.** Conditions of resource consents held by Council will not be significantly altered.	Conditions required to obtain/maintain the consents will change, leading to the costs to obtain resource consents and/or implement consent conditions being higher than anticipated. These costs would not be covered by planned funding. Council is currently working through the Akaroa wastewater consent issues.	Moderate/ Low	Advance warning of likely changes is anticipated. The financial impact of failing to obtain/renew resource consents cannot be quantified.	CFO HF H3W	☒ ☒ ☒
3.4 **Legislative and Regulatory change.** The Government has initiated three significant reform programmes that will in time impact on the legislative and regulatory frameworks	Should the local government legislative environment change, the activities and services the Council plans to provide over the period of this Plan could change which could impact on Council's costs and revenue requirements.	Low	The Government has several review programmes in progress which will significantly change the roles and responsibilities of local government as changes are implemented over time. At the time of preparing this Plan the Council is unable to determine how any potential legislative change might impact	CFO HF HLDS	☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
within which local government currently operates. These reform programmes are; three waters reform, resource management reform and the future for local government review. Given the expected timelines of the review processes the Council has assumed that no significant legislative or regulatory change will impact on the Council in the coming year, although this might change if the government follows through on its intention to enact the water service entities bill this year. The reform programmes are each covered in more detail below.			its operations or quantify the potential financial impact. Expected costs relating to enactment of the RMA (Housing Bill) and to the Council's involvement in Government reform processes have been incorporated in this Plan.		
3.5 Three Waters Reform. The Council will continue to deliver three waters services over the life of the Annual Plan. It is assumed that the transfer of assets and liabilities to the new Entity will occur at midnight on 30 June 2026.	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.	Low	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. 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.	CFO HF H3W	☒ ☒ ☒
		Low		CFO	☒

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3.6 Potential climate change impacts. The Ministry for the Environment and Stats NZ "Environment Aotearoa 2019" report states all aspects of life in New Zealand will be impacted by climate change. The 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 HSPR	☒ ☒
3.7 Future for Local Government Review. 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 HF HLDS	☒ ☒ ☒
3.8 Impact of Covid–19 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 HF HTW H3W HPA	☒ ☒ ☒ ☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
			previously and has plans in place to minimise disruption. The Council is now significantly better prepared to have staff work from home if required.	HCGP SMF	☒ ☒
4. Borrowing Related					
4.1 Credit Rating. 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. 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.	CFO HF GT	☒ ☒ ☒

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4.2 **Borrowing Costs.** 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 HF GT	☒ ☒ ☒
4.3 **Securing External Funding.** 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 HF GT	☒ ☒ ☒
4.4 **LGFA Guarantee.** 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 HF	☒ ☒
4.5 **Opening Debt:** 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 HF	☒ ☒

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• $221 million of equity investments, mainly in CCTOs (Venues Ōtautahi Ltd $185 million), • $816 million of money borrowed for on-lending, (in accordance with the Council's Liability Management Policy), • $1,243 million of capital works and earthquake related borrowing. There is an additional $61.5 million borrowed internally from the Capital Endowment Fund. • $85 million finance lease (Civic Building).	the debt servicing costs may be higher than budgeted.		unlikely that opening debt will be significantly different to forecast.	MCR GT	☒ ☒
5. Investment related					
5.1 Return on investments. 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	☒ ☒ ☒
5.2 Value of Investment in Subsidiaries 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	☒
6.2 Contract Rates. 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 Councils 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 HF HTW H3W HPA SMF	☒ ☒ ☒ ☒ ☒ ☒

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			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.		
7. Insurance cover and natural disaster financing					
7.1 Insurance cover. The Council has adequate Material Damage cover for all above ground buildings which are undamaged and fire cover for significant unrepaired buildings.	Risk of major loss through fire	Low	The results of external and independent modelling carried out during 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 HF	☒ ☒

Assumption	Risk	Level of Uncertainty	Reasons and Financial Impact of Uncertainty	Responsibility	Sign-Off
7.2 **Natural disaster financial implications.** 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 governmnet 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 HF	☒ ☒

Karakia Whakamutunga

Closing Prayer

Unuhia, unuhia Unuhia ki te uru tapu nui Kia wātea, kia māmā, te ngākau, Te tinana te wairua i te ara takatā Koia rā e Rongo, whakairia ake ki runga Kia tina! TINA! Hui e! TĀIKI E!	Draw on, draw on, Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind Rongo, suspended high above us (i.e. in 'heaven') Draw together! Affirm!