Audit and Risk Management Committee
PUBLIC EXCLUDED ATTACHMENTS - UNDER SEPARATE COVER
Confidential

Date:	**Thursday 8 February 2024**
Time:	**9.30 am**
Venue:	**Committee Room 1, Level 2, Civic Offices, 53 Hereford Street, Christchurch**

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Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
Plain English Reason:	Council report and key attachments will be released on the public agenda on the 9 February 2024 for adoption meeting of the 14 February 2024.
Report can be reviewed for potential release:	14 FEBRUARY 2024 COUNCIL ADOPTION MEETING.

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Te Mahere Rautaki Kaurera

Our Draft Long Term Plan

(2024–2034)

[Document in development]

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[DRAFT] Mayor's introduction

[To be reviewed by the Mayor]

I got into this job because I love this city. It's a beautiful place – and the progress it's made in the last decade has been incredible to watch.

Christchurch City Council has delivered a staggering number of significant projects in the last 10 years – Tūranga, Taiora QEII, countless post-quake road and pipe renewals, the restored Town Hall, you name it.

Truth be told, my colleagues and I find all of our city's recent achievements quite humbling. We want to build on this foundation and do our predecessors – and all of you – proud as we plot out the next 10 years. We've got Te Kaha, Parakiore, Matatiki Hornby Centre, a new South Library and Service Centre, The Court Theatre and the Ōtākaro Avon River Corridor in the pipeline to name a few. We've also got those Council services – water, kerbside collection, libraries – you've come to expect.

There's lots to be done, and it's all good stuff – but how much we do, and how we pay for it, is where you come in.

One idea we floated early on was giving our holding company, Christchurch City Holdings Limited (CCHL), a more flexible mandate to look out how it can use its portfolio of assets could deliver greater intergenerational value, and a more sustainable dividend flow to the Council. However, in December our councillors decided not to progress the business case for this. They instead opted for CCHL to lift portfolio returns over time through stronger oversight of capital management, and operational improvements. It was a strong debate and a close vote, but as I said at the time, I'm sure that CCHL's enhanced status quo will see an improved result for our city.

We also made a decision as a Council not to cut the services we deliver. You told us you wanted us to keep delivering the core services and that's what we intend to do.

I'd like to remind you of the tough environment we're operating in. It's a familiar story at this point, but as you prepare your submission, it's important to understand there are a lot of factors outside our control, like interest costs and inflation, that make planning ahead difficult.

The current draft of the LTP has the Council spending $6.252 billion on its capital projects over the next 10 years. It addresses the range of demands created by our aging assets, the need for the infrastructure required to support our growing population, and the challenges of climate change – and balances them with what we can realistically deliver, and what ratepayers can afford.

And remember, none of these decisions have been set in stone yet. First, we need to hear what you have to say. Once you've all had your say, I'll get to work with our councillors and Council staff to try and deliver as many of your priorities as possible, all while keeping the projected rates increase as low as possible. We'll also be considering operating costs and how to maintain levels of service.

Our elected councillors are committed to protecting and investing in the city we all call home, and we'd love to have you alongside us as we plot out the next decade.

Phil Mauger

Mayor of Christchurch

[DRAFT] Chief Executive's introduction

[To be reviewed by the CE]

Both nationally and locally, organisations and individuals are grappling with challenging economic conditions and the rising cost of living. Christchurch City Council is not immune to these economic conditions or rising costs and, like many others, we are facing financial challenges in the short to medium term.

As an organisation, we are vulnerable to external influences outside our control. We need to change how we approach issues to ensure we are agile and can respond decisively to changing conditions outside our control. To do this, we need to maintain a good understanding of what's going on, both internationally and locally, and the impacts these influences may have on both our long- and short-term planning and our day to day business.

What Matters Most, which was our early engagement campaign on the 2024–2034 Long Term Plan (LTP), explored what our residents value the most when it comes to Council services. The findings from the campaign highlighted that there are some issues that residents generally agree are really important, and some issues that matter more to some than to others. It's also reinforced what we regularly hear in our residents' surveys. Our challenge now is to balance these competing values and priorities alongside the financial challenges that the Council is facing as we consult on, and finalise the LTP.

In the first two years of the 2024–2034 LTP, the Council is facing a number of increases to costs that are outside our control. These include changes to interest and inflation, the rising cost of insurance, higher costs to maintain our assets, increases in the cost of electricity, and changes and reductions to external funding. Of these changes, interest, inflation and rising insurance costs are having the greatest impact and will cause the most pressure in the first two years of the LTP.

This draft LTP proposes an average rates increase of 15.58%, which includes the costs of delivering Te Kaha – Canterbury's Multi-Use Arena.

A note on Te Kaha – in July 2022, following public consultation, councillors approved a Design and Construction contract for Te Kaha that added a further $150 million to the project budget. We expect the construction of Te Kaha to have a significant financial impact in the first two years of the LTP. In the first year, the rates impact of Te Kaha is around 3%. We signalled this impact on rates at the time of the decision, so this hasn't come as a surprise as we developed this LTP. Te Kaha will contribute significantly to some of the community services we provide, including events, arts, recreation and sport, and more.

Developing this LTP has been a group effort. Since July 2023, staff and elected members have worked together to deliver an LTP that meets the expectations of our elected members and the needs and expectations of our residents and communities. Many of these briefings have been shared with the public, providing more community oversight of the development of the LTP than we've had in the past. Thank you for being part of this process, and we look forward to hearing your feedback.

Mary Richardson

Interim Chief Executive

Christchurch City Council

[Breakout info box]

Before we begin… What is a Long Term Plan?

Christchurch City Council's Long Term Plan 2024–34 (LTP) is our budget for the next 10 years.

It sets out what we plan to achieve over the next decade, and how it will be funded. It's our commitment to delivering the services and infrastructure our city needs to thrive, and an opportunity for everyone to shape the future of our city.

Although the plan covers a 10 year period, we go through this process every three years – and it's something that all local authorities must do. The next LTP will be for 2027–2037.

Each LTP focuses on the 'big picture' – our opportunities and challenges – and how we plan to manage them.

We review our plans regularly to make sure they're still appropriate. If we want to make any changes in the future, we can incorporate them into our Annual Plans – these give us an opportunity to change course more quickly if we need to, instead of waiting for the next LTP.

What matters most?

To help us develop this Draft LTP, we have been out and about in the community talking about what matters most to you.

As a Council, we are required by legislation, national policy, and government direction to do a whole range of core services. We often hear that our residents want us to 'stick to the basics'. However, it's also clear from the feedback we receive that there are a lot of different expectations about what the basics actually are – one person's 'must haves' are another person's 'nice to haves'.

Rather than make any assumptions, we asked residents what matters most to them . . . and the results are in. 4000 participants took part in an activity that let people prioritise the different Council services, and 3,825 who took part in nearly 80 in-person activities across various community events and meetings and at Council facilities like libraries.

The findings from the 'What Matters Most' campaign clearly show there are some services that matter more to our residents. They also reinforce what we regularly hear in our residents' surveys about satisfaction with our services. For example, in What Matters Most you told us that our roads and footpaths, and our parks are a priority, and this is echoed in the results of our residents' surveys.

If there's one thing we can take away from this engagement, it's that everything is important to someone. When combined with our residents' survey results, these findings provide a window into how the community really feels that has been invaluable to councillors and staff in the development of this Draft LTP.

You can read more about the top priorities and what we're doing to support them later in this document.

Our proposed plan

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

- A $15.2 billion budget over 10 years, with $4.5 billion of that planned to be spent in the next three years before we prepare our next Long Term Plan 2027–37.

- Our proposed programme of capital works is fully deliverable – and as big as anything we've delivered before. The total capital investment over ten years is $6.252 billion. For the first three years of this Long Term Plan, we've set our core capital spend at $563 million in the first year, $598 million in the second year, and $638 million in the third year, to ensure we can do all the work we want to deliver in the timeframe we've set.

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

- We're proposing a residential rates increase of 14.9% for an average-valued house ($764,364) for the 2024/25 financial year. This equates to an extra $501.55 a year or $9.65 a week. The cumulative rates increase over the 10 years this Long Term Plan covers will be 53.57%.

- You've told us that investing in roads and transport infrastructure matters to you, as does protecting and upgrading our water networks. This means maintaining and improving the condition of our existing roads, footpaths and cycleways. For the first three years of our Draft Long Term Plan we propose to spend $226 million on road, footpath and cycleway renewals alone, including resurfacing (asphalt, chip seal and pavement reconstruction). We're also proposing to invest $486 million of capital spend on renewing and upgrading our water networks – drinking water, stormwater and flood protection and wastewater – in our first three years.

- We're spending $7.4 billion on day-to-day services the Council provides.

- We're borrowing $2.3 billion for the capital programme and repaying $1.2 billion of existing debt.

- We're making savings of $6.1 million in 2024/25. Over the whole period of the LTP, we've identified $41.0 million of operating costs and additional revenue, without impacting on current levels of service.

The big issues to keep in mind...

Climate resilience

With sea levels rising and storm surges becoming more frequent, the effects of climate change are already being felt in Christchurch and Banks Peninsula. We're adapting to our changing environment and making decisions in the face of uncertainty. This draft LTP reconfirms what we committed to in our last LTP in 2021, and sets the scene for further work in the next LTP that will cover 2027–2037. We're also keeping a close eye on possible changes to the Government's Climate Emergency Response Fund (CERF) and how they could impact our plans.

Paying for Te Kaha – Canterbury's Multi-Use Arena

Christchurch will soon be home to a state-of-the-art multi-use arena. The $683 million project will have a seating capacity of 30,000 for sports events and will hold 36,000 spectators for large music events. The Council has allocated $286 million in the LTP for the remainder of the construction of Te Kaha, and the Crown has already provided $220 million towards the project from the Christchurch Regeneration Acceleration Fund. Completing the construction of Te Kaha will have a significant financial impact in the first two years of the LTP, with the rates impact in the first year sitting at 3.0%, and 2.0% in the second year. Beyond this period, the rates impact is expected to be 0.7%.

Affordability

Our city is growing. That means more people contributing to our economy, but it also means more demand for services. You've told us to keep rates as low as possible while continuing to invest in our city for future generations – this requires a careful balance of priorities and funding, while weighing up the effects of inflation and rising interest rates.

Keeping our assets up to standard

Looking after our aging infrastructure is always a focus, and we're continuing and building on this approach. Across our entire portfolio, we're delivering $3.482 billion in renewing and replacing existing assets alone over the next 10 years. We're taking the same approach that we've taken in our last few budgets – focusing on what we can realistically do, given the wider economic environment.

What matters most? We want to hear what you think.

What do you think of our proposed plan? Have we got the balance right? Have we prioritised the right things? If not, what changes would you like to see?

What do you think of our plan for an average residential rates increase of 14.9% for 2024/25?

Your feedback will help shape this plan. Every LTP we make a whole range of changes based on the feedback we receive, and this may also mean adjustments to rates, debt and service levels.

Have your say at **ccc.govt.nz/whatmattersmost**

Setting the financial scene

All LTPs contain a huge amount of detail, but the central goal is always the same.

Every Council has to weigh up the four major factors at play – capital spending, operational spending, debt, and the money it brings in, including your rates, and then strike a balance that keeps things ticking along.

What's the difference between operational and capital spending?

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

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

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

Our capital programme

For the first three years of this Long Term Plan, we've set our core capital spend at $563 million in the first year, $598 million in the second year, and $638 million. We're making sure we can do all the work we want to deliver in the timeframe we've set. We have deliberately set our capital programme at this level, because we want to ensure it is deliverable – that we can do all the work we want to deliver in the timeframe we have set.

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

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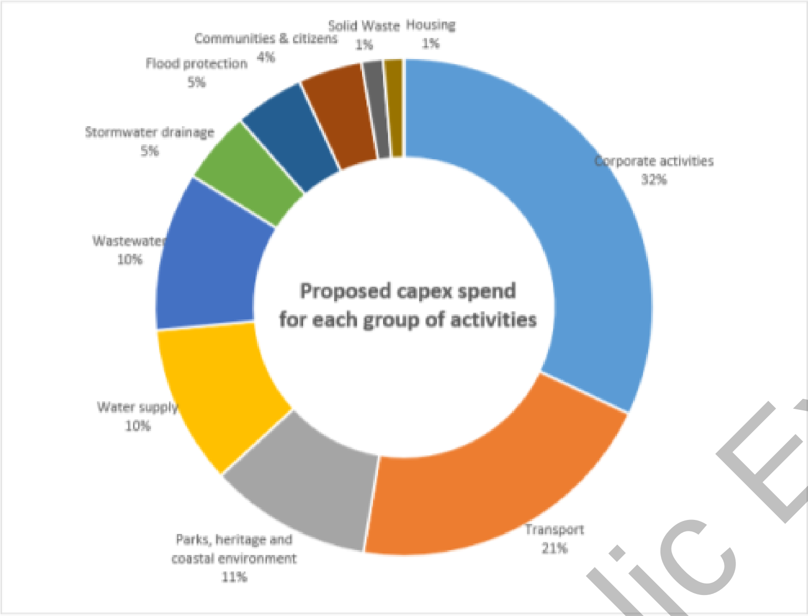
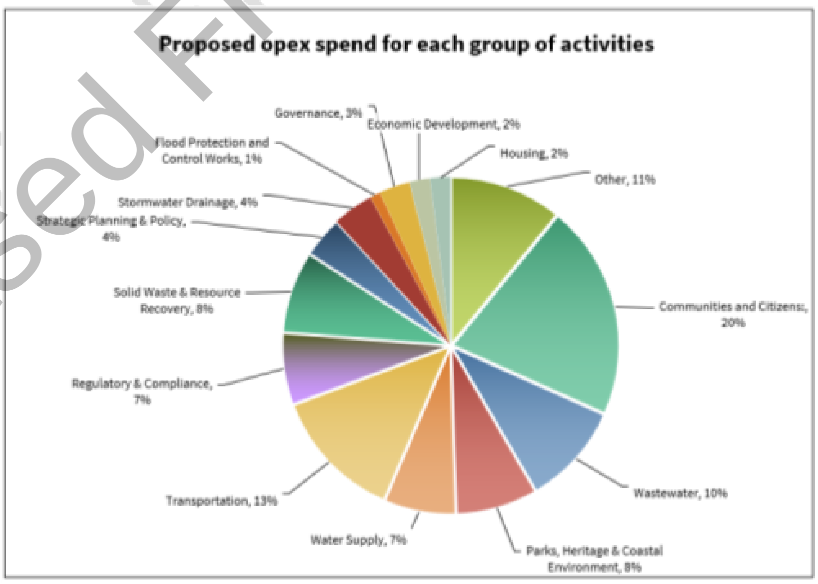


[Graph to be updated]

Our operational costs

For the first three years of this LTP, we've set our core operational spend at $806 million in the first year, $834 million in the second year, and $853 million in the third year. For the remaining seven years of this LTP, our core operational spend will increase to between $867 million and $977 million a year.

[Graph to be updated]



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Our Infrastructure Strategy

Planning for our city's infrastructure goes beyond just building and maintaining. It's about making sure we're set up for success now and in the future, by thinking ahead and tackling challenges as they come.

The Infrastructure Strategy serves as our roadmap for this investment for the next 30 years. It identifies the big challenges we might encounter, proposes solutions, and spells out what they could mean for our community.

It's not just about ensuring that our city's foundational services and structures are strong and dependable – it's also about being able to adapt to the ever-changing landscape shaped by growth, technology, and the environment.

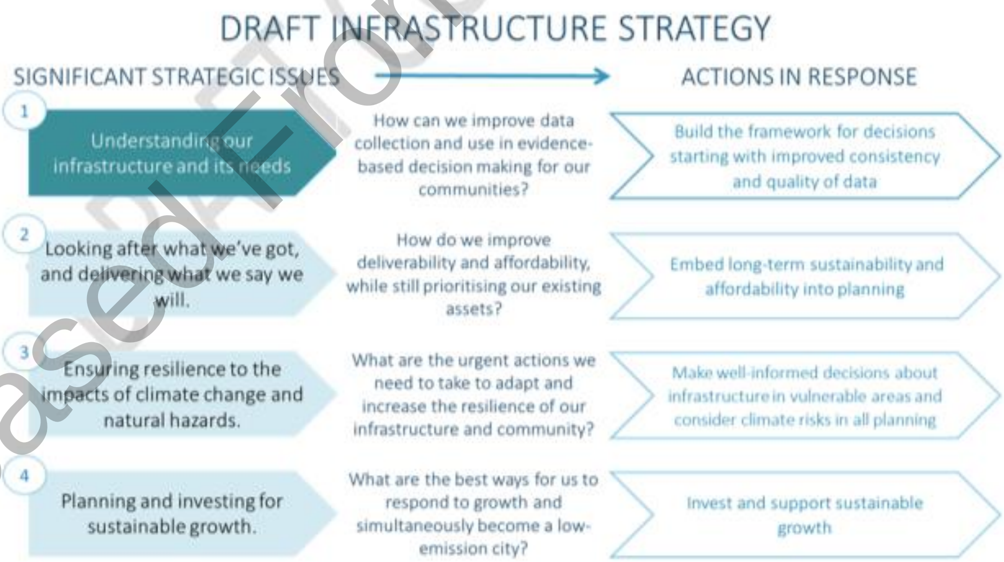
We're using the latest data and technology to make smart choices that will keep Christchurch and Banks Peninsula going strong for many years. We're focused on keeping our city running well for everyone, making sure we spend wisely and that our plans match what our community wants.

The focus is on:

- Water supply
- Wastewater – collection, treatment, and disposal
- Stormwater drainage, flood protection and control works
- Transport – roads, footpaths, active travel, public transport
- Facilities
- Parks
- Solid waste and recycling

The LTP supports this by providing work programmes and budgets for the coming decade.

The Infrastructure Strategy has identified four significant strategic challenges that underpin all of our infrastructure assets and outlines the actions Council will take to fix them.



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Our Infrastructure Strategy isn't just a document. It's our commitment to our communities, promising a city that's robust, resilient, and ready for the future. Read the full Strategy at ccc.govt.nz/whatmattersmost

Our Financial Strategy and rates proposals

It's a balancing act

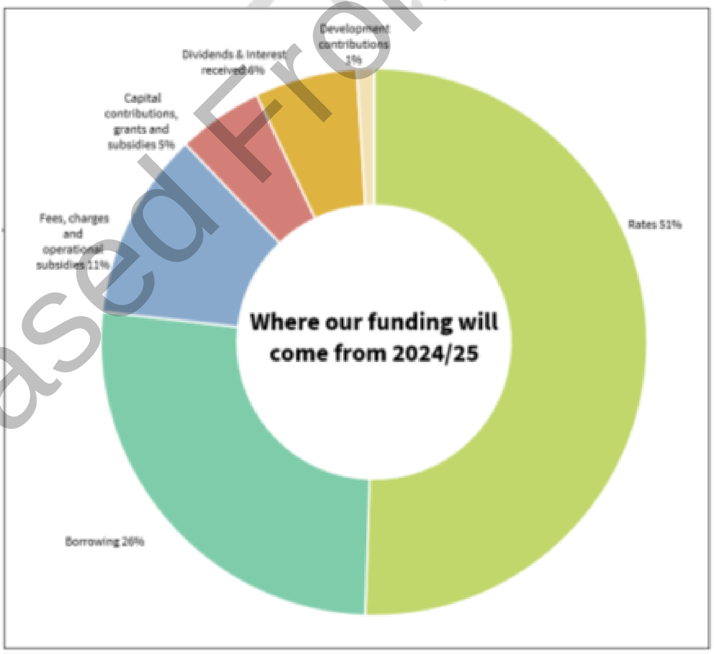
The Financial Strategy describes the Council's current and future financial position. It explains the revenue and investment needed to sustainably and responsibly fund our LTP work programme and budget.

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

Where does our money come from?

Rates are the main source of funding for the Council's activities. In the 2024/25 financial year we're proposing to collect $805.8 million in rates. This is supplemented with funding from fees and charges, Government subsidies, borrowing, development contributions, interest and dividends from Christchurch City Holdings Limited subsidiaries.

Where our funding will come from [graph to be updated]



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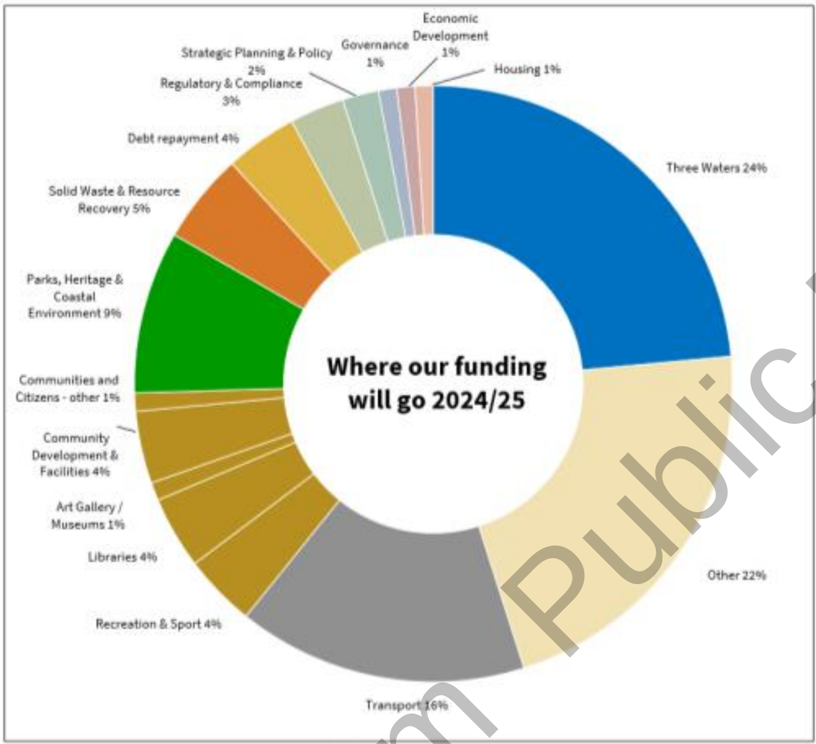
What will we spend money on? [graph to be updated]



What we're proposing

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

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

In the short term, this gives us the ability to borrow close to $600 million to deal with any unexpected events.

To help us reach long term financial resilience, we're planning to achieve:

A balanced budget

We currently borrow to fund some of the cost of our annual asset renewal programme, but we've been transitioning to fully fund renewals from rates by 2031 since 2015. We propose to continue to incrementally increase rates for asset renewals to around 80% of depreciation by 2031.

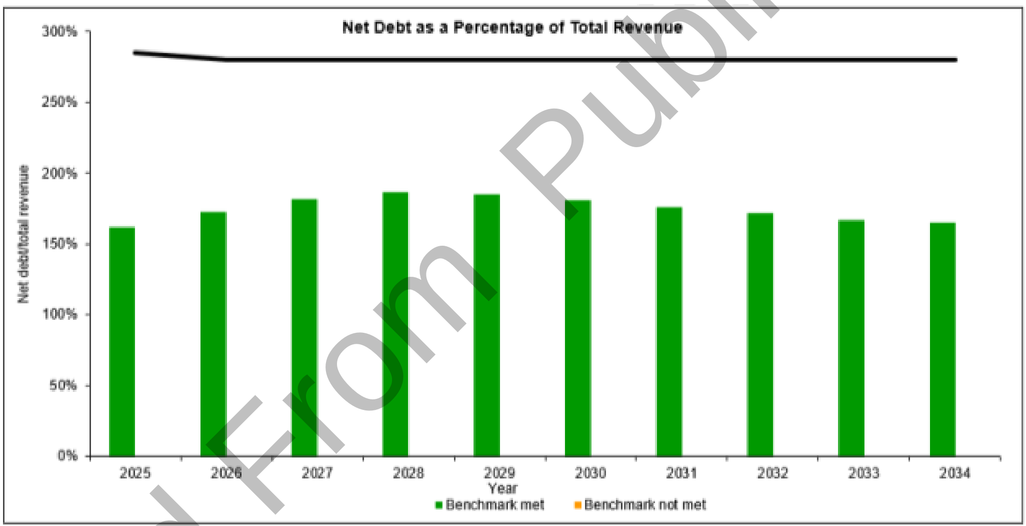
Managing debt prudently

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

Our net debt levels are in line with those planned in the Long Term Plan 2021–2031, and we can service the current and forecast debt, although the cost of doing this has increased. We've also kept the ability to respond to unexpected events by giving ourselves at least $600 million of borrowing 'headroom' – this is the amount we can borrow comfortably before we reach our limit.

$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed net debt	1,859	2,122	2,314	2,465	2,529	2,565	2,577	2,583	2,560	2,572
Debt headroom	1,423	1,329	1,250	1,231	1,298	1,407	1,531	1,626	1,748	1,795

$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed gross debt	2,985	3,241	3,437	3,572	3,644	3,677	3,693	3,698	3,677	3,691
Quantified debt limit	4,408	4,570	4,686	4,804	4,942	5,084	5,223	5,324	5,425	5,486



Strategies for minimising rates

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

Quantified limits

We're required to set maximum limits, called quantified limits, for rates and debt increases. We plan to be under these limits shown below. For more information on these please see the Financial Strategy at **ccc.govt.nz/whatmattersmost**

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed increase	17.0%	9.2%	5.2%	4.6%	4.4%	4.4%	4.0%	2.3%	2.1%	1.9%
Rates increase limit	18.0%	10.2%	6.2%	5.6%	5.4%	5.4%	5.0%	3.3%	3.1%	2.9%

Our rates proposals

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

Average rates increase

- We're proposing an average residential rates increase of 14.9% for 2024/25. For an average house with a value of $764,364 the proposed increase is an extra $501.55 a year or $9.65 a week.
- The overall average rates increase for 2024/25 is 15.84%. This also means an average increase of 17.0% for the average commercial property, and 17.8% for the average remote rural property that currently pays land drainage rates.
- For an average commercial property with a value of $2,442,382 the proposed increase is an extra $2,767.12 a year or $53.21 a week.
- For an average remote rural property currently paying land drainage rates and with a value of $1,557,204 the proposed increase is an extra $505.07 a year or $9.71 a week.
- Over the course of the 10 years of this LTP, proposed rates increases average 4.47% a year, or 53.57% cumulatively.

Our total rates income includes rates from new developments around the city. More developments mean more ratepayers, and that means the rates burden becomes shared amongst a bigger group – so as long as the number of rateable properties keeps growing, the rates increase for existing ratepayers will be lower than the total increase.

Although rates increases over recent years have been significant, the cost of rates in Christchurch remains comparable to that of other metropolitan councils.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed Rates increase	15.84%	8.20%	4.19%	3.57%	3.40%	3.31%	2.91%	1.29%	1.09%	0.85%

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Breakout box: How Te Kaha is impacting your rates

This year we're highlighting the rates impact of Te Kaha – Canterbury's Multi-Use Arena to make the rates required to pay for Te Kaha transparent.

We're doing this because we expect the construction of Te Kaha to have a significant financial impact in the first two years of the LTP. In the first year, the rates impact of Te Kaha is around 3%. We signalled this impact on rates at the time of the decision, so this hasn't come as a surprise as we developed this LTP. Te Kaha will contribute significantly to some of the community services we provide, including events, arts, recreation and sport, and more.

How does our budget affect your rates?

CV	2023/24 Rates	2024/25 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
300,000	$ 1,543.88	$ 1,768.04	$ 224.16	$ 4.31	14.5%
400,000	$ 1,937.08	$ 2,220.97	$ 283.90	$ 5.46	14.7%
500,000	$ 2,330.28	$ 2,673.91	$ 343.63	$ 6.61	14.7%
600,000	$ 2,723.48	$ 3,126.85	$ 403.36	$ 7.76	14.8%
700,000	$ 3,116.68	$ 3,579.78	$ 463.10	$ 8.91	14.9%
800,000	$ 3,509.89	$ 4,032.72	$ 522.83	$ 10.05	14.9%
1,000,000	$ 4,296.29	$ 4,938.59	$ 642.30	$ 12.35	15.0%
1,200,000	$ 5,082.69	$ 5,844.46	$ 761.77	$ 14.65	15.0%
1,500,000	$ 6,262.30	$ 7,203.27	$ 940.97	$ 18.10	15.0%
2,000,000	$ 8,228.31	$ 9,467.95	$ 1,239.64	$ 23.84	15.1%
3,000,000	$ 12,160.33	$ 13,997.31	$ 1,836.98	$ 35.33	15.1%
Average House					
764,364	$ 3,369.77	$ 3,871.31	$ 501.55	$ 9.65	14.9%

CV after revaluation	2023/24 Rates	2024/25 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
300,000	$ 2,319.74	$ 2,699.07	$ 379.33	$ 7.29	16.4%
500,000	$ 3,623.39	$ 4,225.63	$ 602.24	$ 11.58	16.6%
1,000,000	$ 6,882.51	$ 8,042.02	$ 1,159.51	$ 22.30	16.8%
1,500,000	$ 10,141.63	$ 11,858.42	$ 1,716.79	$ 33.02	16.9%
2,000,000	$ 13,400.75	$ 15,674.81	$ 2,274.06	$ 43.73	17.0%
2,500,000	$ 16,659.87	$ 19,491.21	$ 2,831.34	$ 54.45	17.0%
3,000,000	$ 19,918.99	$ 23,307.60	$ 3,388.61	$ 65.17	17.0%
4,000,000	$ 26,437.23	$ 30,940.39	$ 4,503.16	$ 86.60	17.0%
5,000,000	$ 32,955.47	$ 38,573.18	$ 5,617.71	$ 108.03	17.0%
Average Business					
2,442,382	$ 16,284.30	$ 19,051.42	$ 2,767.12	$ 53.21	17.0%

CV after revaluation	2023/24 Rates	2024/25 Rates	Annual increase ($)	Weekly increase ($)	Change (%)
300,000	$ 801.95	$ 931.33	$ 129.38	$ 2.49	16.1%
500,000	$ 1,124.54	$ 1,313.68	$ 189.15	$ 3.64	16.8%
800,000	$ 1,608.41	$ 1,887.20	$ 278.79	$ 5.36	17.3%
1,000,000	$ 1,930.99	$ 2,269.55	$ 338.56	$ 6.51	17.5%
1,500,000	$ 2,737.45	$ 3,225.42	$ 487.98	$ 9.38	17.8%
2,000,000	$ 3,543.90	$ 4,181.29	$ 637.39	$ 12.26	18.0%
3,000,000	$ 5,156.81	$ 6,093.03	$ 936.22	$ 18.00	18.2%
4,000,000	$ 6,769.72	$ 8,004.77	$ 1,235.05	$ 23.75	18.2%
5,000,000	$ 8,382.63	$ 9,916.51	$ 1,533.88	$ 29.50	18.3%
Average Remote Rural Property					
1,557,204	$ 2,829.71	$ 3,334.78	$ 505.07	$ 9.71	17.8%

[POSSIBLE OPTIONS TO COME]

Changes to how we rate

Extending the use of City Vacant Differential Rating to suburban centres

On 1 July 2022, the Council introduced a new general rating category on the concentration of commercially zoned vacant land in the Central City. Vacant land is a resource for the city's future growth, but leaving them vacant comes with a cost.

While undeveloped, the Council still has to pay for and operate the infrastructure that serves them, including pipes, streets and public facilities. With much lower capital values, vacant sites pay a fraction of the rates paid by owners who've invested in permanent development, despite enjoying an increase in value of the land and the benefit of enhanced public environments on their doorsteps.

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

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

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

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

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

We're also consulting on some proposed changes to existing rates:

- Incorporating our separate Heritage Targeted Rate into the general rate.
- Removing automatic qualification for rates remissions for charities and over-65s.

You can find out more information about these proposed rates changes from page xxx of the Draft Long Term Plan: ccc.govt.nz/whatmattersmost

What matters most?

What do you think of our proposed changes to existing rates, and extending the City Vacant Differential Rating?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

Key changes to fees and charges

We are proposing to change some Council fees and charges in the draft LTP. In most cases they add less than a dollar or two to the amount paid, and reflect increased costs or inflation. In some cases fees are going up to cover the full cost of an individual service, or are for a new service.

One of our more significant proposals is to introduce parking charges at some of our key parks – for example, Botanic Gardens, Hagley Park, Naval Point and Nga Puna Wai. At around 1,800 parks, this would generate $2.1m a year that has been factored into our average rates increase of 15.58%. If we didn't proceed with this proposal, there would be an additional 0.31% rates increase in the first year.

You can find out more information about all of these proposed changes to our fees and charges from page xxx of the draft LTP: ccc.govt.nz/whatmattersmost.

Our Treaty Relationships

The Council's engagement and relationships with mana whenua and Māori are founded on te Tiriti o Waitangi as well as subsequent legislation such as the Local Government Act 2002, the Resource Management Act 1991 and Te Rūnanga o Ngāi Tahu Claims Settlement Act 1998.

Combined, these legislative documents form the basis of a partnership and consultation with the six Papatipu Rūnanga that fall within the Council catchment as mana whenua of respective rohe: Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāto Wheke, Wairewa Rūnanga, Te Rūnanga o Koukourārata, Ōnuku Rūnanga and Te Taumutu Rūnanga.

Land, water (all forms) and the natural environment are significant taonga for mana whenua – as they are for the wider Christchurch community – and are therefore mutual areas of interest. We will continue to work together to ensure natural resources are taken care of for future generations.

We seek to support mana whenua to promote opportunities that enhance the prosperity and wellbeing of Māori. We want to recognise and celebrate the special role that mana whenua contribute to our economy and the opportunity for sustainable and long-term Māori business that will support the economic and social wellbeing of Māori and the wider community.

The Council is committed to engaging more effectively with all Māori to ensure they have opportunities to contribute to decision-making processes. While the Council specifically recognises the special relationship with mana whenua, it also engages with the wider Māori community which includes all other iwi Māori (ngā maata waka). Engagement with ngā maata waaka is conducted through valued organisations such as, Te Rūnanga o Ngā Maata Waka - situated at Ngā Hau e Wha Marae in Aranui and other iwi Māori affiliated groups.

Current priorities of the Council that support Papatipu Rūnanga include:

• Clean drinking water • Wastewater management • Renewing ablution blocks • Stormwater management • Water safety plans • Land procurement • Land rejuvenation • Native animal species reintroduction	• Coastal adaption and hazards • Flood management • Flora and fauna • Installation of pou and mahi toi • Urupā access and repair • Papakāinga and housing • Road and footpath safety improvements • Signage

What matters most?

And what do we propose doing about it?

It's the Council's responsibility to deliver the core services that keep Christchurch and Banks Peninsula ticking. Last year we asked you to tell us what core services matter most to you.

Here are your top priorities... along with what we're doing to support these areas and services in the next 10 years.

Climate change

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

By working together to respond to our changing climate and natural hazards, we can create a better future for Christchurch and Banks Peninsula. We're exploring new opportunities as we transition to a low-emission, innovative and more sustainable city.

We are already experiencing more frequent and extreme weather events including coastal and river flooding, heavy rain, extreme heat, drought, and wind which increases the risk of wildfires. These climate hazards will affect everyday aspects of our lives, impacting our water supplies, road access, and impacting on our natural environment. Over time, these challenges will grow, with compounding and cascading impacts making it more expensive and challenging for the Council to provide reliable infrastructure in high-risk parts of the district.

Reducing emissions and investing in adaptation and resilience is one of the Council's strategic priorities, as is balancing the needs of today's residents with those of future generations. How we respond to our changing climate is a key consideration for this draft Long Term Plan, and we have initiatives, projects and programmes that reflect our commitment to these priorities. Some of these projects and programmes are enabling us to reduce climate change effects, some enable us to develop better resilience to climate hazards, and some have other main drivers but incorporate mitigation and resilience into their designs. We're improving public transport infrastructure and route reliability, and cycling infrastructure. We're increasing our investment in stormwater drainage and flood protection, and improving the resilience of our assets. We're also increasing our tree planting across the city.

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

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

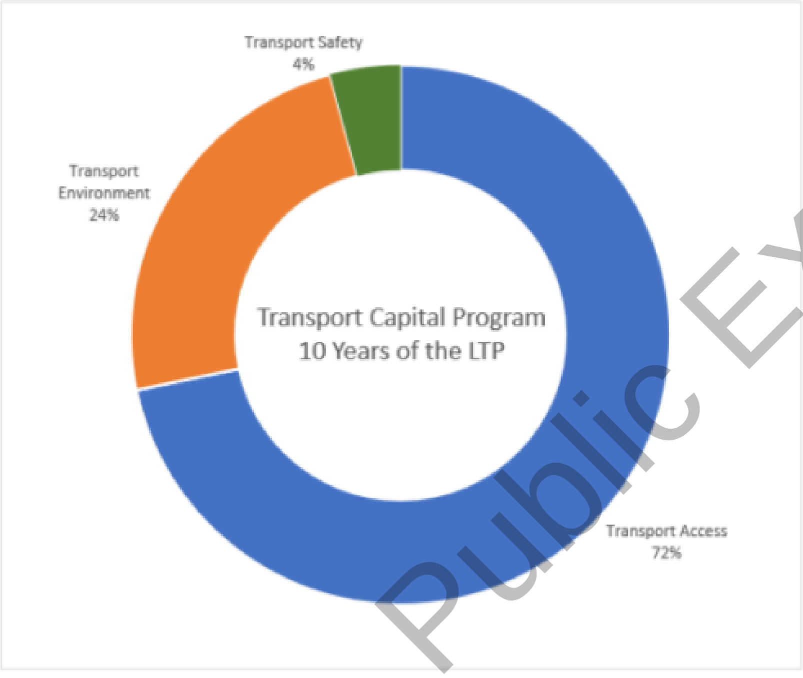
We're spending $832 million over 10 years on projects that help us adapt, and build our resilience:

- The flood protection portfolio (excluding the Ōtākaro Avon River Corridor) $342 million
- The full Ōtākaro Avon River Corridor Programme $490 million

[POSSIBLE OPTION TO COME]

Transport

We propose to spend $1.583 billion over 10 years across the entire transport network, supporting our investment across our three strategic pillars – Access, Safety and Environment.



[Graph to be updated]

Looking after our existing network of roads and footpaths.

We want your journey to be as smooth as possible. With more than 5000 kilometres of roads and footpaths to look after, the Council has a very busy programme of renewals, repairs and replacements for our existing assets.

We propose spending $1.003 billion on roads, footpaths and road infrastructure renewals and replacements over the next 10 years. This is about 63% of what we're spending across all aspects of the road network. This covers:

- Carriageway renewals (asphalt, chipseal and pavement reconstruction) $591 million
- Transport structures renewals (bridges, retaining walls, guardrails, etc.) $105 million
- Signals, signs and lights renewals programme $119 million
- Pages Road bridge replacement and area enhancement $63 million
- Footpath and cycleway renewal $58 million

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

Creating a safe, accessible network of cycleways, public transport, roads and footpaths makes it easy for people to get around.

Supporting cycling

Getting more people cycling is key to reducing our reliance on fossil fuels, creating healthier communities and reducing congestion. The major cycle routes and other cycleways are designed to encourage people to ride because they can see it's a safe, convenient option for getting where they want to go. We propose spending $199 million on all major cycling projects/programmes over the next 10 years including completing:

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

We'll also start working on:

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

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

Public transport infrastructure

The public transport service for Greater Christchurch is provided by Environment Canterbury. We support the public transport network in Christchurch city by providing infrastructure such as bus stops, shelters and bus lanes. We propose spending $101 million on new bus infrastructure improvements, including new bus lanes and shelters, intersection changes, and renewals over the next 10 years.

Government funding

The new Government has yet to release its policy statement on land transport. We have developed our current transport programme based on best practice and the guidance that we have received to date, particularly from New Zealand Transport Agency Waka Kotahi. While we do not yet know the detail of the new Government's priorities, our programme is sufficiently flexible to be able to adapt to meet any change.

What matters most?

What do you think of our proposed investment in our city's network of roads, footpaths, cycleways and bus lanes?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

Parks and gardens

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

Our green spaces give people the opportunity to get active and connect with others in the outdoors. We make sure they have the quality and quantity to meet the city's needs.

Parks and foreshore

We propose spending $817 million on parks and foreshore, with big projects including:

- The parks element of the Ōtākaro Avon River Corridor $185 million
- Community parks sports field development $87 million
- Te Nukutai o Tapoa – Naval Point development $21.8 million
- Urban forest implementation (Phase 1 and Phase 2) $18 million
- Akaroa Wharf $23 million
- Takapuneke Reserve $21 million
-

Heritage

We look after our city's heritage, from buildings and trees to stories and traditions. All sorts of unexpected things make up our heritage – they celebrate our past, present and future, and it's our job to identify and protect them. Over the past decade, we've carried out a massive programme of repairs and restorations, but we still have some work left to do. In the next 10 years we propose spending $51 million on heritage items, including:

- Canterbury Provincial Chambers (Stage 1) $19.5 million
- Botanic Gardens – Cuningham House $8.5 million
- Robert McDougall Gallery strengthening and base isolation $14.5 million

What matters most?

What do you think of our proposed investment in Council-owned heritage and parks across Christchurch and Banks Peninsula?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

Drinking water supply

Ensuring everyone has access to safe drinking water.

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

In the next 30 years we need to keep protecting our drinking water supply by upgrading and renewing infrastructure and extending the network to supply water to new developments. We also need to comply with New Zealand's Drinking Water Standards. We propose spending $873 million over the next 10 years, including:

- Reticulation renewal programme $525 million
- New and upgraded pump stations programme $182 million
- New chlorination equipment and controls $51 million

Stormwater and flood protection

Maintaining and improving our stormwater and drainage networks.

We're always maintaining and improving our stormwater system to help make the city a safer and healthier place to live. The network includes open drains, pipes, pump stations, stopbanks and detention basins. We also need to comply with regulatory requirements. We propose spending $708 million on infrastructure over the next 10 years, including:

- Flood and stormwater priority works (Ōtākaro Avon River Corridor) $137 million
- Waterway lining renewal programme $90 million
- Reticulation renewal programme $42 million
- Ōtākaro-Avon waterway detention and treatment facilities $42 million
- Pūharakekenui/Styx waterway detention and treatment facilities programme $106 million

[POSSIBLE OPTIONS TO COME]

Wastewater

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

It has to go somewhere – every healthy city needs an effective wastewater network, and it's our job to treat and safely discharge wastewater. We propose spending $964 million on wastewater infrastructure over the next 10 years, including:

- Reticulation renewal programme $370 million
- Akaroa reclaimed water treatment and reuse $94 million
- Selwyn pump station and pressure main $52 million
- Grassmere wet weather storage $31 million
- Duvauchelle wastewater treatment and disposal upgrade $18 million

What matters most?

What do you think of our proposed investment in upgrading and protecting our city's water networks?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

Waste and recycling

Collecting rubbish, recycling and organics and managing it tidily.

We're keeping Christchurch clean and green – you put your waste and recycling on the kerbside, and we'll collect it and take it where it needs to go.

Rubbish and recycling

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

Our kerbside recycling yellow bin service produces approximately 27,000 tonnes per year. We propose spending $77.2 million on recycling and transfer station plant and equipment and infrastructure renewals and improvements over the next 10 years.

We no longer use our old landfills, which require careful management to make sure they don't affect their surrounding environment. We plan to complete a Closed Landfill Management Plan over the first few years of the LTP, and propose spending $22 million at Burwood and other landfills on aftercare management and mitigation, including $4.3 million at Okains Bay.

Organics

With the proposed closure of the current Bromley Organics Processing Plant in 2026/27, we're investing $2.9 million in interim arrangements for the site, ahead of the proposed new self-contained facility in Hornby opening in 2027. This new facility will be developed and operated by Ecogas.

What matters most?

What do you think of our proposed investment in the way we manage our city's rubbish, recycling and organics?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

Recreation and sport

Offering accessible facilities where residents can get active.

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

Our proposed total capital expenditure in this area is $153 million which includes $110 million in renewals and replacements across the network of recreation facilities One of these is the $18.3 million to complete earthquakes renewals at Jellie Park.

What matters most?

What do you think of our proposed investment in the recreation services we provide?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

Christchurch City Libraries

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

More than just books, the city's libraries provide people with the resources and spaces to connect, learn and participate.

Of the $140 million capital spend proposed for our libraries as part of this LTP, we've budgeted $28.8 million for the rebuild the earthquake-damaged South Library and Service Centre building. The balance would include looking after our existing facilities, expanding and renewing our extensive library collection and continuing to invest in technology solutions.

- **What matters most?**
  What do you think of our proposed investment in our Libraries service and the rebuild of the South Library and Service Centre building??
- Have we got it right? If not, what changes would you like to see?
- Have your say at ccc.govt.nz/whatmattersmost

Potential disposal of Council-owned properties

The Council has a small number of properties which are no longer being used for the purpose they were originally acquired for, or that have been transferred to us by the Government. We want your feedback as part of this Draft LTP to help us decide the future of each property. A full list of the properties and more information can be found at ccc.govt.nz/XXX

The properties we're putting up for consideration make up less than 1% of the Council's overall portfolio and won't affect current levels of service. The Council owns many types of properties of all different shapes and sizes, and that portfolio is growing – since 2011, it's grown by more than 12% (1,020 hectares, or about 1,475 rugby fields), and we know that there's more to come. Because owning property has a cost, it's good financial practice to continually review the portfolio and decide whether to keep or dispose of properties that are no longer being used for their original purpose.

When doing this, our first step is to identify likely properties and assess them against the criteria for retention. These criteria include whether the property is being used for the purpose it was originally acquired for, its cultural, environmental or heritage value, and whether or not it can meet any of the Council's immediate or longer-term needs. Properties that don't meet the retention criteria go onto the shortlist to be considered for disposal.

We've now reached the next step – consulting the public. If, following consultation, this proposal is adopted and included in the LTP, we'll dispose of all properties determined to be surplus in a manner as set out in Council's policy and normal practices:

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

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

This consultation process also covers the consultation we need to do if the land identified in the list of properties is a:

- Park – this is land acquired or used principally for community, recreational, environmental, cultural, or spiritual purposes. Under section 138 of the Local Government Act 2002, we need to consult if we plan to sell or lease land for more than six months (and it has the effect of excluding or substantially interfering with public access to the park).
  - This applies to all of the properties listed.
- Reserve under the Reserves Act 1977 – a decision to declare a reserve "surplus" will implicitly include a decision to revoke the "reserve" classification. The Reserves Act requires us to serve notice under section 24(2)(c) if we're considering revoking the reserve status. This consultation covers the requirement, and anyone who wishes to object to the proposed revocation of the status of the land indicated as reserve by the Council must do so in writing within one month after the first publication of the Draft Annual Plan (being notification of the proposal). Submitters should also state if they wish to appear before the Council as the administrating body.

  This applies to:

  - 5 Mataroa Place. This house block-sized recreation reserve does not have any facilities and is located near other parks and reserves.
  - 148R Penruddock Rise. This Local Purpose (Utility) Reserve contains an underground electricity cable, which restricts public use.
  - 26 Waipara Street. This land has reserve status from past legislation and is held for future use as a road. There is no plan for the land to be used for road.

This consultation process also covers the consultation we need to do if the land identified in the list of properties is a:

- Park – this is land acquired or used principally for community, recreational, environmental, cultural, or spiritual purposes. Under section 138 of the Local Government Act 2002, we need to consult if we plan to sell or lease land for more than six months (and it has the effect of excluding or substantially interfering with public access to the park).
- Reserve under the Reserves Act 1977 – a decision to declare a reserve "surplus" will implicitly include a decision to revoke the "reserve" classification. The Reserves Act requires us to serve notice under section 24(2)(c) if we're considering revoking the reserve status. This consultation covers the requirement, and anyone who wishes to object to the proposed revocation of the status of the land indicated as reserve by the Council must do so in writing within one month after the first publication of the Draft LTP (being notification of the proposal). Submitters should also state if they wish to appear before the Council as the administrating body.

More information on the properties, including a full list, can be found at
ccc.gvot.nz/whatmattersmost

Yaldhurst Memorial Hall

We'd like to know your views on the Council's proposal to gift the Yaldhurst Memorial Hall to the Yaldhurst Rural Residents Association (YRRA).

The Council resolved to gift the hall to the Resident's Association in its meeting on 24 January 2024 ([Minutes of Council - Wednesday, 24 January 2024 (infocouncil.biz)](#)), subject to consultation in the LTP. The hall is a scheduled heritage building that is categorised as a strategic asset under the Council's Significance and Engagement Policy, and any decision to dispose of this asset must be explicitly provided for in the Long Term Pan.

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

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

The information for this property (as required by section 93E Local Government Act) can be found at ccc/govt.nz/whatmattersmost

What matters most?

What do you think of our proposal to dispose of some Council-owned properties?

Have we got it right? If not, what changes would you like to see?

Have your say at ccc.govt.nz/whatmattersmost

We've revised our Strategic Framework

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

As we drafted this LTP, we've been making adjustments to the Framework, refining our community outcomes, and setting the strategic priorities for this Council's term.

Central to our approach is our guiding vision: Ōtautahi being a place of opportunity for all. A place open to new ideas, new people, new investment, and new ways of doing things. A place where anything is possible.

This vision has informed our proposed Community Outcomes for the term of the LTP. They paint a picture of the Christchurch we're aiming for. Achieving these long-term outcomes is a team effort, involving partnerships with our communities, as well as collaborations with government and non-government entities.

A collaborative, confident city	Our residents can actively participate in community and city life, have a strong sense of belonging and identity, and feel safe.
A green, liveable city	Our neighbourhoods and communities are accessible and well-connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy.
A cultural powerhouse city	Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events powerhouse.
A thriving, prosperous city	Our city is a great place for people, business, and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions.

To make these a reality, the Council anchors its actions in Strategic Priorities. These aren't just guidelines for us – they're this Council's commitments to the community, showcasing areas where our elected members aim to deepen their focus and bring transformative changes during their term.

Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.
Champion Ōtautahi Christchurch and collaborate to build our role as a leading New Zealand city.
Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents.
Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our indigenous biodiversity, water bodies and tree canopy.
Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.
Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.

These priorities and outcomes have shaped all our proposals in this Draft LTP, ensuring that every initiative, project, and effort resonates with our commitment to build a thriving, inclusive, and sustainable city for all.

How to make a submission

We'd like your feedback on the draft Long Term Plan 2024–34 and the matters we have raised in this consultation document.

There are several ways you can give feedback:

Written feedback

Written submissions can be made from Friday 1 March until Friday 5 April 2024.

Online: ccc.govt.nz/ltp ***(preferred)***

Email: ccc-plan@ccc.govt.nz

Fill out a submission form available from libraries and service centres and pop it in our submissions box. *(To ensure we receive last-minute submissions on time, from 1 April, please hand deliver them to the Civic Offices).*

Post a letter* or form to:

Freepost 178 (no stamp required)
Long Term Plan Submissions
Christchurch City Council
PO Box 73017
Christchurch 8154

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

Social media

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

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

Talk to the team

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

Hearings

Public hearings will be held in **May 2021**.

Submissions are public information

We require your contact details as part of your submission (Local Government Official Information and Meetings Act 1987). Your feedback, name and address are provided to decision makers. Your feedback, with your name only will be available on our website. However, if requested we will make submissions including contact details, publicly available. If you feel there are reasons why your contact details and/or submission should be kept confidential, please contact the Engagement Manager by phoning (03) 941 8999 or 0800 800 169.

[DRAFT] Questions to think about when making your submission

What matters most?

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

Rates

- What do you think of our proposed average rates increase of XX.XX% across all ratepayers and an average residential rate increase of XX.XX%?

Changes to existing rates

- Do you have any comments on our proposed changes to existing rates?

Fees and charges

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

Capital programme

- Do you have any comments about our capital programme – how we are funding our roads and footpaths, our water, wastewater, surface water and waterways, our facilities, and our parks?

[Questions still to come]

Financial Strategy 2024-34

The Financial Strategy details how the Council plans to provide a prudent and cost-effective approach to funding the range of assets, facilities and services we need to ensure Christchurch can continue to be an inclusive and equitable city. Putting people at the centre of developing our city and district, prioritising wellbeing, accessibility, connection and collaborating to build our role as a leading New Zealand city.

The Strategy explains how we will use the funding tools available through a mix of rates, fees and charges, government subsidies and debt to fund the services our community wants and needs in the most affordable way possible.

1. Executive summary

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

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

Our financial direction over the next 10 years strikes a balance between providing reliable infrastructure, facilities and services, building long-term financial resilience, and keeping rates and other council charges as affordable as possible.

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

This Strategy describes how we will sustainably and responsibly fund the services and activities, and projects and programmes of work we will deliver through our Long Term Plan 2024-34 (LTP).

The Strategy closely aligns with our 30-year Infrastructure Strategy. The work programmes identified in the Infrastructure Strategy enable the Council to achieve levels of service agreed with our community and meet required technical standards within a prudent financial framework.

The Infrastructure Strategy takes a long look ahead, planning for our city's infrastructure needs over the next 30 years. This is a bigger picture compared to the LTP and Financial Strategy, which focus on the next 10 years. This difference in how far each plan looks into the future brings some challenges, especially when we think about how much we need to invest in infrastructure and how we're going to pay for it, including the role of rates increases after the current LTP ends.

For the coming decade, our Financial Strategy expects rates to go up initially. This is to pay for important committed projects, such as Te Kaha, but the plan is to bring these rate increases down and keep them steady as we get towards the end of the LTP period. On the other hand, our Infrastructure Strategy thinks further ahead and expects we'll need to spend more on infrastructure after these 10 years. This difference means that when we start working on the next set of plans in 2027 – the next Infrastructure Strategy, Financial Strategy, and LTP – we'll have some big decisions to make. We'll need to figure out how to keep things affordable while making sure we meet the growing need for better and more infrastructure.

2. Key challenges and opportunities

The Financial Strategy needs to consider and respond to the key challenges the Council expects to face over the 10 years covered by this Long Term Plan 2024-34.

A. High inflation and interest rates

This Long Term Plan is being prepared in what appears to be the tail-end of a period of economic volatility and uncertainty caused in a large part by the impacts of the COVID-19 global pandemic.

Inflation increased significantly around the globe following expansionary intervention by governments and central banks (higher spending and lower interest rates) to avoid recession following interruptions to global production and consumption caused by COVID-19, international conflicts and increasing oil prices.

Domestic influences have impacted on local government costs through increased government and council spending to repair extensive damage from cyclones in the top half of the North Island, high inflation and interest rates and a severe skills shortage in areas critical to local government operations. The Consumer Price Index (CPI) inflation measure peaked at a 30 year high of 7.2 per cent in 2022.

The Reserve Bank of New Zealand (along with other central banks around the world) has responded by increasing interest rates to reduce inflation through reducing spending and demand for goods and services.

From an inflation-reducing perspective this appears to be having the desired effect with inflation expected to track down to a new medium-term average of 3 per cent in 2026/27. However, it is coming at a cost to households and businesses and interest hikes increase costs and lower demand creates uncertainty in the economy.

The environment of increasing costs and higher interest rates continues to challenge the Council as we look to deliver services at acceptable cost for residents. Our borrowing peaks at a lower level compared with our previous Long Term Plan (figure 4 below), but the interest rate we pay on that debt will be higher than previously forecast.

B. Providing reliable and resilient infrastructure

There are a number of key issues in this space influencing our capital investment and funding decisions. In coming to a decision we have looked to maximise the impact of our capital programme within a realistic funding level and also to keep debt at prudent levels, particularly in the first three years of the Strategy

i. Renewing ageing infrastructure

Assets have a finite life after which they need to be replaced to avoid increasing service interruption and costly repair and maintenance. Significant proportions of our infrastructure networks are either at or coming towards the end of their economic life and need replacing.

We are conscious of the desire to minimise rate increases; however, our asset condition data tells us that increased investment in asset renewals is required to have our infrastructure networks operate reliably and cost-effectively.

Our residents have made it very clear how important it is to maintain or improve levels of service for roads and footpaths, flood protection, flood control works and water services and in preparing the capital programme we have assessed these assets specifically to ensure that they remain fit for purpose.

ii. Supporting growth

Christchurch's population is forecast to grow creating demand for new additional housing, business premises and community facilities and the infrastructure needed to support these.

In addition, household relocations in response to the impacts of climate change may manifest as growth development. Changes to land use as the city adapts and people move away from hazards including sea level rise and in response to severe weather events will see residents move to less exposed parts of the district.

The Council needs to provide the right infrastructure at the right time to support sustainable growth and ensure ongoing resilience to the impacts of climate change and natural hazards. We look to fund infrastructure to service growth as much as possible from development contributions and assets provided by developers when undertaking new developments. This means we keep the rates contribution to fund growth infrastructure to a minimum. This is covered in more detail in the Infrastructure Strategy.

C. Delivery and operation of significant new community facilities

During the next three years we will largely complete an ambitious community facility investment programme to provide facilities that appropriately cater for citizens living in a significant and growing city now and in the future.

Community facilities to be completed by 2025/26:

- Matatiki: Hornby Centre - opening in 2024
- Te Whare Tapere - Performing Arts Precinct - opening in 2025
- Parakiore – multi sports and aquatic centre (funded by Government) – scheduled to open in 2025
- Te Kaha - multi-use arena - (co-funded by Government) opening in 2026

Over the life of these projects, investment will contribute new debt of $1.3 billion with a peak debt to revenue ratio of 186.7 per cent forecast in 2027/28.

Once the facilities open, operating costs will increase by around $141 million over the life of the Long Term Plan. This cost is funded from rates. In addition, the Council needs to rate to provide funding for future asset renewals when required.

iii. Development of the Ōtākaro Avon River Corridor

The Council has worked with Mana Whenua and communities to put in place a co-governance committee to oversee implementation of the Ōtākaro Avon River Corridor Regeneration Plan.

The Plan calls for investment of around $1.2 billion over 30 years. Over the next 10 years Council has allocated $390 million of capital development funding across Parks, Transport and Three Waters. The programmes focus is on the restoration of a delta system supporting healthy waterways. This includes significant investment in storm water management and flood protection for surrounding properties and infrastructure within the surrounding areas. Ecological restoration will result in improved natural waterways. The programme embraces the notion of a "Sponge City", which creates an environment that can provide for increased levels of rainfall and a rise in groundwater levels as a consequence of climate change. The programme has funding support to the tune of $53 M from the Crown and the Christchurch Earthquake appeal trust of which approximately $35M remains for the ongoing development of the City to Sea pathway, associated community spaces and adjacent ecological restoration.

D. Responding to climate change

In 2019 the Council declared a climate and ecological emergency, acknowledging the urgent need for the Council and community to address climate change issues.

The Council's Ōtautahi Christchurch Climate Resilience Strategy prioritises actions and sets targets to reduce emissions and adapt to the impacts of climate change. These are then given effect to through the work programmes and budgets of the various activities in the Long Term Plan.

Climate change will increasingly impact on the Council's finances in a variety of ways, including:

- Increased maintenance and operational costs as infrastructure assets are compromised by the effects of climate change such as through sea level rise, water table rise and the impact of extreme weather events.
- Costs associated with retreat or relocation of Council assets to respond to the effects of climate change. The development of Council policy will be subject to central government policy. There may be scenarios where Council is required to contribute to relocation of residents from at-risk locations.
- Cost to offset Council's residual emissions in 2030 when our net zero carbon target comes into effect.
- Increased insurance costs and/or insurance retreat.
- Emissions reduction and adaptation may affect Council's cost of borrowing. The Local Government Funding Agency offers a 0.02% interest rate reduction if loans are linked to meaningful and measurable sustainability outcomes. Inaction could make it more difficult /expensive to borrow money as lenders become increasingly sensitive to climate risks.
- Central government funding is likely to be increasingly linked to climate action. Budget 2023 included funding for local government resilience initiatives and renewable community energy.

Our strategy is to increasingly shift our focus towards more proactive responses and interventions to climate change risks and impacts. Proactive investment in climate change mitigation and adaptation by Council can help lower costs and risks faced over the longer term.

The LTP 2024-34 includes a more comprehensive suite of initiatives to address climate change mitigation and adaptation than previous LTPs have.

E. Responding to local government reform

The local government sector is potentially going through once-in-a-generation change. This includes:

- Three waters reform – the newly formed Government is to repeal the current Water Services legislation, returning asset ownership and infrastructure investment to local government.
- Resource management change – signalled changes to land use planning and regulation.

- Future for Local Government review – which has looked at what councils do and how they do it with a view to seeing more services delivered via local government, central government and community partnership, how councils are funded, how Councils partner with mana whenua/ Māori and how local government is structured.

These reforms mean local government could look quite different in future in terms of what it provides to communities and how it functions.

3. Overview of our current financial position

Despite the financial pressures that we have had to address in preparing the LTP our current financial position remains solid. We remain well within our debt, interest and liquidity financial covenants, and meet the balanced budget benchmark in each year. We continue to not meet the debt servicing benchmark, but this is due to the amounts we borrow in order to make interest-earning loans to CCHL; we have no concern around our ability to service the debt. (These benchmarks are explained in more detail in the section on Financial Prudence Benchmarks).

While previous LTPs had incorporated the additional debt servicing and operating costs associated with the community facilities programme we had not fully anticipated the additional cost of putting a roof over Te Kaha and the multiple challenges of significantly increased interest and insurance costs, plus the impact of high inflation. These, coupled with the challenging asset renewal requirements, the costs of climate change adaptation and mitigation, have led to a number of hard decisions.

We are aware that the proposed rate increase will not be welcomed by many but are also aware that higher levels of maintenance are required to maintain a functioning infrastructure network and retain existing levels of service.

A. Debt

Our net debt levels are in line with those planned in the LTP 2021-31 and while servicing costs have increased we can service current and forecast debt. We have also retained the ability to respond to unexpected events by maintaining available borrowing (headroom) to at least $600 million.

B. Capital expenditure

Our core capital programme has increased reflecting the challenges associated with ageing infrastructure, climate change and the resulting change in land use and is averaged at $600 million per annum excluding Parakiore and Te Kaha.

4. Financial Strategy Principles

Four guiding principles with associated goals underpin our Financial Strategy. These principles influence how we respond to our key challenges.

A. Provide good stewardship of community assets and resources (look after what we've got)

Good stewardship of community assets and resources requires us to maintain our existing assets in appropriate condition for current and future generations. We need to ensure funding is available to:

- Invest in improving asset condition data capture, maintenance and interpretation to ensure we better understand the condition of our assets.
- Use asset condition data to make smart decisions about asset management (repair and replacement) including considering the resilience of our infrastructure networks to climate and natural hazard risks.
- Replace infrastructure when it is at the end of its economic life. We aim to get the most use possible from an asset before replacing it to avoid it failing, causing maintenance costs to rise.

B. Invest to support sustainable growth (looking to the future)

Christchurch is the largest city in the South Island. Our population is currently 400,000 and is expected to grow to around 475,000 by 2054 and is forecast to increase 0.8 per cent per year on average over the next 10 years.

We will also experience demand on our infrastructure from development outside our district. Selwyn and Waimakariri Districts have a combined population of 142,100 (2022) and are projected to grow to 210,000 residents over the next 30 years. A large proportion of Selwyn and Waimakariri residents travel into

Christchurch for work and to access commercial services, shops, and recreation facilities. This makes Greater Christchurch one of New Zealand's high-growth centres.

In addition, household relocations in response to the impacts of climate change may manifest as growth development. Changes to land use as the city adapts and people move away from hazards including sea level rise and in response to severe weather events will see residents move to safer parts of the district.

This strategy ensures funding is available to support new development in a resilient and sustainable way, and that appropriate parties fund a fair share of the costs of providing infrastructure to service this growth.

C. Take prudent and sustainable approaches to financial management (long term focus)

We need to make good financial decisions for the long-term to build and maintain financial resilience, while running a balanced budget. We must also manage debt within our benchmarks and ensure we retain the ability to borrow for unexpected events. This includes defining the role and performance of CCHL and the CCTOs and their contribution to our financial resilience over time.

D. Provide value for money for our community (affordability and deliverability)

We consider rates affordability / willingness to pay and sustainability when setting rates. At the same time, we need to generate sufficient revenue to sustain appropriate investment in infrastructure, facilities and services that deliver broad wellbeing benefits to our citizens and businesses. We must then deliver on what we rate for.

When allocating costs to ratepayers we need to consider who benefits from an activity to decide who pays and maximise non-rates revenue streams and opportunities where appropriate.

We must balance the quality and reliability of infrastructure and facilities with what we can afford. We also need to consider intergenerational equity (fairness between generations on who pays). This includes prioritising investment in adapting to the impacts of climate change while avoiding maladaptation and sunk costs associated with stranded assets.

5. Financial Strategy Response

The Financial Strategy lays out the approach the Council will take to sustainably fund its planned work programme over the coming 10 years. It presents key financial bottom lines the Council has decided on – rates rise limits, debt limits, and financial prudence parameters such as debt headroom.

Preparing the Financial Strategy requires a range of trade-offs to be considered which boils down to how much can we deliver for our community for the lowest possible rate increase while maintaining Levels of Service and keeping debt to an acceptable level. To achieve these trade-offs the Council has a range of policy levers it can employ – these policy levers are at the heart of the Financial Strategy.

A. An affordable and deliverable capital programme

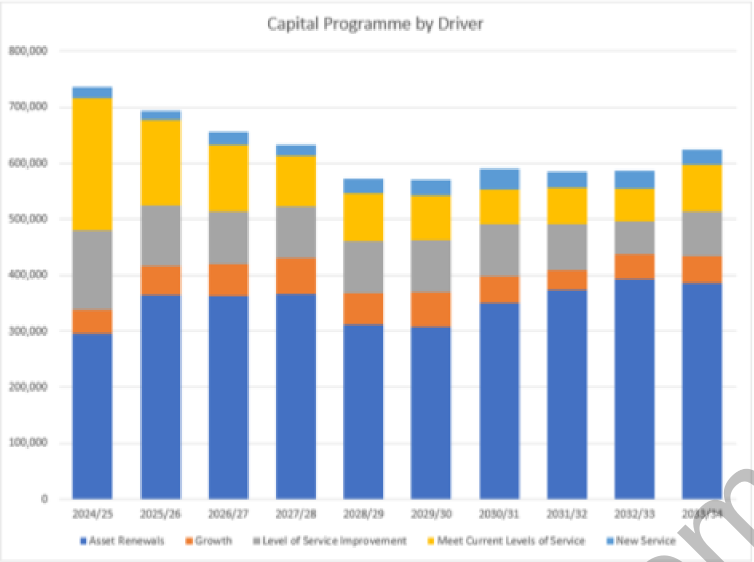
The capital works programme reflects the analysis of infrastructure requirements undertaken in preparing the Infrastructure Strategy, Activity Plans and Asset Management Plans that underpin the LTP 2024-34.

The programme (excluding asset renewals) delivers new assets and is initially funded from borrowing. This enables us to spread the cost over 30 years with the debt repaid from development contributions and rates. Spreading the cost over time enables us to promote intergenerational equity – ensuring today's ratepayers don't fund the full cost of infrastructure that will benefit future as well as current residents.

The capital works programme is our largest area of expenditure where there are clear options available to alter the level of investment, albeit with trade-offs on our ability to provide reliable infrastructure, meet the demands of growth, meet levels of service and comply with regulatory requirements.

We have averaged our core capital works programme to $600 million per year for the years 2024-34. This enables us to keep our debt to revenue ratio within prudent limits and then to reduce over time. As our debt reduces our debt headroom (the amount we can borrow without breaching debt covenants) will increase, providing additional financial resilience to shocks.

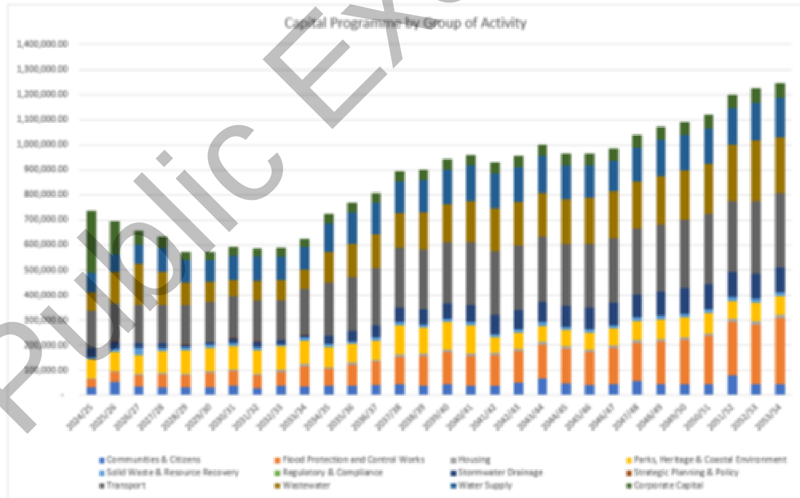
Figure 1. Planned capital expenditure 2024-34



Our asset renewals programme has planned capital expenditure of $295-$363 million per year in the first three years and an average annual spend of $356 million for the following seven years, with a greater emphasis on Transport projects in the latter years.

The proposed capital expenditure programme for the next 30 years (with inflation added) is shown in the graph below.

Figure 2 Capital expenditure for the next 30 years, by Group of Activity



I. *Options considered in proposing the capital works programme*

An additional $20 million of debt-funded capital spend per annum would cause an ongoing rates increase of 0.14 per cent, but more critically, would drop prudent debt headroom below the minimum $600 million for a period as shown in the figure 4 below.

Similarly, limiting the core capital programme to $370 million by not replacing water supply and wastewater renewal funding that had been reprioritised to upgrading water supply wells/wellheads and water security priorities was considered but found to be unpalatable in terms of continued deterioration of key network infrastructure and resultant significantly increasing maintenance costs and increasing the risk to public health.

II. *Funding renewals from rates*

We propose to continue to move to funding core infrastructure asset renewals from rates rather than borrowing rather than part funding from borrowing. This transition is planned to be complete in 2031. Funding asset renewals from rates rather than borrowing ensures current ratepayers are not subsidised by future generations.

Other external revenue, mainly from NZTA, funds 4 per cent of our renewal programme.

B. Balance financial resilience with rates affordability

The costs to Council from the 2010/11 earthquakes and the COVID-19 pandemic taught us we need to be in a financial position that enables us to appropriately respond to unexpected events. We need to continue to maintain the ability to borrow sufficient funds at short notice to soften the effects of a fiscal emergency and to deliver services without the need to pass on the usually short-term costs via rates.

To achieve long-term financial resilience the following prudent financial management measures will be used:

i. Maintain a balanced budget

We propose to continue to incrementally increase rating for asset renewals to around 80 per cent of depreciation by 2031.The Council currently borrows to fund some of the cost of its annual asset renewal programme. Since 2015 we have been transitioning to fully fund renewals from rates by 2031.

ii. Operational costs have been further reduced.

Operating expenditure savings are budgeted to be achieved without lowering external levels of service.

We have looked to balance the need for sufficient revenue to provide quality, cost-effect services and infrastructure while recognising that rates affordability can be an issue for some residents and businesses.

This strategy supports a prudent work programme and budget that does not undermine the overall wellbeing of our communities. As mentioned above non-controllable costs are the driving force which restricts our ability to cut costs. Operational activities were reviewed to capture a mix of cost reductions and an increase in revenue streams. Of the options $182 million were initially considered over the period of the Long-Term Plan. The mix of cost reductions and additional revenues of $41 million were accepted across the full period of the Long-Term Plan as the maximum change that could be made without impacting levels of service.

C. Maintain appropriate debt capacity (headroom)

Debt headroom is the amount Council can borrow before reaching its debt limit, in the 2024/25 year this is 285 per cent its annual rates revenue, however from the 2025/26 year this declines to 280 per cent its annual rates revenue. The Council needs to maintain the ability to borrow to respond to a disaster event.

Our debt headroom was set at $400m in the Financial Strategy 2021 based on 2019 asset values and using the following assumptions:

- Response to a 1 in 5,000-year disaster event
  - Crown to fund 40%
  - CCC estimated share $436m after insurance and Crown contribution
- Response to a 1 in 10,000-year event at $473m couldn't be provided for

The Financial Strategy 2024 updates the assumptions used:

- Asset reinstatement values increased 32% from 2019 to 2022
- A 1 in 5,000-year disaster event now requires debt headroom of $600m
- A 1 in 10,000-year disaster event requires debt headroom of $650m

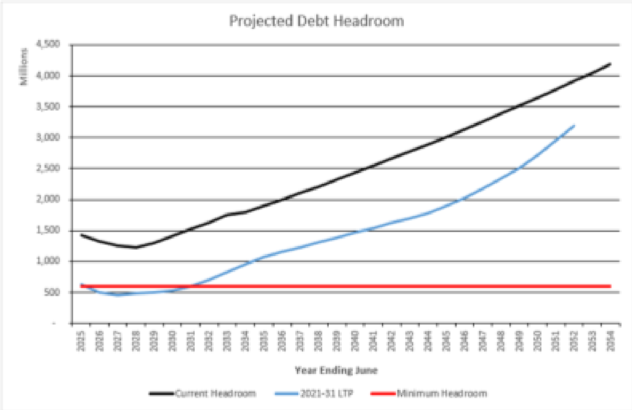
Based on the updated assumptions above Council has set the following debt targets:

- Debt headroom will be at least $600 million

  The minimum debt headroom budgeted capacity in the LTP 2024-34 is $1.2 billion

  A reduction in headroom was considered as an alternative to the proposed rate increase but this impacted significantly on one of our key Financial Benchmarks; the need to maintain a balanced budget.

Figure 3 Projected Debt Headroom 2024- 2054



D. *Debt projections and limits*

Debt is an important funding tool, enabling investment in infrastructure to be paid for by both today's ratepayers and those of the future, promoting intergenerational equity, a key principle of Council's Revenue and Financing Policy.

While the use of debt promotes equity, we need to balance what we would like and what we can afford. Balance is important in both the short and longer term. Our ability to borrow is limited by the willingness of lenders to provide credit and the ability and willingness of ratepayers to service interest costs and principal repayments.

i. *Projected debt level*

Gross debt is the total debt we carry, while net debt has cash holdings and debt (advances) owed to us deducted.

We propose to materially increase debt over the next four years (as shown in Figure 5 below) to fund our capital investment programme, while retaining sufficient budget flexibility to respond to unexpected adverse developments.

From 2028 through the remainder of the LTP 2024-34 period, net debt stabilises at around $2.55 billion.

Figure 4 Forecast net debt – 2024 – 2054

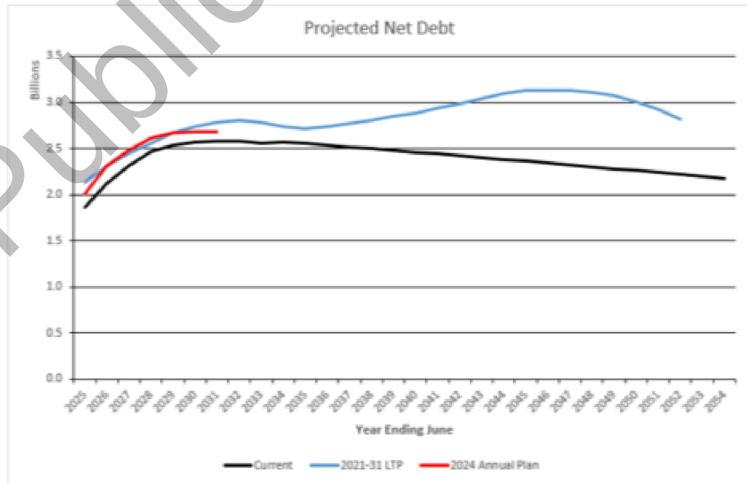


Table 1. Proposed net debt and capacity to borrow (debt headroom)

$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed net debt	1,859	2,122	2,314	2,465	2,529	2,565	2,577	2,583	2,560	2,572
Debt headroom	1,423	1,329	1,250	1,231	1,298	1,407	1,531	1,626	1,748	1,795

ii. *Limit on debt to revenue ratio*

The debt to revenue ratio is an indicator of debt affordability and prudence. The Council maintains covenants with lenders which set limits on borrowing. The

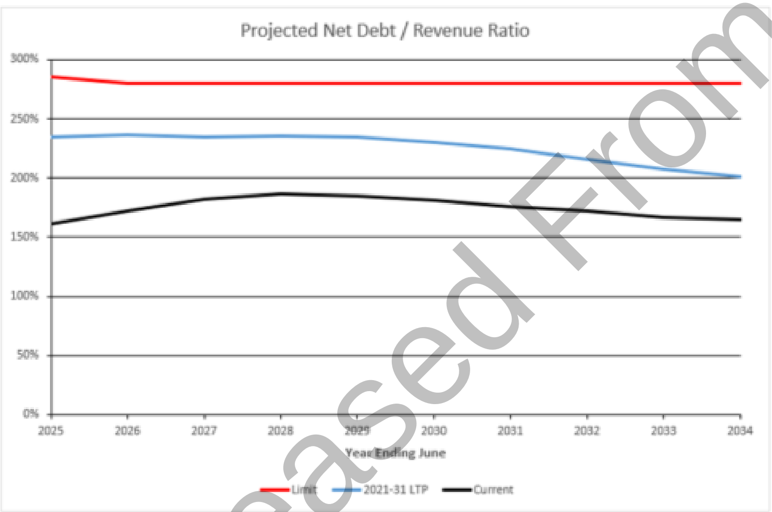
Council's biggest source of debt funding is the Local Government Funding Agency (LGFA) which limits council total net debt to 290 per cent of total operating revenue in the 2024/25 year, dropping 5 per cent a year before settling at a new long-term limit of 280 per cent from 2026.

A prudent debt strategy should restrict planned borrowing to materially less than the covenant limit, to provide budget flexibility (or headroom) in the event of unexpected adverse changes to our financial position or operating environment.

The maximum debt to revenue ratio proposed over the 2024-34 period is 187 per cent in 2027/28, well under the 280 per cent LGFA limit. At this peak we retain debt headroom (the ability to borrow more if required without breaching financial covenants) of $1,231 million.

After 2028 the net debt to revenue ratio is budgeted to gradually improve to be at 165 per cent in 2034-5. This will give the ability to borrow at least $1,795 million without breaching debt covenants by 2034.

Figure 5. Net Debt to Revenue Ratio 2024- 2034



iii. Debt affordability benchmark

We meet our debt affordability benchmark for a year if actual or planned borrowing for the year is within our quantified limit on borrowing. Quantified debt limits are shown in the table below. These have been set at the LFGA limits described above. The limits are a "worst case" maximum borrowing scenario.

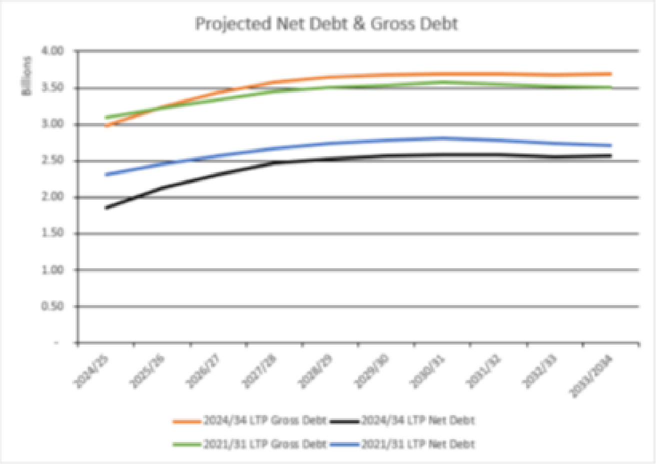
$million	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed gross debt	2,985	3,241	3,437	3,572	3,644	3,677	3,693	3,698	3,677	3,691
Quantified debt limit	4,408	4,570	4,686	4,804	4,942	5,084	5,223	5,324	5,425	5,486

Table 4. Proposed gross debt and quantified limit

We have set the following debt management targets to maintain appropriate capacity to borrow at short notice.

- Net debt to revenue ratio is forecast to peak in 2028 at 186.7 per cent.
- Debt headroom of at least $600 million is budgeted in all years.
- After 2028 the net debt to revenue ratio is budgeted to gradually improve and we will have the ability to borrow at least $1.2 billion without breaching debt covenants by 2034.
- Net debt to revenue ratio reduces to below 180 per cent in 2031.

Figure 6 Forecast gross and net debt – 2024 – 2034



iv. *Limits on interest costs*

The cost of interest to rates revenue ratio and the cost of interest to total revenue ratio are both debt affordability indicators. The two graphs in Figure 8 below show interest costs remain well within our limits.

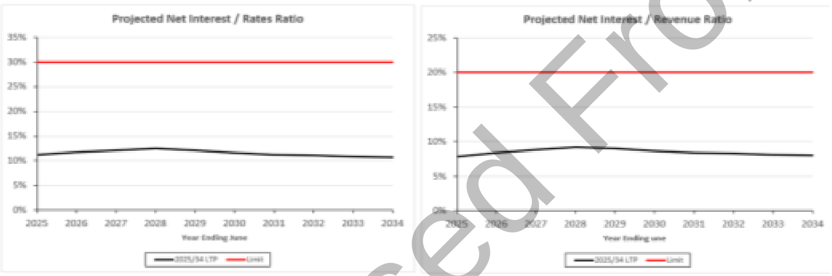


Figure 7 Net interest to revenue 2024 - 2034

E. *Rates projections and limits*

i. *Annual rates increases*

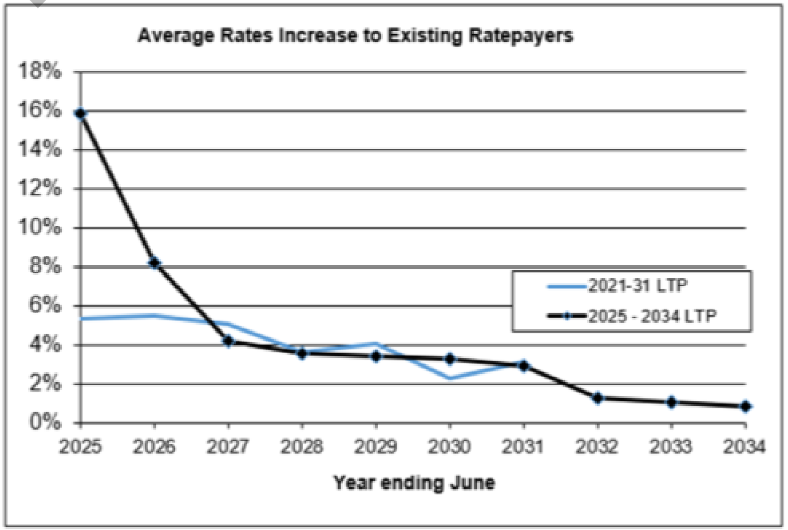
We propose a rates increase of 15.84 per cent in the 2024/25 year. This enables a capital investment programme to be delivered progressing the major facilities and prioritised infrastructure renewals, while also accommodating repayment of debt relating to the short-term reduction in our dividend revenue.

The table below indicates the proposed increases to existing ratepayers over the period of the LTP.

Table 1. Annual rates increase for existing ratepayers.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed Rates increase	15.84%	8.20%	4.19%	3.57%	3.40%	3.31%	2.91%	1.29%	1.09%	0.85%

Figure 8 Average annual rates increase for existing ratepayers – 2024 – 2034



ii. Rates affordability benchmark

We have set limits on total annual rate increases at 1 per cent higher than the rate increases forecast each year in the LTP 2024-34. This provides some flexibility in the event of unexpected adverse developments in our financial position or operating environment.

These are 'soft limits' in that the Council can choose to exceed it in any year but must explain why it believes it prudent to do so. We report on compliance with our rates limits through the Annual Report and the Pre-election Report.

Our rates limits are based on total rates income (i.e. including rates revenue from new properties) – the increase to existing ratepayers will always be lower as long as the number of rateable properties continues to grow. For this reason, existing ratepayers should focus on the previous table as an indicator of likely future rates increases rather than the table below.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed increase	17.0%	9.2%	5.2%	4.6%	4.4%	4.4%	4.0%	2.3%	2.1%	1.9%
Rates increase limit	18.0%	10.2%	6.2%	5.6%	5.4%	5.4%	5.0%	3.3%	3.1%	2.9%

6. Other options considered

A. Increase investment

For the sake of completeness we did consider the option of having higher rates rises to enable accelerated delivery of new assets and asset renewals. This option was ruled out because:

- we don't have the capacity to deliver more or bigger scale projects
- our debt headroom would have been reduced which would compromise our financial resilience
- higher rates would be onerous for most households.

B. Reduce investment

We looked at having lower rates rises, primarily by reducing investment in new projects and asset renewals. This option was ruled out because:

- we would be likely to see higher rates of asset failure, reducing service reliability and increasing maintenance costs
- we would risk not meeting levels of service agreed with the Council and community
- we would not complete new major community facilities within current timeframes.
- we would be likely to be passing on failing infrastructure to future generations.

C. Reduce our scope of services

The option of reducing external levels of service was consider and rejected by the Council as it is contrary to the feedback we are receiving from residents and ratepayers.

D. Sale of surplus assets.

The Council considered a proposal to instruct CCHL develop a business case for the CCHL subsidiaries to carry out active portfolio management which would enable the subsidiaries to make changes to their asset ownership structures. On review the Council declined this proposal at the initial report stage. The sale of other surplus assets is considered by the Council on an ongoing basis.

7. Other considerations

A. Rating base growth

We expect the number of rating units will continue to grow each year due to development of new subdivisions and buildings. New development increases demand for Council services and infrastructure but also increases the number of properties the rate requirement is spread over.

We have assumed the number of rating units (including residential and commercial) will increase by 0.8 per cent per annum, slightly less than the pace of household growth which results in the following projections for the number of rating units in the LTP period.

June Years	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033

Rating Units	182,256	183,714	185,184	186,665	188,159	189,664	191,181	192,711	194,252	195,806

B. Inflation

We base our assumptions of future inflation on the BERL Local Government Cost Adjustors which are the basis of inflation forecasts for most New Zealand councils. BERL is an external research-led consultancy organisation which provides independent economic research to assist organisations decision making. Councils focus on inflation for the types of goods and services they buy and provide rather than the consumer price index. Key drivers of local government inflation include energy costs and construction costs, particularly relevant in a period when New Zealand is looking to increase investment in infrastructure provision to catch up following decades of under-investment.

Inflation is currently higher than it has been for many years with forecast local government inflation over the next 10 years ranging between 2.0 – 3.4 per cent per year. A high inflation environment increases the risk that forecasts aren't accurate and the council needs to be conservative in its inflationary expectations and how these are built in to budgets.

The assumed inflation rates used in LTP budgets are included in the Significant Assumptions section of the LTP.

C. Interest

Council repays most borrowing over a 30 year period, which aligns with the average life of our assets. Borrowing for investment in new assets ensures today's ratepayers don't fund all the cost of assets that will provide benefits to future ratepayers/generations which promotes the principle of intergenerational equity.

We are in a period of high interest rates, with the cost of new Council borrowing forecast to remain between 4.5 and 5.5 per cent over the coming 10 years. This will increase our overall cost of borrowing compared with previous forecasts. As with inflation, the high interest rate environment increases the risk that our forecasts aren't accurate and again we have budgeted conservatively to mitigate this risk.

Interest rates used in LTP budgets are included in the Significant Assumptions section of the LTP.

D. Insurance

The Council has restored insurance cover on assets as insurers re-gained confidence in the resilience of our assets following the 2010/11 earthquakes.

Based on external modelling we identified the maximum probable loss of above-ground infrastructure and current insurance provides for two significant earthquake events in any 12 month period.

In the event of another significant earthquake, we have planned to use a combination of insurance and borrowing to fund our 40 per cent share of the cost of repairs. The remaining 60 per cent would be funded by the Government under the National Civil Defence and Emergency Management Plan, depending on eligibility. This provides approximately $6.7 billion of cover for assets with a replacement value of $10.4 billion. To put this into context, the Council has spent around $3 billion repairing or replacing underground assets following the 2010/11 earthquakes.

E. Local Government Funding Authority (LGFA) – debt limits

LGFA is our main source of debt funding. It raises funds by issuing bonds at lower interest rates than councils could achieve by themselves, due to its size and credit rating. To manage risk, LGFA requires councils to operate within prescribed debt to revenue ratio limits.

In June 2020 LGFA increased the Net Debt to Total Revenue financial covenant ratio limit applying to councils with a credit rating of "A" equivalent or higher. The ratio limit reduced from 290% to 285% in 2024/25, reducing again to 280% per cent from 2025/26 onwards.

The Council will look to keep its debt to at least $600 million less than its debt covenant limit to provide the ability to borrow in an emergency. This is a key component of our approach to financial resilience.

F. Credit rating

The Council's credit rating affects our access to lending and the interest rate we have to pay. This Financial Strategy seeks to support the retention of our current "AA (Stable)" Standard & Poor's credit rating. Governance and debt levels are key to maintaining this rating, and it may come under pressure during the period covered by this Strategy due to projected debt growth.

A one notch downgrade to our credit rating (to "AA-") would increase the cost of our borrowing by at least 0.05 per cent. Although relatively marginal (especially as it would only affect our overall costs gradually as existing borrowing instruments are refinanced), this would increase Rates by around 0.15-0.20 per cent over the LTP period. Our credit rating should be supported over time as our net debt/ revenue ratio is forecast to return to more conservative levels by the early 2040s.

G. Policy on securities

Like most councils, our debt is secured against future rates revenue. Lenders like this as security and it helps keep our interest rates low. Having rates as security means our lenders can make us repay debt from rates. That is why it is important we keep debt at a sustainable level. We may sometimes offer other security, including physical assets, in certain circumstances. The full policy on giving securities can be found in the Investment and Liability Management Policy on our website.

Security may be offered by providing a charge over one or more specified assets, but this will only be done where there is a direct relationship between the debt and the purchase or construction of the asset being funded, such as an operating lease or project finance, and the Council considers a charge over the asset to be appropriate. There are no such arrangements currently in place.

H. Investments in companies

Council's main investment is in Christchurch City Holdings Limited (CCHL) which holds equity investments on behalf of the Council to provide dividend returns used to reduce the rate requirement and/or reduce debt. The dividend yield on our CCHL investment has averaged 1.3 per cent in the last three years and 2.3 per cent in the last ten years. In December 2023 Council agreed with CCHL that CCHL would adopt an enhanced status quo dividend policy and they would collaborate on strategies to increase returns to Council.

We hold other shareholdings principally to achieve efficiency and promote community outcomes and wellbeing rather than for a financial return on investment. The risk to the Council from investing in these companies is low.

Any equity investment carries a risk that the value of the investment and the dividend paid can go down. The COVID-19 lockdown and recession had a significant negative impact on the earnings of some of the companies in the portfolio resulting in lower dividend payments for the years 2020 – 2023.

Further information on CCHL's subsidiary companies is provided in this LTP and in the companies' Statements of Intent.

There are no plans to change our shareholdings. In accordance with good practice, however, this is reviewed regularly.

I. Cash investments

We hold cash for three main reasons:

I. ***To support the balance of our special funds and reserves***. When not required short term they are used as working capital. The exception is the Capital Endowment Fund (CEF) which is lent internally or invested externally. This provides an ongoing income stream that is used to fund economic development activities and community events and projects. The CEF is projected to return $4.5 million in 2025, decreasing through the LTP period to $4.1 million p.a as the Official Cash Rate decreases from its current elevated level.

II. ***To ensure strong lines of liquidity and access to cash***. Cash is supplemented by committed banking facilities.

III. ***To provide the funds for maturing debt.***

Cash is invested on short-term deposit to assist manage cash flows. Our targeted return is to exceed the average 90-day bank bill rate.

J. Other investments

- ***Community loans***
  From time to time the Council makes loans to community groups to enable them to pursue their stated objectives. The return on these loans currently in place range from interest free through to 5.4 per cent, depending on when they were granted and the conditions imposed.

- ***LGFA.*** Under the terms of the LGFA, each time we borrow from them we are required to invest a small portion of our borrowing in their convertible bonds

("Borrower Notes"). This ensures the stability of the LGFA's financial position and provides a high level of confidence that the LGFA will continue to be a cost-effective source of the bulk of our long- term borrowing requirements. We earn interest on these bonds at the same market "base" rate as our related borrowing.

Company investments

Company and activity	Shareholding %	Principal reason(s) for investment	Investment value $million[6]	Targeted return
Christchurch City Holdings Limited (CCHL)- Holding company for our equity investments	100	• Provide a return on investment to offset rates. • Strategic investments that add to our economic development and economic, social and environmental resilience	3,166	FY-25 $33m FY-26 $46m FY-27 $54m Future Projections $69m-$96m p.a
Venues Ōtautahi Limited - Venue management and event hosting	100	• Promote local economic development	200	Nil
Civic Building Limited - Holds our 50 per cent investment in the joint venture that owns the Civic Building offices.	100	• Strategic property investment	41	Nil
ChristchurchNZ Holdings Limited - Delivers Economic development, destination marketing, major events and urban development functions.	100	• Promote local economic development	2	Nil
Transwaste Canterbury Limited - Owner/ operator of the Kate Valley Canterbury regional landfill	38.9	• Shared service provider (co-owned with all other Canterbury local authorities)	6	$5.4 - $7.3 million p.a.
New Zealand Local Government Funding Agency – (LGFA) Lends money at sub-market rates to member councils	8.3	• Access to borrowing at preferential rates. • Shared service provider (co-owned with most other NZ local authorities)	9	$90,000 p.a.
Civic Financial Services Limited - Supplies financial services such as superannuation, Kiwisaver to the local govt sector	12.9	• Access to specialised financial services. • Shared service provider (co-owned with most other NZ local authorities)	2	Nil
Theatre Royal Charitable Foundation - Operates the Isaac Theatre Royal		• Promote cultural wellbeing	1	Nil
Endeavour Icap	12.8	• Economic development	0.1	Nil

[6] The value of the investments in CCHL, Venues Ōtautahi Limited, Civic Building Limited and ChristchurchNZ Holdings Limited were assessed by independent valuers, Deloitte as at 30 June 2023.

Draft Infrastructure strategy 2025-2054

Working DRAFT, last updated:
2/1/24

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EXECUTIVE SUMMARY

The Infrastructure Strategy is a critical component of our community's long-term success, developed in conjunction with the Financial Strategy as part of the Long Term Plan (LTP). This strategy acts as a 30-year roadmap, focusing on crucial areas such as water supply, wastewater management, stormwater systems, transport, facilities, parks, and waste management. It is framed within the Council's revised strategic framework, emphasizing inclusivity, sustainability, financial wisdom, and adaptability to climate change and demographic changes.

At the core of managing our extensive infrastructure, valued at $14.2 billion, are the Asset Management Plans and Activity Plans. These plans ensure efficient, sustainable, and climate-resilient operations across all key sectors. The strategy confronts several significant challenges, including the need for improved data-driven management, sustainable asset maintenance, heightened climate resilience, and fostering sustainable urban growth.

To address these challenges, the strategy outlines key action areas. First is the enhancement of data management systems to support better decision-making and asset management. The strategy also emphasizes long-term sustainability, advocating for a balanced approach to funding asset renewals and maintenance while considering the whole life-cycle costs and potential divestment of underutilized assets. Another focal point is building resilience against climate change and natural hazards, which involves developing guiding principles for climate-conscious investments and increasing community engagement in adaptation planning. Lastly, the strategy supports sustainable growth, encouraging integrated planning for infrastructure that promotes active travel, public transport, and road safety.

Over the next 30 years, the strategy anticipates investing approximately $24.4 billion, focusing on maintaining assets, enhancing climate resilience, and planning for sustainable growth. The first decade's spending aligns with the LTP, providing detailed budget allocations, while the subsequent 20 years are guided by broader estimates based on the Asset Management Plans. This forward-thinking approach ensures that the infrastructure not only meets the current needs of the community but also adapts and evolves to meet future challenges and growth.

BACKGROUND AND STRATEGIC CONTEXT

What is an Infrastructure Strategy?

For our community to thrive both now and in the future, it's crucial that we plan with clarity and vision. At the heart of our forward planning is the Long Term Plan (LTP), which details our investment and operational priorities for the next 10-years, how we'll allocate resources, and the steps we'll take to make our long-term vision a reality.

As part of the LTP, we develop the Infrastructure Strategy – which serves as our overarching infrastructure roadmap. It identifies the cross-cutting infrastructure challenges we might encounter over the next 30 years, explores the best solutions, and examines what these choices mean for our community. It's about ensuring that our city's foundational services and structures are not only strong and dependable but also prepared to adapt to the ever-changing landscapes of growth, technology, and environment.

The infrastructure that it will focus on are:

- Water supply
- Wastewater – collection, treatment, and disposal
- Stormwater drainage, flood protection and control works
- Transport – roads, footpaths, active travel, public transport
- Facilities
- Parks
- Solid waste and recycling

The LTP then provides the detailed work programmes and budgets for the coming decade. It breaks down the broad visions of the Infrastructure Strategy into tangible projects, services, and investments that you can see and experience in our community.

Alongside this, we produce the Financial Strategy, which directs us on a financially sustainable path. It lays out how we'll manage funds, keep community services running, and how much we can invest in new developments. This strategy sets the financial boundaries within which we operate, making clear how much we can raise through rates and how much we can responsibly borrow. It's a crucial piece that ensures our Infrastructure Strategy and the LTP are not just aspirational but grounded in financial reality, ensuring that our plans are viable for the long haul.

Our strategic context

The infrastructure strategy is guided by the council's revised strategic framework

The Council's Strategic Framework is the cornerstone for our long-term vision, steering how we dedicate our energy and resources. As we looked forward to our Long-Term Plan (LTP), adjustments were made to the framework, refining our community outcomes, and setting the strategic priorities for this Council's term.

Central to our approach is our guiding vision: Ōtautahi being a place of opportunity for all...open to new ideas, new people, new investment, and new ways of doing things – a place where anything is possible.

From this vision springs our community outcomes. They paint a picture of the Christchurch we're aiming for. Achieving these long-term objectives is a team effort, involving partnerships with our communities, as well as collaborations with governmental and non-governmental entities.

These outcomes are:

- *A collaborative confident city:* Our residents can actively participate in community and city life, have a strong sense of belonging and identity, and feel safe.
- *A green, liveable city:* Our neighbourhoods and communities are accessible and well-connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy.
- *A cultural powerhouse city:* Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events powerhouse.
- *A thriving prosperous city:* Our city is a great place for people, business, and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions.

To make these community visions a reality, the Council anchors its actions in strategic priorities. These aren't just guidelines for us; they're commitments to the community, showcasing areas where our elected members aim to deepen their focus and bring transformative changes during their term. These priorities shape our approach, especially when it comes to the Infrastructure Strategy.

Our strategic priorities are:

- Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.
- Champion Ōtautahi-Christchurch and collaborate to build our role as a leading New Zealand city.
- Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents.
- Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our indigenous biodiversity, water bodies and tree canopy.
- Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.
- Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.

In laying out our Infrastructure Strategy, these priorities and community outcomes are paramount. They will serve as a beacon, ensuring that our infrastructure decisions align with the broader aspirations of Christchurch. Through the Infrastructure Strategy, we commit to uphold these guidelines, ensuring that every initiative, project, and effort resonates with our commitment to build a thriving, inclusive, and sustainable city for all.

The wider strategic environment

This Infrastructure Strategy builds on previous strategies to maintain consistency in long-term asset management and investment. It aligns with a variety of local to national plans and is mandated via the Local Government Act (LGA). A comprehensive list of these influencing documents can be found in Appendix x.

Notably, the recent Government's National Infrastructure Strategy Action Plan resonates with our approach, emphasising resilience against climate change, better infrastructure governance, and fostering partnerships with various sectors, including Māori, local government, and the private sector.

We are not strangers to collaboration. We've been a part of the Greater Christchurch Partnership since 2007, influencing urban planning and transport investments. In 2022, the Whakawhanake Kāinga Komiti prioritised the development of a Greater

Christchurch Spatial Plan, a pivotal driver for infrastructure planning. This plan, which will be considered for adoption in March 2024, focuses on targeted intensification along public transport corridors and enabling prosperous development of kāinga on Māori land and within urban areas.

For Ōtautahi Christchurch, this Spatial Plan will shape our city's future, guiding investment and integrated land-use planning to accommodate expected growth, intensification, and economic uplift.

At the city level, ongoing spatial and transport initiatives reinforce the Greater Christchurch Spatial Plan by emphasising safe neighbourhoods and promoting active travel. Our planning is regenerative, aiming to rejuvenate natural processes, combat climate change, and fortify community resilience.

These plans collectively are vital for our city's trajectory, pushing towards a sustainable, low emission environment that values indigenous biodiversity and overall well-being. Given that the Banks Peninsula constitutes 70% of the Council's district land area, it's essential to acknowledge that a uniform approach across the district is impractical.

The earthquakes' legacy

The 2010-11 Canterbury earthquakes left an enduring mark on our city, including significant damage to our infrastructure. The cost of the earthquake rebuild has been estimated at an additional (to pre-event budgets) $10 billion expenditure for the Council[1], including between $2 billion and $3.4 billion to repair infrastructure. Additionally, when the Global Settlement as signed in 2019, it was estimated that a further $4 billion earthquake-related capital expenditure is expected over the next 30 years[2]. (The total economic loss and cost of the earthquakes including the Crown, insurers and other parties is estimated at $40 billion)[3].

Much of the Council's horizontal infrastructure was repaired by the SCIRT alliance (Stronger Christchurch Infrastructure Rebuild Team[4]). Its $2.22 billion, five-and-a-half-year programme involved more than 740 individual projects across the city, repairing and rebuilding underground water and wastewater pipes, surface water and waterways, wastewater pump stations, and roads, bridges and retaining walls. Not all damage to the Council's horizontal infrastructure was surveyed nor repaired by SCIRT and remaining earthquake repairs are part of the Council's renewal programme.

While recovery efforts were immense and the legacy will remain for some time, as with our previous Infrastructure Strategy, this strategy is focused on proactive planning for the future. We will continue to build upon the invaluable lessons learned during the rebuild phase and embrace the opportunity to create a more resilient and sustainable infrastructure network, one that anticipates and prepares for future challenges.

Considering the reality of climate change

Climate change is real, and its effects are becoming more evident each year. We're seeing it in the longer droughts, more intense storms, and higher temperatures. As a city, we understand just how critical this issue is. It's not just about the environment; it's about our homes, our health, and our future.

The way we build our city- from the pipes underground to the roads we travel on - needs to reflect this new reality. We're at a point where we must bring a sharper focus to investing with the climate in mind. This means choosing projects that lower our risk

[1] Deloitte, Cost of the earthquake to the Council, December 2017, https://ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Strategies/Global-Settlement/Cost-of-the-earthquakes-Deloitte-Report-Final.pdf
[2] Crown and Christchurch City Council, Global Settlement Agreement, 23 September 2019, https://ccc.govt.nz/assets/Documents/The-Council/Plans-Strategies-Policies-Bylaws/Strategies/Global-Settlement/CCC-Release-Global-Settlement-Agreement-23-Septmeber-2019.pdf
[3] The Treasury's advice, reported variously following the earthquakes
[4] A significant programme of assessment and rebuilding followed the Canterbury earthquakes, carried out by the SCIRT alliance. Alliance members included the Council, Christchurch Earthquake Recovery Authority, NZ Transport Agency, McConnell Dowell, Downer, Fletcher Construction, City Care, and Fulton Hogan.

when bad weather hits and making sure our community has the green spaces, clean air, and strong buildings it needs to thrive in a changing climate.

This Infrastructure Strategy provides an opportunity to think long-term about how we can live and grow sustainably. As we plan our city's infrastructure, from water to transport to waste management, we need to consider how each decision helps us adapt to climate change or reduce its impact. It's not just about reacting to the problems we face today; it's about preparing our city to be resilient and resourceful for the future.

To support and guide our long-term planning for 2024-34 amidst evolving national legislation, the Council is implementing a 'climate framework'. This framework is designed to inform our infrastructure decisions, ensuring they not only adhere to legal requirements but also support the community be more resilient to the economic, social, and environmental impacts of climate change.

We utilise several tools to understand climate-related risks. The Christchurch District Risk Screening, for instance, points out significant risks in coastal and inland districts, helping prioritise areas that need urgent attention. Another instrument, BraveGen, helps monitor operational emissions, shedding light on our energy consumption patterns and prompting us to explore sustainable alternatives. To increase our resilience to the impacts of climate change, we're running numerous initiatives, like the Coastal Hazards Adaptation Planning, which involves community and Rūnanga collaboration to prepare for coastal climate impacts. We're also revising the Christchurch District Plan to factor in known climate risks, and ensuring urban resilience through strategies like the Greater Christchurch Spatial Plan.

All our service managers are proactively considering climate change impacts on their respective areas. They're analysing emission sources and seeking reduction strategies. An overarching message we're emphasising is the value of early and proactive planning in managing climate risks and reducing emissions effectively.

Social and demographic influences

The age distribution in Christchurch skews slightly older compared to the national median, though notable shifts are anticipated in the coming years. By 2048, we project a twofold increase in residents over 65, with the majority of our population growth centred on those aged 75 and above. Predictions indicate a surge in one and two-person households, accounting for over 80% of new housing demand. Additionally, around 2050, we anticipate 58,000 residents living solo, influencing housing patterns and infrastructure demands, such as those for water systems.

Furthermore, the cultural tapestry of Christchurch is undergoing transformation, marked by an increase in overseas-born residents. Consequently, as the city embraces a wider range of lifestyle and cultural choices, expectations for housing, community amenities, and other services will evolve, mirroring the richness and variety our diverse populace brings.

Things that matter most to our community

People are the heart of our city, and the Infrastructure Strategy is intended to respond to their long-term aspirations.

[DRAFTING NOTE: this section will be updated to align with WMM section in the CD]

Between July 6th and August 13th 2023, we collected community feedback on investment priorities for Council using a participatory budgeting exercise. With 4,000 participants, some common themes arose, but there were also varying priorities among different community groups.

The full survey feedback can be found here, however the top five themes identified were:

- Climate Change: Important for all demographics. Fewer participants chose it, but they allocated higher points (67% participants / average 16.2 points).
- Drinking Water: Mainly due to dissatisfaction with chlorination (83% participants / average 14 points).
- Roads and Footpaths: A common concern (71% participants / average 12.8 points), with an interesting emphasis on travel choices (58% participants / average 11.7 points).

- Parks and Gardens: Highly valued (78% participants / average 11.1 points). Special importance was given to areas like Port Hills, Banks Peninsula reserves, Hagley Park, the Botanic Gardens, and local parks and playgrounds.

This feedback provides a critical perspective on the community's priorities and concerns and has been thoughtfully considered in developing the Infrastructure Strategy. While the feedback has played an influential role, we have also balanced it with other factors such as legislative requirements, strategic goals, and the broader context of community needs. The survey, therefore, has been one of several important components that inform our decision-making as we chart the future course for our infrastructure.

Partnering with mana whenua

In partnership with Ngā Papatipu Rūnanga, the Council acknowledges the intertwined histories, values, and aspirations that shape Ōtautahi Christchurch. We recognise the takiwā of Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga, and Te Taumutu Rūnanga within our district. Since 2015, the relationship anchored by the Te Hononga Council – Papatipu Rūnanga Committee ensures both governance and ongoing kōrero between the Council and these Rūnanga.

Guided by the principles of partnership, the mana whenua values of Ngāi Tahu and Papatipu Rūnanga are woven into our infrastructure planning, aligning with our commitments under the LGA and the Resource Management Act 1991. The Mahaanui Iwi Management Plan and insights from the Rūnanga further inform our path.

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

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

These priorities, along with others, will be raised as part of the ongoing partnership commitment and korero between the Council and Ngā Papatipu Rūnanga and will help shape our investment in infrastructure for today and our future generations of guardians of our wai and whenua.

MANAGING OUR INFRASTRUCTURE

[DRAFTING NOTE: asset valuation and investment summary to be updated]

The Council's infrastructure assets are valued at $14.2 billion as at [date]. We invested $436 million in 2021-22 to the maintenance, renewal, and development of various infrastructure assets. Due to this substantial expenditure, there's a need for solid methodologies to monitor and manage these assets throughout their life—from planning to disposal. Understanding an asset's performance and condition helps us prioritise investment towards maintaining infrastructure to required service levels and supporting efficient maintenance and adjustments for climate change.

Day to day, we do this via our Asset Management Plans and Activity Plans.

Asset Management Plans (11 in total), dive deep into the specifics of each infrastructure asset—where it's located, its current value, where it is in its lifecycle, and its condition, including how it might be affected by climate change. The focus of the Asset Management Plans is on optimising how we manage these assets. These plans also give us a picture of expected spending and the investment we'll likely make for each type of asset. These can be found on our website here.

Activity Plans (40 in total), lay out the services the Council provides, and the assets required to deliver those services. Each plan articulates the Levels of Service we will provide, which helps us understand the investment needed to deliver on the commitments in the Long Term Plan (LTP). They also point out if there's any change in the quality of services and how that might affect the wellbeing of our community. These can be found on our website here.

This Infrastructure Strategy pulls everything together. Using the information from both the Asset Management Plans and Activity Plans, this strategy summarises our big-picture approach to infrastructure investment for the next three decades.

Assessing condition

[DRAFTING NOTE: this section (assessing condition) to be updated]

We use a range of tools to understand the condition of our assets, including the Asset Assessment Intervention Framework (AAIF) for understanding the condition of our reticulation assets and the RAMM data base to capture data (including about condition), of transportation assets. The most broadly applicable tool is the AAIF – it assists us to better understand asset condition and the risks of failure, which in turn helps determine priority of renewals and replacements' programmes.

Obtaining current accurate data on all assets via condition assessments through collection, management and quality assurance following best practice will enable informed decision making is carried out. We are undergoing an SAP Improvement Programme, providing Council with best practice data standards and a mobile solution to enhance data capture by internal teams. We are also working alongside our maintenance partners with enhanced contract management and integration tools to integrate data from external third parties into our SAP Asset Management system.

Asset Assessment Intervention Framework

For some horizontal assets (such as water supply and wastewater), we now have much more accurate condition data than ever before, but with other assets (including vertical) we still lack the robust information to inform budgets for maintenance and renewals. The AAIF has improved our understanding of the condition and performance of our water supply, wastewater and stormwater pipes.

The AAIF uses condition and criticality information to inform the programming of asset renewals within available budgets, and helps us understand and reduce risks of asset failure. It takes into account expected theoretical useful life, actual condition, repair history, rate of deterioration, the risk/impact of failure, and amount of maintenance required to keep the pipe operational – thus helping establish an appropriate renewal year. The AAIF data increases our asset management capability considerably and given that reticulation assets represent approximately 75% of the total water asset portfolio.

Looking ahead, the AAIF could be used as a renewal planning tool for other Council assets, such as water supply pump stations and other asset portfolios. If applied across different asset portfolios it would enable consistent evaluation of high priority projects across assets, which could optimise programme spending. Continued investment in CCTV (closed circuit television) inspections of the wastewater and stormwater network is required to ensure the accuracy of the data collected.

Our infrastructure assets at a glance

Water supply

The Council supplies potable drinking water to approximately 160,000 residential and business customer connections, through seven urban water supply schemes and six rural water supply schemes. Our drinking water infrastructure includes 1,700km each of mains and sub-mains, 108 reservoirs and tanks, 127 pump stations, 172 wells, seven stream intakes and water treatment plants.

Wastewater – collection, treatment, and disposal

The Council collects, treats, and disposes of wastewater from approximately 160,000 customers. This is achieved through 945km of laterals, nearly 2,000km of wastewater mains, 150 pump stations, 84 lift stations, and 34 odour control sites. We provide treatment at eight wastewater treatment plants and disposal through one outfall pump station, six ocean/harbour outfalls, and two land integration schemes. 98% of wastewater generated within Christchurch is serviced by the Christchurch wastewater network for treatment at the Christchurch wastewater treatment plant.

Stormwater drainage, flood protection and control works

Key physical assets include underground conveyance networks (915km of pipes, manholes, sumps, inlets and outlets), open channels and overland flow path (natural waterways such as rivers, streams, creeks, constructed drainage channels, in-channel structures, lining and retaining walls), 45 pump stations and water flow control devices and structures such as valve stations, 12km of stop banks, tide gates and basins, water quality treatment devices such as basins (710), wetlands, tree pits, raingardens, filtration devices, and hydrometric monitoring devices, measuring rainfall along with surface water, sea and groundwater levels.

Transport – roads, footpaths, active travel, public transport

We own, plan, and manage the 2,500km local roading network that supports all transport activities. Council will continue to operate and optimise the public road network to provide an efficient, safe, and sustainable network for all users to all parts of the city.

Facilities

We manage a wide range of facilities across Christchurch and Banks Peninsula, including the art gallery, museums, our network of libraries, community centres, community housing, and early learning centres.

Council's newly adopted Strengthening Communities Together Strategy and its associated implementation plan guides our work and investment in this area as we align the strategy goals with levels of service, reporting and accountability processes across the organisation.

Parks

The Parks Unit manages around 1,250 sites, covering over 9,378 hectares of park land and improvements. Our Regional Parks continue to deliver biodiversity and recreation programmes and investment in these areas continues.

Solid waste and recycling

Assets covered under the Resource Recovery activity are mostly managed through operations and maintenance contracts, which include individual asset management processes and a return of assets at the end of the contract. These assets include transfer stations and community collection points, a material recovery facility, an organics processing plant, the Burwood landfill (gas collection and treatment plant), and 50 closed landfills owned by the Council (with a further 80 across the district).

TAKING A STRATEGIC VIEW OF OUR INFRASTRUCTURE NEEDS

This strategy has identified four significant strategic challenges that underpin all our infrastructure assets and outlines the actions Council will take to fix them.

Planning for our city's infrastructure goes beyond just building and maintaining. It's about making sure our community is set up for success now and in the future, by thinking ahead and tackling challenges as they come. This means using the latest data and technology to make smart choices that will keep our city going strong for many years. It's all about understanding what we need right now, and in the future, and being ready to make decisions to meet those needs. We're focused on keeping our city running well for everyone, making sure we spend wisely, and our plans match what our community wants.

Beyond the tangible assets lies a broader challenge – the impending impacts of climate change and the need for sustainable growth. We cannot ignore the ever-present risks posed by natural hazards, and it's critical that our infrastructure can stand resilient against such challenges. On the other hand, as our city grows, we must navigate this growth conscientiously. Urban growth needs to align with our commitment to a sustainable, low-emission future.

Identifying our significant strategic challenges

1: Understanding our infrastructure and its needs: There's a pressing need to refine our data collection methods and harness asset data effectively for evidence-based decisions, ensuring they align with community priorities.

The quality of our current systems for understanding asset condition varies across asset groups, some of which are well behind best practice standards. New technologies like the use of digital twins for planning, construction and maintenance are shown to significantly reduce whole of life costs of infrastructure by allowing us to model the impact of time and changes on our infrastructure. We need to be able to rely on accurate asset condition information so that we can forward plan our renewals programme, and associated funding requirements. Data helps us decide our priorities, identify what is most critical, and directs us how and when to respond.

Challenge	Impact
Diversity of our portfolio and expectations around data collection	Maintenance of information on condition including costs and maintenance is inconsistent, this limits our ability to understand the big picture and respond to opportunities
Keeping up with technology advances in data collection and management	Reduced ability to collect and analyse information in a timely way
Incomplete data provides poor evidence for decision making	Reduced confidence when decision making and reliance on less rigorous methods

How can we improve data collection and the way we use it in evidence-based decision making for our communities?

2: Looking after what we've got, and delivering what we say we will: How to balance enhanced deliverability and affordability without compromising the attention and care our existing assets require.

We need to re-balance our capital and operational spending to address a legacy of underspending on renewals. We need planning processes in place which allow us to be responsive to the changing (and growing) needs of our community, but also enable us to prioritise the basics. Our challenge is to make the right decisions to prioritise and invest our limited resources based on a data-driven approach to decision making – to work smarter, more efficiently and effectively for our community.

Challenge	Impact
Increasing costs and regulatory changes reduce affordability and deliverability	Maintenance has been deferred resulting in a larger number of assets in poor condition and an increase in unplanned maintenance (currently 66.4% of works order spend).
Reduced deliverability	Reduced community satisfaction, assets again beyond acceptable limits

How do we improve deliverability and affordability, whilst still prioritising our existing assets?

3: Ensuring resilience to the impacts of climate change and natural hazards: In the face of ever-changing environmental context, we must determine and act upon the immediate, and long-term, actions required to reinforce the resilience of our infrastructure and the communities they serve.

A lack of consistent data about greenhouse gas emissions and vulnerability to hazards and risks for some of our infrastructure compromises our ability to make well-informed decisions that will future-proof infrastructure and risks maladaptation. Strategic decisions need to be made about the location, maintenance, and renewal of infrastructure so that communities can live safely. By prioritising maintenance and renewals that are fit-for-purpose in the future we can contribute to Christchurch being a low emission city and making sure growth occurs in low-risk areas.

Challenge	Impact
Limited understanding how climate change is impacting the condition of assets	Low rigour when planning maintenance, renewal, and new infrastructure investments.
Embedding prioritisation of investment decisions in a way that improves infrastructure resilience	Scarce $ are spent without a clear understanding of realistic lifespan

What are the urgent actions we need to take to adapt and increase resilience of our infrastructure and community?

4: Planning and investing for sustainable growth: Growth is inevitable, meaning there is a pressing need to identify and adopt optimal pathways to couple urban growth with a transition to a low-emission future.

Our city is on a trajectory of growth and we need to ensure that this growth does not come at the expense of our environment or the well-being of our residents. Traditional models of urban development have often prioritised short-term gains over long-term sustainability. This has led to increased emissions, strained resources, and imbalances in the quality of life offered to different parts of our community.

Challenge	Impact
Investment for growth needs to take into account a range of factors and interests	Increasing complexity and need for joined up planning and investment for growth
Changes in housing density requirements	Infrastructure capacity is outmatched by growth
Meeting our commitments re climate change while growing our infrastructure	Implementation and management of infrastructure not in step with emissions reduction activities

What are the best ways for us to respond to growth and simultaneously become a low-emission city?

OUR STRATEGIC RESPONSE TO OUR INFRASTRUCTURE CHALLENGES

Understanding and addressing our city's infrastructure needs is no small task. As we look ahead, it's essential that we make informed, forward-thinking choices that guide us over the next 30 years. This section delves into our chosen approach to tackle the key challenges and opportunities we've identified.

The actions outlined below have been developed through a lot of engagement, planning, and analysis of asset data. We've drawn from our strategic framework, especially focusing on the outcomes our community wants and our key strategic policies. Our city's representatives have weighed in with their perspectives, ensuring we're aligned with the community's aspirations. Furthermore, the valuable input we received during the development of the Long Term Plan has been crucial, giving us insight into services and their intricacies.

With this foundation, below are our primary action areas. These are essentially our strategic response — the core actions and principles we'll use to make sure we're taking the best care of what we have, while also investing smartly for Christchurch's future.

Responding to our strategic challenges

We will concentrate on four action areas, each of which includes the things we need to do when deciding how to manage our assets, prioritise investment and deliver programmes and projects. They will also be used to guide Council's consideration of infrastructure investment for the next 30 years.

Significant Challenge	Our Actions in Response
Understanding our infrastructure and its needs. How can we improve data collection and the way we use it in evidence-based decision making for our communities?	1. Build the framework for decisions, starting with improved consistency and quality of data
Looking after what we've got, and delivering what we say we will. How do we improve deliverability and affordability, whilst still prioritising our existing assets?	2. Embed long-term sustainability and affordability into planning
Ensuring resilience to the impacts of climate change and natural hazards. What are the urgent actions we need to take to adapt and increase resilience of our infrastructure and community?	3. Make well informed decisions about infrastructure in vulnerable areas and consider climate risks in all planning
Planning and Investing for Sustainable Growth. What are the best ways for us to respond to growth and simultaneously become a low-emission city?	4. Invest in and supporting sustainable growth

Action area 1: Build the framework for decisions starting with improved consistency and quality of data (years 1-3).

Across the organisation:

- Ensure Asset Management activity is effectively resourced.
- Deliver the 2023 Asset Management Maturity Assessment (AMMA)
- Deliver Asset Management Improvement programmes based on the AMMA assessment and the needs of the service units.
- Ensure that Asset Management is organisationally reinforced, and roles and responsibilities are clear at business unit level.
- Ensure a centralised Asset Management System (AMS) is available across the organisation and provides consistent information (through our SAP software Improvement programme).
- Develop and deliver consistent condition and performance assessment programmes organisational-wide.
- Prioritise optimal asset renewals within the capital and operational programmes using quality asset condition data.

Action area 2: Embed long-term sustainability and affordability into our planning.

- Right size the scale of our Capital Programme, to ensure it is deliverable and affordable while providing efficient and cost-effective infrastructure and services.
- Prioritise funding to the renewals programme.
- Support a more integrated system approach to the planning and delivery of capital projects.
- Budget for whole-of-life operating costs of assets in projects.
- Consider divestment of surplus and under-utilised land/facilities.

Action area 3: Make well informed decisions about infrastructure in areas vulnerable to climate and natural hazard risks and consider climate risks in all planning.

- Develop and apply guiding principles to investment decisions.
- Prioritise adaptation planning with climate-impacted communities.
- Increase climate risk and emission data quality, and strengthen our capability to use this data in our decision making.
- Prioritise options for lower emissions and enhanced resilience at project initiation stage.

Action area 4: Invest in and support sustainable growth.

- Support a more integrated system approach to the planning and delivery of capital projects.
- Partner and collaborate with central government, developers, mana whenua and communities to identify and take opportunities to invest in infrastructure.
- Prioritise investment in infrastructure that promotes active travel, public transport usage and road safety.

How will we know we are on the right path?

Moving forward with these action areas is a long-term programme, and tracking implementation and impact is critical. We need to make sure we're going in the right direction and adjust our approaches if something changes, or we aren't getting the results we expect.

We will develop a fit for purpose approach to help us manage implementation and track our progress. This approach, or "framework", will help us see how well we're doing and where we might need to make changes. It's like having signposts on our journey to make sure we're on track. And, it's not just for us – it's a way for everyone in the community to see how things are going, what's working and what might need a rethink.

We anticipate being able to report on progress in future iterations of the Infrastructure Strategy, and will seek ways to integrate progress reports within our current systems.

Timeline of how we will implement our strategic response over the lifecycle of the Infrastructure Strategy

For the first three years, at least, of this Strategy's implementation, our strategic response and asset investment decisions are shaped by:

- Improving our understanding of our infrastructure so we can make the best investment decisions for our community.
- Refining our capital programme delivery, emphasising sustainable asset maintenance.
- Enhancing planning and project delivery processes, ensuring comprehensive project cost analysis.
- Assessing asset utilisation for potential divestment.
- Developing and embedding guiding principles for climate-conscious investments, enhancing community planning for adaptation, improving Council's climate knowledge, and initiating low-emission and resilient infrastructure tools.
- Partnering with the community to identify and prioritise infrastructure investments so we can sustainably grow and meet changing demands.
- Developing and implementing a monitoring and reporting framework so we can track our progress towards our strategic goals.

This will set the foundation for us to make confident, long term infrastructure investment decisions that support sustainability, growth, and best value for money. More detail can be found in the timeline below.

	Short term (years 1 -3 of the LTP)	Medium term (years 4-10 of the LTP)	Long term (years 11-30 of the LTP)
$ Look after what we've got, and deliver what we say			
$	Scale the size of our capital programme to ensure it is deliverable		Continue to right-size the capital programme through subsequent LTPs
$	Prioritise capital and operating funding to the renewals and maintenance programme so we can sustainably look after our existing assets		Continue to prioritise the renewals and maintenance programme long-term
$	Investigate systemic process change to planning and delivery of capital projects	Implement systemic process change to planning and delivery of capital projects	Review and adjust processes if required, so they support smart project delivery
$	Require whole-of-life operating costs be provided for consideration of all projects	Update budgets as required to account for whole-of-life operating costs in all projects	Ensure whole-of-life operating costs are consistently identified and budgeted in projects
$	Consider opportunities for divestment of under-utilised land and facilities	Continually investigate opportunities for divestment, including exploring partnership and locally-driven initiatives, through Annual Plans and Long Term Plans	
Ensure our infrastructure is resilient to impacts of climate change and natural hazards			
	Apply guiding principles to investment decisions: continue to meet legal obligations; take a 'first do no harm' approach; consider deferring renewals/replacements of non-critical assets in medium-high risk areas; prioritise sustainable risk reduction approaches, and nature-based solutions	Apply national directives, relevant legislation and Council asset and adaptation response policies developed in the first three years of the LTP, to decisions relating to coastal and natural hazards' adaptation, that will increase community and infrastructure climate resilience	
	Increase planning with climate-impacted communities for local adaptation pathways	Prioritise engagement across the city on the challenges ahead in responding to climate change impacts, while continuing community-based adaptation planning	Allocate adequate funding in subsequent LTPs to address the findings of community engagement and local adaptation pathways, to avoid intergenerational inequity
	Increase Council knowledge, data and capability in understanding the effects of climate risks and emissions' reduction, particularly through piloting key projects	Use increased knowledge and data to make decisions based on the effects of climate risks and emissions' reduction	Expand pilot projects that show effectiveness and provide further funding for key systems and processes that embed knowledge, data and capability in Council
	Develop assessment tools and guidance material so that options for low emission impact and enhanced resilience for new and renewed infrastructure can be included at project initiation phase	Require information on/assessment of options for low emission impact and enhanced resilience for new and renewed infrastructure to be included at project initiation phase	Make decisions on infrastructure projects based on the potential for low emission impact and enhanced resilience
Plan and invest for growing and changing demand			
	Identify and prioritise integrated infrastructure planning that stimulates regeneration in prioritised local areas - supporting liveable neighbourhoods and business growth		Extend and continue local regeneration programmes
	Partner and collaborate with central government, developers, mana whenua and communities to identify and take opportunities to deliver, adapt, enhance or divest infrastructure		
	Identify opportunities for investment in infrastructure that promote active travel, public transport usage and improved road safety, and to 'hub' facilities and services	Prioritise funding to projects that support our transition to a low emission city	
	Identify and prioritise projects that attract central government funding	Continue to prioritise external funding opportunities, while also exploring alternative funding models, such as user pays, as a means to deliver infrastructure	
Improve our understanding of our infrastructure so we can make the best investment decisions for our community			
	Identify and implement improvements for how we collect, collate and use data	Review and maintain process and systems improvements	Maintain consistent and integrated data across Council to inform decision-making
	Partner with other councils, central government and the private sector to share and improve data processes and systems; identify and trial forward-facing technologies; and maximise any external funding opportunities		
	Improve our capture and understanding of social and cultural data	Use improved social and cultural data to inform planning and decisions relating to climate change, city growth and demand on our infrastructure	

SUMMARY OF OUR INFRASTRUCTURE INVESTMENT OVER THE NEXT 30 YEARS

[DRAFTING NOTE: this section will be updated as the final financials / capital programme progresses]

The next 30 years are going to be about making our infrastructure more resilient and prepared for changing conditions and growth. At the same time, we want to support the health and wellbeing of our communities by addressing things like climate change and reducing harmful emissions.

This is where our most likely 30-year infrastructure investment scenario helps us out – informed by the detailed planning and analysis within our Asset Management Plans, it provides an overarching view of where we intend to concentrate our activity and allocate resources over the next 30-years.

For the first 10 years, our plans are detailed in LTP 2024-34, which sets out specific projects we're aiming to complete, which is supported by the Council's Financial Strategy. This ensures we balance financial prudence and moving our city forward effectively. After that, for the next 20 years, our Asset Management Plans provide the longer term detail. These describe what we intend to build or improve and when – and signals what we need to consider in future planning cycles.

Basis of our most likely infrastructure investment scenario

Our four action areas, set in response to our significant strategic challenges, will set the framework for how we address our major infrastructure challenges ahead. We are also taking into account certain assumptions[5] reflecting:

- Christchurch's progression over the forthcoming 30 years.
- Predicted surges or declines in service demands.
- Insights into the lifecycle of our assets and the ensuing implications on their condition and renewal strategies.
- Necessary initiatives for the improvement and replacement of assets to ensure they support our agreed service standards.
- Estimated costs for this infrastructure development and the Council's expected position over the next three decades.

This outlined scenario derives insights from the specific Asset Management Plans and Activity Plans. These can be found [insert link].

Looking at the scenario across all assets

Based on our Asset Management Plans, our most likely infrastructure investment scenario anticipates that we'll need to invest $24.4 billion[6] (after inflation adjustments) across the upcoming 30 years. The first 10 years offers a confident budget breakdown, whereas the next two decades provide broader estimates so we can anticipate accordingly.

In the first decade, our projected spending is outlined in the LTP. Our main goals are to looking after the assets that we've got, ensuring resilience to the impacts of climate change and natural hazards, and planning and investing for sustainable growth.

[5] Please refer to Appendix x, which provides links to the relevant supporting documents.
[6] Note this number is lower than the total Capital Programme, as it excludes Corporate Capital, Regulatory and Compliance, Strategic Planning and Activities, and Internal Activities.

We expect to spend between $485 to $601 million each year for the first three years, and $538 to $589 million for the following seven years. This budget includes replacing existing assets, meeting additional demand, and improving the level of service.

From year 11 to 30, our financial predictions come from our Asset Management Plans. These numbers might change based on things like improved asset condition data, changes in growth, new rules and regulations, changes in how we fund projects, and as we get more details about specific projects. For these years, our predictions for day-to-day running costs are based on current prices adjusted for expected inflation and growth.

Reconciling planning horizons: 30-year view of the Infrastructure Strategy versus the 10-year view of the Long Term Plan

The Infrastructure Strategy considers the 30-year view taken in our Asset Management Plans, which detail our activity and the most likely investment required over the next 30 years. This is a bigger picture compared to the LTP and Financial Strategy, which focus on the budget for the next 10 years.

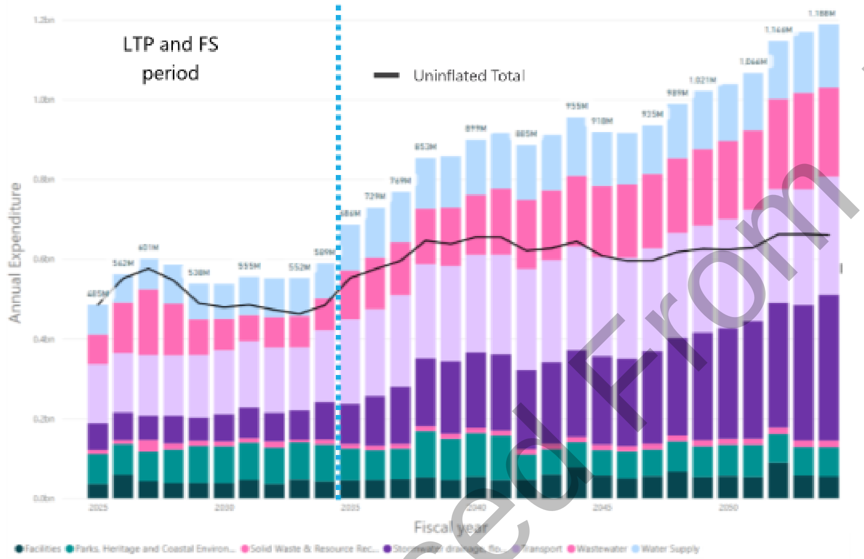
For the coming decade, our Financial Strategy expects rates to go up initially. This is to pay for important projects, but the plan is to bring these rate increases down and keep them steady as we get towards the end of the LTP period. On the other hand, our Infrastructure Strategy looks further ahead and expects we'll need to spend more on infrastructure after these 10 years. This difference means that when we start working on the next set of plans in 2027 – the next Infrastructure Strategy, Financial Strategy, and LTP – we'll have some big decisions to make. We'll need to figure out how to keep things affordable while making sure we meet the growing need for better and more infrastructure.

Projected infrastructure investment over the next 30 years (Inflation adjusted, 2025-2054)

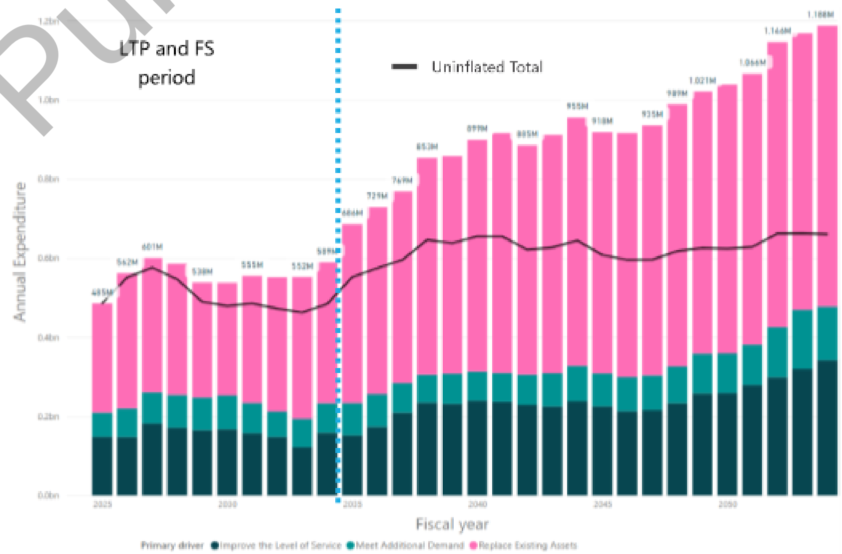
Primary driver	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	Total
Replace Existing Assets	276M	342M	340M	331M	291M	284M	321M	339M	359M	356M	452M	472M	484M	548M	550M	586M	606M	580M	602M	627M	609M	617M	632M	662M	663M	680M	685M	721M	700M	711M	**15,430M**
Improve the Level of Service	149M	148M	182M	172M	165M	167M	157M	148M	122M	158M	152M	174M	210M	235M	232M	239M	236M	229M	225M	238M	225M	213M	216M	234M	257M	258M	279M	298M	320M	341M	**6,379M**
Meet Additional Demand	61M	71M	79M	83M	82M	86M	77M	64M	72M	75M	82M	82M	75M	70M	76M	74M	74M	76M	84M	90M	84M	86M	88M	93M	101M	100M	102M	127M	150M	136M	**2,598M**
Total	**485M**	**562M**	**601M**	**585M**	**538M**	**537M**	**555M**	**552M**	**552M**	**589M**	**686M**	**729M**	**769M**	**853M**	**858M**	**899M**	**916M**	**885M**	**911M**	**955M**	**918M**	**916M**	**935M**	**989M**	**1,021M**	**1,039M**	**1,066M**	**1,146M**	**1,169M**	**1,188M**	**24,407M**

[DRAFTING NOTE: this section, and all charts below, will be updated as the final financials / capital programme progresses]

By Asset Group



By Primary Driver



Item 8

Attachment C

ASSET SPECIFIC EXPENDITURE PROJECTIONS

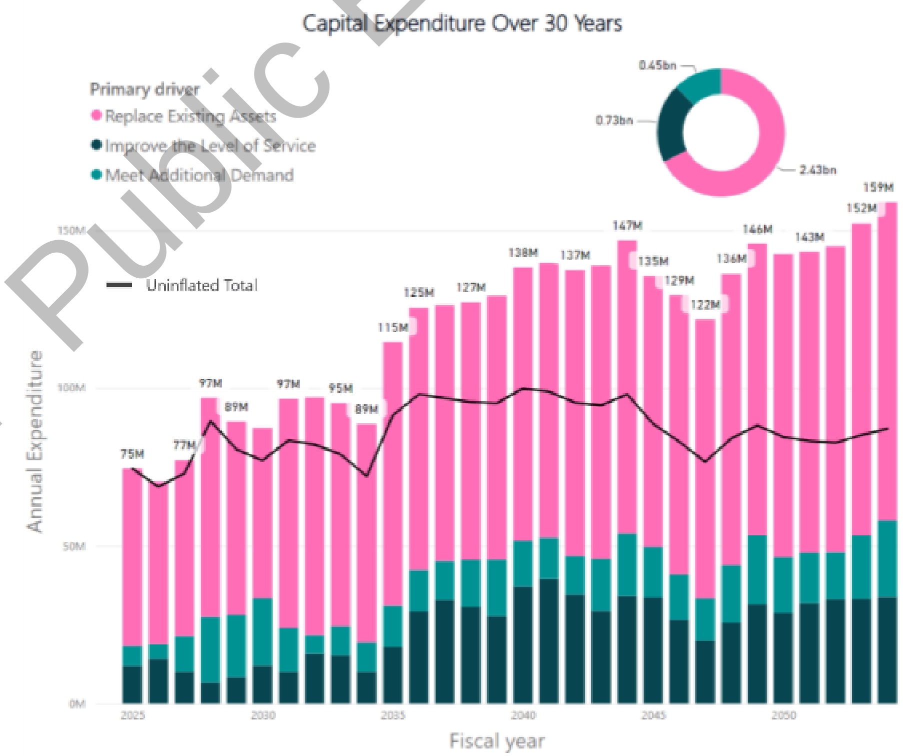
Water supply

Our commitment is to deliver a high-quality, clean, safe, and sustainable drinking water supply to approximately 160,000 homes, businesses, and industries. Our water supply assets, including water treatment plants, pump stations, reservoirs, and reticulation networks, hold a total replacement value of $2.87 billion.

We own, plan, manage and operate three urban and four rural water supply schemes supplying water to Christchurch City and Lyttelton Harbour Basin, Akaroa and Takamatua, Duvauchelle, Wainui, Birdlings Flat, Little River and Pigeon Bay.

We aim to protect the community from water-borne diseases and ensure our water supplies meet rigorous safety and health risk standards. Our goals extend to contributing to safe and healthy communities, providing top-quality drinking water, using resources sustainably, and maintaining modern, robust infrastructure and facilities.

Planned significant projects and programmes[7]	
Reticulation Renewal Programme	$496m
New Chlorination Equipment	$51m
New Pump Stations for Growth	$37m
Ferrymead Water Supply Zone Upgrade	$22m
Averill Pump Station Replacement	$18m
Kerrs Pump Station Replacement	$17m



[7]For more detailed information (including assumptions), please refer the *Water Supply* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

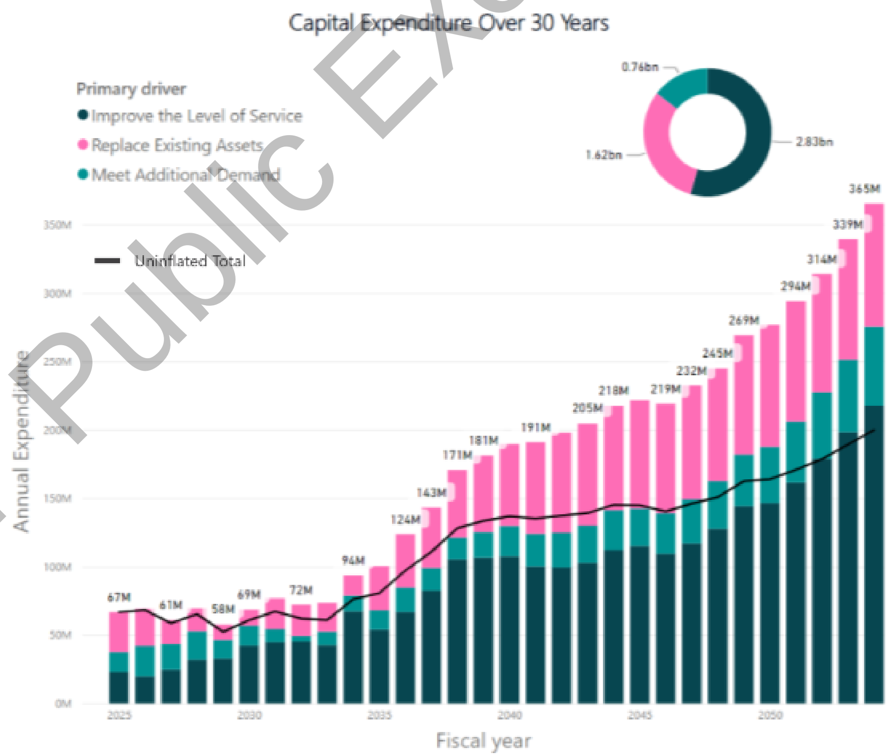
Stormwater drainage, flood protection, and control works

We own and are responsible for planning, constructing, and managing the city's stormwater disposal network and flood protection and control assets. The stormwater network is designed to collect and channel water during rainy periods, integrating secondary flow paths like roads. Our flood protection efforts focus on maintaining floodplains and related infrastructure to enhance surface water quality.

Notably, some Council-owned stormwater and flood protection assets fall under other asset groups: Transport oversees street drainage assets, including sumps and pipes, while Parks and Foreshore manage assets like sea walls.

Our investment prioritises our ability to meet established service levels by maintaining and renewing our assets, investing capital to cater to growth demands (both in greenfield and infill developments), and improving stormwater discharge quality to mitigate waterway degradation. This ensures a resilient, efficient, and sustainable infrastructure system for Christchurch.

Planned significant projects and programmes[8]	
Waterway Lining Renewal Programme	$90m
Reticulation Renewal Programme	$43m
Ōtākaro- Avon Waterway Detention & Treatment Facilities	$69m
Estuary and Costal SMP	$40m
Pūharakekenui- Styx Waterway Detention & Treatment Facilities	$104m
OARC – Pages to Bridge	$30m
OARC – Wainoni to Waitaki	$28m



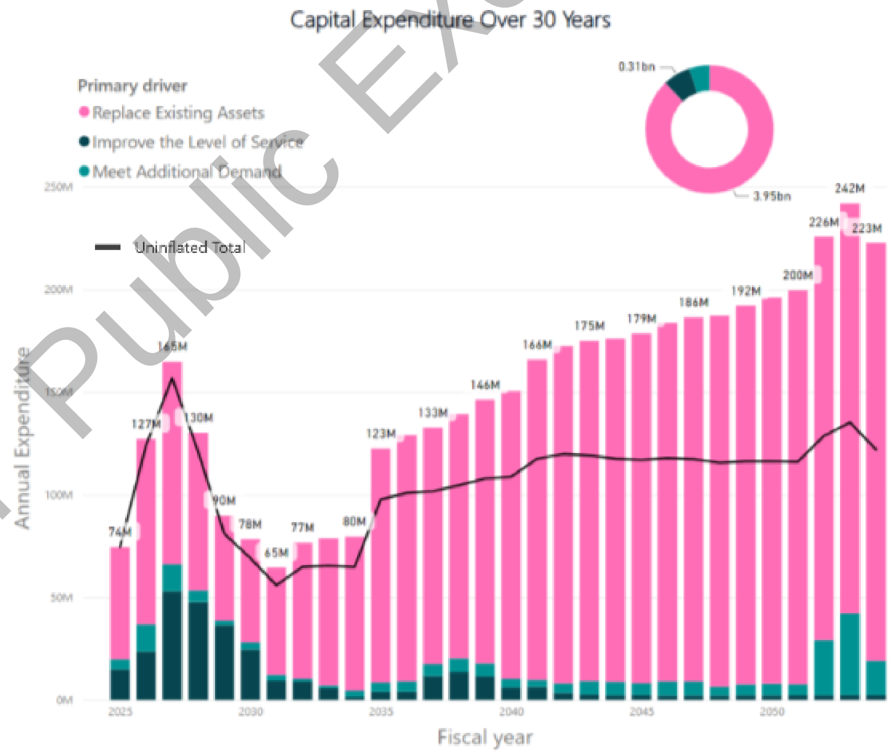
[8] For more detailed information (including assumptions), please refer the *Stormwater drainage, flood protection, and control works* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

Wastewater – collection, treatment, and disposal

Wastewater collection, treatment and disposal is an essential service that protects public health and the environment. We collect wastewater from around 160,000 homes, businesses and industries. To do this we own, plan, manage and operate seven wastewater schemes collecting, treating and disposing of wastewater from Christchurch City, Lyttelton and Governors Bay, Diamond Harbour, Akaroa, Duvauchelle, Wainui and Tikao Bay.

Our seven wastewater schemes consist of reticulation networks, pump stations, odour control stations and treatment plants with a total replacement cost of $5.11 billion.

Planned significant projects and programmes[9]	
Reticulation Renewal Programme	$346m
Treatment Plant Renewals and replacements	$116m
Akaroa WW	$93m
Selwyn St Pump Station & Pressure Main	$52m
Grassmere Wet weather Storage	$31m
Fitzgerald Ave Brick Barrel Mains Renewal	$21m
Duvauchelle Wastewater Treatment & Disposal Upgrade	$18m



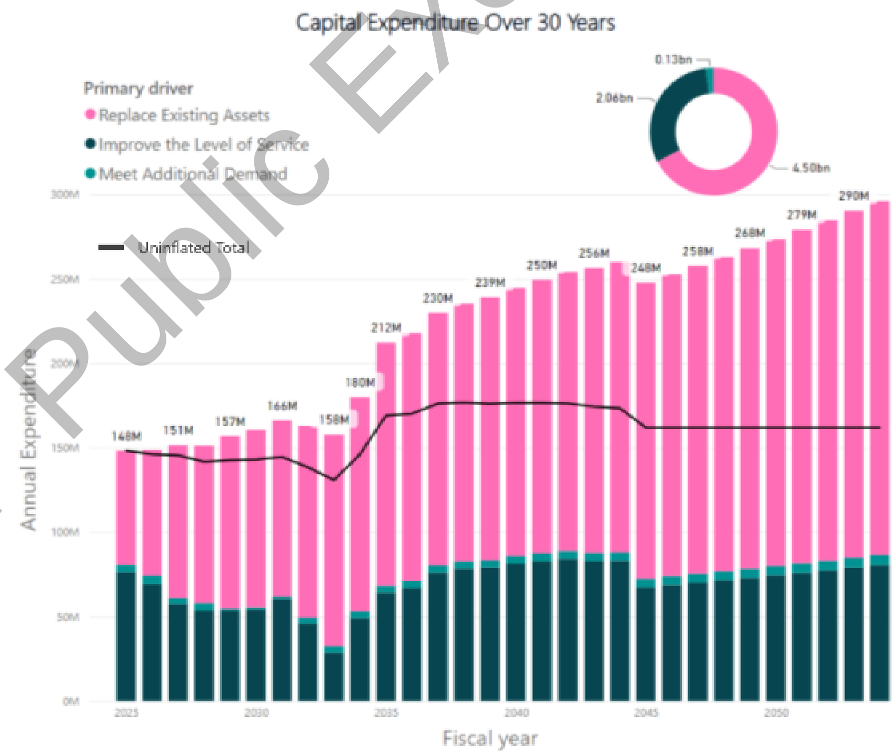
[9] For more detailed information (including assumptions), please refer the *Wastewater* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

Transport

We are responsible for the day-to-day activities that plan for, fund, construct and then keep our transport systems functioning. We do this in close liaison with our Greater Christchurch local authority partners and neighbours – and directly alongside NZ Transport Agency Waka Kotahi, which manages the state highways and act as co-funders of many of our day-to-day transport network investments. We also work closely with Environment Canterbury, who are responsible for planning, procuring, and managing passenger transport services. Along with the Greater Christchurch Partnership, the Council views significant improvement of passenger transport services and supporting infrastructure as key goals for the transformation of our travel networks and choices for work, education, and leisure through this coming long term plan period.

While we deliver and manage these networks and services, we also work to build trust and confidence in our services through programmes such as our travel choice and road safety outreach programmes with schools, employers, and community groups.

Planned significant projects and programmes[10]	
Carriageway Renewal Programme	$590m
Structure Renewal Programme	$166m
Signal Signs & Light Renewals Programme	$105m
Footpaths & Cycleway Renewals	$58m
Major Cycleways	$110m
Public Transport	$105m
Safety Ancillary Projects	$29m
Signals, Signs & Lights Renewal projects	$13.4m



[10] For more detailed information (including assumptions), please refer the *Transport* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

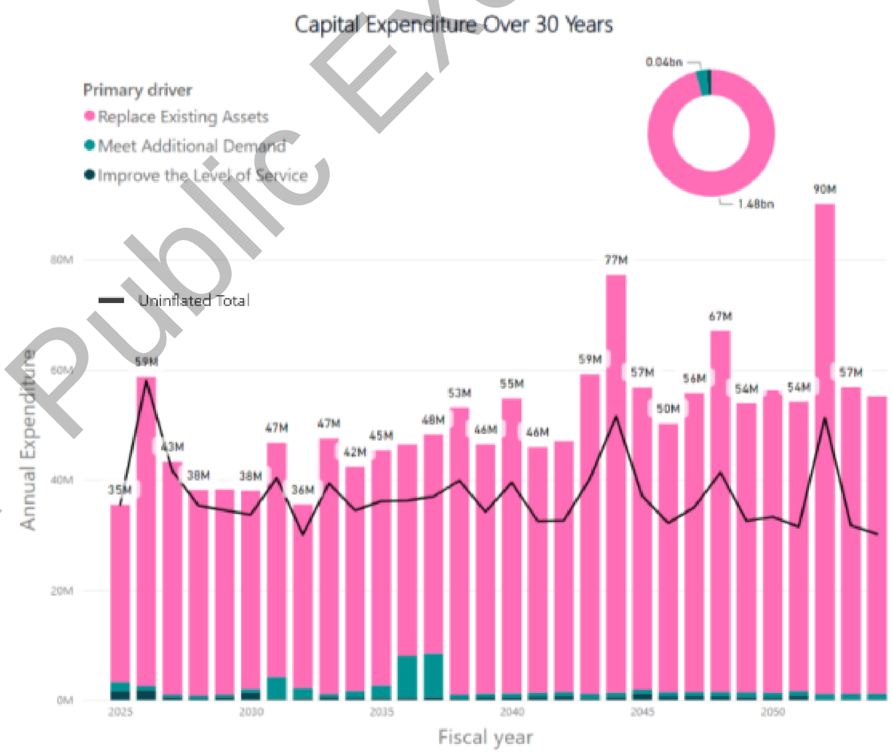
Facilities

We manage a wide range of facilities across the Christchurch and Banks Peninsula, including the art gallery, museums, our network of libraries, community centres, community housing, and early learning centres.

Council's newly adopted Strengthening Communities Together Strategy and its associated implementation plan guides our work and investment in this area as we align the strategy goals with levels of service, reporting, and accountability processes across the organisation.

[DRAFTING NOTE: blank financials will be updated as activity plans are finalised]

Planned significant projects and programmes[11]	
Te Kete Wānanga o Wai Mōkihi- South Library & Service Centre Earthquake Repairs	
Turanga Renewal and Replacement	
Community housing: Refurbishment and Renewal (including OCHT budgets) over the next ten years.	
Art Gallery: Art Collection Storage & Fittings	$8.3m
Art Gallery: Renewals & Replacements	$7.5m
Community Centre Renewals and Replacements	$23.8m
Multicultural Recreation and Community Centre Refurbishment - $800k FY30	$0.8m
Phillipstown Community Centre	$3.7m
Shirley Community Centre	$3.7m



[11] For more detailed information (including assumptions), please refer the *Facilities* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

Parks

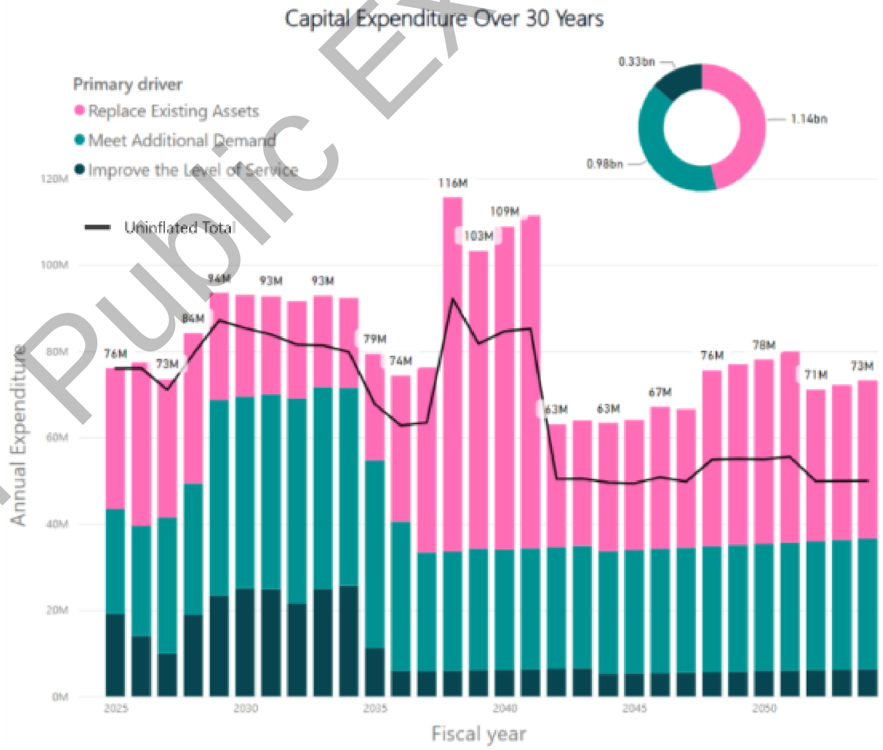
We oversee the city's expansive network of parks, reserves, and foreshore areas. These spaces, totalling over 1,279 sites and spanning more than 9,874 hectares, play a critical role in defining Christchurch's natural character and landscape.

These public spaces form an accessible network that significantly enhances the health, recreation, and liveability for both residents and visitors of Christchurch.

Our parks include community parks, the Botanic Gardens, heritage garden parks, regional parks, Hagley Park, Ngā Puna Wai, cemeteries, a plant nursery, residential red zone parks, and foreshore and marine access structures. This portfolio continues to grow, driven by subdivision processes, transfers of residential red zone land, and new developments, thus enriching our city's green infrastructure.

[DRAFTING NOTE: blank financials will be updated as activity plans are finalised]

Planned significant projects and programmes[12]	
Akaroa Wharf Renewal	
Botanic Gardens Gondwana Land and Childrens Garden	
Botanic Gardens Science Centre Development	
Naval Point Development Plan	
Sports Field Network Plan	
Takapūneke Reserve Development	
Te Kaha Stadium Turf Farm	
Urban Forest Implementation	
Canterbury Provincial Chambers earthquake repair	$19.5m
Robert McDougall Gallery Strengthening & Base Isolation	$14.5m
Cunningham Glasshouse upgrade and repair	$8.5m



[12] For more detailed information (including assumptions), please refer the *Parks* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

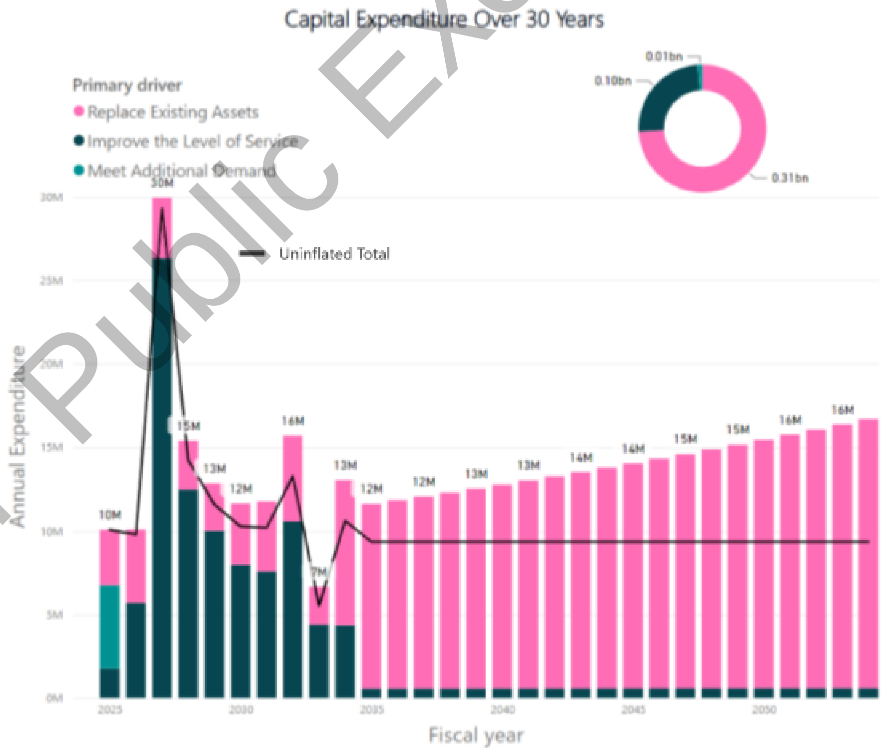
Solid Waste and Recycling

We are responsible for waste management and minimisation, with the aim of reducing the amount of waste that goes to landfill. Our work in this area includes: Education initiatives; Kerbside collection services; Used products reuse; Organics processing; Materials recycling; and, Transfer stations and community collection centres

Assets covered under the Resource Recovery portfolio are largely managed through operations contracts, which include asset management requirements and return of assets at the end of a contract. These include: Transfer stations and community collection points; The Material Recovery Facility; The Organics Processing Plant (until 2027); Burwood Landfill gas collection and treatment plant; and, Closed landfills.

[DRAFTING NOTE: blank financials will be updated as activity plans are finalised]

Planned significant projects and programmes[13]	
Organics processing facility contribution (2026/27)	$17.8m
Bromley site redevelopment	
Parkhouse land purchase	$5m
Transfer Station Upgrades	$63.9m
Landfill Remediation	$22.1m



[13] For more detailed information (including assumptions), please refer the *Solid Waste and Recycling* Activity Plans and Asset Management Plans. [Insert hyperlink to the plans on our website]

CONCLUSION AND NEXT STEPS

Summary

The Infrastructure Strategy provides a comprehensive 30-year roadmap for our community's infrastructure development, aligning with the Financial Strategy and Long Term Plan (LTP). This strategy encompasses critical sectors including water supply, wastewater management, stormwater systems, transport, facilities, parks, and waste management, ensuring they are robust, sustainable, and adaptable to future challenges. Managed through the Asset Management Plans and Activity Plans, our infrastructure assets, valued at $14.2 billion, are set for efficient and sustainable operation, prioritizing climate resilience and demographic responsiveness.

Key challenges addressed include enhancing data-driven management, maintaining and renewing assets sustainably, bolstering infrastructure against climate change and natural hazards, and integrating sustainable practices in urban growth. The strategy outlines decisive action areas: upgrading data systems, balancing funding for asset maintenance, developing climate-conscious investment principles, and supporting sustainable urban infrastructure development.

Over the next 30 years, the strategy plans a $24.4 billion investment, focusing on asset maintenance, climate resilience, and sustainable growth. The first decade follows the detailed budgeting of the LTP, with broader estimates guiding the subsequent years based on the Asset Management Plans.

Next Steps

Data System Enhancement: Implement improvements in data collection and management systems to provide reliable and accurate information for asset management and decision-making.

Sustainable Asset Management: Develop a balanced approach for capital and operational spending on asset renewals and maintenance. This includes considering divestment options for underutilized assets and accounting for whole-of-life costs in budgeting.

Climate Resilience Planning: Establish guiding principles for climate-resilient investments and engage with communities in adaptation planning. Increase the Council's capacity to understand and respond to climate risks and emissions reduction.

Supporting Sustainable Growth: Foster integrated infrastructure planning aligned with sustainable growth objectives. Focus on infrastructure that promotes active travel, public transport, and road safety, collaborating with central government, developers, mana whenua, and communities.

Monitoring and Reporting: Develop and implement a framework to monitor and report on the implementation and impact of the strategic actions. This framework will help in tracking progress, identifying areas for adjustment, and ensuring transparency and accountability.

Community Engagement and Feedback: Continue to engage with the community, seeking feedback on implementation progress and adapting strategies based on evolving community needs and expectations.

Regular Strategy Review and Update: Periodically review and update the Infrastructure Strategy to reflect changing circumstances, new technologies, legislative changes, and emerging community needs.

By following these steps, we will ensure the dynamic and responsive development of our city's infrastructure, catering to both present and future needs, and fostering a sustainable, resilient, and thriving community.

APPENDIX

*** PLACEHOLDER FOR APPENDIX DOCUMENT AND REFERENCE LISTS. (IF THE APPENDIX / SOURCE IS AVAILABLE ONLINE, WE WILL PROVIDE LINKS ONLY (E.G., AMPS, THE STRATEGY, ETC.)) ***

3. Draft Long-term Plan 2024-2034

Reference / Te Tohutoro:	23/2098528
Report of / Te Pou Matua:	Peter Ryan, Head of Corporate Planning & Performance
Senior Manager / Pouwhakarae:	Lynn McClelland, Assistant Chief Executive Strategic Policy and Performance (lynn.mcclelland@ccc.govt.nz)

1. Purpose and Origin of Report Te Pūtake Pūrongo

1.1 To present to Council for consideration and adoption the information that provides the basis for preparation of the Council's draft Long-Term Plan 2024-34, Consultation Document, and the consultation and engagement process to be undertaken by the Council.

1.2 The Local Government Act (LGA 2002) requires local authorities to adopt a Long-Term Plan every three years. The Council's current Long-term Plan was adopted in June 2021.

1.3

2. Officer Recommendations Ngā Tūtohu

That the Council - Long Term Plan 2024 - 2034

1. Receives the information contained and referred to in the staff report and the documents attached to it, including the draft Consultation Document, Financial Strategy and Infrastructure Strategy;

2. Notes the following recommendations of the Council's Audit and Risk Management Committee at its meeting on 8 February 2024:

   a. That the Committee 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 Draft Long-term Plan 2024-34;

   b. Advises the Council that in the Committee's opinion an appropriate process has been followed in the preparation of this information.

3. Approves and adopts for consultation the Consultation Document (Attachment B) for consultation, subject to decisions made at this meeting and the inclusion of the Auditor-General's report required by s.93C(4) of the Local Government Act (LGA) 2002;

4. Adopts the Mayor's Recommendations set out in Attachment A;

5. Approves and adopts for consultation the information contained or referred to in the staff report which provides the basis for the Draft Long-Term Plan 2024-34 (Attachment E) together with any amendments made by resolution at the meeting, and which includes the following attachments:

   a. Treaty Relationships

   b. Financial Overview, including changes to the Financial Statements and Funding Impact Statement

   c. Funding Impact Statement, including Rating Information

   d. Financial Prudence Benchmarks

e. Community Outcomes and Strategic Framework

f. Summary of Grants

g. Proposed Activities and Services - Statements of Service Provision

h. Proposed Capital Programme, including changes

i. Potential Disposal of Council-owned properties

j. Prospective Financial Statements

k. Significance and Engagement Policy (unchanged from 2019)

l. Revenue, Financing and Rating Policy

m. Liability Management Policy and Investment Policy

n. Council-controlled Organisations

o. Proposed Fees and Charges, including changes

p. Reserves and Trust Funds

q. Capital Endowment Fund

6. Approves an adopts the supporting technical documents (draft Activity Plans and Asset Management Plans) which can be found at:

   a. Long-term Plan 2024–34 : Christchurch City Council (ccc.govt.nz)

7. Authorises the Interim Chief Executive to make any non-material changes to the documents and/or information attached to or referred to in the staff report, as well as amendments that may be required to ensure the documents and/or information align with the Auditor-General's report.

8. Notes that list of properties in Attachment i will be consulted upon to seek community views and preferences as to their future use. This will help inform the decision to be made, when adopting the final Long-Term Plan, of retaining them for an alternative public work or declaring them surplus for disposal.

9. Approves the following process for consultation:

   a. Consultation Document available to the Council's website on 1 March 2024;

   b. Hard copy information and documents made available at Council libraries and service centres from 1 March 2024 onwards;

   c. Public Notices in The Star, The Press, and on the Council's website signalling the start of consultation on 1 March 2024;

   d. The period for making submissions will run from 9am on 1 March to midnight on 5 April 2024;

   e. For people who indicate they wish to present oral submissions, hearings will be held from late April through May 2024 (exact dates will be confirmed and communicated to those submitters closer to the time). The following time allocations will apply:

      i. Community Boards, Te Rūnanga o Ngāi Tahu, Papatipu Rūnanga, Environment Canterbury and other local councils – 10 minutes

      ii. Groups and organisations – 5 minutes

      iii. Individuals – 5 minutes

f. Notes that all submissions will then be considered before the Council meets in late June 2024 to adopt its Long-term Plan 2024-34.

Secretarial Note: The Audit and Risk Management Committee's recommendations referred to in recommendation 2 will be provided separately.

3. Reason for Report Recommendations Ngā Take mō te Whakatau

3.1 The Local Government Act (LGA 2002) requires local authorities to adopt a Long-Term Plan every three years. The Council's current Long-term Plan (LTP) (10-year) was adopted in June 2021.

3.2 Each LTP must be adopted before the commencement of the first year to which it relates, and continue until the close of the third year of the Plan (s 93(3) LGA 2002).

3.3 The purpose of the LTP is to describe the Council's activities and the community outcomes for its district. The Plan is also an opportunity to provide integrated decision-making and co-ordination of the Council's resources, and a long-term focus for its activities. It is a basis for accountability to the community (s93(6) LGA 2002).

3.4 The Council must prepare and adopt a Consultation Document (CD) that will enable the Council to consult with its community on the information the Council intends to include in its 2024-34 Long-term Plan.

3.5 The purpose of the Consultation Document is to provide a fair representation of the matters that are proposed for inclusion in the LTP. This must be presented in a way that explains the overall objective of the Council's proposals for the next 10 years, the effect of these on rates, debt, and levels of service, and which can be readily understood (s 93B LGA 2002).

3.6 Before the Council can adopt the Consultation Document, it must first adopt the information that is relied on by the Consultation Document, and which provides the basis for the preparation of the 2024-34 Long-term Plan (s 93G LGA 2002).

3.7 The Auditor-General (through Audit NZ) will report on the quality of this information and the assumptions underlying it, and whether the Consultation Document gives effect to the purpose set out in s 93B LGA 2002.

3.8 The information to be adopted by the Council before it adopts the Consultation Document is set out in Attachment A. Also attached is the Financial Strategy (Attachment C) and Infrastructure Strategy (Attachment D), both of which are key to the Council's proposed approach to meeting the challenges of the next 10 years.

3.9 It is the role of the to lead the development of the Council's plans, including the LTP (s 41A(2) LGA 2002). The Council delegated to its Finance and Performance Committee the responsibility for advising and supporting the Mayor in his role. This included setting the overall parameters, strategic direction and priorities for the LTP, and the development of a Consultation Document.

3.10 The Council's Audit and Risk Management Committee (ARMC) met on 8 February 2024. Its Terms of Reference include considering and reviewing the LTP before it is adopted by the Council. It is to apply similar levels of enquiry, consideration, review and management sign-off as are required for external financial reporting.

4. Process

4.1 The Draft Long-term Plan 2024-2034 has been developed over the last 18 months by staff as well as through extensive guidance from the Mayor and Councillors. This included guidance on the overall direction and parameters to apply to the development of the draft LTP, including expectations for balancing Government reforms, ongoing impacts of long-term challenges faced by our community such as climate change, rising cost of living and affordability issues, as well as confronting the challenge of rising inflation, interest and insurances costs with skills shortages and supply chain disruptions on our operations and capital projects.

4.2 Staff worked extensively with the Mayor and Councillors on a set of strategic priorities to inform the draft, including specific goals and initiatives and linkages to levels of service.

4.3 The LTP process was guided by the Councillors' Letter of Expectation, which sought specific improvements over certain aspects of the 2021 process. The new LTP process, based on the councillor's Letter of Expectation, was approved by the LTP project team, Executive Team, Finance & Performance Committee and Council. It was also considered by ARMC.

4.4 The LTP project team was chaired by the Assistant Chief Executive as Project Sponsor. Work stream leads were appointed to be accountable for the delivery of each component of the LTP.

4.5 In keeping with the Letter, the Council played an active role in reviewing the information that will provide the basis for preparation of the draft LTP. The Council met regularly from July 2023 to January 2024 to review the key documentation and provide guidance to staff. The key guidance was around levels of service (which was used as the basis of activity budgets) and the capital programme.

4.6 Regular dates have been provided to Finance & Performance Committee and ARMC on both the process and draft content of the developing LTP.

4.7 As the draft LTP evolved, Council staff held an extensive series of joint development briefings with the Mayor and Councillors (many of which were publicly accessible) to obtain overall direction and to fine-tune specific details. This commenced in July 2023 and concluded in January 2024. Key joint development briefing dates were advertised so the public could attend (public meetings and live-streaming), and all briefing recordings, content and briefing notes were released through Long Term Plan 2024-2034 | What matters most? | Kōrero mai | Let's talk (ccc.govt.nz)

4.8 This provided opportunities for Councillors to discuss and provide direction on their priorities for the draft LTP 2024 and their expectations for matters such as rates increases, level of debt, financial headroom, the capital works programme, levels of service and savings options. The joint development process also contained briefings on potential recycling of Council assets.

4.9 The draft LTP is focused on a deliverable and affordable capital programme. Past performance was used to rigorously support future expectations so that we only undertake to do what we can realistically deliver. We also made assessments to maximise third party funding (such as New Zealand Transport Agency, Waka Kotahi subsidies and other Government grants and funding opportunities) to build and renew essential infrastructure while limiting the impact on the ratepayer.

4.10 The programme strongly supports the Letter of Expectations and Infrastructure Strategy through strong investment in Renewals and Replacement of Existing Assets – taking great care of, and looking after, what we have already got.

4.11 It also provides what is considered a reasonable and balanced investment approach across the wide range of infrastructure categories that the Council owns and is responsible for. It allows for Improved Levels of Service where it is called for and responds to the City's growth patterns, the latter with support from Development Contributions.

4.12 Guidance was received from Council early in the joint development process that levels of service are to be maintained in the draft LTP. This was in part informed by the LTP pre-engagement process *What Matters Most*, which showed a clear community preference to preserve/protect the services and infrastructure currently provided by the council.

4.13 There has been a focus on risk management throughout the LTP process. This is supported by a suite of four risk tools – enterprise risks, operational risks, and risks embedded in detailed management and significant assumptions signoffs by senior staff.

4.14 The draft LTP recommends (in the opinion of senior management, and based on the advice provided by Councillors) the best balance between financial, risk and service delivery to the community.

4.15 The focus of the Consultation Document is on the optimal balance described above, but also includes a small number of others option for the community to consider. Note that other options (including options around greater and lesser spending/rates percentages) were carefully analysed by senior management and councillors, but were considered to have less advantages than the Council's recommended option.

4.16 This is because of the greatly increased risk that goes with higher rates increases/spending (for example, risks around debt, headroom and capital programme delivery) and equally the loss of opportunity that goes with lower rating/spending (impacts on critical asset renewal programmes, loss of capital works, and reduction in core levels of service.

4.17 This focus on an optimal balance has been considered in detail by the LTP project team, Legal Services, the Executive Leadership Team, Council, Audit NZ and the ARMC.

4.18 All parties consulted have advised that they accept the logic of this process and approach. Legal advice confirms that it complies with the relevant provisions of the Local Government Act 2002.

5. Financial Overview

5.1 The Council faces multiple financial challenges including significantly increased debt servicing costs, significantly increased insurance costs, challenging asset renewal requirements, the costs of climate change adaption and mitigation, and the general increase in costs that a high rate of inflation brings.

5.2 Another challenge in the mix is the final phase of the rebuild following the earthquakes of 2010/11 with additional costs associated with the construction and then operation of key facilities such as Te Kaha (the multi-use indoor arena), Parakiore (our flagship sports and aquatic centre) and Te Whare Tapere (the performing arts precinct).

5.3 The Financial Strategy seeks to reconcile the relationship between the expenditure required to deliver the levels of service the community expects, and the call on funding from rates and debt.

5.4 These factors are inter-related and movement in one causes movement in at least one of the other variables. For example, if rates are reduced then some combination of reduced or delayed expenditure is required, which in turn will likely result in a reduced level of service being delivered, or increased debt.

5.5 The draft Financial Strategy and Infrastructure strategy present the Council's proposed solution to these challenges and detail the key financial parameters and limits the Council will operate within over the period of the Long-term Plan 2024-34.

5.6 With some limitation on borrowing capacity prior to 2028 and also taking into account deliverability and affordability, Council has restrained its proposed core capital programme in the first three years. The asset renewals programme has planned capital expenditure of $297-$359 million per year in the first three years and an average annual spend of $344 million for the 10-year period. A total capital programme of $6.25 billion over the LTP period is proposed. The core capital programme is averaged at $596 million per annum over the 10-year period (excluding Te Kaha).

5.7 To minimise the impact on rates, revenue increases and operational savings of $41 million are proposed over the ten year life of the LTP, in addition to cost saving initiatives implemented in the 2023/24 Annual Plan.

5.8 An average rates increase to all existing ratepayers of 15.84% is proposed for 2024/25. This enables a capital investment programme to be delivered progressing the major facilities and prioritised infrastructure renewals, while also accommodating repayment of debt. A further rates increase of 8.20% is forecast in 2025/26, before dropping to around 4% and declining in each subsequent year to the end of the LTP. A total cumulative rates increase over the LTP period of 44.67% is forecast.

5.9 The Council's net debt to revenue ratio increases materially in the 2025 – 2028 period, due to increased term debt borrowings. The ratio reaches a peak in 2028 of 186.7% before starting to decline. After 2028, the net debt to revenue ratio is budgeted to gradually improve and there will be ability to borrow at least $1.2 billion without breaching debt covenants by 2034. Staff believe current and forecast debt can be serviced comfortably.

5.10 A key feature of the financial strategy is to ensure the ability to access funding through borrowing if the unexpected happens. Minimum debt headroom of $600 million has been maintained in all years of the LTP.

5.11 The Council has a statutory obligation to ensure prudent stewardship and the efficient and effective use of its resources, with financial prudence being measured by a number of benchmarks.

5.12 The proposed LTP meets all financial prudence benchmarks across all years except for the debt servicing benchmark but there are no concerns around the ability to service the debt. The balanced budget benchmark is met in each year of the LTP.

5.13 The proposed LTP does not provide for inflation protecting the principal of the Capital Endowment Fund. Low interest rates mean it is not feasible to do so while still providing funding for economic and community development.

Rates

5.14 The Draft LTP includes a rates requirement (excl gst) to be levied of $795 million in 2024/25.

5.15 The proposed average rates increase to all existing ratepayers is 15.84% in 2024/25.

5.16 The increases for the average property based on capital value in the three sectors is:

5.16.1 Residential 14.9%

5.16.2 Business 17.0%

5.16.3 Remote Rural 17.8%

5.17 The average house will have a rates increase of $9.65 per week, excluding any revaluation impact. Full details of rates, including the total rating requirement for general and targeted rates, and indicative rates for sample properties, are provided in the Funding Impact Statement attachment.

5.18 The 2022 General Revaluation produced new valuations for the purpose of rating from 1 July 2023. The revaluation does not increase Council's overall rates revenue, but it does affect the distribution of rates between different ratepayers.

5.19 Capital values for residential properties (dwellings, flats, apartments) increased by X% while business properties increased by only X%. This means that without some adjustment by Council, the rates burden will shift away from business properties towards residential properties.

5.20 The Draft LTP proposes to increase the business differential on the capital value-based general rate from X to X. This will keep the proportion of rates paid by the business sector consistent with the current year. It will also mean the average residential property and the average business property will have similar rates increases.

5.21 Average capital value increases for residential properties vary between suburbs. This means there will be some relative shift of the rates burden between suburbs.

5.22 Those residential properties that have increased in value by more than the average will have higher rates increases than X% whereas those with lower than average valuation increases will have a rates change lower than X%.

5.23 Ratepayers will be able to see a forecast of the 2024/25 rates for their specific property by visiting Council's "rates valuation search" website from March 2024.

5.24 The Draft LTP also proposes to return the Rates penalty/surcharge rate to 10%. It was reduced in the 2021 LTP given the very low interest rates at the time.

Operational Expenditure

5.25 Operational expenditure of $7.4 billion over the 10 years of the LTP, increasing each year from $660 million in 2024/25 to $815 million in 2033/34.

5.25.1 During the next three years an ambitious community facility investment programme will be completed. Community facilities to be completed by 2025/26 include:

- Matatiki: Hornby Centre- opening in 2024
- Te Whare Tapere – Performing Arts Precinct – opening in 2025
- Parakiore – multi sports and aquatic centre (funded by the government) – scheduled to open in 2025
- Te Kaha – multi use arena (co-funded by the government) – opening in 2026.

5.25.2 Once these facilities open, operating costs will increase by around $141 million over the life of the LTP. The LTP 2024-34 includes a more comprehensive suite of initiatives to address climate change mitigation and adaption than previous LTPs. Climate change will increasingly impact on the Council's expenditures in a variety of ways, including:

- Increased maintenance and operational costs as infrastructure assets are compromised by the effects of climate change such as sea level rise, water table rise and the impact of extreme weather events.
- Costs associated with retreat or relocation of Council assets to respond to the effects of climate change. Depending on central government policy, this may include scenarios of contributing costs to relocate residents from at-risk locations, including coastal areas, to less vulnerable locations.
- Cost to offset Council's residual emissions in 2030 when our net zero carbon target comes into effect.

- Increased insurance costs and/or insurance retreat.
- Emissions reduction and adaption may affect Council's cost of borrowing. Lenders' rates in the future may be linked to meaningful and measurable sustainability outcomes.
- Proactive investment in climate change mitigation and adaption will help lower costs and risks over the long term.

5.25.3 Operational revenues and expenditure savings are budgeted to be achieved without lowering external levels of service. $41 million of increased revenues and operational savings were accepted across the full period of the LTP as the maximum change that could be made without impacting levels of service.

Surplus, operating deficits, and sustainability

The Draft LTP shows accounting surpluses of $986 million before revaluations over the 10 years of the Plan. 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 each year of the Plan.

Capital programme expenditure

5.26 This was the subject of strong direction in the Mayor's Letter of Expectation - to ensure a deliverable capital programme across the life of the LTP. The LTP 2021 provisions, amended by the FY23 Annual Plan, provided for a total $6.01 billion of capital expenditure across the 10-year period. This has been restricted to a total capital programme of $6.25 billion with reductions in Years 1 and 2 of $35 million and $27 million respectively. This is just less than a 4% increase which in real terms demonstrates considerable restraint against rising costs and inflationary pressure that have been prevalent and remain 'sticky' at this point. Note, all figures are in 2025 dollars and inflation is allowed for in the following 10 years based on our inflationary forecasts outlined in the Financial Strategy.

5.27 The Core Infrastructure component (which excludes Te Kaha) has been re-phased to a realistic $563 million in Year 1, which we believe manages staff and market capacity and inflationary pressures.

5.28 Key factors taken into account when considering deliverability were:

- Historic performance on delivery
- Cost escalation/inflationary pressure
- Supply chain issues – including resources, materials and labour
- External Funding sources (including Waka Kotahi subsidies from Central Government) have been optimised to minimise costs to the Christchurch ratepayers while ensuring we can still deliver on those funding commitments. It is noted that with the new Government in place and the pending release of the Government Policy Statement on Land Transport that these funding mechanisms are subject to change.

5.29 The proposed programme of Core Infrastructure maintains a good balance between prudent financial management and responsible stewardship of the Council's assets and is considered a deliverable Programme.

5.30 Key changes and re-phasing compared to the current LTP provisions are scheduled in supporting documents and these are summarised as:

Community Facilities and Parks

- Significant major facilities are now in the design or construction phase, some with contracts awarded and are funded accordingly to match latest construction schedules - these include Te Kaha, Performing Arts (Court Theatre) and South Library.
- Significant parks projects include Te Nukutai o Tapoa – Naval Point development, Akaroa Wharf Redevelopment and Ōtākaro Avon River Corridor programme .

Three Waters

- Adverse weather events and floods around New Zealand demonstrate the importance of continued investment for improved resilience. The stormwater and flood protection programme has been re-phased to better align with design, securing resource consents, community engagement and limitations of seasonal works. A lot of work continues in this area, with excellent progress and continued funding in the Opawaho/Heathcote Catchments, and the Pūharakekenui/Styx waterway detention and treatment facilities programme.
- Water supply sees significant investment in the renewals programme and enhancement of water quality through the chlorination programme, as required by the national water regulator Taumata Arowai.
- Similarly, wastewater sees significant investment in the renewals programme combined with keeping our central wastewater plant meeting the needs of our city and a significant upgrade of the Akaroa and Duvauchelle treatment schemes.

Transport

- Significant investment is made in lifting the renewals effort in the Transport portfolio. This includes carriageways, footpaths, bridges, signs, signals and other structures.
- Cycleways gain further investment and are rephased to ensure they are deliverable in realistic timeframes.
- New and upgraded Public Transport infrastructure is allowed for and currently supported by significant external funding.
- The important link and lifeline connection to New Brighton, the Pages Road Bridge, is phased and allowed for based on the most recent advice from the project team.
- The final form of the Transport programme will be dependent on policy changes and decisions by the new Government.

Solid Waste and Resource Recovery

- With the proposed closure of the current Bromley Organics Processing Plant in 2026/27, interim arrangements for the site are in place, ahead of the proposed new self-contained facility in Hornby opening in 2027.
- Recycling and Transfer Station improvements together with Landfill Aftercare gain significant investment to responsibly manage our waste streams

Capital programme funding

5.31 The capital programme is funded by subsidies and grants for capital expenditure, development contributions, proceeds from asset sales, rates and debt. In The LTP we rate for $218.8 million of renewals in 2024/25 increasing each year to $378.7 million in 2033/34.

Borrowing

5.32 The LTP shows gross debt rising from $2.64 billion at the start to $3.69 billion at the end of the LTP.

5.33 Debt repayment also rises from $69.2 million in 2024/25 to $155 million in 2033/34.

5.34 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.

6. Significant Assumptions

6.1 Significant assumptions were reviewed and there is no significant change from the LTP other than a material rise in interest rates and a risk around inflation. The level of uncertainty on a number of assumptions is lower than the LTP due to the one year focus of the Annual Plan. Assumptions are subject to a rigorous sign-off process across the Council and results were reviewed by the Audit and Risk Management Committee.

7. Financial Risk Management Strategy

7.1 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 in this Draft Annual Plan. 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). All key financial ratios are expected to be met in 2023/24. These are included within the Financial Prudence Benchmarks (Attachment C).

7.2 There are two Financial Prudence benchmarks not expected to be met in 2023/24, the Rates Affordability benchmark and the Debt Servicing benchmark.

7.3 The Rates Affordability benchmark measures the notional year on year increase in rates. For 2024/25 it is 15.84% against a quantified LTP limit of 18%. Significantly higher inflation and interest costs have caused the higher increase.

7.4 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.

8. Fees and Charges

8.1 A schedule of all proposed Fees and Charges is included in Attachment G. In recommending the proposed fees, staff have been conscious of the financial pressure many of our residents and ratepayers are under, and attempted to avoid increases to the community that would create a barrier to utilisation of those services.

8.2 As a result of the above, limitations imposed by the market, and the varying inflationary impacts on costs and limits on cost recovery, fee increases proposed for 2023/24 vary a little more than usual.

8.3 Recreation and Sport, and Consenting fees are generally not increased as they are considered to be at market rates.

9. Changes to Levels of Service

9.1 Guidance for level of service development received from Council through their Letter of Expectation from Council in 2023 was to maintain levels of service. There are proposed minor changes to eight levels of service accompanied by rationale. These are in Attachment E.

9.2 Through the letter Councillors asked to be engaged early on levels of service to ensure they understood the issues and options they will consult on. Engagement was achieved through the joint development process, a series of briefings held between July and late November 2023 with draft activity and asset management plans presented to councillors by accountable Heads of Service.

9.3 Focus areas for activity plan presentations included:

9.3.1 clear line of sight from high level outcomes (Strategic Framework, including climate resilience and other relevant Strategy documents) to proposed levels of service and capital projects;

9.3.2 a capital prioritisation process that had a focus on community need, deliverability, affordability;

9.3.3 climate resilience across all capital portfolios;

9.3.4 levels of service that are consistently SMART (specific, measurable, achievable, relevant and time-bound) and which provide transparency of non-financial performance across services, and;

9.3.5 a reduced suite of levels of service that are most critical and meaningful.

9.4 In summary, across all activities, changes to levels of service involve;

- Reducing the overall number of levels of service to those that are most critical and meaningful. This has involved a review of all performance measures and targets and re-categorising some from 'community' (meaning they are visible in the long-term plan, monthly performance reporting to Finance and Performance Committee, and the Annual Report) to 'management', or operational. This means the measure and target will still be part of the Performance Framework and will be monitored as part of operational reporting. This has affected xx performance measures and targets.

9.5 A summary of level of service and target changes for specific activities are as follows. These are outlined in more detail and footnoted in the Activities and Services Statement of Service Provision:

- **Recreation, Sports, Community Arts and Events**; There is an expected increase to 40 recreation and sport facilities available for use, reflecting the opening of Matatiki/Hornby and Parakiore facilities. As a consequence there is also an anticipated increase in the number of participants using multipurpose recreation and sport centres, outdoor pools and stadia, to at least 5.6 million in year 1 to 6.0 million participations in year 10.
- **Parks and Foreshore:** There are three proposed target changes for this activity. First is the inclusion of a 'management' internal measure as a 'community'-facing measure which will enable Council and the community to monitor achievement of community parks

maintenance plan key performance indicators following Council decision to transition from contracted service delivery to in-house maintenance service provision. The second is a proposed target change, reduction of resident satisfaction with the presentation of the city's inner city parks from 80% to 75% satisfaction . Thirdly, the activity is also proposing the inclusion of a new LOS and target (Neighbourhood parks are provided in urban areas at a rate of at least 1.9 ha/1000 population), acknowledging the growing demand for additional greenspace in areas characterised by medium to high population density.

- **Water Supply**; Two LOS target changes are proposed for this activity, the first is anticipating greater average drinking water consumption per resident per day (from <= 210 litres to <= 250 litres), the second a reduction in resident satisfaction with Council responsiveness to water supply problems, reducing in earlier years from >=65% to >=60%.
- **Wastewater Collection, Treatment and Disposal**; This activity is proposing one target change, halving median resolution times from notification of overflows from network faults (from <= 24 hours to <= 12 hours).
- **Flood Protection and Control Works;** One target change is proposed for this activity, related to identification of stop banks as not meeting original design requirements for condition and/or height (repaired within 9 months), from 100% by year 10 (2031) to 50% by year 10 (2034). Capex and opex funding has been demonstrated to carry out minor repairs for the first 3 years of the draft LTP. However, based on the delayed roll-out of permanent stop banks there will be more reliance on renewal money to repair the temporary stop banks.
- **Transport;** There are three proposed target changes for the activity. The first relates to maintaining roadway condition to an appropriate national standard, measured by the percentage of the sealed road network that is resurfaced each year. The proposal is to reduce the percentage of resurfacing per annum from >=5% in 2023/24 and >=6% in year 10 (LTP 2021), to >=4% for the first two years, then lift to >=5% resurfacing from year 3 onwards. Amendment to target is a reflection of the quantum of work achievable within the forecast capital programme.
- The second relates to increasing infrastructure provision for active and public modes. The proposal is to change the target from >=600km total combined length (cycleways and bus lanes) in 2023/24 to >= 625 km in year, >= 635 km in year 2 and >= 645 km in year 3. The year 10 target remains >= 685 km. Target has been revised based upon results in 2022/23 and a proposed capital programme of approx. 10km per year of cycleways and bus lanes for the next LTP period.
- The third proposed target change is around more people choosing to travel by cycling. The change is from >=13,500 in 2023/24 and >=20,000 in year 10 (per the LTP 2021) to achieving average daily cyclist detections of >= 12,500 in year 1, >= 13,000 in year 2, >= 13,500 in year 3, forecasting >= 19,000 in year 10. The change reflects that the majority of the major cycleway projects will be complete by the year 10 budget, therefore we expect a levelling-off of new cyclists.
- **Solid Waste and Resource Recovery;** Proposed target change for resident satisfaction with kerbside collection service, from 85%-90% to at least 82%. The previous LTP target was rising to 90% satisfaction from a four-year average of 80%. There are limited interventions that Council can make to lift the satisfaction rating for kerbside collection.
- **Community Housing;** Two LOS changes are proposed for this activity. First is a target change for Council facilitate and/or funds community housing supply, from At least 2,500 units to Years 1&2: At least 2,080 units; Y3: At least 2,300 units; Y10: At least 2,650 units. The

second is the deletion of the LOS, Council makes a contribute to the social housing supply in Christchurch – Council owned units are available for use (target 1,798 units. Council no longer has direct control of the number of units available for use as the management of all maintenance sits with Ōtautahi Community Housing Trust (OCHT).

- **Growth and Property;** There are three LOS proposed to be introduced with this activity. First is to deliver projects that will lead to positive community outcomes, at least one new project commended annually. (Increasing the supply of community housing; or Increase employment opportunities; or Improves Mana Whenua relationships; or Allows for community "ownership" of service delivery; or Reduces the impacts of natural or human induced (including climate change) hazards.) A second is proposed to facilitate housing outcomes through financing mechanisms, the target is 'Approved financing arrangements result in new community housing'. The third proposed LOS is to Work with our neighbours and other partners to provide regional housing advice, the target being the Greater Christchurch Partnership Housing Plan is ratified by Council and Council assist in implementation.
- **Governance and Decision-making;** The activity proposes a change to one LOS target, resident satisfaction with participation in and contribution to Council decision-making (understanding decision-making). The target has been 'At least 34%'. The proposed change is, year 1 At least 32%; year 2 At least 33%; year 3 and beyond At least 34%.
- **Sustainable Economic Development;** There is a proposal in this activity relating to the "Number of major event opportunities assessed for consideration by the agreed group of city partners". The change is that no targets are proposed for at least the first three years of the LTP24, proposing 20 major event opportunities are assessed from 2027/28. This is reliant on when event investment funds are budgeted for in the Recreation Sport Community Arts and Events activity. Secondly, four LOS are proposed to be aggregated into a single measure for the LOS, "Ensure Christchurch businesses have access to comprehensive advice and support to grow competitiveness, resilience, and sustainability. Target is 800 businesses access business support or advice (annually)".
- This provides greater clarity on the overall level of service being delivered for the community in one simple measure, and meets Council direction from the letter of expectation for a reduced suite of LOS that are most critical and meaningful. Lastly there are four LOS proposed for deletion. These relate to annual reporting on the progress of the Antarctic Gateway Strategy, the attraction of screen productions to Christchurch through grant funding, monitoring the number of initiatives to support cluster development, and reporting on the feasibility of urban development proposal and projects. Their deletion reflects directions in the Councillor's Letter of Expectation to "Focus our efforts on a reduced suite of LOS that are most critical and meaningful".

10. Changes to Revenue, Financing and Rating Policies

10.1 No policy changes are proposed as part of the Draft LTP.

11. Potential Disposal of Council Owned Properties

11.1 The Council owns many types of properties of all different shapes and sizes. Owning property comes at a cost, and it is good financial practice to continually review the portfolio to make sure it is fit for purpose. If a property is no longer fit for purpose, then the Council should decide whether to keep it or release the value of it for community benefit.

11.2 In 2020, the Council approved a process for considering the future of properties that are not required for their original purpose. This process was used in the 2021-2031 Long Term Plan and the 2022/23 Annual Plan. As a result of the process Council has declared a small number of properties surplus, as well as deciding to fund the retention of others. Since 2021, this has resulted in approximately $24m of revenue that has primarily been used to repay debt, and the release of land for housing and other purposes. During this time Council's property portfolio has continued to grow and there has been no material impact on service delivery.

11.3 As part of the draft 2024-34 Long Term planning, officers have used the approved process to prepare a recommended list of properties for consultation and possible disposal. A long list of properties was identified from both the general portfolio and Port Hills properties transferred from the Crown (referred to as Port Hills Residential Red Zone). Officers assessed the long-listed properties against the following criteria adopted by the Council at its meeting of 10 December 2021:

11.3.1 Is the full property still required for the purpose for which it was originally acquired?

11.3.2 Does the property have special cultural, heritage or environmental values that can only be protected through public ownership?

11.3.3 Is there an immediate identified alternative public use / work / activity in a policy, plan, or strategy?

11.3.4 Are there any strategic, non-service delivery needs that the property meets and that can only be met through public ownership?

11.3.5 Are there any identified unmet needs, which the Council might normally address, that the property could be used to solve? And is there a reasonable pathway to funding the unmet need?

11.4 Officers assessed the Port Hills properties from a risk perspective. The Crown acquired these properties due to a variety of geo-technical risks. Only properties where the risk has been mitigated or through other mechanisms can be accepted have been shortlisted for consultation.

11.5 This list has also been reviewed by activity managers and the disposal of the properties on the list will have no material impact on them meeting the levels of service in their respective Activity Plans.

11.6 The final list of those properties considered suitable for incorporation in the Draft 2024-2034 Long term Plan for consultation purposes can be seen at Attachment xxx.

11.7 In August 2017, the Council resolved that for a small number of specifically identified Port Hill properties disposal should be prioritised in the following order:

11.7.1 person(s) or parties who sold the particular property to the Crown as a consequence of the Crown's Port Hills Residential Red Zoning following the earthquakes; and

11.7.2 person(s) or parties generally who sold properties to the Crown as a consequence of the Crown's Port Hills Residential Red Zoning following the earthquakes;

11.7.3 current owner(s) of adjoining properties;

11.7.4 all other parties.

11.8 Councillors have asked for specific advice on the application of this prior resolution and this will be provided before a final decision is made on disposal.

12. Long Term Plan Process

12.1 The Council must, at all times, have a long-term plan, must use the special consultative procedure in adopting the plan, and the plan must be adopted before the commencement of the first year to which it relates (s.93 Local Government Act 2002).

12.2 The purpose of a long-term plan is to:

12.2.1 describe the activities of the local authority; and

12.2.2 describe the community outcomes of the local authority's district or region; and

12.2.3 provide integrated decision-making and co-ordination of the resources of the local authority; and

12.2.4 provide a long-term focus for the decisions and activities of the local authority; and

12.2.5 provide a basis for accountability of the local authority to the community.

12.3 A long-term plan must cover a period of not less than 10 consecutive financial years.

12.4 The information complies with the requirements set out in Part 1 of Schedule 10 of the LGA 2002 in respect of the information to be included in a Long-term Plan.

12.5 The Consultation document will state where members of the public may obtain the underlying information, including links to all supporting documentation, on the Council's website.

13. Consultation and Hearings Process

13.1 Preparing and adopting a LTP is a matter of high significance. For this reason the LGA 2002 requires the Council to use the special consultative procedure when consulting with its community on adoption of the Plan (s 93(2) LGA 2002).

13.2 The requirements for a special consultative procedure are set out in s 83 LGA 2002. If approved by the Council, the following process will comply with those requirements:

13.2.1 The Consultation document will be available to the public on 1 March 2024:

13.2.2 The Consultation document will advise members of the public where they may obtain the information that is relied on by the document and which provides the basis for the draft 2024-34 Long-term Plan;

13.2.3 The period for making submissions will run from 9am on 1 March to 5pm on 5 April 2024;

13.2.4 The consultation process will include radio advertising, articles in Council publications, email newsletters to subscribers, a website link to access information. People who wish to will also be able to lodge submissions electronically and to use other e-democracy tools such as Facebook where appropriate;

13.2.5 It is proposed to hold a series of community discussions between Xx March and XX April 2024. These discussions will allow the community to engage directly with Elected Members and Council officers;

13.2.6 Meetings with stakeholder groups will also be held during this period;

13.2.7 For people who wish to, the opportunity to present their views orally will be available from late April through May 2024 (specific dates and times to be confirmed). The following time allocations will apply;

- Community Boards, Te Rūnanga o Ngāi Tahu, Papatipu Rūnanga, Environment Canterbury and other local councils – 10 minutes
- Groups and organisations – 5 minutes

- Individuals –5 minutes

13.2.8 All submissions will then be considered before the Council meets at the end of June 2024 to adopt its 2024-34 Long-term Plan.

14. Alternative Options Considered Ētahi atu Kōwhiringa

14.1 N/A

15. Detail Te Whakamahuki

15.1 The Draft Long-term Plan process took place between March 2023 and January 2024. Council and staff held a series of joint development briefings many of which were publicly accessible. This was achieved through advertising key joint development briefing dates where the public could attend (public and live-streamed), and releasing all briefing recordings, content and briefing notes through Long Term Plan 2024-2034 | What matters most? | Kōrero mai | Let's talk (ccc.govt.nz)

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

15.2.1 All wards and Community Board areas.

15.3 Each of the six Community Boards finalised a Community Board Plan in May 2023. Each Plan identifies key Community Board priorities that they wish to achieve in the current electoral term and beyond. The Plans were made available to Heads of Service to inform the development of Activity Plans.

15.4 Community Board Chairs identified the top priorities within each Plan that they felt should be funded in the draft 2024/34 LTP. These were presented to Council on 11 October 2023. Following this staff undertook to incorporate as many of the priorities as possible and report back to Community Boards and Councillors. Staff reported back on 29 November advising that of the 24 priorities covered, 21 were funded and three were partially funded. A commitment was made to discuss the partially funded priorities with the respective Community Board in time to inform any submission the Board may wish to make to the draft LTP.

16. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

Strategic AlignmentTe Rautaki Tīaroaro

16.1 The Local Government Act (LGA 2002) requires local authorities to adopt a Long-term Plan every three years (s.93).

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

16.3 Governance

16.3.1 Activity: Governance and decision-making

- Level of Service: 4.1.18 Participation in and contribution to Council decision-making - Percentage of respondents who understand how Council makes decisions: At least 34%

16.4 Internal Services

16.4.1 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

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

Impact on Mana Whenua Ngā Whai Take Mana Whenua

16.6 The decision involves a matter of interest to Mana Whenua and could impact on our agreed partnership priorities with Ngā Papatipu Rūnanga

16.7 Through Te Hononga Committee 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

16.8 The decisions in this report are likely to:

16.8.1 Contribute positively to adaptation to the impacts of climate change.

16.8.2 Contribute positively to emissions reductions.

16.9 The LTP contains a focus on climate change response, with climate change considerations embedded throughout the process. This is emphasised in the Mayor's letter of expectations for the LTP and the Council's Strategic Priorities and Community Outcomes. Each Activity Plan includes a description of how that part of Council will respond to climate impacts and reduce its emissions. Climate change is also part of the Asset Management Plans and Infrastructure and Financial Strategies. As a result, the LTP has an emphasis on both mitigation and adaptation, with actions proposed across all areas of Council. Pre-engagement consultation undertaken with the community on the LTP asked 'what matters most?' This found that climate change is a top priority for Christchurch residents across all different ages, ethnicities, and areas of our community. The Consultation Document expands on this by providing further climate action options for our community to consider.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

16.10 N/A

17. Resource Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

17.1 Cost to Implement – unclear. The Letter of Engagement has yet to be received so costs of the LTP audit are currently unknown.

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 Local Government Act (LGA 2002) requires local authorities to adopt a Long-term Plan every three years (s.93).

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, have been reviewed by Audit and Risk Management Committee.

20. Next Steps Ngā Mahinga ā-muri

20.1 Consultation Document available to the public on 1 March 2024;

20.2 Hard copy information and documents made available at Council libraries and service centres from 1 March 2024 onwards;

20.3 Public Notices in The Star, The Press, and on the Council's website signalling the start of consultation on 1 March 2024;

20.4 The period for making submissions will run from 9am on 1 March to midnight on 5 April 2024;

20.5 For people who indicate they wish to present oral submissions, hearings will be held between 29 April and 13 May 2024 (exact dates will be confirmed and communicated to those submitters closer to the time);

20.6 Oral submissions will be heard between 29 April and 13 May 2024 (specific hearing dates to be confirmed);

20.7 Submissions will then be considered before the Council meets on 25 June 2024 to adopt its Long-term Plan 2024-34.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	LTP 2024 Draft Mayor's Recommendations		
B	LTP 2024 draft Consultation document	24/172760	
C	LTP 2024 draft Financial Strategy	23/2048736	
D	LTP 2024 draft Infrastructure Strategy	24/105908	
E	Draft Long-term Plan 2024-34 documents		
F	Auditor-General's Opinion		

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

Document Name – Location / File Link
Draft Long-term Plan 2024- 34 (insert link to full public page, and insert links to each of the following docs) 1. Treaty Relationships 2. Financial Overview 3. Funding Impact Statement and Rating Information 4. Financial Prudence Benchmarks 5. Community Outcomes and Strategic Framework 6. Summary of Grants 7. Activities and Services - Statements of Service Provision 8. Capital Programme 9. Potential Disposal of Council-owned properties 10. Prospective Financial Statements 11. Significance and Engagement Policy (unchanged from 2019) 12. Revenue, Financing and Rating Policy 13. Liability Management Policy and Investment Policy 14. Council-controlled Organisations 15. Fees and Charges 16. Reserves and Trust Funds 17. Capital Endowment Fund Supporting documents • 38 Draft Activity Plans and 14 Draft Asset Management Plan

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.

Christchurch City Council

Signatories Ngā Kaiwaitohu

Authors	Peter Ryan - Head of Corporate Planning & Performance Niel Koch - Acting Head of Finance Russell Holden - Acting General Manager Resources/Chief Financial Officer Adelaine Hansson - Performance Analyst Amber Tait - Performance Analyst Mitchell Shaw - Reporting Accountant Bruce Moher - Manager Corporate Reporting Steve Ballard - Group Treasurer
Approved By	Russell Holden - Acting General Manager Resources/Chief Financial Officer Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance Mary Richardson - Interim Chief Executive