

Combined Community Boards' Information Session
MINUTES ATTACHMENTS

Date: Tuesday 4 March 2025
Time: 5pm
Venue: Audio / Visual Link

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Christchurch City Council

Draft Annual Plan consultation

26 February - 28 March 2025

A snapshot of what were doing . . .

Objectives

- Raise awareness of what's proposed in the draft Annual Plan.
- Encourage participation, and make sure people know how they can provide their feedback.
- Are we on track?

Tactics

- Information available online (letstalk.ccc.govt.nz)
 - Information available in hard copy (including large print) at Council libraries and service centres city-wide.
 - Pop-up display travelling round libraries and service centres.
 - Making the most of all our channels: Newslines, social media, stakeholder databases
 - Advertising campaign to raise general public awareness.
 - Supporting Community Board-led community workshops.
-

Online

letstalk.ccc.govt.nz/annualplan



Let's talk

Home

English

Log In / Join



Our Draft Annual Plan 2025/26

Are we on track? Tell us what you think by Friday 28 March 2025.

+ Follow



Home / Our Draft Annual Plan 2025/26

Consultation open

Share to Facebook

Provide feedback

An Annual Plan outlines the activities, services and capital projects we will deliver and how we will fund them, including the required rates. It also highlights any key changes from the Long Term Plan for the year.

This Draft Annual Plan covers the second financial year of the Long Term Plan, from 1 July 2025 to 30 June 2026.

Draft Annual Plan 2025/26 documents

[Consultation document](#)

[Full Draft Annual Plan 2025/26](#)

What's happening in your Ward?

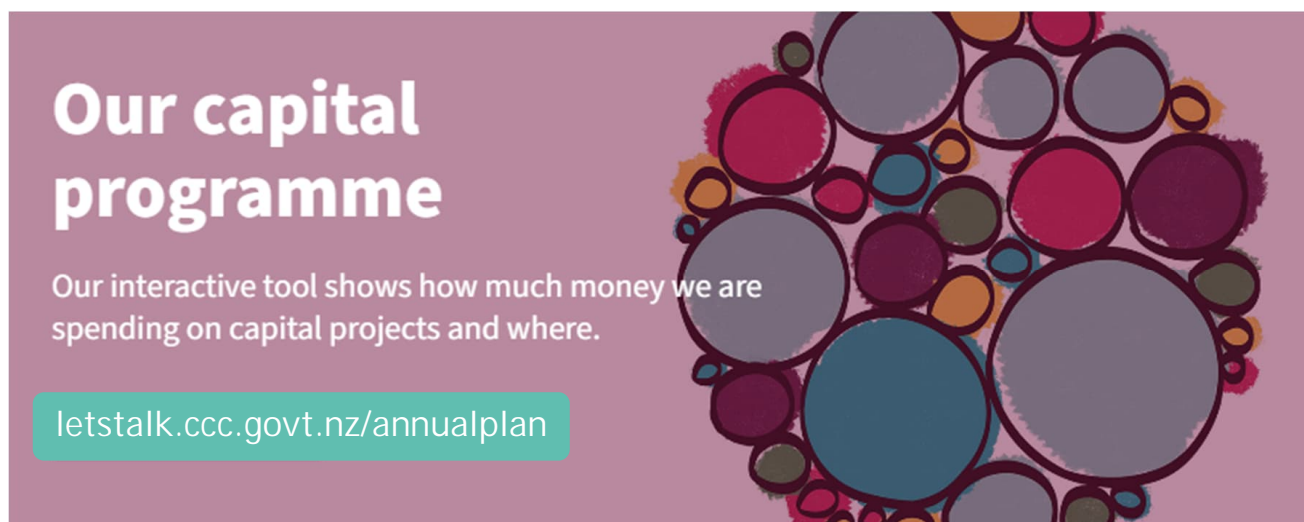
Check the full schedule of capital projects happening in your Council ward. [Find your ward](#), or see the [citywide schedule](#).

[Banks Peninsula](#)



Bubbles budget tool

letstalk.ccc.govt.nz/annualplan



- Shows our proposed capital spending for 2025/26
- Hollow bubbles show a proposed change from the Long Term Plan

Our channels

Newsline



Give your feedback now on the Draft Annual Plan

City life | 26 Feb 2025

Socials



February 28 at 8:58 AM · 🌐

What changes are we proposing in this year's Draft Annual Plan? It's easier than ever to find out - just use our online search tool at letstalk.ccc.govt.nz/annualplan
Search by the area you live in, the type of project, the project name or even just a key w... See more



4

Like

Comment

5 comments · 4 shares

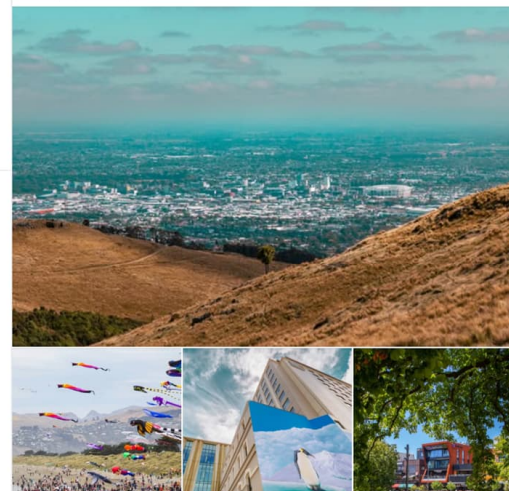
Share



February 26 at 2:12 PM · 🌐

The Draft Annual Plan 2025/26, which outlines the activities, services and capital projects the Council will deliver and how it will pay for them, is now open for public feedback until midnight on Friday 28 March.

We're proposing to spend \$861 million on t... See more



Advertising



Have your say and help shape the future of Christchurch

SPONSORED
SPONSORED CONTENT BY CHRISTCHURCH CITY COUNCIL
February 27, 2025 - 03:57pm



The Christchurch City Council is now inviting your feedback on the Draft Annual Plan 2025/26.
LIGHTCHASERS

Christchurch is transforming. Our city is buzzing with opportunity, boasting one of the fastest-growing economies in New Zealand, an enviable lifestyle, and housing that remains more affordable than many other major centres. It's no wonder more and more people want to call this place home.



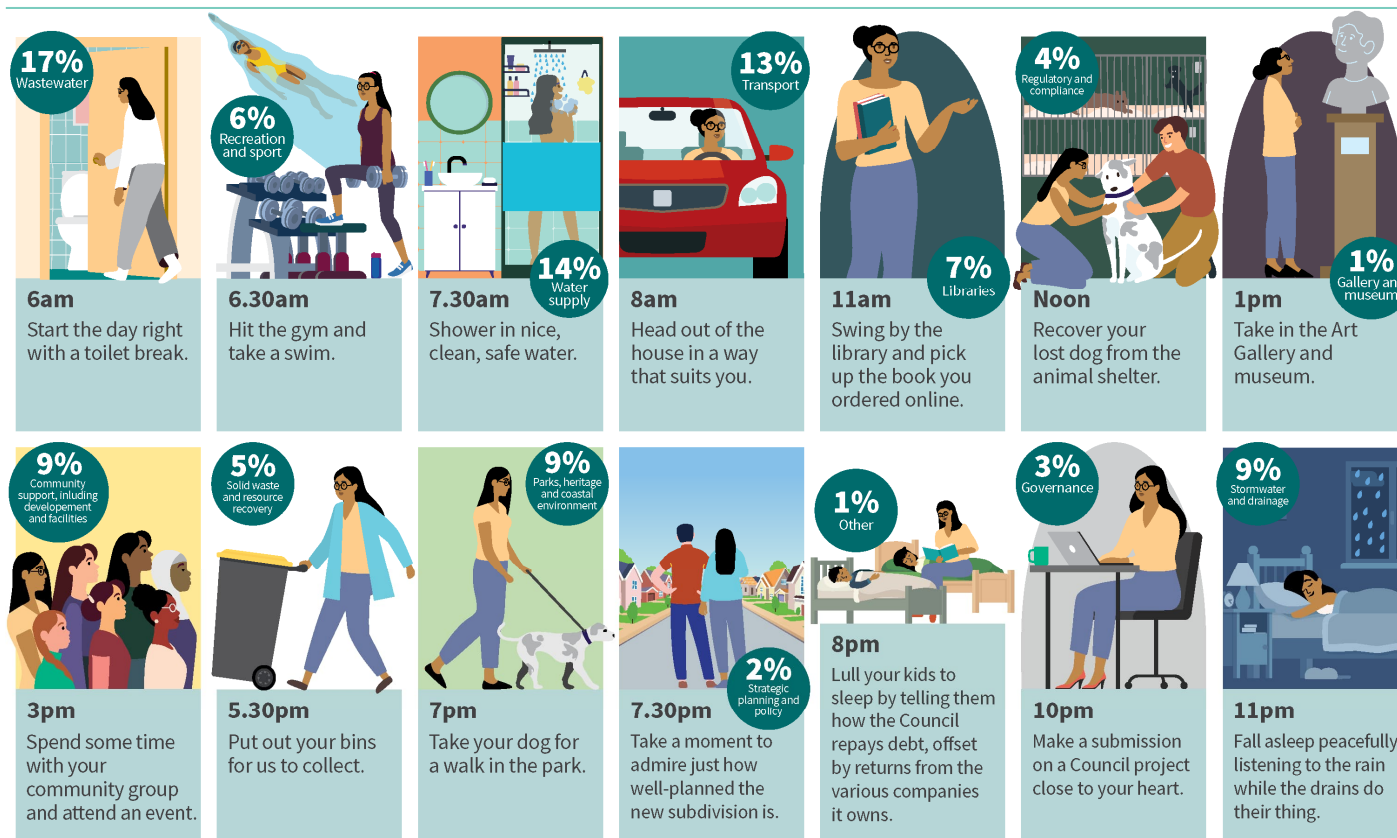
In libraries and Service centres - Print



In libraries and Service centres - Display



Back by popular demand. . .



Are we on track? Matters for feedback

We would like feedback on any matters outlined in our Draft Annual Plan, including:

- Pausing the collection of the targeted rate for the Christ Church Cathedral reinstatement.
- Increasing the rates for infrastructure renewals in 2025/26, which reduces the amount we need to borrow to fund our capital programme. Doing this would make it easier for the Council to have a balanced budget in future years.
- Any opportunities to reduce or cut services, to help reduce rates.
- How the Draft Climate Resilience Fund will work, including what the fund can be used for and how long it will be held in reserve before being used.
- A proposal to grant \$5 million to the Air Force Museum of New Zealand for its planned extension.
- A proposal to allocate money for a scoping study for a central city shuttle service.

Next steps

- Consultation open until **11.59pm Friday 28 March 2025**
- Hearings will be in April.
- Council will adopt the Annual Plan in June to come into effect 1 July.

letstalk.ccc.govt.nz/annualplan



Other consultations

Local Alcohol Policy

Sunday 9 March.

Plan Change 20

Proposes changes close to industrial areas.
Monday 17 March.

Development Contributions Policy

Wednesday 26 March.

Local Water Done Well

consultation opens next Friday - Sunday 6 April.

Questions

Local Water Done Well

Local Water Done Well (LWDW)

The Government's plan to address New Zealand's long-standing water infrastructure challenges.

Provides for local decision making and flexibility for communities and councils...

...while ensuring a strong emphasis on meeting rules for water quality and investment in infrastructure

Principles of the reform

Greater central government oversight, economic and quality regulation

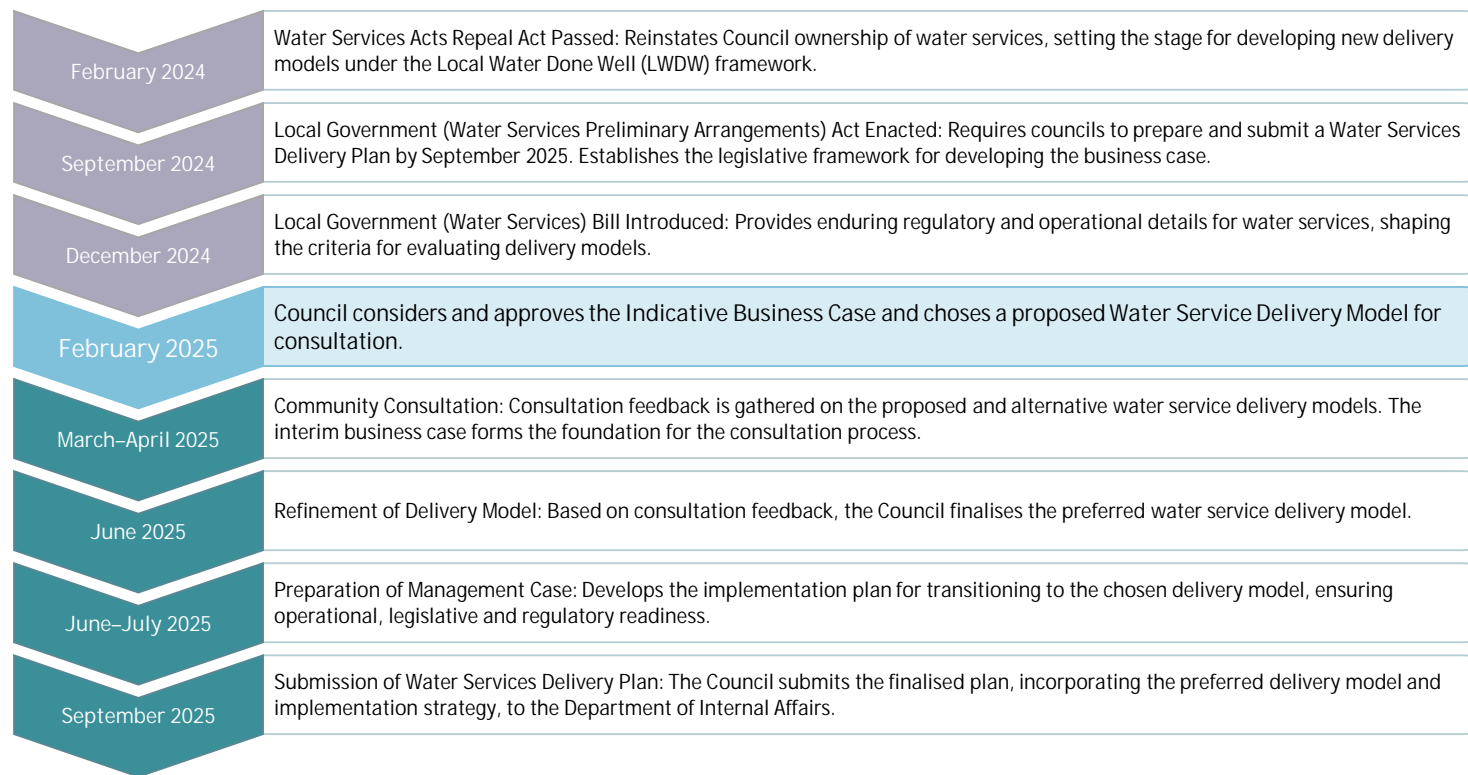
Fit-for-purpose service delivery models and financing tools

Setting rules for water services and infrastructure investment

Ensuring water services are financially sustainable

- Revenue sufficiency
- Balance sheet separation
- Ring-fencing and funding for growth

Where we are in the process



Development of a Water Services Delivery Plan

Water Services Delivery Plan

A core requirement of the LWDW reforms.

Mandated under the **Preliminary Arrangements Act** to ensure compliance with enhanced regulatory and financial standards.

- Detail Christchurch's current water infrastructure and future investment needs.
- Outline financial and operational strategies to meet LWDW regulatory standards.
- Must be finalised and submitted to the Department of Internal Affairs by September 2025.

Must include the Council's proposed **Water Services Delivery Model**, which will guide how the Council meets its obligations while addressing efficiency, sustainability, and community expectations.

Selection of a Water Services Delivery Model

The Water Services Bill establishes a framework requiring councils to select a compliant delivery model.

Councils must choose one of the below models:

- I. Deliver services directly.
- II. Transfer responsibility to a water organisation via a transfer agreement.
- III. Contract with third parties for service delivery while retaining governance and pricing control.
- IV. Enter joint arrangements with other councils.
- V. Become shareholders in water organisations established by other councils.
- VI. Explore other compliant arrangements.

If a water organisation is used, it must:

- Be a company under the Companies Act 1993.
- Be owned by councils, consumer trusts, or a combination of both.
- Operate exclusively in water services or related activities.
- Have independent, competency-based boards, excluding elected members or council employees.

Selection of a Water Services Delivery Model

Council must comply with the requirements of the Preliminary Arrangements Act when determining which model to proceed with.

A **comparative assessment** is required between Council's proposed delivery model and any alternative options.

- A clear explanation and reasoning for selecting the proposed model and presenting alternative options.
- An evaluation of the advantages, disadvantages, and trade-offs associated with each model.
- A detailed assessment of how each model would affect key factors, including:
 - Rates.
 - Council debt.
 - Service levels.
 - Any charges or costs to consumers for water services.



Water Service Delivery Models

Primary Water Service Delivery Options

Three models were evaluated in detail, representing realistic and practical pathways to achieving compliance with government reforms while meeting Christchurch's long-term water service delivery goals.

Keeping water services in house (current approach)

Direct control within Council's existing structure, with maximum local oversight and integration with other services.

Water Services Council-Controlled Organisation (WSCCO)

Separate entity focused solely on water management. Solely owned by Christchurch City Council.

Two-Waters WSCCO

A hybrid model where water supply and wastewater services are transferred to a WSCCO, while stormwater remains under Council management.

Keeping Water Services in House

Keeping water services in house

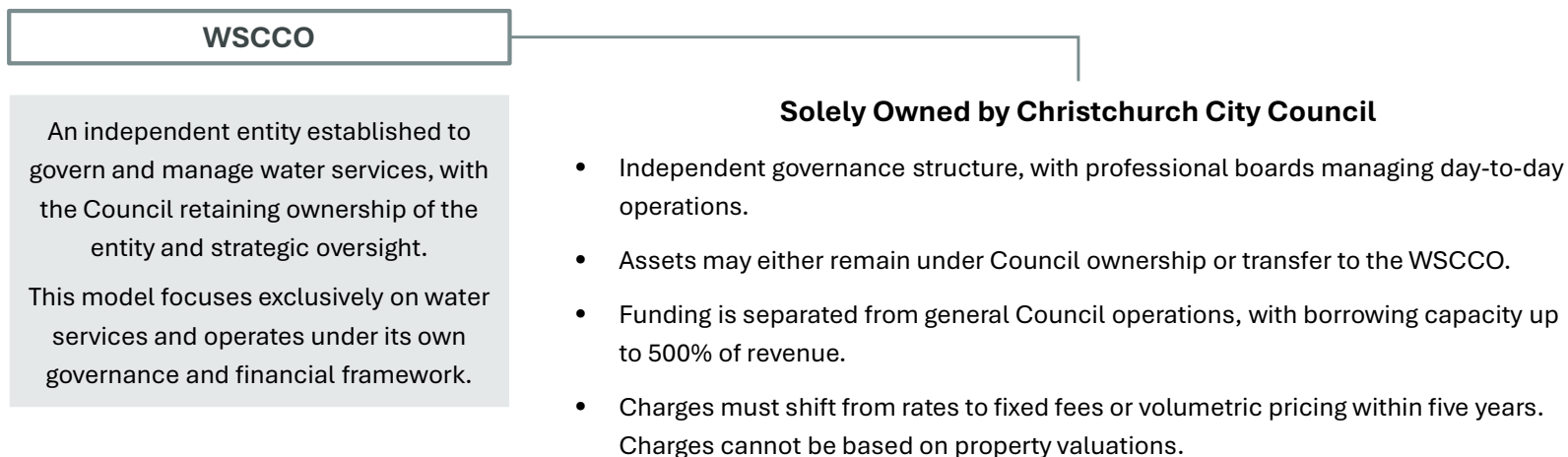
Council retains full responsibility for managing water services. All decisions, from strategic governance to day-to-day operations, remain within the Council.

Changes will still be required to adapt to the new regulatory settings and legislative expectations

Adapting the current structure to meet legislative requirements

- Governance and operational control remain with the Council.
- Funding comes from existing revenue streams, such as water rates and borrowing, with financial ring-fencing for transparency.
- Council determines how services are charged, with flexibility to use general rates, targeted rates, or volumetric pricing.
- Compliance responsibilities lie entirely with the Council, ensuring accountability under Taumata Arowai and Commerce Commission regulations.

Water Services Council-Controlled Organisation (WSCCO)



Two-Waters WSCCO

Two-Waters WSCCO

This model transfers water supply and wastewater services to a WSCCO while retaining stormwater management within the Council.

Hybrid Model / Dual Delivery Structure

- Water supply and wastewater managed independently by the WSCCO, while stormwater remains under Council control.
- Separate financial frameworks for WSCCO and stormwater services, with borrowing capacity of up to 500% for WSCCO-managed services.
- Compliance responsibilities split between the WSCCO and the Council.
- Any water services transferred to the WSCCO will no longer be able to be recovered from rates and/or property valuation charges but will need to be recovered via fixed charges or volumetric.

Other Options

These options were considered during an initial high-level assessment, but not advanced for detailed evaluation due to governance complexities, financial constraints, or misalignment with Christchurch's specific needs and priorities.

Regional Water Entity	Shared Services Model	Consumer Trust Model
A regionally owned WSCCO managing water services across multiple councils.	Collaboration / shared service agreement between councils to share water resources and expertise.	A trust governed by community representatives.

While a formal joint entity is not being considered, Christchurch and Dunedin City Councils are exploring opportunities for collaboration through new ways of working.

Strategic Assessment

Value to Ratepayers	The ability to balance affordability, service quality, and long-term infrastructure investment while delivering value for money.
Regulatory Compliance	The capacity to meet current and future water quality, environmental, and economic regulations.
Financial Agility	The flexibility to manage funding, borrowing, and unforeseen financial pressures sustainably.
Service Delivery and Operations	The effectiveness and efficiency of day-to-day operations, including resource allocation and infrastructure management.
Governance and Control	The degree of Council oversight and the ability to maintain accountability, transparency, and alignment with strategic goals.
Community Expectations	The ability to meet public expectations for engagement, transparency, and local accountability.
Implementation Feasibility	The practicality, cost, and risk of transitioning to the model, ensuring minimal disruption to services.

Strategic Assessment

Value to Ratepayers

Regulatory Compliance

Financial Agility

Service Delivery and
Operations

Governance and Control

Community Expectations

Implementation Feasibility

Scoring was applied against each criterion ranging from 1 (critical issues) to 5 (excellent alignment).

[A comprehensive description of each assessment criterion and the scoring methodology can be found in the interim business case.](#)

All criteria are weighted equally in the overall score calculation, with the exception of Implementation Feasibility, which is assigned a slightly lower weight to reflect its shorter-term impact compared to the other factors that influence long-term success.

Strategic Assessment Findings

Criteria	In-House	WSCCO	Two-Waters WSCCO
Value to Ratepayers	<div>4</div> <ul style="list-style-type: none">• Maintains Council control over pricing, infrastructure investments, and service levels.• Avoids high setup costs and aligns with community priorities.	<div>4</div> <ul style="list-style-type: none">• Professional Board and single focus offers potential long-term efficiencies.• However, upfront costs and reduced Council control limit short-term value.	<div>4</div> <ul style="list-style-type: none">• Involves some administrative complexities, and similar transition costs to WSCCO.

Strategic Assessment Findings

Criteria	In-House	WSCCO	Two-Waters WSCCO
Regulatory Compliance	<p>4</p> <ul style="list-style-type: none"> Supported by existing governance frameworks and integration with Council services. New regulations may require adjustments to meet increasing demands. 	<p>4</p> <ul style="list-style-type: none"> Dedicated governance enhances focus on compliance but introduces transitional risks during system setup. 	<p>4</p> <ul style="list-style-type: none"> Divided responsibilities may complicate regulatory alignment.
Financial Agility	<p>4</p> <ul style="list-style-type: none"> Borrowing cap of 280%. Strong financial position, with ample headroom. Prudent management is critical to balance risks. 	<p>5</p> <ul style="list-style-type: none"> High borrowing capacity 500%. Increases debt-servicing obligations if leveraged, requiring careful sustainability management. 	<p>5</p> <ul style="list-style-type: none"> Increased borrowing capacity for two waters, while stormwater remains under Council's framework.

Strategic Assessment Findings

Criteria	In-House	WSCCO	Two-Waters WSCCO
Service Delivery and Operations	<p>4</p> <ul style="list-style-type: none"> Integration with other Council functions supports coordination. Established processes for infrastructure management and service delivery. 	<p>4</p> <ul style="list-style-type: none"> Singular focus on water services may improve efficiency and responsiveness. Risks siloed decision-making. 	<p>4</p> <ul style="list-style-type: none"> Water supply and wastewater benefit from potential efficiencies Interdependencies with stormwater will need careful management.
Governance and Control	<p>5</p> <ul style="list-style-type: none"> Full Council oversight ensures alignment with wider strategic goals. High accountability through elected representatives. 	<p>4</p> <ul style="list-style-type: none"> Independent governance focuses on water services but reduces Council influence. Strong accountability mechanisms are needed to align with city strategies. 	<p>4</p> <ul style="list-style-type: none"> Balances independent oversight for water services with Council control over stormwater. Dual governance structure may introduce complexity.

Strategic Assessment Findings

Criteria	In-House	WSCCO	Two-Waters WSCCO
Community Expectations and Engagement	<p>5</p> <ul style="list-style-type: none"> Aligns well with public expectations for transparency and local control. 	<p>3</p> <ul style="list-style-type: none"> Proactive engagement is essential to build trust and demonstrate alignment with community priorities. 	<p>4</p> <ul style="list-style-type: none"> Effective engagement mechanisms are needed for water services under WSCCO governance.
Implementation Feasibility	<p>4</p> <ul style="list-style-type: none"> Least risky and most feasible to implement, as the existing structure remains largely intact. Adjustments needed for regulatory alignment are manageable. 	<p>3</p> <ul style="list-style-type: none"> High setup costs and complexity due to governance changes, new systems and processes, and staff transitions. Service continuity risks would need careful management during the transition. 	<p>3</p> <ul style="list-style-type: none"> Marginally less complex than a full WSCCO but still requires careful transition planning.

Strategic Assessment Findings

Criteria	Weighting	In-House Model		WSSCO Model		Two-Waters WSSCO Model	
Value to Ratepayers	15%	4	12%	4	12%	4	12%
Regulatory Compliance	15%	4	12%	4	12%	4	12%
Financial Agility	15%	4	12%	5	15%	5	15%
Service Delivery and Operations	15%	4	12%	4	12%	4	12%
Governance and Control	15%	5	15%	4	12%	4	12%
Community Expectations	15%	5	15%	3	9%	4	12%
Implementation Feasibility	10%	4	8%	3	6%	3	6%
		30	86%	27	78%	28	81%

- Consistently scored well across all criteria
- Aligns closely with Christchurch's current needs and priorities
- Offers stability, local accountability, and minimal disruption
- Offers greatest financial flexibility
- Higher setup costs, governance challenges, and potential misalignment with community expectations
- May be more suitable in the future if Christchurch's needs evolve
- Balances some benefits of in-house and full WSSCO models
- Dual governance structure may impact efficiency and coordination

Financial Assessment Findings

Financial Sustainability Across All Models

All three delivery models are capable of achieving financial sustainability, meeting the regulatory and operational requirements

Shared Impacts

Each model incurs costs associated with operational expenses, compliance, and infrastructure investment.


While the financial mechanisms differ, all models ensure the necessary funding for sustainable water service delivery.

Revenue and Cost Alignment

All models rely on a combination of revenue (e.g., rates, water charges) and prudent financial management to cover operational costs

Long-Term Financial Viability

Each model has the same ability to ensure water services remain affordable, reliable, and sustainable over time.



Extensive financial modelling for each service delivery model can be found in the interim business case.

Assessment Roundup

Strategic Assessment

The in-house model aligns best with Christchurch's current priorities and context...

- Leverages existing Council strengths and resources
- Provides stability, accountability, and community focus
- Minimises disruption and transition risks

WSSCO models offer benefits but introduce complexity and potential misalignment...

- Greater financial flexibility and specialisation
- But higher transition costs and risks
- Potential disconnect from broader Council objectives

Two-waters WSSCO model attempts to balance benefits but has governance challenges...

- Keeps stormwater integrated with Council
- But introduces coordination complexities

Financial Assessment

All models can achieve long-term financial sustainability...

- Meet revenue sufficiency and balanced budget targets
- Relatively the same rates / charging implications
- But require careful management of debt, investments, and operational costs

In-house model provides most predictable and prudent approach...

- Steady rates impact and lower transition costs
- Constrained borrowing capacity but sufficient for anticipated investment needs

WSSCO models offer greater borrowing power but with trade-offs...

- More investment capacity but with higher debt servicing
- Rely on achieving efficiency gains to offset higher setup costs
- Less flexibility in pricing

Key Milestones

- Key milestones in the pipeline:**
1. Council report to decide which models to consult on
 2. Public consultation & hearings
 3. Council report to decide preferred model
 4. Water service delivery plan sign-off and submission

