



Workshop - Council NOTES

Date: Wednesday 12 November 2025
Time: 9.34 am
Venue: Camellia Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson	Mayor Phil Mauger
Deputy Chairperson	Deputy Mayor Victoria Henstock
Members	Councillor David Cartwright
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor Kelly Barber
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor Tyla Harrison-Hunt
	Councillor Jake McLellan – via audiovisual link
	Councillor Nathaniel Herz Jardine
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett

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The agenda was dealt with in the following order.

1. Apologies Ngā Whakapāha

Apologies were received from Councillor MacDonald for absence and Councillor Fields for lateness.

Councillor Cotter left the workshop at 9.58 am and rejoined at 10.00 am during discussion of the Transport Capital Programme.

Councillor Keown left the workshop at 9.59 am and rejoined at 10.02 am during discussion of the Transport Capital Programme.

Councillor Fields joined the workshop at 10.05 am during discussion of the Three Waters Capital Programme.

Councillor Moore left the workshop at 10.10 am and rejoined at 10.14 am during discussion of the Stormwater and Flood Protection Capital Programme.

2. Annual Plan 2026/27

Presented by Bede Carran – GM Finance, Risk & Performance / CFO, Peter Ryan – Head of Corporate Planning & Performance, Paul Dadson – Senior Capital Programme Advisor Parks & Facilities.

Staff provided a presentation about the Capital Programme Review covering the following matters (see **Attachment A**):

- Capital programme overview
- Transport
- Three Waters
- Parks
- Other activities
- Financial assumptions
- Process / next steps.

Discussion points

Capital programme overview:

- The current 2026/27 capital budget is \$778.8 million, including \$25 million in carry forwards. Staff propose reducing this to \$586.2 million based on project deliverability, including \$42 million for the activated sludge treatment plant. This would reduce the projected rates increase by 0.7%. Annual average spend across 2023 to 2025 was \$490 million, with 2025/26 forecast at \$500–\$510 million.
- Budget realignment reflects project life cycle: 15% spent before construction, 80% during, and 5% at close-out. Early estimates rely on assumptions about consultation, design, consenting, and procurement, so forecasts become more accurate as projects near construction, requiring periodic budget realignment.
- The current review focuses on the 2026/27 budget; a full 10-year review will occur as part of the Long Term Plan to address large budgets in later years. When budgets are moved out of 2026/27, the uninflated cost is shifted and then adjusted using the corporate inflation rate to account for cost increases.

Transport:

- The current 2026/27 transport budget is \$174.8 million, with historic annual spend averaging \$136 million. Staff propose reducing the budget to \$140.7 million. The primary driver for the 2026/27 transport budget is replacing existing assets, with some future increases related to improved levels of service for cycleways.
- Staff collaborate with contractors and utilities to optimise value and minimise disruption, and will engage with community boards on key projects and delivery volumes. Road Pavement Rehabilitation Projects are selected strictly based on NZTA requirements.
- The footpath programme budget remains intact, with \$1 million reallocated to projects within the programme.

Three Waters:

- The current 2026/27 overall budget for Three Waters is \$390.1 million. Staff propose reducing it to \$273.5 million, including \$42 million for the activated sludge plant. Annual average spend 2023-2025 is \$177.1 million, with 2025/26 currently forecast at just under \$230 million. Most of the proposed budget is driven by renewals and growth.
- The current 2026/27 budget for Wastewater is \$175.7 million. Staff propose reducing this to \$134.7 million. Average spend 2023-25 has been \$57.8 million. The difference between the proposed budget and historical averages is largely driven by three key projects: Selwyn Pump Station, Grassmere Wet Weather Storage and the Activated Sludge Plant.
- The current 2026/27 budget is \$112.6 million. Staff propose reducing it to \$78.9 million. Average spend for 2023–2025 was \$62.0 million. Most of the budget is for renewals and growth, including \$48.8 million for water mains renewals. The overall programme is unchanged but budgets have been realigned to match delivery.
- The current 2026/27 budget for Stormwater and Flood Protection is \$101.8 million. Staff propose reducing this to \$59.8 million. Average spend for 2023-25 was \$57.2 million. A large part of the proposed budget relates to improved levels of service, particularly for the Ōtākaro Avon River Corridor.

Parks:

- The current 2026/27 budget is \$99.1 million; staff propose reducing it to \$89.1 million. Average spend for 2023–2025 was \$66.2 million, with 2025 spend close to the proposed level. The \$10 million reduction reflects realignment of three key programmes for deliverability: Canterbury Provincial Chambers, Carrs Reserve Club Relocation, and Southshore–New Brighton Estuary Edge. The Estuary Edge project is stalled at consenting, but if progress accelerates, budget can be brought back from later years.
- Parks are currently working through key projects with community boards.

Other activities:

- Other activities includes the Art Gallery, Libraries, Community Development and Facilities, Emergency Management, Recreation, Sports, Community Arts & Events, Community Housing, Corporate Capital, Digital, Facilities, Property and Planning, Regulatory and Compliance, Solid Waste and Resource Recovery.
- The current 2026/27 budget is \$114.8 million with a proposed reduction to \$82.8 million. The key driver is renewals, including Jellie Park Earthquake Renewals and Cycle Shutdown at \$15.3 million.

- The apparent \$15 million reduction for the organics processing facility is due to accounting rules: because the Council does not own the facility, it cannot sit in the capital programme. The funding has been shifted to the Capital Grants budget instead.

Financial assumptions:

- Inflation forecasts have dropped compared to those used in the last Annual Plan and Long Term Plan. This lower outlook reduces the dollar value of future programmes, as cumulative inflation now negatively impacts the capital programme.
- \$8.3 million of opex spending equates to 1.0% rates increase.
- \$112 million of capex spending (borrowing) equates to 0.27% rates impact in the first year and 0.73% rates impact in the second year.

Other matters:

- The rates impact of inflation is not the same as the inflation rate. Not all costs are subject to inflation adjustments, and different funding mechanisms (such as borrowing or grants) affect rates differently.
- Staff may be able to provide drop-ins if elected members indicate early the issues they would like to discuss.

Guidance

- No guidance on the Annual Plan was provided to staff at the workshop.

Attachments

A Presentation 

Workshop concluded at 10.56 am.