

## **Workshop - Council NOTES ATTACHMENTS**

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**Date:** **Tuesday 27 January 2026**  
**Time:** **10 am**  
**Venue:** **Camellia Chambers, Level 2, Civic Offices,  
53 Hereford Street, Christchurch**

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# *Simplifying Local Government*

Draft submission on the Government's  
Simplifying Local Government proposal

## Briefing purpose & agenda

**Purpose:** To update elected members on the Council's Draft submission on the Government's Simplifying Local Government proposal and seek feedback on the key issues and positions ahead of finalising the submission for policy and Planning Committee approval.



### What we will cover:

1. Recap on the reform
2. Submission overview
3. Discussion

## *Simplifying Local Government* proposal recap

### **Proposal recap**

- Replace regional councillors with a Combined Territories Board (CTB) made up of mayors, holding all current regional council functions.
- The CTB will be responsible for governance of regional council functions.
- The CTB must develop a Regional Reorganisation Plan within two years of establishment, setting out its preferred long-term governance model.
- Regions may recommend shared services, new delivery vehicles, amalgamation, or unitary models – but only through the reorganisation plan process.

### **Advice recap**

- The CTB is a temporary coordination forum, not a durable governance model.
- High risk the plan becomes a negotiated compromise, not a long-term solution.
- Transitional design may limit Christchurch's ability to put forward metropolitan-scale options.
- The proposal does not reflect the needs of NZ's second-largest city, nor our infrastructure and climate challenges.
- Also raises significant uncertainty around Treaty representation and Māori partnership arrangements.

# Submission Overview

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## Why is this important?

**This is a once-in-a-generation opportunity, and risk, for Christchurch...**

**... We need to engage seriously to shape a process that delivers outcomes  
that match the scale and responsibility of a major city.**

- This reform will reset how key functions are governed and delivered across Canterbury for decades.
- Decisions made now will shape growth, infrastructure investment, climate resilience, and service performance long into the future.
- Christchurch carries the largest population, infrastructure load, and risk exposure in the region... outcomes that don't work for us won't work for Canterbury.
- There is a real risk of one-size-fits-all or negotiated compromise outcomes unless the process is strong and evidence-led.
- If we do not engage early and clearly, metropolitan needs, costs, and risks could be diluted or misaligned.
- Done well, this reform can improve performance, reduce duplication, and support long-term economic and infrastructure outcomes.
- Done poorly, it risks locking in underperforming arrangements and shifting cost and risk onto Christchurch ratepayers.

## What we like

**We support the intent of simplification and functional review...**

**We like:**

- Simplifying local government and reducing duplication
- Improving long-term performance, resilience, and value for money
- A functional review first (“function first, form second”)
- Stronger collaboration where it improves outcomes

**... but we have practical concerns about how the process will operate and  
how regional plans will be developed.**

## What we're concerned with

### **CTB capacity risk:**

One body expected to govern existing regional functions *and* lead major system redesign.

### **Negotiated outcomes:**

Risk the RRP becomes consensus-driven rather than evidence-led.

### **Metropolitan dilution:**

Voting and representation settings may underweight Christchurch's scale, infrastructure load, and risk.

### **One-size-fits-all approach:**

Region-wide solutions could mask real performance issues where systems already operate at metro scale.

### **Secretariat independence:**

Perceived or actual institutional bias would undermine trust in the process.

### **Cost and risk transfer:**

Risk of unfunded mandates or unjustified cross-subsidisation onto Christchurch ratepayers.

### **Long timelines:**

Delays risk loss of momentum and rushed decisions later.

## What we want to see

### **A true functional review:**

Function first, form second assessment of what works before deciding structure.

### **Metro sub-grouping enabled:**

Explicit provision for metropolitan workstreams alongside region-wide analysis.

### **Evidence-led options:**

Ability to test multiple models, including metropolitan and unitary options where evidence supports them.

### **Strong governance settings:**

Clear delegation, decision rules, and voting that reflect scale and impact.

### **Independent secretariat:**

Neutral, analytically strong, and not led or owned by any single institution.

### **Treaty partnership embedded:**

Mana whenua involvement from the outset, with existing arrangements protected.

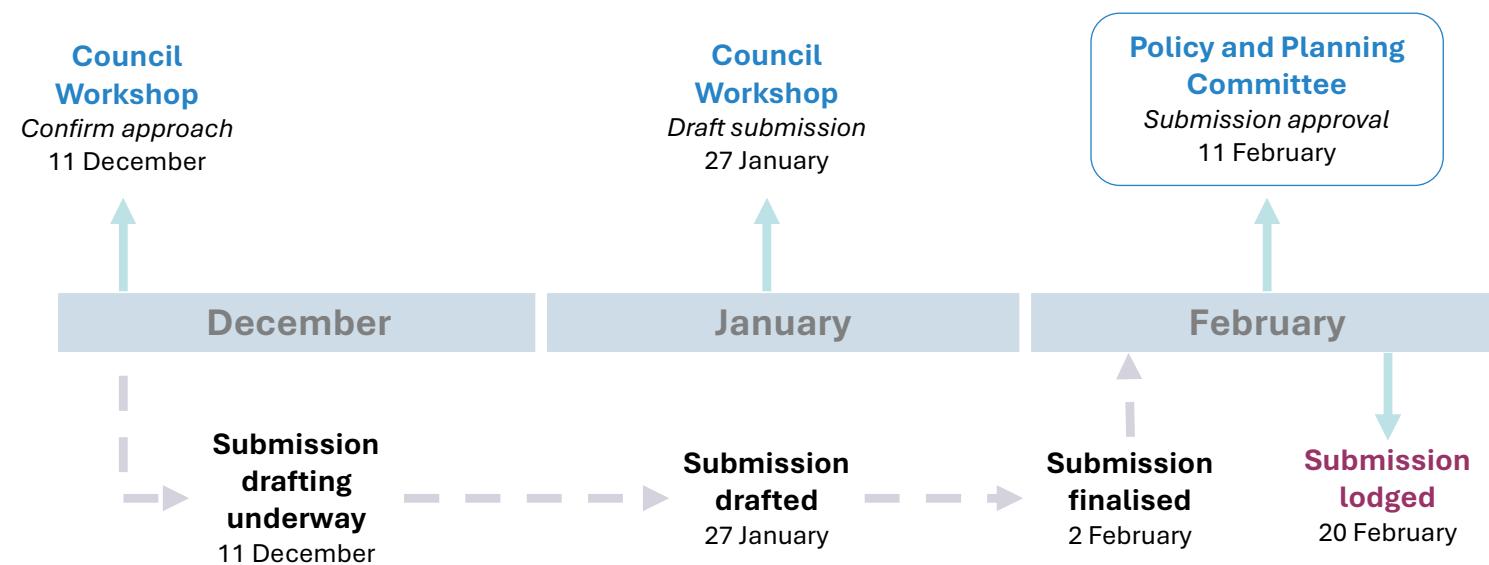
### **Transparency on cost:**

Funding follows function, clear transition costs, and affordability for Christchurch ratepayers.

### **Early momentum:**

Ability to start functional analysis now, not wait years for process.

## Next steps



## Discussion

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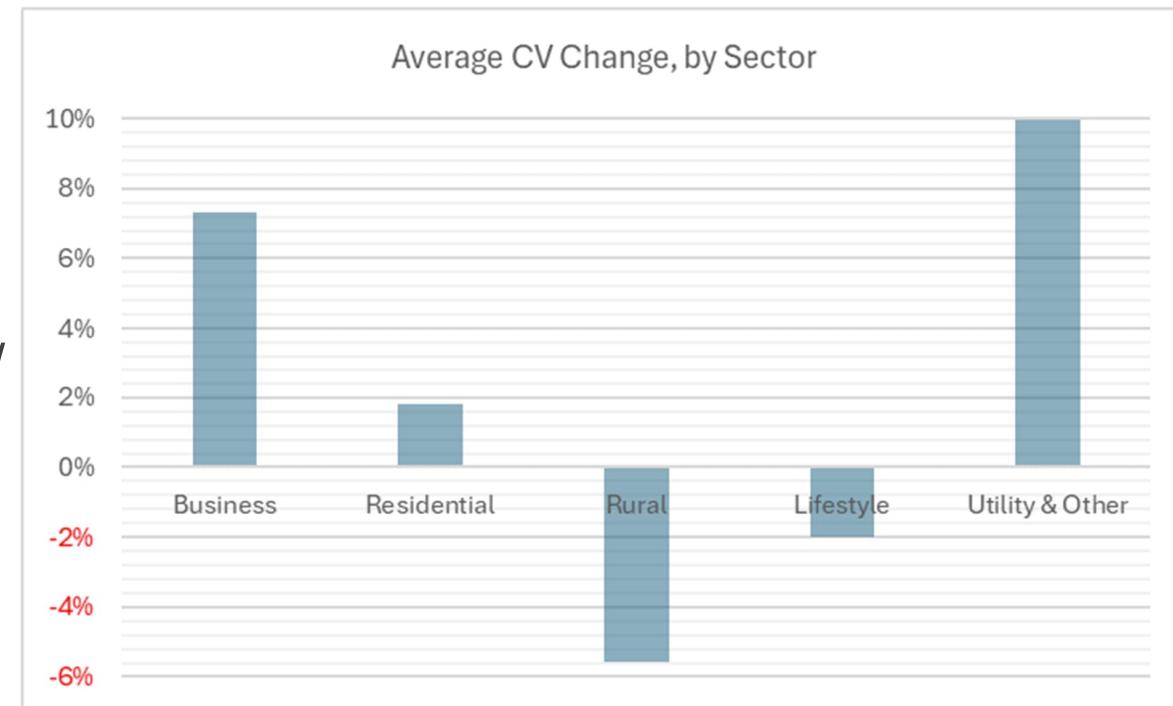
# Annual Plan 2026/27

## General Revaluation Update

Tuesday 27 January 2026

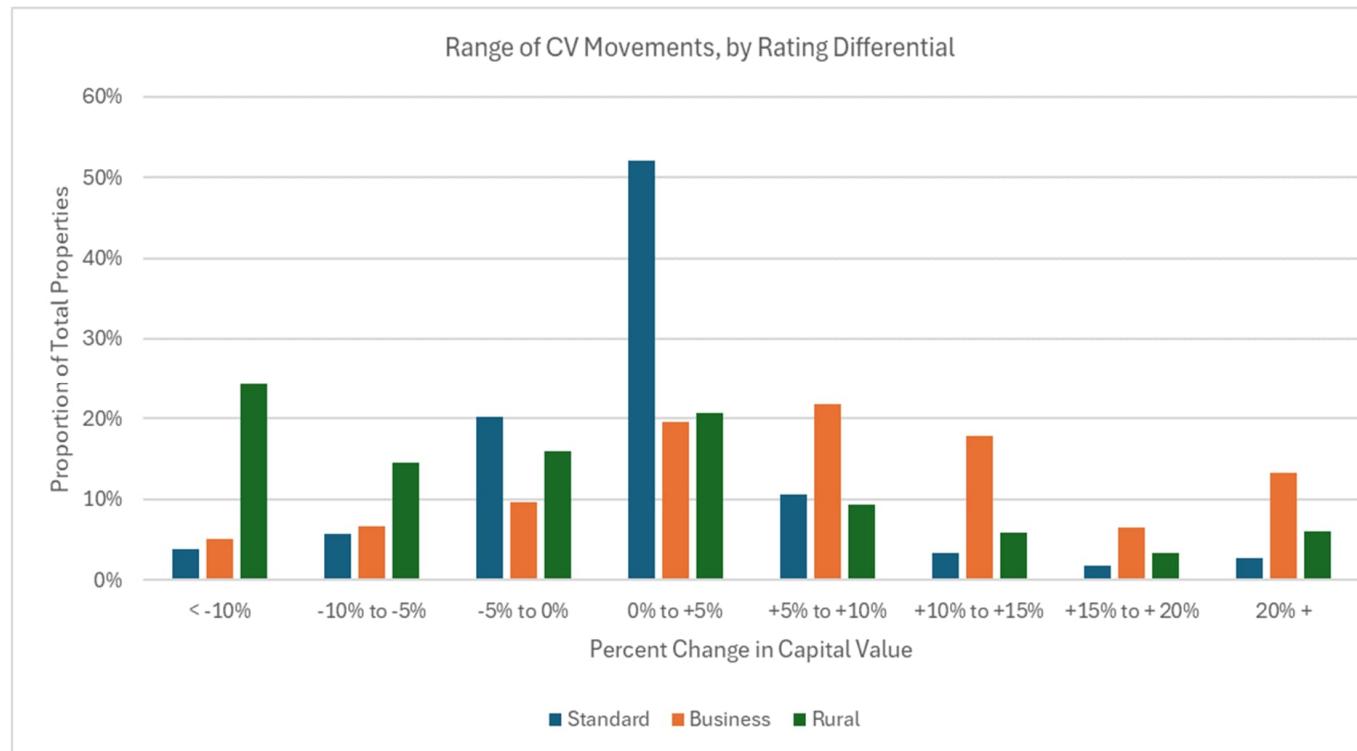
## General Revaluation – Results

- Audit sign-off delayed to 20-Feb, but no material change expected
- Overall CV change is small (+3.50%), but significant differences by sector



## CV changes by General Rate Differential

- Rating Differential categories don't match QV's sectors, but the pattern is similar.



E.g. 52% of Standard properties have changed between 0%-5%.

## Impact on Rates Increases

- Average rates increase will be felt unevenly – Business properties will increase on average by more than 14%; Residential by about 5.5%.
- This difference could be smoothed by adjusting the General Rate Differentials, as occurred in 2022 during the last revaluation:
  - Businesses are currently charged 2.22 times the Standard General Rate (i.e. For every \$1m of CV, a Business property is currently charged \$3,122 more than Standard).
  - This used to be 1.7 times – it was increased at the 2022 General Revaluation, to even out an opposite shift (due to house price inflation).

## Differential Impacts

- The table shows Rates increases for illustrative "average properties" under different Business Differentials:
  - The table also shows the average Rates increase per week for each scenario.
  - In all scenarios, the City Vacant Differential is assumed to change in line with the Business Differential, to keep its ratio unchanged.

	<b>Differential = 2.22</b>	<b>Differential = 2.10</b>	<b>Differential = 2.00</b>
<b>Residential</b>	5.5% \$4.48 per week	6.5% \$5.32 per week	7.4% \$6.05 per week
<b>Business</b>	14.3% \$53.99 per week	11.3% \$42.78 per week	8.7% \$33.09 per week
<b>Remote Rural</b>	4.6% \$3.54 per week	6.4% \$4.96 per week	8.0% \$6.19 per week
<i>Overall Average</i>	<i>7.95%</i>	<i>7.95%</i>	<i>7.95%</i>

- Recommended: Propose a decreased Differential in the 2026/27 Draft Annual Plan, from 2.22 to 2.00, and include a question in the Consultation Document, on potential alternatives, or no adjustment.

## Other Rating Issues (minor)

Rating Information (section of the FIS):

- Definition of short-term accommodation adjusted to remove the minimum 60-day requirement. This requirement is aligned with Resource Consents, but it has not proven possible to rely on RCs to apply Rates policy.

Remissions Policy – earthquake-damaged properties:

- Amended date so that in the unlikely event of a new claim it will be clear that Remissions will not be back-dated.

# Annual Plan 2026/27 Financial Update

## Projected Rates Increases

	2026/27	2027/28	2028/29
2026 Annual Plan Rates Increase	10.52%	9.11%	5.73%
Changes incorporated in the initial budget build (reduced insurance, updated subvention receipt forecast, Burwood Landfill extension, 2024/25 capital expenditure)	(1.30%)	0.40%	0.24%
Initial Build Rates Increase (06/11/2025)	9.22%	9.51%	5.97%
2026/27 Capital Programme Deliverability Review	(0.71%)	(0.89%)	0.52%
Bringing Urban Development functions inhouse	(0.19%)	0.01%	0.01%
Analytical savings incorporated	(0.73%)	0.06%	0.05%
Increase rating for renewals	0.73%	(0.11%)	(0.09%)
Revised Annual Plan Build (17/12/2025)	8.32%	8.58%	6.46%

## Projected Rates Increases

	2026/27	2027/28	2028/29
Revised Annual Plan Build (17/12/2025)	8.32%	8.58%	6.46%
Additional savings identified (\$0.8 million, various minor adjustments and savings)	(0.10%)	0.01%	0.01%
Updated opening balance sheet gross borrowing (\$10.0 million reduction in 2025/26 borrowing based on capex forecast)	(0.10%)	0.01%	0.01%
Use of the forecast 2025/26 surplus for debt repayment (\$10.0 million of the 2025/26 forecast surplus applied, current forecast surplus \$21.0 million)	(0.10%)	0.01%	0.01%
Updated rating growth (Rating growth increased \$0.6 million to allow for the 2025/26 actual rates strike after adjustments)	(0.07%)	0.02%	0.02%
Proposed Draft Annual Plan Build	7.95%	8.63%	6.51%

## Projected Rates Increases

Driver	2026/27	2027/28	2028/29
Rating for Renewals (Increase in rating for renewals to achieve fully funded renewals by 2032 per the Financial strategy.)	3.51%	2.89%	1.70%
Inflation (based on BERL 3.1% Opex & 3.4% Capex for 2026/27)	2.96%	2.67%	2.25%
Capital Programme (Planned capital programme expenditure of \$586.2m in 2026/27)	2.12%	2.98%	3.28%
Use of 2024/25 Surplus (\$17.0m of surplus applied to 2025/26 (only) rates reduction in 2025/26 AP)	2.06%	0.00%	0.00%
Climate Resilience Fund (Additional \$2.1m fund contribution (total 2026/27 contribution \$4.1m))	0.25%	0.25%	0.25%
Operational Expenditure (reduced insurance, updated subvention receipt forecast, Burwood Landfill extension, analytical savings, inhousing urban development)	(1.05%)	0.98%	1.27%
Corporate items (subvention receipts, dividends, interest, debt repayment)	(1.85%)	(0.14%)	(1.24%)
Rating Growth (1% city capital value growth + 2025/26 actual rates strike adjustment)	(1.07%)	(1.00%)	(1.00%)
Base Potential Rates Increase to Existing Ratepayers	6.93%	8.63%	6.51%
One New Zealand Stadium at Te Kaha (Debt repayment & interest expense resulting from borrowing to fund One New Zealand Stadium at Te Kaha.)	1.02%	0.00%	0.00%
Current Potential Rates Increase to Existing Ratepayers	7.95%	8.63%	6.51%

## 2026/27 Fees & Charges Update

- A draft of the Fees & Charges Schedule was issued to Councillors on 21 Jan.
- The majority of fees & charges have been updated to reflect inflation.
- Various minor wording or other changes as marked in the document.
- New fees have been added to the schedule in relation to the progression of private initiatives associated with the Otakaro Avon River Corridor (page 36).

**Fees and Charges associated to the progression of private initiatives associated to the Ōtakaro Avon River Corridor**

*Staff time will be charged at the applicable hourly rate. Includes time spent on administration, research and assessment, meeting attendance (as applicable) and advice.*

*Note Council reserves the right to waive partial or full fees for Charitable and Community Service Activities at the discretion of the Head of Parks*

*Commercial initiatives will be subject to full fees on application*

*Note : Total fee charged will be capped at Actual Cost*

**Hourly Rates**

Application fee	
Administration	
Planner/ Advisor	
Senior planner advisor & or Specialist Advice	
External specialist and consultant	

	<b>Fees for 2026/27</b>
	<b>GST Inclusive</b>
Application fee	\$ 250.00
Administration	\$ 135.00
Planner/ Advisor	\$ 210.00
Senior planner advisor & or Specialist Advice	\$ 250.00
External specialist and consultant	Actual Cost

## Next Steps

- 02 February 2026 – Audit and Risk Management Committee Review
- 10 February 2026 – Draft Annual Plan Adoption
- 12 February 2026 – Draft Annual Plan Adoption (Backup)
- Late February/March – Consultation (dates to be confirmed)