
Council Workshop

AGENDA

Notice of Workshop Te Pānui o te Hui:

A Council Workshop will be held on:

Date: **Tuesday 12 May 2026**
Time: **1.30 pm**
Venue: **Camellia Chambers, Civic Offices,
53 Hereford Street, Christchurch**

Membership Ngā Mema

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

Principal Advisor
Bede Carran
Interim Chief Executive
Tel: 941 8999
bede.carran@ccc.govt.nz

8 May 2026
Meeting Advisor
David Corlett
Democratic Services Advisor
Tel: 941 5421
david.corlett@ccc.govt.nz

Note: This forum has no decision-making powers and is purely for information sharing.

To find upcoming meetings, watch a recording after the meeting date, or view copies of meeting Agendas and Notes, go to:

<https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/>



TABLE OF CONTENTS NGĀ IHIRANGI

1. Apologies Ngā Whakapāha 3

WORKSHOP ITEMS

2. Ratepayer Assistance Scheme overview 5

Scheduled time – 1.30 pm

[Presenter: Tony Moore, Principal Advisor – Climate Resilience, Steve Ballard, Group Treasure, Scott Necklen, Chief Executive of Local Government New Zealand, Ben Fahy, Head of Strategic Communications for Rewiring Aotearoa and Hugo Ellis, Partner Cameron Partners]

3. Three Waters Quarterly Activities Update (January - March 2026) 27

Scheduled time – 2.15 pm

[Presenter: Gavin Hutchison, Head of Three Waters]

4. Items Closed to the Public 46

1. Apologies Ngā Whakapāha

Apologies will be recorded at the workshop.

2. Ratepayer Assistance Scheme overview

Reference Te Tohutoro: 26/581931





Presenter(s) Te Kaipāhō: Tony Moore, Principal Advisor – Climate Resilience, Steve Ballard, Group Treasurer

1. Detail Te Whakamahuki

<p>Purpose and Origin of the Workshop</p>	<ul style="list-style-type: none"> The Mayor’s Office recommended a Council Workshop about this opportunity after the local government elections, following an approach from Rewiring Aotearoa on 30 June 2025. A National Ratepayer Assistance Scheme (RAS) is being developed by Local Government New Zealand (LGNZ), in partnership with several councils, the Local Government Funding Agency (LGFA), and external advisers. The RAS could assist Christchurch developers and residents and help to deliver outcomes important to our community and Council. The Department of Internal Affairs is seeking an indication of support for the RAS from councils to help inform a government decision early in 2026. The RAS Steering Group aims to establish this service late in 2026. Christchurch City Council contributed to the business plan’s development between June 2021 and November 2023.
<p>Timing</p>	<p>This workshop is expected to last for 45 minutes.</p>
<p>Outcome Sought</p>	<p>This workshop aims to inform the Council about this opportunity and to provide useful context for a future Council report seeking in-principal support for further Christchurch involvement.</p>
<p>ELT Consideration</p>	<p>The 24 June 2021 Finance and Performance Committee meeting approved \$150,000 Council support for the initial phases of the RAS. A Steering Group was created, made up of participating councils (Christchurch, Auckland, Hamilton, Tauranga, and Wellington City), LGNZ, and LGFA. Cameron Partners were engaged and developed the business case to ‘detailed development’ stage.</p> <p>On 30 November 2023 ELT declined to provide an additional \$60,000 to help fund the business case to ‘final development’ stage because it was considered that the initial project work had not demonstrated ‘proof of concept’ sufficient to justify further investment.</p>
<p>Next Steps</p>	<p>A report will be prepared seeking to confirm our interest in the service.</p>
<p>Key points / Background</p>	<ul style="list-style-type: none"> Representatives from two external organisations involved in the RAS Steering Group will be presenting this opportunity to Council: Scott Necklen, Chief Executive of Local Government New Zealand and Ben Fahy, Head of Strategic Communications for Rewiring Aotearoa. Subject to final government support and implementation, RAS will be a low-interest loan scheme which will allow ratepayers to defer certain types of property-related expenditure. Loans will be repaid (including accrued interest) either as a future lump

	<p>sum or as an on-going levy on the property. Initially, there will be three loan products:</p> <ol style="list-style-type: none"> (1) <i>Rates Postponement</i>, addressing the risk that older ratepayers with fixed incomes may struggle to pay Rates increases. This product will allow payment of Rates to be deferred, to be repaid as a lump sum when the property ceases to be the ratepayer’s primary residence (similar to Council’s existing rates Postponement Policy). (2) <i>Development Contribution Deferrals</i>, addressing the risk that the up-front cost of DCs/DLs is impeding development and/or encouraging land-banking. This product will allow payment of DCs/DLs to be deferred, and repaid either as a future lump sum (e.g., when the property is sold) or as an on-going RAS Levy (typically for 20-30 years). It is expected that these deferrals will make up the bulk of the RAS lending over the first few years. (3) <i>Property Improvement Loans</i>, addressing the risk that desirable improvements (such as insulation, renewable energy, and resilience improvements) are not undertaken due to up-front costs. It will allow such improvements to be paid by the RAS and repaid via an on-going RAS Levy (typically over 20-30 years). <ul style="list-style-type: none"> • Key advantages of the RAS are that debt will not appear on Council balance sheets, interest charged will be lower than bank mortgage rates and costs to the property owner can be spread over long borrowing timeframes. It is understood that most administration (including invoicing, separate to Rates invoices) will be done by the RAS, and not by Council staff. This reduces the risk that the RAS charges will be included in any rates capping legislation. However there remains a risk that a ratepayer may perceive a RAS charge as another type of Rates charge, making Rates appear less affordable. • The RAS has significantly progressed in the last year, with a final business case delivered to central government in November 2025. A key government decision is expected early in 2026. If approved, and with appropriate stakeholder support, establishment of the RAS could occur within around 12 months. • Eight councils (Auckland, Hamilton, Tauranga, New Plymouth, Palmerston North, Hutt City, Wellington City and Queenstown Lakes) together with LGNZ, LGFA, the Energy Efficiency and Conservation Authority (EECA), and Rewiring Aotearoa are actively advancing the RAS. • Christchurch has been asked to indicate its in principle support of the RAS as a stepping stone to potential implementation in 2027. A follow-up Council report will explore Council’s interests in this scheme. • Our involvement could deliver significant benefits for our community, such as improved mental and physical health and lower energy bills, and would help to advance our district greenhouse gas emission reduction targets. • Local community groups (such as Electrify Christchurch and the Lyttelton Energy Transition Society) are supportive of Christchurch offering the home energy loans to the community.
<p>Useful Links</p>	<ul style="list-style-type: none"> • Local Government New Zealand – Ratepayer Assistance Scheme • Rewiring Aotearoa - The case for RAS and home energy loans

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Ratepayer Assistance Scheme A3 overview Dec 2025	26/583960	8
B  	LGNZ Ratepayer Assistance Scheme Background for CCC 12 May 2026	26/844688	11

Signatories Ngā Kaiwaitohu

Authors	Tony Moore - Principal Advisor Climate Resilience Steve Ballard - Group Treasurer
Approved By	Lisa Early - Team Leader Climate Resilience David Griffiths - Head of Strategic Policy & Resilience John Higgins - General Manager Strategy, Planning & Regulatory Services Bruce Moher - Head of Finance

The Ratepayer Assistance Scheme: The opportunity for New Zealanders



Growing cost of living challenges

Energy bills

More than two-thirds of homeowners are worried about their electricity bills. 140,000 households took out loans to cover electricity costs last year, with 38,000 households disconnected due to unpaid bills.

Rates bills

As rates (and other local government charges) continue to rise alongside other costs of living, an increasing number of households are struggling to pay their rates.

Councils are hearing from ratepayers who are choosing to give up heating their homes and giving up balanced diets rather than not pay rates.

Expensive housing

NZers need about 19 years of disposable income to afford a house, against an OECD average of 10 years.

The shortage of housing is a major contributor, with upfront costs including council Development Contributions (of \$20-30k+ per property) a factor.

Existing approaches not cutting it

Swapping retailers to save 5% when bills have gone up 20% barely helps, while energy retailers recommend households go without to lower bills (shorter showers, another blanket). Various Government energy payments and grants are meeting **less and less** of households' energy bills. Existing bank green loans have limited eligibility and therefore limited impact.

Council rates postponement schemes are **inconsistent, inefficient and risky**. The more "successful" they are, the less councils can spend.

When first introduced in 1973, the maximum **Rates Rebate** covered around 60% of the average rates bill (100% of the rates bill for many homes). Over time this has **diminished** and it now covers around 20% of the average home's rates bill.

NZ **reverse mortgage** interest rates are very high (currently ~8% p.a.)

Current reforms moving to a Development Levy System may see the equivalent of Development Contributions rise, as the burden of additional infrastructure costs is rebalanced to those benefiting, away from general ratepayers.

Councils have limited financial capacity to spread these costs over time for ratepayers.

RAS products

Energy IMPACT loans

Ratepayers can choose to install solar, home batteries, hot water heat pumps, and/or heat pumps, at the very attractive RAS interest rate and at terms that largely match the expected lifetime of the upgrades.

Rates postponement

Ratepayers 55+ (and those eligible for Rates Rebate) can defer repayment of their council rates until they sell their property. Can decide to do each year.

Deferred development contributions

Allowing the upfront infrastructure payments to councils for new housing, often \$30-60,000+, to be spread over 30 years

Significant benefits

Immediate energy bill relief

Rewiring Aotearoa estimates the average household installing a decent size solar system can save around **\$1,000 a year**, and with solar, batteries and upgrading to space and hot water heat pumps will save well in excess **\$2,000 a year** under the RAS. Including all loan repayment and financing costs. Wider energy and sustainability benefits will follow.

Tangible, immediate rates relief

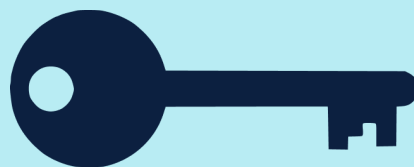
Seniors and New Zealanders on fixed/low incomes will be able to keep an average around **\$4,000 a year** in their pockets (avoiding hardship / mitigating cost of living challenges), repayable on sale of their home.

These homes will also be able to choose to fully defer repayment of energy IMPACT loans (above), meaning a potential \$7,000-\$8,000 a year to meet the costs of living.

More housing unlocked

Upfront costs from councils for new housing including **granny flats** will be able to be spread over 30 years.

It is expected that \$150-200 million a year in these loans will be borrowed.



Central Government unlock



The ask of Government...

- Legislative change as early as feasible in 2026 (see next page)
- One-off \$6-7m shareholding investment (20%), with remaining 80% from councils and the NZ Local Government Funding Agency (LGFA)
- Stand-by liquidity facility
- Central government investment and support is required to secure further local government sector funding, and to help demonstrate central government "proximity" to the RAS to ensure it can obtain a very high credit rating

The opportunity and ask (p1)

What is the RAS? (p2)

How the RAS stacks up (p3)

The Ratepayer Assistance Scheme: What is it?



What is it?

- Affordable, accessible long-term finance for ratepayers.
- Extension (and activation) of existing local government powers, but significantly more efficient and effective, and 'off balance sheet'.
- National shared service available to all local authorities in NZ, removing existing administrative burden and centralising the specialist capabilities required.
- Enables billions of private capital from NZ and overseas to easily flow to deliver public and private outcomes for NZ.
- A mechanism to efficiently access significant residential property equity (currently ~\$1.2 trillion) to achieve public and private benefits
- Builds on success of NZ Local Government Funding Agency (LGFA).
- Focussed on delivering public benefits (including sustainability), rather than maximising profit.
- RAS is part of local government sector's response to central government's request for sector innovation/solutions to sector challenges

RAS background

- Eight councils (Auckland, Hamilton, Tauranga, New Plymouth, Palmerston North, Hutt City, Wellington and Queenstown Lakes) have funded development to this stage, with leadership from Local Government NZ.
- Active support additionally from LGFA, Energy Efficiency and Conservation Authority, and Rewiring Aotearoa.
- Lead advisor is Cameron Partners, supported by PwC and Simpson Grierson
- Minister Watts' strong signal of support in early 2025 encouraged councils to fund further development and undertake the significant work of the last six months.

The organisation

- A Council Controlled Organisation jointly owned and governed by councils, LGFA and Government
- LGFA expected to provide debt financing directly to RAS until around \$1billion in loans. RAS may then issue debt in its own name, managed by LGFA who have the established processes and expertise.
- Largely following the proven organisational model of the LGFA.
- IT-heavy, keeping costs down.
- EECA is expected to be "implementation partner" for Energy IMPACT Loans: providing installer and product assurance, and providing for a positive and informed customer journey.

A few more things to know...

- Councils decide which RAS products to make available to their ratepayers
- Ratepayers "opt in" to use RAS products and (among other criteria) must have at least 20% equity in the property.
- Early repayment available without any penalty.

Ratepayer Assistance Scheme Act

RAS Act is required to:

- Enable lawful and flexible RAS levy creation
- Define RAS levy operation
- Ensure transparency, fairness and coordination with council systems
- Provide necessary tax and regulatory exemptions and protections

Quite simple drafting, with Local Government Borrowing Act 2011 and Infrastructure Funding and Financing Act a model / precedent.

Regulatory exemptions required to enable efficient financing and administration and are extension of exemptions already available to councils.

International precedents

British Columbia's long-running property tax deferral scheme provides a highly successful precedent.

IMPACT loans align with Global Property Linked Finance Initiative Principles

While precedents exist, the efficiencies of RAS (and in turn interest rates available to ratepayers across RAS products) will be globally leading in its offerings and efficiency.

How are the interest rates low?

RAS is expected to offer finance at around 2% below banks' floating mortgage rates (and most often below their 1 or 2 year "specials") due to the involvement and support of local and central government, alongside:

- Strong underlying security against properties
- Layers of liquidity support
- Diversification of loans across many ratepayers and geographies
- A Joint and Several guarantee from local authorities

If the RAS were in operation today (November 2025), it would likely be offering an interest rate around 3.5% to 3.8% (depending on product). Current bank floating rates around 5.8-6.09% and most "specials" around 4.49% and reverse mortgage rates around 8%

RAS interest rates will initially be floating and calculated quarterly.

The ongoing evolution of the RAS

- New products can join the RAS, following local government-sector and Cabinet processes.
- These can include entirely new types of charges, and also expand existing IMPACT Loan offerings. For example:
 - Water IMPACT Loans could be offered for things like septic tank replacement and home water tanks, which could reduce the need for \$100s of millions in council infrastructure spending.
 - Larger community investment projects are possible such as seawalls and flood protection

The Ratepayer Assistance Scheme: How the RAS stacks up



The RAS stacks up financially

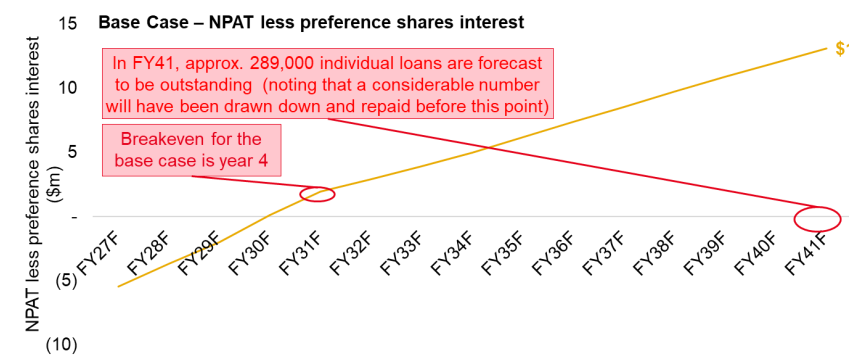
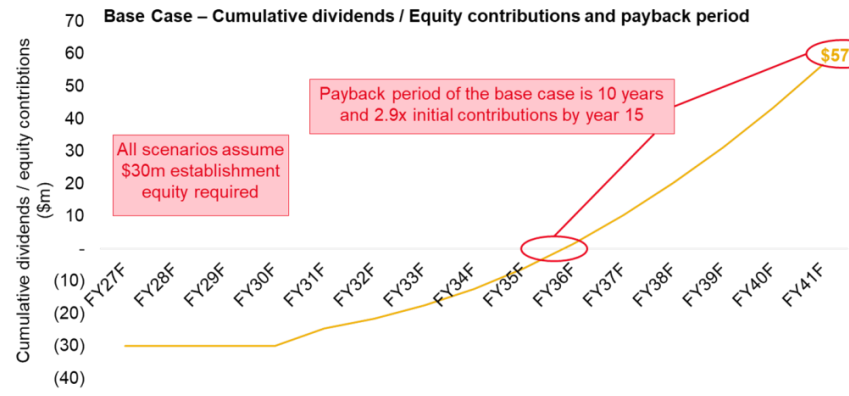
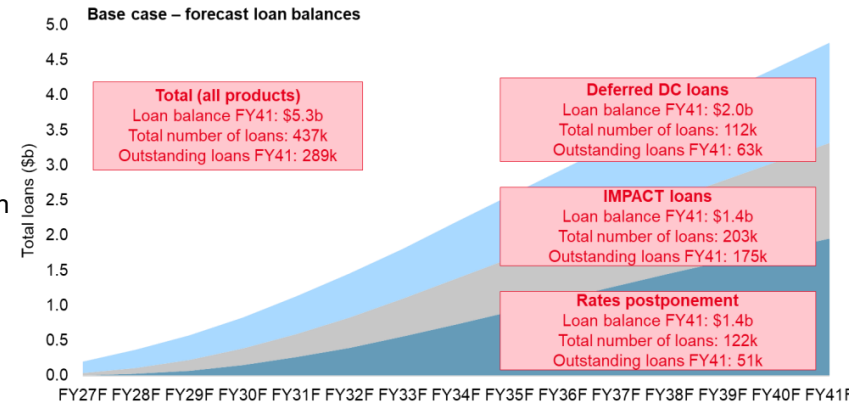
- Comprehensive Business Plan analysis, with the Base Case demonstrating:
 - RAS is expected to issue over 430,000 loans over first 15 years
 - break-even at year 4
 - full pay-back of initial equity capital by year 10
 - returns around 3 times initial investment by year 15.
- The base case is considered conservative. Eleven additional scenarios are shown in the business case and provide various insights. RAS costs met from a ~1% interest margin (with differential rates between products reflecting risk).

Wide benefits are expected

- The RAS is expected to contribute very large public benefits relative to the modest Government investment and indirectly contribute to Rebuilding the Economy and Improving Productivity by enabling equity tied up in housing to be invested in the economy, and by improving energy productivity.
- Significant positive externalities from those who **install energy upgrades**
- More energy for NZ:** conservative estimate of 65,000 additional solar installations unlocked through the RAS in the first 15 years (80% more than all current solar installs) will provide significant additional energy generation, with more than half of this likely to flow beyond the house producing, reducing the need for large-scale generation investment.
- Enhanced energy security:** through reduced reliance on imported fuels.
- Lower power bills for all:** in addition to saving money for the household, EECA estimates that the 41,700 batteries installed under the RAS are expected to deliver around \$50 million in the first 15 years in grid benefits nationally by reducing peak electricity demand and the need for costly grid upgrades, benefitting all consumers
- Improved energy productivity:** EECA estimates that by swapping 40,000 gas hot water heaters to hot water heat pumps, more than 850 Gigawatts of energy would be saved in the first 15 years, with associated cost savings of around \$50 million.
- Reduced pressure on NZs industrial sector:** which is undermined by rising electricity prices.
- Sustainability:** improved air quality and reduced carbon emissions.

Risks have been explored

- Significant work identifying and mitigating establishment and operational risks has been undertaken.
- Most significant establishment risks relate to not obtaining full **central government support**.
- The most significant operational risk relates to **IT operating costs** materially higher than forecast, which is mitigated through robust procurement involving independent experts, and a large contingency for IT.



Feedback and support

- The eight **Funding Councils** have provided significant at risk funding and been heavily involved in all aspects of the RAS development process, recommending the Business Case, subject to Government support as outlined.
- The RAS **Strategic Advisory Group** comprising Mayor Dr Nick Smith, Cameron Bagrie and Stuart Henderson intend to write a letter to the Minister for Local Government to note:
 - RAS is a robust, efficient platform that could be used for additional delivery of additional public value in future
 - RAS can help NZ make the most out of our untapped, unproductive property equity.
 - Assessment of financials in the business plan is conservative
 - Regulatory exemptions, and water being included, are crucial.
- PwC, Simpson Grierson and Cameron Partners** have been closely involved in RAS development and consider it robust, having raised no major issues.
- Councils beyond just those providing funding have indicated support.
- The **Property Council, UDINZ** and several large residential developers have come out in support of the Deferred Development Contributions product and GHD estimates uptake will be significantly above the Base Case forecasts.
- Rewiring Aotearoa** considers that the Ratepayer Assistance Scheme is the most impactful of 60 policies considered to accelerate electrification of the economy and drive down consumer power bills.

Next steps

Clear indication sought from Ministers (with Minister Watts responsible as Local Government Minister) as early in 2026 as practicable regarding their intent to take RAS to Cabinet for approval. This will enable Councils and LGFA to commence confirming further financial support. Assuming Cabinet approval, it will take 6-9 months before the first loans are available.

Once central government financial and non-financial support committed:

- RAS establishment board and establishment process will begin
- Councils and LGFA finalise the further required funding.



RATEPAYER ASSISTANCE SCHEME

THE OPPORTUNITY FOR LOCAL GOVERNMENT

CHRISTCHURCH CITY COUNCIL

MAY 2026



Introduction

Development of RAS has been underway for over six years

- LGNZ, LGFA and Cameron Partners have led the process over this time
- Scott Necklen, Chief Executive LGNZ
- Mark Butcher, Chief Executive LGFA
- Hugo Ellis, Partner Cameron Partners
- The process is now at a critical juncture requiring the sector to decide whether it supports RAS establishment
- Thank you for the opportunity to present RAS to you



1. New Zealand Local Government Funding Agency

RAS is modelled on the LGFA which provides a strong precedent and insights

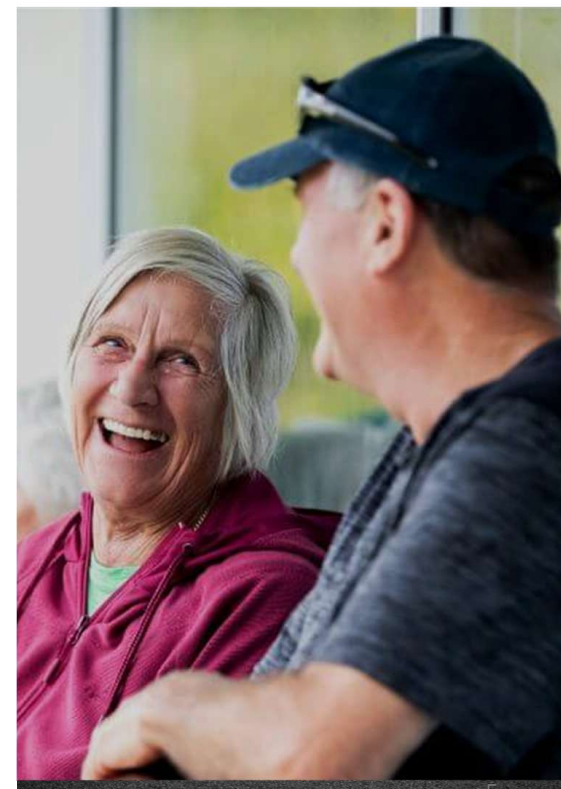
- LGFA was established in 2011 with a view to improving the efficiency of local government financing through:
 - Scale achieved from aggregation
 - Centralisation and specialisation of capabilities
 - A “rating arbitrage”
- LGFA is estimated to have saved the sector \$100s of millions (and potentially up to \$1 billion) in reduced financing margins
- In addition it has provided its shareholders with an average 5.6% cash dividend return, and the book value of equity has quadrupled
- The RAS structure and development process is modelled on the LGFA:
 - Utilises the strength of a LA rates charge to provide security
 - Achieves scale across the sector, centralises costs and accesses specialist capabilities
 - Structured to obtain very low cost financing and pass this on to ratepayers
 - Designed by, and majority owned by LAs
 - Development process with stage gates to minimise costs and support informed decision making



2. The RAS Opportunity

RAS has been developed to address a range of economic and social issues

- NZ is experiencing a cost-of-living crisis, an ageing population and must invest to meet infrastructure, H&S and environmental requirements
- Local government is responding but it needs additional tools to ensure its policies can be financed, administered efficiently and are effective
- The RAS:
 - Addresses ratepayer affordability
 - Provides ratepayers with flexibility to decide when to pay LA charges
 - Provides very competitive finance terms
- Multiple applications are possible:
 1. **Deferred Development Contributions / Development Levies**
 2. **IMPACT Loans**
 3. **Rates Postponement (RP)**



2. The RAS Opportunity cont.

Government is supportive and has recommended further development

- While the RAS is similar to the LGFA it lends to ratepayers whereas the LGFA lends to LAs
- The RAS would be a new entity owned by LAs, providing a national shared service available to all LAs – it would:
 - Undertake administration of ratepayer loans
 - Be off-balance sheet for LAs
- The Minister for Local Government is supportive and officials have been engaged in the development process and undertaking policy work
- A final stop / go decision as early as possible in 2026 is being targeted
- The sector needs to confirm its support and funding for final development and establishment



6

3. Deferred DCs / DLs

Deferred DCs / DLs would spread the cost over say, 30 years, supporting development

- DC costs are significant, 2026 annual plans indicate ~\$700 million nationally (excluding ~\$200 million Watercare IGCs)
- The DLS is expected to enable LAs to raise more revenue to fund growth
- BUT the DLS, supply chain issues and inflation pressures means developers will need to pay more → affordability concerns and risk to developments
- The RAS would be able to effectively convert upfront DCs / DLs into series of annual payments over say 30 years (paying the upfront DC / DL to the LA and charging the property owner principal and interest annually to get repaid)
- Developers would have the option to pay in full or defer
- Future owners would expect to pay less for properties with deferred DCs / DLs to reflect the RAS levies that would be charged in future
- The present value of the future deferred DC levies can be repaid at any time



4. IMPACT loans

The RAS can finance and administer loans to ratepayers for property improvements

- Current legislation enables LAs to provide financing to ratepayers that can be repaid via a voluntary targeted rate
- IMPACT loans support ratepayers to invest in their properties to achieve desirable private and public benefits
- Potential examples, include home insulation, heat pumps, double glazing, solar panels, home batteries, water tanks, septic tanks, stock exclusion fencing, sea walls
- Current IMPACT loans usage across most LAs is low:
 - IMPACT loans must be financed out of LAs' existing financing capacity
 - LAs have encountered operational and regulatory challenges
- RAS :
 - Can undertake all administration of loans
 - Would be 'off-balance sheet' for LAs
 - Provide competitive financing options (~2% below equivalent floating mortgage rates)



8

5. Rates Postponement

RP allows qualifying ratepayers to defer rates and pay on sale of their property

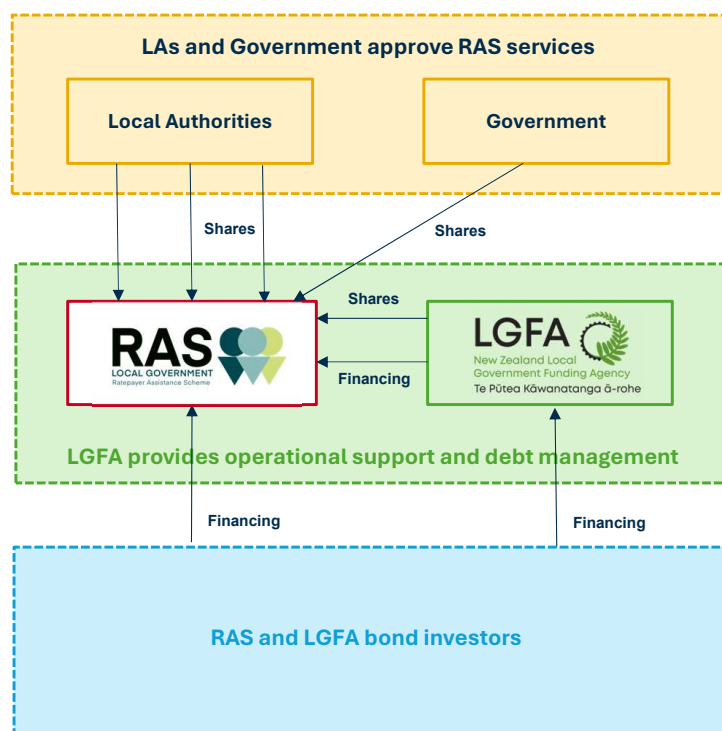
- RP provides flexibility to ratepayers (like a reverse equity mortgage) to decide to pay LA charges at some time in the future, partially mitigating:
 - Affordability issues
 - Demographic changes
 - General cost of living challenges
- In principle all LA charges could be deferred in the same way – in principle water charges can be included and are part of the RAS proposal
- RAS RP is an opportunity for a standardised, highly efficient national RP scheme at very competitive financing rates (~2% below equivalent floating mortgage rates; ~4% to 5% below reverse mortgage rates)
- British Columbia, Canada (population ~5 million) has a property tax regime similar to New Zealand's rating system and a well-established property tax deferment scheme, providing strong insights – in 2024:
 - 83,000+ users
 - ~C\$2.7 billion in loans (4x growth from ~C\$670 million in 2016)
 - ~3.9% of British Columbia households



9

6. What it is and how it works

Structurally the RAS has many similarities to the LGFA – it would be owned by LAs, LGFA and government, providing services to LAs and their ratepayers

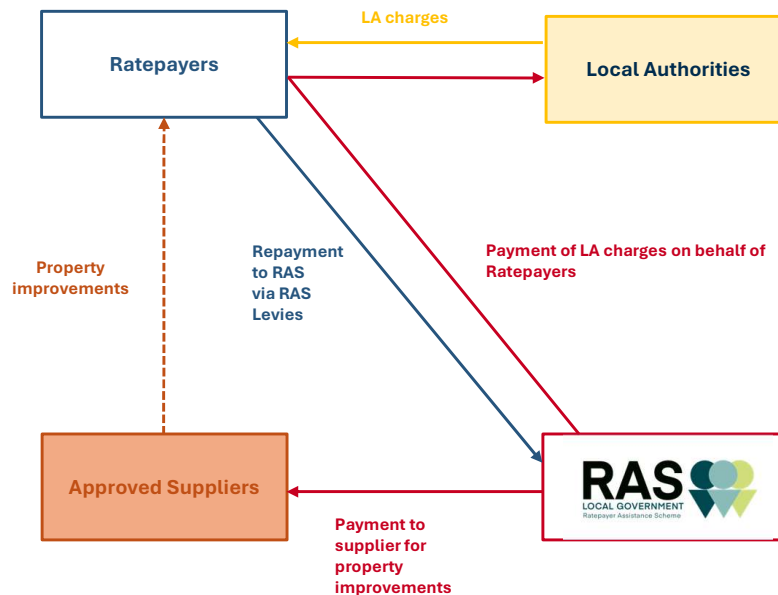


- The RAS would be a new entity (a CCO)
- It would have no discretion – all its services would be approved by LAs and central government
- All LAs would be able to use the services of the RAS, subject to meeting RAS’s membership requirements – e.g.
 - Origination (e.g. web page link, promotion)
 - IT interface (e.g. data sharing)
 - Security requirements (e.g. J&S guarantee)
- LGFA has a critical role with RAS:
 - Assisting with development
 - At all levels of the capital structure:
 - Equity
 - Preference shares
 - Debt
 - Treasury management services and debt issuance activities once RAS is ready to issue debt in its own name



7. What it is and how it works

The RAS effectively does what LAs can and already do, but does it more efficiently and effectively, taking on the administrative burden and risk while being off-balance sheet



- The RAS would have the power to impose a levy charge equivalent to a rate and obtain a very high credit rating
- LAs would opt-in and ratepayers would also opt-in
- The interface between LAs, RAS and ratepayers would be as seamless as possible – eg with RP or deferred DCs/DLs:
 - Ratepayers would “apply” through the LA’s website
 - The application would go directly to RAS for processing
 - Once approved, payment of the rate charge or DC / DL would be made to the LA by the RAS
 - The RAS would levy the ratepayer directly to obtain repayment
- In the case of IMPACT loans the process would be the same except that RAS would make payment to the approved supplier of the property improvement

8. Who is involved ?

Multiple stakeholders are involved in finalizing and assessing the 2025 Business Case

RAS Steering Group

- Local Government New Zealand
 - Funding Councils for final business case development (Auckland, Hamilton City, Hutt City, New Plymouth District, Palmerston North City, Queenstown Lakes District, Tauranga City, Wellington City) ¹
 - New Zealand Local Government Funding Agency
 - Rewiring Aotearoa
 - Energy Efficiency Conservation Authority (EECA)²
-
- Strategic Advisory Group – Hon Nick Smith, Cameron Bagrie and Stuart Henderson
 - Department of Internal Affairs, Treasury, MHUD, MBIE
 - Ministerial Offices
 - Advisers (Cameron Partners – lead financial, Fr@nk – IT Advisor, PWC – Accounting & Tax, PwC – IT, Simpson Grierson – Legal)

¹ Christchurch City Council has previously contributed financially to earlier stages of the RAS development

² EECA has provided financial support by way of a grant to RAS that is repayable when certain conditions are met

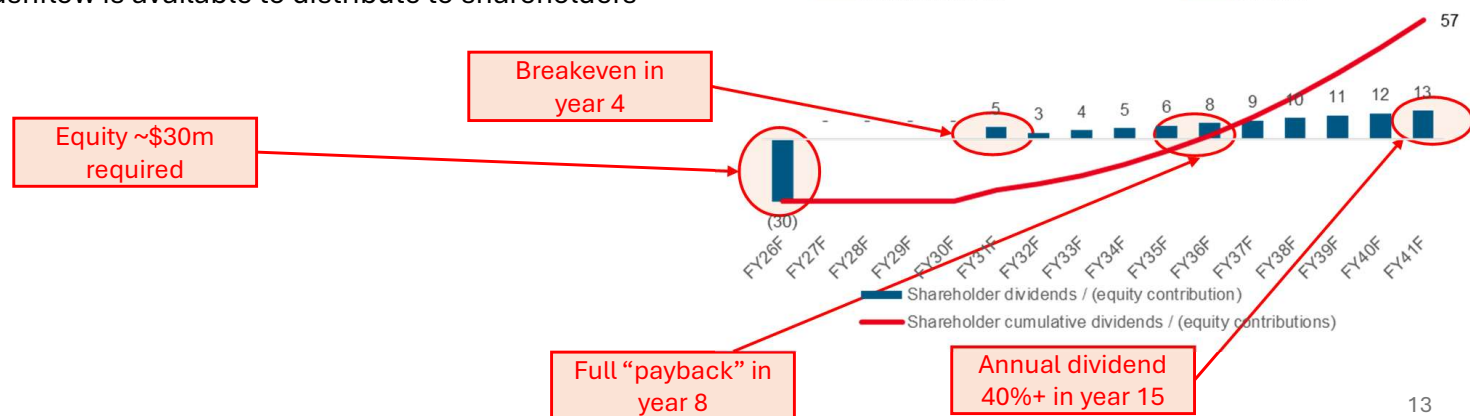
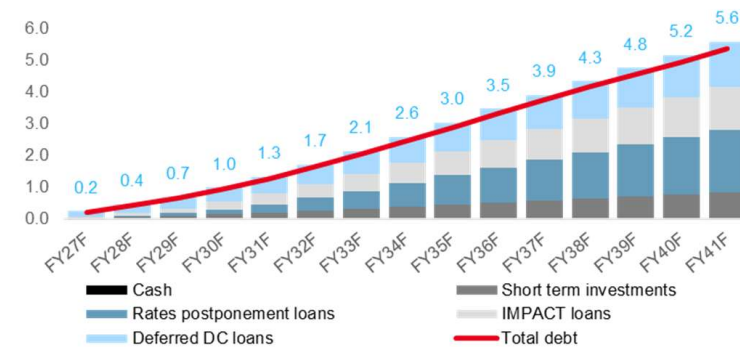


9. RAS 2025 financial Base Case



Strong surpluses may be available to reduce financing rates to ratepayers and provide returns to shareholders

- The 2025 Base Case is considered conservative – it assumes:
 - 60% of LAs as members on day 1
 - Deferred DC / DLs uptake of 35% (with 50% repaid in year 1)
 - RP uptake of 2.8% achieved by FY41
 - IMPACT loans relating to solar panels, home batteries and home heat pumps and water heat pumps based on RA and EECA analysis
 - Net interest margin 1% initially reducing once bonds issued
 - Surplus cashflow is available to distribute to shareholders



10. Council support required

Local government needs to indicate whether it is willing and able to support RAS

- The minister requires an indication of councils' support to:
 - Make RAS products available to their ratepayers and therefore their intentions to join RAS as members
 - Ultimately, their willingness and ability to provide the equity capital required
- ~\$3 million in "at risk" funding has been provided by 8 councils (plus EECA) until a "stop/go" decision
- Assuming a "go" decision...
 - ~\$30 - \$35 million in total equity is estimated:
 - Establishment costs
 - IT system
 - Meet operating deficits until breakeven is achieved
 - Development funding already provided will qualify as equity (included in est. equity requirement)
 - Councils can use RAS if they are not shareholders – it will be imperative that there is widespread council support as shareholders and members



14

11. Next Steps

Obtain councils support to present to the minister

- A number of other “non-funding” councils have been approached
- To date, 100% of councils that have considered RAS at council meetings have approved support

Assuming Cabinet approves the RAS “ask” to complete a stop / go decision

- LGFA will seek shareholder approval to become a shareholder and subscribe for RPS
- Councils will be approached to:
 - Join RAS as members and promoting the products to ratepayers
 - Participate as shareholders in RAS by subscribing for equity

What information and resources are available for councils?

- LGNZ website has an information page /resource centre dedicated to RAS
- LGNZ, LGFA and Cameron Partners are available to answer questions and present to councils



15



3. Three Waters Quarterly Activities Update (January - March 2026)


Reference Te Tohutoro: 26/489088

Presenter(s) Te Kaipāhō: Gavin Hutchison, Head of Three Waters

1. Detail Te Whakamahuki

Purpose and Origin	<ul style="list-style-type: none"> To update the Council on the Three Waters Operation activity during the period January to March 2026. The attached report was put together by staff in the Three Waters Unit.
Timing	This information session is expected to last for 30 minutes.
Outcome Sought	Staff welcome feedback on the topics. This will help us to create an informative document that provides useful information on a regular basis.
ELT Consideration	N/A
Next Steps	N/A
Key points / Background	N/A
Useful Links	N/A

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Three Waters Quarterly Report - January to March 2026	26/908282	28

Signatories Ngā Kaiwaitohu

Author	Gavin Hutchison - Head of Three Waters
Approved By	Brent Smith - General Manager City Infrastructure



Three Waters

Quarterly Report
January to March 2026

ccc.govt.nz/water-and-drainage

Contents

Executive summary.....	3
A snapshot of our network... ..	4
Our water supply network	5
Community Drinking Water Stations.....	6
Water leaks repaired	7
Making our communities safer.....	8
Drinking water compliance	9
Quarterly water supply controllable non-compliances	10
Our wastewater network	11
New monitoring dashboard is now live.....	12
Christchurch Wastewater Treatment Plant	13
Banks Peninsula wastewater treatment plants	14
Our stormwater network	15
The Community Waterways Partnership (CWP)	16
What people are telling us / Reaching our communities.....	18



Community Waterways Partnership at the Estuary Fest.

Executive summary

Our latest Three Waters Quarterly Report provides an update on our ongoing efforts to deliver safe and reliable water services to Christchurch and Banks Peninsula residents.

During the quarter, we remained focused on providing reliable three waters services during periods of peak demand, while responding to several complex operational challenges that directly affected our communities.

During January–February, persistent odour issues at the Christchurch Wastewater Treatment Plant generated a high volume of customer complaints and resulted in an abatement notice from Environment Canterbury. Our teams worked to manage impacts on nearby residents while progressing corrective actions.

In mid-February, the detection of total coliforms in the water supply – following a positive E. coli result from a nearby private supply – prompted the precautionary implementation of a boil water notice for customers in the Rawhiti Zone.



Jet boat in action on oxidation ponds

Also in mid-February we received a significant noncompliance from Wainui Wastewater Treatment Plant due to exceedances in the nitrogen loading applications to land.

The same period saw an extreme weather event that caused significant flooding across Banks Peninsula and the declaration of a State of Emergency. To maintain continuity of supply, we tankered water to Duvauchelle, Wainui, and Little River. Source water quality issues at Duvauchelle and Little River, along with flood damage to a critical bridge crossing pipe at Wainui, required boil water notices to be put in place for Little River and Wainui while repairs and remedial actions were undertaken.

In late March, a further abatement notice was received from Environment Canterbury in relation to unconsented discharges of untreated wastewater in Banks Peninsula. Throughout all events, our priority remained protecting public health, restoring services safely, and keeping affected customers informed.



Little River - Police Creek water supply intake during February 2026 storm event.



Little River - post flooding.

A snapshot of our network

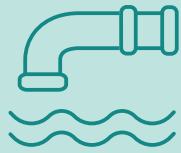
We're responsible for more than you might think...

Our three waters network

Christchurch City Council owns and operates the city's water supply, wastewater and stormwater network.



Water supply



Wastewater



Stormwater

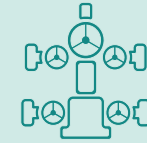
Strengthening our networks



Pump stations



Reservoirs



Well heads



Pipes



Treatment plants



Drainage

Helping our communities



Education



Community engagement



Flood control



Customer service



Growth planning



Incident response

Looking after our environment



Waterways



Stormwater basins



Wetlands
lake openings

Our water supply network

Christchurch City Council owns and operates a network of wells, intakes, treatment plants, reservoirs and pipes that deliver water to our residents. We do regular testing and maintenance to make sure our water is safe, and we're also carrying out upgrades to comply with the Government's drinking water rules.

What we did, in numbers – January to March 2026



99% (395 out of 401)

of water supply resource consent conditions are compliant.



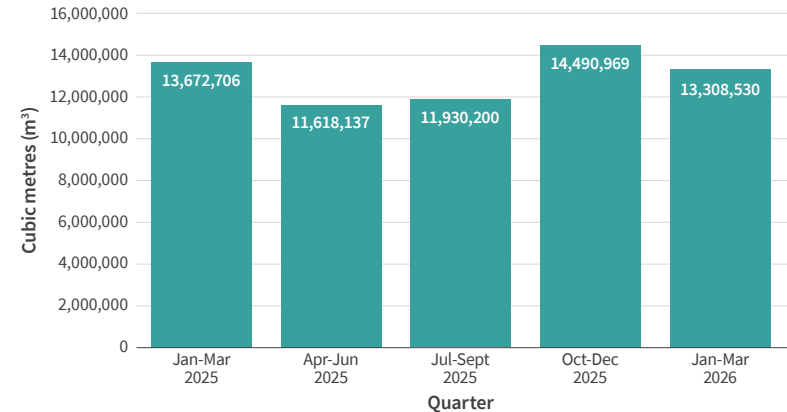
13,308,530m³

Water supplied across the district

The total water supplied across the district showed a decrease of 3% compared with the same period last year. An added benefit of reducing our water use is reducing the electricity (and associated greenhouse gas emissions) needed to pump it throughout the network.

Quarter	Year	Water supplied (m ³)	
		Christchurch	Banks Peninsula
January–March	2025	13,556,104	116,602
April–June	2025	11,518,720	99,417
July–September	2025	11,825,875	104,325
October–December	2025	14,367,021	123,948
January–March	2026	13,180,725	127,805

Water supplied in Christchurch and Banks Peninsula per quarter



Asset planning advice

Our asset planning teams are continuously working to provide expert advice and approvals for new developments and subdivisions across Christchurch and Banks Peninsula.

Asset planning advice		Jan-Mar 2026
Water supply	Capacity reviews for new development	200
	Subdivisions consented	8
	Engineering reviews and acceptance for new subdivisions	11
	Cost share development agreements concluded	0



8 incidents

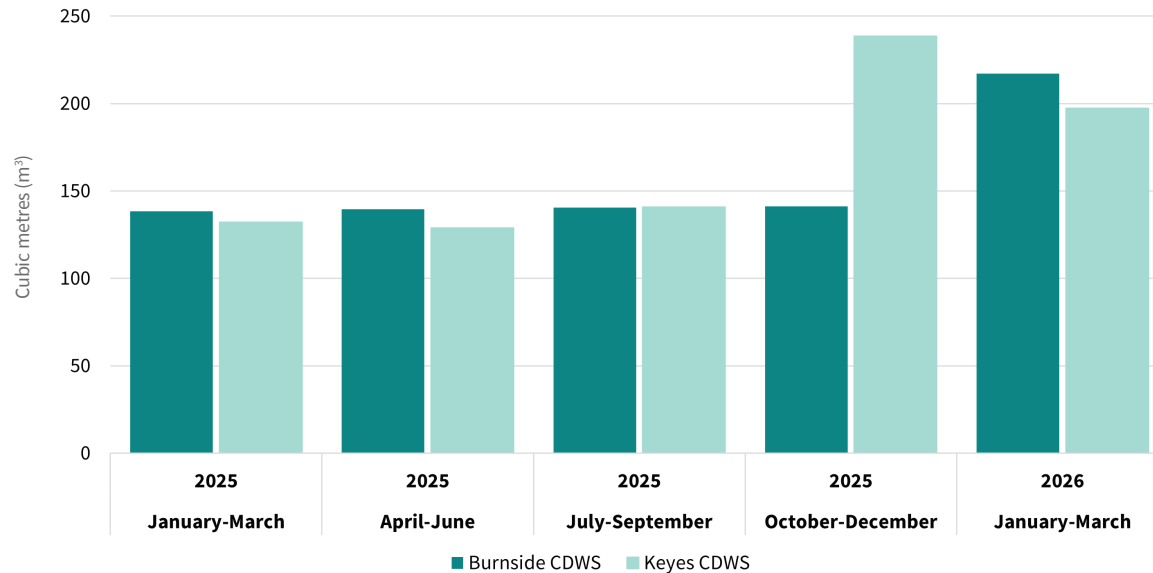
reported to the Water Services Authority – Taumata Arowai (more about this on page 10).

Community Drinking Water Stations

Since August 2024, we have monitored the two Community Drinking Water Stations (CDWS) that provide chlorine-free water at Burnside and Keyes water treatment plants (Burnside Park and New Brighton Olympic Athletic Club respectively). Our community is making great use of them, with an average of more than 70 users per day at Burnside CDWS and more than 50 at Keyes CDWS.

Last year, Council approved (CAPL/2025/00074) an increase to the Three Waters capital and operational budgets to support the installation and ongoing operation and maintenance of CDWS. We are waiting for the release of the updated Drinking Water Quality Assurance Rules for Level 3 supplies, which will provide guidance on the new requirements to install this type of station. It's expected that the Water Service Authority-Taumata Arowai will release the updated rules in May 2026.

Water supplied at the Community Drinking Water Stations per quarter



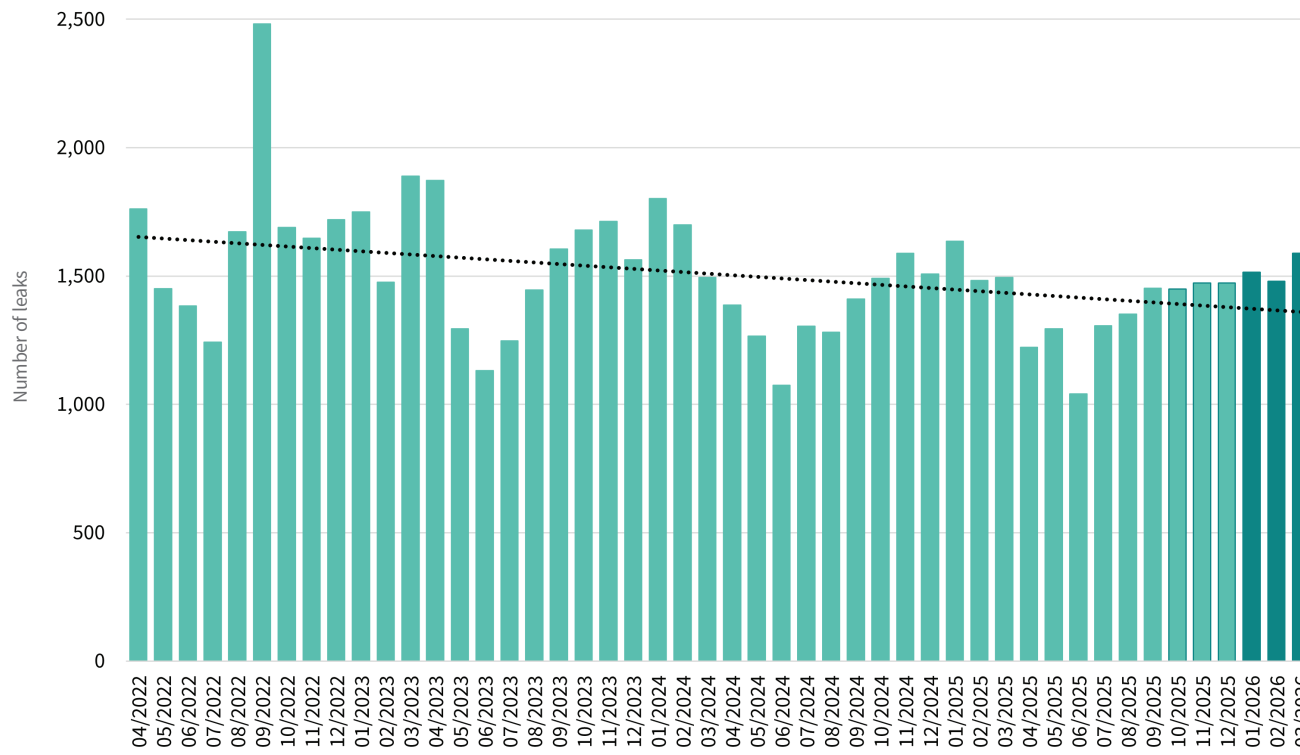
Chlorine free water station on Keyes Road, New Brighton.

Leak repairs

4582 Water leaks repaired

The primary reason for a higher number of leaks (hence repairs) during summer is the higher demand (higher flows in the network trigger higher flows in existing leaks), as well as pump station driven pressure transients and pressure fluctuations that can induce pipe breaks. Leaks are also easier to visually observe during the summer when the ground is drier than in winter.

Water leaks repaired per month



GOOD NEWS!

Making our communities safer

Following engagement with Fire and Emergency New Zealand (FENZ), we worked collaboratively to strengthen firefighting water resilience across Banks Peninsula, with a particular focus on rural and remote communities. Based on feedback from local brigade chiefs, additional water storage tanks were installed at Birdlings Flat to support emergency response during vegetation fires.

This investment has already delivered tangible benefits for the community. FENZ has advised that during a significant fire at Birdlings Flat in early March, the newly installed tanks were fully utilised and played a critical role in supporting firefighting operations. The additional water supply significantly reduced response times and strengthened the overall effectiveness of the emergency response.

FENZ has highlighted this outcome as a strong example of the positive partnership between Christchurch City Council and Fire and Emergency New Zealand, delivering practical improvements that enhance community safety and resilience across the peninsula.



Drinking water compliance

We manage a high-quality and safe water supply network, which we monitor closely so we can quickly respond to any issues. Christchurch and Banks Peninsula water supplies are chlorinated to meet New Zealand drinking water laws. We're also working on additional upgrades to our water supply network to ensure we meet all Government rules and regulations.

While we upgrade our water supply network there are areas where our water supply isn't compliant. However, the requirement to treat our water with chlorine means our water has an extra level of protection against contamination. Many of the non-compliances will be resolved once we have completed upgrades to assets or completed longer term testing to confirm the quality of our water.

While we acknowledge that our water supply has non-compliances, we're focused on doing the work needed to achieve compliance while continuing to provide safe drinking water.

The Drinking Water Quality Assurance Rules include a range of rules, the most significant of which relate to the source (S rules), distribution (D rules) and treatment of water (T rules), which are key to making our supply compliant.

There are other non-compliances that aren't related to the S, D and T rules. These will also be resolved over time.

Here's how we're tracking:

S Source rules relate to the quality of water at its source.

T Treatment rules relate to protection against bacteria and protozoa.



Bacterial compliance

To achieve compliance, we need to install continuous water quality monitoring and complete some treatment plant upgrades in Banks Peninsula and Christchurch.

During this quarter, of our 52 treatment plants, 4 were bacterial compliant.

Protozoa compliance

Of our 46 treatment plants across the Christchurch and Brooklands-Kaingā supplies:

- 42 are classified as Class 1 and are therefore protozoa compliant
- Two treatment plants (Carters and Picton) are classified as Interim Class 1 and therefore protozoa non-compliant. A sampling programme is underway to re-demonstrate that the sources feeding those Treatment Plants are Class 1.
- Two treatment plants (Main Pumps and Tanner) have UV treatment to comply with the protozoa rules.

On Banks Peninsula all our 6 treatment plants have protozoa treatment.

During this quarter, of our 52 treatment plants, 46 were protozoa compliant

D Distribution rules relate to water in the distribution network.

They require a low level of chlorine to be present in water distributed across our network from treatment plant to tap.



9/14 distribution zones were compliant during the quarter.

The quarter ahead April to June 2026

We made a submission to the Water Services Authority – Taumata Arowai in November 2025 as part of its consultation on the review of the Drinking Water Quality Assurance rules for larger supplies (level 3 rules). The updated rules are expected to be released in May 2026.

Quarterly water supply controllable non-compliances

We regularly test the water to ensure it is safe to drink. When we have controllable non-compliances, we take immediate action to assure the water supply and notify Water Services Authority-Taumata Arowai.

These are the controllable non-compliances recorded during the last quarter:

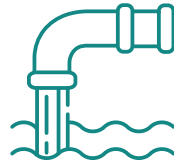
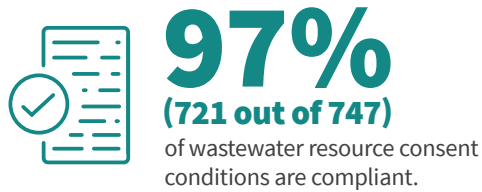
Controllable non-compliances are those we can control and avoid by improving our processes and procedures. To reduce the amount of these, we analyse the cause and undertake an action plan so they don't happen again.

Supply details	Drinking water safety, compliance or sufficiency category	Notification ID	Date	Details
CHR009 Christchurch	Water is non-compliant and drinking water is or maybe unsafe	NOT-00010853	13/02/2026	E. coli detected (14 MPN per 100 mL) in a sample collected from HEB Contractor Village Kitchen on grounds of Christchurch Wastewater Treatment Plant (CWTP). [This relates to a sample beyond the point of supply in the Rawhiti Zone and does not affect compliance for the overall Christchurch Supply].
CHR009 Christchurch	Drinking water is or maybe unsafe	NOT-00010861	14/02/2026	Total Coliforms detected (>2400 MPN per 100mL) in a sample collected from a sampling bollard at 26 Ottawa Rd.
CHR009 Christchurch	Drinking water is or maybe unsafe	NOT-00011042	17/03/2026	A surface Pump at Denton Treatment Plant suddenly stopped working (due to overheated bearings in pump). This led to a sudden drop in pressure in that part of the West Distribution Zone. When the treatment plant came back online, the chlorine pump went into fault and was unable to operate. Staff made the decision to keep the treatment plant operating in a non-chlorinated state to maintain stable pressures in the zone. Approximately 500m3 of unchlorinated water was pumped into the zone.
CHR009 Christchurch	Drinking water is or maybe unsafe	NOT-00011107	27/03/2026	Total Coliforms detected (>2400 MPN per 100mL) in a sample collected from Kennedy's Bush Reservoir.
LIT001 Little River	Water is non-compliant	NOT-00010683	22/01/2026	Two exceedances of the MAV for dichloroacetic acid (a disinfection by-product) from samples collected at the Western Valley Road sample point on 26 December 2025 and 5 January 2026.
LIT001 Little River	Water is non-compliant	NOT-00010797	30/01/2026	Exceedance of the MAV for dichloroacetic acid (a disinfection by-product) from a sample collected at the Western Valley Road sample point on 30th January 2026.
LIT001 Little River	Drinking water is or maybe unsafe	NOT-00010881	17/02/2026	Severe weather event caused significant flooding in Little River. A boil water notice was implemented as a precautionary measure.
WAI138 Wainui	Drinking water is or maybe unsafe	NOT-00010877	17/02/2026	Severe weather event caused flooding in Wainui which resulted in damage to sections of the Wainui distribution network and all water draining from the network. A boil water notice was implemented whilst repairs to the network were completed and service restored.

Our wastewater network

Christchurch City Council maintains wastewater systems to provide the community with a safe and healthy environment through the appropriate treatment and discharge of wastewater.

What we did, in numbers – January to March 2026



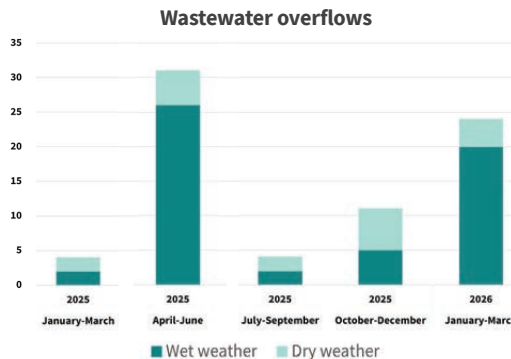
This quarter we had **24 wastewater overflows**.
For comparison, in the last quarter we had a total of 11 overflows.
5 wet weather / 6 dry weather

Asset planning advice

Our asset planning teams are working continuously to provide expert advice and approvals for new developments and subdivisions across Christchurch and Banks Peninsula.

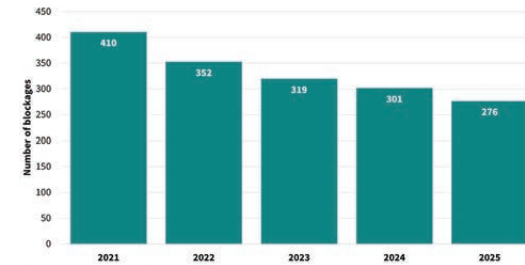
Asset planning advice		Jan-Mar 2026
Wastewater	Capacity reviews for new development	471
	Subdivisions consented	8
	Engineering reviews and acceptance for new subdivisions	3
	Cost share development agreements concluded	0

Wastewater overflows		
Weather conditions	Number of overflows	Cause
Wet weather	20	High rainfall
Dry weather	4	3 blockages, one burst drinking water main



Wastewater blockages

We are seeing a reduction in the wastewater blockages in our network.



Non-compliance figures – January to March 2026

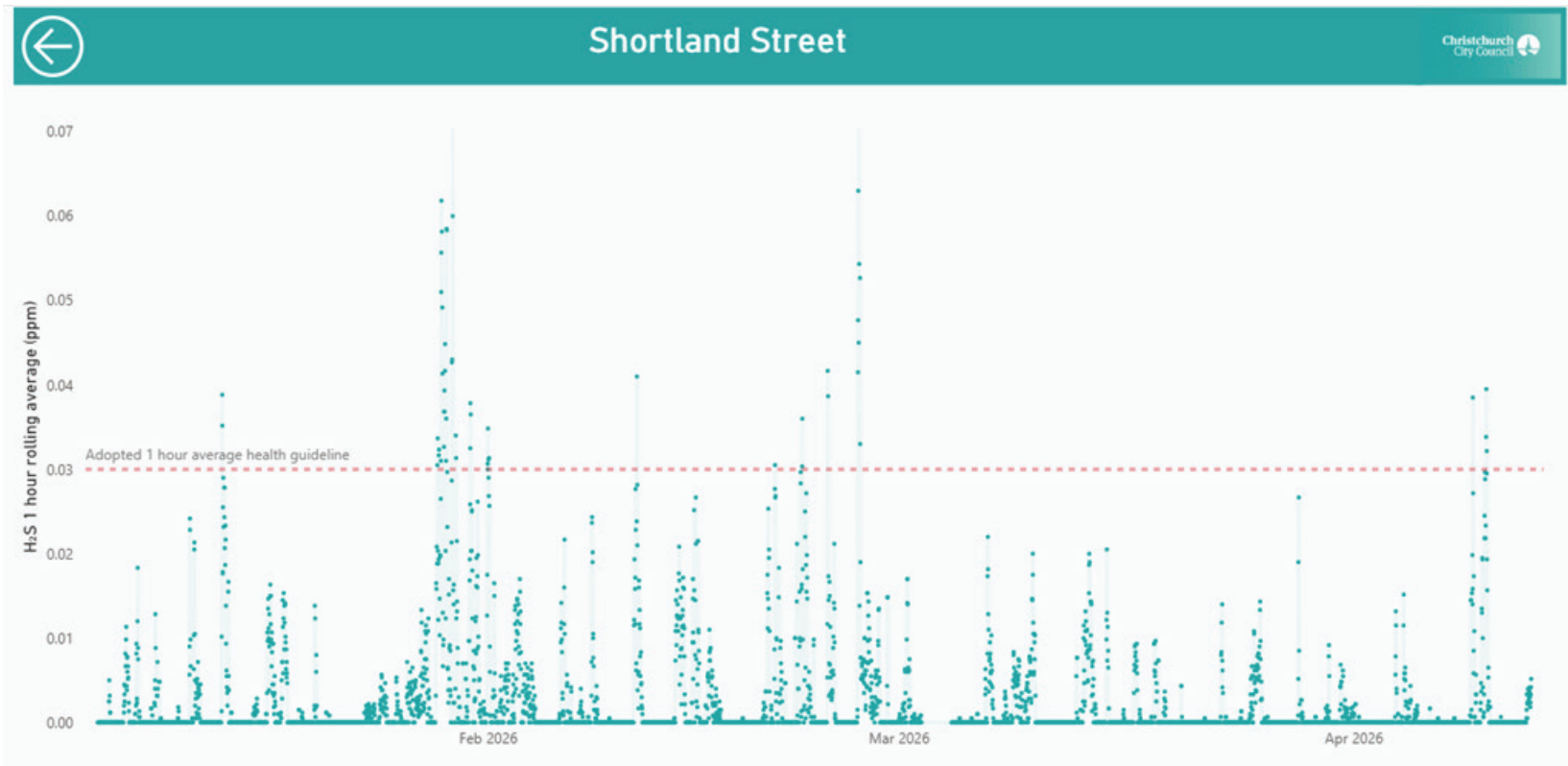
We received a significant non-compliance during this quarter for condition 19 of CRC091580, related to Wainui Wastewater treatment Plant nitrogen loading application exceedance. We have presented an action plan as required and started the implementation to satisfy Environment Canterbury requirements.

The quarter ahead April to June 2026

Following the decision to increase aeration at the Christchurch Wastewater Treatment Plant's oxidation ponds to help reduce odour, our teams will be busy working on the roll-out plan.

New monitoring dashboard is now live

Our new **hydrogen sulphide monitoring dashboard** shows the hourly averages of hydrogen sulphide measured at each of our five monitors near the Christchurch Wastewater Treatment Plant.



Christchurch Wastewater Treatment Plant

The Christchurch Wastewater Treatment Plant experienced a significant odour event in January, caused by ongoing pressure on the fire-damaged system combined with weather conditions that limited oxygen levels in the oxidation ponds. The event prompted an immediate operational response, including increased monitoring and on-site interventions to stabilise pond health and reduce odour impacts on surrounding communities.

Following the January event, three waters staff began actively assessing options to further reduce odour risk at the plant. The Council has agreed to progress increased aeration as the preferred mitigation approach, recognising it as the most effective way to reduce odour while longer-term recovery and treatment solutions continue to be developed.



Activated sludge reactor construction charges ahead.

Monitoring and ops



16.3 million m³
total treated wastewater.



31 times
H₂S went over 0.03ppm.



2.10 GWh
electricity generated from waste / \$\$ saved.



13,992
webpage views.



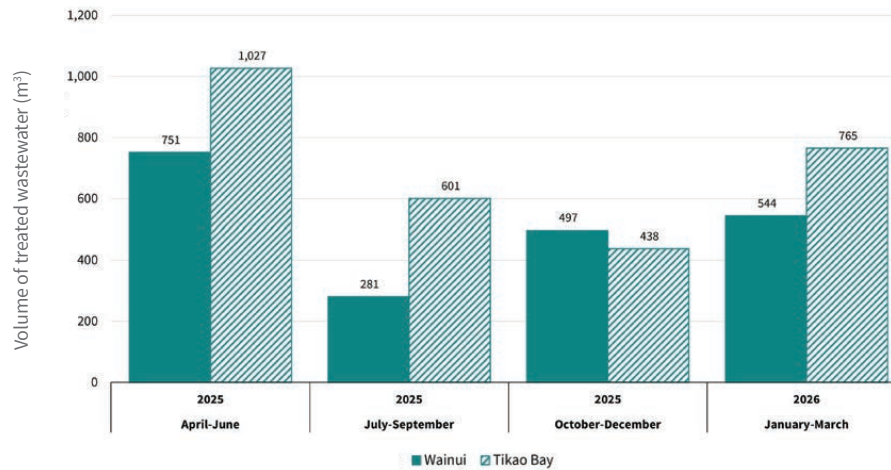
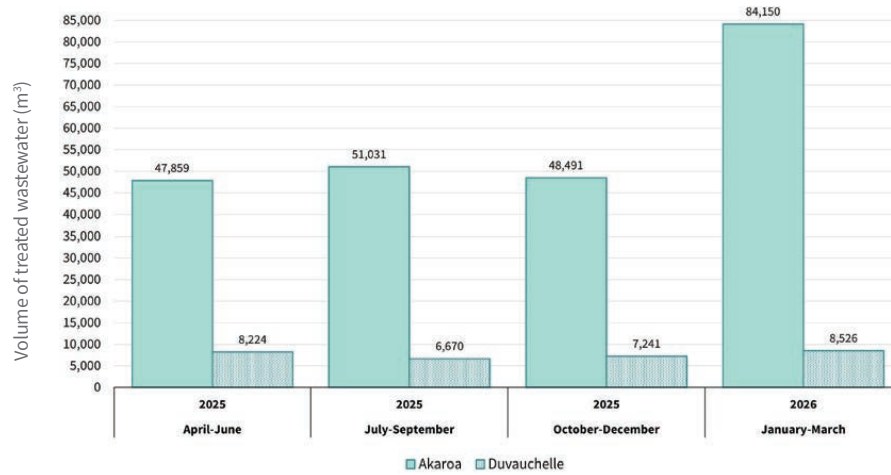
433
e-newsletters.



3 school visits.
26 students.

Banks Peninsula wastewater treatment plants


Our Wastewater Treatment Plants in Banks Peninsula are managed by our staff.



Our stormwater network

Our stormwater system is being continually maintained and improved to make the city a safer and healthier place to live. The network includes open drains, pipes, pump stations, stopbanks, basins and more.

What we did – January to March 2026

 **100%**
(1060 out of 1060)
of stormwater resource consent conditions are compliant.

Our activities

We've installed 15 Storminators at Council sites on Banks Peninsula. These are designed by the University of Canterbury and filled with mussel shells to treat roof runoff. We're sampling six of them over the course of the year to assess performance.

Asset planning advice

Our asset planning teams are continuously working to provide expert advice and approvals for new developments and subdivisions across Christchurch and Banks Peninsula.



Storminator installed in Akaroa Wastewater Treatment Plant.



Asset planning advice		Jan-March 2026
Stormwater	Floor levels reviews and advice	1654
	Discharge approvals	152
	Subdivision reports/conditions	10
	Cost share development agreements concluded	0

We operate the stormwater network under a resource consent from Environment Canterbury. We didn't have new significant non-compliances recorded during the last quarter



The Community Waterways Partnership supports the development of community-based initiatives to improve the ecological health, indigenous biodiversity, cultural, and amenity value of our urban waterways. The Partnership involves Christchurch City Council, Canterbury Regional Council, Department of Conservation, Ministry for the Environment, Canterbury District Health Board, universities, schools, industry representatives, river care and other community groups.

What we did

Waterways Education Providers Hui

The CWP held a Waterways Education Providers Hui in February, bringing together CWP partners that provide education programmes and experiences for schools and the community. This hui provided an opportunity for educators and organisations to share updates on their programmes, discuss challenges and opportunities, and strengthen collaboration for a more coordinated delivery of waterways education across the city.



Pūharakekenui–Styx River Field Trip

A field trip to the Pūharakekenui–Styx River catchment was held in March for the Quality & Compliance team as well as the CWP. Led by our Parks Biodiversity Team Leader and the Styx Living Laboratory Trust, the visit showcased a range of riparian and ecological projects. The trip highlighted long-term waterways restoration outcomes, integration with stormwater infrastructure, protection of waipuna, and future restoration opportunities.



SHMAK Stream Health Monitoring Training

A SHMAK (Stream Health Monitoring Assessment Kit) training day was delivered by EOS Ecology in partnership with Environment Canterbury and the Community Waterways Partnership. This field based session built participant capability to undertake community led stream monitoring with kits available through Environment Canterbury and the CWP to better understand freshwater health.



Estuary Fest

CWP partners, alongside the City Council and community members, organised and participated in the annual Estuary Fest, held this year at the South New Brighton Community Hall beside the estuary. The family friendly event attracted hundreds of local residents and focused on building understanding of the estuary and its connection to surrounding environments and waterways across Ōtautahi. The event promoted stewardship of waterways and highlighted the importance of integrated catchment and estuarine health.

What people are telling us

During this quarter water supply was the second most common service request category after wheelie bins.

Our team received a total of

21,308
service requests
related to water and drainage.

The most common requests related to:



Water leaks
10,487



Water supply
2761



Water meter boxes
2347



Blockage/water not
draining
2088



New residential water
connections
832

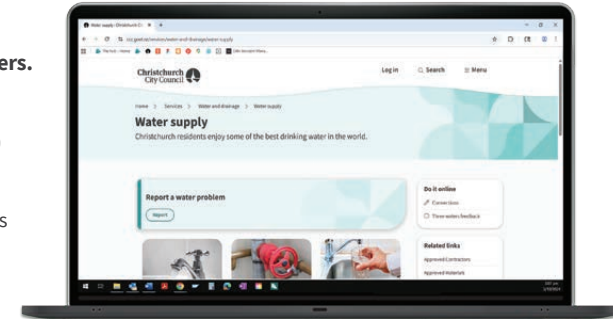
Reaching our communities

During the last quarter:

We published sixteen Newsline stories related to Three Waters.

The stories covered:

- Latest updates on the Wastewater Treatment Plant (live-blog)
- Smart meters project underway
- A one-year trial to help stop zinc runoff getting into waterways
- Burwood wastewater pipe replacement work.
- Transport and water upgrades planned for Lincoln Road.
- Wastewater pipe upgrades for Riccarton
- Prepare for heavy rain.
- Boil water notice for Rawhiti water supply zone (live-blog).
- Boil water notice for Rawhiti water supply zone lifted.
- Little River boil water notice.
- Wainui boil water notice.
- Wet weather hits Christchurch and Banks Peninsula (live-blog).
- Post quake development of our roads and infrastructure
- Council investigating wastewater plant mitigations
- Council to consider mitigation options for wastewater plant
- Corsair Bay stormwater pipe replacement.

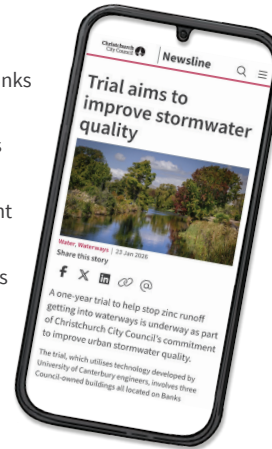


We had **239,647** views
across our water webpages.

This represented **7.14%** of total views across the website, and **166,383 more views** than the previous quarter.

The top five pages were:

1. Water supply landing page (boil water notices were published here) **(42,947)**
2. Water Reporter - used by residents to check their water use **(20,259)**
3. Our floor level map for building and resource consents, flood risk and property information **(15,484)**
4. The water status map showing real-time water shut-off information **(14,235)**
5. Three waters asset network map showing where three waters assets are located **(13,638)**



4. Items Closed to the Public

The information session/workshop items noted from the next page will not be open to the public under the sections of the Local Government Official Information and Meetings Act 1987 (LGOIMA) outlined in the table on the following page. The full wording of the noted LGOIMA sections is found in [section 6](#) or [section 7](#) of the Act.

In the Council's view, these reasons for exclusion are not outweighed by public interest considerations in section 7(1) favouring their release.

The public can ask the Ombudsman to review this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PUBLIC INTEREST CONSIDERATION	POTENTIAL RELEASE REVIEW DATE AND CONDITIONS
5.	GOVERNMENT REFORMS UPDATE	S 7(2)(F)(I)	FREE AND FRANK DISCUSSION	THIS AGENDA ITEM IS BEING HELD IN PUBLIC EXCLUDED SO THAT COUNCILLORS MAY OPENLY EXPLORE AND DISCUSS AND SEEK ADVICE ON STRATEGIC ISSUES THAT MAY COVER SENSITIVE TOPICS IN RELATION TO THE SIMPLIFICATION OF LOCAL GOVERNMENT HEADSTART PATHWAY. THIS REASONABLY OUTWEIGHS THE PUBLIC INTEREST IN CONSIDERING THIS MATTER IN PUBLIC.	30 JUNE 2027 THE DECISION TO RELEASE WILL BE SUBJECT TO PROGRESS MADE WITH THE HEADSTART PATHWAY.