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## Long-Term Plan Workshop NOTES

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**Date:** Thursday 14 May 2026  
**Time:** 9.31 am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

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**Present**

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

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The agenda was dealt with in the following order.

Councillor McLellan chaired the workshop until Councillor MacDonald joined at 9.37 am.

## **1. Apologies Ngā Whakapāha**

The following apologies were received:

- Councillors Harrison-Hunt and Keown for absence.
- The Mayor and Councillors Johanson and MacDonald for lateness.

Councillors Cotter and Fields joined the workshop at 9.32 am.

## **2. Long Term Plan 2027 - 2037 Workshop**

Peter Ryan, Head of Corporate Planning and Performance, joined the table to introduce the workshop.

- The workshop continued consideration of the Financial Strategy, Infrastructure Strategy and capital programme development, which are interrelated and require time to understand collectively.
- Guidance from Council will be required through the next workshops to inform development of the capital programme, asset plans and activity plans, enabling staff to prepare material for the next stage of the Long Term Plan process.

See attachment A for the presentation supporting the workshop.

### **Attachments**

A [Presentation](#) 

Councillor MacDonald joined the workshop at 9.37 am and resumed Chair.

Councillor Johanson joined the workshop at 9.40 am.

The Mayor joined the workshop at 9.49 am.

Councillor Scandrett left the workshop at 9.58 am and returned at 9.59 am.

### **2.1 Financial Strategy**

Mitchell Shaw, Principal Advisor Finance, joined the table and provided the Council with an update on the draft Financial Strategy for the Long Term Plan 2027–2037.

#### **Key Presentation Points**

- The Financial Strategy refreshes the 2024–2034 Financial Strategy to reflect changes in the operating environment, affordability pressures, and updated Council direction.
- The Financial Strategy is guided by four principles: provide good stewardship of community assets and resources; invest to support sustainable growth; take prudent and sustainable approaches to financial management; and provide value for money for our community.
- Financial performance is assessed using legislated local government prudence benchmarks and the Council's own benchmarks.
- Debt affordability, net debt ratios, and liquidity remain within benchmark limits and improve over time as rating for renewals increases.

- The essential services benchmark deteriorates over the planning horizon due to rising depreciation and constrained capital delivery rather than reduced renewal need.
- The rates affordability benchmark checks whether annual rates increases stay within what was planned in the Long Term Plan. It was not met in 2026/27 mainly because rates were kept lower the year before using surplus. It will matter less in future once the rates cap sets a legal limit on increases.
- The debt servicing benchmark looks at how much Council spends on interest compared to its income. It is shown as not met mainly because it counts interest on loans to Council-owned companies but does not count the interest Council gets back, meaning Council would meet the benchmark in most years if repayments were included.
- The balanced budget benchmark checks whether the Council's day-to-day income covers its day-to-day costs, including wear and tear on assets. Council does not meet this benchmark in the short term but is expected to improve over time as higher rates funding for renewals increases revenue and reduces longer-term pressure.
- Rating for renewals is how the Council pays for replacing ageing assets, using rates instead of borrowing. It does not change how much work is done, but it reduces debt and interest costs over time and improves the Council's finances.
- The Council's debt has increased significantly since the earthquakes due to the cost of rebuilding, with most of the increase relating to ratepayer-funded debt. Borrowing rose over time as government funding reduced, but debt is expected to peak around 2030 and then decline as more asset renewals are funded through rates rather than new borrowing.

### **Key Discussion Points**

- The essential services benchmark deterioration reflects long-standing capital delivery constraints represented by the capital programme cap, with the updated benchmark providing a realistic measure based on historic delivery.
- Once rating for renewals reaches its target, a little over half of the capital programme will be paid for through rates and the rest through borrowing, with total costs increasing over time as prices rise.
- Depreciation and renewals are separate measures, with depreciation representing an accounting estimate of asset wear over time and renewals reflecting actual capital work undertaken, resulting in different timing, values, and impacts on financial benchmarks.
- Using depreciation to fund asset replacement would be expensive because assets start depreciating as soon as they are built, even if they do not need renewing yet. Rating for renewals is more practical because it funds actual replacement work when it is needed.
- The Council debt remains within prudent limits when measured against both equity and revenue and is low relative to the size of the Council's asset base, providing important context when considering headline debt figures.
- Borrowing decisions involve trade-offs between debt, dividends, rates, and intergenerational equity, with some debt appropriate for long-life assets, while high borrowing to replace assets not previously paid for can shift costs unfairly to future ratepayers.

## **2.2 Infrastructure Strategy**

Luke Adams, Principal Advisor Policy, joined the table and provided the Council with an overview of the draft Infrastructure Strategy to inform development of the Long Term Plan 2027–2037.

### **Key presentation points**

- The Infrastructure Strategy identifies six long-term structural pressures affecting infrastructure delivery over a 30-year horizon.
- Affordability and funding constraints are the main pressure facing Council, as household budgets are tightening while costs for construction, insurance and labour are rising much faster than inflation. This limits what the Council can sustainably fund over the long term and requires careful decisions about service levels, how costs are shared between current and future ratepayers, and which projects are essential versus optional.
- Managing renewals across generations involves addressing the fact that many assets were built at the same time and will also need replacing at the same time requiring decisions on how to spread replacement costs over time. There may be opportunities to make savings by using standard designs and building for future conditions.
- Climate change is increasing the cost of owning and maintaining infrastructure, with many assets already exposed to natural hazards and facing more frequent and ongoing damage rather than one-off events. The Council will need to decide when to keep repairing assets, when to adapt them, and when to accept changes in service levels, while managing rising costs over time and reducing emissions across the full life of infrastructure.
- Growth and demographic change are increasing demand for Council services, while also changing what those services need to look like, as the population grows, becomes more diverse, and ages. Growth is increasingly driven by the market, making it harder to control, meaning the Council could face higher costs and risks from having to upgrade infrastructure reactively, while balancing this against renewals, compliance, and resilience work.
- Regulatory reform and rising service standards are increasing costs and reducing flexibility, as new rules around water, buildings, and other services are mandated and becoming more stringent. To manage this, the Council needs early visibility of upcoming regulations so compliance can be built into planned renewals where possible, rather than responding late under time pressure at higher costs.
- External shocks such as natural disasters, economic downturns, and major disruptions are unavoidable and can significantly affect Council services and finances. Planning needs to allow for these shocks by identifying critical assets, having backup plans in place, and keeping enough financial capacity to respond without crisis-driven decisions, both for sudden events and longer-term ongoing impacts.

### **Key Discussion Points**

- Deferring renewals or extending asset life requires strong asset management information to understand condition, risk, and remaining life, with clear documentation of the cost, service, and risk implications, particularly in hazard-exposed locations.
- Climate risks, insurance limits, and resilience all influence infrastructure decisions, particularly how much future damage and disruption can be reduced by investing upfront.

- Planning for demographic change requires understanding where populations are likely to live and how housing, facilities, and services will need to adapt over time, supported by data and analysis.
- Proactive investment can reduce long-term costs where early action avoids more expensive reactive upgrades, particularly for regulatory compliance that is reasonably certain.
- Forward planning for consent expiries and regulatory requirements can avoid last-minute, high cost responses.
- Clear presentation of the capital programme is needed to enable genuine prioritisation, including transparent distinction between mandatory regulatory investment and discretionary projects.

The workshop adjourned at 10.51 am and reconvened at 11.10 am.

The Mayor and Deputy Mayor were not present when the workshop reconvened, rejoining at 11.28 am.

### **2.3 Capital Programme Development**

Paul Dadson, Manager Capital Programme, joined the table and provided the Council with an overview of the capital programme development and prioritisation framework for the Long Term Plan 2027–2037.

#### **Key presentation points**

- A structured four-step prioritisation framework is proposed to develop a capital programme that is deliverable within funding and capacity limits and aligned with the Council priorities.
- **Step 1:** Confirm funding and delivery constraints - Funding limits and delivery capacity are treated as fixed boundaries within which the capital programme must be developed.
- **Step 2:** Identify non-discretionary capital investment - Capital investment that must proceed is identified first. This includes renewals of existing assets, growth infrastructure, contractual and legally committed projects, statutory and regulatory requirements, health and safety risk mitigation, business continuity, critical asset renewals, and disaster recovery or resilience obligations.
- **Step 3:** Prioritise discretionary capital projects - Remaining projects are assessed using consistent criteria, including alignment with the Council outcomes, risk reduction, impacts on levels of service, strength of policy drivers, value for money and whole-of-life costs, and deliverability.
- **Step 4:** Apply funding and delivery constraints to finalise the programme - Projects are sequenced across years to fit within confirmed funding and delivery limits, with some projects deferred or excluded where constraints are exceeded to produce a realistic and deliverable capital programme.

#### **Key discussion points**

- The proposed framework for separating non-discretionary and discretionary investment is clear, with prioritisation focused on projects outside mandatory commitments.
- Funding and delivery constraints may limit the programme to non-discretionary investment in some areas, with transparency needed around projects excluded due to affordability or deliverability limits.

- Delivery constraints are often internal rather than contractor-driven, with design standards, consultation processes, and approval pathways affecting how quickly projects can proceed.
- Greater use of standardised design and clearer guidance on consultation requirements could improve deliverability and reduce process delays without removing appropriate community input.
- Numeric scoring or weighted ranking of projects is not supported, with prioritisation intended to inform governance judgement rather than replace it.
- Clearer visibility of how strategies, activity plans, and asset management plans translate into the capital programme is important for Council decision-making and public understanding.
- Suggested additional prioritisation criteria:
  - Project readiness and deliverability, including the ability to proceed quickly if external funding becomes available.
  - Resident satisfaction, trust, and confidence, recognising that some highly visible projects may improve public confidence even if they do not rank highest on traditional risk or compliance measures.

#### **2.4 Next steps**

Peter Ryan, Head of Corporate Planning and Performance, rejoined the table to note that the next workshops will shift from identifying issues to asking for guidance to enable staff to build activity plans, asset plans, service levels, and budgets by October for the next stage of the Long Term Plan development.

**Workshop concluded at 11.39 am.**