

Audit and Risk Management Committee
ATTACHMENTS - UNDER SEPARATE COVER

Date: Monday 15 June 2026
Time: 10 am
Venue: Camellia Chambers, Level 2, Civic Offices, 53 Hereford Street

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Annual Plan 2026/2027

Reference Te Tohutoro: 26/806859

Responsible Officer(s) Te Pou Matua: Peter Ryan, Head of Corporate Planning and Performance

Accountable ELT Member Pouwhakarae: Bruce Moher, Interim General Manager Finance, Risk & Performance / Chief Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to present to the Council for its consideration and adoption:
 - 1.1.1 An analysis of the submissions and hearings made through the 2026/2027 Annual Plan consultation process;
 - 1.1.2 The outcome of the Council's considerations to date before it adopts its Annual Plan 2026/2027; and
 - 1.1.3 The Annual Plan 2026/2027, including any attached documents.
- 1.2 The Council is required to prepare and adopt an Annual Plan for each financial year (s.95(1) Local Government Act 2002 (LGA)). The purpose of the plan is to:
 - 1.2.1 provide integrated decision-making and co-ordination of the Council's resources; and contribute to the accountability of the Council to the community;
 - 1.2.2 identify any variation from the financial statements and funding impact statement in the Council's Long Term Plan for 2026/2027;
 - 1.2.3 contain the annual budget and funding impact statement for 2026/2027.
- 1.3 The decisions in this report are of high significance in relation to the Christchurch City Council's Significance and Engagement Policy.

2. Officer Recommendations Ngā Tūtohu

That the Council Annual Plan:

Noting provisions and financial prudence

1. Receives the information in the Annual Plan 2026/2027 Report and the attachments to this report.
2. Notes that the decision in this report is assessed as high significance based on the Christchurch City Council's Significance and Engagement Policy.
3. Notes the recommendations of the Council's Audit and Risk Management Committee at its meeting held on 15 June 2026, as set out in **Attachment A** of this report.
4. Notes the Thematic Analysis of the Annual Plan 2026/27 Submissions (excluding Iconic Buildings), set out in **Attachment B** of this report.
5. Notes the Thematic Analysis of the Annual Plan 2026/27 Submissions on Iconic Buildings, set out in **Attachment J** of this report.
6. Notes the resolutions of the Finance and Performance Committee of 26 May 2026, as set out in **Attachment K** of this report.

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7. Notes the Annual Plan 2026/27 - Management Sign-off for Process set out in **Attachment C** of this report; and
8. Notes the Annual Plan 2026/27 - Management Sign-off for Significant Forecasting Assumptions set out in **Attachment D** of this report.
9. Resolves that in accordance with section 100(2) of the Local Government Act 2002, it is financially prudent not to set the Council's projected operating revenues at a level sufficient to meet the projected operating expenses in the 2025-26 financial year, having regard to:
 - a. The ratio, which is forecast to be 92% in the 2026-27 year; and
 - b. The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of the Council's assets; and
 - c. The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of the Council's assets throughout their useful life; and
 - d. The equitable allocation of responsibility for funding the provision and maintenance of the Council's assets and facilities; and
 - e. The Council's funding and financial policies.

Annual Plan – Adoption of Attachments

10. Adopts the summary of the financial, rates, and benchmark impacts including proposed operational changes for 2026/27 set out in **Attachment E** of this report.
11. Adopts the changes to the Council's capital programme for 2026/27 set out in **Attachment F** of this report.
12. Adopts the proposed Funding Impact Statement – Rating Information set out in **Attachment G** of this report.
13. Adopts minor changes to the Fees and Charges schedule identified since the publication of the draft Annual Plan 2026/27, set out in **Attachment H** of this report.

Disposal of Council-owned properties

14. Notes the following in respect of the disposal of Council-owned properties consulted on as part of the 26/27 draft Annual Plan process.
15. Resolves that all of the properties on the list in the draft 2026/27 Annual Plan as set out in **Attachment I** of this report, do not meet the Council's retention criteria and are therefore declared surplus and to be disposed of, except:
 - a. 124A Main Road be withdrawn from the current disposal process, noting there are outstanding archaeological matters to be investigated and resolved before further decisions on the properties can be made.
 - b. 156 McCormacks Bay Road be withdrawn from the current disposal process, noting there are outstanding archaeological matters to be investigated and resolved before further decisions on the properties can be made including staff advice on the process of designating the land as a reserve.
16. Confirms the following recommendations from the Finance and Performance Committee 26/5/2026:

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- a. Committee Resolved FPCO/2026/00105 9. Recommends to Council that, in progressing the potential disposal of 59 Farnborough Street (Aranui), consideration be given in the first instance to community housing providers, noting this is consistent with existing delegations.
 - b. Committee Resolved FPCO/2026/00103 11. Notes the submission to remove 8 Martindales Road from the list of properties previously declared surplus.
 - i. Recommends to Council that 8 Martindales Road remains on the list of properties declared surplus, noting that:
 - a. no compelling reason to retain the property has been identified
 - b. alternative options are available for neighbouring parties to participate in community gardening initiatives
 - c. disposal will reduce ongoing costs to Council and may generate a modest capital return.
 - c. Committee Resolved FPCO/2026/00101 10. Recommends to Council that 13 Mundy's Road (Dallington) be retained in the current disposal process.
 - d. Committee Resolved FPCO/2026/00102 7. Recommends to Council that properties at 4 and 6 Balmoral Lane be declared surplus, noting ecological assessments have confirmed that present and estimated values are not sufficient to justify retention.
 - e. Committee Resolved FPCO/2026/00100 6.B. Recommends to Council that properties at 156 McCormacks Bay Road be withdrawn from the disposal process, noting there are outstanding archaeological matters to be investigated and resolved before further decisions on the properties can be made, including staff advice on the process of designating the land as a Reserve.
 - a. Committee Resolved FPCO/2026/00099 6.A. Recommends to Council that properties at 124A Main Road be withdrawn from the current disposal process, noting there are outstanding archaeological matters to be investigated and resolved before further decisions on the properties can be made.
17. Authorises the Manager Property Consultancy to implement these resolutions and in doing so make any reasonable decisions necessary at their sole discretion to effect the sale of these properties in accordance with Council normal practises and Policies and subject to applicable legislation.
18. Authorises the Manager Property Consultancy to depart from Council's usual land disposal practices and policies, where appropriate and consistent with the objectives of the Housing Policy adopted in 2016, including undertaking direct negotiations with housing providers for the purpose of facilitating social and affordable housing outcomes.
- a. Further, that 59 Farnborough Street be prioritised for consideration under this approach.

Annual Plan - Adoption

19. Adopts the Annual Plan 2026/27 comprising the information and underlying documents adopted by the Council at the Finance and Performance Committee meeting dated 10 February 2026 (the draft Annual Plan 2026/27), as amended by resolutions 9 to 18 above and **Attachments E-I and K** of this report.

Annual Plan – Authorisations and setting the rates

20. Authorises the General Manager Finance, Risk & Performance/Chief Financial Officer to make the amendments required to ensure the published 2026/27 Annual Plan aligns with the Council’s resolutions of 23 June 2026 and to make any other minor changes that may be required.
21. Authorises the Chief Executive to borrow, in accordance with the Liability Management Policy, sufficient funds to enable the Council to meet its funding requirements as set out in the 2026/27 Annual Plan.
22. Having set out rates information in the Funding Impact Statement – Rating Information contained in the Annual Plan 2026/27 (adopted as **Attachment G** by the above resolutions), resolves to set the following rates under the Local Government (Rating) Act 2002 for the 2026/27 financial year, commencing on 1 July 2026 and ending on 30 June 2027 (all statutory references are to the Local Government (Rating) Act 2002).
 - a. A **uniform annual general charge** under section 15(1)(b) of \$213.00 (incl. GST) per separately used or inhabited part of a rating unit;
 - b. a **general rate** under sections 13(2)(b) and 13(3)(a)(ii) set differentially based on property type, and capital value as follows:

<i>Differential Category</i>	<i>Basis for Liability</i>	<i>Rate Factor (incl. GST) (cents/\$ of capital value)</i>
Standard	Capital Value	0.277262
Business	Capital Value	0.554524
City Vacant	Capital Value	1.129843
Remote Rural	Capital Value	0.207947

- c. a **sewerage targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.092390 cents per dollar of capital value (incl. GST);
- d. a **land drainage targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units in the serviced area of 0.046442 cents per dollar of capital value (incl. GST);
- e. a **water supply targeted rate** under section 16(3)(b) and 16(4)(b) set differentially depending on whether a property is connected or capable of connection to the on-demand water reticulation system, as follows:

<i>Differential Category</i>	<i>Basis for Liability</i>	<i>Rate Factor (incl. GST) (cents/\$ of capital value)</i>
Connected (full charge)	Capital Value	0.073559
Serviceable (half charge)	Capital Value	0.036780

- f. a **restricted water supply targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units with one or more connections to restricted water supply systems of \$419.00 (incl. GST) for each standard level of service received by a rating unit;
- g. a **water supply fire connection targeted rate** under sections 16(3)(b) and 16(4)(a) on all rating units receiving the benefit of a water supply fire connection of \$140.00 (incl. GST) per connection;
- h. an **excess water supply commercial targeted rate** under section 19(2)(a) set for all rating units which receive a commercial water supply as defined in the Water Supply, Wastewater and Stormwater Bylaw 2022 **plus** boarding houses, motels, and rest homes,

of \$1.52 (incl. GST) per m³ or any part of a m³ for consumption in excess of the rating unit's water supply targeted rate daily allowance:

- where the rating unit's water supply targeted rate daily allowance is an amount of cubic meters per day, calculated as the total amount payable under the water supply targeted rate (above), divided by the cubic meter cost (\$1.52), divided by 365;
- **provided that** all properties will be entitled to a minimum consumption of 0.6986 cubic metres per day.

i. an **excess water supply residential targeted rate** under section 19(2)(a) set for the following:

- all metered residential rating units where the meter records usage for a single rating unit;
- a rating unit where the meter records usage for multiple rating units where there is a special agreement in force specifying which rating unit / ratepayer is responsible for payment,

of \$1.52 (incl. GST) per m³ or any part of a m³ for consumption in excess of 900 litres per day, per separately used or inhabited part of the rating unit;

j. a **waste minimisation targeted rate** under sections 16(3)(b) and 16(4)(b) set differentially depending on whether a full or partial service is provided, as follows:

<i>Differential Category</i>	<i>Basis for Liability</i>	<i>Rate Factor (incl. GST)</i>
Full service	Per separately used or inhabited part of a rating unit	\$170.18
Partial service	Per separately used or inhabited part of a rating unit	\$127.63

k. an **active travel targeted rate** under section 16(3)(a) and 16(4)(a) of \$20.00 (incl. GST) per separately used or inhabited part of a rating unit;

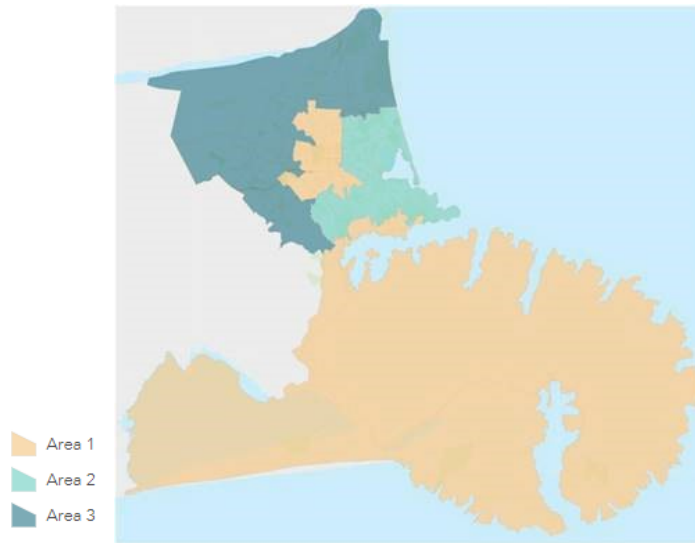
l. a **special heritage (Arts Centre) targeted rate** under section 16(3)(a) and 16(4)(a) of 0.000263 cents per dollar of capital value (incl. GST);

m. a **Central City Business Association targeted rate** under section 16(3)(b) and 16(4)(a) of \$627.27 (incl. GST) per business rating unit in the Central City Business Association Area, where the land value of the rating unit is greater than or equal to \$90,000;

23. Resolves that all rates except the excess water supply commercial targeted rate and the excess water supply residential targeted rate are due in four instalments, and to set the following due dates for payment:

Instalment	1	2	3	4
Area 1	17 August 2026	16 November 2026	15 February 2027	17 May 2027
Area 2	15 September 2026	15 December 2026	15 March 2027	15 June 2027
Area 3	31 August 2026	30 November 2026	01 March 2027	31 May 2027

Where the Instalment Areas are defined geographically as follows:



<i>Area 1</i>	<i>Area 2</i>	<i>Area 3</i>
Includes generally the Central City and the suburbs of St Albans, Merivale, Mairehau, Papanui, Riccarton, Addington, Spreydon, Sydenham, Beckenham, Opawa and Banks Peninsula.	Includes generally the suburbs of Shirley, New Brighton, Linwood, Woolston, Mt Pleasant, Sumner, Cashmere and Heathcote.	Includes generally the suburbs of Belfast, Redwood, Parklands, Harewood, Avonhead, Bishopdale, Ilam, Fendalton, Hornby, Templeton and Halswell.

24. Resolves that the excess water supply commercial targeted rate and the excess water supply residential targeted rate (together, “excess water charges”) have Due Dates and Penalty Dates based on the week in which amounts are invoiced, according to the following table:

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Week Beginning	Due Date	Penalty Date
Mon-29-Jun-26	Thu-27-Aug-26	Tue-01-Sept-26
Mon-06-Jul-26	Thu-03-Sept-26	Tue-08-Sept-26
Mon-13-Jul-26	Thu-10-Sept-26	Tue-15-Sept-26
Mon-20-Jul-26	Thu-17-Sept-26	Tue-22-Sept-26
Mon-27-Jul-26	Thu-24-Sept-26	Tue-29-Sept-26
Mon-03-Aug-26	Thu-01-Oct-26	Tue-06-Oct-26
Mon-10-Aug-26	Thu-08-Oct-26	Tue-13-Oct-26
Mon-17-Aug-26	Thu-15-Oct-26	Tue-20-Oct-26
Mon-24-Aug-26	Thu-22-Oct-26	Tue-27-Oct-26
Mon-31-Aug-26	Thu-29-Oct-26	Tue-03-Nov-26
Mon-07-Sept-26	Thu-05-Nov-26	Tue-10-Nov-26
Mon-14-Sept-26	Thu-12-Nov-26	Tue-17-Nov-26
Mon-21-Sept-26	Thu-19-Nov-26	Tue-24-Nov-26
Mon-28-Sept-26	Thu-26-Nov-26	Tue-01-Dec-26
Mon-05-Oct-26	Thu-03-Dec-26	Tue-08-Dec-26
Mon-12-Oct-26	Thu-10-Dec-26	Tue-15-Dec-26
Mon-19-Oct-26	Thu-17-Dec-26	Tue-22-Dec-26
Mon-26-Oct-26	Thu-24-Dec-26	Tue-29-Dec-26
Mon-02-Nov-26	Thu-31-Dec-26	Tue-05-Jan-27
Mon-09-Nov-26	Thu-07-Jan-27	Tue-12-Jan-27
Mon-16-Nov-26	Thu-14-Jan-27	Tue-19-Jan-27
Mon-23-Nov-26	Thu-21-Jan-27	Tue-26-Jan-27
Mon-30-Nov-26	Thu-28-Jan-27	Tue-02-Feb-27
Mon-07-Dec-26	Thu-04-Feb-27	Tue-09-Feb-27
Mon-14-Dec-26	Thu-11-Feb-27	Tue-16-Feb-27
Mon-21-Dec-26	Thu-18-Feb-27	Tue-23-Feb-27
Mon-28-Dec-26	Thu-25-Feb-27	Tue-02-Mar-27

Week Beginning	Due Date	Penalty Date
Mon-04-Jan-27	Thu-04-Mar-27	Tue-09-Mar-27
Mon-11-Jan-27	Thu-11-Mar-27	Tue-16-Mar-27
Mon-18-Jan-27	Thu-18-Mar-27	Tue-23-Mar-27
Mon-25-Jan-27	Thu-25-Mar-27	Tue-30-Mar-27
Mon-01-Feb-27	Thu-01-Apr-27	Tue-06-Apr-27
Mon-08-Feb-27	Thu-08-Apr-27	Tue-13-Apr-27
Mon-15-Feb-27	Thu-15-Apr-27	Tue-20-Apr-27
Mon-22-Feb-27	Thu-22-Apr-27	Tue-27-Apr-27
Mon-01-Mar-27	Thu-29-Apr-27	Tue-04-May-27
Mon-08-Mar-27	Thu-06-May-27	Tue-11-May-27
Mon-15-Mar-27	Thu-13-May-27	Tue-18-May-27
Mon-22-Mar-27	Thu-20-May-27	Tue-25-May-27
Mon-29-Mar-27	Thu-27-May-27	Tue-01-Jun-27
Mon-05-Apr-27	Thu-03-Jun-27	Tue-08-Jun-27
Mon-12-Apr-27	Thu-10-Jun-27	Tue-15-Jun-27
Mon-19-Apr-27	Thu-17-Jun-27	Tue-22-Jun-27
Mon-26-Apr-27	Thu-24-Jun-27	Tue-29-Jun-27
Mon-03-May-27	Thu-01-Jul-27	Tue-06-Jul-27
Mon-10-May-27	Thu-08-Jul-27	Tue-13-Jul-27
Mon-17-May-27	Thu-15-Jul-27	Tue-20-Jul-27
Mon-24-May-27	Thu-22-Jul-27	Tue-27-Jul-27
Mon-31-May-27	Thu-29-Jul-27	Tue-03-Aug-27
Mon-07-Jun-27	Thu-05-Aug-27	Tue-10-Aug-27
Mon-14-Jun-27	Thu-12-Aug-27	Tue-17-Aug-27
Mon-21-Jun-27	Thu-19-Aug-27	Tue-24-Aug-27
Mon-28-Jun-27	Thu-26-Aug-27	Tue-31-Aug-27

25. Resolves to add the following penalties to unpaid rates pursuant to sections 57 and 58:

- a. A penalty of 10 per cent will be added to any portion of an instalment (for rates other than excess water charges) not paid on or by the due dates set out in paragraph 24 above, to be added on the following penalty dates:

Instalment	1	2	3	4
Area 1	20 August 2026	19 November 2026	18 February 2027	20 May 2027
Area 2	18 September 2026	18 December 2026	18 March 2027	18 June 2027
Area 3	03 September 2026	03 December 2026	04 March 2027	03 June 2027

- b. A penalty of 10 per cent will be added to any portion of excess water supply commercial targeted rates and excess water supply residential targeted rates not paid on or by the due dates set out in paragraph 25 above, to be added on the Penalty Dates set out for these targeted rates in paragraph 25.
- c. For all rates, an additional penalty of 10 per cent will be added on 01 October 2026 to all rates assessed (including penalties) before 01 July 2026 which remain unpaid on 01 October 2026.
- d. For all rates assessed before 01 July 2026 which remain unpaid on 01 October 2026 (including penalties), and which remain unpaid on 01 April 2027, a further penalty of 10 per cent will be added on 01 April 2027.

3. Executive Summary Te Whakarāpopoto Matua

The draft Annual Plan 2026/27

- 3.1 The draft Annual Plan 2026/27 was adopted by the Council at the Finance and Performance Committee meeting on 10 February 2026.
- 3.2 The Council carried out consultation with the community, which ran from 27 February to 27 March 2026. Council received feedback from 1,710 submitters across 102 topic categories.
- 3.3 Members of the public were given the opportunity to present at public hearings between 31 March and 14 April 2026. The Council heard from 94 individuals/organisations.
- 3.4 All submissions, written and oral, have been analysed to identify the matters commented on, the reasons for those comments and the overall themes that emerged from the consultation process. The summary of this analysis is the Thematic Analysis, **Attachment B** of this report.
- 3.5 Following the presentation of submissions, the Council then held two public workshops to discuss the community's response to the topics raised in the Consultation Document. These were held on: 5 May and 12 May 2026.
- 3.6 The Thematic Analysis was presented during these workshops, as was the rates impact of key questions asked during consultation (Christchurch Cathedral, Airforce Museum, Central City Shuttle, Increasing Rating for Renewals) along with an update to the financial position.
- 3.7 Council then held a formal meeting of Finance and Performance Committee on 26 May 2026 to discuss, debate and vote on the matters raised through the community consultation. This meeting provided confirmation of the content for staff to develop into this final Annual Plan adoption report.
- 3.8 Guidance provided by Elected Members through the Annual Plan information workshops and confirmation of content meeting, has been incorporated into the Annual Plan 2026/27 adoption documents, including expectations for rates increases. Changes made largely reflect community feedback on the draft Annual Plan or changes to the Council's operating environment since February. In summary, through the Workshops staff were provided with the following guidance from the Council:
 - 3.8.1 Continuing the planned 0.25% rates increase for the Climate Resilience Fund in 2026/27, as per the Draft 2026/27 Annual Plan.
 - 3.8.2 Continuing to provide the planned \$7.12m in funding for contestable community grants, as per the Draft 2026/27 Annual Plan.
 - 3.8.3 Continuing to provide the planned \$0.30m increase in funding for the Environmental Partnership Fund, as per the Draft 2026/27 Annual Plan.
 - 3.8.4 Allocating \$15.0 million from the 2025/26 forecast operating surplus to the Canterbury Museum, as a grant, towards their capital programme, conditional upon the Canterbury Museum receiving Crown funding of at least \$15.0 million or the Council being satisfied of a clear and deliverable pathway to completion.
 - 3.8.5 Allocating \$15.0 million from the 2025/26 forecast operating surplus to the Christ Church Cathedral, as a grant, towards their capital programme, conditional upon the Christ Church Cathedral receiving Crown funding of at least \$15.0 million and the Council being satisfied of a clear and deliverable pathway to completion.
 - 3.8.6 Allocating \$4.0 million from the 2025/26 forecast operating surplus to the Christchurch School of Music, as a grant, towards their capital programme, conditional upon the Christchurch School of Music confirming matched funding of at

- least \$4.0 million and the Council being satisfied of a clear and deliverable pathway to completion.
- 3.8.7 That the Council’s remaining commitment to Christ Church Reinstatement Limited, being a grant of up to \$10 million collected by way of a targeted rate, be released on 1 July 2026, with any balance of the grant not collected through the targeted rate and interest to be funded from the 2025/26 forecast operating surplus.
 - 3.8.8 That \$2.0 million be added to project 79723 - Programme - Amyes, Awatea and Springs Intersection Improvements budget in FY2028/29.
 - 3.8.9 Allocate an additional \$0.2 million to the Road Lighting Safety Budget (#37449) to address lighting gaps on Grange Road, Grantley Street, Symes Rd and Inwoods Road.
 - 3.8.10 That staff undertake a high-level feasibility work to assess options and give more accurate estimate of the costs of the Westmorland to Nor’West Arc cycle connection, at a cost of \$50k for 2026/27.
 - 3.8.11 That Council make budget provision of \$0.5 million to support Washington Way Skatepark improvements to improve the ability to host events.
 - 3.8.12 Include \$55k to initiate a dedicated weed control in the riparian margins of the Opawaho/ Heathcote River.
 - 3.8.13 Provides the Rewi Alley Museum Charitable Trust a one-off operating grant of \$40k funded by the Capital Endowment Fund, subject to a staff assessment of the grant against the eligibility criteria, in time for the final Annual Plan adoption meeting.

Disposal of Council-owned Properties

- 3.9 The Council consulted on a proposed list of Council-owned properties that do not meet the Council’s retention criteria. They are therefore considered to be potentially available for disposal. The decision to declare the properties surplus was informed through the consultation process.
- 3.10 The Finance and Performance Committee at its meeting on the 26th May 2026 considered the summarised feedback, information and options presented to the Council during May 2026 on potential Annual Plan 2026/27 content; and provided confirmation on content to be included in the final Annual Plan 2026/27 adoption report.
- 3.11 The Council is asked to resolve that all of the properties on the list in the draft Annual Plan, set out in **Attachment I**, do not to meet the Council’s retention criteria and are therefore declared surplus and to be disposed of, except for 156 McCormacks Bay Road and 124A Main Road which are withdrawn from the current disposal process, noting there are outstanding archaeological matters to be investigated and resolved before further decisions on the properties can be made..
- 3.12 Recommendations from the Finance and Performance Committee on the following properties are included in the resolutions above in this report:
 - 3.12.1 59 Farnborough Street (Aranui)
 - 3.12.2 8 Martindales Road
 - 3.12.3 13 Mundy’s Road (Dallington)
 - 3.12.4 4 and 6 Balmoral Lane
 - 3.12.5 156 McCormacks Bay Road
 - 3.12.6 124A Main Road

4. Background/Context Te Horopaki

- 4.1 The Council's deliberations for the draft Annual Plan 2026/27 began with a series of workshops with staff, the first being held on 12 November 2025, soon after the newly elected Council took office.
- 4.2 The deliberations started with the LTP Year 3 (2026/27) overall average rates increase of 10.52% (9.50% base rates, plus 1.02% for One New Zealand Stadium at Te Kaha). This was following a 2025/26 Annual Plan Council-approved rates increase of 6.60% for 2025/26.
- 4.3 Following further Council information workshops, held with staff between November and December 2025 (some public, some public-excluded), the Council agreed to adopt the draft Annual Plan 2026/27 and go out to the community for consultation with an overall average rates increase of 7.96%, that is 2.16% higher than proposed in Year 3 of the LTP, and 2.56% lower than the 2025/26 Annual Plan was projecting for the 2026/27 financial year.
- 4.4 Based on feedback from the community (submissions and hearings), the Council held further information workshops with staff on 5 and 12 May 2026, and a formal confirmation of content meeting of Finance and performance Committee on 26 May 2026, the result of which has been to further reduce the overall average rates increase from 7.96% to 7.83% which is being put forward to this final Annual Plan 2026/27 adoption meeting.

5. Financial Implications Ngā Hīraunga Rauemi

Rates

- 5.1 The recommended Annual Plan includes a rates requirement (excl. GST) to be levied for 2026/27 of \$905.6 million.
- 5.2 The proposed average rates increase for 2026/27 to all existing ratepayers is 7.83%, lower than the 7.96% forecast in the draft Annual Plan. Details of the makeup of the rates increase is shown in **Attachment E**.
- 5.3 The potential 2026/27 increases for the average capital value property in the three sectors is:
 - Residential 7.35%
 - Business 8.56%
 - Remote Rural 7.72%
- 5.4 Based on the recommended rates requirement noted above, the average house would have a rates increase of \$5.98 (incl GST) per week, down from \$6.06 (incl GST) in the draft Annual Plan. Full details of rates, including the total rating requirement for general and targeted rates, and indicative rates for sample properties are provided in **Attachment G**.
- 5.5 The proposed Uniform Annual General Charge is \$213 (incl GST). It has increased from \$193 (incl GST) based on the average increase in general rates.

Expenditure

- 5.6 Operational expenditure of \$1,366.3 million is proposed for 2026/27, compared to \$1,323.7 million in the draft. The \$42.6 million increase is principally due to:
 - 5.6.1 Allocating \$34.0 million to the Christchurch Iconic Buildings, being the Christ Church Cathedral (\$15.0 million), Canterbury Museum (\$15.0 million) and the Christchurch School of Music (\$4.0 million) to complete their capital expenditure, funded from the 2025/26 forecast cash operating surplus.
 - 5.6.2 Allocating \$7.0 million to Christ Church Reinstatement Limited, being the remaining commitment of a grant up to \$10 million, that was originally funded via a targeted rate and topped up using the 2025/26 forecast cash operating surplus.

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- 5.6.3 An additional \$3.6 million for rates on Council owned properties, due to the revaluation.
- 5.6.4 Creating a fuel escalation provision of \$3.0 million to manage operational cost increases, due to additional inflation as a result of the war in the middle east.
- 5.6.5 Transferring \$2.2 million from the capital programme to operational expenditure, due to a change in accounting treatment for software as a service, impacting the libraries electronic resources collection.
- 5.6.6 Providing an additional \$1.0 million to the Canterbury Museum, via a capital grant, to assist the funding of their capital redevelopment programme.
- 5.6.7 Budgeting an additional \$0.7 million, for the Christchurch Wastewater Treatment Plant, to improve the activated sludge to 95% aeration.
- 5.7 The increase expenditure is partially offset by:
 - 5.7.1 Reduced interest expense (\$7.9m), due to a lower opening debt balance as a result of changes in on-lending to Council CCO's and updating the Council's anticipated cost of borrowing.
 - 5.7.2 Reduction in depreciation (\$2.2 million), primarily due to the reduction in Libraries electronic resources depreciation, following the change in accounting treatment for software as a service.
- 5.8 Details of all expenditure and revenue changes from the draft to recommended final Annual Plan are shown in **Attachment E**.

Revenue

- 5.9 Total revenue excluding rates is \$358.5 million in 2026/27, compared to \$360.6 million in the draft Annual Plan. The \$2.1 million decrease is principally due to:
 - 5.9.1 Reduction in interest revenue (\$4.1 million), due to a reduction in on-lending to subsidiaries.
 - 5.9.2 Reduction in Trade Waste revenues (\$0.65 million) due to the closure of a significant customer.
- 5.10 The reduced revenue excluding rates is partially offset by:
 - 5.10.1 Additional revenue (\$1.3 million) resulting from the transfer of the Red Bus site from CCHL to Council.
 - 5.10.2 Additional recreation and sports revenues (\$1.0 million) reflecting participation trends through the 2025/26 financial year.

Surplus, operating deficits, and sustainability

- 5.11 The recommended Annual Plan shows an accounting deficit of \$65 million before revaluations. This is \$40 million higher than the draft, primarily due to the funding being made available for the Christchurch Iconic Buildings, funded by the prior year's forecast cash operating surplus. Under accounting standards the Council is required to show all revenue, including recoveries from central Government and the NZ Transport Agency, as income for the year. However, some of these recoveries reimburse the Council for capital expenditure. After adjusting for these capital revenues, the Council continues to forecast an unbalanced budget for 2026/27 as reported in the draft.
- 5.12 The cash operating surplus for the current 2025/26 financial year is forecast (as at 31 May 2026) to be \$46.2 million better than budget. The recommended Annual Plan includes applying \$45.8 million as follows:

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- 5.12.1 \$10.0 million used to reduce current year borrowing, thereby reducing the opening debt position and lowering future interest costs and debt repayment and therefore rates.
- 5.12.2 \$15.0 million to the Canterbury Museum, as a grant, towards their capital programme, conditional upon the Crown providing the Canterbury Museum a \$15.0 million grant, towards their capital programme; or the Council being satisfied of a clear and deliverable pathway to completion.
- 5.12.3 \$15.0 million to Christ Church Reinstatement Limited, as a grant, towards their capital programme, conditional upon, the Crown providing Christ Church Reinstatement Limited a \$15.0 million grant towards their capital programme, and the Council being satisfied of a clear and deliverable pathway to completion, and the parties (CCC and CCRL) entering into a funding agreement confirming the Council's contribution is full and final, with no further financial obligation.
- 5.12.4 \$4.0 million to the Christchurch School of Music, as a grant, towards their capital programme, conditional upon, confirmed matched funding from the Christchurch School of Music of \$4.0 million, and the Council being satisfied of a clear and deliverable pathway to completion.
- 5.12.5 Any balance of the 2025/2026 forecast operating surplus be applied to Council debt repayment.
- 5.12.6 Staff to provide advice to the Council in August 2026 on any balance of actual year end operating surplus at 30 June 2026.

Capital programme expenditure

- 5.13 The Council plans to invest \$597.4 million in the capital programme in 2026/27. This is a decrease of \$1.5 million from the draft Annual Plan that was consulted on following a change in the accounting treatment of software as a service, in relation to the library's electronic resources (\$2.2 million reduction) and minor Council directed changes (additional \$0.7 million). The changes made since consultation are shown in **Attachment F**.
- 5.14 The capital programme was reviewed with a focus on deliverability to ensure ratepayers are not levied in advance of funds being required. Key factors taken into account when considering deliverability were supply chain issues, cost escalation and human resource availability (internal and external).
- 5.15 The reduction in the capital programme expenditure proposed in 2026/27 compared to the LTP primarily relates to the following:
 - 5.15.1 Re-timing capital expenditure following a review of the deliverability of the overall programme in 2025/26 and 2026/27 \$51.3 million.
 - 5.15.2 A change in the accounting standard for the treatment of digital software as a service, resulting in planned capital expenditure being reclassified as operational expenditure \$21.9 million
 - 5.15.3 Transferring \$15.0 million to operational expenditure as a capital grant for the Ecogas Organic Processing Facility. This reflects the appropriate accounting treatment for the externally owned facility and will result in lower operating fees paid by users and residents.

Capital programme funding

- 5.16 The capital programme is funded by subsidies and grants for capital expenditure, development contributions, proceeds from sales of surplus land, rates and debt. In 2026/27 Council will rate \$240.5 million for asset renewals.

Borrowing

- 5.17 The recommended Annual Plan shows projected gross debt declining from \$2.89 billion to \$2.76 billion during 2026/27, a net decrease of \$127.9 million.
- 5.18 Ratepayer debt repayment of \$91.1 million is planned.
- 5.19 In accordance with Council's Financial Strategy, the Annual Plan ensures prudent and sustainable financial management of Council's operations and that it will not borrow beyond its ability to service and repay that borrowing.

Advances to subsidiaries

- 5.20 Advances of \$103.1 million are planned for repayment with a corresponding reduction in Council debt. This is largely due to Christchurch City Holdings Ltd (CCHL) refinancing directly with lenders.

6. Significant Assumptions

- 6.1 There is no significant change from the draft. Opening debt balances, rating growth, and Council's credit rating have been updated. Assumptions are subject to a rigorous sign-off process across the Council and the results were reviewed by the Audit and Risk Management Committee (**Attachments C and D**).

7. Financial Risk Management Strategy

- 7.1 The Council's policies to assist in managing its financial risk, including liquidity and funding risk management, interest rate exposure and counterparty credit risk are unchanged from the LTP. An important element in assessing the value of the Council's risk management strategy is its five key financial ratios (two net debt, two interest and one liquidity). All key financial ratios are expected to be met in 2026/27. These are included within the Financial Prudence Benchmarks in **Attachment E**.
- 7.2 There are two Financial Prudence benchmarks not expected to be met in 2026/27; the Balanced Budget benchmark and the Rates Affordability benchmark.
- 7.3 The Balanced Budget benchmark measures if revenue is equal to or greater than operating expenses. The Balanced Budget benchmark is forecast to not be met in 2026/27. This is consistent with the LTP and draft. Council was not projecting to achieve a balanced budget in 2026/27 in the LTP due to the delay in the increase to Rating for Renewals to assist in managing the level of planned rates increases, and has further deteriorated due to Government funding towards the capital programme being overestimated in the LTP and additional capital grants being provided by Council projected to occur in the 2026/27 financial year. Council's Financial Strategy outlines the ongoing progress to fully rate for asset renewals by 2032, ensuring in the medium term this benchmark is met. The Annual Plan forecast is considered financially prudent having regard to the matters in section 100 of the LGA.
- 7.4 The Rates Affordability benchmark (Council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy) is not forecast to be met in 2026/27. The Council has not met this benchmark for 2026/27 with the rates increase for 2026/27 being 1.8% higher than the quantified limit. The 2025/26 Annual Plan rates increase was reduced (2.06%) through the use of some of the

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2024/25 operating surplus to reduce rates, this was a temporary rates reduction transferring the rates increase to the 2026/27 financial year.

- 7.5 Staff note that the Council remains comfortably within the parameters of its Financial Strategy and the Annual Plan does not depart in any significant way from what was forecast for Year 3 of the LTP.

8. Fees and Charges

- 8.1 A schedule of minor changes to the Fees and Charges schedule consulted on is included in **Attachment H**. These include:
- 8.1.1 Debt Collection – simplification of the wording to reflect existing common law rights.

9. Changes to Revenue, Financing and Rating Policies

- 9.1 There are no policy changes from the LTP proposed to the Revenue, Financing and Rating Policies as part of this Annual Plan.

10. Potential Disposal of Council Owned Properties

- 10.1 The Council owns many types of properties of varying configurations and sizes. Owning property comes at a cost, and it is good financial practice to frequently review the portfolio to ensure it remains fit for purpose. If a property is no longer fit for purpose, then the Council should decide whether to keep it or release its value for community benefit.
- 10.2 Since 2021 the Council has when appropriate included in its draft LTPs and Annual Plans a small portfolio of properties to be considered for disposal. The properties have been put forward for consideration on the basis they were no longer delivering the original activity or service for which they were purchased.
- 10.3 This process has been continued in this Annual Plan for a small number of properties identified as no longer used for the purpose for which they were originally acquired. These have been assessed against, and are considered to meet, the following criteria adopted by the Council at its meeting of 10 December 2021:
- 10.3.1 Is the full property still required for the purpose for which it was originally acquired?
- 10.3.2 Does the property have special cultural, heritage or environmental values that can only be protected through public ownership?
- 10.3.3 Is there an immediate identified alternative public use / work / activity in a policy, plan or strategy?
- 10.3.4 Are there any strategic, non-service delivery needs that the property meets and that can only be met through public ownership?
- 10.3.5 Are there any identified unmet needs, which the Council might normally address, that the property could be used to solve? And is there a reasonable pathway to funding the unmet need?
- 10.4 In summary, those properties in the attached list of properties (refer **Attachment I**), are considered surplus and available for disposal.
- 10.5 Fair and reasonable consideration has been given to all submissions/objections and all information in accordance with section 78 and 138 of the LGA.

11. Considerations Ngā Whai Whakaaro

Risks and Mitigations Ngā Mōrearea me ngā Whakamātautau

11.1 Key risks for the deliverability of the finalised Annual Plan are as follows:

- 11.1.1 Significant amendments or modifications of the Annual Plan at a late stage, preventing timely advice on proposed amendments being provided and all reasonable options being considered, and a risk that any significant changes will require an amendment to the LTP.

Legal Considerations Ngā Hīraunga ā-Ture

11.2 Statutory and/or delegated authority to undertake proposals in the report:

- 11.2.1 The Council must, at all times, have an LTP / Annual Plan in place (sections 93 and 95 of the LGA). The Annual Plan is required to be adopted prior to the year to which it relates (section 95(3) of the LGA).

11.3 Other Legal Implications:

- 11.3.1 The Council has a legal duty to ensure that each year's projected operating revenues are sufficient to meet that year's projected operating expenses so that it can achieve a balanced budget (section 100(1) of the LGA). Council can approve an unbalanced budget (in the final Annual Plan adoption of June 2026) provided it resolves that it is financially prudent to do so, having regard to the relevant criteria set out in section 100(2) of the LGA. Broadly section 100(2) requires Council to consider long-term service levels, estimated asset maintenance expenses across the life of assets, available funding to maintain service capacity, a fair allocation of ratepayer funding across the useful life of assets, and its own funding and financial policies.

11.4 There is no additional legal context, issue or implication relevant to this decision.

Strategy and Policy Considerations Te Whai Kaupapa here

11.5 The required decisions:

- 11.5.1 Align with the [Christchurch City Council's Strategic Framework](#).
- 11.5.2 Are assessed as high significance based on the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by the:
 - long-term nature of the decisions;
 - number of people affected and/or with an interest;
 - benefits/opportunities to the Council, ratepayers and wider community of carrying out the decisions; and
 - costs/risks to the Council, ratepayers and wider community of carrying out the decisions.

11.5.3 The decisions are consistent with Council's Plans and Policies.

11.6 This report supports the [Council's Long Term Plan \(2024 - 2034\)](#):

11.7 Governance

- 11.7.1 Activity: Governance and decision-making

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- Level of Service: 4.1.18 Participation in and contribution to Council decision-making - Percentage of respondents who understand how Council makes decisions: At least 32%

11.8 Internal Services

11.8.1 Activity: Performance Management and Reporting

11.9 Level of Service: 13.1.1 Implement the Long Term Plan and Annual Plan programme plan - Critical path milestone due dates in programme plans are met.

Community Impacts and Views Ngā Mariu ā-Hāpori

11.10 The decisions affect all wards/Community Board areas.

11.11 The views of all Community Boards have been considered by the Council.

11.12 Each of the six Community Boards finalised a Community Board Plan in May 2026. Each Plan identified key Community Board priorities that they wish to achieve in the current electoral term and beyond. The Plans will be made available to Heads of Service to inform the development of Activity Plans and other components for the LTP2027-37.

11.13 Community Boards submissions were then presented directly to the Council at a meeting on 1 April 2026, which have informed Council deliberations for the final Annual Plan [Minutes of Council - Wednesday, 1 April 2026](#)

Impact on Mana Whenua Ngā Whai Take Mana Whenua

11.14 The decisions involve matters of interest to Mana Whenua and impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.

11.15 The Council directly engages with the Papatipu Rūnanga who fall within the Council catchment as mana whenua of respective rohe: Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Wairewa Rūnanga, Te Rūnanga o Koukourārata, Ōnuku Rūnanga and Te Taumutu Rūnanga.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

11.16 The decisions in this report are likely to:

11.16.1 Contribute positively to adaptation to the impacts of climate change.

11.16.2 Contribute positively to emissions reductions.

11.17 The LTP 2024-34 contains a focus on climate change response, with climate change considerations embedded throughout the process. This was emphasised in the Mayor and Councillor's Letter of Expectation for the LTP and the Council's Strategic Priorities and Community Outcomes. Each Activity Plan includes a description of how that part of Council will respond to climate impacts and reduce its emissions. Climate change is also part of the Asset Management Plans and Infrastructure and Financial Strategies. As a result, the LTP has an emphasis on both mitigation and adaptation, with actions proposed across all areas of Council.

11.18 The proposals in this Annual Plan are unlikely to have a significant impact on the climate change impact considerations outlined in the LTP.

12. Next Steps Ngā Mahinga ā-muri

12.1 Once the Council has adopted the final Annual Plan a local authority must, within 1 month after the adoption of its Annual Plan, make it publicly available. This includes incorporating the decisions of Council made during adoption, followed by design, publication and printing.

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- 12.2 The Annual Plan publication will go on-line, while hard-copies will be distributed to the National Library of New Zealand, Parliamentary Library, The Auditor General and Governor General, and to our services centres and libraries.
 - 12.3 Feedback about the Council's decisions will be provided to all submitters on the Annual Plan.
 - 12.4 Council systems will be updated with key content (adopted levels of service and targets, capital projects, budgets) to enable and support performance reporting to Finance and Performance Committee (monthly) and Council (Annual Report).

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Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Audit and Risk Management Committee Recommendations (Under Separate Cover)		
B	Thematic Analysis of the Annual Plan 2026/27 Submissions	26/1106371	
C	Annual Plan 2026/27 Management Sign-off for Process	26/1106223	
D	Annual Plan 2026/27 - Management Sign-off for Significant Forecasting Assumptions	26/1106226	
E	Financial changes from the Draft Annual Plan	26/1123307	
F	Proposed Changes to the Council's capital programme for 2026/27	26/1165115	
G	Funding Impact Statement - Rating Information	26/1126732	
H	Proposed minor changes to Fees and Charges schedule	26/1126297	
I	Proposed list of Council-owned properties for disposal	26/1167993	
J	Thematic Analysis of the Iconic Buildings	26/1106458	
K	Resolutions of the Finance and Performance Committee of 26 May 2026	26/1144635	

In addition to the attached documents, the following background information is available:

Document Name - Location / File Link
<ul style="list-style-type: none"> Finance and Performance Committee, Draft Annual Plan adoption 2026/27 (10 February 2026) Agenda of Finance and Performance Committee - Tuesday, 10 February 2026 Annual Plan Workshop, to provide the Council with a summary of the community feedback received on the draft 2026/27 Annual Plan, and a financial update (5 May 2026) Agenda of Annual Plan/Long-Term Plan Workshop - Tuesday, 5 May 2026 Annual Plan Workshop, to consider community feedback from the draft Annual Plan 2026/27 regarding Iconic buildings, to provide an update on the Council's financial position, and to confirm matters raised by councillors at the Annual Plan workshop of 5 May 2026 and the process for staff responses (12 May 2026) Agenda of Annual Plan/Long-Term Plan Workshop - Tuesday, 12 May 2026 Finance and Performance Committee, Confirmation of Content for the final Annual Plan 2026/27 (26 May 2026) Agenda of Finance and Performance Committee - Tuesday, 26 May 2026 All submissions received on the Council's draft 2026/27 Annual Plan will be made available on the Council's website: https://ccc.govt.nz/the-council/plans-strategies-policies-and-bylaws/plans/long-term-plan-and-annual-plans/draft-annual-plan-2026-2027

Signatories Ngā Kaiwaitohu

Authors	Boyd Kedzlie - Senior Corporate Planning & Performance Analyst Meg Wedlock - Performance Analyst Mitchell Shaw - Principal Advisor - Finance Angus Smith - Manager Property Consultancy Steve Ballard - Group Treasurer Ron Lemm - Manager Legal Service Delivery Paul Dadson - Manager Capital Programme Richard Wesley - Principal Advisor PMO Peter Ryan - Head of Corporate Planning & Performance
Approved By	Peter Ryan - Head of Corporate Planning & Performance Lynette Ellis - Head of Professional and Technical Services Tony Richardson - Head of Finance Bruce Moher - Interim General Manager Finance, Risk & Performance / Chief Financial Officer Bede Carran - Interim Chief Executive