Long-Term Plan Workshop
AGENDA

Notice of Workshop Te Pānui o te Hui:

A Long-Term Plan Workshop will be held on:

Date: **Wednesday 10 June 2026**
Time: **9.30 am**
Venue: **Council Chambers, Civic Offices, 53 Hereford Street, Christchurch**

Membership Ngā Mema

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 Tyla Harrison-Hunt
	Councillor Nathaniel Herz Jardine
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett

5 June 2026

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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

An apology for absence was received from Mayor Mauger.
An apology for leave of absence from Councillor McLellan.

2. Long Term Plan 2027 - 2037 Workshop

Reference Te Tohutoro: 26/1126252

Presenter(s) Te Kaipāhō : Peter Ryan, Head of Corporate Planning & Performance

1. Detail Te Whakamahuki

Purpose and Origin of the Workshop	This workshop reflects the legislative significance of the Financial Strategy and Infrastructure Strategy in shaping Council's long-term decisions. Both have been framed based on guidance provided at numerous Council workshops held in April and May 2026. The purpose is to recap development of the draft Financial and Infrastructure strategies to date, and to add any further guidance before the strategies continue to develop and inform the LTP. These are working drafts, provided for transparency. They will continue to evolve as the LTP develops. Full draft strategies will be presented to ELT in September and to Council for the milestone set by the Letter of Expectation (1 October 2026.)
Timing	This workshop is expected to last for 120 minutes.
Outcome Sought	By the end of this workshop, the Mayor and Councillors will have a shared understanding of the draft Financial Strategy and Infrastructure Strategy, including the key challenges and implications for rates, debt, renewals, affordability and climate change. Councillors will have an opportunity to ask questions and/or provide clear feedback that enables further refinement and strengthening of both components, including their alignment with Council's Letter of Expectation.
Next Steps	Based on feedback sought from this workshop: • Staff will update and refine the strategies to reflect any Council advice and direction. Ultimately the aim is to ensure that: • The strategies are aligned and mutually reinforcing. • IS and FS will transparently articulate trade-offs and responses to ongoing pressures. • the IS and FS will provide confidence and assurance for next LTP steps including but not limited to activity planning, levels of service review and updates, and development of the draft capital programme. • All LTP components will then continue to be refined and integrated over the course of 2026.
Key points / Background	An up-to-date Financial Strategy and Infrastructure Strategy must provide aligned, transparent and LGA 2002 compliant foundations for the 2027–37 Long-Term Plan. As per the Letter of Expectation, the Council has signalled a desire for stronger integration and clarity between the Financial Strategy, Infrastructure Strategy and capital programme development, particularly around affordability, deliverability and risk. "Councillors would like to see further financial context in the Financial Strategy on the impacts of debt, renewals and a balanced budget. The existing Infrastructure Strategy

	should be updated so that the assumptions underpinning it, the scenarios arising, and what Council plans to do in response, align with the updated Financial Strategy. This is especially the case with climate change and related issues." Furthermore, Council has also emphasised that these strategies are foundational to the LTP and must provide assurance before progressing to detailed planning. "These strategies are crucial to guiding the LTP so we will be seeking assurance at that time that they will meet the requirements of LGA 2002. This review will provide assurance to staff and councillors that we can move into guidance on activity plans, levels of service and the draft capital programme with confidence." **Points to note:** • These are working drafts, provided for transparency. They will continue to evolve as the LTP develops. • Not all sections are complete. There are placeholders, comments, and areas flagged for further work as the information becomes available. • Formatting, structure, and overall presentation will be reviewed in the final drafting phase. The focus at this point is on direction and content.
Useful Links	Financial Strategy 24-34: Financial-Strategy-LTP-2024-34.pdf Infrastructure Strategy 24-34: Infrastructure-Strategy-LTP-2024-34.pdf

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Draft (WIP) Financial Strategy	26/1153366	7
B	Draft (WIP) Infrastructure Strategy	26/1182391	22

Signatories Ngā Kaiwaitohu

Authors	Peter Ryan - Head of Corporate Planning & Performance Luke Adams - Principal Advisor Policy Mitchell Shaw - Principal Advisor - Finance
Approved By	Peter Ryan - Head of Corporate Planning & Performance Bruce Moher - Interim General Manager Finance, Risk & Performance / Chief Financial Officer

Financial Strategy 2027-37

1. Introduction

As part of the 2027–37 Long-Term Plan (LTP), the Council must prepare and adopt a Financial Strategy (The Strategy) for each year of the plan period. The Strategy brings together the financial implications, constraints and trade-offs of the Council's policy and service delivery decisions. It explains how we will fund the assets, facilities and services Christchurch needs to remain an inclusive, equitable and well-functioning city, and reflects our intention to put people at the centre of the city's development - prioritising accessibility, connection and collaboration as we strengthen Ōtautahi Christchurch's role as a leading city in Aotearoa New Zealand.

The Strategy outlines how we will sustainably and responsibly fund the LTP's services, activities, projects and programmes through a mix of rates, fees and charges, government subsidies and debt, while keeping overall costs as affordable as possible for our communities.

Like other local authorities, we face significant pressures, including balancing core community services and expectations with affordability, funding and delivering critical asset renewals, the costs of climate change adaptation and mitigation, a changing regulatory landscape and broader cost increases associated with inflation. Over the next 10 years, our financial direction balances reliable infrastructure, facilities and services with long-term financial resilience and rates affordability, particularly in response to proposed rates-cap reforms. Getting this balance right supports a sound and sustainable financial position so residents can look ahead with confidence.

This Strategy closely aligns with our 30-year Infrastructure Strategy and should be read in conjunction due to their joint implications for the development of the LTP. The work programmes identified in the Infrastructure Strategy enable the Council to achieve levels of service agreed with our community and meet required technical standards within a prudent financial framework.

The Infrastructure Strategy takes a long look ahead, planning for our city's infrastructure needs over the next 30 years. This is a bigger picture compared to the LTP and Financial Strategy, which focus on the next 10 years. This difference in timeframes can create challenges, especially when long-term infrastructure investment needs identified in the 30-year strategy extend beyond the funding capacity set out in the 10-year plan. It also raises questions about how these future needs will be paid for, including the level of rates, debt, and other funding tools that may be required after the current LTP period.

For the coming decade, the Financial Strategy provides for affordable rates increases, reflecting a rates cap environment, while continuing to deliver core Council services. Looking beyond the next 10 years, the Infrastructure Strategy indicates higher investment will be needed to renew and build resilient infrastructure. This means the next set of plans will need to consider how to continue to keep rates affordable while meeting growth, service and climate obligations.

Note, this Financial Strategy is developed in line with guidance received from Council in the Letter of Expectations for LTP 2027-37.This letter requested a rates increase trajectory of 6-5-4% for the first three years of the LTP (6 per cent for 27/28, 5 per cent for 28/29 and 4 per cent for 29/30) and focused on developing a robust capital prioritisation framework to ensure the capital programme remains deliverable and affordable. This direction has been incorporated in the subsequent sections of this Financial Strategy.

Unless otherwise specifically stated, the Financial Strategy 2027-37 presents the All of Council position, including both Water Services and all other Council services.

2. *Current state of play*

2.1 Overview of our current financial position

Despite the financial pressures that we have had to address in preparing the LTP, our current financial position remains solid. We remain well within our debt, interest and liquidity financial covenants in each year. We continue to not meet the debt servicing benchmark, this is due to the amounts we borrow in order to make interest-earning loans to CCHL; we have no concern around our ability to service the debt (these benchmarks are explained in more detail in the section on Financial Strategy Response).

A. Rates

Rates have generally increased in line with the 2024–34 Long Term Plan (LTP). For the period 2024/25 to 2026/27, the cumulative average rates increase for existing ratepayers was 26.3 per cent, compared with the LTP projection of 26.1 per cent. These increases were primarily driven by inflationary pressures, the construction of One NZ Stadium at Te Kaha and Council's current strategy to fully fund renewals expenditure from rates by 2032. Council did not meet the balanced budget benchmark in 2024/25, 2025/26, or 2026/27, as operating expenses exceeded operating revenues during this period.

B. Debt

Our net debt levels are in line with those forecast in the LTP 2024-34 and while servicing costs have increased, we can service current and forecast debt albeit with a higher rates requirement. We have also retained the ability to respond to unexpected adverse events by maintaining available borrowing (headroom) of at least $600 million.

C. Capital expenditure

Our core capital programme expenditure has been lower than projected in the initial three years of the 2024-34 Long Term Plan, with actual/forecast expenditure of $1,553.6 million compared to $1,846.5 million in the Long-Term Plan. Despite the lower expenditure, the Council has completed the delivery of significant projects including Parakiore and the One New Zealand Stadium at Te Kaha.

The Council has continued working to meet the current and future challenges associated with ageing infrastructure, climate change and the resulting change in land use, while balancing the need for a deliverable and affordable capital programme. Note, based on the Letter of Expectation from Council, there remains a strong focus on ensuring the capital programme for Long Term Plan 2027-34 is deliverable and affordable.

2.2 Overview of external environment and key challenges

This Financial Strategy was prepared within a dynamic and evolving environment; a high level of government reform, challenging economic conditions, a significant level of asset renewal requirements, the costs of climate change adaptation and mitigation, and the general increase in costs that a high rate of inflation has brought.

The Financial Strategy needs to consider and respond to the key challenges the Council expects to face over the 10 years covered by this Long-Term Plan 2027-37.

A. *High inflation and interest rates*

Inflation increased significantly around the globe following expansionary intervention by governments and central banks (higher spending and lower interest rates) to avoid recession following interruptions to global production and consumption caused by COVID-19, international conflicts and increasing oil prices.

Domestic influences have impacted on local government costs through high inflation and interest rates and a skills shortage in areas critical to local government operations. Inflation has steadied somewhat, just breaching the top of the Reserve Bank of New Zealand's target band of 1-3% in December 2025 at 3.1%. The OCR currently sits at 2.25% for New Zealand, with the latest decision to hold in May 2026.

The environment of increasing costs and higher interest rates continues to challenge the Council as we look to deliver services at acceptable cost for residents.

B. Providing reliable and resilient infrastructure

There are several key issues influencing our capital investment and funding decisions with respect to infrastructure. In coming to a decision, we have looked to maximise the impact of our capital programme in terms of delivering reliable, cost-effective infrastructure, while keeping debt at prudent levels and ensuring we adhere to the request from Council for a 6-5-4% rates increase trajectory for the first three years of the Strategy.

i. Renewing ageing infrastructure and associated risks

Assets only last for a certain amount of time, and once they reach the end of their life they need to be renewed to avoid failures and expensive emergency repairs. Significant proportions of our infrastructure networks are either at or coming towards the end of their economic life and need replacing – meaning significant renewal investments is required to keep services reliable.

We are conscious of the desire to minimise rate increases, particularly in the current reform environment and given the Council's direction in the Letter of Expectation around a 6-5-4% rates increase trajectory for the first three years; however, our asset condition data tells us that increased investment in asset renewals is required to have our infrastructure networks operate reliably and cost-effectively.

Our residents have made it very clear how important it is to maintain or improve levels of service for roads and footpaths, flood protection, flood control works and water services and in preparing the capital programme we have assessed these assets specifically to ensure that they remain fit for purpose.

ii. Supporting growth

Christchurch's population is forecast to continue to grow steadily, creating demand for new housing, business premises and community facilities and the infrastructure needed to support these.

Further, household relocations in response to the impacts of climate change may manifest as growth development. Changes to land use as the city adapts and people move away from hazards including sea level rise and in response to severe weather events will see residents move to safer parts of the district.

To support sustainable growth and maintain resilience to climate and natural hazard impacts, the Council needs to provide the right infrastructure in the right place, at the right time. This includes planning for both population-driven growth and climate-related relocation.

We look to fund infrastructure to service growth as much as possible from development contributions and assets provided by developers when undertaking new developments. This helps ensure that those creating the demand for new infrastructure contribute to its cost, keeping the rates-funded share to a minimum. Further detail on growth infrastructure and funding approaches are outlined in the Infrastructure Strategy.

iii. Operation of significant new community facilities

A number of significant new community facilities have been completed over the last three years. An ongoing challenge will be managing the operations of these large-scale facilities:

- Matatiki: Hornby Centre - opened in 2024
- Te Whare Tapere - Performing Arts Precinct - opened in 2025
- Parakiore – multi sports and aquatic centre (mostly funded by Government) – opened in December 2025
- One New Zealand Stadium at Te Kaha - multi-use arena - (co-funded by Government) officially opened in March 2026

The operating costs of these new facilities will be around $xxx million over the life of the Long-Term Plan. This cost is funded from rates and fees and charges. In addition, the Council needs to rate to provide funding for future asset renewals when required.

iv. Development of the Ōtākaro Avon River Corridor

The Council has worked with Mana Whenua and communities to put in place a co-governance committee to oversee implementation of the Ōtākaro Avon River Corridor Regeneration Plan.

The Plan calls for investment of around $1.5 billion over 30 years. Over the next 10 years Council has allocated $xxx million of capital development funding across Parks, Transport and the Water Services.

The focus of the programme is on the restoration of a river delta environment supporting healthy waterways. This includes significant investment in storm water management and flood protection for surrounding properties and infrastructure within the surrounding areas. Ecological restoration will result in improved natural waterways. The programme embraces the concept of a "Sponge City", which creates an environment that can provide for increased levels of rainfall and a rise in groundwater levels as a consequence of climate change.

C. *Responding to climate change*

The Council's Ōtautahi Christchurch Climate Resilience Strategy prioritises actions and sets targets to reduce Council and community emissions and adapt to the impacts of climate change. See further information in the Infrastructure Strategy for Long Term Plan 2027-37.

In terms of financing climate resilience and the financial impacts on Council in response to climate change;

- Increased maintenance and operating costs as infrastructure is compromised by the effects of climate change such as through sea level rise, water table rise and the impact of extreme weather events.
- The increasing frequency of climate-related events is expected to place additional pressure on operational maintenance and renewals capital expenditure budgets. This may, in turn, impact the levels of service the Council can deliver, shorten asset useful lives, and affect the insurability of those assets.
- Costs associated with retreat or relocation of Council assets to respond to the effects of sea level rise in particular. This may include the costs to relocate residents from at-risk locations, including coastal areas, to less vulnerable locations. The development of Council policy will be subject to central government policy and there may be scenarios where Council is required to contribute to this relocation.
- Increased insurance costs and/or insurance retreat.
- Emissions reduction and adaptation may affect Council's cost of borrowing. The Local Government Funding Agency offers a 0.02% interest rate reduction if loans are linked to meaningful and measurable sustainability outcomes. Inaction could make it more difficult /expensive to borrow money as lenders become increasingly sensitive to climate risks.
- Central government funding may increasingly be linked to climate action. Budget 2023 included funding for local government resilience initiatives and renewable community energy.

Our strategy is to increasingly shift our focus towards more proactive responses and interventions to climate change risks and impacts. Proactive investment in climate change mitigation and adaptation by Council can help lower costs and risks faced over the longer term.

D. *Responding to local government reform*

The local government sector is potentially going through once-in-a-generation change. If implemented, these reforms could mean local government looks quite different in terms of what it provides to communities and how it functions with consequential impacts on council funding.

The changes include:

- Local Water Done Well reforms – these reforms have completely reshaped how water services are to be delivered in New Zealand. CCC developed a Water Services Delivery Plan proposing to deliver water services in-house. This was approved by the Department of Internal Affairs and the structure model will be operational by 01 July 2027;
- Resource management change – the government has repealed legislation which significantly changed how councils undertake resource management functions. The RMA reforms significantly reduce the role of the Council in detailed land use regulation by increasing the use of nationally standardised planning rules and permitted activities. Council will have less discretion over zoning, development controls, design standards, and consenting decisions for housing and infrastructure. Many activities will proceed without resource consent if national requirements are met, and major developments may be approved through central government fast track processes with limited council involvement.
- Simplifying Local Government: proposed removal of elected representatives for Regional Councils, and the potential amalgamation of Councils or creation of unitary authorities;
- Rates-capping: current legislation proposal suggests rates for local government/ territorial authorities will be capped between 2-4% with further information/legislation expected in the second half of 2026. Note, the Council has indicated in the LoE for LTP27 a rates trajectory of 6-5-4% for the first three years;
- Local Government Systems Improvement Bill: Focus on core services, removal of wellbeings.

3. *Target state:* Financial Strategy Principles

Four guiding principles with associated goals underpin our Financial Strategy.

A. Provide good stewardship of community assets and resources (look after what we've got)

Good stewardship of community assets and resources is increasingly important in a local government environment shaped by reform, fiscal constraint, and rising community expectations. Sharpened focus on long-term sustainability, transparency, and accountability, asking of councils to move beyond short-term fixes towards a more disciplined, whole-of-life approach to asset management. Good stewardship supports intergenerational equity by making the true cost of infrastructure transparent and deliberate. Christchurch City Council aims to manage assets wisely, so they continue to deliver value, resilience, and fairness for current and future communities.

B. Invest to support sustainable growth (looking to the future)

Christchurch is the largest city in the South Island and a key driver of regional economic and social activity, with a population of about 422,260 that is forecast to grow steadily to around 519,960 by 2057. Infrastructure demand is amplified by strong growth in neighbouring Selwyn and Waimakariri districts, whose residents rely on Christchurch for work, and recreation making Greater Christchurch one of the high-grown urban areas. Over time, climate change is also expected to drive population shifts within the city, as households relocate away from areas exposed to coastal erosion, flooding and extreme weathers, similar to patterns seen after the 2010/11 earthquakes. Against this backdrop, investing to support sustainable growth means prioritising infrastructure that is reliable, adaptable, and resilient, while carefully planning new investments alongside renewals of existing assets.

C. Take prudent and sustainable approaches to financial management (long term focus)

We need to make good financial decisions for the long-term to build and maintain financial resilience. We must also manage debt within our benchmarks and ensure we retain the ability to borrow for unexpected events to maintain financial resilience and the ability to respond to potential unexpected and unprecedented future events.

D. Provide value for money for our community (affordability and deliverability)

We consider rates affordability / willingness to pay and financial sustainability when setting rates. There is a focus on ensuring sufficient revenue to sustain appropriate investment in infrastructure, facilities and services that deliver broad wellbeing benefits to our residents and businesses and subsequently ensuring delivery on what we rate for. We endeavour to balance rates affordability with the delivery of the services that our community needs and desires.

4. *How we get there:* Financial Strategy Response

The Financial Strategy lays out the approach the Council will take to sustainably fund its planned work programme over the coming 10 years. It presents key financial bottom lines the Council has decided on – rates rise limits, debt limits, and financial prudence parameters such as debt headroom.

Preparing the Financial Strategy requires a range of trade-offs - how much can we deliver for our community for the lowest possible rate requirement while maintaining agreed levels of service and keeping debt to an acceptable level. To achieve these trade-offs the Council has a range of policy levers it can employ.

A. Lever 1: An affordable and deliverable capital programme

The capital works programme reflects the analysis of infrastructure requirements undertaken in preparing the Infrastructure Strategy, Activity Plans and Asset Management Plans that underpin the LTP 2027-37.

The programme (excluding asset renewals) delivers new assets and is initially funded from borrowing. This enables us to spread the cost over 30 years with the debt repaid from development contributions (for infrastructure to service growth) and rates. Spreading the cost over time enables us to promote intergenerational equity – ensuring today's ratepayers don't fund the full cost of new infrastructure that will benefit future residents as well as current residents.

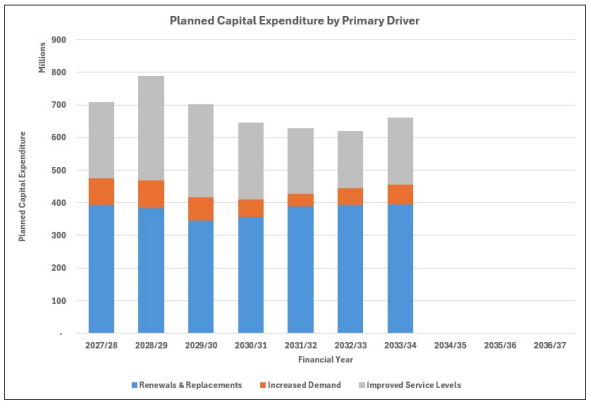
The capital works programme as shown in figure 1 is our largest area of expenditure where there are clear options available to alter the level of investment, albeit with trade-offs on our ability to provide reliable infrastructure, meet the demands of growth, meet levels of service and comply with regulatory requirements.

We have averaged our core capital works programme to $500 million per year for the years 2027-37, increasing by forecast inflation. This enables us to keep our capital programme deliverable while ensuring affordability, and a debt to revenue ratio within prudent limits. As our debt reduces our debt headroom (the amount we can borrow without breaching debt covenants) will increase, providing additional financial resilience to shocks.

We need to ensure funding is available to:

- Invest in improving the quality of asset condition data and analysis and interpretation of that data to ensure we better understand the condition of our assets.
- Use quality asset condition data to make smart decisions about asset management (repair and replacement) including considering the resilience of our infrastructure networks to climate and natural hazard risks.
- Replace infrastructure when it is at the end of its economic life. We aim to get the most use possible from an asset before replacing it to avoid it failing and subsequently causing maintenance costs to rise.

Figure 1. Planned capital expenditure 2027-37



Our asset renewals programme has planned capital expenditure of $374-$394 million per year in the first three years and an average annual spend of $377 million for the following seven years, with a greater emphasis on Water Services and Transport projects in the latter years.

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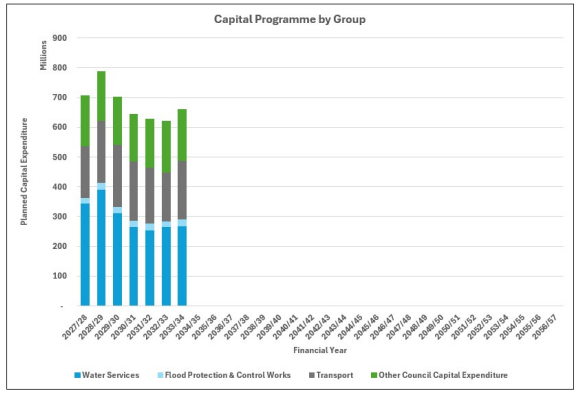
The proposed capital expenditure programme for the next 30 years (with inflation added) is shown in Figure 2 below.

Figure 2. Capital expenditure for the next 30 years, by Group



I. *Options considered in proposing the capital works programme*

The Council has considered variations to its proposed capital works programme but believes its preferred option represents the best balance between delivery and cost.

II. *Funding renewals from rates*

The Council has had a strategy to incrementally increase rating for asset renewals to 100% of long run average renewals by 2032, in lieu of rating for depreciation. The Council currently borrows to fund some of the cost of its annual asset renewal programme. Since 2015 we have been transitioning to fully fund renewals from rates (and New Zealand Transport Agency/Waka Kotahi funding assistance rate) by 2032. This helps ensure current ratepayers are not subsidised by future generations.

Increasing the rating for renewals has several positive benefits for the Council's financial position and key benchmarks:

- Reducing new borrowing for the capital programme and thereby decreasing the long-term requirement to rate for debt repayment and interest expenses.
- Improves the Council's debt headroom by limiting new borrowing and increasing the Council's total revenue.
- Improves the Council's balanced budget benchmark due to higher operating revenues without a corresponding increase in operating expenditure.

Other external revenue, mainly from NZTA, assists in funding our Transport renewals programme and equates to 9.2 per cent of our total renewal programme.

B. *Lever 2: Rates*

I. *Balance financial resilience with rates affordability*

Learnings from events such as the 2010/11 earthquakes and COVID-19 indicate we need to continue to maintain the ability to borrow sufficient funds at short notice to soften the effects of a fiscal emergency and to deliver services without the need to immediately pass on the usually short-term costs via rates.

We must balance the quality and reliability of infrastructure and facilities with what we can afford. We also need to consider intergenerational equity (fairness between generations on who pays). This includes prioritising investment in adapting to the impacts of climate change while avoiding maladaptation and sunk costs associated with stranded assets.

When allocating costs to ratepayers we need to consider who benefits from an activity to decide who pays and maximise non-rates revenue streams and opportunities where appropriate. These considerations are detailed in the Council's Revenue and Finance Policy.

To achieve long-term financial resilience the following prudent financial management measures will be used:

Maintain a balanced budget

Other than for 2027/28, we propose to maintain a balanced budget throughout the Long-Term Plan period. This will ensure we rate the current generation for sufficient funds to cover the wear and tear on existing assets (represented by

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depreciation). Fully funding renewals from rates prevents the accumulation of a future liability and avoids shifting the cost of replacing infrastructure requiring renewal today onto future generations.

A balanced budget is therefore a cornerstone of both intergenerational equity and long-term financial sustainability.

Operational costs have been further reduced.

Operating expenditure savings are budgeted to be achieved without lowering levels of service delivered to our community.

We have looked to balance the need for sufficient revenue to provide quality, cost-effect services and infrastructure while recognising that rates affordability can be an issue for some residents and businesses.

This strategy supports a prudent work programme and budget with the least possible impact on the overall wellbeing of our communities. The level of savings incorporated into the Long-Term Plan were considered to be the maximum change that could be made without impacting levels of service.

II. *Rates projections and limits*

Annual rates increases

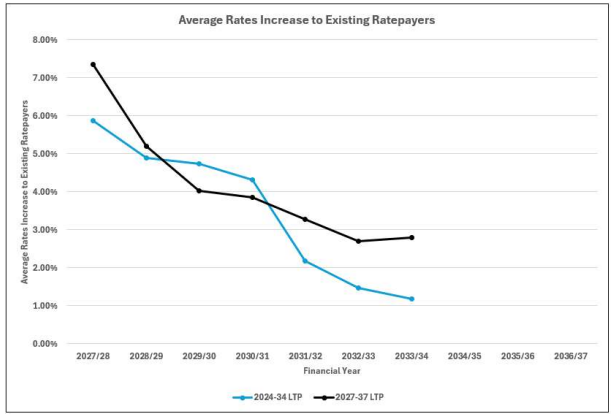
We propose a rates increase of 7.34 per cent in the 2027/28 year to existing rate payers, made up of a 10.52 per cent in the 2027/28 year rates increase for water supply & wastewater, and a 6.00 per cent in the 2027/28 year for all other Council services, for the non-rates capped Council services. This rise is driven to a large extent by a combination of increasing rating for renewals, funding the capital programme and the general increase in costs from a high inflation economic environment.

This level of rates increase enables a capital investment programme to be delivered progressing the major facilities and prioritised infrastructure renewals, while also accommodating the reduction in our dividend revenue. The table below indicates the proposed increases to existing ratepayers over the period of the LTP. These are shown in graph form in figure 3.

Table 1. Annual rates increase for existing ratepayers.

	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
All of Council	7.34%	5.20%	4.02%	3.84%	3.27%	2.70%	2.80%	tba%	tba%	tba%
Water Services	10.67%	5.69%	4.07%	3.44%	1.53%	(0.48%)	(0.25%)	tba%	tba%	tba%
Other Council Services	6.00%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%	tba%	tba%	tba%

Figure 3. Average annual rates increase for existing ratepayers – 2027 – 2037



Rates affordability and capping

The Long-Term Plan Letter of Expectation sets a rates trajectory of 6 per cent, 5 per cent, and 4 per cent for the 2027/28 to 2029/30 financial years. This trajectory is intended to ensure rates increases are sufficient to support required infrastructure investment while balancing affordability for ratepayers. The rates

Commented [MS3]: The figures in the table are only indicative, and still subject to ongoing review and update.

Commented [MS4]: Need to consider how this table can be presented in a clear and understandable manner, due to potential overlapping groupings which may be of interest:
All of Council
Capped Council Services (includes stormwater)
Uncapped Water Services (Water Supply & Wastewater)
Water Services (Water Supply, Wastewater & Stormwater)
Other Council Activities (All non-water services)
Core Services vs Non Core Services?

Commented [MS5]: The graph is indicative only, and still subject to ongoing review and update.

trajectory applies to the average rates increase to existing rate payers except for water supply and sewerage targeted rates (which both sit outside the proposed rates cap).

From 2029/30 onwards, annual rates increases for existing ratepayers are capped at 4 per cent, which is the upper limit of the proposed central government rates cap. Setting the cap at this level provides flexibility to respond to unexpected adverse changes in the Council's financial position or operating environment. It also ensures that, should the cap be reduced in future, the savings required to meet the cap would be lower than under a planned unconstrained rates increase. It is assumed the rates cap will apply to the average rates increase to existing rate payers except water supply and sewerage targeted rates.

Table 2 below shows the resulting rates increases for existing ratepayers (excluding water supply and sewerage targeted rates) under the proposed rates trajectory and cap.

Table 2. Average rates increase to existing rate payers excluding water supply and sewerage targeted rates.

	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Rates increase cap	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Rates increase	6.0%	5.0%	4.0%	4.0%	4.0%	4.0%	4.0%	tba	tba	tba

C. *Lever 3: Debt*

I. *Debt projections and limits*

Debt is an important funding tool, enabling investment in infrastructure to be paid for by both today's ratepayers and those of the future, promoting intergenerational equity, a key principle of Council's Revenue and Financing Policy.

While the use of debt promotes equity, we need to balance what we would like and what we can afford. Balance is important in both the short and longer term. Our ability to borrow is limited by the willingness of lenders to provide credit and the ability and willingness of ratepayers to pay the rates required to service interest costs and principal repayments.

Projected debt level

Gross debt is the total debt we carry, while net debt has cash holdings and debt (advances) owed to us deducted.

We propose to materially increase debt over the next three years (as shown in Figure 5 below) to fund our capital investment programme, while retaining sufficient budget flexibility to respond to unexpected adverse developments.

From 2030 through the remainder of the LTP 2027-37 period, net debt begins to decline due to the full funding of capital renewals from rates.

Figure 4. Forecast net debt – 2027 – 2037

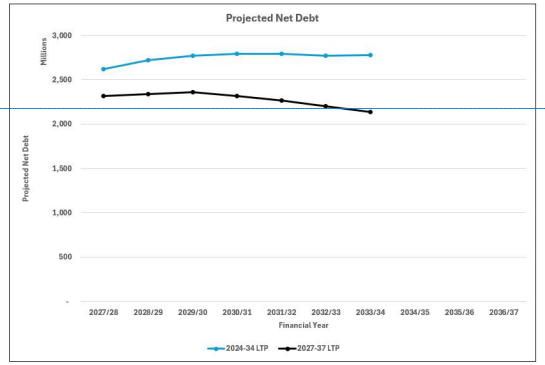


Table 3 quantifies the proposed net debt and resultant headroom from figures 4 and 5 for the LTP period.

Table 3. Proposed net debt and capacity to borrow (debt headroom)

$million	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Proposed net debt	2,317	2,341	2,361	2,314	2,264	2,201	2,137	tba	tba	tba
Debt headroom	1,377	1,499	1,607	1,820	2,054	2,278	2,461	tba	tba	tba

Commented [MS7]: The graph is only indicative, and still subject to ongoing review and update.

Commented [MS6]: The figures in the table are only indicative, and still subject to ongoing review and update.

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Limit on debt to revenue ratio

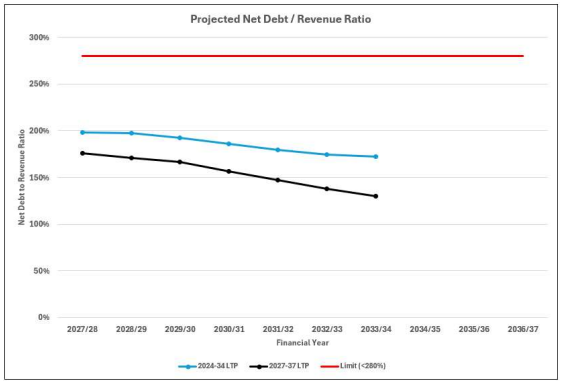
The debt to revenue ratio is an indicator of debt affordability and prudence. The Council maintains covenants with lenders which set limits on borrowing. The Council's biggest source of debt funding is the Local Government Funding Agency (LGFA) which limits council total net debt to 280 per cent of total operating revenue in any given financial year.

A prudent debt strategy should restrict planned borrowing to materially less than the covenant limit, to provide budget flexibility (or headroom) in the event of unexpected adverse changes to our financial position or operating environment.

The maximum debt to revenue ratio proposed over the 2027-37 period is 175 per cent in 2027/28 as shown in figure 5, well under the 280 per cent LGFA limit. At this peak we retain debt headroom (the ability to borrow more if required without breaching financial covenants) of $1,377 million.

The net debt to revenue ratio is planned to gradually improve to 130 per cent in 2036/37. This will give the ability to borrow at least $2,460 million without breaching debt covenants by 2037.

Figure 5. Net Debt to Revenue Ratio 2027- 2037



II. Maintain appropriate debt capacity (headroom)

Debt headroom is the amount Council can borrow before reaching its debt limit. During the Long-Term Plan period this is 280 per cent of annual rates revenue. The Council needs to maintain the ability to borrow to respond to a disaster event.

This includes defining the role and performance of Christchurch City Holdings Limited (CCHL) and the Council-Controlled Trading Organizations (CCTOs) and their contribution to our financial resilience over time.

Our debt headroom was set at $600 million in the Financial Strategy 2024 based on 2022 asset values and using the following assumptions:

- Response to a 1 in 5,000-year disaster event:
  - Crown to fund 40%
  - CCC estimated share of $600 million after insurance and Crown contribution
- Response to a 1 in 10,000-year event at $650 million.

Based on the assumptions above Council has set the following debt targets:

- Debt headroom will be at least $600 million
- The minimum debt headroom budgeted capacity in the LTP 2027-37 is $1,377 million (lowest point of black line in figure 6).

A reduction in budgeted headroom (by using more debt to fund Council's annual work programme) was considered as an alternative to the proposed rate increase but this impacted significantly on one of our key Financial Benchmarks; the need to maintain a balanced budget.

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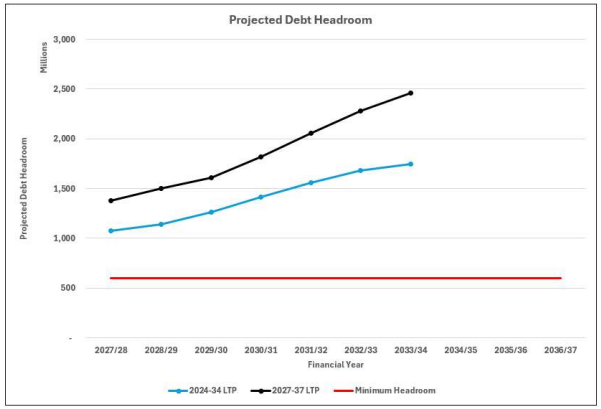
Figure 6. Projected Debt Headroom 2027- 2037



III. *Debt affordability benchmark*

We meet our debt affordability benchmark for any particular year if the actual or planned borrowing for the year is within our quantified limit on borrowing. Quantified debt limits are shown in Table 4 below. These have been set at the LFGA limits described above. The limits are a "worst case" maximum borrowing scenario.

Table 4. Proposed gross debt and quantified limit

$million	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Proposed gross debt	2,882	2,859	2,543	2,776	2,746	2,651	2,618	tba	tba	tba
Quantified debt limit	4,258	4,358	4,450	4,596	4,799	4,929	5,079	tba	tba	tba

We have set the following debt management targets to maintain appropriate capacity to borrow at short notice.

- Net debt to revenue ratio is forecast to peak in 2028 at 176 per cent.
- Debt headroom of at least $600 million is maintained in all years.
- The net debt to revenue ratio is planned to gradually improve and we will have the ability to borrow at least $2.46 billion without breaching debt covenants by 2037.
- Net debt to revenue ratio reduces to below 131 per cent in 2037.

Limits on interest costs

The cost of interest to rates revenue ratio and the cost of interest to total revenue ratio are both debt affordability indicators. The Table 5 and 6 below shows interest costs remain well within our limits.

Maintaining interest costs at a low proportion of Council revenue helps to protect ratepayers from the impact of interest rate movements outside the Council's control, by limiting the extent to which rising interest rates affect overall costs.

Table 5. Net interest as a percentage of rates revenue

$million	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Limit	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Ratio	12.0%	11.4%	11.0%	10.5%	9.9%	9.3%	8.7%	tba	tba	tba

Table 6. Net interest as a percentage of total revenue

$million	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Limit	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Ratio	8.9%	8.7%	8.5%	8.2%	7.7%	7.2%	6.9%	tba	tba	tba

Commented [MS10]: The graph is only indicative, and still subject to ongoing review and update.

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Commented [MS13]: The figures in the table are only indicative, and still subject to ongoing review and update.

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5. Other considerations

A. *Rating base growth*

We expect the number of rating units will continue to grow each year due to development of new subdivisions and buildings. New development increases demand for Council services and infrastructure but also increases the number of properties the rate requirement is spread over.

We have assumed the number of rating units (including residential and commercial) will increase by 0.8 per cent per annum, slightly less than the pace of household growth, which results in the projections for the number of rating units in the LTP period shown in table 7.

Table 7. Projected rating base growth

	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37
Rating Units	187,863	189,366	190,881	192,408	193,947	195,449	197,063	198,639	200,228	201,830

B. *Inflation*

We base our assumptions of future inflation on the BERL Local Government Cost Adjustors which are the basis of inflation forecasts for most New Zealand councils. BERL is an external research-led consultancy organisation which provides independent economic research to assist organisations decision making. Councils focus on inflation for the types of goods and services they buy and provide rather than the consumer price index. Key drivers of local government inflation include energy costs and construction costs, particularly relevant in a period when New Zealand is looking to increase investment in infrastructure provision to catch up following decades of under-investment.

The Reserve Bank of New Zealand's May 2026 Monetary Policy Statement forecasts that headline Consumer Price Index (CPI) inflation will peak at 4.3 per cent in the September 2026 quarter, before easing back to the 2 per cent mid-point of the target range in 2027. While BERL's Local Government Cost Adjustors are based on a different basket of goods and services than the CPI, they have historically exhibited a similar directional trend. Accordingly, periods of elevated CPI inflation have typically been reflected in higher BERL cost adjustors.

A high inflation environment increases the risk that forecasts aren't accurate, and the council needs to be conservative in its inflationary expectations and how these are built into budgets.

The assumed inflation rates used in LTP budgets are included in the Significant Assumptions section of the LTP.

C. *Interest*

Council repays most borrowing over a 30-year period, which aligns with the average life of our assets. Borrowing for investment in new assets ensures today's ratepayers don't fund all the cost of assets that will provide benefits to future ratepayers/generations which promotes the principle of intergenerational equity.

The period of the Long-Term Plan is expected to be interest rate neutral, with the cost of new Council borrowing forecast to remain between 4.9 and 5.0 per cent over the coming 10 years.

Interest rates used in LTP budgets are included in the Significant Assumptions section of the LTP.

D. *Insurance*

The Council has restored insurance cover on assets as insurers re-gained confidence in the resilience of our assets following the 2010/11 earthquakes.

Based on external modelling we identified the maximum probable loss of above-ground infrastructure and current insurance provides for two significant earthquake events in any 12-month period.

In the event of another significant earthquake or significant climate related event, we have planned to use a combination of insurance and borrowing to fund our 40 per cent share of the cost of repairs. The remaining 60 per cent would be funded by the Government under the National Civil Defence and Emergency Management Plan, depending on eligibility. This provides approximately $6.7 billion of cover for assets with a replacement value of $10.4 billion. To put this into context, the Council has spent around $3 billion repairing or replacing underground assets following the 2010/11 earthquakes.

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E. Local Government Funding Authority (LGFA) – debt limits

LGFA is our main source of debt funding. It raises funds by issuing bonds at lower interest rates than councils could achieve by themselves, due to its size and credit rating. To manage risk, LGFA requires councils to operate within prescribed debt to revenue ratio limits.

In June 2020 LGFA increased the Net Debt to Total Revenue financial covenant ratio limit applying to councils with a credit rating of "A" equivalent or higher. The ratio limit reduced from 290% to 285% in 2024/25, reducing again to 280% per cent from 2025/26 onwards.

The Council will look to keep its debt to at least $600 million less than its debt covenant limit to provide the ability to borrow in an emergency. This is a key component of our approach to financial resilience.

F. Credit rating

The Council's credit rating affects our access to lending and the interest rate we have to pay. This Financial Strategy seeks to support the retention of our current "AA- (Stable)" Standard & Poor's credit rating. Governance and debt levels are key to maintaining this rating, and it may come under pressure during the period covered by this Strategy due to projected debt growth.

A one notch downgrade to our credit rating (to "A+") would increase the cost of our borrowing by at least 0.05 per cent. Although relatively marginal (especially as it would only affect our overall costs gradually as existing borrowing instruments are refinanced), this would increase rates by around 0.15-0.20 per cent over the LTP period. Our credit rating should be supported over time as our net debt/ revenue ratio is forecast to return to more conservative levels.

The Council's (and the wider Local Government Sector) credit rating may face pressure from the introduction of a rates cap, as constraining a councils' primary revenue tool (rates) weakens their financial flexibility and credit quality. It has been noted by credit rating providers that rates make up a significant share of council revenues, and caps "will erode the sector's flexibility to raise revenues", and with high and rising infrastructure demands, constrained revenue could exacerbate leverage and fiscal imbalances.

G. Policy on securities

Like most councils, our debt is secured against future rates revenue. Lenders like this as security and it helps keep our interest rates low. Having rates as security means our lenders can make us repay debt from rates. That is why it is important we keep debt at a sustainable level. We may sometimes offer other security, including physical assets, in certain circumstances. The full policy on giving securities can be found in the Investment and Liability Management Policy on our website.

Security may be offered by providing a charge over one or more specified assets, but this will only be done where there is a direct relationship between the debt and the purchase or construction of the asset being funded, such as an operating lease or project finance, and the Council considers a charge over the asset to be appropriate. There are no such arrangements currently in place.

H. Investments in companies

Council's main investment is in Christchurch City Holdings Limited (CCHL) which holds equity investments on behalf of the Council. These investments provide dividend returns used to reduce the rate requirement and/or reduce Council debt. The dividend yield on our CCHL investment has averaged 1.5 per cent in the last three years and 2.7 per cent in the last ten years. In December 2023 Council agreed with CCHL that CCHL would adopt an enhanced status quo dividend policy and they would collaborate on strategies to increase returns to Council.

We hold other shareholdings principally to achieve efficiency and promote community outcomes and wellbeing rather than for a financial return on investment. The risk to the Council from investing in these companies is low.

Any equity investment carries a risk that the value of the investment and the dividend paid can go down. The COVID-19 lockdown and recession had a significant negative impact on the earnings of some of the companies in the portfolio resulting in lower dividend payments for the years 2020 – 2023.

Further information on CCHL's subsidiary companies is provided in this LTP and in the companies' Statements of Intent.

There are no plans to change our shareholdings. In accordance with good practice, however, this is reviewed regularly.

I. *Cash investments*

We hold cash for three main reasons:

I. ***To support the balance of our special funds and reserves***.
When special funds are not required in the short term they are used as working capital. The exception is the Capital Endowment Fund (CEF) and the Climate Resilience Fund (CRF) which is lent internally or invested externally. The CEF provides an ongoing income stream that is used to fund economic development activities and community events and projects.
The CEF is projected to return $4.8 million in 2028, increasing through the LTP period to $5.0 million p.a. as the Official Cash Rate increases from its current level.
The CRF is projected to return and retain $0.2 million in 2028, increasing through the LTP period to $5.4 million p.a. as the Official Cash Rate increases from its current level and the balance of the CRF increases.

II. ***To ensure strong lines of liquidity and access to cash.***
Cash is supplemented by committed banking facilities.

III. ***To provide the funds for maturing debt.***
Cash is invested on short-term deposit to assist manage cash flows. Our targeted return is to exceed the average 90-day bank bill rate.

J. *Other investments*

I. ***Community loans***
From time to time the Council makes loans to community groups to enable them to pursue their stated objectives. The return on these loans currently in place range from interest free through to 5.4 per cent, depending on when they were granted and the conditions imposed.

II. ***LGFA.***
Under the terms of the LGFA, each time we borrow from them we are required to invest a small portion of our borrowing in their convertible bonds ("Borrower Notes"). This ensures the stability of the LGFA's financial position and provides a high level of confidence that the LGFA will continue to be a cost-effective source of the bulk of our long- term borrowing requirements. We earn interest on these bonds at the same market "base" rate as our related borrowing.

Company investments

Company and activity	Shareholding %	Principal reason(s) for investment	Investment value $million[6]	Targeted return
Christchurch City Holdings Limited (CCHL)- Holding company for our equity investments	100	• Provide a return on investment to offset rates. • Strategic investments that add to our economic development and economic, social and environmental resilience	3,166	FY-28 $66m FY-29 $76m FY-30 $76m Future Projections $76m-$86m p.a.
Venues Ōtautahi Limited - Venue management and event hosting	100	• Promote local economic development	200	Nil
Civic Building Limited - Holds our 50 per cent investment in the joint venture that owns the Civic Building offices.	100	• Strategic property investment	41	Nil
ChristchurchNZ Holdings Limited - Delivers Economic development, destination marketing, and major events functions.	100	• Promote local economic development	2	Nil
Transwaste Canterbury Limited - Owner/ operator of the Kate Valley Canterbury regional landfill	38.9	• Shared service provider (co-owned with all other Canterbury local authorities)	6	$5.6 million p.a.
New Zealand Local Government Funding Agency – (LGFA) Lends money at sub-market rates to member councils	8.3	• Access to borrowing at preferential rates. • Shared service provider (co-owned with most other NZ local authorities)	9	$120,000 p.a.
Civic Financial Services Limited - Supplies financial services such as superannuation, Kiwisaver to the local govt sector	12.9	• Access to specialised financial services. • Shared service provider (co-owned with most other NZ local authorities)	2	Nil
Theatre Royal Charitable Foundation - Operates the Isaac Theatre Royal		• Promote cultural wellbeing	1	Nil
Endeavour Icap	12.8	• Economic development	0.1	Nil

[6] The value of the investments in CCHL, Venues Ōtautahi Limited, Civic Building Limited and ChristchurchNZ Holdings Limited were assessed by independent valuers, Deloitte as at 30 June 2026.

Ōtautahi Christchurch

INFRASTRUCTURE STRATEGY

2027 to 2057

WIP DRAFT · June 2026

Long Term Plan 2027 to 2037

PART 1

Scene Setting and Context

1. Introduction

What this Strategy is

This Infrastructure Strategy sets out the long term infrastructure picture for Ōtautahi Christchurch over the thirty years from 2027 to 2057. It identifies the pressures that will shape infrastructure decisions across that period, the principal options for responding, and highlights the governance considerations Council has had to consider.

The Strategy sits at the heart of the Long Term Plan alongside the Financial Strategy. The Financial Strategy sets the parameters within which Council can invest; this Strategy describes the pressures that will test those parameters, and what Council will need to choose between when they do.

It is not a capital programme, an asset management plan, or an operational plan. It does not prescribe specific projects or set service levels. Its role is to give Council, the community, and future decision-makers a clear-eyed picture of what is coming, what it will cost, and what choices are available. The detailed planning that flows from those choices sits in Activity Plans and Asset Management Plans.

What the legislation requires

Council is required to prepare and adopt an Infrastructure Strategy as part of every Long Term Plan under section 101B of the Local Government Act 2002. The strategy must cover at least thirty consecutive financial years and must:

- identify the significant infrastructure issues Council faces over that period;
- set out the principal options for managing those issues and their implications;
- address renewal, demand, levels of service, and resilience to hazards;
- include the most likely infrastructure management scenario, with expenditure projections, key assumptions, and an honest account of uncertainty.

Under the Local Government (Water Services) Act 2025, detailed three waters content sits in a separate Water Services Strategy. This Strategy still includes three waters as part of the broader significant issues analysis, but the asset-level detail and financial projections sit in that document.

How this Strategy is structured

The Strategy opens with scene-setting and context (Sections 1 to 3), including the consolidated Council direction that guides downstream planning. Consistent with section 101B, the Strategy is then organised in three parts:

- **Part A: Core Strategy.** The significant issues, the organisation-wide cross-cutting dependencies that sit beneath them, and the Council direction for each. The direction is also consolidated upfront in Section 3.

- **Part B: Most Likely Scenario.** The 30-year infrastructure management scenario with expenditure projections required by s101B(4)(a).
- **Part C: Asset Management Approach, Assumptions and Uncertainty.** How Council manages its portfolio, the key assumptions, and the material areas of uncertainty. Draws on the Strategic Asset Management Plan and Activity Asset Management Plans.

Infrastructure covered

Section 101B(6) requires the Strategy to cover transport and flood protection. Because Council's networks are interdependent, the scope has been broadened to also include:

- TBD

How this Strategy relates to other LTP documents

The Infrastructure Strategy and Financial Strategy are developed in parallel and must be read together. The financial envelope set by the Financial Strategy is a binding constraint on the directions in this Strategy.

Activity Plans describe what each service area plans to deliver across the ten-year LTP period. They are informed by this Strategy and should be consistent with it. Asset Management Plans provide the technical detail (asset condition, renewal forecasts, risk assessments, asset performance) that underpins the analysis here.

Asset management and infrastructure planning

These are related but distinct disciplines. Asset management is the professional practice of managing physical assets across their lifecycle to deliver service at the lowest whole-of-life cost. It is guided by industry best practice and is required regardless of legislation. The Strategic Asset Management Plan (SAMP) and Asset Management Plans sit on this side.

Infrastructure investment planning through the LTP is a statutory process for deciding how to allocate resources, set service levels, and manage trade-offs within a financial envelope. It is required by the LGA 2002 and produced every three years.

The two inform each other. This Strategy draws on the SAMP and Asset Management Plans for evidence; the SAMP reflects the direction Council sets through the LTP. The asset management content is covered in Part C.

> DRAFTING NOTE
> *Diagram of the relationship between the IS, SAMP, AMPs and Activity Plans to be added.*

2. How the Strategy has been developed

Identifying the significant issues

Five tests were applied to determine whether an issue qualifies as significant for this Strategy. An issue qualifies if it:

- persists across the thirty-year planning horizon;
- requires guidance at Council governance level, not the operational level;
- affects multiple infrastructure networks;
- carries material financial or service consequence;
- is driven substantially by factors outside Council's direct control.

Issues that met this test were taken forward for analysis.

Partnership with Ngā Papatipu Rūnanga

> DRAFTING NOTE
> *Placeholder from IS 2024. Specific reference to engagement undertaken during development of this Strategy, and any formal positions or hui outputs, will be updated once available.*

Ngā Papatipu Rūnanga are mana whenua for Ōtautahi Christchurch. Council's district encompasses six Papatipu Rūnanga, Te Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Te Rūnanga o Koukourata, Ōnuku Rūnanga, Wairewa Rūnanga, and Te Taumutu Rūnanga. Their relationship with Council is formalised through Te Hononga Relationship Agreement. The Te Hononga Council–Papatipu Rūnanga Committee has provided the governance structure for partnership since 2015.

Development of this Strategy has been guided by the values and priorities of Ngā Papatipu Rūnanga, the Mahaanui Iwi Management Plan, and the partnership commitments in the LTP. Ngā Papatipu Rūnanga g infrastructure priorities are:

- access to safe water;
- protection of waterways and mahinga kai;
- stormwater management that protects land, property, and ecology;
- coastal hazard adaptation planning that involves communities and marae;
- fit-for-purpose infrastructure that enables access to places of significance.

These priorities are not peripheral. The relationship between the city's infrastructure and the natural systems Ngā Papatipu Rūnanga hold responsibility for is direct and consequential. The analysis of climate, water, hazards, and environmental outcomes throughout this Strategy is shaped by those values.

National context

The Strategy is developed in a period of significant national policy change affecting local government infrastructure. The direction of travel is consistent: more obligation, tighter standards, greater scrutiny, active structural reform. The most material areas are summarised below.

Regulatory and environmental obligations

Taumata Arowai has established new drinking water standards reshaping the water services capital programme now. The National Policy Statement for Freshwater Management is changing what is required of stormwater and wastewater systems. The National Policy Statement on Natural Hazards and the National Policy Statement for Infrastructure (both 2025) introduce planning obligations directly affecting how decisions are made in hazard-exposed locations and how infrastructure corridors are protected.

Climate and emissions

The National Emissions Reduction Plan sets the pathway for meeting national targets. Infrastructure decisions in transport, buildings, water, and urban form are material to whether those targets are met. The National Adaptation Plan reinforces that adaptation is a present consideration with investment implications already visible in the renewal programme.

The Climate Change Commission's 2026 National Climate Change Risk Assessment, released in May 2026, is the most material recent addition to this picture. It identifies infrastructure, communities and safety as priority risk areas, finds that 590,000 buildings worth $250 billion are already exposed to inland flooding nationally, rising to between 631,000 and 680,000 buildings ($269 to $292 billion) by 2090 depending on the level of warming. Approximately 97 percent of current government spending goes to disaster response while only 3 percent is directed to building resilience. National water infrastructure is assessed as reaching extreme risk within 25 years without action. The assessment specifically references the summer 2026 extreme weather events from Banks Peninsula to the Far North, and calls for a shift from recovery-focused spending towards long-term resilience. The implications for this Strategy are direct: the case for proactive adaptation has strengthened, and the cost of continued reactive investment is becoming clearer.

Natural and green infrastructure

There is increasing recognition of the role natural infrastructure plays alongside built infrastructure, in stormwater management, flood risk, urban heat, and ecological outcomes. The Natural Infrastructure Plan and the IPWEA Green Infrastructure Management Manual provide emerging frameworks. The boundary between built and natural infrastructure is relevant to several significant issues, particularly climate change and hazard exposure.

Council's Letter of Expectations

The Council's Letter of Expectations, issued 12 March 2026, sets direction for the LTP 2027 to 2037. Three aspects shape this Strategy directly:

- The Infrastructure Strategy and Financial Strategy must move forward together. The financial envelope is the constraint within which the investment picture must fit.

- An indicative rates trajectory of 6 percent, then 5 percent, then 4 percent across the first three years, with the capital programme capped at draft 2026/27 Annual Plan levels. This trajectory is distinct from the Government's anticipated rates increase cap of 4 percent, which applies as a regulatory constraint. Several significant issues bear directly on whether Council's trajectory is achievable within that regulatory environment.
- The new LTP must build on existing strategies rather than start from scratch. This Strategy carries the 2024 foundation forward and sharpens the governance framing.

Building on the 2024 Strategy

The 2024 Infrastructure Strategy established the foundation on which this document is built. The challenges it identified, namely the scale of the renewal programme, the financial pressure of a post-earthquake asset base, the urgency of climate adaptation, and the demands of growth, all remain central. The thirty-year horizon, the asset scope, and the relationships with Ngā Papatipu Rūnanga all carry forward.

What has shifted is the shape of the issues. The 2024 Strategy's four action areas have been refined into six significant issues: affordability and renewals are now treated separately because they force different governance choices at different times; climate adaptation is sharpened around managed change; growth carries greater emphasis on lead investment risk. Two issues are genuinely new: regulatory reform, which is reshaping the capital programme now, and external shocks and uncertainty, which asks Council to close gaps in critical asset identification, contingency arrangements, and programme stress-testing before the next event.

> **The significant issues are the same issues. The approach to them is more direct.**

3. Council Direction and Guidance

This section sits at the front of the Strategy on purpose. It holds, in one place, the strategic direction Council has confirmed in response to the significant issues, so the rest of the document can be read against it.

Each direction does two things. The direction itself becomes guidance: the position staff plan against (alongside the Financial Strategy and the capital prioritisation framework) when developing Activity Plans, Asset Management Plans, and the capital programme. Where there is a gap in our current ability to meet a direction, that gap becomes a named action in the Strategy. Some actions are owned in this Strategy; others sit in the Financial Strategy, other strategies, plans, or workstreams. The detailed treatment of each direction, including the analysis behind it, sits with its significant issue in Part A.

The significant issues themselves will not all be resolved this cycle, and some cannot be resolved at all. They set the operating environment for the next thirty years. What the Strategy does is set the position on how Council will respond to them to mitigate the impact they have on our infrastructure: deliberately, with the trade-offs visible and the consequences understood.

DRAFTING NOTE

Will do this section last as it is effectively an exec summary of the direction. This upfront direction section consolidates the confirmed governance positions. The detailed direction for each issue, with supporting analysis, is set out with that issue in Part A.

PART A

Core Strategy

4. Significant Infrastructure Issues

Christchurch faces a set of structural infrastructure pressures that will shape decisions across the next thirty years. These are not operational challenges; they are Long Term forces that cross service boundaries, require governance-level responses, and carry material financial and service consequences. Each will be relevant across multiple LTP cycles.

Six Significant Issues have been identified. They are analysed in this section, and each concludes with the Council direction that sets how the organisation will respond. Section 5 sets out the organisation-wide cross-cutting dependencies that sit beneath all six. The direction is also consolidated upfront in Section 3.

ISSUE 1

Affordability and Funding Constraints

We are facing rising costs and infrastructure demand, alongside constrained revenue streams and increasing scrutiny of Council spending.

ISSUE 2

Managing Renewals Across Generations

Large parts of our infrastructure were built together and will come up for renewal at the same time, placing pressure on funding and delivery capacity.

ISSUE 3

Climate Change and Hazard Exposure

Infrastructure exposure to hazards is increasing and we are facing compounding costs to reinstate and improve resilience, placing pressure on funding.

ISSUE 4

Growth and Demographic Change

Growth creates opportunity but increases pressure on infrastructure and services, requiring a coordinated, financially sustainable response.

ISSUE 5

Regulatory Reform and Service Standards

We are facing growing regulatory obligations and standards, alongside rising community expectations that are influencing how we deliver infrastructure and services.

ISSUE 6

External Shocks and Uncertainty

External shocks and risks have the ability to undermine our operational resilience and increase and cost and complexity of delivering infrastructure and services.

TE TIRITI CONTEXT

Ōtautahi Christchurch's infrastructure sits within a Treaty partnership that shapes how Council plans, invests, and manages across every significant issue.

Why this matters

The relationship between the Council and mana whenua is grounded in Te Tiriti o Waitangi and is shaped locally by the Ngāi Tahu Claims Settlement Act 1998, alongside partnership commitments through Te Hononga Relationship Agreement. This relationship does not sit alongside infrastructure decision-making - it is embedded within it.

Mana whenua maintain enduring, intergenerational connections with land, freshwater, and coastal environments. Infrastructure decisions can either enable or constrain these relationships. Decisions about wastewater discharge, stormwater management, water abstraction, the placement of roads and corridors, and the protection or transition of coastal assets all directly affect the natural systems over which Ngā Papatipu Rūnanga exercise kaitiakitanga.

How this plays out over time

Te Tiriti partnership is an ongoing relationship that shapes infrastructure decisions across every cycle. The shape of that relationship matters more as the decisions get harder.

Several of the significant issues in this Strategy push toward decisions where partnership input is most consequential. Climate adaptation in coastal locations affects wāhi tapu and mahinga kai. Water compliance and discharge decisions touch freshwater values. Growth decisions affect access to and protection of significant landscapes. The thirty-year horizon of this Strategy is also the horizon over which intergenerational responsibilities for the natural environment are tested.

Partnership obligations are categorically distinct from general stakeholder or community engagement, and the Strategy must recognise and give effect to that distinction. Where partnership is treated as project-by-project consultation rather than embedded in planning, infrastructure decision-making is diminished and Te Tiriti obligations are not meaningfully fulfilled..

Council direction

Te Tiriti partnership is foundational to the development and delivery of the strategy. Council's direction is that infrastructure planning operates within a Treaty context, with mana whenua values and priorities for land, freshwater, and coastal environments considered alongside cost, growth, service levels, and adaptation — through ongoing partnership rather than on a project by project basis. The operational detail detail of how this is embedded is addressed through the enabling dependency in Section 5.

Infrastructure planning operates within a Treaty context, in partnership with mana whenua.

We will plan, invest, and manage infrastructure with mana whenua values and priorities for land, freshwater, and coastal environments considered alongside cost, growth, service levels, and adaptation. Developed through ongoing partnership in line with Te Tiriti o Waitangi obligations.

- We recognise the enduring, intergenerational relationships mana whenua hold with land, freshwater and coastal environments, and how infrastructure decisions can enable or constrain those relationships.
- We protect wāhi tapu, culturally significant landscapes, waterways, and coastal environments where infrastructure is planned, built, and managed.
- We draw on mātauranga Māori as a distinct and complementary source of insight into environmental systems, risk, resilience, and long-term change, alongside scientific and technical evidence.
- We treat cultural values and impacts as part of the same decisions we make about cost, growth, service levels, and adaptation. Not separate from them.

SIGNIFICANT ISSUE 1

Affordability and Funding Constraints

We are facing rising costs and infrastructure demand, alongside constrained revenue streams and increasing scrutiny of Council spending.

Why this matters

Christchurch manages one of the most complex and capital-intensive infrastructure portfolios in New Zealand. The earthquake rebuild required an extraordinary programme of repair and reconstruction: an additional estimated ten billion dollars of expenditure for Council alone, on top of the normal demands of running a city-scale asset base. That programme alone has set financial obligations that will shape the funding environment for decades.

Affordability is now constrained on both sides: community capacity to pay, and Council cost to deliver.

On the community side

Household incomes in Christchurch sit below the national average and cost-of-living pressure across rates, insurance, and everyday expenses has intensified. As the population ages and more residents move onto fixed incomes, pressure to limit rate increases will sharpen the challenge of balancing affordability with the infrastructure investment the city needs. The detailed picture is set out in the Environmental Scan.

DRAFTING NOTE

This passage has been written in trend terms. Specific statistics sit in the Environmental Scan and can be referenced or appended there. We can add specific figures back into this section if Council prefers but suggest keeping the narrative durable and pointing to the scan for the numbers.

On the Council side

Costs are rising structurally and are not reversing. Construction costs are up approximately 25 percent since 2020: bridges 38 percent more expensive, sewage infrastructure 30 percent more, roads and water infrastructure 27 percent more. Operating costs across local government have risen approximately 19 percent in two years, outpacing CPI. Insurance premiums have increased 72.5 percent since 2021/22, noting recent decreases. The Local Government Cost Index projects a cumulative increase of approximately 30 percent over the next decade. The 2025/26 Annual Plan highlighted $6.5 million in inflationary pressures beyond LTP forecasts, and at least an additional $4.1 million in operating costs from new capital projects.

The capital programme for LTP 2027 is being modelled at approximately $500 million per year (plus inflation), with waters capex at around $200 million and transport at around $150 million. Total debt of $2.7 billion as at May 2026 leaves approximately $600 million of headroom for a major event.

Rates are the primary revenue source, and the community's ability to absorb ongoing increases is not unlimited. The x percent rates increase in 2026 Annual Plan illustrated the tension plainly. Debt can smooth investment and spread costs across generations, but Council operates within prudent debt limits. Development contributions and fees provide partial relief but cannot close the structural gap alone.

The question is what we stop, slow, or choose not to renew, and whether those trade-offs are made deliberately or by default.

How this plays out over time

Affordability pressure is not uniform across the thirty-year horizon. It concentrates at particular points: when renewal waves coincide, when regulatory compliance deadlines arrive, when growth investment is required ahead of confirmed demand, and when vested assets transfer into council ownership, triggering ongoing maintenance obligations and future renewal costs. The Financial Strategy sets the outer limits within which these pressures must be managed, but within those limits the choices are real.

Ongoing funding constraints affects asset risk and service performance. Deferring renewals leads to growing backlog of ageing infrastructure, more frequent failures leading to reactive maintenance costs and hence reduced level of service. The costs of bringing assets to acceptable standard increases over-time, creating a cycle where under-investment in short term, leads to significantly higher costs over the long term.

Deferred investment accumulates risk. Assets deferred past their optimal renewal point become more expensive to address, carry higher risk of failure, and impose costs on future ratepayers that can dwarf the savings achieved by deferral. Committing to new infrastructure investments without considering whole of life costs adds further pressure. This intergenerational dimension is one of the most important and least visible aspects of long-term infrastructure governance.

Affordability is not a separate issue from the others. It is the binding constraint within which every other issue must be managed. Funding limits constrain the pace of climate adaptation, shape which regulatory obligations can be met proactively, and determine how much growth-enabling infrastructure can be built ahead of confirmed demand.

Council direction

Affordability is the binding constraint within which every other issue is managed. Council's direction is that the financial envelope is the boundary for infrastructure decisions, that trade-offs are made deliberately and recorded rather than absorbed through silent deferral, and that how cost is shared between current and future ratepayers is a visible, deliberate position.

Affordability is the binding constraint.
We will develop Activity Plans and AMPs within the financial envelope, not toward an aspirational one. Where need exceeds envelope, we will name the gap rather than absorb it.
• We will treat the Financial Strategy envelope, and capital delivery constraints, as the boundaries within which infrastructure decisions are made. • We will not expand the IS, FS, or capital prioritisation process beyond the approved FS envelope. • Where the combined cost of activities exceeds what is affordable, we will make the gap visible rather than absorb it silently.

What Council expects to see	Where more work is required to get there
• •	
• Council sees the true lifecycle investment need alongside the funding envelope, not a plan reduced to fit the budget. • Service, cost, and risk trade-offs are consciously decided by Council, not eroded by silent budget pressure.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

How costs are shared between todays and future ratepayers is made visible.	
For major investment decisions, the Financial Strategy will direct how the proposed funding split divides cost between the ratepayers of today and those of the future. The investment case will be made explicit by stating::	
• We will treat how costs are split between current and future ratepayers as a Council position, made deliberately in the Financial Strategy. • We will show this split explicitly in the case for major infrastructure investment: who pays what, when, and why that is the right balance. • We will acknowledge, size, and make visible the real cost and benefit future ratepayers carry from decisions made now.	
What Council expects to see	**Where more work is required to get there**
• Council can see how proposed investments distribute cost across generations and take a deliberate position on the split. • Future ratepayers understand the share cost Council has consciously assigned to them, not a residual from accounting decisions.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Infrastructure management requires deliberate, transparent, and well-reasoned trade-offs.

We will make decisions about scope, timing, service levels, and investment priorities consciously and record them. We will not leave them to emerge by default through omission or silent drift.

- Where expectations cannot be met within the available funding or resource envelope, we will explicitly acknowledge that in the Financial Strategy and capital prioritisation process including the pressures associated with operating, maintaining and renewing aging and expanding asset base.
- We will make any reductions, deferrals, or scope changes visible, taking into consideration risk implications and changes in service level expectations.

What Council expects to see	Where more work is required to get there
• Where work is being slowed, reduced, or removed, Council and ratepayers can see what is being given up and why. • Trade-offs are recorded with reasoning, reviewable in later cycles. • Specification creep, scope trimming, and silent deferral is not the mechanism by which pressure is accommodated.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

The programme is prioritised within the financial envelope; non-discretionary investment is provided for first.

We will sequence investment deliberately. Where the full programme cannot be delivered, we will clearly set out what proceeds now, what is deferred, and on what basis.

- We will treat staging as a deliberate decision, not a residual outcome; programme sequencing reflects explicit choices, not what happens to fit.
- We will make the basis for sequencing transparent; the rationale for prioritising some work now, and deferring other work, is clear and defensible via the approved capital prioritisation process.
- Where work is moved beyond the current envelope or into later LTP cycles, we will make the implications (risk, cost, and service impact) visible and recorded.

What Council expects to see	Where more work is required to get there
• The capital programme presented at the start of a cycle remains a meaningful reference point through the cycle, rather than being progressively rewritten by ad-hoc additions. • Non-discretionary investment is visibly funded ahead of discretionary investment. • Council can see the cumulative effect of staging decisions on the cycle envelope, not just each one in isolation.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Service expectations will need to be aligned to the funding trajectory.

Where discretionary levels of service cannot be sustained affordably, we will use the Level of Service Review as the mechanism to consider options.

- We will use the Level of Service Review (part of Activity Planning) as the formal channel for resolving where standards may need to shift.
- We will record, across the portfolio, where this realignment is being raised and how it is being carried into the Review.

What Council expects to see	Where more work is required to get there
• Service levels are tested against the funding trajectory rather than assumed beyond it. • Where current service expectations cannot be sustained affordably, the conversation Council has is also about service, not just cost; recognising relationship between what we deliver and what it takes to fund it. • Realignment happens through a deliberate Review process, ensuring any changes to service levels or costs are intentional and evidence-based, rather than activity-by-activity drift.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

SIGNIFICANT ISSUE 2

Managing Renewals Across Generations

Large parts of our infrastructure were built together and will come up for renewal at the same time, placing pressure on funding and delivery capacity.

Why this matters

Infrastructure is built in waves. Christchurch's current asset base reflects two dominant construction periods: the post-war growth of the 1950s to 1980s that built much of the underground and transport network, and the post-earthquake rebuild of 2012 to 2025 that renewed and expanded much of the city's horizontal infrastructure. Assets built in concentrated periods reach the end of their useful life at similar times.

DRAFTING NOTE
The figures below are indicative only and will require updating as the LTP progresses. The theme remains, but the numbers will change.

The post-quake rebuild, while essential, has created a future renewal dynamic that Council must plan for carefully. The SCIRT alliance alone repaired and rebuilt over 740 projects within a $2.2 billion five-and-a-half year programme between 2011 and 2016. That infrastructure, rebuilt to modern standards, has a life expectancy that will concentrate renewal demand in the 2050s to 2070s. Alongside this, older pre-earthquake infrastructure that was not fully replaced continues to age. Watermain renewals are planned to increase from $30 million in 2024/25 to $43 million by 2033/34 in the current LTP.

The scale of the renewal obligation in this LTP alone illustrates the point. Total renewal spend across the 2024 to 2034 LTP is $3.59 billion, with planned capital expenditure of $298 to $361 million per year in the first three years and an average $360 million for the following seven years. Each renewal locks in 30 to 50 years of operating conditions. Across the thirty-year horizon of this Strategy, the renewal programme gets substantially larger, and the waves within it will create significant financial pressure at specific points.

Without a consistent renewal framework, decisions default to project-level judgement, risking inconsistent outcomes and specification creep. In some cases, the right question is not what standard to renew to, but whether the asset needs to be renewed at the same scale at all.

How this plays out over time

Renewal is not just a financial management problem. It is a governance question about what standard to renew to, who pays, and when.

A stormwater system coming up for renewal might be replaced to its existing capacity or redesigned to handle increased rainfall intensity. A community facility might be replaced with the same footprint or reconfigured to reflect how demographic change has shifted community need.

Renewal is the most practical window for transformation. Designing for future conditions at renewal is almost always cheaper than retrofitting afterwards, but it costs more upfront, and the call about which approach to take is a governance position, not a technical one. The opposite risk is also real: over-specifying for conditions that may not materialise locks in unnecessary cost that displaces other investment.

Timing matters too. Deferring renewal past optimal replacement points reduces near-term expenditure but increases Long Term cost and potentially increased repair and maintenance costs. Accelerating renewal to smooth future peaks requires higher near-term investment. The distribution of renewal costs between current and future ratepayers is a governance call, not a technical one.

Council direction

Renewal is among the largest and least discretionary parts of the capital programme. Council's direction is that renewal peaks across the full 30-year view are anticipated and managed deliberately, that renewal planning is risk-based and traceable to asset data, and that design standards are explicit so any upgrade above the default is justified rather than absorbed as scope creep.

Renewal peaks are anticipated and managed across the 30-year view.

Where renewal peaks emerge, we will make them visible and indicate how they will be managed.

- We will present renewal investment across the full 30 years as a minimum, not just the LTP decade.
- Where peaks are foreseeable, we will plan for them explicitly through the Financial Strategy rather than absorbing them when they arrive.
- We will take a Council position on how each peak is managed (smoothed, brought forward, accepted) in advance, not defer it to the cycle it lands in.
- We will apply a risk-based approach using asset criticality and condition data in managing peaks.

What Council expects to see	Where more work is required to get there
• Council sees the full renewal cost projection (or profile) of the asset base, not just the next decade. • Foreseeable peaks are planned for explicitly rather than arriving as a surprise to the LTP cycle that lands in them. • The position on how each significant peak is managed is taken when there are still options.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Renewal planning is transparent, risk-based, and data-driven, ensuring the right assets are renewed at the right time.

We will develop and manage renewal programmes using a risk-based approach drawing on criticality, condition, and repair and maintenance history.

- We will treat prioritisation and deferrals as strategic decisions, considering risk, service expectations, and whole-of-life cost optimisation.
- We will trace the basis for deferring or re-prioritising a renewal back to the asset records, with any deviations recorded in the asset information systems.
- We will size the cost of deferring (risk, consequence, and future cost) and make it visible alongside the near-term saving.
- We will keep a review process in place for renewal programmes based on high-risk asset data.

What Council expects to see	Where more work is required to get there
• Council sees what is being deferred, why, and what it means for future cycles, rather than discovering deferrals as failures or future cost spikes. • Silent deferral is no longer the way the renewal programme accommodates budget pressure. • Future cycles inherit a clear deferral picture rather than an invisible liability.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Renewal design standards are explicit, and any upgrade is justified.

We will design renewals to a clear default standard for each asset class. Anything above that default will require the rationale and cost to be set out, so we are not quietly scope creeping.

- We will use Infrastructure Design Standards (IDS) and Construction Standard Specifications (CSS) to set the default renewal standard for each major asset class.
- We will design renewals to that default unless there is a clear case to do otherwise.

• Where an upgrade above the default is proposed, we will document and make visible the rationale, cost, and whole-of-life implications, including how the change supports future demand, service requirements and climate risks	
What Council expects to see	**Where more work is required to get there**
• Renewals across the portfolio are designed to consistent quality standards calibrated to current conditions, rather than to whatever each project team determines. • Specification creep is visible and reviewable because departures from the agreed default come to Council. • Council can see and govern the standard of the asset base being renewed.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

SIGNIFICANT ISSUE 3

Climate Change and Hazard Exposure

Infrastructure exposure to hazards is shifting from infrequent shocks to also include chronic, recurring impacts. We are facing compounding costs to reinstate and improve resilience, placing pressure on funding.

Why this matters

Christchurch is a city shaped by its geography: low-lying, coastal, built on a plain drained by rivers and underlaid by groundwater. That geography has always carried risk. The earthquake sequence made that risk vivid. But the longer and perhaps more pervasive challenge is climate change, which is reshaping the risk environment for infrastructure in ways that compound over the thirty-year horizon of this Strategy.

The effects are already visible. Longer droughts are stressing water supply systems and increasing demand at the same time as source water reliability becomes less predictable. More intense rainfall events are exceeding the design capacity of stormwater networks built to older standards. Sea level rise and coastal erosion are advancing on infrastructure in coastal and low-lying areas, including on Banks Peninsula where the geography amplifies exposure. More frequent and severe storm surges are increasing flood risk in areas previously considered lower risk. Water-related hazards dominate Christchurch's risk profile, with river flooding, coastal inundation, and groundwater rise driving most long-term damage, disruption, and cost. However, these are not the only risks, with localised but severe hazards such as wildfire, landslides and coastal erosion also present, alongside growing impacts from heat and wind.

DRAFTING NOTE

District-level climate risk data from the Climate Change Risk Assessment and the NCCRA has been incorporated into the narrative above. Any further localised projections or updated data will be added as they become available.

Over one-third of the district is already exposed to at least one climate-related hazard, excluding heat, wind and wildfire. Nineteen percent of roads and 9 percent of residential properties are expected to experience moderate or major damage. Council faces approximately $x billion in projected damage costs (net present value) over 100 years, with a further $x billion across private, commercial and community assets. Hazard-related costs could grow from approximately 4 percent to approximately 9 percent of rates revenue over the long-term. Nationally, damage from the 2023 severe weather events alone totalled $9 to $14.5 billion.

These effects compound the other significant issues. Climate-driven maintenance and failure costs add to affordability pressure. Redesigning assets for future conditions raises renewal costs, though it can also deliver long-term savings. Regulatory obligations on environmental and natural hazard risk are tightening. Infrastructure renewed to historic standards in hazard-exposed locations creates path dependency that becomes increasingly costly to unwind.

How this plays out over time

Climate risk is asymmetric: the cost of adapting early is generally lower than the cost of adapting late. Assets made more resilient proactively are less likely to incur as much damage.

Infrastructure renewed or built now without accounting for future climate conditions may perform adequately for years or even decades before the consequences become acute. At that point, the options available are more expensive and more disruptive than they would have been if the decision had been made earlier.

The critical finding is that these costs appear affordable if Council acts early, builds financial capacity, and adapts progressively. They do not appear affordable if Council does not. The financial picture is shifting from infrequent shocks to persistent, recurring impacts that compound over decades rather than concentrating in single events. Climate hazards are creating fiscal liabilities that converge with earthquake-scale exposure in magnitude and persistence, but unlike earthquakes, these losses are ongoing and expected. Insurance markets are repricing New Zealand risk, chronic hazards may shorten effective asset life, and as private insurance retreats, risk is progressively transferred to households, and potentially to Council.

Council's District Risk Screening has identified significant risks across parts of the district. Climate Hazards Adaptation Planning, undertaken in partnership with communities and rūnanga, is identifying the locations and timeframes within which adaptation decisions will need to be made. These processes are generating the information Council needs to move from awareness to action, but action requires governance positions about risk appetite, investment priorities, and the long-term viability of some infrastructure in some locations.

Over thirty years, the investment required to adapt the city's infrastructure to a changing climate is one of the largest single pressures the portfolio faces.

Council direction

The Climate Change Risk Assessment (2026) provides the first quantitative, district-wide picture of the risk our infrastructure carries. Council's direction is that the latest available risk information is used as a key planning input, that assets in hazard-exposed locations are designed with future conditions deliberately considered, that emissions are weighed in the investment case for major capital projects and renewals, and that where assets cannot be sustained, Council engages communities before events force the conversation.

We will use the latest-available risk information as a key planning input.

We will use the available climate and projection data to inform risk assessment in our activities. We will apply it consistently across our programmes.

- We will identify the challenges, trade-offs, and costs of different design options to inform decisions; we will not defer the conversation to the next cycle.
- We will design renewals in hazard-exposed locations with future conditions deliberately considered, over the lifetime of the infrastructure.
- We will use climate and projection data to inform risk assessment as it becomes available.
- We will surface and weigh higher near-term cost from future-condition design, not use it as a reason to defer.

- We will treat climate risk as sitting inside renewal and capital decisions, not alongside them.

What Council expects to see	Where more work is required to get there
• All activities design against the same forward-looking climate scenario, rather than each project team choosing its own. • Climate risk is treated as a present input into renewal and capital decisions, not a separate workstream. • Where future-condition design raises near-term cost, that cost is visible to Council rather than absorbed or used as a reason to defer.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Assets in hazard-exposed locations are designed with future conditions deliberately considered.

In hazard-exposed locations, we will weigh the conditions the asset will face over its life against the cost of designing for them.

- We will present the options (design to future conditions, renew to current standards with a shorter horizon, change the level of service, or transition out) with the trade-offs visible, including how the options can be met within the financial envelope set by the Financial Strategy.
- We will use a planning horizon that reflects the conditions the asset will face, not the era it replaces.
- We will consider the options openly, with cost, risk, service implications, and asset data quality shown for each.

What Council expects to see	Where more work is required to get there
• Renewals in hazard-exposed locations reflect the conditions the asset will face over its life, not the era it replaces. • Council sees the options openly (design-up, renew-short, change level of service, transition out) rather than receiving a single recommendation.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

• Where the right answer is a level of service change or transition, that conversation happens at the renewal decision rather than after a damage event.	

Emissions are weighed in the investment case for major capital and renewals, especially where decarbonisation saves money over the long term.

We will consider lifecycle emissions when building the case for major capital and renewals: what the work emits to build, what it emits to run, and what emissions it avoids.

- Where a lower-emissions option saves money over the asset's life, we will present that as a real choice for Council, not a co-benefit in an appendix.
- We will consider emissions alongside cost and performance in the business case, not after it.
- Where emissions are material to the decision, we will show them in the trade-off Council sees, not in a separate report.

What Council expects to see	Where more work is required to get there
• Decarbonisation options that save money over the asset's life are visible to Council, not buried in appendices. • Emissions are treated as a financial input to infrastructure decisions, alongside cost and performance. • Major capital and renewal decisions are taken with their emissions implications understood.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Where assets cannot be sustained, we will engage Council before events force the conversation.

We will flag locations and assets where managed transition is becoming the right answer. We will build the cost of leading that conversation into the plan, alongside protection costs.

- We will hold managed transition conversations proactively, not in the aftermath of damage.

- We will not put Council in the position of making these decisions under crisis conditions.
- We will treat the cost of leading these conversations as part of the cost of adaptation.

What Council expects to see	Where more work is required to get there
• Managed transition conversations happen proactively, with Council in charge of timing and framing. Recommendations will be guided by community input into adaptation planning processes. • Council is not presented with these decisions under crisis conditions when options are constrained. • Community engagement on transition is funded and led, not improvised after damage.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

SIGNIFICANT ISSUE 4

Growth and Demographic Change

Growth creates opportunity but increases pressure on infrastructure and services, requiring a coordinated, financially sustainable response.

Why this matters

Christchurch is projected to grow from 422,260 in 2027 to approximately 520,000 by 2057, an increase of around 97,700 people and 45,600 households. Over recent years we have seen a shift towards more multi-unit dwellings across the city, balanced with a steady demand for standalone family homes close to services and employment. The Greater Christchurch Spatial Plan anticipates continued growth, with ongoing intensification along public transport corridors and in the existing urban area alongside greenfield development in designated growth areas.

Investing in city infrastructure gives businesses the confidence to grow, while attracting new firms and jobs to the city. Christchurch's diverse regional economy, especially its strong, expanding manufacturing sector, brings unique infrastructure demands and challenges.

Infrastructure to support growth requires investment. As the city's population grows, there will be demand for new infrastructure alongside the on-going need to maintain existing infrastructure networks and services.

The Christchurch District Plan and more recent land use planning changes have enabled a greater level of density across the existing urban area which will increase the requirement for upgraded and new infrastructure. At the same time, there is a need to provide for future planned greenfield development as well as remaining responsive to unanticipated or out-of-sequence development.

It is not feasible to service all this capacity at once. The challenge for Council is to determine what infrastructure is needed and when, ensuring it is delivered in the right place at the right time and achieves the best possible value and return on investment.

The number of residents aged over 65 is projected to increase from 65,400 in 2023 to approximately 110,000 by 2053, rising from 16 to 22 percent of the population, reaching 26 percent by 2073. The working-age population (aged 15 to 64) is projected to fall from 67 percent to 62 percent by 2073. This shift is likely to change the nature of demand for infrastructure for a large part of our population, and balancing the needs of older residents with those of younger and working age populations may become more complex over time. The city is also becoming more ethnically and culturally diverse, with over a quarter of residents now born overseas, bringing diverse expectations infrastructure planning must be responsive to.

How this plays out over time

Growth pressure is not uniform across networks or across the district. Large developments, including both civic projects and those delivered by the private sector, can rapidly consume available capacity and accelerate the wear and tear placed on existing assets Planning for the provision of growth infrastructure requires strong integration with strategic land use planning to ensure infrastructure is delivered where growth is enabled and when growth capacity is likely to be taken up; we need to deliver the right infrastructure, in the

right place, at the right time. Responding to out of sequence development or unplanned growth can lead to unplanned, more expensive upgrades and can disrupt planned infrastructure investment.

Infrastructure investment to support growth is costly and must be funded from somewhere. It is essential to ensure developers contribute a fair share toward the infrastructure they create demand for and will benefit from. Development contributions are the mechanism for this and the relationship between contributions and actual growth patterns requires ongoing management.

Demographic change affects not just the quantum of demand but its nature. Ageing infrastructure and shifting patterns of community use (across facilities as well as transport networks, streets, footpaths, and public transport infrastructure) are already reshaping the capital programme in several activity areas. The thirty-year horizon of this Strategy encompasses the full arc of the demographic transition currently underway.

Council direction

Growth creates opportunity and financial risk that the existing ratepayer base often carries. Council's direction is a coordinated, long-term approach to providing for growth, investment in capacity that supports economic growth, infrastructure and facilities planned for the community we are becoming, and a clear position that growth pays for growth through the right funding tools.

We take a coordinated, long-term approach to providing for growth.	
We will plan and deliver infrastructure in line with projected growth, with enough flexibility to respond to out-of-sequence growth where there is a clear strategic benefit for the city.	
• We will deliver growth infrastructure in a coordinated, integrated way across asset types and services, in line with projected demand and to incentivise development in priority development areas. • We will sequence infrastructure to maximise development potential within a prudent financial framework. • We will maintain enough flexibility to respond to out-of-sequence development opportunities where there is a clear strategic benefit, while ensuring decisions remain financially sustainable and ratepayers are no worse off.	
What Council expects to see	**Where more work is required to get there**
• Growth infrastructure is delivered in a coordinated way across asset types, water, transport, community, in line with projected demand and to steer development toward priority areas.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

• Out-of-sequence development is responded to where there is a clear strategic benefit for the city, with existing ratepayers no worse off. • Infrastructure is sequenced to get the most development value within a prudent financial framework.	

We invest in infrastructure capacity that supports economic growth.	
We will provide resilient, well-serviced infrastructure in business areas to support a diverse economy and enable business and job growth.	
• We will support business-zoned land with fit-for-purpose infrastructure to meet the needs of a diverse business sector. • We will plan, deliver, and manage infrastructure networks in a way that supports resilience, minimises disruption, and supports the retention and attraction of business and jobs.	
What Council expects to see	**Where more work is required to get there**
• Business-zoned land is supported by infrastructure that lets the city attract and retain firms and jobs. • Infrastructure investment and capacity contribute to the city's competitiveness relative to other regions. • Networks are planned and managed to minimise disruption to business activity.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Supporting today while building for tomorrow.
We will plan for the right infrastructure in the right place at the right time.
• We will plan for adaptable, accessible infrastructure and community facilities that support an ageing and more diverse population, while staying resilient and scalable to support future growth rather than requiring repeated or reactive upgrades.

- We will let future community needs guide infrastructure decisions today, so assets remain fit for purpose over time.

What Council expects to see	Where more work is required to get there
• 30+ year assets are sized and shaped for the demographic that will use them, not just the one that exists today. • Mismatch between asset and future demand is identified at investment, not at renewal. • Community facility investment reflects the demographic transition rather than just current demand peaks.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Growth pays for growth.

We will ensure that growth pays for growth by using available funding tools that allocate infrastructure costs to those who benefit.

- We will use the right funding tools, so the cost of growth infrastructure is funded by the beneficiaries of the infrastructure.
- We will provide for efficient urban development and growth, while maintaining affordability for current communities.

What Council expects to see	Where more work is required to get there
• Council sees how growth costs are distributed and can confirm the distribution reflects current policy intent. • Existing ratepayers are not subsidising new development through default cost-sharing. • Funding tools (development contributions, growth-related debt, rating policy) are kept fit for purpose against current growth patterns.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

SIGNIFICANT ISSUE 5

Regulatory Reform and Service Standards

We are facing growing regulatory obligations and standards, alongside rising community expectations that are influencing how we deliver infrastructure and services.

Why this matters

The regulatory and structural environment within which Council delivers infrastructure is changing significantly. Two dimensions matter for governance. The first is structural reform of local government itself, which will reshape the institution delivering the Strategy. The second is the tightening of service and environmental standards, which is reshaping the capital programme now.

Local government restructure

The most material change is happening at the level of local government itself. The Government's Head Start pathway, open from 5 May to 9 August 2026, invites councils to propose new unitary authority arrangements. Cabinet decisions on which proposals proceed are expected in late 2026, with implementation by the 2028 local elections. Councils that do not come forward will be subject to a backstop process after 2028. This is the most significant change to local government since 1989.

The outcome of the regional process will shape the context within which this Strategy is delivered. Decisions Council takes in this LTP about Long Term infrastructure direction need to hold value through that reform, not against an assumption the current arrangements continue unchanged.

> **Structural reform is not a distant possibility. It is an active programme with a fixed timetable that intersects directly with the LTP 2027 cycle and may change which entity delivers parts of the programme within this LTP's horizon.**

Tightening service and environmental standards

Alongside structural reform, the standards Council must meet are tightening. Taumata Arowai has brought a new compliance framework for drinking water. The National Policy Statement for Freshwater Management has raised the bar for stormwater and wastewater. The Local Government (Water Services) Act 2025 has restructured how three waters are planned, funded, and reported, and requires a separate Water Services Strategy. Climate-related obligations are maturing and building and facility standards are evolving. Core services are to be prioritised under the System Improvements Bill, and the Government's anticipated rates increase cap of 4 percent adds a further constraint on how Council manages competing cost pressures.

Some of this is already reshaping the capital programme. The shift toward meeting current and future Taumata Arowai standards involves both capital and operating cost implications that flow through the water services programme. Economic regulation of water services, anticipated rates increase caps, and other reform programmes add further constraint. Each of these obligations sits outside Council's discretion in terms of whether to comply, but inside Council's discretion in terms of how and when.

How this plays out over time

Regulatory pressure is largely non-negotiable. A compliance deadline does not move because Council has other priorities. The choice is not whether to comply, but how, at what pace, to what standard, and how to integrate compliance with the broader capital programme to minimise overall cost.

Where regulatory compliance can be integrated with planned renewal cycles, the overall cost is substantially lower than addressing compliance as a separate programme. Where regulation arrives with fixed deadlines that displace other planned investment, the sequencing of the capital programme is disrupted. Council's ability to manage that disruption depends on how well the regulatory pipeline is understood and how proactively compliance is incorporated into Long Term planning.

The distinction between mandatory and discretionary investment is significant for Council's governance role. Ratepayers and elected members need to understand which parts of the capital programme are driven by non-negotiable legal obligations and which represent discretionary choices. That clarity supports better governance of prioritisation decisions.

Council direction

Compliance is non-discretionary; structural reform is active. Council's direction is that compliance is integrated with renewal cycles as the default, that non-discretionary investment is permanently visible in the programme, that pre-compliance is undertaken only where future tightening is demonstrably certain, and that the Strategy is written to hold value through local government reform.

Integration with renewal cycles is the default position.	
We will meet regulatory obligations through the renewal programme wherever the timing allows. Where compliance must be addressed standalone, we will explain why integration was not possible.	
• We will meet regulatory and non-discretionary level-of-service obligations through the renewal programme wherever timing allows. • We will recognise that standalone compliance under deadline pressure is more expensive and displaces other work. • Where integration is not possible, we will make that explicit, not a fait accompli.	
What Council expects to see	**Where more work is required to get there**
• The cost of meeting regulatory obligations is minimised by integration with renewals wherever timing allows.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

• Standalone compliance under deadline pressure is a deliberate, explained exception rather than a default. • The regulatory pipeline displaces less other work in the programme.	

Non-discretionary investment is permanently visible.	
We will tag each capital line as non-discretionary or discretionary, consistent with the capital prioritisation framework.	
• We will keep the non-discretionary/discretionary split visible to ratepayers and elected members (using the approved Capital Prioritisation framework definitions). • We will refresh the categorisation each LTP cycle, not treat it as a one-off exercise.	
What Council expects to see	**Where more work is required to get there**
• Ratepayers and elected members can read the programme and see what is mandatory versus discretionary. • Prioritisation discussions are based on a current categorisation rather than stale tagging or implicit assumption. • The capital prioritisation framework is treated as a live tool, not a one-off exercise.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

We will build compliance into the programme only where future tightening is demonstrably certain.
We will not propose getting ahead of regulation unless the case is firm. Where future tightening is certain, we will consider that as part of the investment case.
• We will require a clear certainty test to be met before proposing proactive investment ahead of regulation. • We will not undertake speculative pre-compliance; the case for getting ahead has to be made.

• Where certainty is sufficient, getting ahead is the cheaper whole-of-life option and we will undertake it.	
What Council expects to see	**Where more work is required to get there**
• Ratepayer money is not spent on speculative requirements that may not materialise. • Where pre-compliance is genuinely the cheaper whole-of-life option, the case is made explicitly rather than assumed. • Pre-compliance is a discipline, not a default.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

SIGNIFICANT ISSUE 6

External Shocks and Uncertainty

External shocks and risks can undermine our operational resilience and increase the cost and complexity of delivering infrastructure and services.

Why this matters

Christchurch has more direct experience than most cities of what it means to have infrastructure plans disrupted by events outside Council's control. The 2010 to 2011 Canterbury earthquake sequence caused an estimated additional $10 billion of expenditure for Council, rewrote the infrastructure programme overnight, and created obligations still working through the capital programme fifteen years later. The COVID-19 pandemic disrupted supply chains and programme delivery across the whole infrastructure sector. The period of construction cost escalation from 2021 to 2024 significantly reduced the value of planned programmes, with some projects costing substantially more than original estimates and others requiring deferral.

The total economic cost of the Canterbury earthquake sequence exceeded $40 billion. COVID-19 drove a 12.2 percent quarterly GDP fall in June 2020. The fiscal cost of responding to shocks has averaged 10 percent of GDP per decade, and major fiscal shocks occur on average every decade. Nationally, over 9,200 infrastructure projects are now competing for the same limited pool of contractors, materials, and skills.

> **These are not unforeseeable events. They are exceptional in their scale, but the existence of shocks is a predictable feature of the planning environment. The question is not whether future shocks will occur, but how exposed the portfolio is when they do, and what capacity Council has to absorb or respond.**

How this plays out over time

Exposure to shocks is not uniform across the portfolio. Some assets and networks carry greater consequence if they fail, for public health, for the functioning of the city, or for the ability of other networks to continue operating. Critical assets are not always the ones that receive the most investment attention. An infrastructure portfolio that does not identify which assets matter most, and what happens if they are suddenly unavailable, is not fully prepared for the planning environment Christchurch operates in.

Fifteen years on from the earthquakes, the question is not whether disruption will occur, but whether Council has the financial headroom, the critical asset knowledge, and the standing arrangements to respond without improvising under pressure. Preparedness has two dimensions: knowing what is critical, and having the financial capacity to respond. Both need to be in place before the next event, not after it.

Council direction

Christchurch has direct experience of what it costs to improvise infrastructure prioritisation under pressure. Council's direction is that readiness for shocks is built into how we plan, invest, and deliver, that Council holds a current, shared view of critical infrastructure, and that financial headroom for shocks is set through the Financial Strategy and kept fit for purpose.

Being ready for shocks is built into how we plan, invest, and deliver.	
We will plan, invest, and design so the organisation can absorb and adapt to shocks rather than just react to them. Where possible, we will build resilience in proactively at programme, investment, and project level, not after an event exposes the gap.	
• We will treat resilience to shocks as a forward-looking position, designed in deliberately. • At programme level, we will understand what flexibility we have to redirect, reprioritise, or accelerate when conditions change. • At investment level, we will weigh major decisions' contribution to resilience alongside cost and performance.	
What Council expects to see	**Where more work is required to get there**
• Resilience is designed in deliberately, not retrofitted after a shock has hit. • The programme has the flexibility to redirect, reprioritise, or accelerate when conditions change. • Major investment decisions include resilience and adaptability as part of the value considered.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Council holds a current, shared view of critical infrastructure.	
We will keep the picture of critical assets current, particularly where failure would cascade or trigger health and safety consequence.	
• We will keep criticality as a live, maintained picture, ready to draw on when an event occurs. • We will name owners, document condition, and record contingency arrangements (or note their absence). • We will validate the view regularly between events, not only when one is unfolding or when a plan is being written. • We will govern critical assets differently from the rest of the portfolio.	
What Council expects to see	**Where more work is required to get there**

• When a shock arrives, the criticality picture is ready to draw on rather than assembled in the aftermath. • Critical assets are governed differently from the rest of the portfolio, with their own validation and contingency cycle. • Cross-network failure cascades are visible because the picture sits in one place.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Financial headroom for shocks is set through the Financial Strategy and kept fit for purpose.	
We will resolve the position on debt headroom for shocks in the Financial Strategy, not in individual activity plans.	
• We will treat the level of headroom Council holds for shocks as a Financial Strategy position. • We will keep the setting fit for purpose for current conditions and review it as scenario planning, stress tests, or external conditions shift it. • Where activity-level scenario work suggests the headroom assumption no longer fits, we will bring that finding forward to the FS for consideration rather than absorb it in the AP. • Where current headroom settings bind what activity plans can fund, we will make that trade-off explicit, not silent.	
What Council expects to see	**Where more work is required to get there**
• The level of headroom Council holds for shocks remains fit for purpose as conditions change. • Scenario evidence feeds the FS position, rather than activity teams holding their own implicit headroom assumptions. • Where current headroom binds what activity plans can fund, the trade-off is explicit rather than silent.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

5. Enabling Infrastructure and Cross-Cutting Dependencies

The six significant issues identify the structural pressures that will shape infrastructure decisions over the next thirty years. None of them can be effectively responded to without a set of shared enabling capabilities that sit beneath and across every named infrastructure group.

These are not issues in themselves. They are dependencies, the things the strategy assumes are in place. When they are, the strategy can be delivered. When they are not, every significant issue becomes harder, slower, and more expensive to manage.

The six significant issues tell us what we need to respond to. This section identifies what we need in order to respond.

Mana whenua partnership

The partnership with Ngā Papatipu Rūnanga is foundational to how Council plans and delivers infrastructure. The six Papatipu Rūnanga within the Council's district hold responsibilities for the natural systems the city's infrastructure directly affects. Their priorities, including access to safe water, protection of waterways and mahinga kai, stormwater management that protects land and ecology, coastal hazard adaptation, and fit-for-purpose infrastructure enabling access to places of significance, intersect directly with every significant issue in this Strategy.

Effective partnership requires sustained capacity, resourcing, and institutional commitment. It requires that mana whenua input shapes infrastructure decisions before they are made, not after. Where partnership is treated as project-by-project consultation rather than an embedded, ongoing relationship, the quality of infrastructure decisions is diminished and obligations under Te Tiriti o Waitangi are not met in substance.

Mana whenua partnership is distinct and embedded.	
We will treat the relationship with mana whenua as a partnership, not a stakeholder engagement exercise. It will be ongoing and embedded in how we plan, not triggered project by project.	
• We will reflect mana whenua partnership input in infrastructure decisions before they are locked in, not after. • We will distinguish between Treaty partnership obligations and general stakeholder or community engagement in our planning processes. • We will resource capability, systems, and processes to support effective partnership with mana whenua.	
What Council expects to see	**Where more work is required to get there**

• Partnership input shapes infrastructure decisions before they are locked in, not after the decision is effectively made. • Partnership obligations under Te Tiriti are visible in processes as distinct from general stakeholder engagement. • Capability, systems, and resourcing are in place to make partnership real, not nominal.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Digital and technology infrastructure

Digital systems are now embedded in the operation of every infrastructure network. Water and wastewater rely on SCADA, telemetry, and control systems. Transport depends on traffic management, signal control, and real-time monitoring platforms. Community facilities use building management systems and booking platforms. Asset management across all groups depends on data platforms, spatial systems, and data capture tools.

Digital infrastructure is not a named network in the traditional capital programme, but it is a dependency for all of them. When digital systems are underfunded, deferred, or fragmented, the consequences do not stay within IT. They show up as data gaps in renewal planning, slower hazard response, weaker reporting against regulatory requirements, and reduced ability to prioritise across competing demands.

Every significant issue in this Strategy assumes a functioning digital backbone. Renewal waves cannot be managed without reliable asset data. Climate adaptation cannot proceed without monitoring and modelling. Regulatory reform cannot be met without reporting systems that satisfy new standards. When affordability and prioritisation are discussed, the enabling infrastructure that makes better decisions possible is often the first thing deferred and the last thing funded.

> **Digital and technology infrastructure is the single largest cross-cutting dependency in the infrastructure portfolio. It is not an overhead. If it fails or falls behind, it degrades the performance, resilience, and adaptability of every named infrastructure group.**

Digital and technology investment is part of the infrastructure picture.
Where our activity depends on digital systems, we will surface that investment.
• We will recognise that digital systems underpin every named infrastructure group, and that underinvestment degrades them all. • We will make digital and technology investment visible.

• Where digital systems are not keeping pace with network complexity or regulatory reporting, we will surface that to Council.	
What Council expects to see	**Where more work is required to get there**
• Digital investment is visible alongside the infrastructure it supports. • Underinvestment in digital systems shows up as a trade-off, not absorbed into corporate overhead. • Council sees the state of the systems underpinning every infrastructure group, not just the physical assets.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Data and information

Every significant issue in this Strategy depends on the quality of the data and information that underpins decision-making. Renewal planning requires reliable asset condition and age data. Climate adaptation depends on hazard modelling and spatial risk assessment. Growth planning needs current network capacity information. Regulatory compliance requires reporting systems that can demonstrate performance against tightening standards.

Where asset data is incomplete, out of date, or held in fragmented systems, the quality of governance decisions is compromised. Deferrals may be made without a clear understanding of risk. Renewals may be prioritised on assumption rather than evidence. Critical assets may not be identified until they fail. Data and information quality is not administrative overhead; it is the foundation on which every direction in this Strategy is built.

Data and information are governance infrastructure.	
We will make asset data, condition, and risk information visible in the AMP. Where the data is not good enough to support a decision, we will say so in the plan rather than work around it.	
• We will make what assets are critical, what their condition is, and what risk they carry visible in the programme. • We will treat accurate asset data, condition assessment, and decision-support as a precondition for governance, not back-office work. • Where data gaps prevent good decisions, we will surface those gaps during planning, not absorb them.	
What Council expects to see	**Where more work is required to get there**

• Council can see, in the programme, what assets are critical, what their condition is, and what risk they carry, supported by evidence rather than assumption. • Where data gaps prevent good decisions, the gap is surfaced rather than absorbed.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

Workforce, skills, and capacity

Infrastructure does not plan, build, operate, or maintain itself. Every element of the strategy depends on having the right people, with the right skills, available at the right time. This includes internal staff across asset management, engineering, planning, procurement, and operations, as well as the external market of contractors, consultants, and suppliers.

Christchurch is not alone in facing workforce constraints. The infrastructure sector nationally is dealing with an ageing workforce, skill shortages in key disciplines, competition for talent across regions, and a pipeline of work that consistently exceeds available capacity. Nationally, job losses in the construction sector have been notable, with the number of filled jobs down by 5.1 percent in the past year. These pressures are compounded locally by the scale of the rebuild legacy, the complexity of the regulatory environment, and the breadth of the capital programme.

Where workforce capacity is constrained, the strategy slows down. Renewals are deferred not because they are low priority, but because there is no one to deliver them. Adaptation planning stalls because specialist capability is stretched. Procurement timelines extend because the market cannot absorb the volume. Skills and capacity are not a nice-to-have; they are a binding constraint on delivery.

Workforce constraint is named, not absorbed.	
Where workforce or contractor capacity and capability limits what we can deliver, we will name it as a programme risk. We will not let deferred delivery look like deliberate phasing.	
• Where workforce capacity limits delivery, we will surface that constraint as a programme risk, not absorb it as silent deferral. • We will treat sector-wide pipeline pressure on contractors, consultants, and specialist skills as part of the planning environment.	
What Council expects to see	**Where more work is required to get there**
• Workforce-driven delivery slippage is named as a risk rather than disguised as deliberate phasing.	*To be developed through the implementation plan, working with asset managers and activity planners as the Strategy is delivered.*

• Council sees the workforce and contractor capacity and capability constraint distinct from the funding constraint. • Sector-wide pipeline pressure is treated as part of the planning environment, not a surprise. • Appropriate staff capability and skills to deliver programme & manage infrastructure effectively.	

PART B

Most Likely Scenario

6. Most Likely Scenario (Financial)

This section sets out the most likely financial scenario for Ōtautahi Christchurch over the thirty years to 2057, based on current policy settings, the financial parameters established in the Financial Strategy, and the capital programme emerging from Activity Plans and Asset Management Plans.

It provides the 30 year capital, and ten year operating, expenditure projections required by s101B(4)(a). The narrative explains the expected infrastructure trajectory: where renewal peaks sit, where investment is concentrated, where affordability pressure is most acute, and what the scenario implies for rates and debt over time.

DRAFTING NOTE

It will be among the last sections completed, as the projections here are an output of the wider LTP financial and planning work, not an input to it. An early structural draft can be developed once the Activity Plans and Financial Strategy are sufficiently settled. Three waters projections are not included here; they sit in the Water Services Strategy.

PART C

Asset Management Approach, Assumptions and Uncertainty

7. How We Manage Our Infrastructure

This section provides a narrative account of how Christchurch City Council manages its infrastructure portfolio. It describes the approach, principles, and frameworks that guide asset management across all networks, drawn from the Strategic Asset Management Plan and the individual Asset Management Plans.

Understanding how Council manages its assets is essential context for the financial projections and assumptions that follow. The renewal programmes, maintenance regimes, and service level standards underpinning the thirty-year projections in Part B are a product of the asset management approach described here.

DRAFTING NOTE

This section is drawn from the Strategic Asset Management Plan and AMPs, which are anticipated to be refreshed by September 2026. It should cover the overall asset management framework and how it guides investment decisions; how assets are assessed and their condition monitored; the renewal approach including how criticality and performance data are used to prioritise; how levels of service are set and managed; how growth and new demand is planned for; how environmental and public health obligations are met; and how resilience to natural hazards is built into planning. This section should be readable by a governance audience, substantive but not technical.

8. Key Assumptions

This section sets out the key assumptions underpinning the Infrastructure Strategy, particularly those supporting the Most Likely Scenario in Part B.

These assumptions are drawn from the Asset Management Plans and Strategic Asset Management Plan. They represent the best current information held across the organisation, not estimates developed independently for this document.

DRAFTING NOTE

Assumptions are sourced from AMPs and the environmental scan. They will cover: asset life cycles and renewal timing for each major network; population and growth assumptions; service level expectations and how they may change; the regulatory environment and known compliance timelines; construction cost and inflation assumptions; and climate change scenario assumptions used in planning. Each assumption should be clearly stated. Where the assumption is provided as a range rather than a point estimate, the range should be shown.

9. Areas of Uncertainty and Potential Impacts

No thirty-year infrastructure projection can be made with precision. This section identifies the assumptions from Section 8 that carry the highest uncertainty and explains, for each one, what the potential

consequences are if the assumption proves materially wrong, and what would indicate that a significant departure from the expected trajectory is underway.

Christchurch has particular reason to take this section seriously. The city has lived through events that fundamentally disrupted its infrastructure programme and financial position in ways no reasonable Long Term plan could have fully anticipated. The earthquake sequence, the pandemic, and the period of acute construction cost inflation have each in their own way demonstrated that planning for uncertainty is not a theoretical exercise; it is a practical governance requirement.

DRAFTING NOTE
A sub-section of the assumptions above. Information will be sourced from AMPs and the environmental scan.

3. 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
4.	LONG TERM PLAN 2027 - 2037	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 A RANGE OF POTENTIALLY SENSITIVE TOPICS AS PART OF THE LONG-TERM PLAN 2027-37. THIS REASONABLY OUTWEIGHS THE PUBLIC INTEREST IN CONSIDERING THIS MATTER IN PUBLIC.	18 DECEMBER 2026 FOLLOWING A FORMAL PUBLIC MEETING OF COUNCIL (ESTIMATED FOR MID-DECEMBER 2026) TO CONFIRM THE CONTENT FOR PREPARATION OF THE DRAFT LTP 2027-37 ADOPTION REPORT AND CONSULTATION DOCUMENT.