

Have your say on **Our Long Term Plan**

Christchurch City Council draft Long Term Plan 2018–2028
Consultation Document, Christchurch Ōtautahi

ccc.govt.nz/haveyoursay



Cautionary note

The forecast financial statements in the draft Long Term Plan 2018–2028 have been prepared on the basis of best estimates available at the time of preparing the accounts. Actual results may vary from the information presented and the variations may be material.

The purpose of this Consultation Document is to inform the community on the spending priorities outlined in the draft Long Term Plan, and may not be appropriate for any other purpose.

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How to Have Your Say

This is your opportunity to influence the decisions we make, and we look forward to your feedback.

We're keen to hear from as many of you as possible. In the past we have held drop-in meetings, but this year we plan to come to you, at the places people gather. Look for us at farmers' markets, fairs and Council events. We'll be there, approaching people and keen to hear your views on this, our Long Term Plan 2018–2028.

There are several ways you can participate, so please tell us what you think.

See our Have Your Say page at the back of this document or go online to **ccc.govt.nz/haveyoursay** for more information.

Mayor's introduction

“We’re in this together” is the theme I have chosen for this Long Term Plan (LTP). It is intended to signal a collaborative approach, both in terms of the planning for the next decade and in the delivery of our goals.

When I wrote the introduction to the first post-earthquake Long Term Plan in 2015, the Council was still facing significant financial uncertainties around the true cost of the repair and rebuild of the city, and our insurance position was not resolved. Despite these uncertainties, we were required to fund commitments agreed to by the previous Council. Since then, we have settled our insurance claim for a global settlement and we have a much better understanding of our financial situation. The previous Plan also adopted a capital release programme that anticipated our holding company (Christchurch City Holdings Ltd) selling shares in some of our companies. No such sale was concluded. We have taken that approach off the table.

This means we need to have a serious conversation about what we prioritise in this LTP, what we defer and what we do differently.

As a city we still face significant financial challenges as a direct result of the Canterbury earthquake sequence.

In this document we have included advice about what the real costs of the earthquakes have been, in terms of the impact on ratepayers, and we have calculated what future costs remain. This is a significantly larger figure than I had imagined and so our focus has to be on prioritising the work that still needs to be done. In setting priorities, we must get the basics right before we fully commit to projects the city may or may not be able to afford. We also need to maintain the capacity to respond to issues that arise, like further earthquakes, floods or fire, while at the same time being able to take advantage of new opportunities as they emerge. Recent events have reinforced the importance of getting the basics right. In January this year,

we had to make the decision to chlorinate our drinking water temporarily while we bring our below ground well heads up to standard. We are urgently accelerating work to seal the well heads to the required standard, to minimise the time we have chlorine in the water.

We are proud of our status as New Zealand’s “garden city” and we don’t ever want to lose that. We all need to play our part. We also need to consider what a “garden city” means in the 21st century. It’s about sustainability, environmental protection, ecological values, clean rivers, clean air and food resilience.

This is one of the reasons we are reviewing our ‘no mow’ trial. It was aimed at improving the quality of the rivers by reducing the amount of rubbish, grass and other vegetation getting into the river, while at the same time improving the breeding environment for inanga (whitebait). However, it has meant the riverbanks have got out of control with grasses and weeds. We will be making changes and working with local communities about planting the riverbanks to create the same protection while still allowing access to the rivers.

The truth is we can achieve much more if we create meaningful partnerships that engage our communities in setting and delivering these environmental goals. We will continue to nurture our relationship with the district’s Papatipu Rūnanga o Ngāi Tahu, with whom we are building positive connections through our joint committee of leaders. Our shared value for improving water quality is especially important but we can work together on other matters of mutual interest to our communities.

As well as getting the basics right, it is also important to be aspirational for the city we all call home. The earthquakes have enabled us to see a new vision for Christchurch as a place of opportunity for all – a place that is open to new ideas, new people and new ways of doing things. A place where anything is possible.

The Council has developed a new strategic framework to support this vision. The following six strategic directions identify the areas where we want to see, over time, a change in approach or an increased focus. Together with our proposed new community outcomes, they provide the strategic platform

I can’t emphasise enough how important it is for you to take the opportunity to have your say. That is the whole point of this consultation booklet – for you to have your say on what we do and how we do it.

for this Long Term Plan and help guide our decision-making. They are:

- **Enabling active citizenship and connected communities**
- **Maximising opportunities to develop a vibrant, prosperous and sustainable 21st century city**
- **Climate change leadership**
- **Informed and proactive approaches to natural hazard risks**
- **Increasing active, public and shared transport opportunities and use**
- **Safe and sustainable water supply and improved waterways.**

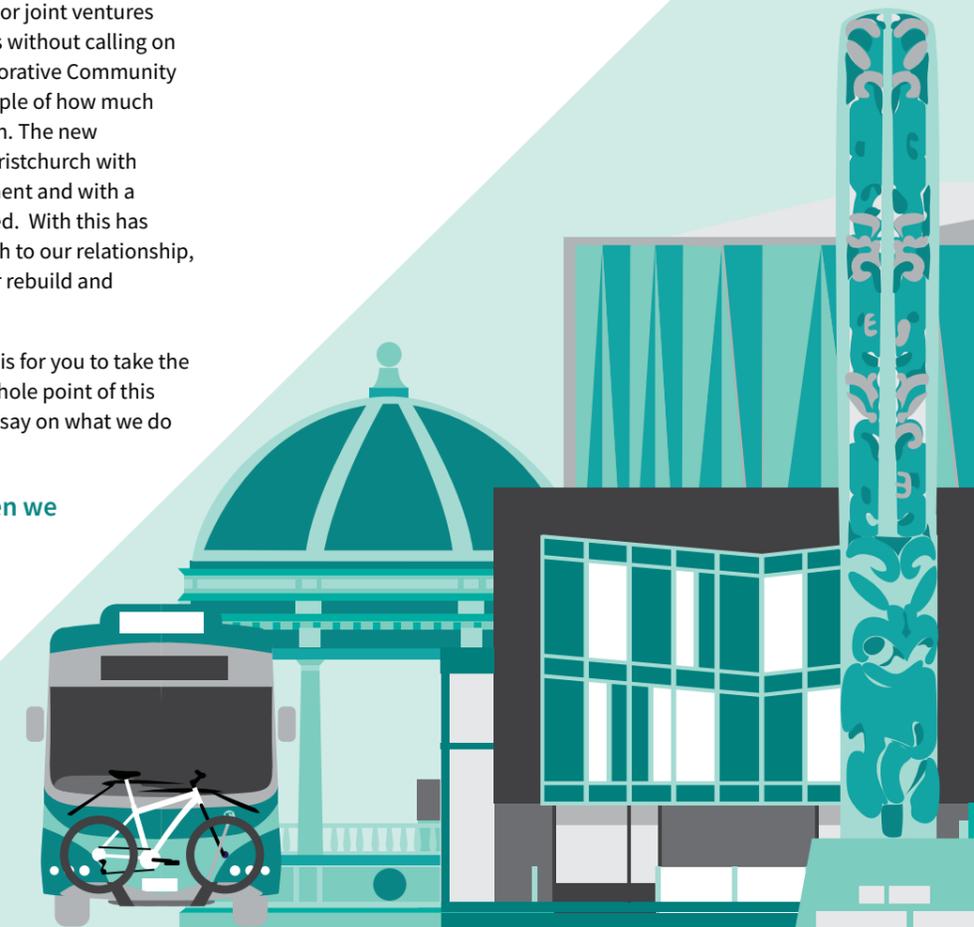
For next year, we propose to keep the average residential rate increase at 5.5 per cent, with a reducing rate of increase over the 10-year life of this Plan. Rates revenue is a finite resource, and we need to consider new sources of funding. In this Long Term Plan consultation document, we ask for your views on the idea of a local fuel tax, as is planned for Auckland. We’re also investigating subsidies, collaborations or joint ventures that may help us achieve our strategic goals without calling on rates to fund the whole amount. The collaborative Community Resilience Partnership Fund is a great example of how much more we can achieve with such an approach. The new Government has made commitments to Christchurch with a stated desire to negotiate a global settlement and with a Capital Acceleration Facility being developed. With this has come the promise of a partnership approach to our relationship, which I believe can expand well beyond our rebuild and regeneration opportunities.

I can’t emphasise enough how important it is for you to take the opportunity to have your say. That is the whole point of this consultation booklet – for you to have your say on what we do and how we do it.

We can achieve so much more when we work together.



Lianne Dalziel
Mayor of Christchurch



What is a Long Term Plan?

All local authorities must prepare a long term plan every three years, outlining the what, when and how of their planned spending.

This process allows us to take a long-term view of our responsibilities and to respond to changes in community needs or in our financial circumstances. Like any good business, we must regularly review our plans to ensure they remain appropriate. Any changes can be incorporated into our annual plans.

A long term plan focuses on the 'big picture' – our opportunities and challenges – and how we plan to manage them.

This is only our second Long Term Plan since the earthquakes of 2010 and 2011. Recovering from disaster on the scale we experienced is expensive and takes time. Long-term planning in this context is particularly challenging because of the scale of the work that still must be done. It is important that we set realistic time frames and that costs are shared fairly across present and future generations.

Repairing our in-ground infrastructure and roads remains a high priority. Changes to our natural environment have made us more vulnerable to flooding, which, when coupled with the reality of climate change – increased frequency and severity of

storm events and the impact of future sea-level rise – require careful, adaptive, long-term planning and significant ongoing investment.

The foundation stones of the Long Term Plan are our Infrastructure Strategy and our Financial Strategy.

The Infrastructure Strategy sets out how we will provide, maintain and manage our infrastructure, including drinking water, wastewater, stormwater (including flood protection systems), roads, facilities, parks, solid waste (rubbish, recycling and organics) and information and communication technology. The Financial Strategy sets out how we plan to fund this work.

We have made a commitment to keep the average increase in residential rates at 5.5 per cent, with a declining rate of increase across the 10-year life of this Long Term Plan. However, as you will see when you work through this consultation document, this means trade-offs. We hope you will share your own thoughts on these proposals.

Summary of our key proposals

The key proposals outlined in the Long Term Plan 2018-2028 are to:

Increase the average rate by 5.5 per cent in the 2018/19 financial year, with the average increase declining over subsequent years of the 10-year period.

Prioritise work to maintain and renew water supply infrastructure and stormwater infrastructure, which are critical to the health and wellbeing of the city and the people of Christchurch.

Defer work to renew wastewater infrastructure to free up funding to improve roads.

Prioritise work to reduce the flood risk in those parts of the city that have become more vulnerable to flooding since the earthquakes.

Prioritise work to improve our roads.

Prioritise work to complete the Major Cycle Routes so we can make the most of Government subsidies that may not be available later.

Prioritise work to maintain our parks and riverbanks.

Fund new facilities, including a new Woolston / Linwood pool and a new library, service and leisure centre in Hornby.

Meet our legal obligations under the cost-sharing agreement with the Crown to fund our share of the Metro Sports Facility and the Multi-use Arena (stadium).



Throughout this document you will find more information about these and other proposals and the questions we want you to think about and give us feedback on.



The big question

The main issue for Christchurch – set out in this Consultation Document and supported by the Financial Strategy and the Infrastructure Strategy – is the balance between the significant cost of the work that needs to be done on our infrastructure, the speed at which that work is done and rates affordability.

This means the Council has had to prioritise some projects over others to keep the average rates increase down.

The Council has strived to keep the proposed average rates increase as low as possible, at 5.5 per cent, while it also works to complete remaining earthquake repairs, replace ageing infrastructure and maintain a focus on regeneration.

Our big question in this Plan is whether or not we have achieved the right balance between earthquake recovery, maintaining services and planning for growth against affordability of rates.

Of course, we would like to do more and do it more quickly, but this would mean we would have to set an average rate increase of more than the proposed 5.5 per cent this year.

Once you have looked at our proposed capital programme for the next 10 years, you may want to suggest that we reprioritise some of the projects. You may also have suggestions for other things that you would like included. However, reprioritising could require an adjustment to the proposed levels of service, the level of rate increases and/or debt. Before we make any decisions, we would need to determine the cost involved and the extent of community support for any change.

Our big question in this Plan is whether or not we have achieved the right balance between earthquake recovery, maintaining services and planning for growth against affordability of rates.

Have Your Say

Have we got the balance right?

Looking across all the services, projects and activities that Council delivers, have we prioritised the right things?

Do you have a project or programme that you think should be reprioritised? (please provide details)



Other considerations

In preparing this Long Term Plan, we have drawn on ‘the knowns’ – the infrastructure, facilities and services we know we will be funding and providing.

Our planning and funding allocations for the budget must be based on fact, but there is uncertainty over some issues that we know could impact on this 10-year plan.

The following things have not been included, but may impact the Long Term Plan and require an amendment in the future:

Residential Red Zone

Plans for this huge area between the central city and the sea have not been finalised. The regeneration area comprises about 602 hectares of earthquake-damaged land. Regenerate Christchurch has undertaken wide public engagement, and several large-scale and smaller-scale projects have been suggested for this land alongside the Avon/Ōtākaro River, but no decisions have yet been made.

Government contribution

During the election campaign, Labour, which now leads the Government, talked about a \$300 million Capital Acceleration Facility as a contribution towards the regeneration of our city. How this and any global settlement will be structured is unknown, so it has not been included in this Long Term Plan. At the time of print, the Government is reviewing two of its anchor projects, the Metro Sports Facility and the Stadium, with a view to identifying the true cost of the stadium and looking for synergies between the projects. Again this is not factored into the Plan.

Water treatment

The Havelock North inquiry into drinking water contamination recommended that central government legislate to require all local authorities to treat their drinking water supply. Christchurch’s drinking water is drawn from underground aquifers and is normally untreated. At the time of writing, our drinking water is being temporarily treated with chlorine, because of work that needs to be done on the below ground well heads and which we are progressing as fast as we can. The Council’s intention is to stop treating the water as soon as we have the sign-off from the Drinking Water Assessor. We will seek an exemption from the requirement to treat should the government accept the recommendation from the Havelock North inquiry. Apart from our desire not to permanently treat our water and the strong checks and balances we have in place, it could cost \$100 million in capital, with ongoing operational costs of \$5 million per year.

When we know more about these matters, we will consult with you.



Challenging times

Our decision-making must be in light of several overarching challenges, including:

- **Asset renewals** – Some of our in-ground infrastructure for water, wastewater and stormwater, as well as roads and footpaths, is nearing the end of its expected life and needs replacing.
- **Post-earthquake recovery and regeneration** – We have come a long way since the earthquakes of 2010 and 2011, but we're not there yet. We are still repairing and replacing infrastructure such as roads, pipes and large and small facilities such as swimming pools and community centres, and regenerating those areas worst affected by the earthquakes.

- **Climate change** – Christchurch, as a coastal city, needs to prepare for sea-level rise, as well as an anticipated increase in the occurrence and severity of storm events. This will be an important focus of the coastal hazards chapter of our District Plan, to be developed over the next couple of years.
- **Affordability** – Repairing and replacing infrastructure is expensive work. We need to spread the cost of this work fairly across current and future generations.

The cost of our earthquakes

We asked Deloitte to look at our books and calculate the financial cost to the Council of the earthquakes that damaged much of Christchurch and Banks Peninsula in 2010 and 2011.

Deloitte used our long-term plans, forecasts and actual financial information to assess the financial impact of the quakes.

According to Deloitte's calculations, the total additional cost of the earthquakes is expected to be approximately \$10 billion. Of that amount, about \$2.3 billion has been funded by other parties, leaving the Council about \$7.7 billion to fund by rates, debt and other sources.

Deloitte calculates that as at June 2017, the earthquakes have cost the Council about \$3.6 billion.

This amount has been funded mainly by:

- Crown contributions \$1.6b (approx.)
- Insurance payout \$0.9b (approx. including Vbase)
- Increased rates levies \$0.1b (approx.)
- Capital release \$0.2b (approx.)
- Increased debt \$0.6b (approx.)

In forecasting the ongoing costs, Deloitte calculated a further \$4 billion of earthquake-related capital investment over the next 30 years is required to return assets to their pre-earthquake condition. When inflation is factored in, this additional spending increases to \$5.7 billion over the next 30 years.

Deloitte also calculated an additional \$0.8 billion of future earthquake-related operational spending. This is forecast to occur through to 2025 as we undertake ongoing rebuild activities. In addition, there may be further interest costs depending on the way additional spending is funded.

We're making progress

We've achieved a lot in the three years since our first post-earthquake Long Term Plan. At that time we did not know what our insurance payout would be and there was a view that central government would fund more infrastructure repairs than actually happened. So, we are still living in the shadow cast by our earthquakes.

The Stronger Christchurch Infrastructure Rebuild Team (SCIRT) programme ended in mid-2017. The programme did not complete all the necessary repairs to horizontal infrastructure because the Cost Sharing Agreement did not cover all the earthquake-related damage – just that which was required to get the network back in action.

We have developed a new regeneration ecosystem: Regenerate Christchurch (statutory planning), Development Christchurch Ltd (the Council's development company) and Ōtākaro Ltd (the Crown's project manager for Anchor Projects). With the new Government we wish to review this approach so we can accelerate progress, while ensuring we deliver value for money.

ChristchurchNZ is a new entity, set up to bring together the functions of Christchurch and Canterbury Tourism and the Canterbury Development Corporation.

In 2018/19 ChristchurchNZ will receive \$10.2 million from the Council, to enable it to carry out a range of activities including attracting major events, economic development, encouraging visitors, and promoting the city. To fulfil this role they are seeking additional funding of \$1.4 million so that they can establish a dedicated seed fund that can be used to bid for major events on behalf of the city, support new events through sponsorship and test the feasibility of new concepts. Major events bring direct and indirect economic benefit to the city, its businesses and communities. The rates impact of the additional seed fund activities would be 0.31 per cent in 2018/19 on top of the 5.5 per cent average rates increase.

We've achieved a lot in the three years since our first post-earthquake Long Term Plan.

Have Your Say

What do you think of the Council providing additional funding to ChristchurchNZ so that it can bid for major events on behalf of the city, support new events through sponsorship and test the feasibility of new concepts?



Issues, proposals and options

Our Financial Strategy aims to strike a balance between delivering the levels of service you expect, and our ability to fund that through rates and debt.

These are interrelated, and altering one will affect at least one of the others. For example, if rates are reduced then either levels of service must also reduce, or we must borrow more to compensate for the drop in income.

To address this issue, our proposal is to keep rate increases at what we believe is an acceptable level by deferring some aspects of the capital programme and maintaining the current rate of borrowing. We also looked at other options, described below as the 'higher cost' and the 'lower cost' options.

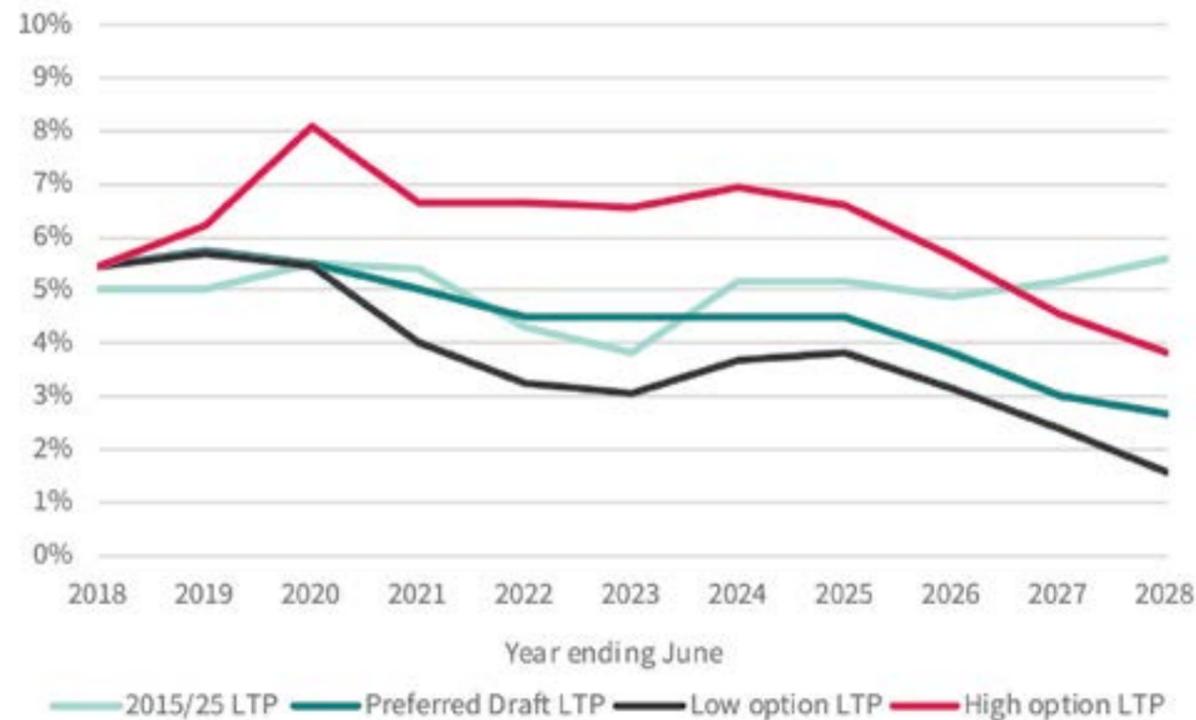
Under the 'higher cost' option as much as \$17.1 billion of work would be required over the next 30 years to restore and maintain assets to an optimal level. Of this sum, \$6.2 billion falls within the 10 year period of this Long Term Plan.

The lower cost option would reduce these figures to \$11.1 billion and \$3.3 billion. However, there would be a resulting reduction in levels of service.

We believe our proposal meets the obligations imposed on every local authority, which include ensuring prudent stewardship and the efficient and effective use of the city's resources by planning effectively for the future management of our assets.

These options are explained in detail in the Infrastructure Strategy.

Average Rates Increase to Existing Ratepayers



Our proposal

The proposal will enable us to maintain our current position and to focus on improving our roads, facilities and parks. We will be able to make steady progress on projects across the city and Banks Peninsula, to maintain most of our current levels of service and to hold the average rate increase at 5.5 per cent. The average rate increase in 2018/19 is 5.5 per cent (plus the annual Christ Church Cathedral rate of \$7.19 from July 2018), and the average over the 10-year period is 4.37 per cent per year. We will not be able to address all the issues with our in-ground infrastructure, partly because we will prioritise work to repair roads. So, the condition of some wastewater assets will still deteriorate and wastewater overflows are expected to increase.

A lower-cost option

We considered spending less. Under this scenario, there would be fewer asset renewals and some projects would be delayed. This would achieve lower average rates increases over the next 10 years. There would still be a 5.5 per cent average rate increase in 2018/19 (plus the annual Christ Church Cathedral rate of \$7.19), but with an average increase over the 10-year period of 3.6 per cent per year. Under this option we would make slower progress on projects across the city and Banks Peninsula, the condition of our infrastructure assets would decline and levels of service could drop. As well as wastewater assets deteriorating, the condition of water supply, stormwater and road assets would deteriorate. There could be an increased public health risk from contaminated water as there could be more pipe breaks, infrastructure would not be provided for growth areas after the first three years, roads could get rougher, we would be highly unlikely to gain a global stormwater discharge consent, more houses would remain at risk of flooding and the condition of waterways could deteriorate. This approach would not allow us to be good stewards of the city.



A higher-cost option

We considered spending more. This would allow us to speed up progress on projects across the city and Banks Peninsula and to increase our levels of service. There would be additional projects to restore core infrastructure to its optimum condition, the condition of roads would be returned to a level similar to other New Zealand cities over 10 years rather than 20 years, the risk of flooding would be reduced to pre-earthquake levels in 30 years, wastewater overflows to waterways would reduce and the uptake of active and public transport would increase. However, to achieve this we would have to take on more debt and, in doing so, we would exceed the net debt to revenue ratio allowed by the Local Government Funding Agency (LGFA). There would be an average rates increase in 2018/19 of 6.0 per cent (plus the annual Christ Church Cathedral rate of \$7.19) and an average increase over the 10-year period of 6.2 per cent per year.





Financial Strategy

It's a balancing act

In setting our Financial Strategy, we need to balance the costs of delivering our projects and services with the funding available through rates and borrowing.

These three variables – costs, rates (our main source of income) and debt – are inter-related. Any change in one needs to be offset by changes in at least one of the others. For example, if we reduce our rates increase, we need to reduce our costs (by deferring projects or reducing our levels of service) and/or take on more debt.

Our draft Financial Strategy presents an approach to these challenges and outlines the key financial limits that the Council will operate within over the 10-year period of the Long Term Plan. As with our first post-earthquake Long Term Plan (2015-25), our main financial challenge is to continue funding the rebuild and regeneration of the city while

continuing our normal business activities and keeping rate increases at a reasonable level.

Our funding options are limited. This Long Term Plan focuses on rescheduling our capital programme and, in some cases, reducing our levels of service as a way to keep our rates increases to a minimum.

Our decision-making is explained in more detail in the Financial Strategy and our Infrastructure Strategy. We have built our key risks and assumptions into these strategies. Hard copies are available for viewing at any Christchurch City Council Service Centre or Library.

Our rates proposals

In setting this Long Term Plan, we examined each area of spending to ensure budgets are set appropriately and to minimise the impact on our rates.

As we have already outlined, our proposal is to hold the average residential rate increase to 5.5 per cent. The effect of this on rates and debt is explained below. This proposal is financially viable and, we believe, a prudent long-term approach.

The Council agreed to make a \$10 million special heritage contribution towards the reinstatement of Christ Church Cathedral, which will be funded through a new targeted rate.

This is a temporary rate, for up to 10 years from 1 July 2018, so we have not included it in our overall rates or average increase calculations. It will be applied annually at \$7.19 per property, on the same basis as the existing Active Travel targeted rate.

The rates and debt effect of our proposal is outlined in detail in the Financial Strategy.

Our proposal

<p>Average rates increase:</p> <p>5.5 per cent in 2018/19</p>	<p>Net debt to revenue ratio:</p> <p>Peaks at 206 per cent in 2024, declining to below 150 per cent by 2035</p> <p>(well within the Local Government Funding Agency (LGFA) limit of 250 per cent).</p>	<p>Gross debt:</p> <p>Peaks at \$2.7 billion in 2025</p>	<p>Risk:</p> <p>Wastewater assets will deteriorate, resulting in increased wastewater overflows.</p>
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What if we spent less?

In considering whether we could spend less, we calculated there would be no reduction in the average rates increase in 2018/19 but thereafter rates increases decline to 1.58 per cent in 2028. Our net debt to revenue ratio would peak at 172 per cent in 2024 and gross debt would peak at \$2.2 billion in the same year. However, by spreading work over a longer timeframe in subsequent years of the Long Term Plan there was a reduced level of renewals. With this approach there would be a risk that our assets would deteriorate further, meaning we would be unable to meet promised levels of service. There would also be increased operational costs and capital costs would rise because of unplanned maintenance work.



What if we spent more?

If we did some of the work earlier than set out under our proposal, our net debt to revenue ratio would peak at 299 per cent in 2025, well above the LGFA limit of 250 per cent, and this is not acceptable. Gross debt would continue increasing through to 2034 and the rate increase in 2018/19 would be 6.0 per cent. In any case, we simply don't have the ability to speed up this work and remain within the net debt to revenue ratio required. Even under our proposal, to ensure that we remain within the required net debt to revenue ratio we may need to give some projects priority over others.



It's important to know that the proposed 5.5 per cent rates increase is an average figure. Individual properties may experience either a larger or a smaller increase depending on their value and which of our rates they are charged, but 5.5 per cent is the average increase. (See the table on the right).

It's also important to understand that our general rate (which is charged as a percentage of each property's capital value and raises the bulk of our rates revenue) has historically been charged differentially – that is, business properties are charged a premium and remote rural properties are charged at a discount. In 2018/19, changes to the amount of revenue to be collected from the general rate compared with our water and sewerage targeted rates would result in rates increases being higher for homeowners than for businesses or farms, to an extent considered to be inappropriate.

Our general rate differentials have therefore been adjusted, marginally, to bring the overall rates increase for the average-value business property more into line with that of the average-value house, while leaving the increase faced by the average-value remote rural property materially unchanged.

The adjusted differentials are 1.6842 for business properties (previously 1.66), and 0.7534 for remote rural properties (previously 0.75).

The tables on the right show the proposed rates increases by property type (figures include GST but do not include the separate regional council rates set by Environment Canterbury). These tables do not include the new Christ Church Cathedral targeted rate.

Capital Values	2017/18 Rates	2018/19 Rates excl. Cathedral	Base change
200,000	\$1,168.48	\$1,224.48	4.79%
300,000	\$1,611.53	\$1,694.68	5.16%
400,000	\$2,054.57	\$2,164.87	5.37%
500,000	\$2,497.62	\$2,635.07	5.50%
600,000	\$2,940.66	\$3,105.27	5.60%
700,000	\$3,383.71	\$3,575.46	5.67%
800,000	\$3,826.75	\$4,045.66	5.72%
1,000,000	\$4,712.84	\$4,986.05	5.80%
1,500,000	\$6,928.07	\$7,337.03	5.90%
Average House			
500,229	\$2,498.63	\$2,636.15	5.50%

200,000	\$1,562.43	\$1,634.79	4.63%
400,000	\$2,842.48	\$2,985.49	5.03%
600,000	\$4,122.52	\$4,336.20	5.18%
800,000	\$5,402.57	\$5,686.90	5.26%
1,000,000	\$6,682.61	\$7,037.60	5.31%
1,500,000	\$9,882.72	\$10,414.36	5.38%
2,000,000	\$13,082.83	\$13,791.11	5.41%
3,000,000	\$19,483.05	\$20,544.62	5.45%
5,000,000	\$32,283.49	\$34,051.64	5.48%
Average Business			
1,647,520	\$10,826.88	\$11,410.63	5.39%

200,000	\$762.73	\$767.85	0.67%
400,000	\$1,279.28	\$1,288.24	0.70%
600,000	\$1,795.82	\$1,808.64	0.71%
800,000	\$2,312.37	\$2,329.03	0.72%
1,000,000	\$2,828.91	\$2,849.43	0.73%
1,500,000	\$4,120.27	\$4,150.42	0.73%
2,000,000	\$5,411.63	\$5,451.41	0.74%
3,000,000	\$7,994.35	\$8,053.39	0.74%
5,000,000	\$13,159.79	\$13,257.35	0.74%
Average Farm			
952,237	\$2,705.55	\$2,725.15	0.72%

Total expenditure by activity (10 years)

	\$000	%
Communities and Citizens (libraries; art galleries; museums; recreation & sport; community arts & events; community development and facilities; civil defence; customer services & communications)	1,927,759	19%
Roads and Footpaths	1,396,457	13%
Corporate Revenues and Expenses¹	1,296,019	12%
Wastewater	1,179,308	11%
Water Supply	828,501	8%
Parks, Heritage and Coastal Environment	742,945	7%
Regulatory and Compliance	597,576	6%
Refuse Disposal	513,856	5%
Stormwater Drainage	479,836	5%
Transportation	499,904	5%
Flood Protection and Control Works	425,567	4%
Strategic Planning and Policy	352,180	3%
Governance (Council and Community Board meetings, hearings, elections, public consultations)	254,557	2%
	10,494,465	100%

Note 1: Corporate revenue and expenses is a cost that doesn't sit in other groups or activities. It includes \$823 million of interest expense, \$254 million for the Multi-use Arena plus information and communication technology capital expenditure of \$192 million.

Our people

Throughout this consultation document you'll meet some of 'our people' – ordinary people who live, work and play here. We asked them what they care about, and what they think we should be focusing on in the next 10 years.

You can read more about them in the coming pages, and go online to hear more at ccc.govt.nz/ltp

“We need more affordable, attractive inner city living. We need to make better use of our public spaces, and we need the infrastructure and amenities that support a vibrant central city.”



Jacob Nutt

If we want a truly global city, we need to make sure there are opportunities for all ages. For Jacob, who grew up and studied here, that means building on the momentum and vibrancy we're now seeing in the city.

Three years into his career as a solicitor, Jacob has no plans to leave any time soon. “I think previously Christchurch was seen as a place where you went to settle down and have kids. Since the earthquakes things have changed and there's a lot more going on. It's still a great city for families, but there's also real potential here for people and businesses who want to try new things.”

Jacob believes we need to focus on initiatives that help young people engage with the city if we want to continue to attract people to Christchurch and have them living here out of choice, not necessity. “We need more affordable, attractive inner city living. We need to make better use of our public spaces, and we need the infrastructure and amenities that support a vibrant central city.”

Hear more from Jacob at ccc.govt.nz/ltp

Earthquake recovery

Significant earthquake-related investment is still required in the Council’s key infrastructure assets of roads, water supply, wastewater, stormwater and flood protection.

Although the investment undertaken by the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) has been completed, this was only intended to provide for the restoration of broken infrastructure so that services could be restored. Large parts of our networks remain functional but significantly damaged, and the investment needed to repair these and restore our desired levels of service will continue to place pressure on the Council’s capital spending and borrowing requirements for many more years.

We are progressing well with our facility and heritage asset restoration and replacement projects with many open to the public. The Council committed to a programme early on in the recovery process to ensure local communities could return to a level of normality.

We also have commitments to Anchor Projects managed by the Crown, and will face ongoing operating cost pressures as new community facilities (such as Tūranga, the new central library, and the Metro Sports Facility) are completed.

In the private sector, earthquake recovery is progressing well. The district’s population recovered to its pre-earthquake level in June 2017. House prices have also stabilised. Although numerous vacant spaces remain in the central business district (CBD), a large number of major commercial tenants have re-established in the central city.

New building consent volumes have declined significantly towards pre-earthquake levels, indicating that a substantial portion of private sector rebuild activity has been completed.

However, this gradual normalisation of residential and commercial development activity will place additional pressure on the Council’s budget, as its ongoing cost pressures will need to be met without the benefit of a fast-growing rates base – the natural growth in the Council’s rates revenue is projected to decline back towards a pre-earthquake population-driven pace over the 10 years covered by this Long Term Plan.

Since the earthquakes we have had to increase rates each year to cover our share of the repair costs and to fund the usual business of the Council. Unfortunately, despite the rates increases (see table), funding from rates has not been enough to repair or replace all that we have lost in the earthquakes.

We estimate the earthquakes have had, and continue to have, an effect on rates of \$66 million, or 13.5 per cent of total rates in 2018/19.

Even so, we have managed to keep rates increases lower than they were in several pre-earthquake years.

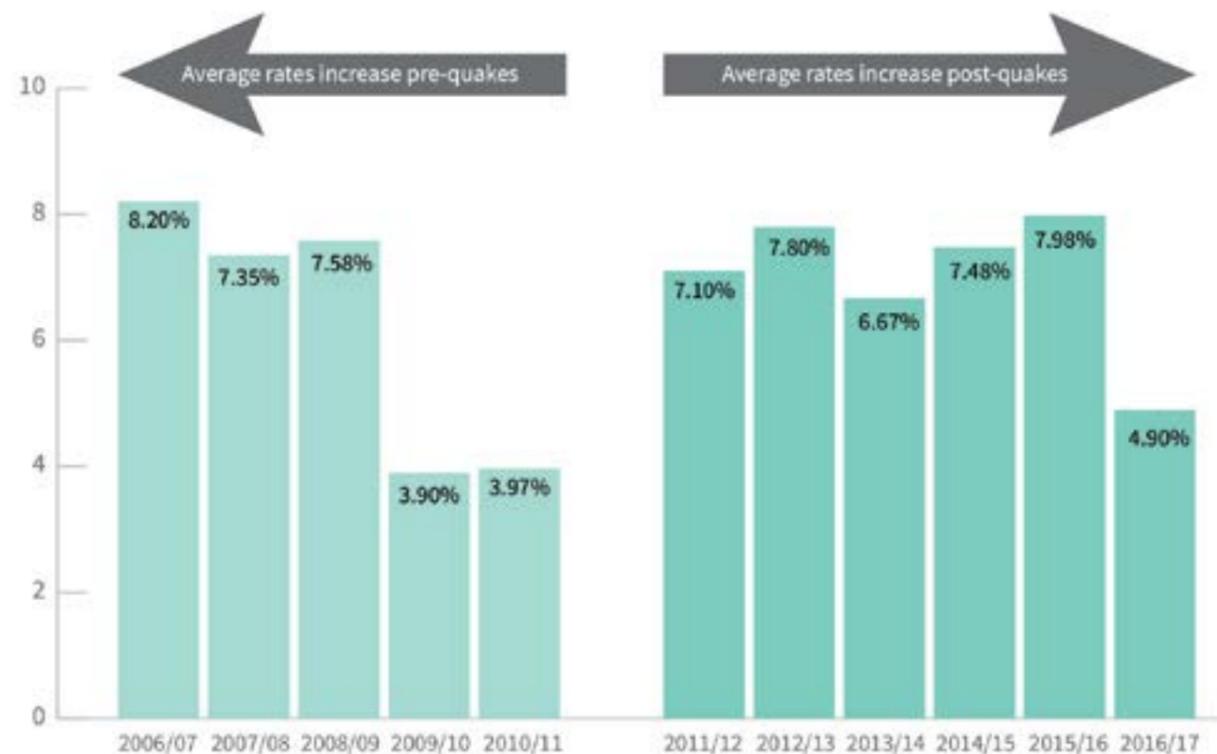
The earthquakes are continuing to have an effect on Council spending. Repairing and renewing our horizontal infrastructure since the earthquakes has been more complex, taken longer and cost more than was budgeted for in the last Long Term Plan (2015-25). In this Long Term Plan, we will prioritise our ongoing investment requirements so that assets in the worst condition and which are the most essential or of the greatest benefit are done first. Where possible, we co-ordinate with other planned Council work to minimise disruption.

We will invest \$530.2 million in the city’s infrastructure over the 2018/19 financial year. A special dividend of \$140 million will be paid by CCHL in 2018/19, the final year of their \$440 million capital release programme.

Our proposal

We propose **an average rates increase of 5.5 per cent in 2018/19**, with the increase tracking down over subsequent years of the LTP to settle at a level in line with local government inflation.

We propose **continuing to prioritise our work on horizontal infrastructure** (roads, pipes etc) so that the most urgent work is done first, based on the condition of the asset, its importance and weighing the benefits to be gained in doing the work against the consequences of not doing the work.



Have Your Say

What do you think of this plan for an average rates increase of no more than 5.5 per cent, reducing over the next 10 years?

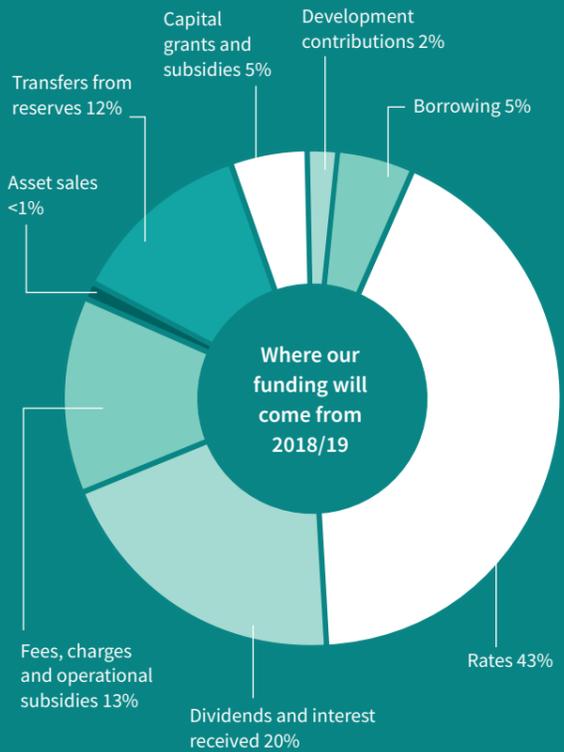
Where our funding comes from

Rates are the main source of funding for the Council's activities.

In the 2018/19 financial year the Council is proposing to collect \$486.9 million in rates to help pay for essential services as well as capital renewal and replacement projects and events and festivals. This income is supplemented with funding from fees and charges, Government subsidies, development contributions, interest and dividends from subsidiaries (including the CCHL release of capital).

Where our funding will come from 2018/19

Funding sources 2018/19	%	\$000
Borrowing	5%	58,957
Rates	43%	486,874
Dividends and interest received	20%	226,999
Fees, charges and operational subsidies	13%	153,768
Asset sales	<1%	465
Transfers from reserves	12%	135,169
Capital grants and subsidies	5%	59,365
Development contributions	2%	21,215
	100%	1,142,812

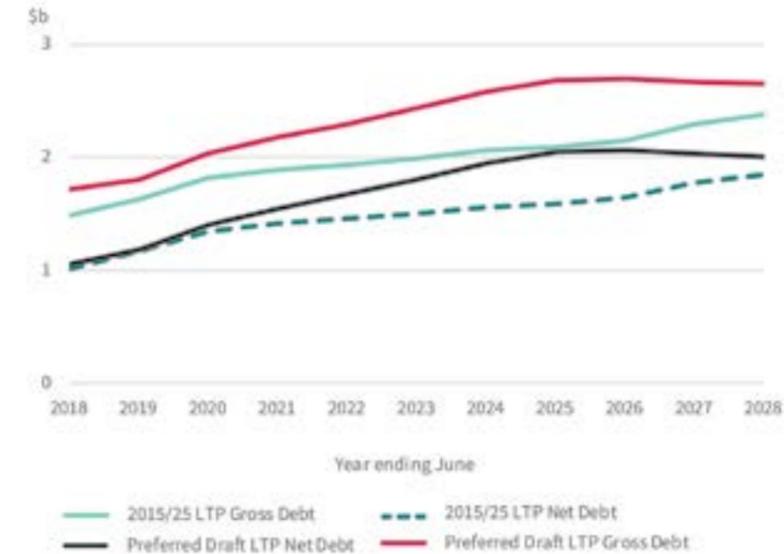


Projected income from rates over 10 years

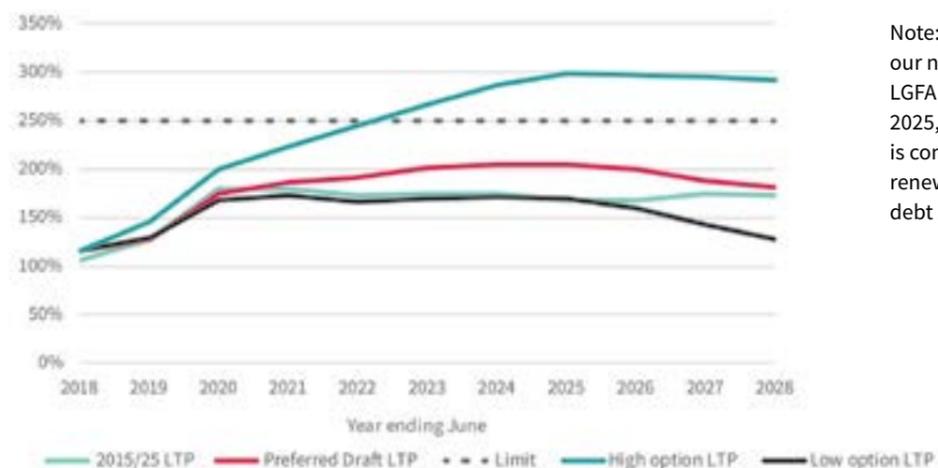


The Council owns shares in major local companies through its wholly owned subsidiary Christchurch City Holdings Limited (CCHL). These companies include Christchurch International Airport, City Care, Lyttelton Port Company, Orion, Eco Central, Enable Services and Red Bus. CCHL is forecasting to pay a normal dividend of \$48.3 million in 2018/19.

Projected debt



Projected net debt / revenue ratio



Note: Our preferred option maintains our net debt/revenue ratio within the LGFA limit. Debt increases through to 2025, about the time the Multi-use Arena is completed. Increased rating for asset renewals through to 2029 contribute to debt levelling out after 2025.

Where our funding comes from continued

Alternative funding sources

Another issue we think may be important to you is identifying alternative means of funding the Council's activities. At the moment we meet most of our costs from rates, borrowing, and dividends from our trading organisations.

The Government is about to introduce new legislation that will enable the Auckland Council to fund new transport infrastructure by way of a regional fuel tax. This is expected to raise at least \$130 million each year for 10 years.

We think other local authorities should be given the same opportunity and intend discussing this with the Government. We estimate that with about 500 million litres of fuel (petrol and diesel) being purchased across Christchurch each year, a 4-cent a litre tax will raise at least \$15 million annually. This would enable us to do more in the transport area, by accelerating the repair of earthquake damaged roads and/or developing initiatives to ease some of the pressure on the city's transport network.

A review of local government funding undertaken by Local Government NZ in 2015 found that local governments "must have access to an expanded range of fit for purpose funding tools so that they can prudently meet increasing and changing demands." They operate "in an era where concern about rates affordability within the local government sector and beyond is becoming increasingly prevalent."

The review recommended (among other things) that road user charges, targeted levies and fuel taxes should be allowed. Also, that councils should be allowed to levy specific charges and taxes on visitors.

We haven't explored any of these ideas in any detail, but there appears to be increasing support among local authorities for moving away from the current property-based rates system to fund their activities. Many are facing the huge cost of replacing ageing pipes, or developing new networks to accommodate growth, with a rating base that simply isn't large enough.

This is a topic that is likely to develop over the term of this Long Term Plan, but we would like to start a conversation with our community sooner rather than later. So feel free to have your say. Any proposal to introduce alternative means of funding would be the subject of formal consultation, once all reasonably practicable options have been identified and the advantages and disadvantages of each properly assessed.

Have Your Say

Do you think we should investigate other ways to raise funding?

A local fuel tax could help us to reduce rates. Would you support us exploring this option to generate more money for transport-related projects?



Water bottling plants

At the moment property owners are able to extract and sell large quantities of water from wells on their properties. We have been asked whether we can regulate this. We cannot regulate without central Government intervention.

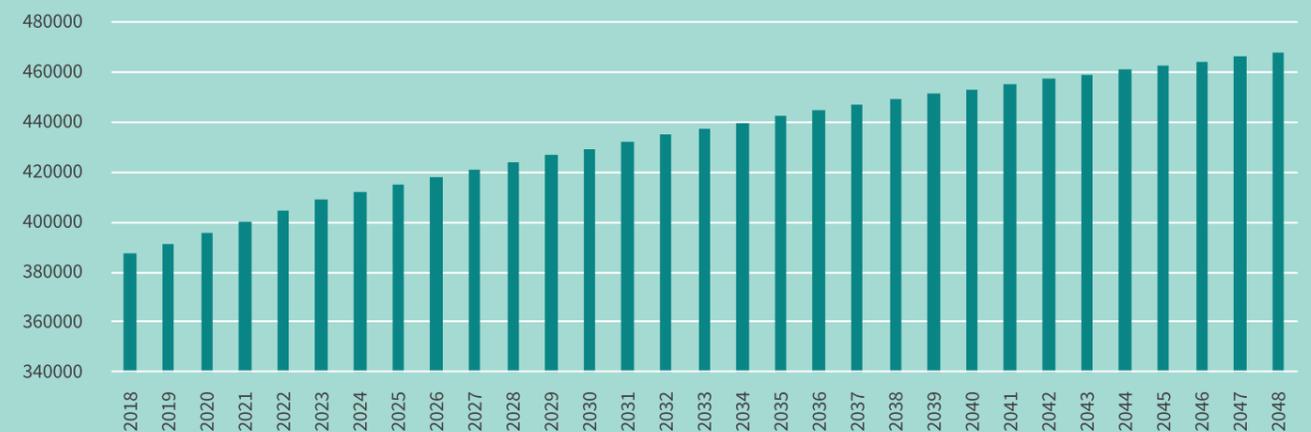
ECan controls the process for dealing with resource consent applications for the extraction and use of water, not us. We can't charge a targeted water rate, because the legal purpose of such a rate is to pay for the cost of our pipe networks rather than the water itself.

The operators of bottling plants would automatically pay higher rates if their water consents have increased the capital value of their properties, but we are open to your suggestions about how else we could regulate such activities.

Population

The estimated resident population of Christchurch at June 2017 was 381,500 and is expected to be about 387,200 by June 2018. By 2028 the population is expected to be about 423,800 (that is, growth of around 0.9 per cent per year, on average) and around 467,900 by 2048.

Christchurch Population Growth (Statistics New Zealand Subnational Population Projections, December 2016)



Our neighbours, Waimakariri and Selwyn, are also expected to grow over this time (together, by about 27,900 by 2028, or around 2.1 per cent per year), and this will put increasing pressure on commuter networks.

The Christchurch population projection is significantly higher than in the 2015-25 Amended Long Term Plan, in which the population at June 2017 was expected to be about 365,000. However, this increase is effectively a post-earthquake re-population of the city rather than 'new growth' – the actual June 2017 population is only slightly higher than before the earthquakes.

A significant challenge for the city will be the effects of an ageing population. As the proportion of the population over the age of 65 increases, there will be changes in the types of infrastructure and facilities that will be in demand. It will also have an effect on the city's rating base.

The city's population is becoming more ethnically diverse. The 2013 census shows that the proportion of Christchurch residents who identify as Māori, Asian and Pacific is increasing, while the proportion of residents who identify as European or other is decreasing.

The Council adopted the Christchurch Multicultural Strategy – Te Rautaki Mātāwaka Rau in 2016 as its commitment to supporting and embracing the diversity of people in Ōtautahi/Christchurch, and to lead the city in becoming a place where everyone is respected and accepted.

Capital programme

The planned capital programme has been established through the Infrastructure Strategy, Service Plans and Asset Management Plans prepared as part of this long-term planning process.

These plans link the forecast rebuild, population growth, levels of service and Council strategies, such as the Greater Christchurch Urban Development Strategy and the Government's Land Use Recovery Plan.

As part of our ongoing improvement, the 2018 Strategy has a wider scope than the 2015 version which considered core infrastructure only: water supply, wastewater, stormwater, flood protection and control works, and roads and footpaths. This has allowed us to prioritise and compare trade-offs across all of our assets.

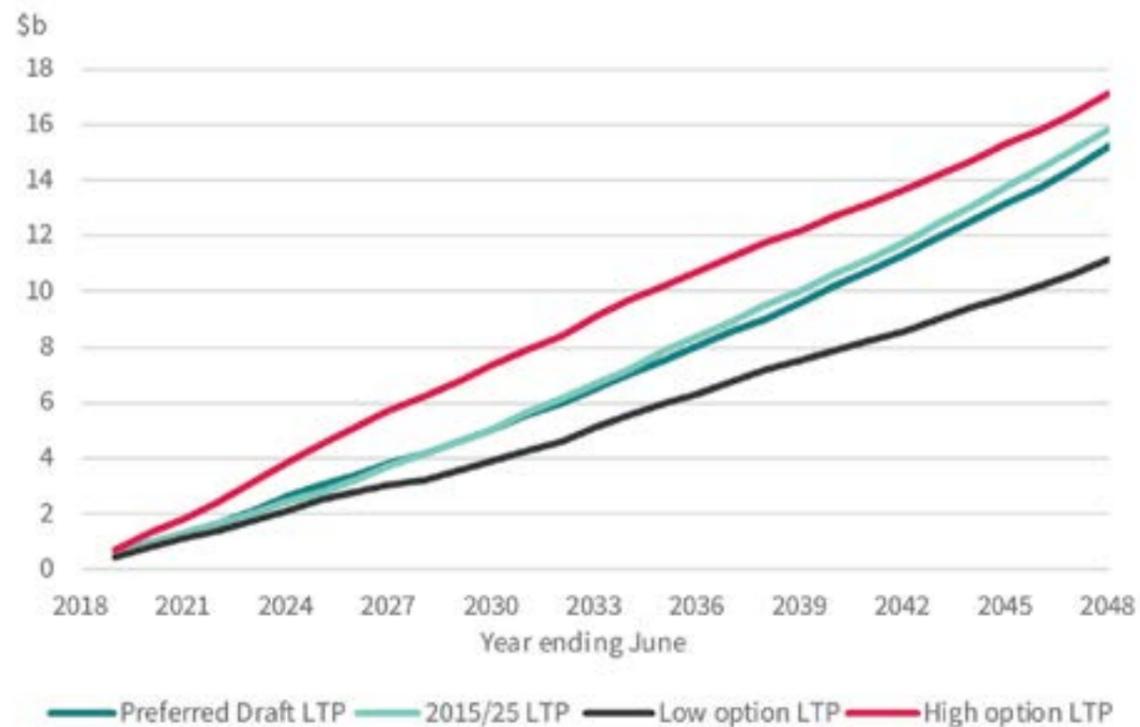
Capital costs

	Over 3 years	Over 10 years	Over 30 years
Spending less	\$1,117m	\$3,253m	\$11,148m
Our proposal	\$1,295m	\$4,185m	\$15,205m
Spending more	\$1,849m	\$6,248m	\$17,098m

How each option would affect the rate increase

Spending less	5.06%	3.61%	2.27%
Our proposal	5.41%	4.37%	2.96%
Spending more	6.98%	6.17%	3.20%

Projected capital expenditure inflated - cumulative



We are required to set maximum limits, called quantified limits, for increases in rates and debt. We plan to be under these limits, which are set out in the tables below.

Quantified limits for rates and rates increases

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rates (\$m)	492	523	554	583	614	647	681	711	738	763
Increase	8.38%	7.41%	6.87%	6.30%	6.32%	6.30%	6.20%	5.54%	4.71%	4.39%

Quantified limits for borrowing

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Borrowing	2,926	2,632	2,703	2,811	2,875	2,995	3,126	3,213	3,327	3,400

If you'd like more information on these, please go to the Financial Strategy.





Infrastructure Strategy

Building resilience

We face some big decisions regarding the repair, replacement and maintenance of essential infrastructure in the next 10 years. Our infrastructure provides essential services to the city, including water supply, wastewater, stormwater, transport, facilities, parks and solid waste.

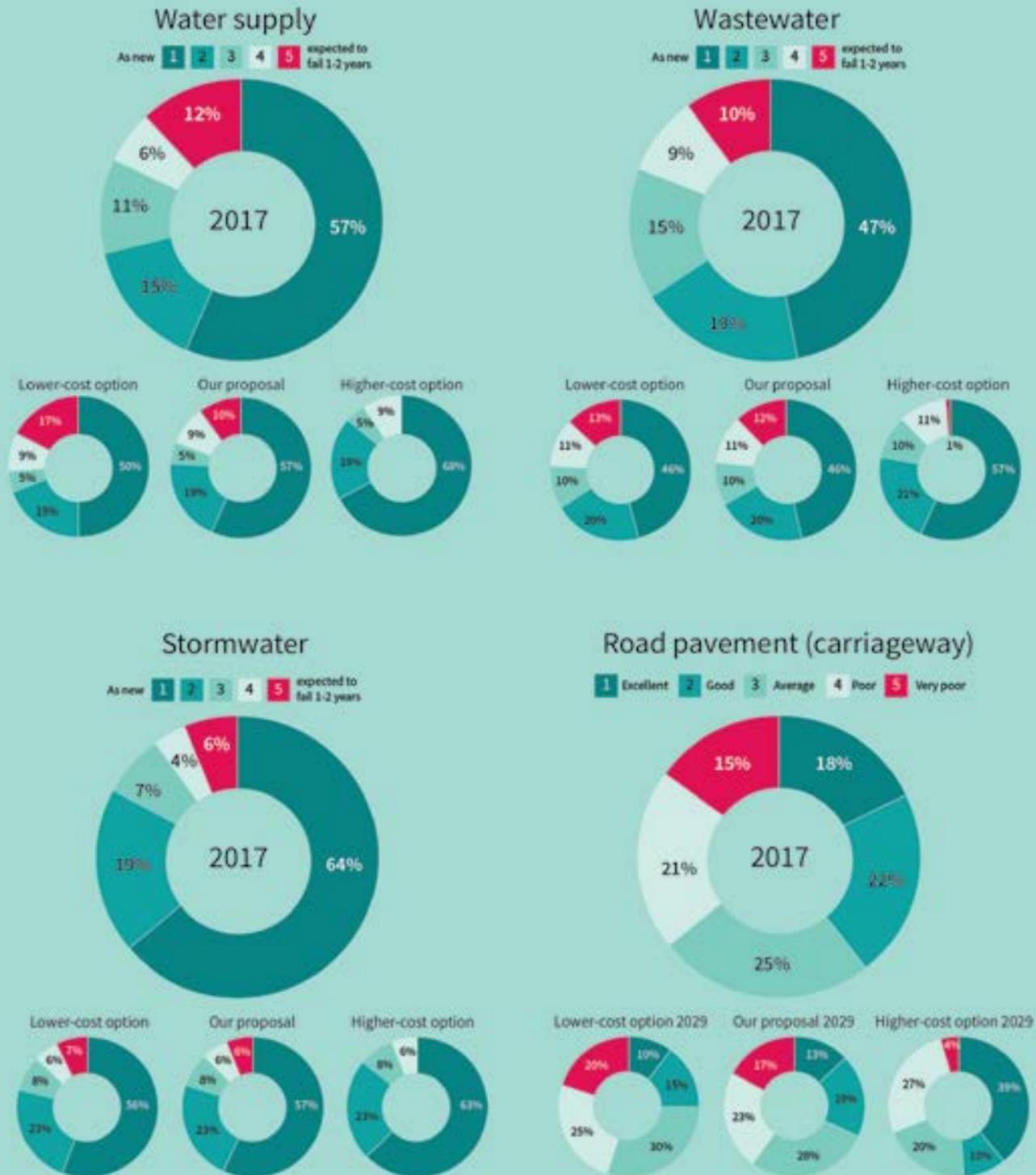
In the following pages we outline our key projects and programmes. We have used lower, medium and higher-cost scenarios to determine how to get the best value from the funding available. Now we ask you to help us make the right decisions. The Infrastructure Strategy is available online and printed copies are available at any Christchurch City Council Service Centre or Library.

Repairing and renewing infrastructure and paying for that work is a financial balancing act. The financial cost is one consideration. The question is: "Can we afford to do this work?" We also need to consider whether the need is urgent

or whether the project can wait. If we consider deferring a project to save money now, we need to know that delay will not cause bigger problems later and make the work more expensive in the long run. The question here is, "Can we afford to not do this work?" We also have statutory obligations to meet, such as complying with resource consents, and cost-share agreements with other agencies that have to be taken into account.

We have assessed the current condition of our roads and our water, wastewater and stormwater pipe networks and their predicted condition after 10 years, graded on a scale of 1-5. For roads, 1 is excellent and 5 is very poor, and for pipes 1 is new and 5 is expected to fail within one to two years. The graphs on the next page show the effect our proposal and the lower and higher cost options would have on these grades.

Assessed current pipe and road condition grades and predicted condition grades after 10 years for lower, medium and higher cost options



Infrastructure Strategy

Drinking water, wastewater, stormwater and flood protection

One of our core responsibilities is providing and maintaining the pipes, treatment plants and pump stations for our water supply and managing the collection, treatment and disposal of wastewater and stormwater. Collectively, we call these our ‘three waters’.

This infrastructure is essential to the health of our city and our residents. It contributes to the health of our rivers, streams and harbours – and it is the most costly service we provide. The capital cost of three waters infrastructure and services accounts for 44 per cent of our proposed capital spending for this Long Term Plan.

Our top priorities are to:

- **Renew earthquake-damaged and ageing infrastructure**
Our three waters infrastructure, especially the network of underground pipes, was severely damaged by the earthquakes. The SCIRT programme ended in mid-2017. A significant amount of work remains. In addition, the infrastructure installed during pre and post-war building booms is nearing the end of its expected life. Some scheduled renewals were delayed because of the earthquakes. However, this work cannot be put off any longer.

- **Reduce the risk of flooding**
The earthquakes caused land movement and changes to waterways that have made some areas more prone to flooding. We are undertaking an extensive land drainage recovery programme to reduce the risk of flooding back to pre-earthquake levels.
- **Cater for growth and shifts in where people are living**
We need to support the rapid increase in new housing developments in the north and south-west of the city, and residential intensification in the central city.



Drinking water

Groundwater aquifers are the source of drinking water for urban Christchurch, Lyttelton, Diamond Harbour and Governors Bay. This water is of high quality and does not normally require treatment. While we need to temporarily chlorinate our drinking water as we bring our well heads up to standard so we can guarantee the safety of our water supply, we are committed to providing safe, untreated water long-term. In the next 10 years we need to continue protecting our water supply by renewing infrastructure. We also need to extend the network to supply water to new developments.

We propose spending \$495 million improving and maintaining our drinking water infrastructure over the next 10 years, including:

- Water supply main pipe renewals (\$283 million)
- Well renewals (\$35 million)
- Water supply submains renewals (\$36 million)
- New water supply pump stations in growth areas (\$11 million)

We propose spending \$495 million improving and maintaining our drinking water infrastructure over the next 10 years.



Our proposal

We will maintain our levels of service and ensure our water supply assets do not deteriorate. This is important because a deterioration in our water supply infrastructure would increase the risk to public health through contaminated water supply. This approach means the operating and maintenance costs are affordable, in terms of an average residential rates increase of 5.5 per cent.

What if we spent less?

We could spend \$175 million less over the next 10 years and we would still meet our statutory obligation to provide a safe water supply to the city and Banks Peninsula and cater for growth. This could help reduce rates over the long term. However, it would also see reduced levels of service – our water supply infrastructure would deteriorate and there would be more burst pipes and interruptions to supply. In the long term, our operating and maintenance costs would increase, and there would be a higher capital cost when we came to pay for deferred renewals.



What if we spent more?

We could spend \$283 million more over the next 10 years and increase our levels of service by replacing our water supply assets at the optimum time to reduce the whole-of-life cost of the asset. The number of unplanned interruptions would decrease and residents' satisfaction levels would improve. Our operating and maintenance costs would be less. We could also undertake the water supply rezoning project to reduce water pressure in parts of the city where it is too high, reducing pipe bursts and pumping costs, and allowing us to restore water supply more quickly in the event of another earthquake. However, we would have to borrow more to do this and that would mean having to set a higher than 5.5 per cent average rates increase.



The first three years

Our proposed and lower spending scenarios are similar for the first three years for water supply. By spending more we would renew more water supply pipes. It is predicted by 2022 we would have 71 fewer pipe breaks, saving \$258,000 in pipe repair costs. Four wells would be renewed each year, rather than three, reducing the risk of contamination. Water supply pipes nearing the end of their life could be replaced at the same time as road reconstruction projects, avoiding the need to dig up new streets. The water supply rezoning project would proceed which would create smaller water supply zones with lower pressure in some areas, reducing pipe breaks, pumping costs and enabling water supply services to be restored more quickly after a disaster. New water supply mains would be built to service medium-term growth areas, including the southern half of the Highfield residential greenfield area. The Duvauchelle water treatment plant would be replaced with one that would reliably treat water from the stream, even when it is carrying sediment during rain events.

Stormwater and flood protection

Parts of Christchurch have always been prone to flooding because it is on a flood plain. Much of our city is flat, has a high water table and some of our soils do not drain well.

The earthquakes have made the flood risk worse. In some areas of the city the land has subsided by up to 500mm and in the lower reaches of the Heathcote River/ Ōpāwaho, the land has risen by up to 500mm, reducing drainage efficiency.

Several storm events since the earthquakes have exposed our increased vulnerability to flooding.

We are implementing a land drainage recovery programme, and while we are still researching the best ways to resolve flooding issues in different parts of the city, we have committed a significant amount of funding to this work over the next 10 years. It is complex work, and although we are fast-tracking flood risk investigations and mitigations, this programme will take many years to fully implement.

Projects under the Land Drainage Recovery Programme will:

- Mitigate the effects of the earthquakes in the worst-affected areas by restoring flood risk to pre-earthquake levels, although this will take more than 30 years to achieve.
- Repair damage to waterways and land drainage infrastructure.
- Help restore community resilience and wellbeing by reducing the risk of flooding.
- Improve our waterways through sensitive design of remediation projects.

Land drainage recovery projects include drains, flood retention basins, pump stations and stormwater pipe upgrades. Projects are prioritised according to the impact of the earthquakes, social benefits and other long-term, sustainable benefits such as improved water quality.

Reducing the risk of homes flooding is a priority. We are addressing this in several ways, with projects in construction including stormwater storage basins, pump stations, stopbanks and other infrastructure. Stormwater retention basins such as Te Oranga Waikura in Woolston, are used to hold water so that it can be released into the waterways at a time and rate that will reduce river flows during wet-weather events.

Over the next 10 years we propose spending \$262 million through the Land Drainage Recovery Programme on projects to reduce flood risk.

Over the next 10 years we propose spending \$262 million through the land drainage recovery programme on projects.

Our stormwater network is vital for flood protection as it drains rainwater from roads and properties during periods of heavy rainfall. It is made up of drains, pipes, pumping stations and stormwater treatment facilities such as ponds and wetlands.

This network was badly damaged in the earthquakes but it was a low priority in the SCIRT programme of repairs. Some of this damage has been repaired, but the combined effects of the earthquakes, ongoing land settlement and ageing infrastructure means there is still much to be done.

Much of the stormwater from older parts of Christchurch is untreated, and whatever goes down the drain ends up in our waterways. When rain falls on the ground, roads or roofs, it collects contaminants which can affect the quality of rivers, streams, lakes, estuaries and oceans. We work with Environment Canterbury (ECan) to improve water quality in our waterways and are increasing the number of treatment facilities, such as basins and wetlands to filter and improve the quality of stormwater before it is discharged into waterways.

The Council has applied to ECan for a new global stormwater discharge consent which this time will also include stormwater discharges on Banks Peninsula. ECan's Land and Water Regional Plan sets ambitious targets for improving water quality in all Christchurch rivers. A large amount of infrastructure and other initiatives are required to improve stormwater quality in line with those targets, and this work is described in stormwater management plans for each river catchment.

In addition to the Land Drainage Recovery Programme, we propose spending \$416 million on stormwater and flood protection infrastructure over the next 10 years, including:

- Waterway lining renewals (\$89 million)
- Styx stormwater management plan (\$55 million)
- Stormwater pipe renewals (\$49 million)
- Southwest stormwater management plan (\$24 million)
- Avon stormwater management plan (\$19 million)

Our proposal

We will reduce the flood risk across the city and improve the quality of stormwater discharged to waterways. We will be able provide for growth areas and will have a reasonable expectation of gaining a global stormwater consent. However, we will not return to pre-earthquake flood risk levels within 30 years, and some houses will still be at risk of flooding.

What if we spent less?

We could spend \$258 million less and would be able to reduce the average rates increase over the ten years, but our levels of service would be less. The risk of houses and businesses flooding would increase because of an increase in stormwater pipe failures and waterway blockages. There would be an increase across the network of asset failures because of deferred maintenance and renewals. Waterways and surface water quality would decline. We would be highly unlikely to gain a global stormwater consent and would not be able to provide for medium to long-term growth areas.



What if we spent more?

We could spend \$522 million more and would be able to renew assets at the optimal time to minimise whole-of-life costs. There would be a general improvement in levels of service and a high expectation of gaining a global stormwater consent. Flood risk would return to pre-earthquake levels over 30 years, with fewer houses at risk of flooding. There would be an improvement in waterways and surface water quality. Operational costs would be less in the medium term. However, with a much higher capital cost, we would not be able to keep the average rates increase at 5.5 per cent.



The first three years

Under the lower-cost scenario, the Land Drainage Recovery Programme would be significantly reduced, so houses would be at an increased risk of flooding for longer. There would be delays in building new stormwater treatment and flood detention ponds. There would be no projects to improve waterway ecology, no utility drain improvements and no land purchased for waterways and wetlands.

Under the higher-cost scenario, the Land Drainage Recovery Programme would be progressed more quickly, reducing the risk of flooding sooner. More stormwater treatment and flood detention ponds would be built and more projects to improve waterway ecology would be undertaken. Projects to implement the South West and Heathcote stormwater management plans would improve water quality in the Halswell and Heathcote/ Ōpāwaho Rivers.

Have Your Say

Since the earthquakes, houses along parts of the Heathcote/Ōpāwaho River have been more susceptible to flooding. We understand the effect of this on residents. To reduce the risk of homes flooding we propose speeding up our programme to dredge the river between the Woolston Cut and Radley Park and through to Hansen Park.

What do you think of us prioritising this project over other land drainage recovery work, so we can complete it within two rather than three years?



Wastewater

Wastewater is the used water that leaves our homes and businesses – from kitchens, laundries, bathrooms and toilets. A healthy city depends on an efficient wastewater system to collect, treat and dispose of wastewater and to help protect our waterways.

In the city, the wastewater network collects and carries wastewater to the Christchurch wastewater treatment plant at Bromley, where it is treated and discharged via an outfall pipe into Pegasus Bay. We have another seven wastewater treatment plants across Banks Peninsula.

Our wastewater network was severely damaged in the earthquakes and was a significant focus of the SCIRT programme of repairs. While a lot has been achieved under this programme, it has not been enough to restore the wastewater network to a fit-for-purpose condition.

We propose spending \$641 million on wastewater infrastructure over the next 10 years, including:

We propose spending \$641 million on wastewater infrastructure over the next 10 years.

- Renewing wastewater pipes (\$308 million)
- Lyttelton Harbour wastewater scheme (\$42 million)
- Akaroa wastewater scheme (\$35 million)
- Renewing wastewater pump station 20 (Locarno Street) and its pressure main (\$28 million)
- Renewing trickling filter media at the Christchurch wastewater treatment plant (\$27 million)



Our proposal

We will be able to provide for growth areas and comply with resource consents. However, expenditure on renewals will be insufficient to maintain our wastewater pipe network in its current state and it will deteriorate over the next 10 years. This will result in more overflows in wet weather as leaky pipes allow more groundwater and stormwater into the wastewater network. Continued deferrals will result in a higher long-term capital cost. We may not be able to move to a land-based wastewater reuse and disposal system in Akaroa. However, by budgeting conservatively here, we can allocate more to improving levels of service in some other areas, such as roads and facilities

What if we spent less?

We could spend \$19 million less over the next 10 years and would be able to meet our statutory obligations and provide wastewater services for growth areas in the short term. However, we could not provide for growth areas after the first three years and our levels of service would further decline – wastewater assets would continue to deteriorate and there would be even more overflows. There would be a higher capital cost in the long-term, to pay for deferred maintenance and renewals.



What if we spent more?

We could spend \$589 million more, which would allow us to complete more wastewater pipe renewals with work being done at the optimal time to reduce whole-of-life costs. We would undertake work to reduce wastewater overflows and construct a new pump station to service growth in Belfast. We would be able to undertake some big projects on Banks Peninsula – a land-based beneficial reuse system for Akaroa's treated wastewater and an expanded wastewater scheme in Wainui. However, to achieve these things we would have to set a higher than 5.5 per cent average rates increase.



The first three years

The proposed and lower cost scenarios are similar for the first three years for wastewater.

If the higher-cost scenario was adopted we would renew more wastewater pipes, which would reduce the leakiness of our network and the risk of overflows. It is predicted in 2021 the overall condition of our wastewater pipe network will have improved with condition grade 5 pipes (those expected to fail within one to two years) reducing from 10 per cent currently to 9.3 per cent by 2021. Improvements would be made to our network to reduce wastewater overflows in wet weather. Biogas storage would be improved at the Christchurch wastewater treatment plant, allowing more renewable electricity to be produced from our wastewater and reducing our electricity costs. Wastewater servicing would be extended to the southern half of the Highfield residential greenfield area.

Have Your Say

We propose prioritising work to maintain our drinking water, stormwater and flood protection infrastructure over work to maintain our wastewater infrastructure.

What do you think of our approach to managing our drinking water, wastewater, stormwater and flood protection assets, and how we're prioritising the work?



Getting around: our transport network

We propose spending \$1.049 billion on transport projects in the next 10 years.

This includes the continuation of our 30-year programme of work to improve the roading network, which was significantly damaged by the earthquakes, to a level where road roughness is similar to other New Zealand cities within 20 years. Christchurch residents have identified this as their top priority.

We are making progress, but repairing in-ground infrastructure for water, wastewater and stormwater has been the first priority. Our road network has been further weakened by trenching for these in-ground repairs and by the increase in heavy vehicles in the city since the quakes.

Shifts in population since 2011 have also changed travel patterns and road use. Residential development on the outskirts of the city and in neighbouring districts is continuing and this has brought an increase in commuter traffic and congestion.

Freight traffic through Christchurch is projected to keep increasing over the next 20 years, and this will further contribute to congestion and increase the wear and tear on our roads.

One way to reduce congestion is to encourage people to use other forms of transport, and this work is well under way. In partnership with the New Zealand Transport Agency (NZTA), we're working to improve public transport infrastructure such as

bus priority lanes, and build new cycleways. We are also making changes to the central city through the An Accessible City project, which aims to make our central city easier for people to get to and to move around in, whether by bus, car, bicycle or on foot.

We propose spending \$1.049 billion on transport projects in the next 10 years.



Roading projects

Other projects

\$263m

Road pavement, footpath and kerb and channel renewals and carriageway resealing and surfacing

\$65m

Public transport infrastructure including central bus interchange purchase (\$23 million)

\$35m

Replacing street lights with energy-efficient LED lights

The \$1049 million on transport and related projects includes:

\$44m

An Accessible City

\$32m

Road pavement smoothing

\$30m

Sumner Road geotechnical risk mitigation

\$20m

Pages Road bridge replacement

\$29m

Northern Arterial extension, including Cranford St upgrade

\$206m

Major Cycleway Routes (\$206 million, of which 50 per cent to 66 per cent will be refunded on completion of the work)

Getting around: our transport network continued

Major Cycleway Routes

In partnership with central government and NZTA, we are creating a network of cycleways to provide safe and convenient cycling routes.

Cycleways connect our communities and make cycling a safe, convenient and enjoyable experience for a wide range of people – from those who cycle everywhere and often to those who like the idea of cycling but have not tried it. Using a bike has some great benefits for individuals and for the community, bringing improved health, stronger local communities, reduced congestion, and less wear-and-tear on our roads.

In 2017 we opened three of the planned 13 cycleways – Little River Link, Papanui Parallel and Uni-Cycle – as well as a section of the Rapanui to Shag Rock cycleway. Construction has begun on the rest of the Rapanui to Shag Rock Cycleway and on the Quarryman’s Trail. Construction of the Heathcote Expressway will begin early in 2018 and consultation on two others – the Nor’West Arc and the Northern Line Cycleway – has been carried out. The five remaining cycleways – South Express, Southern Lights, Wheels to Wings, Avon- Ōtākaro and the Ōpawaho River Route – are in various stages of design.

We plan to complete the 101 kilometres of cycleways over the next 10 years.

Already, on the completed routes, the number of cyclists has exceeded expectations. In a 2017 survey 15 per cent of users said they would previously have travelled by car or bus.

To complete these routes we will need to budget \$90 million more than was in our last 10-year plan. However, 50 per cent to 66 per cent of this could be refunded on completion of the work. Central government is part-funding this work through NZTA and the Urban Cycleways Programme. (The additional budget is needed to fund route changes where routes had been intended to run alongside railway lines, unexpected repairs of infrastructure such as pipes and footpaths, intersection changes, new roundabouts and traffic lights, and extra facilities, such as parking and street lighting, agreed to after consultation).

Road repairs

We know the state of our roads is a huge frustration in the city’s recovery, but there is only so much we can do with the funding available – as much as we would like to, we can’t deliver a smooth road network everywhere at once. We are having to prioritise this work so that roads in the worst condition and which have the highest traffic volumes are done first.

Over the next 20 years we plan to bring our roads, cycleways and traffic management systems, including traffic lights, to an acceptable level similar to other New Zealand cities.

Public transport

To increase the use of public transport, we need to change the way it delivers for you, so that it is reliable, convenient and inexpensive.

Public transport is provided in conjunction with ECan. The Council provides the public transport infrastructure (roads, bus priority routes and bus shelters, including the central bus interchange which we are buying from central government) and ECan manages the buses and the bus routes.

Together, we’re working to improve public transport so that more people will want to use it. We see ourselves playing a role in trialling new means of public transport, introducing new technology and reducing emissions, for instance by moving to electric vehicles and bike sharing.

An Accessible City

You will have noticed that our central city is changing. Together with central government and NZTA, we are making central Christchurch a great place to be.

We have reduced the speed limit in the central city to 30kmh, and the goal of An Accessible City is to make it easier and safer for people to get around the central city, whether by car, bicycle or on foot. People who are less mobile will also find it easier to move about in the central city. Where possible, we are proposing to coordinate the Accessible City programme with other developments in the central city to limit disruption.

Street lighting

We are converting our street lighting to LED bulbs. This will bring significant savings to the Council with \$1.6 million of electricity and maintenance savings per year. Over the 20-year lifespan of the LED lights, we will save a total of \$32 million.

There are significant environmental gains to be made too. Changing to LED lights is expected to cut the Council’s carbon emissions by 1,500 tonnes per year. Light spill, or light pollution, will also be reduced.

The Osborne Family

Living on the family farm, 15 minutes from Akaroa, the Obornes - Bill, Charlotte and their daughters Jodie, Penny and Molly - reckon they have the best of both worlds. They are surrounded by stunning Banks Peninsula scenery on their sheep and cattle farm, but Akaroa’s just down the road, and they frequently make the trip in to Christchurch.

Community is hugely important to them, and with all three children at Akaroa Area School, they’re very much connected with what’s going on in the area. “We’ve got a great farming community out here,” says Charlotte. “But we’ve also got the town, the school and connections through the girls’ sports teams. It’s a great mix.”

When you live remotely, your road is your lifeline. With school drop-offs and pick-ups, and the day to day business of running a farm, the Obornes are up and down the road multiple times a day.

They’re also noticing an increasing number of tourists coming up to see the lighthouse at the end of their road. “Roading is a big issue for us,” says Bill. “I certainly feel the quality of the roading has deteriorated over the years I’ve lived here. And there’s not enough preventative maintenance done, so when we get some bad weather, the road gets badly damaged.”

Hear more from The Osborne Family at ccc.govt.nz/ltp

“Roading is a big issue for us.”



Getting around: our transport network continued

Our proposal for transport

This approach allows us to improve our levels of service, with road conditions improving across the network and road surface conditions returning to a level similar to those in other New Zealand cities within 20 years. We will see an increase in the use of active transport (like walking or cycling) and public transport, and improvements in road safety as known black spots are addressed. We will complete the major cycleways projects and make some progress on An Accessible City.

What if we spent less?

Spending \$339 million less on transport could help reduce the average rates increase, but road surface conditions and traffic congestion would worsen and there would be no improvement in road safety. The use of active transport would increase somewhat, but only slowly.



What if we spent more?

By spending \$514 million more we could complete work to get road surfaces to a condition comparable with other New Zealand cities within 10 years, we would complete all projects planned for An Accessible City and reduce traffic congestion throughout the network. There would be a more significant increase in the use of active and public transport. However, this would all come with a much higher capital cost, which would mean the average rates increase would be more than 5.5 per cent.



The first three years

If the lower-cost scenario was adopted, the budget for kerb and channel renewals would be approximately halved, with the remaining budget directed to targeted kerb and channel repairs (patching). The asphaltting of streets across the city would be approximately halved, which would increase the time it took to restore the network to a reasonable condition. There would be no renewal of retaining walls, street lights, bus stops and shelters, painted cycleways, or carriageway smoothing. Street lights would not be replaced with LED lights and so there would be no reduction in electricity costs. An Accessible City would be discontinued, so there would be no further improvement in the way people move around the central city. There would be minimal improvement in road safety, as known black spots would not be addressed. It is predicted there would be five more serious injuries and deaths on our roads in the first year and 10 more after three years, compared with the medium option.

For the higher-cost scenario, there would be more road pavement renewals, carriageway smoothing and footpath renewals, improving the overall condition of our roads and footpaths. The programme of work for An Accessible City would be completed, improving the way everyone moves around the city. More traffic signals would be renewed and the school road safety programme would continue. Traffic and crime prevention cameras would be installed. Improvements to intersections and road routes would be made. The Sumner to Ferrymead coastal pathway programme would continue. More local cycleways would be built.

Have Your Say

Making our city safer for people to travel in, whether by car, bicycle or on foot, has been a priority for this Council. We are keen to press on with these initiatives, to complete the network of cycleways, improve safety at more intersections and make the central city more accessible for everyone.

We also want to restore our road condition to a level that is similar to other New Zealand cities over the next 20 years.

What do you think of our approach to managing our transport projects, and how we're prioritising the work?

There has been a lot of feedback expressing community concerns about the dangers presented at a range of intersections (for example, Harewood, Breens and Gardiners Roads) and the state of many streets and footpaths. As a Council we wish to agree on a framework for prioritising intersection improvement and street and footpath renewals, to ensure we meet our residents' needs.

What do you think we should take into account when prioritising the work that needs to be done?

Do you think the priorities should be informed by the local Community Board?





Mena and Maria

Mena and Maria are both students – Mena is in her last year of her nursing degree at Ara, and Maria is in doing a commerce degree at the University of Canterbury. They are also both members of Pacific Youth Leadership and Transformation - a group that encourages Pacific youth to participate in democracy and provides a platform for them to voice their views.

What they both love about this city is the sense of community. “It’s the vibes,” says Maria. “Everything that’s happened here in Christchurch - all the stuff we’ve been through, like the earthquakes and floods – has helped to create this sense of community that wasn’t here before.”

“It’s a place where you feel welcome,” says Mena.

“It’s a place where you feel welcome.”

Youth issues are also important to them. “Youth are the future of our cities and we need to look after them,” says Mena. “We need to be raising awareness of mental health, and health in general, and the importance of education. We need to lift our communities through education.”

“We also need to be looking at how we can develop more opportunities to be involved in this city,” says Maria. “Decision-making shouldn’t just be seen as something for older people. We need the youth perspective too.”

Hear more from Mena and Maria at ccc.govt.nz/ltp

Our community facilities

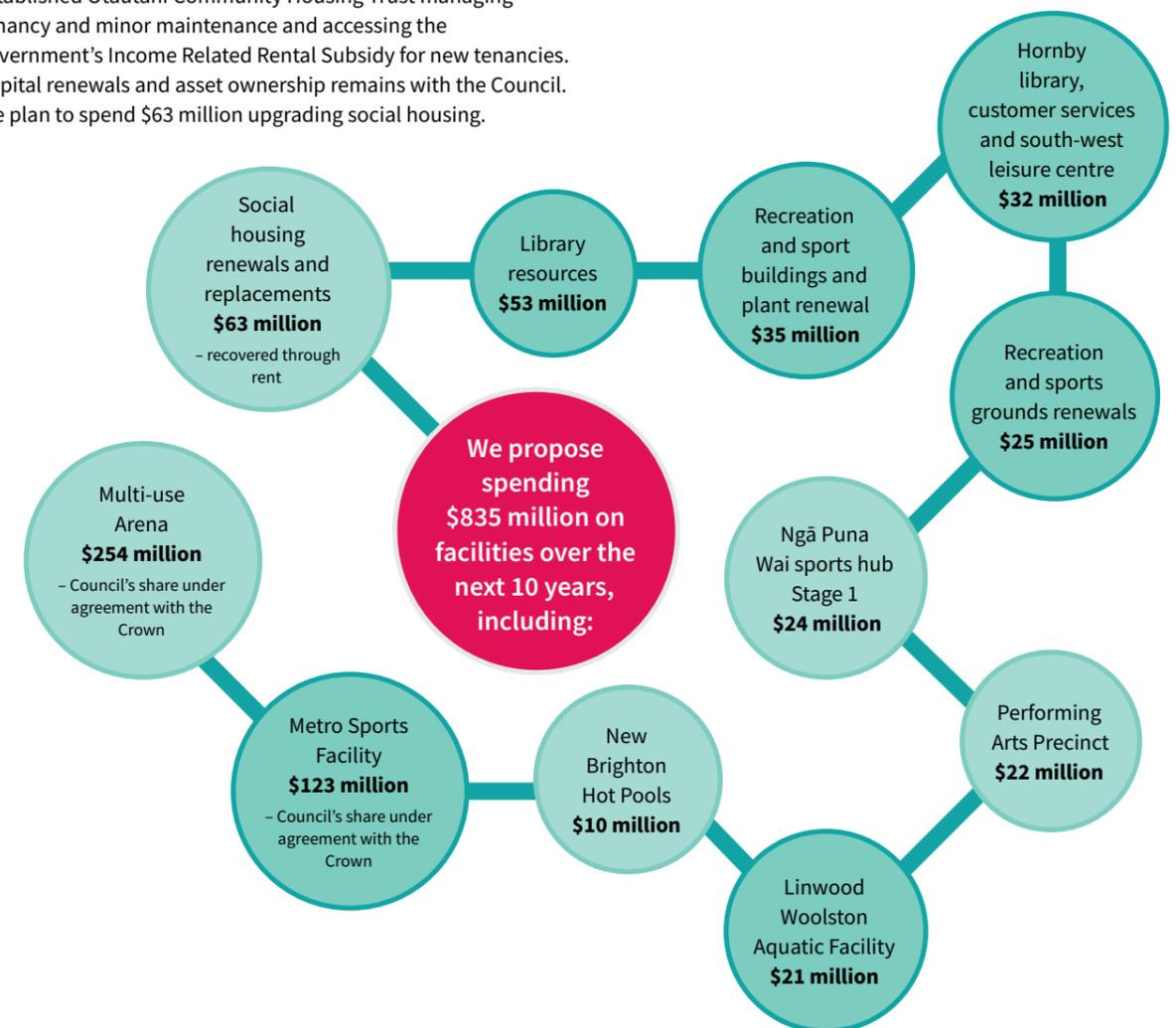
Our portfolio of facilities is extensive and includes community centres, statues and jetties through to large buildings such as the Town Hall, the Art Gallery and Tūranga, the 21st century knowledge centre that will replace our old central library.

Many of our facilities were damaged in the earthquakes, some beyond repair. In the seven years since then, many have been repaired or replaced. In the three years since our last long-term plan we have completed a wide range of projects, reopening about 100 facilities. In 2017 alone, these projects included Allandale Hall, New Brighton Library, Lyttelton Library, Matuku Takotako: Sumner Centre, Ōrauhata: Bishopdale Library and Community Centre, the South Brighton boardwalk, jetty and car park, a new petanque sports hub in Hagley Park, Hagley Oval, Art Gallery dehumidification, the Lichfield Street Car Park and social housing, including 40 units at the Mary McLean complex.

Social housing remains self-funding, with the recently established Ōtautahi Community Housing Trust managing tenancy and minor maintenance and accessing the government’s Income Related Rental Subsidy for new tenancies. Capital renewals and asset ownership remains with the Council. We plan to spend \$63 million upgrading social housing.

Work continues on many other projects, large and small, including the repair and restoration of the Town Hall, and Tūranga, which will both open in mid-2018. There is some uncertainty around how the Multi-use Arena (stadium) and the Metro Sports Facility might be delivered as these big projects are being reconsidered by the Council and our regeneration partners. (These two facilities are included in the budget because we have commitments under our cost-sharing agreements with the Crown).

We review our list of projects, the funding allocations and their timeline as part of our Annual Plan and Long Term Plan processes, so it can change.



Our community facilities continued

A multi-year analysis is included in the Capital Programme section of the full LTP, setting out key changes in the timing of community facilities from that detailed in the Amended 2015-25 LTP.

A note regarding Shirley Library: Any work being undertaken on the Shirley Library is captured in the overall budget for repairs and renewals of libraries. The building is 22 years old and is in good condition. It also serves as a service centre and community board office.

Have Your Say

Do we have the priorities right?

Are there other projects you would prioritise, and if so, what would you defer to free up funding?



Our proposal

The diagram on page 45 shows our top priorities. The funding allocated will allow us to improve or complete a wide range of facilities that will benefit Christchurch now and in the future.

What if we spent less?

We could spend \$27 million less by not repairing the South Library and Service Centre, not acquiring new art work and by ceasing the Smart Cities innovation programme.



What if we spent more?

We could spend \$101 million more and build a new library and service centre for Belfast, rebuild the Linwood Library and undertake stage 2 of the Ngā Puna Wai sports hub. However, this would mean the average rates increase would be more than 5.5 per cent.



The first three years

Under the lower-cost scenario, the smart cities innovation programme would cease. There are no other significant differences between the three options for facilities in the first three years.

Funding facilities not owned by Council

We are keen to get feedback on a new funding method for community assets that are not owned by the Council but which benefit the community.

We already support local business communities through our Business Improvement District programme. This system is a public/private partnership between us and/or other agencies and the community. The key aspect is its ability to secure sustainable funding, within a defined local area and for a specified timeframe, through a targeted rate. The rate is collected by the Council and passed on to the organisation running the programme to fund its project.

However, it's much more than a funding mechanism. Its real benefits lie in the collaboration between us, other agencies and the community, with everyone working together to make the project happen.

For example, we have been approached by the Akaroa community, which has asked if we will consider collecting a targeted rate to assist fundraising for the new Akaroa Health Hub.

We think this may be a good way of supporting fundraising for local projects that are not owned or funded by the Council, but which are of significant local benefit. We want to know whether or not you agree, but would not consider introducing a targeted rate without first consulting with affected ratepayers.

Have Your Say

What do you think of using a targeted rating system to help progress non-Council community projects?

Are there projects in your community that could benefit from such an approach?



“I want to live in a city that looks after its people, where there’s no homelessness ... I want a city where we care for our young, our elderly – everyone.”

The Tualamali’i Family

Charene and Amosa Tualamali’i and their four sons, Josiah, Benjamin, Iszak and Samuel, want a city where everyone feels welcome. “I want to live in a city that looks after its people, where there’s no homelessness,” says Charene. “I want a city where we care for our young, our elderly – everyone.”

For Benjamin, that means having places and spaces where people can hang out together. For Iszak and Samuel, it’s all about the beaches and the playgrounds, and making sure we don’t pollute what we have.

“We’ve been through a lot as a city – there’s been a lot of trauma and loss – but we’ve picked ourselves up and kept going, says Josiah. “We’ve got a new way of doing things and I really hope we hold onto this spirit that we now have,” says Josiah.

Hear more from The Tualamali’i Family at ccc.govt.nz/ltp

The Jack Family

The Jack family – primary school teacher Paul, graphic designer Tanya and their three daughters Isobel, Ella and Asha – are big supporters of the arts and what’s happening in the city centre. “I really like all the street art we’re now seeing, and all the artwork that is appearing around the place,” says Tanya. “I love the creativity and the culture . . . and the cafes! It’s really exciting

“We love getting outdoors and going on little adventures to different parks and playgrounds.”

to see how the city centre is coming alive. I just hope the city continues to develop family-friendly places and spaces.”

The Jacks make the most of our city’s reserves, rivers, and beaches, so looking after our natural environment is another hot topic for the family.

“We love getting outdoors and going on little adventures to different parks and playgrounds,” says Paul. “We want our kids to be able to swim in our lakes and rivers, so clean waterways are important to us.”

Hear more from the Jack Family at ccc.govt.nz/ltp



Infrastructure Strategy

Our parks and heritage

Parks

Christchurch is a city of parks, public gardens and, prior to the earthquakes, was known as New Zealand’s ‘English’ city. While some of our older English-style buildings were destroyed, treasured buildings such as the Arts Centre, the former Municipal Chambers and the Canterbury Provincial Council Buildings remain.

The parks team cares for our parks and open spaces, marine structures, cemeteries, heritage assets and recreation facilities. The annual operational cost of this group of assets is \$23 million, not including staff salaries.

We have a network of more than 130 kilometres of walking and mountain biking tracks that we improve and renew each year. This work is programmed to meet the increasing demands and needs of walkers and riders and general wear and tear. At present we do not propose funding any new tracks over the 10 years of this Plan.

Port Hills regeneration

Work on the regeneration of the Port Hills is planned to continue. There are community planting days planned for most weekends through winter – from June to August – to enable local communities to get involved in planting and maintaining native trees and plants. After the Port Hills fire, there was an increase in community interest in native habitat recovery, and more demand for community plantings. We anticipate this continuing, not only in fire-affected reserve areas but also on adjoining protected land.

Heritage

We have heritage buildings, such as Our City Ōtautahi, the former Municipal Chambers, that we value but which are expensive to repair.

Apart from the Sign of the Takahe, these buildings (see table) are awaiting repairs and their future use is undecided. We are seeking expressions of interest for some of these buildings from individuals and groups interested in operating a business from some of them or partially or fully funding the repairs in exchange for a favourable lease.

Heritage buildings

Central City	Banks Peninsula	Fendalton- Waimairi-Harewood
Canterbury Provincial Council Buildings	Former Lyttelton Borough Council Stables	Kapuatohe Dwelling Kapuatohe Cottage
Former Municipal Chambers	Kukupa Hostel	Mona Vale Bath House
Former Edmonds Band Rotunda	Little River Library Yew Cottage	
Robert McDougall Art Gallery		
Halswell- Hornby- Riccarton	Linwood-Central- Heathcote	Spreydon- Cashmere
Chokebore Lodge	Barbadoes Cemeteries (Sexton House) Penfolds Cob Cottage Bangor St No3 Pump House	Coronation Hall WWII Bunkers/ Cracroft Caverns Sign of the Takahe (repaired but not occupied)

A multi-year analysis is included in the Capital Programme section of the full LTP, setting out key changes in the timing of repairs to heritage buildings from that detailed in the Amended 2015-25 LTP.

We plan to spend \$35 million in the next 10 years repairing heritage buildings, including:

- Former Municipal Chambers
- Robert McDougall Art Gallery strengthening
- Edmonds Band Rotunda

We plan to delay the repair of the Canterbury Provincial Council Buildings until 2029 as the \$204 million cost is considered too great to include in this long term plan.

We propose spending \$267 million over the next 10 years to maintain and improve our parks and heritage assets, including:

- Community parks, buildings and assets renewals (\$39 million)
- Community park development programme (\$26 million)
- Former Municipal Chambers (\$18 million)

Our parks and heritage continued

Our proposal

We will be able to repair the former Municipal Chambers, which is a high-profile site in the central city, and progress the Naval Point Development Plan. We will be able to maintain our current levels of service and will be able to develop community and regional parks.

What if we spent less?

We could spend \$83 million less over the next 10 years by not developing community and regional parks and by not developing Naval Point.



What if we spent more?

With \$86 million more we have options and could upgrade our parks, increase our levels of Service, develop marine facilities earlier or bring forward some of the residential red zone work that is still being considered.



The first three years

Under the lower-cost scenario, compared with our proposal, in the first three years there would be no development of:

- Naval Point development in Lyttelton (\$10.2 million)
- Botanic Gardens master plan projects, including access and carparks, buildings, ground source heating, wifi, irrigation, garden furniture and playground developments (\$11.8 million)
- Hagley Park assets, buildings and toilet developments (\$2.7 million)
- South New Brighton Park developments (\$646,000)
- Bexley Park developments (\$401,000)
- Ferrymead Park developments (\$82,000)
- Edmonds factory gardens developments (\$77,000)
- Play and recreation spaces development across the district, including Little River and the Sumner to Ferrymead skate facility (\$1.6 million)
- Purau foreshore and reserves development (\$229,000)
- Harewood plant nursery developments (\$518,000)
- Extensions and improvements to sports fields (\$2.5 million)
- Port Hills/Banks Peninsula and Coastal/Plains developments, including estuary green edge pathway project (\$17.3 million)
- Community parks developments and improvements, including new signs, furniture, structures, tracks, carparks, trees and gardens, irrigation assets and Groynes/Roto and Kohatu/Otukaikino developments (\$40 million)
- Wigram village green parking (\$453,000)

There is minimal difference between our proposal and the higher-cost scenario for parks. There would be additional development work in Burnside Park, Canterbury Agricultural Park, Cuthberts Green, Drayton Reserve, Regional Park developments in Styx River Reserve, Seafield Park, Spencer Park and Travis Wetland. Voelas Playground development and land reinstatement works in Linwood Nursery, Hagley Park (lighting enhancements) would also be delivered.



“I love this city ... But our reputation as the Garden City has been slipping ever since the earthquakes.”

Jimmy and Gaynor Le Comte

For all but six years of her life, Gaynor has lived in the same house in Phillipstown - she and Jimmy ended up buying the property from her parents. They have an award-winning garden out the front, and Christchurch's status as a garden city is important to them both. “I love this city,” says Gaynor. “But our reputation as the Garden City has been slipping ever since the earthquakes. People just dumping stuff out on the streets isn't helping.”

They are fiercely proud of their local community, and have watched it grow and develop over the time they've been there. “People sometimes have bad things to say about this area, but we really like it. We've got good friends here. Our church is here,” says Jimmy. “I just wish some people would take more care of

their property. It doesn't take much to keep your place looking good. And if you've got a nice garden you should be showing it off, not hiding it behind a six foot fence.”

An accident has recently confined Gaynor to a wheelchair. From finding a park near the hospital to heavy glass doors on new buildings, things have become more challenging for the couple when they want to get out and about. Gravel paths are a particular problem. “Pushing a wheelchair along a gravel path is hard work,” says Jimmy. “Something as simple as tar-sealing paths would make it a whole lot easier for people in wheelchairs to get around.”

Hear more from Jimmy and Gaynor Le Comte at ccc.govt.nz/ltp

Our parks and heritage continued

Central City Landmark Grant Fund

In the past we have been able to help fund work to restore heritage buildings in private ownership, through our Landmark Grant Fund. Some examples are Christchurch Club, the St Michael and All Angels school classroom block and the former Midland Club.

This fund cost \$1.9 million per year to maintain. The fund is now almost depleted, but we would like to know your thoughts on this as there is a view that we should fund the restoration of Council-owned buildings before funding work on those in private ownership.

The Landmark Grant Fund has made \$12.1 million available over the last six years (2013-2018) and all but \$240,000 has been allocated.

Have Your Say

Do you think the Council should continue to contribute \$1.9 million per year to the Landmark Grant Fund for the next three years?



Independent Auditor's Report

Independent auditor's report on Christchurch City Council's Consultation Document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Christchurch City Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 8 March 2018.

Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and city, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.



Andy Burns
Audit New Zealand
On behalf of the Auditor-General, Christchurch, New Zealand

How to have your say

Ways to make a submission

Christchurch City Council would like your feedback on the draft Long Term Plan 2018-28. There are a number of ways you can give feedback. Submissions can be made from Friday 9 March 2018 until 5pm Friday 13 April 2018.

Written feedback

-  Fill out our online submission form at ccc.govt.nz/ltp (preferred)
-  Fill out the submission form
-  Email your feedback to ccc-plan@ccc.govt.nz
-  Post a letter to:
Freepost 178 (no stamp required)
Long Term Plan Submissions
Christchurch City Council
PO Box 73017
Christchurch 8154
-  Or deliver to the Civic Offices at 53 Hereford Street.
(To ensure we receive last-minute submissions on time, please hand deliver them to the Civic Offices.)

You need to include these details in your submission.

Your full name, postal address, post code and email address. If you wish to speak to your submission at the public hearings in May, please also provide a daytime phone number.

Whether you are completing the submission for yourself or on behalf of a group or organisation. If it is the latter, please include your organisation's name and your role in the organisation.

Social media

Informal feedback, which is not counted as a submission, can be made in the following ways:

-  Answer our draft Long Term Plan questions on Facebook: [facebook.com/ChristchurchCityCouncil](https://www.facebook.com/ChristchurchCityCouncil)
Go to our Facebook page and include #cccplan in your post
-  Tweet us your feedback using #cccplan

Be heard in person

Come and talk to us at Have Your Say events

Have Your Say events are local, Community Board-led meetings where people can come along and share their views in a public forum. Your feedback at these meetings will be used to develop the local Community Board's submission on the draft Long Term Plan. These meetings are run by Community Boards throughout the consultation period. A calendar of these events is available online at ccc.govt.nz/ltp

Hearings

Public hearings will be held in May 2018.

Submissions are public information

Subject to the provisions of the Local Government Official Information and Meetings Act 1987, we will make all submissions publically available, including all contact details you provide on your submission. If you consider there are reasons why your contact details and/or submission should be kept confidential, please contact the Council by phoning (03) 941 8999 or 0800 800 169.

Have Your Say Community Board events

Linwood – Central – Heathcote

Wednesday 21 March, 5.30pm–7.00pm
Matuku Takotako Sumner Centre, corner Wakefield Avenue and Nayland Street, Sumner, Christchurch

Thursday 22 March, 5.30pm–7.00pm
Linwood Boardroom, Gate B 180 Smith Street, Christchurch

Spreydon – Cashmere

Tuesday 20 March, 5.30pm–7.00pm
Workshop at Beckenham Boardroom, South Christchurch Library and Service Centre, 66 Colombo Street, Christchurch

Coastal – Burwood

Thursday 15 March, 6.00pm–8.00pm
Drop-in session at the New Brighton Boardroom, Corner Beresford and Union Streets, New Brighton

The Coastal-Burwood Community Board will also be out and about in the community, discussing the LTP - exact dates and times will be advertised locally.

Banks Peninsula

Tuesday 13 March, 6.30pm–7.30pm
Forum at Little River Service Centre, Christchurch Akaroa Road, Little River

Thursday 22 March, 7.00pm–8.00pm
Forum at the Lyttelton Community Boardroom, 25 Canterbury Street, Lyttelton

Wednesday 4 April,
5.00pm–6.00pm: Akaroa wastewater community update
6.00pm–7.00pm: LTP forum
Akaroa Sports Complex, Rue Lavaud, Akaroa

Halswell – Hornby – Riccarton

Friday 16 March, 5.30pm–7.30pm
Drop-in session at the Hao Room, Te Hapua: Halswell Centre, Halswell Road

Friday 23 March, 10.00am–12 noon
Drop-in session at Room 5, Hornby Community Care Centre, 8 Goulding Avenue

Saturday 24 March, 9.00am–1.00pm
Stall at the Christchurch Farmers' Market, Riccarton House

Papanui – Innes

Wednesday 21 March, 6.00pm–8.00pm
Papanui Boardroom, corner Langdons Road / Restell Street, Christchurch

The Papanui-Innes Community Board will also be out and about in the community, discussing the LTP - exact dates and times will be advertised locally.

Fendalton – Waimairi – Harewood

Thursday 29 March, 11.00am–1.00pm
Bishopdale Mall (outside New World)

Friday 16 March, 2.00pm–4.00pm
Fendalton Library and Service Centre, 4 Jeffreys Road, Christchurch

Saturday 10 March, 12.00pm–2.00pm
Culture Galore, Ray Blank Park, Maidstone Road, Ilam

Civic Offices

Friday 16 March, 10.30am – 1pm
Level 2, Civic Building, Christchurch City Council, 53 Hereford Street, Christchurch

Wednesday 11 April, 4.00pm–7.00pm
Level 2, Civic Building, Christchurch City Council, 53 Hereford Street, Christchurch

Can't attend an event? You can still get the answers you are looking for – just give us a call on (03) 941 8999, provide your details and a good time for us to call, and one of our managers will be in touch.

You can also contact your local Community Board directly: ccc.govt.nz/the-council/how-the-council-works/elected-members/community-boards/

Questions to think about when making your submission

The big question (page 8)

Our overarching proposal is to prioritise some areas over others to enable us to keep our proposed average rates increase as low as possible, at 5.5 per cent.

Have we got the balance right?

Looking across all the services, projects and activities that Council delivers, have we prioritised the right things?

Do you have a project or programme that you think should be reprioritised? (please provide details)

We're making progress (page 11)

In 2018/19 ChristchurchNZ will receive \$10.2 million from the Council, to enable it to carry out a range of activities including attracting major events, economic development and promoting the city. To fulfil this role they are seeking additional funding of \$1.4 million. The rates impact of the additional seed fund activities would be 0.31 per cent in 2018/19 on top of the 5.5 per cent average rates increase.

What do you think of the Council providing additional funding to ChristchurchNZ so that it can bid for major events on behalf of the city, support new events through sponsorship and test the feasibility of new concepts?

Our rates proposals (page 21)

We propose an average rates increase of 5.5 per cent in 2018/19, with the increase tracking down over subsequent years of the LTP to settle at a level in line with local government inflation.

We propose continuing to prioritise our work on horizontal infrastructure (roads, pipes etc) so that the most urgent work is done first, based on the condition of the asset, its importance and weighing the benefits gained in doing the work against the consequences of not doing the work.

What do you think of this plan for an average rates increase of no more than 5.5 per cent, reducing over the next 10 years?

Alternative sources of funding (page 24)

An issue we think may be important to you is identifying alternative means of funding the Council's activities. At the moment we meet most of our costs from rates, borrowing, and dividends from our trading organisations.

Do you think we should investigate other ways to raise funding?

A local fuel tax could help us to reduce rates. Would you support us exploring this option to generate more money for transport-related projects?

Flood protection (page 35)

Since the earthquakes, houses along parts of the Heathcote/Ōpāwaho River have been more susceptible to flooding. We understand the effect of this on residents. To reduce the risk of homes flooding we propose speeding up our programme to dredge the river between the Woolston Cut and Radley Park and through to Hansen Park.

What do you think of us prioritising this project over other land drainage recovery work, so we can complete it within two rather than three years?

Drinking water, wastewater, stormwater and flood protection (pages 31-37)

We propose prioritising work to maintain our drinking water, stormwater and flood protection infrastructure over work to maintain our wastewater infrastructure.

What do you think of our approach to managing our drinking water, wastewater, stormwater and flood protection assets, and how we're prioritising the work?

Transport (pages 38-43)

Making our city safer for people to travel in, whether by car, bicycle or on foot, has been a priority for this Council. We are keen to press on with these initiatives, to complete the network of cycleways, improve safety at more intersections and make the central city more accessible for everyone.

We also want to restore our road condition to a level that is similar to other New Zealand cities over the next 20 years.

What do you think of our approach to managing our transport projects, and how we're prioritising the work?

There has been a lot of feedback expressing community concerns about the dangers presented at a range of intersections (for example, Harewood, Breens and Gardiners Roads) and the state of many streets and footpaths. As a Council we wish to agree on a framework for prioritising intersection improvement and street and footpath renewals, to ensure we meet our residents' needs.

What do you think we should take into account when prioritising the work that needs to be done?

Do you think the priorities should be informed by the local Community Board?

Facilities (pages 45-47)

In this document we list our top priorities. The funding allocated will allow us to improve or complete a wide range of facilities that will benefit Christchurch now and in the future.

Do we have the priorities right?

Are there other projects you would prioritise, and if so, what would you defer to free up funding?

In this document we discuss a new funding method for community assets that are not owned by the Council but which benefit the community.

What do you think of using a targeted rating system to help progress non-Council community projects?

Are there projects in your community that could benefit from such an approach?

Heritage (page 52)

We are keen to know your views on the almost depleted Central City Landmark Grant Fund, through which we have helped fund work to restore heritage buildings that are in private ownership.

Do you think the Council should continue to contribute \$1.9 million per year to the Landmark Grant Fund for the next three years?



