

Mayor's introduction



The 2023/24 Annual Plan has been a thorough and challenging process for our new Council to work through. Starting from an expected increase of 14.6%, we finished with a final increase of 6.41%. To be able to halve the expected increase was an incredible result.

Throughout this time staff provided councillors with many different options to consider. We looked at many ways we can reduce rate increases while maintaining our levels of service. And we did this while balancing our own cost increases – namely from inflation, insurance and interest rates.

One factor that is impacting the way rate rises are distributed across the city this year is the three yearly revaluation of properties. This is required by law to be done every three years by an independent valuer and has seen some neighbourhoods with traditionally lower house prices increase at a greater percentage than the average.

While neighbourhoods with higher values still pay larger average dollar amounts, some neighbourhoods with lower values will see their rates increase by a greater percentage than the average.

Draft Annual Plan

In February 2023, following months of work looking at options, we proposed a draft Annual Plan with an overall rate increase of 5.68%. This took into account the impact of revaluations and rising costs for Council.

People have been clear over the last several years that they want Council to keep rates down, improve our basic infrastructure and maintain our community services. There is a strong message that this must be done while protecting our waterways and water supplies, cleaning up our environment and reducing our emissions.

Our city has told us to lift our game when delivering on these expectations.

Some of the steps we are taking in this Annual Plan include keeping the total rate rise under the rate of inflation, maintaining existing levels of service and keeping our capital programme based on what we can deliver. We have also maintained our living wage employer status and started our roving Council Maintenance Crews to repair footpaths.

Our Council also made the decision to propose some specific, one-off adjustments for the 2023/24 financial year to keep rate increase down without cutting services. These include reducing the number of vacancies being filled, utilising our subvention receipt revenue and disposing of some unused Council properties.

Consultation

From March to May, everyone had the opportunity to have their say and give us a steer on what they would like to see. We received 811 submissions and heard from 115 submitters in person.

This was very helpful in giving us a direction for setting this final Annual Plan.

Amendments

Following consultation, several amendments to the draft annual plan were proposed by staff and councillors. These were the result of additional information, submissions, analysis and Council decisions since the end of February.

There were significant areas where we heard differing views throughout consultation. As a Council we debated four key areas where there were strong views for and against. These included the amount of subventions utilised, the average daily water supply allowance, the Uniform Annual General Charge amount and the amount of funding from Capital Endowment Fund interest used to offset rates.

We also considered further councillor amendments, including funding for the landscape design of Takapūneke Reserve, supporting Surf Life Saving to pay a living wage and starting design work on the Ōtakaro-Avon Major Cycle Route through the Red Zone.

And finally, we noted a list of requests for more information to help give staff a steer on what that Council would like to help inform our next Long-Term Plan.

After all amendments were decided, our overall rate increase was 6.41%. This worked out as an increase of 6.6% for the average household after revaluations were applied.

Conclusion

This Annual Plan balances the need to maintain and deliver the services our community expect us to provide while limiting the rates burden on households and businesses.

It is the result of months of hard work from staff and councillors to get to this point. I thank Dawn, Lynn, Mary and Leah, our Heads of Service and all Council staff who have helped get us to this point.

I also thank councillors for their focus, hard work and patience as we worked through this process.

Alongside this work, Council staff have now begun preparations for our Long-Term Plan 2024-2034. This is a significant amount of work which looks over the next ten years for our city. Our final Annual Plan sets the scene for this.

We know we must reduce the burden that Council's rates place on households given the increasing cost of living at this time, especially for those on low and fixed incomes. People expect us to lead and make tough decisions to deliver the right services in the right place at a reasonable cost.

The decisions we need to make for our Long-Term Plan 2024-2034 will require us to have an honest conversation about what we deliver. As a city, we need to decide what we can afford to pay in rates, and what we must provide for that amount of money.



Phil Mauger
Mayor of Christchurch

