

# Council Debt

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Date Requested: 9 May 2024  
Date Provided: 22 May 2024

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## Request

When did the council start getting into debt? What year?

## Council Response

We can now confirm that Christchurch City Council first went into debt in 1866. This was due to the purchase of pipes in an attempt to move away from cesspools and establish an underground sewerage network. When the pipes arrived in Lyttleton, there was an unforeseen lack of funds caused by a ratepayers strike. The Council had an estimated deficit of £2172 that year and also needed £900 to pay for the pipes so the decision was made to sell the pipes and continue to drain directly into side channels and the River Avon.

Christchurch City Council, like most other city councils, continues to hold at least some debt on its books at all times. This is because we rate to repay debt over 30 years, allowing the cost of infrastructure and facilities to be spread between all people who use it in its lifetime, rather than only being paid for by the current ratepayers prior to that infrastructure being built or useable.

Pre-earthquake, this was bolstered periodically by special dividends from our subsidiary Christchurch City Holdings Ltd (CCHL). For this reason, we had very little debt immediately pre-earthquake. Post-earthquake debt increased more significantly to fund the recovery and rebuild, which also required CCHL to borrow for us rather than repay debt. These events led to debt increasing materially.

Currently our oldest debt on the books is from 2009