

# Christchurch City Three Year Plan 2013-16 (*Draft*) Volume 1 of 2

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## Christchurch Ōtautahi

For the Three Year period beginning 1 July 2013

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## Cautionary Note

The forecast financial statements in this Draft 2013-16 Three Year Plan have been prepared on the basis of the best estimates available at the time of preparing the accounts. Actual results are likely to vary from the information presented and the variations may be material.

The purpose of this Plan is to inform the community on the spending priorities outlined in the Plan, and may not be appropriate for any other purpose. This Draft Plan was adopted on 26 February 2013.

The Council and the Crown have a shared goal of ensuring an effective recovery for the city and the region.

This Draft Three Year Plan contains the latest available information on cost forecasts, Crown subsidies and insurance proceeds.

This plan has been prepared in advance of the Crown and Council reaching a long-term agreement on how the cost of repairing and replacing the Council's earthquake-damaged assets, and delivering major Christchurch Central City Recovery Anchor Projects, will be shared.

Council acknowledges that the final agreement with the Crown relating to cost sharing may result in amendments to this Draft Plan

### Comparative Information

The 2012-2013 comparative information is based on the 2012-2013 Annual Plan, amended to reflect the changes within groups of activities.

### Authorisation for Issue

This document was authorised by the Council on 26 February 2013, and is dated 26 February 2013.

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# Introduction from the Mayor and Chief Executive

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As the rebuild ramps up, we're seeing fresh life in our city and in our communities and an unfolding spirit of innovation.

This plan, which covers the next three years, focuses on a way forward for the Christchurch rebuild that guarantees funding and confidence for residents, taxpayers and the market. We face tremendous challenges but we are proud to put before you a prudent plan, a plan that is fully costed and establishes a sound financial footing for the city's future, while keeping things as affordable as possible for ratepayers.

Most of the big decisions have already been announced and this plan is about how we will pay for what we have already committed to for the rebuild while we keep Christchurch's essential services running day-to-day. It has not been an easy task coming up with a plan that allows the Council to continue to provide essential services, cover our share of the rebuild cost and still meet community expectations.

The highlight of this plan is not a single digit rates increase or a new facility or a big-ticket item – it's the fact we're paying our way using a sound financial plan. We'll get Christchurch back and better than ever within a generation. And that's without selling off our revenue-earning assets or facing massive rates increases, while at the same time we're keeping our debt at an affordable level. When you've experienced one of the worst natural disasters the Western world has seen in recent years, and face a \$2 billion dollar price tag for your share of the rebuild – made up of \$1.3 billion for infrastructure and a \$700 million contribution towards the anchor projects – that's commendable.

A cycling network, a new walkway in Lyttelton Harbour and suburban master plan projects -- like an upgrade to Buchan Park in Sydenham and improved community facilities in Linwood – are among the new projects we're proposing to fund. These projects are affordable and are very important as we move towards making this city a stronger, more sustainable and better place to live. We've seen communities and businesses become hugely involved and engaged in the process of preparing suburban master plans. We want to play our part, capture this energy and strengthen the unique opportunity we have to enhance these suburban centres.

We now present our draft plan and ask you to tell us what you think of our proposals. It is fair to say some aspects of the plan can't readily be changed – we are already committed to the rebuild, including the anchor projects announced by the Government, and we are working with the Government on finalising how the costs will be shared.

Preparing this budget has not been an easy task. We know many residents face tough times and any rates increase will affect them. We've been very mindful of this and this is reflected in the proposed rates increase of 6.67 per cent to existing ratepayers. The average household in Christchurch (with a home worth \$350,000) will pay about \$33 dollars a week in rates after the proposed increase, that's about \$2 a week more than they pay now. Our rates will still be the second lowest of the country's metropolitan centres.

Our sound financial strategy for the city relies on borrowing to fund our share of the cost of the rebuild. Earthquake repairs are seeing the Council carry out the equivalent of 25 years worth of standard maintenance in repairs over the five years to 2016. Attempting to pay for all of this up-front would create a huge and unnecessary burden on ratepayers. We've been financially prudent and we are in a strong position to borrow now. It makes sense to spread the cost over coming years, so residents using the new facilities and services in the future will pay their fair share through their rates in the future.

Under the plan our debt levels peak at just over \$2 billion. When you compare what we're borrowing with our assets, this is similar to having a \$70,000 mortgage on a house worth \$350,000 and paying it off within 30 years. Using the residential property comparison again, most banks allow homeowners to use up to a third of their total income towards repaying debt – we're using less than four per cent of our total spend.

We encourage you to have your say when public consultation opens on March 16 as it's a really important opportunity for you to help set the plan's direction and shape the Council's activities.

We believe this budget will help bring about the bright future we so deserve, after everything we've been through. We're well on our way towards creating a vibrant city that will be one of the best and safest places in the world to live and work for many generations to come.



**Bob Parker**  
Mayor of Christchurch



**Tony Marrayatt**  
Chief Executive

# Great place?

## PEOPLE

Affordable housing in central city for a variety of family/single/couple groups.

OK it was under-used. Yet it had all that mix: business, office, shops, industry, small to mid retail, ents, recreation.

How do we get people to use it more?

We will know we've made the Central City a great place when it buzzes with people & their activity, but as much recreational activity as business.

AGREE & local people use more than the malls.

A safe, happy, beautiful place

People will be drawn to the city due to its vibrancy and place to be.

a new hotel with lots of shiny windows

THIS WOULD BE A WONDERFUL OUTCOME! ALSO THIS

Have trams that bring people from the suburbs to the city so more use less cars. Have market similar to Green Market in Melbourne. More events that people can go to and have fun. Return our heritage & create a green highway around the Estuary. Agree to do it.

## SAFETY

be safe! chh