
Finance and Performance Committee

AGENDA

Notice of Meeting:

An ordinary meeting of the Finance & Performance Committee will be held on:

Date: Thursday 25 March 2021
Time: 9.30am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Deputy Mayor Andrew Turner
Deputy Chairperson	Councillor Sam MacDonald
Members	Mayor Lianne Dalziel
	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor James Daniels
	Councillor Mike Davidson
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

19 March 2021

Principal Advisor

Diane Brandish
Acting General Manager Resources
Tel: 941 8454

Principal Advisor

Dawn Baxendale
Chief Executive
Tel: 941 6996

David Corlett
Committee and Hearings Advisor
941 5421
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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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Developing Resilience in the 21st Century

Strategic Framework



Whiria ngā whenu o ngā papa,
honoa ki te maurua tāuikiuki

Bind together the strands of each mat and join
together with the seams of respect and reciprocity

Ōtautahi-Christchurch is a city of opportunity for all

Open to new ideas, new people and new ways of doing things – a city where anything is possible

Principles

Being open,
transparent and
democratically
accountable

Promoting
equity, valuing
diversity and
fostering inclusion

Taking an inter-generational approach
to sustainable development,
prioritising the social, economic
and cultural wellbeing of
people and communities
and the quality of the
environment, now
and into the
future

Building on the
relationship with
Te Rūnanga o Ngāi Tahu
and the Te Hononga-Council
Papatipu Rūnanga partnership,
reflecting mutual understanding
and respect

Actively collaborating and
co-operating with other
local, regional
and national
organisations

Ensuring
the diversity
and interests of
our communities
across the city and the
district are reflected in
decision-making

Community Outcomes

Resilient communities

Strong sense of community
Active participation in civic life
Safe and healthy communities
Celebration of our identity
through arts, culture, heritage,
sport and recreation
Valuing the voices of all cultures
and ages (including children)

Liveable city

Vibrant and thriving city centre
Sustainable suburban and
rural centres
A well connected and accessible
city promoting active and
public transport
Sufficient supply of, and
access to, a range of housing
21st century garden city
we are proud to live in

Healthy environment

Healthy water bodies
High quality drinking water
Unique landscapes and
indigenous biodiversity are
valued and stewardship
exercised
Sustainable use of resources
and minimising waste

Prosperous economy

Great place for people, business
and investment
An inclusive, equitable economy
with broad-based prosperity
for all
A productive, adaptive and
resilient economic base
Modern and robust city
infrastructure and community
facilities

Strategic Priorities

Enabling active
and connected
communities
to own their future

Meeting the challenge
of climate change
through every means
available

Ensuring a high quality
drinking water supply
that is safe and
sustainable

Accelerating the
momentum
the city needs

Ensuring rates are
affordable and
sustainable

Ensuring we get core business done while delivering on our Strategic Priorities and achieving our Community Outcomes

Engagement with
the community and
partners

Strategies, Plans and
Partnerships

Long Term Plan
and Annual Plan

Our service delivery
approach

Monitoring and
reporting on our
progress

FINANCE AND PERFORMANCE COMMITTEE OF THE WHOLE - TERMS OF REFERENCE / NGĀ ĀRAHINA MAHINGA

Chair	Deputy Mayor Turner
Deputy Chair	Councillor MacDonald
Membership	The Mayor and all Councillors
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd
Meeting Cycle	Monthly
Reports To	Council

Delegations

The Council delegates to the Finance and Performance Committee authority to oversee and make decisions on:

Capital Programme and operational expenditure

- Monitoring the delivery of the Council's Capital Programme and associated operational expenditure, including inquiring into any material discrepancies from planned expenditure.
- As may be necessary from time to time, approving amendments to the Capital Programme outside the Long-Term Plan or Annual Plan processes.
- Approving Capital Programme business and investment cases, and any associated operational expenditure, as agreed in the Council's Long-Term Plan.
- Approving any capital or other carry forward requests and the use of operating surpluses as the case may be.
- Approving the procurement plans (where applicable), preferred supplier, and contracts for all capital expenditure where the value of the contract exceeds \$15 Million (noting that the Committee may sub delegate authority for approval of the preferred supplier and /or contract to the Chief Executive provided the procurement plan strategy is followed).
- Approving the procurement plans (where applicable), preferred supplier, and contracts, for all operational expenditure where the value of the contract exceeds \$10 Million (noting that the Committee may sub delegate authority for approval of the preferred supplier and/or contract to the Chief Executive provided the procurement plan strategy is followed).

Non-financial performance

- Reviewing the delivery of services under s17A.
- Amending levels of service targets, unless the decision is precluded under section 97 of the Local Government Act 2002.
- Exercising all of the Council's powers under section 17A of the Local Government Act 2002, relating to service delivery reviews and decisions not to undertake a review.

Council Controlled Organisations

- Monitoring the financial and non-financial performance of the Council and Council Controlled Organisations.
- Making governance decisions related to Council Controlled Organisations under sections 65 to 72 of the Local Government Act 2002.

- Exercising the Council's powers directly as the shareholder, or through CCHL, or in respect of an entity (within the meaning of section 6(1) of the Local Government Act 2002) in relation to –
 - (without limitation) the modification of constitutions and/or trust deeds, and other governance arrangements, granting shareholder approval of major transactions, appointing directors or trustees, and approving policies related to Council Controlled Organisations; and
 - in relation to the approval of Statements of Intent and their modification (if any).

Development Contributions

- Exercising all of the Council's powers in relation to development contributions, other than those delegated to the Chief Executive and Council officers as set out in the Council's Delegations Register.

Property

- Purchasing or disposing of property where required for the delivery of the Capital Programme, in accordance with the Council's Long-Term Plan, and where those acquisitions or disposals have not been delegated to another decision-making body of the Council or staff.

Loans and debt write-offs

- Approving debt write-offs where those debt write-offs are not delegated to staff.
- Approving amendments to loans, in accordance with the Council's Long-Term Plan.

Insurance

- All insurance matters, including considering legal advice from the Council's legal and other advisers, approving further actions relating to the issues, and authorising the taking of formal actions (Sub-delegated to the Insurance Subcommittee as per the Subcommittees Terms of Reference)

Annual Plan and Long Term Plan

- Provides oversight and monitors development of the Long Term Plan (LTP) and Annual Plan.
- Approves the appointment of the Chairperson and Deputy Chairperson of the External Advisory Group for the LTP 2021-31.

Submissions

- The Council delegates to the Committee authority:
- To consider and approve draft submissions on behalf of the Council on topics within its terms of reference. Where the timing of a consultation does not allow for consideration of a draft submission by the Council or relevant Committee, that the draft submission can be considered and approved on behalf of the Council.

Limitations

- The general delegations to this Committee exclude any specific decision-making powers that are delegated to a Community Board, another Committee of Council or Joint Committee. Delegations to staff are set out in the delegations register.
- The Council retains the authority to adopt policies, strategies and bylaws.

Chairperson may refer urgent matters to the Council

As may be necessary from time to time, the Committee Chairperson is authorised to refer urgent matters to the Council for decision, where this Committee would ordinarily have considered the matter. In order to exercise this authority:

- The Committee Advisor must inform the Chairperson in writing the reasons why the referral is necessary
- The Chairperson must then respond to the Committee Advisor in writing with their decision.

If the Chairperson agrees to refer the report to the Council, the Council may then assume decision-making authority for that specific report.

Part A	Matters Requiring a Council Decision
Part B	Reports for Information
Part C	Decisions Under Delegation

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Karakia Whakamutunga

Karakia Timatanga

1. Apologies / Ngā Whakapāha

At the close of the agenda no apologies had been received.

2. Declarations of Interest / Ngā Whakapuaki Aronga

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. Confirmation of Previous Minutes / Te Whakaāe o te hui o mua

That the minutes of the Finance and Performance Committee meeting held on [Thursday, 25 February 2021](#) be confirmed (refer page 8).

4. Public Forum / Te Huinga Whānui

A period of up to 30 minutes will be available for people to speak for up to five minutes on any issue that is not the subject of a separate hearings process.

5. Deputations by Appointment / Ngā Huinga Whakaritenga

Deputations may be heard on a matter or matters covered by a report on this agenda and approved by the Chairperson.

There were no deputations by appointment at the time the agenda was prepared.

6. Presentation of Petitions / Ngā Pākikitanga

There were no petitions received at the time the agenda was prepared.

Finance and Performance Committee OPEN MINUTES

Date: Thursday 25 February 2021
Time: 9.36am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson Deputy Mayor Andrew Turner
Deputy Chairperson Councillor Sam MacDonald
Members Mayor Lianne Dalziel
Councillor Jimmy Chen
Councillor Catherine Chu
Councillor Melanie Coker
Councillor Pauline Cotter
Councillor James Daniels
Councillor Mike Davidson
Councillor Anne Galloway
Councillor James Gough
Councillor Yani Johanson
Councillor Aaron Keown
Councillor Phil Mauger
Councillor Jake McLellan
Councillor Tim Scandrett
Councillor Sara Templeton

25 February 2021

Principal Advisor
Diane Brandish
Acting General Manager Finance
and Commercial
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Principal Advisor
Dawn Baxendale
Chief Executive
Tel: 941 6996

David Corlett
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- Part A** **Matters Requiring a Council Decision**
Part B **Reports for Information**
Part C **Decisions Under Delegation**
-

Karakia Timatanga: Delivered by Deputy Mayor Turner

The agenda was dealt with in the following order.

1. Apologies / Ngā Whakapāha

Part C

Committee Resolved FPCO/2021/00001

That the apologies received from Councillor Scandrett for lateness and Councillor Templeton for early departure be accepted.

Deputy Mayor/Councillor Cotter

Carried

2. Declarations of Interest / Ngā Whakapuaki Aronga

Part B

The Mayor and Deputy Mayor declared an interest in Item 20 Christchurch Foundation.

3. Confirmation of Previous Minutes / Te Whakaāe o te hui o mua

Part C

Committee Resolved FPCO/2021/00002

That the minutes of the Finance and Performance Committee meeting held on Thursday, 3 December 2020 be confirmed.

Deputy Mayor/Councillor MacDonald

Carried

19. Resolution to Include Supplementary Reports

Committee Resolved FPCO/2021/00003

That the reports be received and considered at the Finance and Performance Committee meeting on Thursday, 25 February 2021.

Open Items

20. Christchurch Foundation - Independent Review Report and Annual Report for 2019/20.

Councillor MacDonald/Councillor Templeton

Carried

4. Public Forum / Te Huinga Whānui

Part B

Councillor Scandrett joined the meeting at 9.38am during item 4.1

4.1 Nick Williams

Nick Williams spoke to the Committee about a potential Multi-use Arena Visitor Attraction.

5. Deputations by Appointment / Ngā Huinga Whakaritenga

Part B

There were no deputations by appointment.

6. Presentation of Petitions / Ngā Pākikitanga

Part B

There was no presentation of petitions.

Councillor McLellan left the meeting at 9.51am and returned at 9.55am during discussion on item 7.

Councillor Mauger left the meeting at 9.55am and returned at 9.59am during discussion on item 7.

7. Performance Exceptions Report January 2021

Committee Comment

1. The Committee noted the staff advice that the level of service related to supporting business sector resource efficiency should be deleted because funding had been removed.

Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the information provided in the Performance Exceptions Report for January 2021.

Committee Resolved FPCO/2021/00004

Part C

That the Finance and Performance Committee:

1. Receives the information provided in the Performance Exceptions Report for January 2021.
2. Resolves to remove Level of Service 17.0.34.2 (related to supporting the business sector with resource efficiency advice) for the 2020/21 financial year, noting that Council removed the budget for this service as part of the 2020/21 Annual Plan. The level of service should have been removed at the same time. The level of service is not a

significant measure in a significant activity so its deletion will not trigger formal consultation. Audit New Zealand will be notified at year end to cover any reporting implications.

Deputy Mayor/Councillor Chen

Carried

Councillor MacDonald left the meeting at 10.24am and returned at 10.26am during discussion on item 8.

Councillor Cotter left the meeting at 10.32am and returned at 10.35am during discussion on item 8.

Councillor Gough left the meeting at 10.35am and returned at 10.38am during discussion on item 8.

8. Capital Project Performance Report - February 2021

Committee Resolved FPCO/2021/00005 Officer recommendation adopted without amendment.

Part C

That the Finance and Performance Committee:

1. Receive the information in the Capital Project Performance report, Capital Watchlist report, External Funded Projects report and Major Cycleway report.

Deputy Mayor/Councillor Keown

Carried

9. Water Services Bill draft submission

Committee Comment

1. The Committee agreed to delegate to the Chair and Mayor the authority to sign the final submission, and that the Mayor represent the Council at Select Committee.

Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Approve the draft submission.
2. *[If the Council decides to amend the draft submission it should also make this resolution]*
Delegate the Chair (or subgroup) the authority to sign the final submission.
3. Agree to staff making any amendments to fix any typographical, formatting or other minor errors.
4. Approve the Council's oral submission to the Health Select Committee, to be represented by (to be agreed at the meeting) and supported by appropriate staff.

Committee Resolved FPCO/2021/00006

Part C

That the Finance and Performance Committee:

1. Approve the draft submission.

2. Delegate to the Chair and Mayor the authority to sign the final submission.
3. Agree to staff making any amendments to fix any typographical, formatting or other minor errors.
4. Approve the Council's oral submission to the Health Select Committee, to be represented by the Mayor and supported by appropriate staff.

Mayor/Councillor Templeton

Carried

Councillor Templeton left the meeting at 10.49am.

The meeting adjourned at 10.49am and reconvened at 11.04am.

Deputy Mayor Turner declared an interest in Item 20, and took no part in the discussion or voting on the matter.

Councillor MacDonald assumed the Chair for consideration of 20.

Councillor Chu left the meeting at 11:51am and returned at 11:54am during discussion on Item 20.

Councillor Gough left the meeting at 11:52am and returned at 11:54am during discussion on Item 20.

Amy Carter and Humphrey Rolleston from the Christchurch Foundation, and Christchurch City Council staff Len Van Hout and Linda Gibb, and the Mayor, joined the table during consideration of Item 20. The Mayor, having declared an interest in Item 20 did not vote on the matter.

20. Christchurch Foundation - Independent Review Report and Annual Report for 2019/20.

Committee Comment

1. Following discussion the Chair proposed alternative wording to that provided in the officer recommendation for the Committee to consider.

Officer Recommendation

That the Finance and Performance Committee:

1. Endorses amending the annual funding support provided to the Christchurch Foundation by \$60,000 to \$540,000 for financial years ending 30 June 2022 and 2023 through the draft LTP 2021-2031;
2. Requests that the Christchurch Foundation provides advice in its quarterly reports as to progress on achieving third party funding of its operating and administration costs;
3. Delegates responsibility to the Chief Executive to advise the Christchurch Foundation of the key matters outlined in the next steps section of this report; and
4. Directs staff to undertake a further review of the Christchurch Foundation by June 2022 to consider the extent to which it has been able to secure self-funding for annual operating costs.

Committee Resolved FPCO/2021/00007

That the Finance and Performance Committee:

1. Request staff bring back a final funding amount for year end 30 June 2022 and 30 June 2023 prior to sign off of the Long Term noting a significant reduction will be required from Council for these years based on the additional funding revenue streams sought for operation costs of the Foundation.
2. Requests that the Christchurch Foundation provides advice in its quarterly reporting as to progress on achieving third party funding of its operating and administration costs.
3. Delegates responsibility to the Chief Executive to advise the Christchurch Foundation of the key matters outlined in the next steps section of this report.

Councillor MacDonald/Councillor McLellan

Carried

Deputy Mayor Turner returned to the Chair for the remainder of the meeting.

Councillor Cotter left the meeting at 12.10pm and returned at 12.13pm during discussion of item 10.

10. Financial Performance Report for the six months ended 31 December 2020

Committee Resolved FPCO/2021/00008 Original Officer recommendation adopted without amendment

Part C

That the Finance and Performance Committee:

1. Receives the information in the Financial Performance Report for the six months ending 31 December 2020.

Deputy Mayor/Councillor Daniels

Carried

11. Corporate Finance Report for the period ending 31 December 2020

Committee Comment

1. The Chair noted the positive news that Standards and Poor's had reaffirmed the Councils rating following their November review.

Committee Resolved FPCO/2021/00009 Officer recommendation adopted without amendment

Part C

That the Finance and Performance Committee:

1. Receives the information in the Corporate Finance Report for the period ended 31 December 2020.

Deputy Mayor/Councillor MacDonald

Carried

Councillor Chu left the meeting at 12.17pm and returned at 12.19pm during discussion of item 11.

12. Capital Delivery Major Facilities Elected Member Updates

Committee Resolved FPCO/2021/00010 Original Officer recommendation adopted without amendment

Part C

That the Finance and Performance Committee:

1. Receives the information within the Elected Members Updates of Capital Delivery Major Facilities Projects:
 - a. Metro Sports Facility (Joint Venture with Ōtākaro Ltd).
 - b. Performing Arts Precinct.
 - c. Hornby Library, Service Centre and South West Leisure Centre.
 - d. Te Pou Toetoe: Linwood Pool.
 - e. The Square and Surrounds.
 - f. Old Municipal Chambers (OMC).

Councillor Daniels/Councillor MacDonald

Carried

Councillor Davidson left the meeting at 12.24pm and returned at 12.27pm during discussion of item 13.

13. Canterbury Multi-Use Arena Elected Member Update

Committee Resolved FPCO/2021/00011 Original Officer recommendation adopted without amendment

Part C

That the Finance and Performance Committee:

1. Receives the information in the Canterbury Multi-Use Arena Elected Member Update.

Deputy Mayor/Councillor Scandrett

Carried

Councillor MacDonald left the meeting at 12.26pm and returned at 12.33pm during discussion of item 14.

Councillor Gough left the meeting at 12.31pm and returned at 12.34pm during discussion of item 14.

Councillor Scandrett left the meeting at 12.33pm and returned at 12.35pm during discussion of item 14.

14. Stapletons Road, Randall Street & Petrie Street Renewal - Closeout Report

Committee Resolved FPCO/2021/00012 Original Officer recommendation adopted without amendment

Part C

That the Finance and Performance Committee:

1. Receives the information in the project closeout report for the Stapletons Road, Randall Street and Petrie Street Renewal.

Deputy Mayor/Councillor Chen

Carried

Councillor Templeton returned to the meeting at 12.49pm during consideration of item 15 and took no part in the voting or discussion thereon.

15. Audit and Risk Management Committee - Remuneration for independent members

Committee Comment

1. Staff noted that the attachment, document which is public excluded, contains some information which is confidential and some which can be treated as public. The Committee received an additional recommendation (recommendation 7 below) in relation to this.

Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Approves an increase of \$300 per meeting / \$1,800 per annum (plus GST) in the remuneration rate for the two independent members of the Council's Audit and Risk Management Committee to take effect from 1 April 2021;
2. Approves an increase of \$600 per meeting / \$3,600 per annum (plus GST) in the remuneration rate for the independent chairperson of the Council's Audit and Risk Management Committee to take effect from 1 April 2021;
3. Approves an increase of \$50 per hour in the hourly rate for any work or attendances sought from the independent members and chair of the Audit and Risk Management Committee that is outside the scope of the Audit and Risk Management Committee to take effect from 1 April 2021 bringing the total hourly rate to \$250;
4. Notes that the total increase in fees that the Council will need to fund is \$1,200 for the period 1 April to 30 June 2021 and \$7,200 per annum from 2021/22;
5. Agrees that the rates of remuneration for the independent members and chair of the Audit and Risk Management Committee are reviewed immediately following each triennium election to take effect from 1 April; and
6. Agrees to release the attachment to this report before the next fee review which is expected to be in 2022, with the approval of the Chief Executive of the Council in

consultation with the Chair of the Council's Audit and Risk Management Committee and with other councils to which the information in the attachment may affect.

Committee Resolved FPCO/2021/00013

Part C

That the Finance and Performance Committee:

1. Approves an increase of \$300 per meeting / \$1,800 per annum (plus GST) in the remuneration rate for the two independent members of the Council's Audit and Risk Management Committee to take effect from 1 April 2021;
2. Approves an increase of \$600 per meeting / \$3,600 per annum (plus GST) in the remuneration rate for the independent chairperson of the Council's Audit and Risk Management Committee to take effect from 1 April 2021;
3. Approves an increase of \$50 per hour in the hourly rate for any work or attendances sought from the independent members and chair of the Audit and Risk Management Committee that is outside the scope of the Audit and Risk Management Committee to take effect from 1 April 2021 bringing the total hourly rate to \$250;
4. Notes that the total increase in fees that the Council will need to fund is \$1,200 for the period 1 April to 30 June 2021 and \$7,200 per annum from 2021/22;
5. Agrees that the rates of remuneration for the independent members and chair of the Audit and Risk Management Committee are reviewed immediately following each triennium election to take effect from 1 April; and
6. Agrees to release the attachment to this report before the next fee review which is expected to be in 2022, with the approval of the Chief Executive of the Council in consultation with the Chair of the Council's Audit and Risk Management Committee and with other councils to which the information in the attachment may affect.
7. Agrees that the 'public excluded attachment – Remuneration of ARMC Independent Chair and Members' be removed from public excluded and attached to the public report.

Councillor MacDonald/Councillor Mauger

Carried

Councillors Davidson and Johanson requested that their vote against the above be recorded.

16. Resolution to Exclude the Public

Committee Resolved FPCO/2021/00014

Part C

That at 12.50pm the resolution to exclude the public set out on pages 164 to 166 of the agenda be adopted.

Deputy Mayor/Councillor MacDonald

Carried

The public were re-admitted to the meeting at 12.52pm.

Karakia Whakamutunga: Delivered by Deputy Mayor Turner

Meeting concluded at 12.52pm.

CONFIRMED THIS 25TH DAY OF MARCH 2021

DEPUTY MAYOR ANDREW TURNER
CHAIRPERSON

Unconfirmed

Item 3 - Minutes of Previous Meeting 25/02/2021

7. Performance Exceptions Report February 2021

Reference / Te Tohutoro: 21/257976

Report of / Te Pou Matua:	Peter Ryan, Head of Performance Management, peter.ryan@ccc.govt.nz
General Manager / Pouwhakarae:	Mary Richardson, Acting Assistant Chief Executive, mary.richardson@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is for the Finance and Performance Committee to note performance exceptions for the year ending 28 February 2021.
- 1.2 This report enables both transparency and accountability. The focus is on managing risks to delivery and any remedial actions required.
- 1.3 This reporting framework is based on the levels of service, budgets and projects approved in the 2018 Long Term Plan as well as key performance targets set by the Executive Leadership Team.
- 1.4 Comments and remedial actions for level of service delivery are provided by the accountable senior managers.
- 1.5 There are two clear processes in place to focus on levels of service that require intervention to succeed. The first are performance reports at group and unit level that focus on exceptions. These are used by General Managers and Heads of to monitor and correct any service delivery performance issues.
- 1.6 The second process is new. The Performance Management Unit (PMU) now generates a custom report each month focused on levels of service that might succeed by year end if the correct interventions occur. The aim is to increase service delivery and performance and focus on continuous improvement. The PMU works with managers to address these issues. ELT may also provide advice or direction on how to move these LOS towards success.
- 1.7 As at 28 February 2021, Long Term Plan (LTP) levels of service forecast 80.0% delivery, which is below ELT target of 85%, and has been stable since October 2020, fluctuating by 0.4% which is one level of service.
- 1.8 Some levels of service which did not meet target at the end of last year FY 2019/20, have started this year's forecast as amber (requires remedial action) or red (will not meet target), until there is evidence that the target will be met.
- 1.9 Watchlist capital projects delivery had dropped to 76.7%, which is below ELT target of 90% delivery. While Major Cycleways projects delivery is 88.0%.
- 1.10 Refer to attachments for details of LOS performance exceptions:
 - Attachment A** – Performance Exceptions Summary February 2021.
 - Attachment B** – FY 2020/21 Forecast Year-end Levels of Service Delivery (LTP only) by Activity and Group of Activities (GOA).
 - Attachment C** – Levels of Service Exception Commentaries from managers.
 - Attachment D** – Performance by Activities - Scatter Graph and Table.
 - Top 10 Activities by Net Cost –Level of Service delivery vs Net Cost Variance.
 - Table of Performance by Activity – Level of Service Delivery and Controllable Net Cost.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the information provided in the Performance Exceptions Report for February 2021.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Performance Exceptions Summary February 2021	21
B ↓	FY 2020/21 Forecast Year-end LOS Delivery by Activity and GOA February 2021	24
C ↓	LOS Delivery Exception Commentaries February 2021	25
D ↓	Performance by Activity - Scatter Graph and Table February 2021	38

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not applicable	Not applicable

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Authors	Lerks Stedman - Senior Business Analyst Angeline Burks - Performance Analyst
Approved By	Peter Ryan - Head of Performance Management Mary Richardson - General Manager Citizens & Community

Performance Exceptions Report for Levels of Service and Watchlist Capital Projects Finance & Performance Committee of the Whole – February 2021 FY 2020/21

Level of service (LOS) delivery exceptions

As at 28 February 2021, LTP levels of service forecast 80.0% delivery, compared to 80.1% in January, and 83.8% in February 2020 last year. Level of service delivery has been stable for the last five months, see figure 2 below. Delivery remains below the ELT target of 85%.

Figure 1 - Forecast Year-end Level of Service Delivery (LTP only) as at 28 Feb 2021

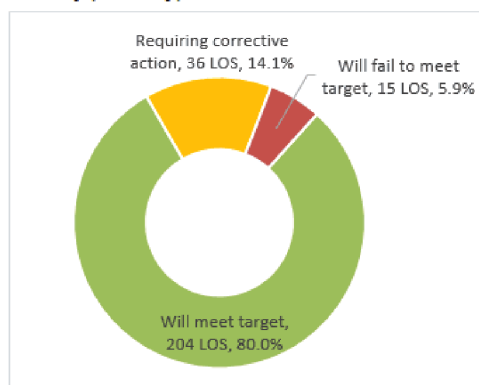
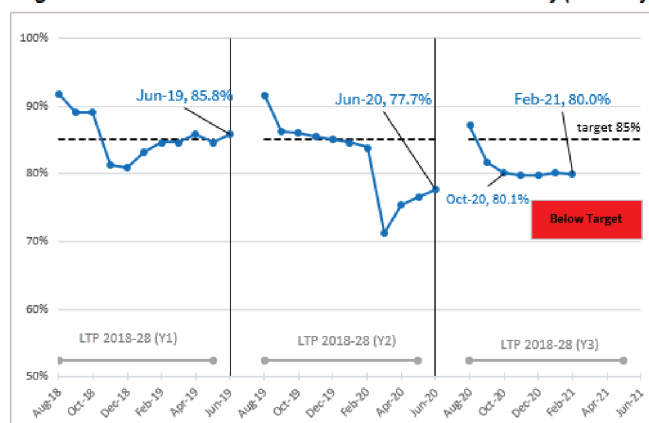


Figure 2 - Trend of Forecast Year-end Level of Service Delivery (LTP only)



One level of service, which was no longer relevant, was removed per Council resolution at the Finance and Performance Committee meeting on 25 February 2021.

Both amber and red level of service delivery forecasts are defined as exceptions. The key movements in level of service delivery from January 2021 to February 2021 are as follows:-

One LOS from red to green:-

Water Supply – 12.0.1.2 Number of unplanned interruptions

Two LOS from green to amber:-

Building Services - 9.1.1 Grant building consents within 20 working days

Wastewater – 11.0.1.19 Wastewater gravity network pipework condition grade inspections

Three LOS from amber to red:-

Active Travel – 16.0.10 Improve the perception that Christchurch is a walking friendly city

Water Supply – 12.0.6 Percentage of real water loss from Council's water supply network

Flood Protection – 14.1.6.1 Annual reduction in number of properties predicted to be at risk of habitable floor level flooding

Further details of LOS performance exceptions are in the following attachments:

Attachment B – Forecast FY 2020/21 year-end levels of service delivery (LTP only) by Group of Activities

Attachment C – Levels of service exception commentaries from managers.

Attachment D – Performance by Activities - Scatter Graphs and Table

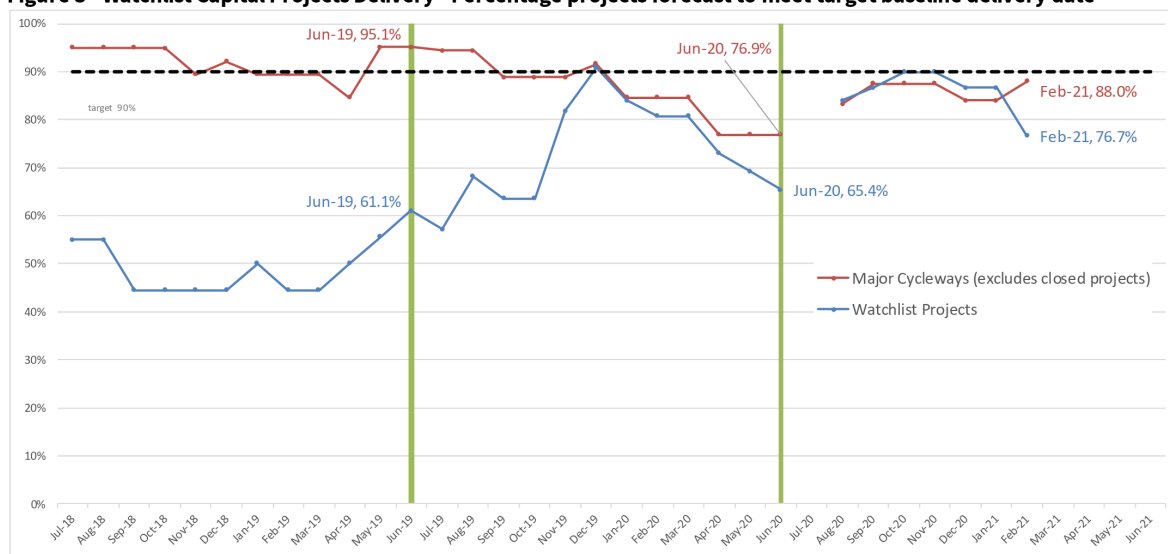
Top 10 Activities by Forecast Net Cost –Level of Service Delivery vs Net Cost Variance.

Table of Performance by Activity – Level of service delivery and controllable net cost.

Watchlist capital project delivery exceptions

Watchlist capital projects are forecast to deliver 76.7%. Major Cycleways projects are forecast to deliver 88.0%.

Figure 3 - Watchlist Capital Projects Delivery - Percentage projects forecast to meet target baseline delivery date



Whole of life project milestone status including Plan, Initiate and Execute phases. 30 Watchlist Capital Projects, 45 Major Cycleways Projects (10 projects closed and excluded from this graph).

Table 1 below is a summary of Watchlist Capital Project and Major Cycleways Project exceptions. These are projects which are forecast to deliver after baseline completion date. Original baseline date was adopted in the 2018 Long Term Plan.

Table 1 - Watchlist Capital Projects Delivery Exceptions (whole of life)

Project Name	Delivery Completion Date		
	Original Baseline	Baseline	Forecast
Watchlist Capital Project Exceptions			
Delivery in FY 2020/21			
✗ WW Mains Renewal Tuam St Reticulation Renewal (Brick Barrel) (Livingstone to Mathesons)	Jun-20	Oct-20	Feb-21
✗ St Albans Community Centre	Jun-19	11-Mar-21	31-Mar-21
✗ Central City Projects - Hereford Street (Manchester to Cambridge)	Apr-20	5-Feb-21	26-Feb-21
Delivery in FY 2021/22 and beyond			
✗ WW Akaroa Reclaimed Water Treatment & Reuse Scheme	Jun-25	Jun-25	Jun-28
✗ Metro Sport Facility	Jan-20	Feb-22	Nov-22
✗ SW Eastman Sutherland and Hoon Hay Wetlands/ combined with Eastman Wetlands (LDRP 528)	Aug-19/ Jun-24	Aug-19	Jun-23
✗ Coastal Pathway & Moncks Bay	Jun-20	Jun-22	Aug-22
Major Cycleways Project Exceptions			
✗ Major Cycleway Nor'West Arc Route (Section 1b) Sparks to Lincoln & Halswell Intersection		Oct-20	Feb-21
✗ Major Cycleway - Northern Line Route (Section 1) Blenheim to Kilmarnock and Harewood Crossing & Restell		Jun-22	Dec-22
✗ Major Cycleway - Northern Line Route (Section 2a) Tuckers to Sturrocks Including Crossings		Jun-21	Dec-22

For all capital projects, refer to Capital Project Performance Report from the Programme Management Office (PMO).

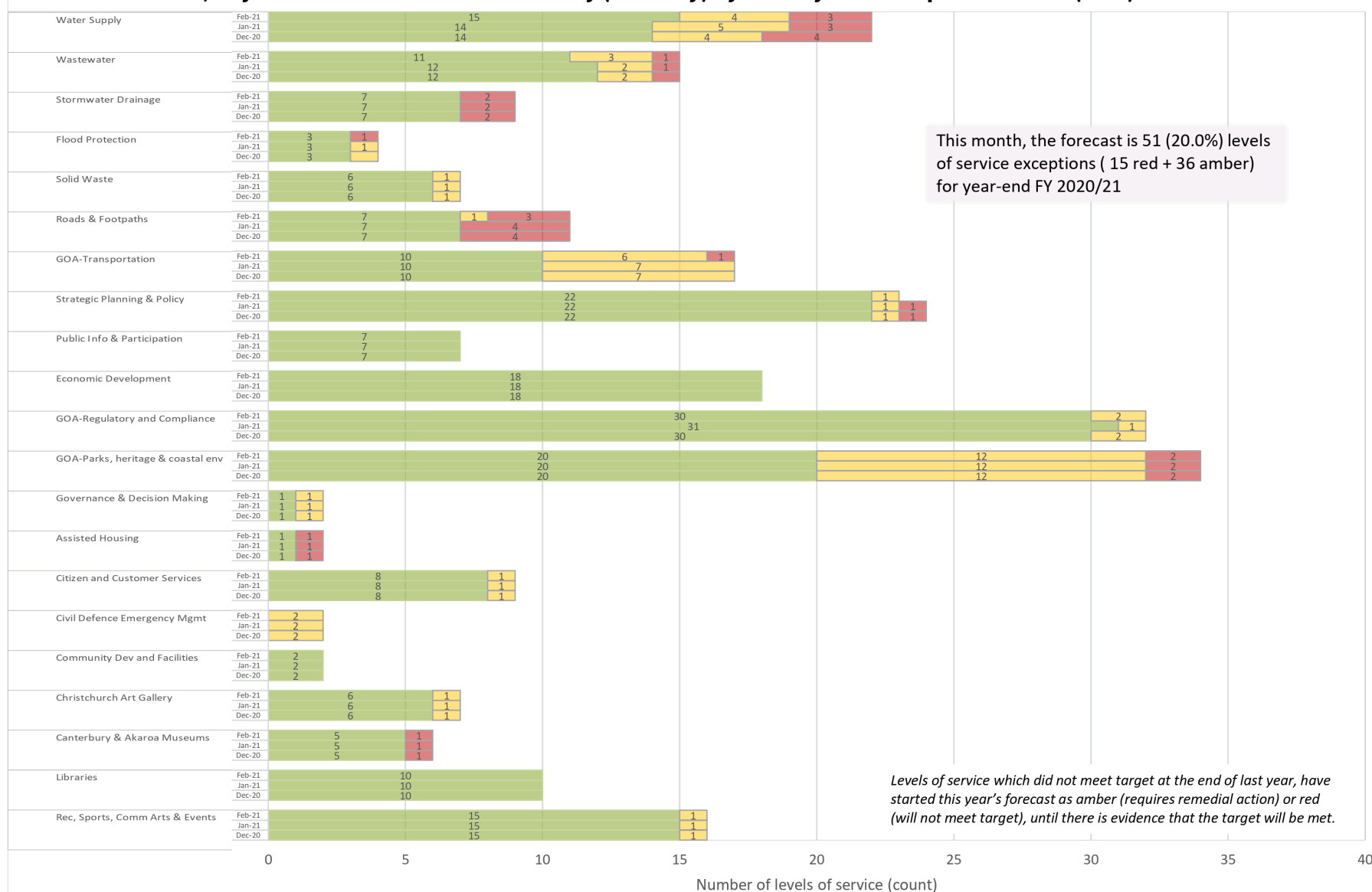
There are three new exceptions in the Watchlist Capital Projects this month. They are

- **Central City Projects - Hereford Street (Manchester to Cambridge)** is forecast as an exception but expected to be delivered within 30 days of the approved baseline delivery date.
- **SW Eastman Sutherland and Hoon Hay Wetlands**. This project is newly included in the watchlist this month and is combined with the **SW Eastman Wetlands** (LDRP528) project, and is expected to be delivered in June 2023.
- **Coastal Pathway & Moncks Bay** is forecast to be delivered 2 months late.

St Albans Community Centre is forecast to complete on 31 March 2021, while baseline completion date is 11 March 2021. Re-baseline of **WW Akaroa Reclaimed Water Treatment and Reuse Scheme** will be requested to reflect the Council resolution on where to discharge treated wastewater.

Forecast delivery dates have been pushed to December 2022 for two sections of Major Cycleway - Northern Line Route - **Blenheim to Kilmarnock** (previously August 2022) and **Tuckers to Sturrocks** (previously October 2022). **Major Cycleway Nor'West Arc Route (Section 1b) Sparks to Lincoln & Halswell Intersection** forecast delivery date was pushed out by a month from Jan 21 to Feb 21.

Forecast FY 2020/21 year-end Level of Service Delivery (LTP only) by Activity and Group of Activities (GOA) - as at 28 Feb 2021



Performance by Group of Activities

Performance Exceptions Report

Level of Service Exceptions

Forecast Period Ending: 28 February 2021

Get the basics right (LOS) / LTP: Deliver at least 85% of LTP Levels of Service to target

✗ Levels of service which have failed to meet target

⚠ Levels of service for which intervention is required to meet target

GOA Water Supply

Water Supply

Measure: ✗ LTP/AP20: 12.0.6 Council water supply networks and operations demonstrate environmental stewardship.

Target: Percentage of real water loss from Council's water supply network: $\leq 15.0\%$

Actual: 21%

Comments: Target is 15%, and not likely to be achieved in the medium term. The measurement is based on a rolling 5 year average where 20% of the city is measured each year. It is proposed to shorten this to a four year cycle.

Remedial Action: Accelerating the water renewals programme, supported by the water reform funding will assist to progress achieving this target. Other projects that support this are the rezoning project and water meter installation.

Measure: ✗ LTP/AP20: 12.0.2.10 Council water supplies are safe to drink.

Target: Proportion of urban residents supplied water compliant with the DWSNZ protozoal compliance criteria: $\geq 99.8\%$

Actual: The February Actual 'Year to Date' is 0%.

Comments: This is due to all urban water supplies losing the 'secure bore' status on 22 December 2017. The data supporting the actual number is contained in TRIM 12/810590, worksheet 'FY2020-21'.

Work is underway to re-confirm all three secure bore criteria, as defined in the Drinking Water Standards.

Criterion 1 (no surface influences) will be demonstrated by groundwater modelling (underway, approx. 20% complete) and groundwater age dating (underway, approx. 60% complete).

Criterion 2 (secure well heads) is mostly complete but there are still several 'temporary below ground well heads' which need to be raised.


Criterion 3 (E. coli monitoring) is mostly satisfied by our ongoing drinking water monitoring programme.

We have data for all three criteria for the Brooklands/Kainga water supply and on 18 January the information was sent to the Drinking Water Assessor along with the request to re-instate the 'secure bore' status for Brooklands/Kainga. The DWA has not yet made a decision.

Remedial Action: Complete well head upgrade programme (mostly complete but several 'temporary below ground well heads' still outstanding).

Continue with the groundwater modelling work (Aqualinc working on this).


Continue with the groundwater age dating programme (4 out of 5 sampling packages complete, some wells in 5th sampling package are not yet accessible). Age results received for 2 packages (2nd package report still draft).

Measure:  LTP/AP20: 12.0.1.14 Council operates water supplies in a reliable and responsive manner.

Target: Proportion of residents satisfied with Council response to water supply faults: $\geq 85\%$

Actual: Waiting on results of the annual residents survey.

Remedial Action: The LOS target for drinking water has been monitored and reported through the water supply improvement programme since early 2018 the water supply has been dosed with chlorine. We continue with water supply improvement initiatives in conjunction with the DWA.


Measure:  LTP/AP20: 12.0.2.1 Council water supplies are safe to drink.

Target: Proportion of water supply zones with a MoH approved Water Safety Plan: 100%

Actual: The Akaroa/Takamatua WSP was approved by the Drinking Water Assessor on 26 November 2020. All other water supplies have water safety plans that have been assessed by the Drinking Water Assessor as being 'implementing'.

"Implementing" means that the water supplier uses the existing water safety plan document but is intending to update it and good progress is being made with the update.


Comments: The Council commenced updating all existing water safety plans in 2019 when they were submitted to the Drinking Water Assessor (DWA) for review. Following feedback from the Drinking Water Assessor the 2019 plans are currently being updated and there is a programme in place with well defined dates for the re-submission of all water safety plans. The Akaroa/Takamatua plan was resubmitted on 18 September 2020 and approved by the Drinking Water Assessor on 26 November 2020. The Wainui WSP was submitted on 12 November 2020, the Christchurch/Lyttelton WSP on 23 December 2020 and the Little River WSP on 26 February 2021. The Wainui WSP has not been approved by the DWA (adequacy report yet to be received) and the other two plans are in the assessment phase.

Measure:  LTP/AP20: 12.0.1.13 Council operates water supplies in a reliable and responsive manner.

Target: Proportion of residents satisfied with reliability of water supplies: $\geq 85\%$.

Actual: Waiting on results of the annual residents survey.

Remedial Action: The LOS target for drinking water has been monitored and reported through the water supply improvement programme. Since early 2018 the water supply has been dosed with chlorine. We continue with water supply improvement initiatives in conjunction with the DWA.

Measure:  LTP/AP20: 8.0.1 Recyclable materials collected by Council services and received for processing at the Materials Recovery Facility (MRF)

Target: 103 kg +40%/-10% recyclable materials / person / year collected and received by Council services.

Actual: 63.23 kg/person

Comments: Post COVID lockdown in April 2020 40% of all truckloads of recycling were being sent to landfill due to containing contamination over 10%. In February 2021 this has been reduced to 10% being sent to landfill.

Remedial Action: Council are continuing to address the excessive contamination issue with ongoing general education, bin auditing and bin removals.

Measure:	⚠ LTP/AP20: 12.0.2.19 Council provides high quality drinking water.
Target:	Proportion of residents satisfied with the quality of Council water supplies: >= 70%
Actual:	Waiting on results of the annual residents survey.
Remedial Action:	The LOS target for drinking water has been monitored and reported through the water supply improvement programme. Since early 2018 the water supply has been dosed with chlorine. We continue with water supply improvement initiatives in conjunction with the DWA.

GOA Wastewater Collection, Treatment & Disposal

Wastewater Collection, Treatment & Disposal

Measure:	✖ LTP/AP20: 11.0.1.9 Council wastewater services are reliable.
Target:	Number of wastewater system fault complaints per 1,000 properties connected to the wastewater network per year: <= 0.8
Actual:	Jan 0.27 YTD 1.80
Remedial Action:	Continue to work with contractor to ensure we are managing the wastewater network appropriately. This includes targeted CCTV and cleaning rounds. Best endeavours given the age of some of our infrastructure.

Measure:	✖ LTP/AP20: 12.0.7 Council water supply networks and operations demonstrate environmental stewardship.
Target:	Average consumption of drinking water per day in litres per resident per day: <= 298
Actual:	No data is available as this is only calculated at the end of the year, however water consumption has been trending higher than the 5 year average.
Comments:	February's water consumption has returned the trend to be above the 5 year average after January's water consumption being lower than anticipated. NIWA's prediction of a normal to warmer/drier summer than average appears reasonably correct. It is therefore anticipated water consumption will exceed the target.
Remedial Action:	Active water savings communications with the public is ongoing, however in previous years this has not shown to be as effective as hoped. Water Restriction were imposed temporarily in January which resulted in a reduction in water consumption, however on removing the water restrictions the water consumption increased immediately again and continued into February.

Measure:	⚠ LTP/AP20: 11.0.1.16 Council wastewater services are reliable.
Target:	Proportion of residents satisfied with the reliability and responsiveness of wastewater services: >= 80%
Actual:	Waiting on results of the annual residents survey.
Remedial Action:	Reported on regularly.

Measure:	⚠ LTP/AP20: 11.0.5.2 Council maximises public health through wastewater services.
Target:	Number of dry weather overflows from wastewater systems per 1,000 connected properties per year: <= 0.7
Actual:	0.78
Comments:	This YTD figure continues to trend down and may meet the LOS on year end.
Remedial Action:	No change proposed at this time.

Measure:	⚠ LTP/AP20: 11.0.1.19 Council wastewater services are reliable.
Target:	Percentage of wastewater gravity network pipework identified as condition grade 5 through physical inspection rather than theoretical modelling: >= 95%.
Actual:	93.3
Remedial Action:	Additional inspections through CCTV being undertaken with water reform funds

GOA Stormwater Drainage

Stormwater Drainage

Measure:	✗ LTP/AP20: 14.0.2.4 Council manages the stormwater network in a responsible and sustainable manner.
Target:	Number of infringement notices regarding Council resource consents related to discharges from the stormwater networks per year: 0
Comments:	Last year a Council project in Cashmere Valley was issued an infringement notice.
Remedial Action:	Training has taken place with Council project managers. The training highlighted the importance of good management and encourage more proactive behaviours with our contractors.

Measure:	✗ LTP/AP20: 14.0.2.1 Council manages the stormwater network in a responsible and sustainable manner.
Target:	Number of abatement notices regarding Council resource consents related to discharges from the stormwater networks per year: 0
Actual:	1
Comments:	Last year a Council project in Cashmere Valley was issued an abatement notice
Remedial Action:	Training has taken place with Council project managers. The training highlighted the importance of good management and encourage more proactive behaviours with our contractors.

GOA Flood Protection and Control Works

Measure:	✗ LTP/AP20: 14.1.6.1 Reduce risk of flooding to property and dwellings during extreme rain events.
Target:	Annual reduction in the modelled number of properties predicted to be at risk of habitable floor level flooding of the primary dwelling in a 2% AEP Design Rainfall Event of duration greater than 1.5 hours excluding flooding that arises solely from private drainage: 50 properties.
Actual:	Target is 50. Based on earlier predictions we will get to 48 properties this FY on a rolling 3 yr average.
Comments:	We would need to raise our number of benefited properties this FY to 49 from 43 in order to meet the target
Remedial Action:	Activity Plan target being revised to zero from next year to reflect diminishing number of properties being protected after many years of high spending in the Land Drainage Recovery Programme.

GOA Transport

Parking

Measure:	⚠ LTP/AP20: 10.3.7 Improve customer perception of vehicle and personal security at Council off-street parking facilities.
Target:	>=53%
Actual:	This goal is determined by the Council's annual resident's survey.
Comments:	The 2019/20 goal was not achieved with a result of 51%, the target being 52%.
Remedial Action:	Staff intend to undertake a targeted survey of off street parking users to gather more specific feedback so opportunities can be identified to improve satisfaction levels.

Measure:	⚠ LTP/AP20: 10.3.3 Improve customer perception of the ease of use of Council on- street parking facilities.
Target:	>=53%
Actual:	This goal is determined by the Council's annual resident's survey.
Comments:	The 2019/20 goal was not achieved with a result of 43%, the target being 52%.
Remedial Action:	Staff intend to undertake a targeted survey of on street parking users to gather more specific feedback so consideration can be given to improve satisfaction levels.

Active Travel


Measure:	✖ LTP/AP20: 16.0.10 Improve the perception that Christchurch is a walking friendly city.
Target:	>=85%
Remedial Action:	In the FY2021 AP \$650k additional funds have been granted which should enable approx an extra 7km (0.25%) of the footpath network to be undertaken; overall total approx 36km (1.4% of 2,550km). Increase in the Renewals quantities, to further address the shortfall in customer expectation, have been proposed in the draft LTP.

Measure:	⚠ LTP/AP20: 10.5.1 Reduce the number of reported cycling and pedestrian crashes on the network.
Target:	Less than 41
Remedial Action:	Continue with development and implementation of safety and cycling capital works programmes. Continue focus on ensuring vulnerable users are safe on the network and through any active worksites, continue maintenance activities that address concern raised by users. Continue to implement cycle skills, road safety education and travel planning programmes.

Traffic Safety and Efficiency


Public Transport Infrastructure

Measure:	⚠ LTP/AP20: 10.4.3 Improve the reliability of passenger transport journey time.
Target:	>= 86%
Comments:	Month average is expected to be similar or slightly better than previous month but only >=80% which is not yet at target of >=86%
Remedial Action:	RTO continue traffic signal network optimisation activities. Environment Canterbury continue PT schedule and operational activities. CCC continue road corridor improvement projects.

Measure:  LTP/AP20: 10.0.6.1 Reduce the number of crashes on the road network.
Target: <=119 (reduce by 5 or more per year)
Remedial Action: Continue with development and implementation of safety capital works programmes.


Continue focus on ensuring vulnerable users are safe on the network and through any active worksites, continue maintenance activities that address concern raised by users.

Continue to implement road safety education and travel planning programmes.


Measure:  LTP/AP20: 10.4.1 More people are choosing to travel by bus.
Target: >=+0.63% (13,551,740 pax)
Actual: 5.5 million year to date as at the end of December, compared to 6.1 million (average 2019/20 monthly patronage pro-rated due to Covid)
Comments: Current year to date patronage remains below the average monthly year to date for 2019/20 by approximately 10.0%.
Remedial Action: Staff to continue to implement the public transport infrastructure programme for this financial year and work together with Environment Canterbury on the Future PT work.

(CCC provide PT infrastructure only, such as shelters and lanes, while Ecan operates the services).

GOA Roads and Footpaths

Measure:  LTP/AP20: 16.0.3 Improve resident satisfaction with road condition
Target: >=40%
Remedial Action: In the FY2021 additional funds granted will permit extra smoothing and advancing repairs in readiness for the seals in FY2122, which is a great improvement in the necessary investment. Staff will seek further investment in the forthcoming LTP, to achieve sealing across approx 120km of the network (5%) of the total per year, just below industry best practice.

Since the quakes only FY2021 will have achieved 80km a year (3.5%); all others achieved approx. 2% of the network.

Measure:  LTP/AP20: 16.0.9 Maintain resident satisfaction with footpath condition
Target: >=54%
Remedial Action: In the FY2021 AP \$650k additional funds have been granted which should enable approx an extra 7km (0.25%) of the footpath network to be undertaken; overall total approx 36km (1.4% of 2,550km).

Increase in the Renewals quantities, to further address the shortfall in customer expectation, have been proposed in the draft LTP.

Measure: ❌ LTP/AP20: 16.0.21 Reduce the number of complaints received.
Target: < 275
Actual: There has been a significant rise in Complaints in the last few months which we will advise any common themes in due course. The current volume to end Feb 2021 is 289, breaching the target for the year and hence a resulting fail.
Remedial Action: We will review the nature of complaints, and identify why the change has occurred, i.e.: a sudden upswing in internet submissions, or failure on an aspect of resealing, for example.

Measure: ⚠️ LTP/AP20: 16.0.13 Respond to customer service requests within appropriate timeframes.
Target: >=95%
Actual: Achieving 95% of pothole response, Incident Response, Planned Programme delivery, budget delivery etc against Contract Targets.
Comments: Achieving 95% of pothole response, Incident Response, Planned Programme delivery, budget delivery etc against Contract Targets. Hybris measures do not accommodate change to initial service response timeline if it is assigned incorrectly.
Remedial Action: There are many different Service Levels for Customer service requests across Road Maintenance.

Changes are still required to Hybris SLA response times pending revision of the Transport Ticket Structure; a key priority for IT Hybris working group in FY2021, and the big changes still needed. Changes made to date more accurately reflected our response, lifting it to 80% (at 02 March 2021) from circa 33% as was being reported.

However, Contract targets are being generally being achieved at >95%, for example Pothole repairs, Incidents (safety) response, inspecting issues reported, programme delivery for example.

However, Hybris does not permit the fault that is initially assigned to be corrected once it is initially assigned - as currently this would affect customer notification, and so also the system does not adjust to the true service response which we should in turn be measured against.

I.e.: a pothole reported should be be attended to in 3 days, but if our Contractors confirm it is a larger repairs needed, necessitating programming amongst other reactive works, the measure remains at 3 days. This is what we will aim to address through the Hybris health check.

GOA Strategic Planning and Policy

Measure: ⚠️ LTP/AP20: 17.0.17.3 Provide design review advice for developments across the city.
Target: Coordinate and support a panel of suitably qualified professionals to provide timely advice on the urban design aspects of resource consent applications.
Actual: Approval to recruit two permanent urban designers agreed by ELT in December 2020. Recruitment is underway.
Comments: Goal remains as needing remedial action as demand for urban design advice is sustained and recruitment not concluded. Will review once recruitment concluded.

GOA Regulatory And Compliance

Building Services

Measure:	⚠ LTP/AP20: 9.1.1 Grant Building Consents within 20 working days
Target:	The minimum is to issue 95% of building consents within 19 working days from the date of acceptance.
Actual:	Under the 19 day target for February at 92%, however year to date is still above the 95% target at 96.7%.
Comments:	The reason February did not reach target is due to the high volume of both residential and commercial consents received prior to Christmas 2020. This increased volume was not anticipated or forecast due to the impacts of Covid-19 on the economy. Note, year to date is still above target at 96.7%.
Remedial Action:	We have been using contractors and overtime/time in lieu to manage these increased volumes during this time.


Regulatory Compliance and Licensing


Measure:	⚠ LTP/AP20: 9.0.5 Food premises are safe and healthy for the public.
Target:	98% of scheduled Food Control Plan verification visits are conducted.
Actual:	884 verifications have been completed YTD
Comments:	The anticipated drop in number of food premises post COVID-19 lockdowns has not eventuated. With numbers of registration renewals and new applications for February remaining consistent with previous years. Recruitment to back fill parental leave vacancy has not proven to be successful with no suitably qualified persons applying for the role. Currently in the process of engaging the services of contract verifiers to support the team achieving the target of completing verifications by 30 June 2021.
Remedial Action:	Team leader conducting verifications to support the team achieving the KPI.
	Work is being prioritised, with verifications being placed on high priority.
	Team meeting frequency is being reduced to allow more time in the field.
	Currently working through the contractual arrangements with external verifiers.


GOA Parks


Parks and Foreshore


Measure:	✖ LTP/AP20: 6.8.3.1 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner.
Target:	100% of CSRs addressed within priority timeframes.
Actual:	66% - The score was lower than normal due to a closure of several out of date historic CSRs
Comments:	Implementation of amended levels of service starting to take effect. The actual onsite works required to address the concerns have been completed but there is a lag in terms of completing the close out administration.
Remedial Action:	All managers have been instructed to place a higher level of focus on ensuring the admin associated to CSRs is completed in a timely manner.
Measure:	⚠ LTP/AP20: 10.8.1.3 Provision of a network of publicly available marine structures that facilitate recreational and commercial access to the marine environment for citizens and visitors.
Target:	Wharves and Jetties ramps and slipways (condition average or better): 90%.
Actual:	82%
Remedial Action:	Renewal work planned


Measure:  LTP/AP20: 6.4.4 Overall customer satisfaction with the presentation of the City's Parks.
Target: Cemeteries presentation: resident satisfaction >=85 %.
Actual: Not yet known, measured annually.
Comments: Last year was 65%
Remedial Action: General feeling amongst staff is we are well on track for a better result this year


Measure:  LTP/AP20: 6.4.5 Cemeteries administration services meet customer expectations
Target: Funeral directors satisfaction with internment application process: 100%.
Actual: This is an annual survey of approx. 4 candidates - results unknown until survey complete
Remedial Action: Not required at this time.


Measure:  LTP/AP20: 6.8.3.3 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner.
Target: Annual increase in rate of CSR clearance.
Actual: Monthly improvement on clearance
Comments: Need to focus on regional parks and BG
Remedial Action: Some third party contractors are slow to manage their CSR closeouts. Will be followed through.

Measure:  LTP/AP20: 6.8.5 Satisfaction with the range and quality of recreation opportunities within parks.
Target: Resident satisfaction with range and quality of recreation facilities within Parks: >= 85%.
Actual: Not yet known but target not met in previous years.
Comments: Awaiting results of annual survey.
Remedial Action: There is no approved programme to invest in more recreation infrastructure in parks.


Measure:  LTP/AP20: 6.0.3 Overall customer satisfaction with the presentation of the City's Parks.
Target: Community Parks presentation: resident satisfaction >=80 %
Actual: Pending satisfaction survey results
Comments: December's actions were completed with good results.
Remedial Action: Completed pre-Christmas maintenance of Cemeteries with additional grave top clearing, as well as key fire risk areas. Riverbank maintenance was a focus to bring the appearance of the open space areas around the rivers up.


Measure:  LTP/AP20: 6.4.3 Cemeteries administration services meet customer expectations
Target: Satisfaction with response time for internment applications: 100%.
Actual: Annual Survey not released yet.
Comments: Last year was 95%
Remedial Action: Wait for annual survey results

Measure:  LTP/AP20: 6.8.2.4 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner (Asset Condition)
Target: Playgrounds - condition average or better: 90%
Actual: Final results due in June.
Remedial Action: Annual condition assessment to be completed in 2021


Measure:  LTP/AP20: 6.8.2.6 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner (Asset Condition)


Target: Public Convenience - condition average or better: 90%
Actual: Measured annually at the end of the FY
Remedial Action: Measured annually at the end of the FY

Measure:  LTP/AP20: 6.8.3.2 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner.
Target: Annual reduction in CSRs.
Actual: Actuals 10% below Jan 20
Comments: Looking good for an annual reduction.
Remedial Action: Not required.

Measure:  LTP/AP20: 10.8.1.1 Provision of a network of publicly available marine structures that facilitate recreational and commercial access to the marine environment for citizens and visitors.
Target: Customer satisfaction with marine structure facilities: 90 %
Actual: Not yet known
Comments: Last year 70%
Remedial Action: Continue renewals and maintenance


Parks Heritage

Measure:  LTP/AP20: 6.9.1.5 To manage and maintain Public Monuments, Sculptures, Artworks and Parks Heritage Buildings of significance.
Target: Resident satisfaction with presentation of Public Monuments, Sculptures & Artworks: >= 90%
Comments: The last two years satisfaction survey results were around 65%.
Remedial Action: We are aiming to take much of the maintenance in-house to improve the service and value for money. The recruitment has been approved, the new staff member has just started, the second person for part time help is still being police checked. We will do our best to raise the satisfaction rate, however I am not confident we will be able to raise it to 90%. For the current year the survey has already been conducted thus we won't see any survey impact until the early summer of 2021.

Measure:  LTP/AP20: 6.9.1.6 To manage and maintain Public Monuments, Sculptures, Artworks and Parks Heritage Buildings of significance.
Target: Resident satisfaction with presentation of Parks Heritage Buildings: >= 70%
Actual: Capital Programme progressing well
Comments: On target to meet goals
Remedial Action: Capital funding remains a challenge for all of the heritage buildings requiring EQ repairs .

GOA Housing

Assisted Housing

Measure:  LTP/AP20: 18.0.1 Council makes a contribution to the social housing supply in Christchurch
Target: 1,964 units.
Actual: 1944
Comments: Council has sold Cecil Courts and will reinvest return into the rest of the portfolio
Remedial Action: No actions required

GOA Governance

Governance and Decision Making

Measure:	🚩 LTP/AP20: 4.1.18 Participation in and contribution to Council decision-making
Target:	Percentage of respondents who understand how Council makes decisions: At least 42%
Actual:	2020 residents survey 26% - of respondents understand how Council makes decisions
Comments:	We do not survey this through the year and rely on the one off residents survey.
Remedial Action:	Current mitigations include but are not limited to: Regular publication of council decision making including Newsline, increased use of hearings and other opportunities for public engagement such as deputations and forums. Greater councillor involvement co-developing important work such as the LTP. Maintaining Councils commitment to greater transparency through the reduction of decisions made in PX. Increasing the delegations to community boards and committees to ensure decision making is made closest to the effected community.

GOA Citizens And Community Citizen And Customer Services

Measure:	🚩 LTP/AP20: 2.6.4.1 Citizen and Customer expectations for service response are delivered in a timely manner
Target:	Telephone enquiries have an average speed to answer of no more than 90 seconds.
Actual:	YTD: 146 seconds
Comments:	<p>Staffing constraints have been our biggest hurdle in recent weeks. Twelve new customer service representatives are due to commence employment in March to address this issue. This is our first intake of permanent staff since May 2020, due to COVID lockdown and the Unit change proposal and resulting restructure.</p> <p>Our new telephony software Genesys Cloud was successfully deployed on Saturday January 30th. This upgrade delivers a fresh new look to our previous platform with some exciting features that aim to optimise efficiency and improve the citizen experience. Moving to this new system did impact negatively on our service levels during the initial weeks as our staff adjusted to new ways of working.</p> <p>A total of 32,070 calls were received in February. This was a 13.3% increase on January.</p>

Civil Defence Emergency Management

Measure:	❗ LTP/AP20: 2.5.4.1 Build resilience through public education and community engagement programmes
Target:	At least 60 CDEM public education activities occur annually, including tsunami public education and Stan's Got a Plan school programmes.
Actual:	The CDEM Community Resilience Coordinators have so far delivered 17 activities from 60 under this LOS.
Comments:	<p>Unfortunately this public education level of service has been difficult to meet due to there being less events to attend and fewer arranged group meetings due to COVID-19. In addition, schools appear to have limited their bookings for the Stan's Got a Plan programme. Again, this is potentially due to the impacts from Covid-19 which has impacted the school's key deliverables under their curriculum.</p> <p>There is an expectation that this LOS will continue to be difficult to deliver. However, the initial remediation activities are planned as follows:</p> <p>Planned Public Education Activities:</p> <p>Emergency Preparedness Wānanga at Koukourarata Marae - 27/03/2021</p> <p>Emergency Preparedness Wānanga at Wairewa Marae - Date TBC</p> <p>Emergency Preparedness Wānanga at Rapaki Marae - Date TBC</p> <p>Children's Day - 07/03/2021</p> <p>SYS Individual and Whanau Preparedness Forum - 17/03/2021</p> <p>Booked Stan's Got a Plan Programme - May 2021</p> <p>The city-wide public education campaign began on the 23rd of February. This centres around the tsunami evacuation zones and will likely create further opportunities for increasing our activities to meet this LOS.</p>

Measure:	❗ LTP/AP20: 2.5.4.2 Build resilience through public education and community engagement programmes
Target:	At least 30 communities have developed community resilience planning documentation, resources, or activities.
Actual:	There have been 19 Community Response Planning activities conducted.
Comments:	<p>Community Response Planning Documentation, Resources, or Activities by Groups engaged in the Community Resilience Planning Process:</p> <ol style="list-style-type: none"> 1. Addington Community Emergency Hub 2. Cashmere Residents Emergency Support Team CREST 3. Hoon Hay Community - Rowley Resource Centre 4. Papanui Emergency Plan (PEP) 5. SCERT (Somerfield Lower Cashmere Emergency Response Team) 6. South shore Residents Association - Community Evacuation 7. Spreydon Emergency Support Centre 8. Sumner Residents Association - Community Evacuation Planning 9. Redcliffs Residents Association 10. Shirley Emergency Action Plan (SHEAP) 11. Amhara Support, Relief and Rehab Association (ASRR) 12. Cass Bay Response Planning and Community Emergency Hub 13. Diamond Harbour Community Response Planning Initiative 14. Halswell Community Response Planning 15. Lyttelton Harbours' Community Driven Emergency Response Plan 16. Te Runaka ki Otautahi o Kai Tahu Community Resilience Planning 17. Little River/Wairewa Community 18. Akaroa and Bays Community Resilience Group 19. Bromley Community Centre Emergency Response
Remedial Action:	The recent release of the tsunami education campaign 'Know Your Zone' will be utilised as much as possible to engage additional groups in Community Response Planning.

Community Development and Facilities

Christchurch Art Gallery

Measure:	ⓘ LTP/AP20: 3.0.1 Visitors per annum
Target:	Increase visitors by 5% per annum . In 2020/21=362,747 visitors.
Comments:	The lack of international tourism continues to have an effect on the Gallery's visitor numbers.
Remedial Action:	Recent events saw a rise in numbers but with uncertainty again with COVID levels & restrictions, the possibility of cancellations for further events is likely.

Akaroa Museum

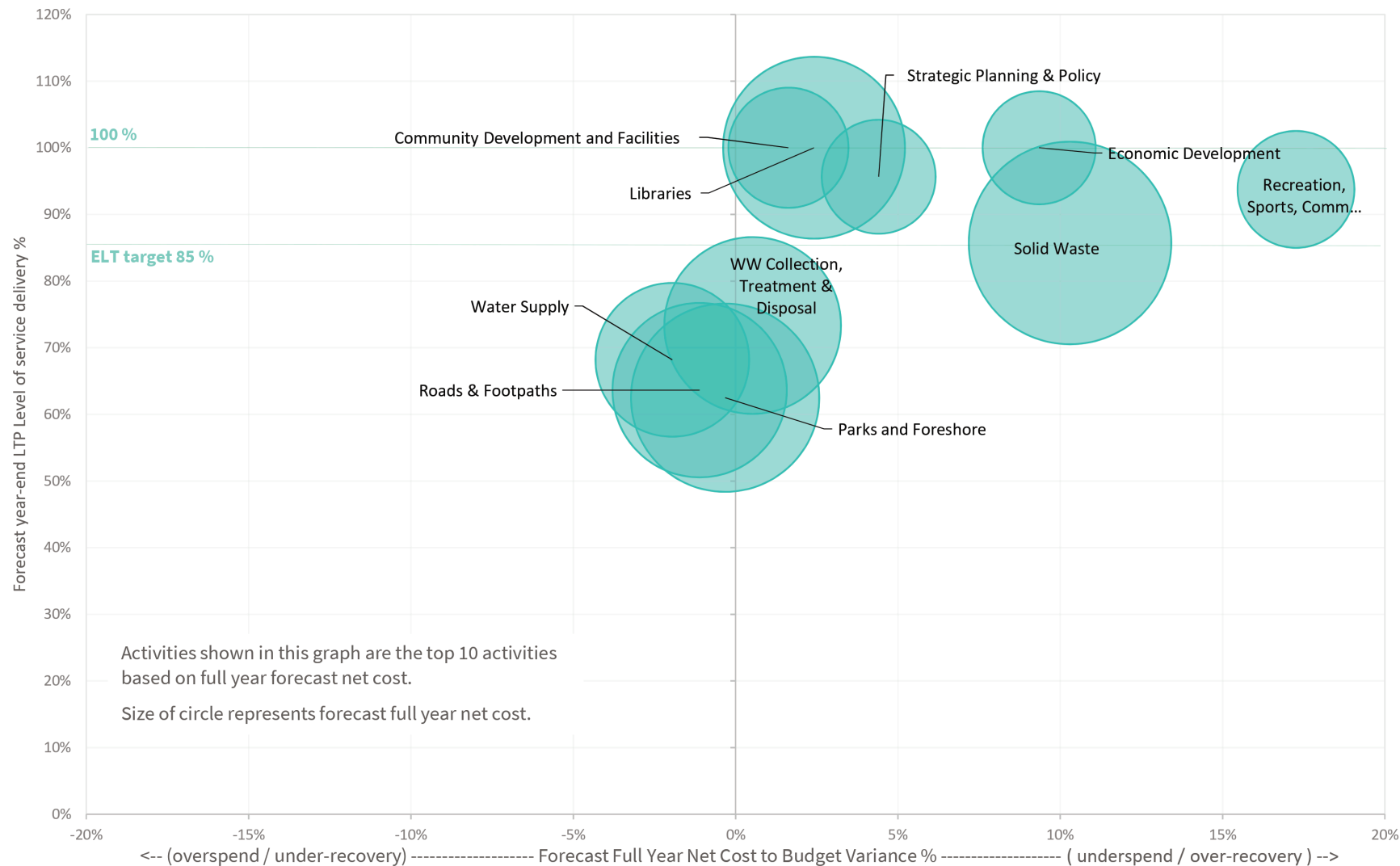
Measure:	✖ LTP/AP20: 3.3.2 Visitors per annum to Akaroa Museum > 20,000
Target:	24,300 visitors
Actual:	Est: 1700 visitors (1651 as at 25/02/21)
Comments:	Although visitor numbers are substantially lower than last year, due to the borders being closed to international visitors, overall visitor totals are only down by 25% year to date. Last year international made up 60% of the total visitors to the Museum, so this is a better than expected result.
Remedial Action:	Continue to promote the Museum locally and regionally, within the limited budget available.

Recreation, Sports And Events

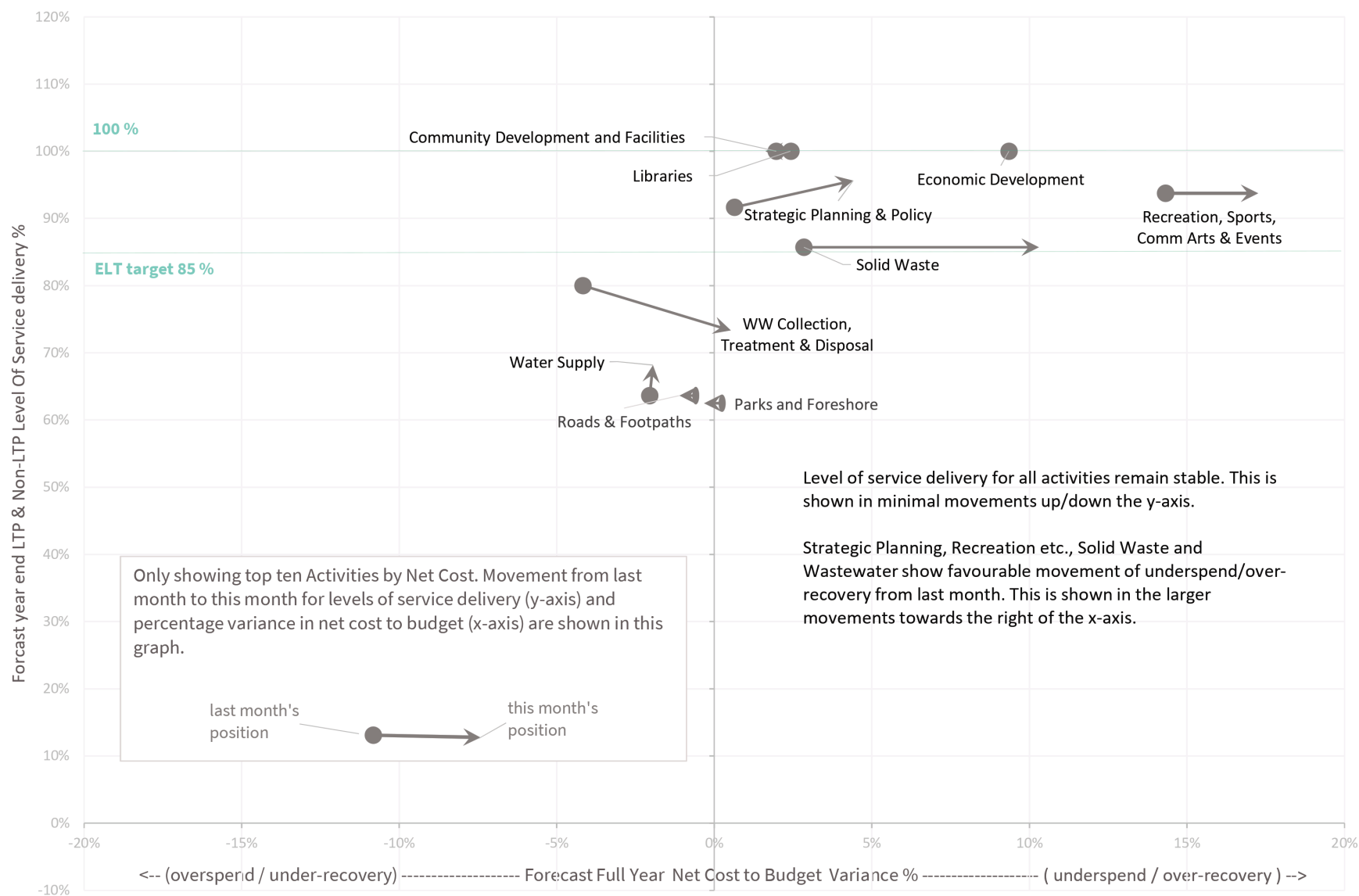
Measure:	ⓘ LTP/AP20: 2.8.5.2 Produce and deliver engaging programme of community events.
Target:	At least 80% satisfaction with the content and delivery across three delivered events
Comments:	Awaiting report from New Years Eve event, Kite day planned for 30th Jan and CHCH is lit in June.
Remedial Action:	Satisfaction target has been reduced from 90% in 2019/20 to 80% in 2020/21. This will allow for Covid19 measures and the events being focused on a wider demographic

Top Ten Activities by Forecast Net Cost - Forecast FY 2020/21 as at February 2021

Level of Service Delivery vs Net Cost % Variance by Activity



Top Ten Activities by Forecast Net Cost - Performance Movement from January 2021 to February 2021



Performance by Activities

Performance Exceptions Report

Performance by Activity Table - Forecast FY 2020/21 February 2021

Activities	Net Cost *				Levels of Service (LOS)	
	Full Year Forecast after C/Fwd \$000	Full Year Plan \$000	Variance after C/Fwd \$000	% Variance after C/Fwd	Forecast LTP LOS % Delivery	Total LTP LOS
Water Supply	23,163	22,721	-443	-2%	68%	22
WW Collection, Treatment & Disposal	30,538	30,699	161	1%	73%	15
Strategic Planning & Policy	12,827	13,418	591	4%	96%	23
Public Information & Participation	4,556	4,853	297	6%	100%	7
Economic Development	12,634	13,937	1,303	9%	100%	18
Stormwater Drainage	13,314	15,634	2,319	15%	78%	9
Flood Protection & Control Works	3,959	4,688	729	16%	75%	4
Traffic Safety & Efficiency	3,295	2,904	-391	-13%	75%	4
Parking	-5,004	-5,263	-259	5%	33%	3
Public Transport Infrastructure	1,941	2,323	382	16%	50%	4
Active Travel	269	326	57	18%	67%	6
Roads & Footpaths	29,749	29,423	-326	-1%	64%	11
Solid Waste	39,992	44,585	4,593	10%	86%	7
Building Services	658	1,509	851	56%	88%	8
Resource Consenting	1,113	1,907	795	42%	100%	6
Land & Property Information Services	-2,133	-1,468	666	-45%	100%	4
Regulatory Compliance & Licencing	2,375	2,781	406	15%	93%	14
Parks and Foreshore	34,619	34,507	-112	0%	63%	32
Heritage	1,762	1,747	-15	-1%	0%	2
Assisted Housing	-1,377	-1,234	143	-12%	50%	2
Governance & Decision Making	10,084	10,329	245	2%	50%	2
Citizen and Customer Services	8,278	8,200	-78	-1%	89%	9
Civil Defence Emergency Management	1,549	1,640	91	6%	0%	2
Community Development and Facilities	14,246	14,482	236	2%	100%	2
Christchurch Art Gallery	7,173	7,295	122	2%	86%	7
Canterbury & Akaroa Museums	8,672	8,722	50	1%	83%	6
Libraries	32,309	33,108	800	2%	100%	10
Recreation, Sports, Comm Arts & Events	13,487	16,301	2,814	17%	94%	16
Net Cost	304,047	320,072	16,025	5%	0.0%	255

*Net Cost - excludes depreciation, corporate overheads and interest.

8. Capital Project Performance Report - March 2021

Reference / Te Tohutoro: 20/1424592

Report of / Te Pou Matua:	Ruth Cable, Head of Programme Management Office, ruth.cable@ccc.govt.nz
General Manager / Pouwhakarae:	Carolyn Gallagher – Acting General Manager City Services, Carolyn.Gallagher@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is for the Finance and Performance Committee to be informed of Capital Performance for period ending 20 February 2021.
- 1.2 Main highlights from this month's report are as follows
 - **Projects delivered** – are provided as a separate appendix to this report, showing all projects delivered this financial year to 20 February. Key projects delivered since last report are
 - **Transport** – Warden Street (Hills to Chancellor), Awatea & Carrs Intersection Improvement
 - **Three Waters & Waste** – Sydenham Wellhead Conversion
 - **Community** - Edmonds Factory Gardens Development, Barrington Park Toilet Renewal, Brooklands Lagoon Planned Viewing Platform renewals
 - **IT** – Corporate Performance Reporting, Trade Waste Management System Replacement
 - **Current Financial Year (2021) Performance**
 - **Spend to Date** – January and February delivery was as per project manager plan, however actuals are currently behind the monthly forecast phasing by \$14m. This will be recovered in future months as follows:
 - Transport - \$8.5m
 - Work completed, however still to be billed on Carriageway Smoothing, Northern Arterial Extension and Major Cycleway Nor-West Arc Route.
 - Strategic Land Purchase - \$3.8m negative spend
 - Reflects transfer of land purchase to 3 Waters – this will be spent against 3 Waters portfolio this financial year.
 - **Current Forecast** – Project Managers are forecasting a spend of \$380.3m against a Core Programme budget of \$375.5m. This would result in a bring back of \$4.8m against the core programme.
 - Against a full year budget of \$552.5m, including Metro Sport Facility and Canterbury Multi Use Arena, project managers are forecasting a spend of \$499m. This would result in a net carry forward of \$62.5m most of which is attributable to delays in the Metro Sports Facility and the Canterbury Multi Use Arena
 - **Deliverability of Current Forecast** – deliverability commentary per month is provided within the report. This is now provided per Delivery Unit so that the contribution each Delivery Unit make to the monthly forecasts is clear.

- **Performance Exceptions Projects in Construction forecasting >\$1m** - projects in exception have decreased since previously reported – these are actively managed by Project Managers. Further detail on these projects is in the Capital Project Performance Report attached.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Capital Project Performance report, Capital Watchlist report, External Funded Projects report, Major Cycleway and Projects Delivered report.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Capital Project Performance Report - Status as at 20 February 2021	43
B ↓	Capex Watchlist Report - Status as of 20 Feb 2021	61
C ↓	External Funded Report - Status as of 20 Feb 2021	65
D ↓	Major Cycleway Report - Status as of 20 Feb 2021	70
E ↓	Project Delivery Completes - FY21	72

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Nil	Nil

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Ruth Cable - Head of Project Management Office
Approved By	Carolyn Gallagher - Acting General Manager City Services Mary Richardson - General Manager Citizens & Community

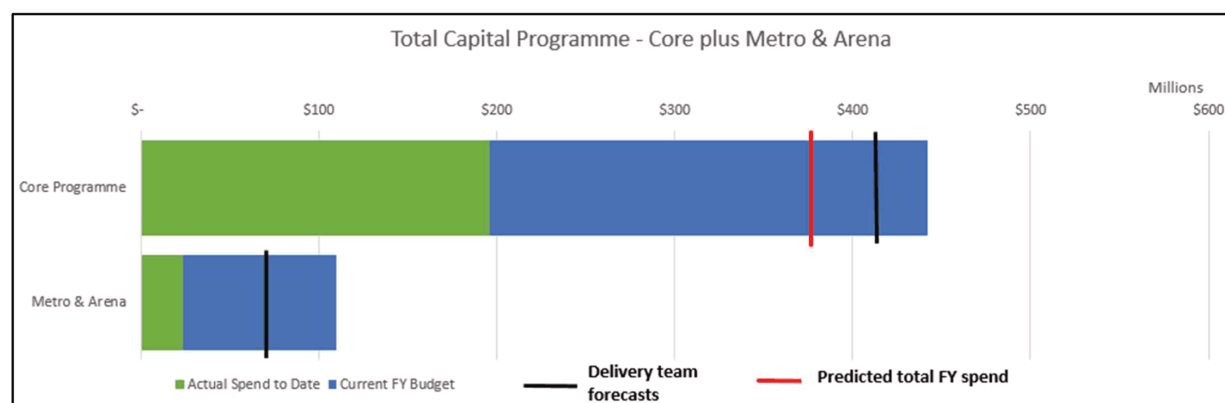
Finance and Performance Committee of the Whole

March 2021 Capital Performance Overview (status as of 20 February 2020)

Current Financial Year Position

Number of Inflight Projects: **900**

	CCC Core	External Funded	CMUA / Metro	TOTAL
Budget:	\$375.5m	\$66.9m	\$110.1m	\$552.5m
Forecast:	\$380.3m	\$48.4m	\$61m	\$490m
Spend to date:	\$180.8m	\$15.3m	\$23.6m	\$219.7m



Deliverability against Current Forecast

Commentary on deliverability to current financial year forecast is noted in the following table by delivery unit. Further detail in relation to deliverability per month are on subsequent pages of this report.

Delivery Unit	Budget (FY21)*	Forecast (FY21)	% Spend (of budget)	Commentary
Transport	\$146.8M	\$150.3M	48%	<p>The number and size of projects that are contracted and in construction gives a reasonable level of confidence in achieving spend in FY21 equal to budget.</p> <p>Integration with Kiwirail requirements continues to be a risk and staff are working closely to progress as fast as possible. Progress is positive.</p>

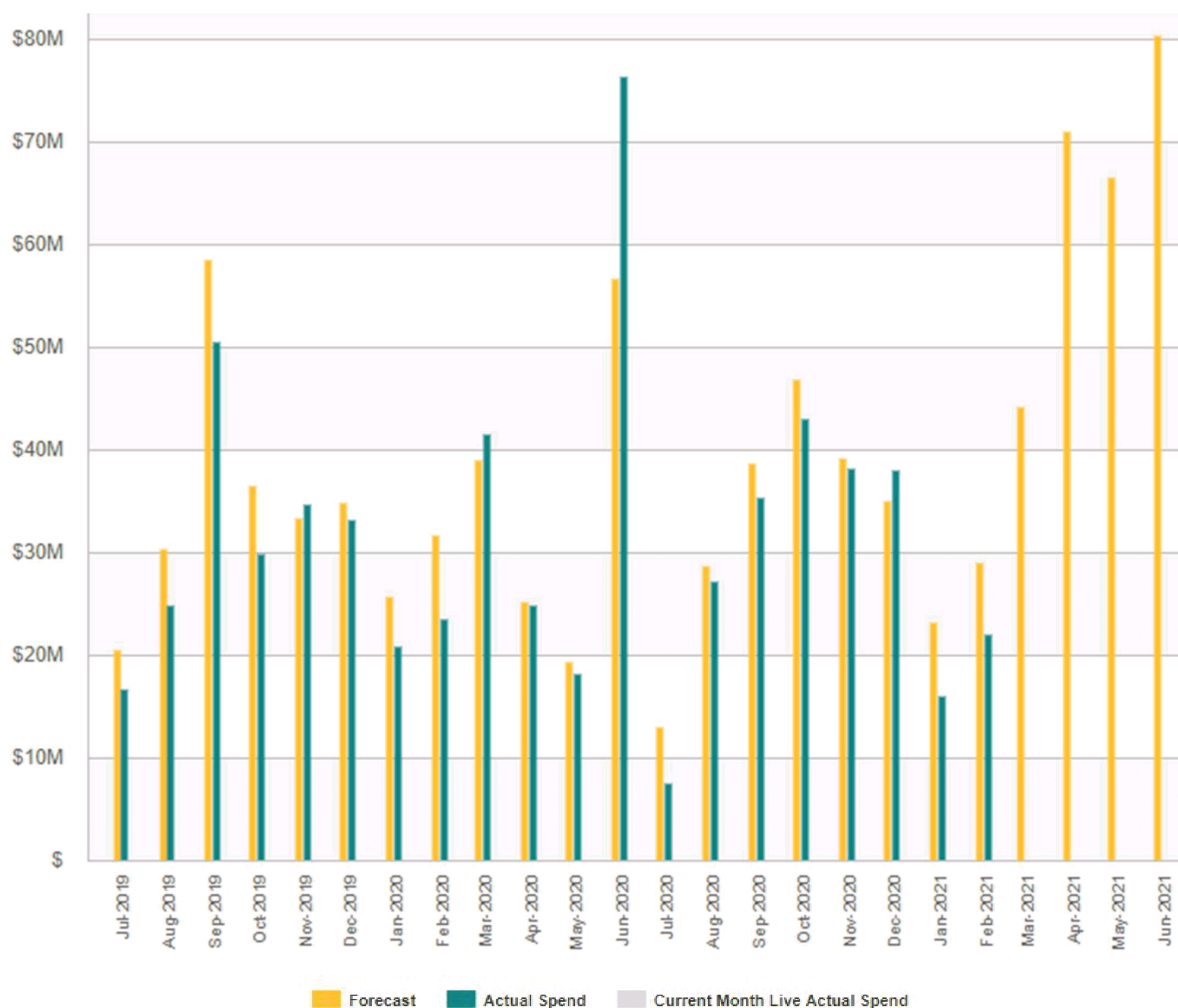
Delivery Unit	Budget (FY21)*	Forecast (FY21)	% Spend (of budget)	Commentary
3 Waters	\$171.2M	\$173.5M	43%	<p>3 Waters focus remains on delivery to forecast. Project Managers are regularly advised to realistically forecast work.</p> <p>There is a substantial cost saving (in order of \$6-8M) that has resulted from competitive lowest price conforming tenders – this has provided the opportunity for identifying alternative short term / urgent projects to be delivered earlier than originally planned.</p> <p>To ensure continuity of delivery in future years for the Stormwater activity, land purchase opportunities are being sought – this is being progressed by 3 Waters and the Strategic Land Purchase team.</p>
Community	\$36.8M	\$28.4M	39%	<p>Portfolio comprises 146 projects, most hold some degree of risk around agility to market, as they all have significant community and stakeholder input.</p> <p>A number of the projects have budget but are still in Concept and Plan Phase with combined FY21 budget for these of close to \$2.5M. Community are actively working on an outcome/way forward for these projects.</p> <p>A number of larger projects >\$1M are about to kick off so the spend profile will increase in the period to FY end.</p>
Major Facilities	\$135M	\$86.9M	26%	<p>Spend relies on key major projects – Canterbury Multi Use Arena (CMUA), Metro Sport Facility (MSF) and Te Pou Toetoe Linwood Pool.</p> <p>Major Facilities will report a considerable underspend on both Metro Sports Facility (MSF) and Canterbury Multi Use Arena (CMUA) in this Financial Year:</p> <ul style="list-style-type: none"> MSF has been impacted by the Covid-19 lockdown and their on-going delivery is under review by Ōtākaro. CMUA closed to market for the Design/Construct consortia 29 January 2021 with an appointment in March 2021. <p>Te Pou Toetoe Linwood Pool is under construction and current progress indicates a bring back is required.</p>
Other	\$46.1M	\$45.8M	44%	<p>Spend relies on key initiatives:</p> <ul style="list-style-type: none"> Social Housing Warm & Dry programme – on track for delivery by end financial year. Strategic Land Purchase – relies on property purchase requirements and project timelines. Housing BAU Reactive Renewals – on track to spend based on spend to date, committed and projected work. Corporate Investments – spend at risk. Dependent on funds required for the Housing

Delivery Unit	Budget (FY21)*	Forecast (FY21)	% Spend (of budget)	Commentary
				Initiative and Town Hall spend (Vbase equity injection).
Totals	\$536.9M	\$484.9M	40%	

*\$16.9m of budget FY21 relates to Art Gallery, Parks, Sports and Rec, Libraries and Information not included in this table.

Visibility of budget vs forecast spend is provided in the following graph:

At the time of submitting this February status report, not all February actual costs have hit projects.



Monthly Forecast Commentary (>\$35m / Month)

Further detail in relation to monthly forecasts greater than \$35m are provided in the following tables. Forecast spend per month is provided in the following tables by Delivery Unit.

<p>Month: June</p> <p>Forecast: \$80m</p> <p>Last FY: \$76m</p> <p>June is a double month of spend</p> <p>(costs are accrued for work completed in June to ensure it is captured within the year work is done)</p>		
	\$16m (20%) Metro / CMUA	<p>Metro Sport Facility (\$10.6m) – based on contractor cash-flow</p> <p>Canterbury Multi Use Arena - CMUA (\$5.7m) – dependent on contract award, and contractor cash-flow</p>
	\$24m (30%) Transport FY20 Actuals: \$22m	<p>Projects Forecasting >\$1m</p> <p>Major Cycleways - \$6m Nor West Arc, South Express, Rapanui – in construction. Northern Line, Heathcote Expressway – forecast construction start May 2021.</p> <p>Road Lighting LED - \$1.6m 33% of this budget for luminaires from local manufacturer – low risk of delivery. 19% for luminaire deliveries from overseas – delay risk due to ongoing Covid impacts Forecast allows for two months' of installation costs – double month in June. Installation rate targets have been met in previous months.</p> <p>Northern Arterial Extension, incl Cranford St Upgrade - \$1.1m Forecast reflects funding agreement with NZTA and cost of expected variations.</p> <p>Carriageway Reseals - Chipseal - \$3.1m Based on current contractor programme</p> <p>Dyers Pass Corridor Guardrails Installation - \$1.8m Forecast based on the last contractors update – there is risk to this current forecast. Design and methodology changes are being worked through that will speed up delivery.</p> <p>Projects in Construction \$6m forecast for 34 projects, including</p> <ul style="list-style-type: none"> • Evans Pass Safety Improvements • Marshlands Road Bridge Renewal • Eastgate PT Hub Passenger Facilities Upgrade • Delivery Packages (Renewals)
	\$25m (31%) 3 Waters and Waste FY20 Actuals: \$20m	<p>Projects Forecasting >\$1m</p> <p>Waste Transfer Station Renewals- \$1m Two large re-roofing projects. Programme to be confirmed – expected to be delivered in FY21.</p> <p>Projects in</p> <ul style="list-style-type: none"> • Planning and Design - \$6.4m forecast for 77 projects currently progressing through these phases. • Procurement - \$5.8m forecast for 22 projects. The majority of these are forecasting a construction start for April/May 2021 <p>Projects in Construction \$11m forecast for 59 projects, including</p> <ul style="list-style-type: none"> • SW Cashmere Worsleys Flood Storage • SW Blakes Road Stormwater Facility • WW Manholes Infiltration Reduction 2019 to 2021 • SW Cashmere Stream Enhancement • SW Eastman Sutherland and Hoon Hay Wetlands • Solid Waste Renewals • SW Owaka Basin • Water Supply, Wastewater, Stormwater Renewals
	\$15m (19%) Other	<p>Projects Forecasting >\$1m</p> <p>Te Pou Linwood Pool - \$1.3m – based on contractor cash-flow</p> <p>Corporate Investments - \$3m – dependent on the funds required this financial year for the Housing Initiative and Town Hall</p> <p>Data Network Upgrade - \$1.3m – based on equipment purchase.</p>

Month:	May
Forecast:	\$66m
Last FY:	\$18m
<p>FY20 spend reflects work completed during Covid Alert Level 4 lockdown (all non-essential work ceased).</p> <p>Previous FY spends FY19: \$30m, FY18: \$40m.</p>	
\$8.6m (13%) Metro/CMUA	<p>Metro Sport Facility (\$4.9m) – based on Contractor Cash-flow</p> <p>Canterbury Multi Use Arena – CMUA (\$3.7m) – dependent on contract award, and contractor cash-flow</p>
\$16m (24%) Transport FY20 Actuals: \$4m	<p>Projects Forecasting >\$1m</p> <p>Major Cycleways - \$4.2m Nor West Arc, South Express, Rapanui – in construction. Northern Line, Heathcote Expressway – forecast construction start May 2021.</p> <p>Road Lighting LED - \$1.2m 41% of this budget for luminaires from local manufacturer – low risk of delivery. 17% for luminaire deliveries from overseas – delay risk due to ongoing Covid impacts. Remaining forecast reflects contractor installation rates. Installation rate targets have been met in previous months.</p> <p>Carriageway Reseals - Chipseal - \$2.2m Based on current Contractor programme.</p> <p>Projects in Construction \$6.3m forecast for 38 projects, including</p> <ul style="list-style-type: none"> • Evans and Dyers Pass Safety Improvements • Marshlands Road Bridge Renewal • Intersection Improvement projects • Delivery Packages (Renewals)
\$23m (34%) 3 Waters and Waste FY20 Actuals: \$7m	<p>Projects Forecasting >\$1m</p> <p>SW Otukaikino Stormwater Facility - \$2.75m Reflects current land purchase programme.</p> <p>SW Eastman Sutherland and Hoon Hay Wetlands - \$1m Dependent on contractor pricing – delivery to programme subject to weather and ground conditions.</p> <p>Projects in:</p> <ul style="list-style-type: none"> • Planning and Design - \$4.8m forecast for 73 projects currently progressing through these phases • Procurement - \$5.4m forecast for 23 projects. Majority of these are forecasting a construction start for April/May 2021. <p>Projects in Construction \$9m forecast for 58 projects, including</p> <ul style="list-style-type: none"> • SW Cashmere Stream Enhancement • SW Cashmere Worsleys Flood Storage • SW Blakes Road Stormwater Facility • Water Supply, Wastewater, Stormwater Renewals
\$18.4m (29%) Other	<p>Projects Forecasting >\$1m</p> <p>Strategic Land Purchase - \$4.1m Reflects current land purchase programme.</p> <p>Te Pou Linwood Pool - \$1.6m Based on contractor cash-flow</p> <p>Community Projects in Construction \$2.9m forecast for 43 projects including</p> <ul style="list-style-type: none"> • Pioneer Pool Earthquake Repair & Cycle Shutdown • Chokebore Lodge • Harewood Nursery Development • Edmonds Band Rotunda • Taiora QEII Park – School of Gymnastics Carpark,

Month:	April								
Forecast:	\$70.9m								
Last FY:	\$25m								
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Month:	March
Forecast:	\$43.9m
Last FY:	\$25m
	<p>\$4.6m (10%) Metro/CMUA</p> <p>Metro (\$3.8m) – based on contractor cash-flow</p> <p>CMUA (\$0.8m) – reflects costs for planning and procurement stages</p>
	<p>\$13m (30%) Transport</p> <p>FY20 Actuals: \$13m</p> <p>Projects Forecasting >\$1m</p> <p>Major Cycleways - \$3.3m Nor West Arc, South Express, Rapanui – in construction. Northern Line, Heathcote Expressway – forecast construction start May 2021.</p> <p>Carriageway Smoothing Surfacing and Reseals - Chipseal - \$2.3m Based on current Contractor programme</p> <p>Projects in Construction \$4.3m for 43 projects, including</p> <ul style="list-style-type: none"> Road Lighting LED Installation Marshlands Road Bridge Renewal Ferry Rd Masterplan (WL1) Dyers Pass Safety Improvements Traffic Signal Cabinets Safety Improvements Intersection Improvement projects, Hereford Street Bridge Surface Replacement Renewals
	<p>\$12m (27%) 3 Waters and Waste</p> <p>FY20 Actuals: \$13m</p> <p>Projects Forecasting >\$1m Nil</p> <p>Projects In:</p> <ul style="list-style-type: none"> Planning and Design - \$2.3m forecast for 89 projects progressing through these phases Procurement - \$0.7m forecast for 22 projects. Majority of these are forecasting a construction start for April/May 2021 <p>Projects in Construction \$8.3m for 69 projects, including</p> <ul style="list-style-type: none"> SW Eastman Sutherland & Hoon Hay Wetlands SW Cashmere Stream Enhancement SW Jacksons Creek Reticulation Renewal WW Lyttelton Harbour Wastewater Scheme WW Tuam Street Reticulation Renewal Water Supply, Wastewater, Stormwater Renewals
	<p>\$14.3m (32%) Other</p> <p>Projects Forecasting >\$1m</p> <p>Te Pou Linwood Pool - \$2.2m – based on contractor cash-flow</p> <p>Strategic Land Acquisitions - \$2.8m – based on current land purchase programme – on track to spend.</p> <p>Community Projects in Construction \$2.8m for 44 projects, including</p> <ul style="list-style-type: none"> Pioneer Pool Earthquake Renewals and Cycle Shutdown Park Rubbish Bin Replacement St Albans Community Centre Edmonds Band Rotunda Taiora QEII Park – School of Gymnastics Carpark, Cob Cottage

Council Delivered Projects

Delivery budget for this financial year where Council manages delivery is \$442.4m. Current forecast against this budget is \$438m.

Council delivered top ten projects by budget this financial year are:

Project	Whole of Life Budget	FY21 Budget	FY21 Forecast	Forecast Delivery Date
Corporate Investments	\$128.4m	\$13.9m	\$13.0m	Jun 2022
Carriageway Reseals – Chipseal	\$132.6m	\$13.2m	\$13.2m	Jun 2021
Te Pou Linwood Pool	\$24.0m	\$13.0m	\$15.7m	Dec 2021
Delivery Package - Strategic Land Acquisitions	\$187m	\$11.8m	\$8.5m	Jun 2021
Major Cycleway - South Express Route (Section 3) – Curletts to Old Blenheim	\$15.5m	\$10.4m	\$12.5m	Sep-2021
Lyttelton Harbour Wastewater Scheme	\$54.2m	\$7.6m	\$6.2m	Aug 2021
Downstream of Christchurch Northern Corridor (Project 2)	\$11.5m	\$7.0m	\$8.2m	Oct-2020
Ōtākaro Avon River Corridor (OARC)	\$53.8m	\$7.0m	\$1.0m	Jun 2030
Major Cycleway - Nor'West Arc Route (Section 2) - Annex & Wigram Road to University	\$13.5m	\$6.5m	\$5.9m	Jun 2021
Evans Pass Road and Reserve Terrace Remedial Works	\$16.3m	\$6.3m	\$2.1m	Aug 2022

Further detail on the current performance of key Council delivery projects can be found in the Capital Watchlist report appended to this Capital Project Performance report.

Third Party Delivered Projects

\$122m of the financial year budget are projects delivered by a Third Party, who have primary control of delivery. Third Party forecast spend to June 2021 is currently \$78.2m.

Key third party payment projects (by this financial year budget value) are:

Project	Whole of Life Budget	FY21 Budget	FY21 Forecast	Forecast Delivery Date
Metro Sport Facility	\$151.3m	\$81.3m	\$45.5m	Nov 2022
Canterbury Multi Use Arena (CMUA)	\$483.0m	\$27.8m	\$15.3m	Dec 2024
Totals	\$634.3m	\$109.1m	\$64.4m	

Further detail on the current performance of key third party projects can be found in the Capital Watchlist report appended to this Capital Project Performance report.

Carry Forward/Bring Back Analysis

Carry Forwards or Bring Backs exist when projects are either delivered faster or slower than originally planned within this Financial Year budget. Definitions are as follows:

- **Carry forward** – project is forecasting to spend less this financial year than originally budgeted.
- **Bring back** – project is forecasting to spend more this financial year than originally budgeted.

The “net carry forward” is the difference between carry forward and bring back.

Net Carry Forward forecast against \$552m budget for this financial year by Project Managers as of 20 February 2021 is \$62.5m (+\$130.1m carry forward, -\$67.4m bring back).

Breakdown by Delivery Department for the Core Programme (including External Funding projects) of \$442m is as follows:

Unit	Bring Back Value	Carry Forward Value	TOTAL
Capital Delivery Major Facilities	-\$4,180,269	\$4,138,702	-\$41,567
Capital Delivery Community	-\$4,029,875	\$12,167,839	\$8,137,964
Parks	-\$188,759	\$823,217	\$634,458
Facilities, Property & Planning	\$0	\$1,228,845	\$1,228,845
Corporate	\$0	\$851,920	\$851,920
Information Technology	\$0	\$2,429,546	\$2,429,546
CDEM & Rural Fire	\$0	\$132,110	\$132,110
Strategy & Transformation	\$0	\$176,526	\$176,526
Three Waters & Waste	-\$31,369,793	\$34,103,192	\$2,733,399
Transport	-\$27,547,558	\$24,966,864	-\$2,580,694
TOTAL	-\$67,365,8584	\$81,018,761	\$ 13,652,903

*Table is focussed on delivery to our core programme and excludes Metro Sport and Canterbury Multi Use Arena. Currently, these Projects are forecasting a carry forward of \$49m against a financial year budget of \$110.1m.

Carry Forward Commentary (by exception + or - \$5m)

The following commentary relates to phasing changes only, and not changes to total approved budget.

Unit	Net Carry Forward	Commentary
Capital Delivery Community	\$8.1m	<p>Bring back reflects progress on projects that are progressing quicker than current financial year phased budget – key contributors are as follows:</p> <p>Pioneer Pool Earthquake Renewals and Cycle Shutdown (-\$2.2m) - refer to the Top Ten Bring Back table for full detail.</p> <p>Naval Point Development Plan (-\$580k) - required for the next steps in the planning for the project and to complete the pontoon removal from the site.</p> <p>Carry Forward reflects projects that are progressing slower than current financial year phased budget</p>

Unit	Net Carry Forward	Commentary
		<p>Ōtākaro-Avon River Corridor (OARC) (+\$6m) - refer to the Top Ten Carry forward table for full detail.</p> <p>Diamond Harbour Wharf Planned Renewals (+\$1m) – based on current schedule for detailed design and tendering for the contract. Further updates to forecast will be made when investigations are complete.</p>

All of Council

Top 10 Carry Forward Projects

The following projects listed as the top carry forwards by budget value are as follows:

Project Title	Project Phase	FY21 Budget	FY21 Forecast Carry Forward	Project Manager Comment
Metro Sport Facility	(Execute) Construction	\$81.3m	\$35.8m	Carry forward is required due to the potential impact on cashflow and programme due to COVID-19. The construction programme is currently being reviewed by the contractor and Ōtākaro.
Canterbury Multi Use Arena Site Decontamination (CRAF Funded)	Initiate	\$10m	\$10m	Carry forward budget to FY22 reflects current delivery programme. Any major areas of contamination discovered will be removed as part of the main construction contract
Ōtākaro Avon River Corridor (OARC)	Execute (Procure)	\$7m	\$5.9m	<p>The most recent cashflow for the OARC programme increased the forecast carry forward to around \$6M for FY21. This change was made on the basis that the Contractor for the bridge construction has confirmed they are not seeking advanced payments for materials off site, and with commencement on site not due to occur until September (with fabrication of steel occurring between now and then), we will have a significant gap in the cashflow.</p> <p>After speaking with Finance in the Programme Steering Group meeting, we will now accrue a figure at financial year end to reflect both the liability that Council will have incurred to that point and the progress made on the Programme.</p> <p>A pre-start discussion is scheduled with the Contractor early Mar-21 and we should have received both a Comprehensive Programme (schedule) and a proposed cashflow which will allow us to accurately record a forecast for FY 12 (and confirm carryforward).</p>
Evans Pass Road and Reserve Terrace Remedial Works	(Execute) Design	\$6.3m	\$4.2m	Delay in NZTA/Government funding decision and COVID-19 response has delayed design impacting overall delivery.
Major Cycleway South Express Route (Section 2) Craven to Buchanans	(Execute) Procure	\$4.8m	\$3.9m	The first stage of this project has been tendered and the second stage will go out mid 2021. This is part of the Shovel Ready programme and is on track to meet the timeframes agreed with Ōtākaro.

Project Title	Project Phase	FY21 Budget	FY21 Forecast Carry Forward	Project Manager Comment
Coastal Pathway & Moncks Bay	(Execute) Design	\$4.2m	\$3.2m	Carry forward required to allow delivery in line with approved Shovel Ready delivery programme.
Canterbury Multi Use Arena (CMUA)	Plan	\$17.8m	\$2.5m	Current indicated carry forward is likely to increase due to the recent decision to extend the RFP closing date: closing 29 January 2021.
WW Riccarton Mains Renewal (Hansons Lane to Euston Street)	(Execute) Procure	\$4.5m	\$2.0m	Tender has taken longer than expected to get out to the market, and wastewater work is unlikely to get priority once physical works are underway.
SW Flood Management LDRP 521 Stage 1 Waitaki Street (OARC)	(Execute) Design	\$2.8m	\$2.0m	Carry forward required due to approximately two month delay in the completion of detail design and consenting due to extensive contaminated land investigations. Project now in final stages of design awaiting consents and tender award.
Major Cycleway - Northern Line Route (Section 1) Blenheim to Kilmarnock and Harewood Crossing & Restell	(Execute) Design	\$1.9m	\$1.7m	This project is part of the Shovel Ready programme of works. Design is progressing well with Kiwirail looking at options to accelerate delivery

All of Council

Top 10 Bring Back Projects

The following projects listed as the top bring backs by budget value are as follows:

Project Title	Project Phase	FY21 Budget	FY21 Forecast Bring Back	Project Manager Comment
SW Horners Kruses Land Purchase	(Execute) Construction	\$0.3m	\$6.5m	Land purchase currently forecast for FY21.
SW Blakes Road Stormwater Facility (Works 1)	(Execute) Construction	\$3.4m	\$4.4m	Bring back required for land purchase.
Road Lighting LED Installation	(Execute) Construction	\$4.1m	\$3.5m	Bring back required to reflect delivery programme which aims to maximise higher NZTA subsidy (85%).
WS Reactive Water Meter Renewal	(Execute) Construction	\$0.3m	\$3.2m	The forecast reflects current scope for reactive water meter renewals this financial year. A change request is being processed for additional budget which will reduce the bring back by \$2.7m to \$500k once approved.
Downstream of Christchurch Northern Corridor (Project 1)	Close	\$2.6m	\$2.9m	Alternative budget being sought from current financial year and will not require bring back. Reflects previously communicated project costs to completion.

Project Title	Project Phase	FY21 Budget	FY21 Forecast Bring Back	Project Manager Comment
Te Pou Toetoe Linwood Pool	(Execute) Construction	\$13m	\$2.7m	Bring back required based on current Contractor delivery programme.
Pioneer Pool Earthquake Renewals Cycle Shutdown	(Execute) Construction	\$2m	\$2.2m	Bring back required to deliver full scope of works in FY21 to minimise disruptions to operations.
Major Cycleway - South Express Route (Section 3) Curletts to Old Blenheim	(Execute) Construction	\$10.4m	\$2.1m	This is part of the Shovel Ready programme, works commenced in FY21 to meet the delivery requirements of the agreement.
Northern Arterial Extension including Cranford Street Upgrade	(Execute) Construction	\$1.1m	\$2.0m	Reflects delivery schedule from third party.
Marshland Road Bridge Renewal	(Execute) Construction	\$1.3m	\$1.6m	Construction is underway to complete in water works prior to 30 June to meet resource consent conditions.

All Financial Years (Project Whole of Life)

Covid 19: Impacts on Delivery

As of March 2021, the value of claims received totals approximately \$6.5m.

These are across 46 projects (Transport – 37%, Community – 2%, 3 Waters – 61%).

93% of all claims have been paid out to date in both interim and finalised costs.

This remains as previously reported in the February Finance and Performance Committee.

Any contractor claims on projects being delivered by a third party are being settled by the third party.

Claims cover site dis-establishment, site re-establishment and costs associated with extension of time claims resulting from the lockdown period.

Claims have been finalised on the following projects:

Reason for Covid-19 related cost variations on Capital Projects

If a COVID-19 directive changes the 'Cost to the Contractor/Supplier of performing the Contract' this may, depending upon the terms and conditions of the contractual relationship, trigger a variation to the contract.

Additional costs may include demobilisation and remobilisation, site security, cost of plant and equipment, direct labour and onsite/off-site overheads and profit.

Variations are reviewed and negotiated with the contractor/supplier and will also consider factors such as whether the Government Wage subsidy was available to the contractor/supplier.

For Contract Works or Maintenance Contracts governed by the NZS 39xx standard form, the costs are considered by the Engineer to the Contract, who are contractually obliged to, independently of either the Council as Principal to the contract or the contractor party, fairly and impartially make decisions as to Contractor's entitlements under the contract.

Delivery Unit	Project	Contractor
3 Waters	Ward St brick barrel lining	City Care
	HHB Inlet Structure	Hunter Civil
	Sutherlands Basin	Brian Perry Civil
	Cox's Quaifes	GSL
	Heathcote Dredging	City Care
	Canal Reserve Drain	City Care
	Temporary stop banks - Waitaki St	GHD
	Wilmer's Basin	GSL
	WS Well Renewal Grassmere Well 1	Seipp
	WS Belfast - Well Renewal	Seipp
	WW Mains Renewal - Flockton Street	Dormer
	WW Mains Renewal - Neville St, Domain Tce, Edinburgh St, Cooke St, McCombs St, Stennes Ave, Selwyn St	Downer

Delivery Unit	Project	Contractor
	WW Mains Renewal - Randolph St, Hobson St, Inglis St, Forfar St, Dee St, Pascoe Ave	Brian Perry Civil
	WW Mains Renewal - Barbadoes, Cannon St, Bealey Ave, Madras Street	Downer
	WW Mains Renewal - Springfield Rd, Berry St, Clare Rd, Onslow St	City Care
	WS Submains Renewal FY20/21	Utilities Infrastructure
	WS Mains Renewal - Cranford St, Sherborne St and Victoria Street Transport projects	Isaacs
	Riccarton Road Roading upgrade - Harakeke to Matipo	Fulton Hogan
Community	Manuka Cottage Capital Endowment Fund project	Watts & Hughes
	Opawa Public Library Rebuild	Watts & Hughes
	St Albans Community Centre	Watts & Hughes
	NPW - Athletics Indoor Training Facility	HRS Construction
	Pioneer Recreation & Sport Centre – Roof Replacement	Watts & Hughes
	Kapuatohe Dwelling/Cottage	Higgs
	Edmonds Band Rotunda	Dominion
	Ōtakaro Avon River Corridor	WSP
	Harrington Park Play Space Renewal	Mike Downs
	Delivery Package Parks Hard Surface Renewals - Jellie Park Paths	Pigeon Contracting
Transport	Palmers Road (Bowhill-New Brighton)	Isaacs
	Warden Street (Petrie-Chancellor)	City Care
	Riccarton Road Bus Priority	Fulton Hogan
	Downstream of Christchurch Northern Corridor (Project 1)	Isaacs
	Downstream of Christchurch Northern Corridor (Project 2)	Fulton Hogan
	Main North Road Bus Lane Modifications	City Care
	Road Lighting LED Installation	Connetics

Delivery Unit	Project	Contractor
	Main Rd M3 Beachville Road Streetscape Enhancements	Higgins
	New Brighton MP Streetscape Enhancements A2, A4	Mike Downs
	Local Cycleway: Northern Arterial Link Cranford to Rutland	Fulton Hogan
	New Retaining Walls delivery project	Hunter Civil
	DEMP Investigation Contract 46*3054	Downer

Current Project Status

(Projects from Execute – Design to Project Delivery Complete)

The **Current Overall Project Status** is provided by Delivery Unit for all projects from Execute (Design) through to Project Delivery Complete.

This status is set by Project Managers using objective criteria, and considers Cost, Time, Scope, Risks and Issues.

Project and Unit governance actively monitors progress, risks and issues, ensuring appropriate action and mitigations are in place on all projects.

All of Capital - Summary

from Execute (Design) to Project Delivery Complete

Green	Amber	Red	Total Projects
336	33	48	417





Current programme level risks/issues that exist across the Capital Programme are as follows:

Covid-19

- Extension of Time and Cost Variations - As a consequence of the Covid Level 4 lockdown, a number of contract claims for Extension of Time and associated costs have been received from various contractors across the portfolio. Final claims are under negotiation. Full impact (time and cost) are still to be confirmed.
- Supply Issues - Contractors continue to review supply chain risks and issues, including identification of alternative (lower risk) sourcing locally. This has impacted particularly on LED lighting, other street lighting and Kiwirail infrastructure supplies. Projects are identifying alternative supply wherever possible, or re-phasing work to reduce impact of supply delays.
- Exchange Rate - any hike in the US dollar may impact project costs – at present, this is not impacting projects however has potential to do so. Any change in project costs are subject to contractual conditions with the contractor.
- Covid Second Wave – in the event New Zealand were to have another community breakout with further restrictions or lockdown, projects would be impacted and delivery to the current capital budget will be at risk. No additional claims have been received from projects to date.
- Other - Potential for additional restrictions, resulting in possible time and/or cost implications.

NZTA subsidy (Transport)

- Remains an ongoing risk to delivery of Transport projects >\$1m.
- To mitigate risk, staff are working closely with NZTA to ensure clarity of process and to streamline the process where possible.

For all projects forecasting >\$1m, with an Overall Project Status of Red in the Execution phase (until Project Delivery Complete), commentary is provided on the following page.

Performance Exception Report

Projects >\$1m in Execution - Overall Current Project Status “Red”

Commentary is provided below for all projects forecasting >\$1m, with an Overall Project Status of Red in the Execute Construction phase (until Project Delivery Complete).

For Watchlist, External Funded or MCR projects, refer separate reports.

Time (Deviation from Baseline)		Budget (Deviation from Baseline)	
Green	<30 days delay	Green	On Track
Amber	31-60 days delay	Amber	Forecast Overspend <5%
Red	>61 days delay	Red	Forecast Overspend >5%

Project	Trend	Cost	Time	Scope	Risks	Issues	Current Forecast Delivery	Commentary
WS Reactive Mains & Submains Renewal	↓	Red	Green	Green	Green	Green	Jun-2022	This is for reactionary works of a capital nature. Current cost forecast reflects additional scope for urgent renewal in Albert Terrace.
Wastewater: Christchurch Wastewater Treatment Plant Asset Reactive Renewals	↓	Red	Green	Green	Green	Green	Ongoing	Reflects additional reactive renewals than originally expected. The actual spend to date has been risk assessed for Health & Safety and maintaining process performance.
WW Ensors, Fifield & Louisson Mains Renewal	→	Red	Green	Green	Green	Green	May-2021	Reflects further stage of work required - 80m extension of the Fifield Terrace line (to correct a level discrepancy and replace poor condition pipes). The further stage of work was part of future asset maintenance work, so the project has taken the opportunity to complete it early.

CHRISTCHURCH CITY COUNCIL - CAPITAL PROGRAMME WATCHLIST
February 2021

February 2021

		Time (Deviation from Baseline)						Budget (Deviation from Baseline)							
		Green	<30 days delay					Green	On Track						
		Amber	31-60 days delay					Amber	Forecast Overspend <5%						
		Red	>61 days delay					Red	Forecast Overspend >5%						
		TIME						BUDGET					RISK (BUDGET AND TIME)		
		Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (by Exception)	Status	Risks
															All risks are monitored with mitigations actively managed by delivery units.
Community		Naval Point Development Plan	Plan	Green (<30 days)	Jun-15	Jan-27	Jan-27		Green - On Track	\$26.5 M	\$26.4 M	\$2.4 M	Budget relies on final adoption of the 2021-2031 LTP.	Green	
		Ōtākaro Avon River Corridor (OARC)	Execute - Procure	Green (<30 days)		Jun-30	Jun-30		Green - On Track	\$53.8 M	\$53.8 M	\$0.8 M		Amber	Considerable uncertainty exists around the likelihood of spending the allocated budget for this FY. Initial Lump Sum allowances for Christchurch Earthquake Appeal Trust (CEAT) works and the City to Sea (CTS) Pathway that used to create this FY budget were based on completing significant site works for CTS pathway and incurring considerable spend against main contracts for CEAT works. Planning is underway for the CTS pathway but with lengthy engagement expected it is unlikely that the allocated budget with be expended.
		St Albans Community Centre	Execute - Construction	Green (<30 days)	Jun-19	Mar-21	Mar-21		Green - On Track	\$3.9 M	\$3.9 M	\$3.4 M	QS confirms project will be dleived to budget. Facility due to be open on April 10.	Green	
		Akaroa Wharf Renewal	Plan	Green (<30 days)	Feb-23	Jun-24	Jun-24		Green - On Track	\$20.2 M	\$20.2 M	\$0.8 M	Budget relies on final adoption of the 2021-2031 LTP.	Red	The project includes a number of major risks including but not limited to project budget, stakeholder management, heritage requirements and associated costs, the management of the existing use of the wharf structure and the future of privately-owned buildings. The project team will be actively working to reduce these risks throughout the project by working closely with stakeholders and heritage NZ.
Parks		Lancaster Park Enabling Works (pre-requisite to Lancaster Park Redevelopment)	Execute - Procure	Green (<30 days)	Jun-19	Jun-21	Jun-21		Green - On Track	\$3.0 M	\$3.0 M	\$0.2 M		Amber	Cost and time forecasts will be updated as part of finalising the final contract documentation.

	Project Title	Current Phase	TIME					BUDGET					RISK (BUDGET AND TIME)	
			Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (by Exception)	Status	Risks <i>All risks are monitored with mitigations actively managed by delivery units.</i>
Major Facilities	Hornby Library, Customer Services and South West Leisure Centre	(Execute) Design	Green (<30 days)	Apr-20	Feb-23	Feb-23		Green - On Track	\$35.8 M	\$35.8 M	\$2.3 M		Amber	Key risks are primarily cost or programme related. Mitigation's are in place for these and are reported to the Project Steering Group (PSG) each month. Current project status is at 70% Detailed Design - this is cost monitored at each milestone design drop and reported to PSG. Early works tender closed 29 January 2021 and we expect to let late February 2021.
	Performing Arts Precinct	Execute - Investigate	Green (<30 days)	Jun-18	Nov-23	Nov-23		Green - On Track	\$38.8 M	\$38.8 M	\$2.17 M		Green	
	Te Pou Toetoe Linwood Pool	(Execute) Construction	Green (<30 days)	Jun-20	Dec-21	Dec-21		Green - On Track	\$24.0 M	\$24.0 M	\$9.8 M		Red	Unforeseen conditions (large objects / contamination) and natural perils (in-ground water levels). Ground works now substantially complete with no issues encountered. Mitigations in place are seeing this risk decrease. Delays with material deliveries are currently being experienced across the industry. None of the affected items for Linwood Pool are currently affecting overall programme. Some key risks dictate that the flag is set to red, but the reality is that the level of risk is generally decreasing, particularly with in ground works now substantially complete with no issues encountered. Both drainage and car park construction will see this risk disappear as the project progresses.
Transport	Central City Projects - Hereford Street (Manchester to Cambridge)	Execute - Handover	Green (<30 days)	Dec-18	Feb-21	Dec-20		Green - On Track	\$8.5 M	\$8.4 M	\$8.0 M		Green	
	Central City Projects - Victoria Street	Close - Defects Liability	Green (<30 days)	Jun-17	Apr-21	Apr-21		Green (<30 days)	\$11.3 M	\$11.0 M	\$11.0 M		Green	
	Annex / Birmingham / Wrights Corridor Improvement	Execute - Construction	Green (<30 days)	Sep-16	Mar-24	Oct-21		Amber	\$7.1 M	\$7.8 M	\$1.1 M	Sufficient funding for completion of works currently in construction. The second stage that involves Kiwirail integration is still in the design phase and costs will be monitored closely as work progresses.	Green	
	Downstream Intersection Improvements: Cranford Street	Execute - Construction	Green (<30 days)	Jun-20	Jun-23	Jun-23		Green - On Track	\$40.7 M	\$28.8 M	\$27.2 M	Budget relies on final adoption of the 2021-2031 LTP.	Green	
	Dyers Pass Corridor Safety Improvements (Guardrails, Cycle and Pedestrian)	Execute - Construction	Green (<30 days)	Jun-19	Dec-22	Dec-22		Green - On Track	\$13.4 M	\$13.4 M	\$1.6 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	Delivering programme in constrained NZTA funding timeframe on narrow road in steep topography. All consents are granted. NZTA funding at 75.5% past end of FY21 is still a risk
	Evans Pass Road and Reserve Terrace Remedial Works	Execute - Design	Green (<30 days)	Jun-19	Aug-22	Aug-22		Green - On Track	\$24.5 M	\$24.5 M	\$1.1 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	CCC consent relating to visual affects has been lodged, design/scope changes may be required to meet conditions. Report being prepared to go to Finance & Performance Committee as higher NZTA subsidy rate not approved.

	Project Title	Current Phase	TIME					BUDGET					RISK (BUDGET AND TIME)	
			Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (by Exception)	Status	Risks <i>All risks are monitored with mitigations actively managed by delivery units.</i>
Transport	Ferry Road Masterplan (WL1)	Execute - Construction	Green (<30 days)	Sep-17	Jun-21	Jun-21		Green - On Track	\$4.1 M	\$3.2 M	\$2.3 M		Green	
	Halswell Junction Road Extension	Execute - Design	Green (<30 days)	Jun-16	May-22	May-22		Green - On Track	\$12.5 M	\$12.3 M	\$3.2 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	CKiwirail programme of works, potential land contamination.
	Road Lighting LED Installation	Execute - Construction	Green (<30 days)	Jun-18	Nov-21	Nov-21		Green - On Track	\$29.8 M	\$27.2 M	\$20.4 M		Green	Due to delivery of luminaires the project it is unlikely to be completed in full prior to June 30 2021. Currently 99% of luminaires are expected to be installed by the end of June 21 with the remainder installed in early FY22
	Coastal Pathway & Moncks Bay	Execute - Design	Amber (31-60 days)		Jun-22	Aug-22	Currently progressing through design - complexity of the project is still to be worked through. While the current schedule reflects a small delay, we plan to mitigate this by phasing the work, and early engagement with consenting authorities. The project schedule will gain more certainty once the methodology is confirmed, and contract awarded.	Green - On Track	\$15.8 M	\$15.8 M	\$0.4 M		Amber	Significant constraints to be worked through - minimal space in road corridor, property issues, geotech, coastal marine environment (sensitive ecology, consenting, and complex engineering), stormwater/ flooding issues, archaeology, existing services. Construction is expected to start mid 2021.
Three Waters and Waste	SW Cashmere Worsleys Flood Storage (LDRP 500)	Execute - Construction	Green (<30 days)	Apr-17	Aug-22	Jun-22		Green - On Track	\$27.2 M	\$27.1 M	\$19.8 M		Green	
	SW Eastman Sutherland and Hoon Hay Wetlands (including Eastman Wetlands (LDRP 528)	Execute - Construction	Green (<30 days)	Jun-24	Jun-25	Jun-23		Green - On Track	\$39.6 M	\$39.2 M	\$18.8 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	Wetland design to be confirmed to ensure alignment with Sutherlands under construction.
	SW Coxs - Quaifes Facility	Close - Defects Liability	Green (<30 days)	Jun-23	Jun-23	Oct-20		Green - On Track	\$11.0 M	\$10.9 M	\$10.2 M		Green	
	WW Akaroa Reclaimed Water Treatment & Reuse Scheme	Execute (Investigate)	Red (>61 days)	Jun-16	Jun-25	Jun-28	The project milestone dates will be re-baselined reflecting the certainty in scope and the project timeline will be revised to reflect the Council resolution on where to discharge treated wastewater. Following release of LTP budgets, we are now in a position to update the project baseline to relect the funded scope.	Green - On Track	\$74.5 M	\$70.4 M	\$7.4 M	Budget relies on final adoption of the 2021-2031 LTP.	Green	
	WW Lyttelton Harbour Wastewater Scheme	Execute - Construction	Green (<30 days)	Feb-19	Dec-21	Aug-21		Amber (<5%)	\$54.2 M	\$55.2 M	\$51.7 M	Significant COVID-19 claims have been received as well as additional design and construction costs due to services clashes with incorrect as built information. Original specified valve has to be replaced with new bespoke model and has a long lead time for delivery. Pipe fitting procurement from overseas has inherant risk due to shipping disruptions from covid. Specific contract EoT issues are currently being discussed and have not yet been finalised.	Amber	Ground conditions and contractual issues to be resolved. There are still design changes requiring significant input from Council staff which is slowing some construction fronts.

		TIME						BUDGET					RISK (BUDGET AND TIME)	
	Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (by Exception)	Status	Risks <i>All risks are monitored with mitigations actively managed by delivery units.</i>
	WW Mains Renewal Tuam St Reticulation Renewal (Brick Barrel) (Livingstone to Mathesons)	Execute - Construction	Red (>61 days)	Jun-20	Oct-20	Feb-21	Delays due to old pipe being removed that sits on concrete haunching and foundations 500mm ~ 800mm thick and was built of in-situ poured concrete 200 - 300mm thick. This concrete had to be broken out and removed prior to pipe laying. A number of changes have been trialled to construction methodology to drive productivity. There has been an increase in the rate of pipe laying although we do not expect they will be able to recover lost time. Further delays due to Covid-19 site shutdown and Alert Level restrictions.	Green - On Track	\$14.8 M	\$14.7 M	\$12.0 M	The main wastewater works are expected to be completed in February with works in the residential area on a water main replacement closing out in March. Reactive work to repair a side street wastewater pipe will also be undertaken in Feb / Mar as part of the works. Sealing of the sides of Tuam Street not disturbed by the wastewater works will be undertaken in March once the wastewater main works are completed. This is expected to be completed in 1-2 weeks and staff are working with the contractor to undertake this as night works.	Amber	Proactive communication and progress information provided regularly to the community during construction period.
Third Party Delivery / Funding	Third Party Delivery / Funding													
	Northern Arterial Extension including Cranford Street Upgrade	Execute - Construction	Green (<30 days)	Jun-22	Jul-23	May-21		Green - On Track	\$51.2 M	\$50.8 M	\$43.1 M		Green	
	Metro Sport Facility	Execute - Construction	Red (>61 days)	Jan-20	Feb-22	Nov-22	Delays due to slower progress than current construction programme and Covid-19.	Green - On Track	\$152.4 M	\$151.3 M	\$71.5 M		Amber	Effects of Covid 19 yet to be assessed. Construction programme currently being reviewed by Contractor and Ōtākaro.
	Canterbury Multi Use Arena (CMUA)	Plan	Green (<30 days)	Jun-25	Jun-25	Dec-24		Green - On Track	\$473.0 M	\$473.0 M	\$3.0 M		Amber	The CMUA Project Delivery Ltd Board have accepted to extend the RFP tender period to 29 January 2021. Appointment of Design/Construct consortia due March 2021.
	Multicultural Recreation and Community Centre	Initiate	Green (<30 days)	Jun-21		Jan-22		Green - On Track	\$3.0 M	\$3.0 M	\$0.0 M		Green	Project is currently being investigated and scoped. Council has given its support to the project, including the proposed location.
			Time (Deviation from Baseline)					Budget (Deviation from Baseline)						
			Green	<30 days delay					Green	On Track				
			Amber	31-60 days delay					Amber	<5% overspend forecast				
			Red	>61 days delay					Red	>5% overspend forecast				

CHRISTCHURCH CITY COUNCIL EXTERNALLY FUNDED PROJECTS (\$272.9M)
Feb-21

Time (Deviation from Baseline)
Green <30 days delay
Amber 31-60 days delay
Red >61 days delay

Budget (Deviation from Baseline)
Green On Track
Amber Forecast Overspend <5%
Red Forecast Overspend >5%

INDUSTRY REFERENCE GROUP: SHOVEL READY (\$133.2M)												
	Project Title	Current Phase	TIME				BUDGET					Progress Update
			Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	
Heathcote Expressway	Section 2 - Tannery to Martindales	Detailed Design	Green (<30 days)	Jun-25	Jul-22		Red (>5%)	\$8.5 M	\$11.0 M	\$0.5 M	Additional cost associated with contaminated material, cost associated with Cumnor Terrace being two way, changes to KiwiRail requirements around cycleways running parallel to level crossings. Costs are being monitored and if necessary is able to be covered from the programme contingency.	Detailed design and consenting requirements progressing, construction phasing will be determined by environmental considerations.
	Programme Contingency - Major Cycleway - Heathcote Expressway							\$3.0 M				
	Total							\$11.5 M	\$11.0 M	\$0.5 M		
Northern Line Cycleway	Section 1 - Blenheim to Kilmarnock, and Harewood Crossing and Restell	Detailed Design	Red (>61 days)	Jun-22	Dec-22	Work is progressing well to meet the Crown Shovel Ready requirements re construction starting on site. Construction programmes are still to be confirmed by Kiwirail which will further inform the completion milestone.	Red (>5%)	\$7.0 M	\$11.2 M	\$4.0 M	Forecast is based on current detailed design estimate however Kiwirail treatments are still to be finalised and costs will be monitored against budget. A change request is being raised to reflect shovel ready funding, and reallocate across sections of the MCR. There is sufficient funding for the compelte route across the projects.	Detailed design is progressing well and Kiwirail are looking at options to assist with a faster delivery schedule.
	Section 2a - Tuckers to Sturrocks including crossings	Detailed Design	Red (>61 days)	Jun-21	Dec-22	Work is progressing well to meet the Crown Shovel Ready requirements re construction starting on site. Construction programmes are still to be confirmed by Kiwirail which will further inform the completion milestone.	Red (>5%)	\$2.4 M	\$3.4 M	\$0.0 M		
	Section 2b - Sturrocks to Barnes & Main North Road	Detailed Design	Green (<30 days)		Oct-22		Red (>5%)	\$1.8 M	\$2.1 M	\$0.0 M		
	Section 3a - Styx Mill Overbridge to Northwood Boulevard	Detailed Design	Green (<30 days)		Dec-22		Green - On Track	\$8.2 M	\$1.4 M	\$0.0 M		
	Programme Contingency - Major Cycleway Northern Line Cycleway							\$1.5 M				
	Total							\$20.8 M	\$18.2 M	\$4.1 M		
Nor'West Arc	Section 1a - Cashmere To Sparks	Defects Liability	Green (<30 days)	Dec-20	Dec-20		Green - On Track	\$4.4 M	\$4.4 M	\$4.0 M	All sections are expected to be completed by April 2021.	
	Section 1b - Sparks To Lincoln & Halswell intersection	Construction	Red (>61 days)	Oct-20	Feb-21	Project was 95% complete in December 2020, the remaining 5% has been delayed while property purchase was finalised and is now in construction.	Red (>5%)	\$3.8 M	\$4.0 M	\$3.2 M		
	Section 1c - Lincoln & Halswell Intersection to Annex & Southern Motorway Underpass	Defects Liability	Green (<30 days)	Mar-22	Dec-20		Green - On Track	\$2.4 M	\$2.0 M	\$1.4 M		
	Annex, Birmingham & Wrights Corridor Improvement	Construction	Green (<30 days)	Mar-24	Oct-21		Red (>5%)	\$7.1 M	\$7.8 M	\$1.1 M	Sufficient funding for completion of works currently in construction. The second stage that involves Kiwirail integration is still in the design phase and costs will be monitored closely as work progresses.	Require design approval from Kiwirail for Annex Road crossing. Current budget and forecast reflects complete project - to be reviewed based on delivery programme.
	Ilam, Middleton & Riccarton Intersection Improvement	Construction	Green (<30 days)	Aug-21	Jun-21		Green - On Track	\$1.3 M	\$1.1 M	\$0.4 M	Construction will start in the next few weeks with completion forecast in June 2021. The scope of the contract now includes renewal of the waste and water mains.	
	Section 2 - Annex & Wigram Road to University	Construction	Green (<30 days)	Jun-21	Jun-21		Green - On Track	\$13.5 M	\$10.5 M	\$2.6 M	The Suva St, Hansons Ln intersection is expected to be completed by May 2021. Section 2A will commence construction in February 2021.	
	Section 3 - University to Harewood	Investigate & Scheme Design	Green (<30 days)	May-25	Feb-23		Green - On Track	\$10.8 M	\$10.5 M	\$0.4 M	Route selection and scheme development underway. Consultation is expected to take place in the second half of 2021.	
	Programme Contingency - Nor' West Arc							\$2.0 M				
Total							\$45.3 M	\$40.3 M	\$13.1 M			

CHRISTCHURCH CITY COUNCIL EXTERNALLY FUNDED PROJECTS (\$272.9M)
Feb-21

Time (Deviation from Baseline)
Green <30 days delay
Amber 31-60 days delay
Red >61 days delay

Budget (Deviation from Baseline)
Green On Track
Amber Forecast Overspend <5%
Red Forecast Overspend >5%

			TIME				BUDGET						
Project Title		Current Phase	Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	Progress Update	
Rapanui - Shag Rock	Section 3 - Dyers to Ferry Road Bridge	Construction	Green (<30 days)	Jun-23	Mar-22		Green - On Track	\$8.8 M	\$8.8 M	\$1.3 M		Minor works to repair damaged chipseal on Humphries Drive has been completed. Construction of Section 3a beside the canal started in February 2021 and will take approx 12 weeks. Section 3b through the reserve is expected to start in the second half of 2021. Section 3c at Tidel Veiw Rd is in scheme design and expected to go out for consultation before June 2021. Section 3d along Humphries Drive requires consultation to reduce the speed limit - this will go to consultation in March 2021.	
	Programme Contingency - Major Cycleway Rapanui Shag Rock							\$1.0 M					
	Total								\$9.8 M	\$8.8 M	\$1.3 M		
South Express	Section 1 - Hei Hei to Jones	Detailed Design	Green (<30 days)	Apr-22	Apr-22		Green - On Track	\$9.0 M	\$9.0 M	\$2.4 M		Stage 1 is in detailed design Stage 2 the first stage has been tendered and the second stage will be tendered mid 2021 Stage 3 is in construction.	
	Section 2 - Craven to Buchanans	Procurement	Green (<30 days)	Dec-22	Dec-22		Green - On Track	\$15.5 M	\$15.5 M	\$0.1 M			
	Section 3 - Curletts to Old Blenheim	Construction	Green (<30 days)	Sep-21	Sep-21		Amber (<5%)	\$15.5 M	\$15.7 M	\$4.2 M	Reflects risk of contaminated material and additional pipework, these are being monitored during construction and if necessary the contingency at programme level may be required.		
	Programme Contingency - Major Cycleway - South Express							\$2.0 M					
Total								\$41.9 M	\$40.1 M	\$6.7 M			
Coastal Pathway	Coastal Pathway & Moncks Bay	Detailed Design	Amber (31-60 days)	Jun-22	Aug-22	Work is progressing well to meet the Crown Shovel Ready requirements re construction starting on site. Construction programmes will be confirmed as part of the tender process which will further inform the completion milestone.	Green - On Track	\$15.8 M	\$15.8 M	\$0.4 M		Construction is expected to start mid 2021.	
	Programme Contingency - Coastal Pathway							\$1.5 M					
Total								\$17.3 M	\$15.8 M	\$0.4 M			
TOTAL SHOVEL READY								\$146.6 M	\$134.2 M	\$26.0 M			
Total Budget of \$146.6M is Shovel Ready funding plus historic costs													

CROWN REGENERATION ACCELERATION FUND - CRAF (\$40M)

		TIME				BUDGET					Progress Update
Project Title	Current Phase	Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	
Linwood & Woolston Roding & Transport Improvements	Investigate	Green (<30 days)		TBC		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M		
New Brighton Roding & Transport Improvements	Investigate	Green (<30 days)		TBC		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M		
Riccarton Roding & Transport Improvements	Investigate	Green (<30 days)		TBC		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M		
Richmond Roding & Transport Improvements	Investigate	Green (<30 days)		TBC		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M		
Spreydon, Somerfield, Waltham & Beckenham Roding & Transport Improvements	Investigate	Green (<30 days)		TBC		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M		
TOTAL CRAF						\$10.0 M (\$30m still to be allocated - refer progress update)					

CHRISTCHURCH CITY COUNCIL EXTERNALLY FUNDED PROJECTS (\$272.9M)
 Feb-21

Time (Deviation from Baseline)
 Green <30 days delay
 Amber 31-60 days delay
 Red >61 days delay

Budget (Deviation from Baseline)
 Green On Track
 Amber Forecast Overspend <5%
 Red Forecast Overspend >5%

CHRISTCHURCH EARTHQUAKE APPEAL TRUST (\$13.7M) and CROWN REGENERATION ACCELERATION FUND (\$40M)										
Project Title	Current Phase	TIME				BUDGET				Progress Update
		Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	
Ōtākaro Avon River Corridor - Footbridges & Landing (CEAT)	Concept Design	Green (<30 days)		Feb-22		Green - On Track	\$13.8 M	\$13.8 M	\$0.8 M	We have now received both the Resource Consent and Building Consent exemptions for the bridges and Council have awarded the Main Contract for this work
Ōtākaro Avon River Corridor - City to Sea Pathway, Ecological Restoration, Landings (CRAF)	Initiate	Green (<30 days)		TBC		Green - On Track	\$40.0 M	\$40.0 M		A design package is being prepared for the Dallington Loop encompassing the City to Sea Pathway and Ecological Restoration.
TOTAL CEAT AND CRAF							\$53.8 M	\$53.8 M	\$0.8 M	

DEPARTMENT OF INTERNAL AFFAIRS (DIA) - WATER (\$40.5M)

External Funding is for both Capital and Operational Expenditure. Progress updates for all initiatives being delivered (both capital and operational) are provided below.

Time (Deviation from Baseline)		
Green	<30 days delay	
Amber	31-60 days delay	
Red	>61 days delay	

Budget (Deviation from Baseline)		
Green	On Track	
Amber	Forecast Overspend <5%	
Red	Forecast Overspend >5%	

	Project Title	Current Phase	TIME				BUDGET							Progress Update
			Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Council Funded	Govt Funded	Total Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	
Capital Expenditure	WS Riccarton Rd Mains Renewal (Hansons to Matipo)	Procurement	Green (<30 days)	Jun-22	Jun-22		Green - On Track	\$1.8 M	\$3.7 M	\$5.5 M	\$5.5 M	\$0.3 M		Procurement team has been engaged to run the tender process. The tender was released on 17th February 2021
	WS Libeau and Chemin Du Nache Mains Renewal	Detailed Design	Green (<30 days)	May-22	Feb-22		Green - On Track	\$0.1 M	\$0.3 M	\$0.4 M	\$0.4 M	\$0.1 M		Design in final stage of completion. Easement applications in progress to be completed Mar 2021.
	WS Scruttons Road Pump Satation to Lyttelton Road Tunnel and St Andrews Hill Rd Mains Renewal	Detailed Design	Green (<30 days)	May-22	May-22		Green - On Track	\$0.3 M	\$3.8 M	\$4.1 M	\$4.1 M	\$0.5 M		Covid impacts on international shipping could affect pipe supply from Australia, may require Principal purchase to remove lead time risk. Temporary bypass works have been accelerated to allow for installation of the Lyttelton WW pipe.
	WW Trafalgar, Dover, Cornwall, Lindsay, Caledonian and Ranfurly Mains Renewal	Construction	Green (<30 days)	May-23	Aug-22		Green - On Track	\$1.1 M	\$3.4 M	\$4.5 M	\$4.5 M	\$0.6 M		Construction in progress. Archaeology findings, application for authority in progress (second crew to commence in six weeks)
	WW Philomel, Inverell, Pegasus, Endeavour, Royalist, Effingham, Monowai, Nile Mains Renewal	Construction	Green (<30 days)	May-23	Mar-22		Green - On Track	\$0.8 M	\$3.6 M	\$4.5 M	\$4.5 M	\$1.3 M		Construction in progress and on programme.
	WW Nalder, Ruru, McLean, Wyon, Rudds, Griffiths, Digby, Rasen and Tilford Mains Renewal	Construction	Green (<30 days)	May-23	Aug-22		Green - On Track	\$0.3 M	\$4.0 M	\$4.3 M	\$4.3 M	\$0.2 M		Construction in progress. Possible Archaeology findings.
	WW Sails, Langdons, Hoani, Wilmot, Cone, Perry, Gambia, Frank, Sturrocks, Grassmere Mains Renewal	Construction	Green (<30 days)	May-23	Sep-22		Green - On Track	\$0.5 M	\$6.0 M	\$6.5 M	\$6.5 M	\$0.4 M		Award in progress and construction due to start late March 2021.
	WW Akaroa Inflow and Infiltration Renewals	Procurement	Green (<30 days)	Mar-22	Mar-22		Green - On Track	\$0.0 M	\$3.1 M	\$3.1 M	\$3.1 M	\$0.0 M		Works now in procurement stage with an issue to tender prior to Christmas and Tender review early Feb 2021. Award for design and build work expected March 2021. Timeline and market capacity remain a key risk.
	WW Duvauchelle Inflow and Infiltration Renewals	Investigation & Scheme Design	Green (<30 days)	Feb-22	Feb-22		Green - On Track	\$0.0 M	\$2.0 M	\$2.0 M	\$2.0 M	\$0.0 M		Manholes exposure completed at the end of Feb 2021. Fibre installation in early Mar 2021. Based on the findings, find a solution to the improvement of Inflow and Infiltration.
	WW Lift Station SCADA Renewals	Procurement	Red (>61 days)	Jun-21	Mar-22	Installation is dependent on delivery timeframes of the equipment. Completion date remains within DIA timeframes.	Green - On Track	\$0.0 M	\$0.5 M	\$0.5 M	\$0.5 M	\$0.1 M		Brief completed, PO issued and RTU units ordered. Delivery will be staggered over several months.
	WS Smart Water Monitoring System	Investigation & Scheme Design	Green (<30 days)	Feb-22	Feb-22		Green - On Track	\$0.0 M	\$3.4 M	\$3.4 M	\$3.4 M	\$0.0 M		Smart Meter Contract to be awarded at the end of Feb 2021. Bulk water flowmeters tender close at the end of Feb 2021, to be evaluated and Awarded in Mar 2021.

	Project Title	Current Phase	TIME				BUDGET							Progress Update
			Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Council Funded	Govt Funded	Total Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	
Operational Expenditure	WS Reservoirs & Suction Tanks (Condition assessments of high priority tanks)	Construction	Green (<30 days)	Sep-21	Sep-21		Green - On Track	\$0.0 M	\$0.2 M	\$0.2 M	\$0.2 M	\$0.1 M		Investigations underway. Seven assessments completed and reports received. Access to assess tanks/reservoirs internally now denied by Operations until after summer.
	Small Community Private Water & Wastewater Scheme Needs Assessment	Investigation & Scheme Design	Green (<30 days)		Dec-21		Green - On Track	\$0.0 M	\$0.3 M	\$0.3 M	\$0.3 M	\$0.0 M		Consultant has been appointed under HDM Panel.
	WS Water Pump Station Deferred Maintenance	Plan	Green (<30 days)	Nov-21	Nov-21		Green - On Track	\$0.0 M	\$1.6 M	\$1.6 M	\$1.6 M	\$0.1 M		Tranche 2 50% complete. Due for completion by end of March. Trance 3 water stations started on time on 15 February 2021.
	WW Pump Station Deferred Maintenance	Plan	Green (<30 days)	Nov-21	Nov-21		Green - On Track	\$0.0 M	\$1.3 M	\$1.3 M	\$1.3 M	\$0.0 M		Tranche 7 & 8 Stations surveyed. Next steps to receive station reports and cost estimations in March 2021. No start dates for Waste stations have been programmed yet.
	WW CCTV Inspections	Investigation & Scheme Design	Green (<30 days)	Mar-22	Mar-22		Green - On Track	\$0.2 M	\$2.0 M	\$2.2 M	\$2.2 M	\$0.0 M		Project is on track.
	Business Case for Regional Water Services Entity (CCC contribution)	Investigation & Scheme Design	Green (<30 days)		Jun-21		Green - On Track	\$0.0 M	\$0.4 M	\$0.4 M	\$0.4 M	\$0.2 M		Assessment with CE Forum held late January. Proceeding on time and to budget.
	WS Pressure Management and Water Supply Rezoning	Investigation & Scheme Design	Green (<30 days)	Feb-22	Feb-22		Green - On Track	\$0.4 M	\$0.3 M	\$0.6 M	\$0.6 M	\$0.0 M		Functional requirements workshop was held in December 2020
	WW Duvauchelle Wastewater Treatment Plant Deferred Maintenance	Construction	Green (<30 days)		Mar-22		Green - On Track	\$0.0 M	\$0.2 M	\$0.2 M	\$0.2 M	\$0.0 M		Work has commenced, currently pulling together the sub contract agreements for this package of work.
	Asset Lifecycle Maintenance Optimisation	Investigation & Scheme Design	Green (<30 days)	Dec-21	Dec-21		Green - On Track	\$0.0 M	\$0.6 M	\$0.6 M	\$0.6 M	\$0.1 M		A number of work packages currently being defined. Service information in internal validation exercise.
TOTAL DIA								\$5.5 M	\$40.5 M	\$46.0 M	\$46.0 M	\$4.1 M		

CHRISTCHURCH CITY COUNCIL MAJOR CYCLEWAYS PROGRAMME

All Major Cycleway Shovel Ready projects are reported through the "Externally Funded" report

Feb-21

Time (Deviation from Baseline)	
Green	<30 days delay
Amber	31-60 days delay
Red	>61 days delay

Budget (Deviation from Baseline)	
Green	On Track
Amber	Forecast Overspend <5%
Red	Forecast Overspend >5%

Project Title	Current Phase	TIME				BUDGET					RISK (BUDGET AND TIME)	
		Current Approved Delivery Date	Current Forecast Delivery Date	Time Status	Time Comment (By Exception)	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	Status	Risks <i>All risks are monitored with mitigations actively managed by delivery units.</i>
Avon-Ōtakaro	Section 1 - Fitzgerald Avenue to Swanns Road Bridge	Concept	Jun-28	Green (<30 days)		Green - On Track	\$7.7 M	\$7.7 M	\$0.1 M		Green	
	Section 2 - Swanns Road Bridge to ANZAC Drive Bridge	Concept	Jun-28	Green (<30 days)		Green - On Track	\$17.0 M	\$17.0 M	\$0.0 M		Green	
	Section 3 - ANZAC Drive Bridge to New Brighton	Concept	Jun-28	Green (<30 days)		Green - On Track	\$6.6 M	\$6.6 M	\$0.0 M		Green	
Totals							\$31.3 M	\$31.3 M	\$0.1 M			
Little River Link	Section 1 - Moorhouse Avenue to Edinburgh Street, Barrington	Handover	Sep-18	Green (<30 days)		Green - On Track	\$6.7 M	\$6.7 M	\$6.6 M		Amber	Project is primarily complete, however there is potential for some work to be required at the rail crossing. This is yet to be agreed with Kiwirail - scope and costs to be determined.
Totals							\$6.7 M	\$6.7 M	\$6.6 M			
Ōpāwaho River Route	Section 1 - Princess Margaret Hospital to Corson Avenue	Investigate & Scheme Design	Jun-27	Green (<30 days)		Green - On Track	\$10.1 M	\$10.0 M	\$0.0 M		Green	
	Section 2 - Corson Avenue to Waltham Road	Concept	Jun-28	Green (<30 days)		Green - On Track	\$4.0 M	\$4.0 M	\$0.0 M		Green	
	Section 3 - Waltham Road To Ferrymead Bridge	Concept	Jun-28	Green (<30 days)		Green - On Track	\$18.6 M	\$18.6 M	\$0.0 M		Green	
Totals							\$32.6 M	\$32.6 M	\$0.0 M			
Southern Lights	Section 1 - Strickland Street to Tennyson St	Investigate & Scheme Design	Dec-22	Green (<30 days)		Green - On Track	\$3.9 M	\$3.9 M	\$0.4 M		Green	
Totals							\$3.9 M	\$3.9 M	\$0.4 M			
Wheels to Wings	Section 1 - Harewood Road to Greers Road	Investigate & Scheme Design	Mar-25	Green (<30 days)		Green - On Track	\$5.7 M	\$5.7 M	\$1.1 M		Green	
	Section 2 - Greers Road to Wooldridge Road	Investigate & Scheme Design	Jun-27	Green (<30 days)		Red (>5%)	\$8.9 M	\$10.1 M	\$0.0 M	Additional budget required to fund the traffic signals at Harewood/ Gardiners/ Breens as requested by Council if it is constructed as part of the MCR project.	Green	
	Section 3 - Wooldridge Road to Johns Rd Underpass	Investigate & Scheme Design	Jun-28	Green (<30 days)		Green - On Track	\$5.0 M	\$5.0 M	\$0.0 M		Green	
Totals							\$19.6 M	\$20.8 M	\$1.1 M			

MAJOR CYCLEWAYS - SECTIONS COMPLETE													
	Project Title	TIME					Budget					Risk	
		Current Phase	Current Approved Delivery Date	Current Forecast Delivery Date	Time Status	Time Comment	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comments	Status	Risk Commentary
Papanui Parallel	MCR Papanui Parallel - Section 1 - Grassmere to Tomes	Closed	Oct-15	Oct-15	Green (<30 days)		0 Green - On Track	\$1.7 M	\$1.7 M	\$1.7 M		Green	
	MCR Papanui Parallel - Section 2 - Bealey Ave to Trafalgar	Handover	Aug-17	Aug-17	Green (<30 days)		0 Green - On Track	\$11.1 M	\$11.1 M	\$11.1 M		Green	
	MCR Papanui Parallel - Section 3 - Trafalgar to Tomes	Closed	May-17	May-17	Green (<30 days)		0 Green - On Track	\$0.0 M	\$0.0 M	\$0.0 M		Green	
	MCR Papanui Parallel - Section 4 - Grassmere to Sawyers Arms Road	Handover	Aug-17	Aug-17	Green (<30 days)		0 Green - On Track	\$3.4 M	\$3.4 M	\$3.4 M		Green	
Totals								\$16.2 M	\$16.2 M	\$16.2 M			
Quarrymans Trail	MCR Quarryman's Trail - Section 1a - Hoon Hay Road to Roker/Strickland Street	Defects Liability	Jun-18	Jun-18	Green (<30 days)		0 Green - On Track	\$17.5 M	\$17.5 M	\$17.5 M		Green	
	MCR Quarryman's Trail - Section 1b - Victors Rd to Hoon Hay Road	Closed			Green (<30 days)		0 Green - On Track	\$0.0 M	\$0.0 M	\$0.0 M		Green	
	MCR Quarryman's Trail - Section 2 - Halswell to Victors Road	Handover	Jun-19	Oct-19	Green (<30 days)		0 Green - On Track	\$6.2 M	\$6.2 M	\$6.2 M		Green	
Totals								\$23.7 M	\$23.7 M	\$23.7 M			
Uni-Cycle	MCR Uni-Cycle - Section 1 - Matai St East	Closed	Jan-16	Jan-16	Green (<30 days)		0 Green - On Track	\$3.1 M	\$3.1 M	\$3.1 M		Green	
	MCR Uni-Cycle - Section 2 - Hagley Park to Riccarton Bush	Closed	Nov-17	Nov-17	Green (<30 days)		0 Green - On Track	\$3.3 M	\$3.3 M	\$3.3 M		Green	
	MCR Uni-Cycle - Section 3 - Ngahere St to Dovedale Ave	Closed	Sep-17	Sep-17	Green (<30 days)		0 Green - On Track	\$4.2 M	\$4.2 M	\$4.2 M		Green	
	MCR Uni-Cycle - Section 4 - Railway Line Crossing	Closed	Sep-17	Sep-17	Green (<30 days)		0 Green - On Track	\$0.3 M	\$0.3 M	\$0.3 M		Green	
Totals								\$10.8 M	\$10.8 M	\$10.8 M			
Heathcote Express	MCR Heathcote Expressway - Section 1 A- Ferry Rd	Handover	Oct-19	Oct-19	Green (<30 days)		0 Green - On Track	\$6.4 M	\$6.2 M	\$6.2 M		Green	
	MCR Heathcote Expressway - Section 1 B- Charles St to Tannery	Defects Liability	Oct-19	Oct-19	Green (<30 days)		0 Green - On Track	\$11.2 M	\$11.2 M	\$11.1 M		Green	
Totals								\$17.6 M	\$17.4 M	\$17.3 M			
Little River	MCR Little River Link - Section 2 - Wigram Magdela Link	Closed	Jan-17	Jan-17	Green (<30 days)		0 Green - On Track	\$0.2 M	\$0.2 M	\$0.2 M		Green	
	MCR Little River Link - Section 3 - Little River Township	Closed	Oct-16	Nov-16	Green (<30 days)		0 Green - On Track	\$0.8 M	\$0.8 M	\$0.8 M		Green	
Totals								\$0.9 M	\$0.9 M	\$0.9 M			
Northern Line	MCR Northern Line Cycleway - Section 1b- South Hagley Park Connection	Closed	Sep-14	Sep-14	Green (<30 days)		0 Green - On Track	\$0.0 M	\$0.0 M	\$0.0 M		Green	
Totals								\$0.0 M	\$0.0 M	\$0.0 M			
Rapanui Shag Rock	MCR Rapanui - Shag Rock Cycleway - Section 1 - Worcester Street to Linwood Ave	Handover	Oct-18	Jan-18	Green (<30 days)		0 Green - On Track	\$9.3 M	\$9.2 M	\$9.2 M		Green	
	MCR Rapanui - Shag Rock Cycleway - Section 2 - Aldwins Road to Dyers Road	Handover	Jul-18	Jul-18	Green (<30 days)		0 Green - On Track	\$7.1 M	\$7.1 M	\$7.1 M		Green	
Totals								\$16.5 M	\$16.3 M	\$16.3 M			
TOTAL MCR PROGRAMME (EXCLUDING EXTERNAL FUNDED SHOVEL READY)								\$179.9 M	\$180.6 M	\$93.5 M			

Projects Delivered - Financial Year 2021

Major Facilities

Project ID	Project Title	Project Manager	Delivery Team	Project Delivery Complete
50633	Graham Condon Renewal Cycle Shutdown	Matt Cummins	Anchor Projects & Major Facilities	8-Jun-20

Capital Delivery Community

Project ID	Project Title	Project Manager	Delivery Team	Project Delivery Complete
3182	Botanic Gardens Irrigation Renewal Rolling Package	Kevin Williams	Parks Project Management	30-Jun-20
55946	Shirley Community Reserve - Modular Pump Track	Will Rolton	Parks Project Management	30-Jun-20
24335	Norwich Quay Signal Box	Richie Moyle	Capital Delivery Heritage	3-Jul-20
51778	Paddington Playground & Basketball Hoop Planned Renewals	Marcy McCallum	Parks Project Management	7-Jul-20
9436	Delivery Package - Heritage Monuments & Structures	Richard Herdman	Parks Project Management	15-Jul-20
50720	Donnell Sports Park Planned Renewals	Ian Davidson	Parks Project Management	21-Jul-20
55656	Pioneer Recreation & Sport Centre Roof Replacement	Selena Robertson	Capital Delivery Community	30-Jul-20
43668	Upper Heathcote Esplanade Reserve Development	Jo Grigg	Parks Project Management	31-Jul-20
53781	Gloucester & Worcester Street Park Development	Marcy McCallum	Parks Project Management	31-Jul-20
34866	Opawa Public Library Rebuild	Youssef Ekladious	Capital Delivery Community	4-Aug-20
51764	Harrington Park Play Space Renewal	Marcy McCallum	Parks Project Management	7-Aug-20
57029	Ngā Puna Wai Sports Hub - Athletics Indoor Training Facility	Selena Robertson	Capital Delivery Community	21-Aug-20
51446	Halswell Quarry - Findlays Swale	Will Rolton	Parks Project Management	31-Aug-20
354	Halswell Domain Car Park	Kevin Williams	Parks Project Management	15-Sep-20
22522	Manuka Cottage	Steve Gray	Parks Project Management	22-Sep-20
43693	Playspace Planned Renewals	Steve Gray	Parks Project Management	23-Sep-20
52319	Delivery Package - Spencer Beach Holiday Park Renewals	Michael Sheffield	Capital Delivery Community	16-Sep-20
2241	St Albans Park Sport Turf Renewal	Kevin Williams	Parks Project Management	2-Oct-20
3363	Kapuatohe Dwelling	Richard Herdman	Capital Delivery Heritage	28-Oct-20
27419	Kapuatohe Cottage	Tania Rohleder	Capital Delivery Heritage	28-Oct-20
43709	Hagley Park Planned Hard Surface Renewals	Ian Davidson	Parks Project Management	1-Dec-20
52118	London Street Paving - Lyttelton (M4)	Jo Grigg	Parks Project Management	3-Dec-20
41939	Cemetery Buildings Reactive Renewals	Dave Weedon	Asset Planning & Management	19-Dec-20
43665	Edmonds Factory Gardens Development	Maria Adamski	Asset Planning & Management	13-Jan-21
43700	Barrington Park Toilet Renewal	Megan Carpenter	Asset Planning & Management	13-Jan-21
57163	Brooklands Lagoon Planned Viewing Platform Renewals	Steve Gray	Parks Project Management	22-Jan-21

Projects Delivered - Financial Year 2021

IT

Project ID	Project Title	Project Manager	Delivery Team	Project Delivery Complete
35204	IntelliLeisure Enhancement Bundle 2017	Nick Busse	Digital Platform	30-Jun-20
57046	ControlPoint 2020	Nick Rayner	Information Management	7-Jul-20
57057	My Council Business Improvement & GIS Enhancement Bundle 2020	Deborah Murfin	Information Management	22-Jul-20
57045	Integration & Interoperability Data Enhancement Bundle 2020	Andi Cossar	Information Management	30-Jul-20
45939	Business Systems Platform Enhancement (S4HANA)	Deborah Murfin	Digital Platform	31-Jul-20
34945	Windows 10 Deployment	John Buckler	Digital Service Operations	28-Aug-20
45940	Citizens & Community Enhancement Bundle 2020	John Buckler	Digital Platform	30-Sep-20
58784	Customer Experience Platform Enhancement Bundle 2020	Kim Farrar	Digital Platform	23-Oct-20
47846	SAP Cloud Platform Transformation	Deborah Murfin	Digital Platform	16-Nov-20
51009	3 Waters Contract Management (IT)	Andi Cossar	Digital Platform	17-Nov-20
45735	Consenting & Compliance Bundle 2020	Kim Farrar	Digital Platform	20-Nov-20
35126	Business Intelligence & Data Analytics Strategy Implementation	Kashvinderjit Kaur	Information Management	30-Nov-20
57216	Digital Library Service Public Facing Enhancement Upgrade	Nick Rayner	Digital Service Operations	15-Dec-20
59731	Corporate Performance Reporting	Kim Farrar	Digital Platform	27-Jan-21
44247	Trade Waste Management System Replacement	John Buckler	Digital Platform	5-Feb-21

Transport

Project ID	Project Title	Project Manager	Delivery Team	Project Delivery Complete
14702	Rapanui - Shag Rock Reserve - Risk Mitigation (Deans Head)	Jenny Rankin	Project Management Transport	30-Jun-20
37865	New Brighton Masterplan Streetscape Enhancements (A2, A4, A5)	Donal Hanrahan	Project Management Transport	30-Jun-20
50181	Godley Quay & Voelas Road Pedestrian Improvements	Andrew Cameron	Project Management Transport	20-Jul-20
55230	Church Bay Road Improvements (Marine Drive)	Dave King	Project Management Transport	31-Jul-20
56184	Warden Street Renewals (Petrie to Chancellor)	Georgina Sandilands	Project Management Transport	31-Aug-20
17152	Main North Road Bus Lane Modifications	Luke Thomas	Project Management Transport	11-Sep-20
2274	Core Public Transport Route & Facilities - North (Papanui & Belfast)	Luke Thomas	Project Management Transport	11-Sep-20
56055	Brittan Terrace Retaining Wall Renewal	Dave King	Project Management Transport	1-Oct-20
58161	Downstream of Christchurch Northern Corridor (Project 2)	Georgina Sandilands	Project Management Transport	30-Oct-20
58160	Downstream of Christchurch Northern Corridor (Project 1)	Georgina Sandilands	Project Management Transport	30-Oct-20
37672	Stonehaven Retaining Wall (ex SCIRT 11260)	Dave King	Project Management Transport	31-Oct-20
23102	Major Cycleway - Nor'West Arc Route (Section 1a) Cashmere to Sparks	Jannie Greef	Major Cycleways	16-Dec-20
47028	Major Cycleway Nor'West Arc Route (Section 1c) Lincoln & Halswell Road Intersection to Annex & Southern Motorway Underpass	Jannie Greef	Major Cycleways	16-Dec-20
56185	Warden Street Renewals (Hills to Chancellor)	Georgina Sandilands	Project Management Transport	22-Jan-21
42024	Awatea & Carrs Intersection Improvement	Jenny Rankin	Project Management Transport	30-Jan-21

Projects Delivered - Financial Year 2021

Three Waters and Waste

Project ID	Project Title	Project Manager	Delivery Team	Project Delivery Complete
57448	WS Warden Street Intersections Mains Renewal	Peter McConnell	WS Renewal Reticulation	10-Jul-20
52520	WS Sockburn Well Head Conversion (Package 4)	Rohan Meissenheimer	Water Supply Improvement	14-Jul-20
58848	SW Taimana Lane Renewal	Olga Naumova	SW Renewal	16-Jul-20
50843	WS PKG-0 Hills - Well Head Conversion	Grant Deeney	Water Supply Improvement	16-Jul-20
50845	WS PKG-0 Farrington - Well Head Conversion	Grant Deeney	Water Supply Improvement	16-Jul-20
50840	WS Grampian Well Head Conversion (Package 0)	Grant Deeney	Water Supply Improvement	16-Jul-20
50358	SW Remuera Ave Drain Improvements & Flood Relief	Olga Naumova	SW New	17-Jul-20
30176	WW Belfast Pump Station Capacity Renewal (PS62)	Kylie Hills	WW New Pumping	31-Jul-20
33796	WS Lake Terrace Road Water Supply Pump Station Generator (PS1023)	Kylie Hills	WS Renewal Pumping	14-Aug-20
53167	WS Averill Well Head Conversion	Grant Deeney	Water Supply Improvement	19-Aug-20
53169	WS Kerrs Well Head Conversion	Grant Deeney	Water Supply Improvement	19-Aug-20
48850	WW Cavendish Road Biofilter	Kylie Hills	WW New Reticulation	28-Aug-20
37225	Shelter Installation 2018	Mo Kachfi	Traffic Operations	7-Sep-20
50842	WS PKG-0 Burnside - Well Head Conversion	Grant Deeney	Water Supply Improvement	16-Sep-20
50846	WS Kainga Well Head Conversion (Package 0)	Grant Deeney	Water Supply Improvement	16-Sep-20
37904	SW Summerset at Highsted Infrastructure Provision Agreement	Brian Norton	SW New	20-Sep-20
60546	WS Backflow Reduced Pressure Zone Valve Installation at Christchurch Wastewater Treatment Plant (RPZ)	Patrick Cantillon	Water Supply Improvement	30-Sep-20
51479	WS Denton Well Head Conversion (Package 1)	Grant Deeney	Water Supply Improvement	14-Oct-20
51489	WS Trafalgar Street Well Head Conversion (Package 1)	Grant Deeney	Water Supply Improvement	14-Oct-20
51478	WS Dunbars Well Head Conversion (Package 1)	Grant Deeney	Water Supply Improvement	14-Oct-20
51485	WS Lake Terrace Road Well Head Conversion (Package 1)	Grant Deeney	Water Supply Improvement	14-Oct-20
26598	SW City Wide Modelling (LDRP 44)	Tom Parsons	SW LDRP	15-Oct-20
51154	WS Sparks Roding & Cycleway Mains Renewal	Peter McConnell	WS Renewal Reticulation	29-Oct-20
53168	WS Parklands Well Head Conversion (Package 5)	Grant Deeney	Water Supply Improvement	18-Nov-20
52524	WS Woolston Well Head Conversion (Package 5)	Grant Deeney	Water Supply Improvement	18-Nov-20
53163	WS Aston Well Head Conversion (Package 5)	Grant Deeney	Water Supply Improvement	18-Nov-20
30219	CWTP Earthquake Channels Restoration	Patrick Cantillon	WW Renewal Treatment	19-Nov-20
49030	SW Jacksons Creek Upper Reticulation Renewal (Brick Barrel) (Ward Street)	Midhun Joseph	SW Renewal	20-Nov-20
49481	CWTP Wastewater Earth Bar Renewals (on MLC's & 11kV)	Patrick Cantillon	WW Renewal Treatment	11-Dec-20
51494	WS Sydenham Well Head Conversion (Package 5)	Rohan Meissenheimer	Water Supply Improvement	11-Jan-21

9. Council-controlled organisations - Draft Statements of Intent for 2021/22

Reference / Te Tohutoro: 20/1611591

Report of / Te Pou

Matua:

Linda Gibb, Performance Advisor, Resources

General Manager /

Pouwhakarae:

Diane Brandish, Acting General Manager Resources

1. Purpose of the Report / Te Pūtake Pūrongo

- 1.1 The purpose of this report is to advise the Finance and Performance Committee of the draft Statements of Intent (SOIs) for the following Council-controlled organisations (CCOs) – Civic Building Ltd (CBL), Local Government Funding Agency (LGFA), Riccarton Bush Trust and Rod Donald Banks Peninsula Trust. The draft SOIs are appended to this document.
- 1.2 The decisions in this report are of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering the extent to which the recommendations may impact the community.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes the draft 2021/22 Statements of Intent for the following Council-controlled organisations:
 - Civic Building Ltd;
 - Local Government Funding Agency;
 - Riccarton Bush Trust; and
 - Rod Donald Banks Peninsula Trust; and
2. Notes that staff will engage with the Council-controlled organisations to encourage greater clarity and specificity of strategic objectives, nature and scope of operations and performance measures as highlighted in the report for inclusion in the final Statements of Intent for 2021/22.

3. Reason for Report Recommendations / Ngā Take mō te Whakatau

- 3.1 This report has been written in order that the Council is able to meet its statutory requirement to make comments, if it so chooses to CCO boards on the content of draft SOIs on or before 1 May (pursuant to clause 2 of part 1, schedule 8 of the Local Government Act 2002).

4. Detail / Te Whakamahuki

- 4.1 The draft SOIs for LGFA, Riccarton Bush Trust and Rod Donald Banks Peninsula Trust were received by the statutory due date of 1 March, in accordance with clause 1 of part 1, schedule 8 of the LGA. CBL's draft SOI was received on 2 March.

- 4.2 The draft SOIs meet the content requirements of the LGA, as set out in parts 2, 3 and 4 of schedule 8. Key content requirements are for SOIs to include the objectives of the group, a statement of the board's approach to governance, the nature and scope of activities to be undertaken, the non-financial performance targets and other measures by which performance is judged in relation to the objectives and forecast financial statements for the SOI's three year time horizon.
- 4.3 The independent review of the Auckland Council's CCOs undertaken in 2020 made a number of observations relating to the SOIs that it reviewed. Those reviewed were the Auckland Council's substantive CCOs, and the results are particular to those types of entities more so than the small CCOs that are the subject of this report. However, there are several general principles that are relevant to a CCO's SOI irrespective of the CCO's size or funding levels, including:
- they should allow the public and council to understand *at a glance* what the CCO's activities for the year will be;
 - most SOIs reviewed were lengthy, miss financial performance measures or are poorly aligned to their activities and objectives (note that all the draft SOIs in this report contain financial performance measures); and
 - key performance measures should include meeting strategic priorities and goals.
- 4.4 The information recorded below for each of the CCOs compares the draft SOI financial forecasts with the prior year SOI final forecasts, comments on significant variances and consistency with the Auckland Council's independent review of substantive CCOs' SOIs.
- 4.5 Last year's SOI forecasts included expected COVID-19 impacts following the initial lockdown in 2020, but before the resurgence later that year. They reflected general expectations of a downturn in the economy and lack of certainty as to when international borders would re-open. This year's SOI forecasts include ongoing COVID-19 impacts in the light of current information.

Civic Building Ltd (Attachment A)

- 4.6 CBL is a Council-controlled trading organisation (CCTO). It is a 50/50 partner in a joint venture (JV) with Ngāi Tahu Property Ltd which owns and manages the civic building. The Council's other interests relating to CBL are as a tenant of the building, and as the lender of the capital used by CBL to purchase the building.

COVID-19 impacts

- 4.7 COVID-19 has no impact on CBL's forecast performance.

- 4.8 CBL's draft SOI for 2021/22 and its forecasts from last year's final SOI are set out in the table below:

Net profit before tax	2021/22 \$000	2022/23 \$000	2023/24 \$000
Current draft SOI	105	443	708
Last year's final SOI	15	303	-
Total assets (current SOI)	59,064	59,548	60,168
Total assets (last year's SOI)	54,202	52,885	-

- 4.9 The improvement in net profit before tax has arisen due to the deferral of capital repayments on its loan, which has left CBL with higher cash and consequently more interest income. Loan repayments are now timed for 2022.

Local Government Funding Agency (Attachment B)

- 4.10 The Council is a shareholder, a borrower and a guarantor of losses incurred by LGFA arising from defaults by council-borrowers. The strategic approach agreed by all shareholder-Councils is for the focus to be on lowering lending margins for council borrowers rather than dividends for equity holders.
- 4.11 The LGFA is governed by a shareholders' council comprising representatives of its largest local authority shareholders (of which the Christchurch City Council is one) plus the Crown. It acts on behalf of shareholders with respect to letters/statements of expectations and SOIs.
- 4.12 The LOE for 2021/22 (refer to Attachment C which also includes the LGFA board's response) includes expectations for ensuring there is long term succession planning for the board as long serving members' terms are nearing an end (including the Chair's term) and reviewing Treasury policy. It also includes expectations of LGFA to influence government decision-making for the benefit of the sector and to understand the potential impacts on the LGFA from initiatives that may arise for the improvement of three water service delivery for communities.
- 4.13 These expectations have largely been reflected in the LGFA's draft SOI, or will be included in its final SOI after further work is undertaken.

COVID-19 impacts

- 4.14 The LGFA's draft SOI does not refer to COVID-19 as being a driver of any changes in financial forecasts over the SOI forecast period.
- 4.15 The LGFA's financial forecasts compared with those projected in last year's SOI are shown in the tables below:

Net profit before tax	2021/22 \$000	2022/23 \$000	2023/24 \$000
Current draft SOI	11,100	16,300	19,900
Last year's final SOI	12,700	21,000	-

Dividends	2021/22 \$000	2022/23 \$000	2023/24 \$000
Current draft SOI	700	700	800
Last year's final SOI	800	900	-

- 4.16 The LGFA's forecasts are highly sensitive to assumptions about the timing of refinancing and interest rates. The reduction in forecast net profit before tax reflects LGFA's expectations of increasing its loans to local authorities which brings an increase in issuance and operating expenses with it.

Riccarton Bush Trust (Attachment D)

- 4.17 Riccarton Bush Trust is a charitable trust, with a break-even profit objective. The Trust administers 7.8 hectares of native bush and Riccarton (historic) House. The Trust was incorporated under an Act of Parliament in 1914. The Riccarton Bush Amendment Act 2012 underpins the Council's financing obligations to the Trust.
- 4.18 The key drivers of the Trust's financial performance are income from the on-site café (Local) the Saturday morning market, tours and the Council's annual operating grant. Third party grants and donations can also make a significant contribution when they occur. The upkeep costs for the house and bush and staff salaries are the Trust's highest costs.

COVID-19 impacts

- 4.19 The Trust's forecasts have marginally reduced from last year's SOI reflecting ongoing COVID-19 implications related in most part to the reduction in visitors to both Riccarton House and Grounds and to the café, Local.
- 4.20 The following table sets out the Trust's forecast revenue and expenses over the SOI period compared with last year's final SOI:

Revenue/Expenses	2021/22 \$000	2022/23 \$000	2023/24 \$000
Current draft SOI	654	566	579
Last year's final SOI	682	594	-

- 4.21 The Trust's objectives are clearly articulated in the draft SOI, but the nature and scope of activities requires sharpening to enable the public and council to see at a glance what its activities for the year will be. Further thought needs to be given to performance measures that cycle back to the Trust's objectives.
- 4.22 Two performance targets have understandably been dropped from the SOI – 'no reduction in funding secured from non-Council sources' and 'increases in numbers of visitors to the House, Bush and Grounds from the prior year'. Staff will seek the Trust's agreement to reinstate these targets in future SOIs when the COVID-19 impacts do not materially impact the Trust's activities.

Rod Donald Banks Peninsula Trust (Attachment E)

- 4.23 The Trust supports sustainable management, conservation and recreation on Banks Peninsula. At its inception in 2010 the Trust was vested with capital of \$3.5 million from the sale of farms endowed to earlier Banks Peninsula councils. Expenditure is incurred each year which is charged against the initial inflow of funding.
- 4.24 Previous expenditure projections expected that the Trust would no longer be able to contribute capital to major projects after 2020, and would wind down by 2023. As a result of a land acquisition being transacted at a lower value than the Trust had expected, it has been able to continue funding its operations through to 2022/23.

COVID-19 impacts

- 4.25 The Trust notes that it has benefitted from increased domestic tourism as a result of COVID-19, and notes the importance of its work in times like this to support the physical health and wellbeing of Christchurch residents.

4.26 The following table sets out the changes in the Trust's SOI financial projections:

Operating surplus / (deficit)	2021/22 \$000	2022/23 \$000	2023/24 \$000
Current draft SOI	(139)	(143)	1,299
Last year's final SOI	(142)	(148)	-

Cash balance			
Current draft SOI	957	629	1,638
Last year's final SOI	297	149	-

- 4.27 New funding has been included in the draft Long Term Plan (LTP) 2021-31 of \$1.35 million capital in 2023/24 and \$100,000 in operating funding annually from 2023/24. Although the Trust's financial forecasts indicate sufficient funding is available to meet its costs in 2023/24, staff understand that the forecasts in the first two years are conservative, and that the Trust requires some financial flexibility to take up unexpected opportunities. In the event new funding is not advanced to the Trust in the LTP, the final SOI will need to reflect its wind-down.
- 4.28 Performance targets remain as in the prior year. They are focussed on the Trust's four pillars of access, biodiversity, knowledge and partnerships.
- 4.29 The Trust's articulation of its objectives and nature and scope of activities is reasonable, though lengthy, as is the draft SOI. Staff will encourage the Trust to reduce the length of the document, and to ensure that its nature and scope of operations is clear at a glance.

Other SOIs

- 4.30 The draft SOI for Christchurch City Holdings Ltd and its group is subject to a workshop scheduled for 30 March, after which the draft SOIs will be formally reviewed at the Finance and Performance Committee's meeting on 27 April.
- 4.31 A six month performance report and draft SOI has not been received from the Central Plains Water Trust. Staff have been advised by the Selwyn District Council (SDC) that the documents will be provided late. Clause 4 of part 1, schedule 8 of the LGA provides that the shareholders of a CCO may, by written notice, extend a deadline for a period not exceeding one month. Neither the SDC nor the Trust has, to the best of staff's knowledge made a formal request for an extension to the deadline for submitting its draft SOI.

5. Policy Framework Implications / Ngā Hīraunga ā- Kaupapa here

Strategic Alignment / Te Rautaki Tīaroaro

- 5.1 This report aligns to the Council's objectives for good governance.
- 5.2 This report is not relevant to the [Council's Long Term Plan \(2018 - 2028\)](#).

Policy Consistency / Te Whai Kaupapa here

- 5.3 The content of this report is consistent with Council's Plans and Policies, with respect to good governance.

Impact on Mana Whenua / Ngā Whai Take Mana Whenua

- 5.4 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does specifically impact Mana Whenua, their culture and traditions.

Climate Change Impact Considerations / Ngā Whai Whakaaro mā te Āhuarangi

5.5 The report is administrative only. Therefore there are no climate change impacts.

Accessibility Considerations / Ngā Whai Whakaaro mā te Hunga Hauā

5.6 The report is administrative only. Therefore there are no accessibility considerations.

6. Resource Implications / Ngā Hīraunga Rauemi

Capex/Opex / Ngā Utu Whakahaere

6.1 Cost to Implement - Nil

6.2 Maintenance/Ongoing costs - Nil

6.3 Funding Source – Not relevant.

7. Legal Implications / Ngā Hīraunga ā-Ture

Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa

7.1 The LGA provides statutory timeframes for shareholders to provide comments on draft SOIs to CCO boards.

Other Legal Implications / Ētahi atu Hīraunga-ā-Ture

7.2 There is no legal context, issue or implication relevant to this decision.

7.3 This report has not been reviewed and approved by the Legal Services Unit.

8. Risk Management Implications / Ngā Hīraunga Tūraru

8.1 Not applicable.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Civic Building Ltd - Draft Statement of Intent 2021/22	82
B ↓	Local Government Funding Agency - Draft Statement of Intent 2021/22	96
C ↓	Local Government Funding Agency - Letter of Expectation for 2021/22 issued by the Shareholders' Council and Board letter in response	109
D ↓	Riccarton Bush Trust - Draft Statement of Intent 2021/22	117
E ↓	Rod Donald Banks Peninsula Trust - Draft Statement of Intent 2021/22	123

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
<enter document name>	<enter location/hyperlink>

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

- (a) This report contains:
- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
 - (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Len Van Hout - Head of Business Partnership Bruce Moher - Head of Financial Management Diane Brandish - Acting General Manager Resources

CIVIC BUILDING LIMITED
STATEMENT OF INTENT 2022 - 24

CIVIC BUILDING LIMITED - STATEMENT OF INTENT – 2022-24

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CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

1.0 INTRODUCTION

This Statement of Intent (SOI) is prepared in accordance with Section 64(1) of the Local Government Act 2002.

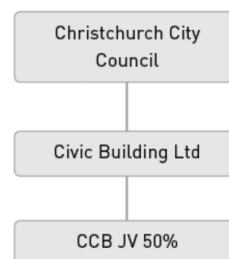
The SOI specifies for Civic Building Ltd (CBL) and the Civic Building Unincorporated Joint Venture (CCB JV), the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the group may be judged in relation to its objectives, amongst other requirements. It covers the three financial years ending 30 June 2022, 2023 and 2024.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between CBL and its Shareholder, the Christchurch City Council (Council).

CBL is 100% owned by the Council. Council provides management services to CBL through a management arrangement.

The Civic Offices building is owned by an unincorporated joint venture jointly owned by CBL and Ngai Tahu Property Ltd and each party owns 50% of the unincorporated joint venture.

The group structure is:



The SOI is reviewed annually with Council and covers a three-year period. CBL is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

2.0 DIRECTORY

Address: Civic Building Limited
PO Box 73015
Christchurch 8154

Registered Office: 53 Hereford Street
Christchurch 8011

Board: James Gough (Chairperson)
Sam MacDonald
Philip Mauger

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

3.0 VISION

The CBL objectives are:

- To continue to own 50% of the Civic Building in partnership with Ngai Tahu Property Ltd and lease the building to the Council.

4.0 NATURE AND SCOPE OF ACTIVITIES

CBL and the unincorporated joint venture with Ngai Tahu Property Ltd are CCTO's for the purposes of the Local Government Act 2002. CBL is registered under the Companies Act 1993.

The Civic Office is jointly owned by CBL and Ngai Tahu Property Ltd, through an unincorporated joint venture with each party owning 50%. CBL borrowed sufficient finance from the Council to enable it to carry out its obligations as joint venture partner with Ngai Tahu Property Ltd and to implement the proposal adopted by the Council for the design, construction and ownership of the Civic Building.

5.0 GOVERNANCE

The Board is responsible for the strategic direction and control of CBL's activities. The Board guides and monitors the business and affairs of CBL on behalf of the Shareholder, to whom it is accountable.

The joint venture is governed by a management committee comprised of representatives of CBL and Ngai Tahu. The management committee meets regularly and is responsible for the achievement of the goals of the joint venture.

The primary function of the Board is to ensure that CBL meets its objectives and requirements as listed in the SOI. Additionally, the Board has obligations under the Local Government Act 2002 to deliver an annual Statement of Intent and relevant half-yearly and annual reports to the Shareholder.

Appointments to the Board are confirmed by Council resolution.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

6.0 PERFORMANCE TARGETS

Financial Performance Targets

The financial performance targets for CBL are as follows:

	2021/22 \$000	2022/23 \$000	2023/24 \$000
<u>Revenue</u>			
Interest - Finance Lease	3,192	3,080	2,960
Interest - Other	119	172	245
Other income	1,059	1,071	1,083
	4,370	4,323	4,288
<u>Expenses</u>			
Finance costs	3,674	3,277	2,965
Other expenses	591	603	615
	4,265	3,880	3,580
(Loss)/profit before income tax	105	443	708
Income tax (income)	221	285	429
(Loss)/profit for period	(116)	158	279

CBL is forecasting operating surpluses for the periods covered by this Statement of Intent. Long term projections (incorporating rent reviews) are for CBL to generate positive cash flows and there is adequate funding in place to support CBL until this time.

Ratio of Shareholder Funds to Total Assets

The forecast ratio of Shareholder funds to total assets for the next three years is:

2021/22	2022/23	2023/24
-9.8%	-8.4%	-6.6%

Capital Structure

The forecast capital structure for the next three years is:

	2021/22 \$000	2022/23 \$000	2023/24 \$000
Uncalled Capital	10,000	10,000	10,000
RPS Shares	6,188	6,188	6,188
Borrowings from Council	53,888	53,888	53,888
Finance Lease asset	39,574	37,939	36,185
Total Assets	59,064	59,548	60,168

Loan repayments to the Council of up \$1 million per annum are forecast during the period of this SOI which will further reduce forecast interest expenses.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

Operational Performance Targets

In addition to the above financial performance measures, CBL will use the following measures to assess its operational performance in the 2022 financial year:

Objective and Strategy	Performance Measure
Meet the financial targets contained within this SOI.	Budgeted key performance indicators are met or exceeded.
Manage the investment in a commercially astute and prudent manner.	Ensure the Civic building is managed in accordance with the management agreement.

Environmental and Social Performance Targets

In addition to the above financial performance measures, CBL will use the following measures to assess its environmental and social performance in the 2022 financial year:

Performance Target	Performance Measure
The Civic Building was designed to achieve a high standard in terms of environmental and energy sustainability.	Ensure the Civic Building operates in a manner that preserves accreditation features equivalent to 6 Green Star rating.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

7.0 ACCOUNTING POLICIES

As a CCTO, CBL is a profit oriented entity for financial reporting purposes and prepares its financial statements in accordance with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for Tier 2 for-profit entities. As a Tier 2 for-profit entity, CBL reports under a reduced disclosure regime.

8.0 DISTRIBUTIONS

During the year to 30 June 2022 CBL will make no distribution to the Shareholder.

9.0 INFORMATION TO BE REPORTED TO THE SHAREHOLDER

An annual report will be submitted to the Shareholder. The annual report will include audited financial statements and such other details as are necessary to permit an informed assessment of CBL's performance and financial position during the reporting period provided to the Shareholder.

Half-yearly reports will also be provided to the Shareholder. These reports will contain unaudited information and comply with NZ IAS 34.

The statement of intent will be submitted to the Shareholder for consultation annually, as required by the Local Government Act 2002. The Directors will include any other information they consider appropriate. Where appropriate, revised forecasts will be submitted to the Shareholder.

CBL will operate on a 'no surprises' basis in respect of significant Shareholder related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

CBL will provide information requested by the Shareholder in accordance with the requirements of the Local Government Act 2002.

10.0 ACQUISITION / DIVESTMENT POLICY

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of CBL.

When the subscription, acquisition or divestment is considered by Directors to be significant to CBL's business operations, it will be subject to consultation with the Shareholder.

Major transactions as defined in the Companies Act 1993, s129(2), will be subject to Shareholder's approval by special resolution.

Where CBL decides to incorporate or subscribe for shares in subsidiaries to undertake its commercial activities, it will ensure effective management of that subsidiary. Control of any subsidiary is exercised by CBL's Directors.

11.0 COMPENSATION SOUGHT FROM LOCAL AUTHORITY

At the request of the Shareholder, CBL may undertake activities that are not consistent with normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of providing such activities.

Currently, no such activities are undertaken.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

12.0 ESTIMATE OF COMMERCIAL VALUE

The Shareholder has recorded the value of its investment in Civic Building Ltd in its accounts at 30 June 2019 as \$64 million and this is considered an appropriate estimation of the commercial value of CBL.

**13.0 ROLE IN THE COUNCIL GROUP AND
REGIONAL ECONOMY**

**Commercial Relationships within the Council
Group**

CBL has a mandate from its Shareholder, the Council, to own the Civic Building and lease it to the Council. CBL will utilise the services of the Council to manage its affairs.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

**APPENDIX A - STATEMENT OF SIGNIFICANT
ACCOUNTING POLICIES**

Reporting Entity

These are the significant accounting policies of Civic Building Limited (CBL).

CBL is registered under the Companies Act 1993 and is domiciled in New Zealand. The Company is a Council Controlled Trading Organisation as defined by section 6 of the Local Government Act 2002.

CBL was established on 12 October 2007 in order to carry out the development of the Civic Building for the Council. On 26 October 2007 CBL entered into an agreement to develop the Civic Building on the former NZ Post site with Ngai Tahu. The Council's 2009 Annual Plan approved the creation of an unincorporated joint venture structure to carry out the development. CBL has a 50% interest in the resulting joint operations.

Accordingly, CBL has designated itself as a profit orientated entity for the purposes of New Zealand Equivalent to International Financial Reporting Standards (NZ IFRS). CBL is not considered 'large' for the purposes determining the appropriate reporting tier and has consequently opted to report as a Tier 2 entity applying NZ IFRS with Reduced Disclosure Requirements.

The financial statements of CBL are prepared in accordance with the Financial Reporting Act 2013, the Companies Act 1993 and the Local Government Act 2002.

Basis of financial statement preparation

The financial statements are prepared in accordance with the New Zealand generally accepted accounting practice as appropriate for Tier 2 for-profit entities.

The financial statements are prepared on an historical cost basis except for the revaluation of investment properties.

The functional and presentation currency is New Zealand dollars. All values are rounded to the nearest thousand dollars (\$000).

Judgement, estimates and assumptions

In preparing its financial statements, CBL is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgements about the carrying values of assets and liabilities, where these are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are regularly reviewed. Any change to estimates is recognised in the year if the change affects only that year, or into future years if it also affects future years. In the process of applying CBL's accounting policies, management has to make the following judgements, estimates and assumptions that have the most significant impact on the amounts recognised in the financial statements. The determination of the fair value of investment property is regarded as a critical estimate and is valued at least on an annual basis. This requires the estimation of current market values by an independent registered valuer.

The accounting policies set out below are applied consistently to all periods in preparing financial statements.

a. Joint Operations

A joint operation is a joint arrangement whereby the parties have joint control of the arrangements and have rights to the assets, and obligations for the liabilities relating to the arrangement.

Where such an arrangement exists CBL will recognise its share of the assets, liabilities, revenue and expenses including its share of any held or incurred jointly.

b. Financial Assets

Term deposits with maturities greater than three months are measured at amortised cost and have been designated as loans and receivables.

c. Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

d. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of CBL's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows, and in current liabilities on the statement of financial position.

e. Investment Property

The land leased to third parties under operating leases is classed as investment property.

Investment property is measured initially at cost, including transaction costs. After initial recognition, the investment property is measured at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in fair value of the investment property are recognised in the statement of comprehensive income.

f. Share capital

(i) Ordinary share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(ii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at CBL's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Preference share capital is classified as a liability if it provides for mandatory redemption by the issuer for a specific amount at a specific date (or gives the holder the right to require such redemption from the issuer), or if it gives the holder the right to put it back to the issuer for cash or another financial asset. Dividends thereon are recognised in the statement of comprehensive income as interest expense.

g. Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

h. Provisions

A provision is recognised in the statement of financial position when CBL has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of expenditures, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

i. Leases

(i) Finance leases

Leases in which substantially all of the risks and rewards of ownership of an asset transfer to the lessee are classified as finance leases whether or not title is eventually transferred. At inception, finance leases are recognised in the statement of financial position at the present value of the minimum lease payments plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Amounts due from lessees under finance leases are recorded as receivables. Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant rate of return on the net investment outstanding in respect of the lease.

(ii) Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

j. Revenue

Revenue is measured at the fair value of consideration received.

(i) Interest income

Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

(ii) Finance lease income

Finance lease income is allocated over the lease term on a systematic and rational basis.

CIVIC BUILDING LIMITED - STATEMENT OF INTENT - 2022-24

This income allocation is based on a pattern reflecting a constant periodic return on CBL's net investment in the finance lease.

(iii) Operating lease income

Operating lease income is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease.

(iv) Insurance proceeds

Insurance proceeds are recognised in the statement of comprehensive income when the compensation becomes receivable.

k. Financing costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method. All interest payable on borrowings is recognised as an expense in the statement of comprehensive incomes as it occurs.

l. Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m. Trade and Other Payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services received by CBL during and up to the end of the financial year and which remain unpaid as at balance date.

n. Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense. The net amount of GST recoverable from, payable to, the Inland Revenue Department is included as part of receivables or payable in the statement of financial position.



Draft Statement of Intent 2021/22

1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to Councils and CCOs that enter into all the relevant arrangements with it (such Councils being “Participating Local Authorities” and such Councils and CCOs being “Participating Borrowers”) and comply with the LGFA’s lending policies.

In lending to Participating Borrowers, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA’s operations;
- Provide excellent service to Participating Borrowers;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

3. Objectives

Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

Primary Objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually.

LGFA will:

1. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
2. Provide at least 80% of aggregate long-term debt funding to the Local Government sector¹.
3. Achieve the financial forecasts outlined in section 4 for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.
4. Meet or exceed the Performance Targets outlined in section 5.
5. Comply with the Health and Safety at Work Act 2015.
6. Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
7. Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.

¹ This includes Auckland Council borrowing both in its own name and through LGFA and recognising that the amount of borrowing by Auckland Council from LGFA is restricted by the Foundation Policy covenants.

4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2024 are:

FINANCIAL YEAR (\$M)	Draft SOI 2021/22		
Comprehensive income	Jun-22	Jun-23	Jun-24
Interest income	160.0	182.9	200.7
Interest expense	142.0	159.6	174.1
Net Interest income	18.0	23.3	26.6
Other operating income	0.7	0.9	1.0
Total operating income	18.7	24.2	27.6
Approved Issuer Levy	0.6	0.6	0.3
Issuance & onlending costs	2.7	2.8	2.8
Operating overhead	4.2	4.4	4.5
Issuance and operating expenses	7.6	7.8	7.7
P&L	11.1	16.3	19.9
Financial position (\$m)	Jun-22	Jun-23	Jun-24
Capital	25.0	25.0	25.0
Retained earnings	79.9	95.5	114.7
Total equity	104.9	120.5	139.7
Shareholder funds + borrower notes / Total assets	2.4%	2.6%	2.8%
Dividend provision	0.7	0.7	0.8
Total assets (nominal)	14,428.8	15,041.3	15,557.4
Total LG loans - short term (nominal)	350.0	350.0	350.0
Total LG loans (nominal)	12,523.6	12,940.7	13,228.3
Total bills (nominal)	500.0	500.0	500.0
Total bonds (nominal) ex treasury stock	13,405.0	13,995.0	14,495.0
Total borrower notes (nominal)	245.9	271.7	293.9

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2022, April 2023 and April 2024 loans. LGFA will work with council borrowers to reduce this uncertainty. The above table assumes gross issuance of LGFA bonds per year of \$2.60 billion (2021/22), \$2.25 billion (2022/23) and \$2.15 billion (2023/24), however the issuance volume will be determined by LGFA at the relevant time by reference to factors including refinancing of existing borrowing by councils and (if applicable) council-controlled organisations, new

borrowing by councils and (if applicable) council-controlled organisations and LGFA's own borrowing requirements for liquidity purposes. No decision has been made as to final issuance volume at this point and will depend upon market conditions.

There has been no allowance made in the forecasts for the impact on councils from the proposed Three Waters Reform Programme.

5. Performance targets

LGFA has the following performance targets:

- LGFA's total operating income for the period to:
 - 30 June 2022 will be greater than \$18.7 million.
 - 30 June 2023 will be greater than \$24.2 million.
 - 30 June 2024 will be greater than \$27.6 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
 - 30 June 2022 will be less than \$7.0 million.
 - 30 June 2023 will be less than \$7.2 million.
 - 30 June 2024 will be less than \$7.4 million.
- Total lending to Participating Borrowers² at:
 - 30 June 2022 will be at least \$12,874 million.
 - 30 June 2023 will be at least \$13,291 million.
 - 30 June 2023 will be at least \$13,578 million.
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.
- Achieve 80% market share of all council borrowing in New Zealand
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.

² Subject to the forecasting uncertainty noted previously

- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

7. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice³ with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than 6 times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and

³ Best practice as per NZX and Institute of Directors guidelines

remuneration of directors.

- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

8. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly

Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

9. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

10. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

11. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA is equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

12. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2020 (updated where necessary), accordingly, the statement does not contemplate LGFA lending to CCOs.

ATTACHMENT: Statement of accounting policies

a. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2020.

These financial statements were authorised for issue by the Directors on [xx] August 2020.

b. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

c. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

NZ IFRS 16 Leases.

NZ IFRS 16 became effective from 1 July 2019 and did not have a material impact on the financial statements.

On adoption of NZ IFRS 16, LGFA recognised right-of-use assets and lease liabilities in relation to its property leases which had previously been classified as operating leases under NZ IAS 17 Leases.

In adopting NZ IFRS 16, LGFA elected to use the simplified retrospective approach which does not require restatement of comparative information. The lease liability is recognised at the present value of the remaining lease payments, discounted using LGFA's incremental borrowing rate, with the corresponding right-of-use asset recognised as an equal amount.

The following items in the balance sheet were impacted by the change of accounting on 1 July 2019: Other assets and Other liabilities both increased by \$0.157 million.

Lease payments previously included in other operating expense are now classified to financing and depreciation costs under NZ IFRS 16.

There have been no other changes to accounting policies. [KPMG to review note]

Early adoption standards and interpretations

LGFA has not early adopted any standards. [KPMG to review note]

New standards adopted

NZ IFRS 16 Leases became effective from 1 July 2019. [KPMG to review note]

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. [KPMG to review note]

d. Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit and bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets

Property, plant and equipment (PPE)

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f. Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g. Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

i. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2a for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.



24 December 2020

Craig Stobo
Chair
New Zealand Local Government Funding Agency Ltd
P O Box 5704
Wellington 6145

Dear Craig,

Shareholder Expectations and the Statement of Intent 2021/22

I am writing to set out the Shareholders' Council's (the Council's) expectations of the New Zealand Local Government Funding Agency Ltd (LGFA) for consideration in the LGFA's business planning for the upcoming year and the development of its 2021/22 Statement of Intent (SOI).

The Council values the positive and open working relationship with the LGFA. The timely provision of information, and a 'no surprises' approach by both parties, helps ensure the relationship remains productive.

Governance

It is important that the LGFA continues to build on its Board and management strengths, and works closely with the Council to ensure the Board membership maintains an optimum mix of expertise, appropriate gender/diversity balance and experience.

We expect the LGFA to maintain a focus on longer term succession planning, particularly with regard to the role of Chair and ensuring that there is appropriate senior experience working in or with central government amongst the Board's membership. It is noted that during the current year the Council is planning to undertake an independent review of the Board's performance and to assess the appropriate skills mix for the future. This will help inform succession planning for the Board Chair and Audit & Risk Chair roles.

The shareholders would like to reiterate that consideration be given to the current non-independent director rotation process. It seems appropriate that non-independent director rotation timing should be better aligned with that of independent directors. For example, at times where there is only one non-independent director it may be more appropriate for the rotation timing to be a minimum of two years.

Sector Initiatives

We urge the LGFA to continue to seek to influence government decision-making for the benefit of the sector, and to keep abreast of the issues facing the sector.

We ask that you assess the impacts on LGFA from Infrastructure Funding and Financing Act 2020 and Urban Development Act 2020. These may lead to less funding requirements from LGFA and, however, may increase sector risks.

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With the Three Waters Reform Program being undertaken by the Department of Internal Affairs there is an opportunity to inform and provide advice to the Crown on the provision of improved three water service delivery for communities. As part of this process the Crown has made available stimulus funding to support economic recovery post COVID-19 and address persistent systemic issues in the three waters sector. This initiative is likely to have significant impacts on the sector funding requirements. These three water entities may or may not be owned by councils and may significantly impact on future funding sourced from LGFA.

We ask that you explore opportunities to be part of the Reserve Bank's Funding and Lending Program to assess the possibility of LGFA sourcing funding directly from the Reserve Bank to lower the cost of funds to the sector.

Similarly, we support LGFA's involvement in the potential development of the Ratepayer Financing Scheme development in an advisory capacity.

In all these matters it would be appreciated if would report back on any implications of options and proposal(s) on the LGFA and its guarantors e.g. if the scope of LGFA's operations could change, or the potential for additional risks emerge.

Sector Representation

With the increase in the number of borrowers/guarantors over the last few years, the Council is conscious that there are now a significant number of councils that are affected by LGFA's overall operations; but who have limited visibility and no influence over them.

The Council has instigated regular contact with guaranteeing councils that are not also shareholders through the portfolio allocated to each member. Any relevant information will be passed on to the LGFA Board and management for consideration via our existing processes.

However, we also request that the Board consider whether it is appropriate to provide the opportunity for non-shareholding councils to become shareholders. This may be achieved by an issue of new shares and or a sell-down of shares (at current valuation) by existing shareholders. We would welcome dialogue with the Board on this issue at a suitable time. This may also be a relevant topic for discussion at the next Shareholders/Borrowers day.

Constancy of objectives and intentions

It is the Council's expectation that the company's objectives and operating intentions be reflected in the 2021/22 SOL. The SOL is the ideal opportunity for the LGFA to reaffirm its:

- commitment to providing a range of borrowing products and services;
- focus on lowering the cost of local government borrowing;
- strategy for maintaining a high-quality asset book and ensure appropriate insurance cover and/or reserves maintained to cover unplanned event risk;
- proactive risk management approach; and
- intention to return a dividend to shareholders.
- With regard to extending the range of borrowing products and services, consideration should be given to the company's original purpose to be a funding vehicle en-masse to the sector.

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- Both lending to CCOs and offering Standby Facilities to councils are now underway, we assume reporting on these matters will be incorporated in the quarterly report.
- While we expect customer demand to drive new product and service development, a balance needs to be maintained between the risk, cost and complexity of introducing and managing them versus the extent of the incremental benefits they provide. We expect that robust risk / cost benefit analysis be undertaken and agreed with the Council prior to introduction on any further new products.
- We understand that process improvements are currently being considered to streamline the councils borrowing from LGFA, we support this initiative.

Performance indicators

Performance indicators should provide a robust, meaningful performance overview for key stakeholders. The Council asks that the LGFA's performance indicators and targets are regularly reviewed to confirm that they are providing the most effective performance picture.

With reference to the current measurement of savings to council borrowers, we believe the current comparison to Auckland Council and Dunedin Council does not reflect the true value of savings to councils due to the overall impact of the LGFA and this comparison is of marginal benefit now.

Now that LGFA is firmly established as the primary funder to the sector it may be more appropriate to change this measure to demonstrate 'value added', rather than direct savings, which are becoming increasingly harder to isolate and track.

Treasury policy

It is the Council's enduring expectation that the LGFA will continue to take the appropriate steps to ensure that it understands risks arising from debt maturity consolidation, each borrower's headroom and funding intentions, and the overall sector's financial position.

The LGFA's Lending Policies and Foundation Policies, as detailed in the company's Treasury Policy, should appropriately reflect the sector's position.

We ask that you complete a comprehensive review of the Treasury Policy within the next twelve months and continue to monitor relevant borrowing parameters, regardless of whether they are specified covenants. This will enable LGFA to 'future proof' the policy. The Statement of Intent is a good way to signal to stakeholders that a review is planned.

We also ask that you explore opportunities to allow the Board to amend some areas within the policy without requiring a shareholder resolution, such as counterparty credit limits and associated minimum credit ratings for investments. All fundamental aspects of the policy still would require approval by the shareholders.

It is also important to allow sufficient time for shareholders to assess any future changes that may be required.

Lending Processes

The Council requests ongoing reviews to enable the most efficient processing of agreements, transactions and documentation. Consideration should also be given to the difficulty of obtaining Chief Executives' signatures within the current half day timeline and whether some form of pre-approval or delegation can occur for some components.

Financial and general reporting

The current SOI contains brief financial forecast information. The Council continues to appreciate the LGFA providing more detailed financial and operational information in the quarterly reports. It is important that this information continues to be provided in 2021/22.

The Council notes the importance of shareholders receiving full and early disclosure from the LGFA of company policy breaches by Participating Local Authorities. It is crucial that all shareholders are informed as soon as possible after an event has occurred, given their potential liability.

As well as ensuring that the expectations outlined above are met, we request that the basis of the calculation of financial covenants and any direct lending to Council Controlled Organisations be included in quarterly and annual reports to ensure transparency for all stakeholders.

The Council would like to hold further discussions with the Board to carry out a review to determine the level of consistency around the way calculations are applied to covenant measures in the foundation documents and the risk coverage achieved with this approach. The Council also requests that to maintain the integrity and security of the LGFA for Guarantors that no more risk is taken on by the LGFA.

Delivery of draft 2021/22 SOI

The Council would welcome a discussion on the content of this letter and the LGFA's views on its priorities for 2021/22. We look forward to receiving the company's draft SOI as early as possible, to allow us to engage with shareholders in a meaningful fashion. The Council will respond with feedback as promptly as possible, and prior to the statutory deadline of 1 May 2021, in order that the company is in a position to deliver its final SOI by 30 June 2021.

We would also appreciate an update from the Board and LGFA management on its future strategic direction and how LGFA is preparing itself to operate in a fluid and dynamic global environment.

It was a pleasure to attend the 2020 Annual General Meeting, and recognise the significant achievements of the LGFA over the last year. Please do not hesitate to contact me if you have any queries or comments.

Yours sincerely



Alan Adcock
Chair, LGFA Shareholders' Council

cc. Mark Butcher, Chief Executive LGFA



19 February 2021

Alan Adcock

Chair Shareholder Council

New Zealand Local Government Funding Agency Ltd

Dear Alan,

Letter of Expectation and the Draft Statement of Intent 2021/22

Many thanks for providing the Letter of Expectation ("LoE") from the Shareholder Council ("SC") and we appreciated receiving it at the end of 2020 as it plays an important part in the development of our 2021/22 Statement of Intent ("SOI").

The LGFA board and management appreciate the support and input from the Shareholder Council as we continue to manage the business to deliver on the objectives for stakeholders as well as minimising risk for guarantors.

We have fully considered the issues raised in the LoE as part of the SOI process and happy to provide a response to each as follows.

Governance

We agree with the importance of a strong board and management team. We welcome the board review, and this will feed through into succession planning for both the Chair and directors.

We agree with your view to have the non-independent director rotation timing better aligned with that of independent directors. We will look to make a change to a two-year appointment period for the non-independent director at the November 2021 AGM.

Sector Initiatives

We agree with the role that LGFA can play to influence government decision-making for the benefit of the sector, and to keep abreast of the issues facing the sector.

As part of our March 2021 board strategy day we will focus on the potential impact on LGFA from the Infrastructure Funding and Financing Act 2020, Urban Development Act 2020 and Three Waters Reform Programme. We will then build any conclusions and outcomes from this day into the Final SOI by late June 2021.

We maintain a positive ongoing dialogue with the Reserve Bank of New Zealand ("RBNZ"), and they are now our single largest holder of LGFA bonds. We have benefited from LGFA being the only issuer

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other than the New Zealand Government to be part of the Large-Scale Asset Purchase Programme as this has led to lower borrowing costs for our council members and the ability to have borrowed a record \$3 billion over the 2020 calendar year. We must be mindful however that we are not treated by the RBNZ as a bank as that would lead to a need for additional capital and greater regulatory oversight.

We continue to both support and remain involved in the development of the Ratepayer Financing Scheme.

We appreciate the dialogue with the Shareholder Council and will continue to liaise with you on any matter that may lead to a change in LGFA's operations or the potential for additional risks.

Sector Representation

There are thirty-one shareholders comprising thirty councils and Central Government and there has been no changes to the shareholding base since the partial sell down by the eighteen foundation council shareholders in November 2012 to twelve new council shareholders.

We undertake a formal review of the capital structure every two years and to date the board has not determined that we need additional capital. Any issuance of additional shares by LGFA would require a higher amount of Net Operating Profit to be paid as dividends without any additional financial benefit to LGFA. We believe that the use of Borrower Notes is a more appropriate form of raising capital but will reconsider at our next capital review in early 2022. We are willing to assist with the sell-down of shares by existing shareholders but suggest that this is one area that the SC could manage.

Constancy of objectives and intentions

We agree with the SC that the SOI is the ideal opportunity for the LGFA to reaffirm its:

- commitment to providing a range of borrowing products and services;
- focus on lowering the cost of local government borrowing;
- strategy for maintaining a high-quality asset book and ensure appropriate insurance cover and/or reserves maintained to cover unplanned event risk;
- proactive risk management approach; and
- intention to return a dividend to shareholders.

We agree that the company's purpose is to be a funding vehicle en-masse to the sector.

We are reporting in the current financial year (2020-21) on CCO lending and Standby Facilities in the quarterly report.

We will continue to look for ways to streamline the documentation process for councils borrowing from LGFA.

However, we view that as inappropriate that any new product or services should be subject to SC agreement prior to introduction. The role of the SC is to

- review and report performance of LGFA and the Board

- recommend to Shareholders as to the appointment, removal, replacement and remuneration of directors
- recommend to Shareholders as to any changes to policies, or the SOI, requiring their approval and
- update Shareholders on LGFA matters and to coordinate Shareholders on governance decisions.

Performance indicators

We agree that performance indicators should provide a robust, meaningful performance overview for key stakeholders and we undertake a review of our performance indicators and targets on an annual basis.

We agree with your view that the current comparison to Auckland Council and Dunedin Council does not reflect the true value of savings to councils and we will instead focus on demonstrating 'value added' both in a quantitative and qualitative sense.

Treasury policy

We intend to undertake an independent external review of the Treasury Policy in the 2021 calendar year and will share the results with the SC.

As part of this process we will also review the Foundation Policy limits to see what changes could be made to streamline the approval process without compromising the position of shareholders and guarantors.

We agree that it is important to allow enough time for shareholders to assess any future changes that may be required and will aim to have the results of the review to the SC by late June 2021

Lending Processes

We agree to an ongoing review of the documentation process in order to reduce the administrative burden on council borrowers. It is important however to ensure we always protect the position of guarantors.

Financial and general reporting

We will continue to provide as much detailed financial and operational information to shareholders in the quarterly reports. We also value the time we spend with the SC at your quarterly meetings and are happy to receive feedback as to how we can provide more insight to you subject to our limitations around the Companies Act and not having SC members deemed to be directors.

We acknowledge the importance to shareholders and guarantors of a breach by a Participating Local Authority and will inform you as soon as possible after an event has occurred.

We agree to provide details of all direct lending to CCOs in the quarterly and annual reports. We cannot however provide financial covenant outcomes on a quarterly basis for CCOs as we do this only on an annual basis for councils. We intend to provide covenant outcome compliance on an annual basis. It should be reiterated that the residual credit risk on lending to a CCO is the strength of either the guarantee or uncalled capital provided to the CCO by the council shareholder(s). The council shareholder(s) are also required to be guarantors of LGFA.

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 5, Walker Wayland Centre, 53 Fort Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz

We understand there are some members of the SC concerned with how the calculations are applied to covenant measures in the foundation documents and we will continue to work with them to allay those concerns.

Delivery of draft 2021/22 SOI

We will engage with the SC between our February board meeting date and the 28 February deadline for distribution of the Draft SOI to shareholders.

We are very happy to update the SC on our strategic direction and possibly the best time would be after our March 2021 strategy day.

Regards



Craig Stobo
Board Chair



RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Statement of Intent
for the year ending
30 June 2022

1. Introduction

This Statement of Intent (SOI) is prepared in accordance with S.64 (1) of the Local Government Act 2002.

The Riccarton Bush Trust is a Council Controlled Organisation for the purpose of the Local Government Act 2002.

The SOI specifies for the Riccarton Bush Trust, the objectives, the nature and scope of the activities to be undertaken and the performance targets and other measures by which the performance of the Riccarton Bush Trust may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SOI is a public expression of the accountability relationship between the Riccarton Bush Trust and the Christchurch City Council.

The SOI is reviewed annually with the Council and covers a three-year period.

The office of Riccarton Bush Trust is 16 Kahu Road, Christchurch.

Contact details for both the Chairman and the Manager are as follows:

	Chairman Bob Shearing	Manager Shona Willis	
Address		16 Kahu Road,	
Phone no.	021 320967	03 341-1018	027 5440462
Email	bob@bobshearing.co.nz	manager@riccartonhouse.co.nz	

2. Our Vision

The Riccarton Bush/Pūtaringamotu, Riccarton House, Deans Cottage and the Grounds are collectively recognised as the premier natural and cultural heritage site in Christchurch/Ōtautahi and Canterbury/Waitaha

3. Value Statement

Heritage conservation of The Riccarton Bush property/Pūtaringamotu is the primary consideration.

4. Management Goals

- | | |
|---------------|---|
| Goal 1 | Protect and enhance the indigenous flora and fauna of The Riccarton Bush indigenous forest, including mahinga kai and taonga species. |
| Goal 2 | Protect and conserve Riccarton House and Deans Cottage and their Grounds. |

- Goal 3** Promote the natural and cultural heritage values of the Riccarton Bush property/Pūtarīngamotu.
- Goal 4** Increase visitation to The Riccarton Bush, Riccarton House, Deans Cottage and their Grounds.

5. Nature and Scope of Activities

The Riccarton Bush Trust administers a 7.8-hectare native bush remnant gifted by the Deans family to the people of Canterbury in 1914. The Trust also administers Riccarton House (built from 1856-1900) and its 5.41 hectares of grounds, including Deans Cottage the oldest house on the Canterbury Plains, built in 1843, purchased by the Trust from the Deans family in 1947. Incorporated under a 1914 Act of Parliament, the Riccarton Bush Trust is a Council Controlled Organisation (CCO) with operating funds provided by the Council in accordance with the Riccarton Bush Amendment Act 2012 and which are used to maintain and operate the Riccarton Bush, Riccarton House, Deans Cottage, and the grounds.

Part of Riccarton House is licensed to a commercial caterer and is used as a restaurant and event centre including wedding receptions and corporate functions. The Caterer also operates a weekly “Farmers” market which is very popular.

Much of Riccarton House is refurnished in 1900’s Victorian style and guided Heritage Tours are available at a modest cost daily or by request.

Deans Cottage is open daily to the public at no charge, displaying life at Riccarton in the 1840s.

Riccarton Bush, the sole remnant of Kahikatea alluvial floodplain forest on the Canterbury Plains, has a predator proof fence and is open daily to the public at no charge. The Trust charges for organised eco-tours involving Riccarton Bush.

6. Governance

The Riccarton Bush Trust Board currently comprises eight members. The Christchurch City Council appoints five members, and the other three members are appointed by the Deans family (x 2) and the Canterbury Branch of the Royal Society NZ (x 1). A ninth member can be appointed by the Board.

The functions of the Board are to:

- Appoint a chief executive officer
- Reappoint or replace a chief executive officer
- Specify the functions of the chief executive officer
- Establish broad lines of policy consistent with the Riccarton Bush Act (and amendments) for the guidance of the Chief Executive Officer
- Ensure that the Board’s assets are maintained in good order and condition:
- Ensure that the Riccarton House and Bush are run effectively and efficiently.

The board has established three working parties to overview more closely the work of the Trust and report back to the Board with recommendations. These working parties are:

- Bush and Grounds
- House and Promotions
- Finance

7. Accounting Policies

The Trust has adopted accounting policies that are consistent with generally accepted accounting practices in New Zealand (NZGAAP). They comply with the Tier 2 Public Benefit Entity (PBE) standards for periods beginning on or after 1 July 2014.

8. Ratio of Shareholders' funds to total assets:

This ratio is not applicable as the total assets of the Riccarton Bush Trust are vested in the Trust and cannot be transferred. There is currently no debt.

The forecast capital structure for the next three years is:

	2021/2022 \$m	2022/2023 \$m	2023/2024
Equity	15.938	15.772	15.615
Debt	Nil	Nil	Nil

9. Performance Targets

(a) Financial performance Targets

The financial performance targets for the Trust are as follows:

	2021/22 \$ (000)	2022/23 \$ (000)	2023/24 \$ (000)
Revenue	654	566	579
Operating Expenses	654	566	579
Operating surplus/deficit before depreciation	0	0	0

(b) Project Performance Targets

Target		Performance Measure 2021/22
1.	Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015	<ul style="list-style-type: none"> • Report to each Board meeting • Target results for all Trust activities, of: <ul style="list-style-type: none"> ○ Serious Harm incidents = 0 ○ Accident = 1 ○ Near Misses = 3

Environmental and Social Performance Targets

Target		Performance Measure 2021/22
1.	Monitoring and management of rodent activity in Riccarton Bush	Effective management of bait stations resulting in observable decrease in activity
2.	Bush Enhancements - Replacement Board Walk and Improved Interpretation	Resource Consent Application by September 2021 Preliminary work commenced February 2022 Fundraising completed by June 2022

10. Information to be provided to the Council

An Annual Report will be submitted to the Council. The Annual Report will include audited financial statements, including the report of the auditor, and such other details as are necessary to permit an informed assessment of the Trusts performance and financial position during the reporting period provided.

Half yearly reports will also be provided to the Council. These reports will contain unaudited information and comply with NZ IAS 34.

The Trust will include within its half year and year end reporting to Council details of the expenditure against the capital grant approved by Council.

The Annual report will outline the Trust's objectives and performance in terms of: Financial; Operational; Environmental and Social targets

The Statement of Intent will be submitted to the Council for consultation annually, as required by the Local Government Act 2002. The Trustees will include any other information they consider appropriate. Where appropriate, revised forecasts will be submitted to the Council.

The Trust will operate on a "no surprises" basis in respect of significant "Council interest" related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

The Trust will provide information requested by the Council in accordance with the requirement of the Local Government Act 2002 and the Riccarton Bush Amendment Act 2012.

11. Compensation sought from local authority

For 2021/22 the Trust is seeking funding from the Council in the sum of \$457,433 in accordance with the Riccarton Bush Amendment Act 2012 to assist with the operation and management of the Riccarton Bush.

Capital grants totalling \$96,500 are also sought from the Council to assist with the funding of the following projects:

- Bush Enhancements (New Boardwalk and path upgrade)
- Bush and Grounds Interpretation (bi-cultural signage and Interpretation Panels)
- New Furniture and Fittings
- New antiques and furnishings

12. General Information

Distributions:

The Riccarton Bush Trust was registered as a charitable entity under the Charities Act 2005 on 26 May 2008 and as such, there will be no distributions.

Acquisition or Disposal of Shares or Assets:

The Riccarton Bush Trust has no intention to acquire shares or dispose of any of the core assets.

Commercial Value:

Given the charitable status of the Riccarton Bush Trust, the concept of the Trust having a commercial value is not applicable.



Rod Donald Banks Peninsula Trust
Te Pātaka o Rākaihautū

Statement of Intent

For the year
1 July 2021 - 30 June 2022



Rod Donald Banks Peninsula Trust Contact Details

Registered office Christchurch City Council, 53 Hereford Street, Christchurch
Postal Address: P.O. Box 5, Little River, Banks Peninsula 7546
Email: manager@roddonaldtrust.co.nz
Phone 03-3047733
Physical Address: c/o DJCA, Level 3, 50 Victoria Street, Christchurch 8013

Current Trustees

Maureen McCloy
7 Victoria Park Road
Cashmere
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Andrew Turner
PO Box 209
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20 Hyndhope Road
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16 Whero Avenue
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RD1 Lyttelton 8971

Paul McNoe
2 Petworth Place
Westmorland
Christchurch 8025

Bryan Storey
36 Bay View Road
Moncks Bay
Christchurch 8081

Note that the Trust intends to run a recruitment process to fill two co-opted positions on its Board in March 2021.



Executive summary

The Rod Donald Banks Peninsula Trust Te Pātaka o Rākaihautū exists for the benefit of the present and future inhabitants of Banks Peninsula and for its visitors. It has broad objectives of sustainable management, and the protection, preservation and enhancement of the environment, recreation, culture and heritage. The Trust is a Christchurch City Council controlled organisation and presents its goals and performance measures for 2021-22 to the Council in this Statement of Intent.

The nature and scope of activities planned for the next three years support the Trust's four strategic pillars:

- Taking a leadership role to secure and extend public walking and biking **access** on a network of well-marked and managed tracks;
- Taking a support role to secure and enhance areas of native **biodiversity**;
- Taking a leadership role in the dissemination of **knowledge** with regard to public walking access and a support role with regard to biodiversity, culture and heritage;
- Working in **partnership** with statutory, iwi and community bodies as appropriate.

Activities planned build on existing projects and relationships and include:

- The Trust will take ownership of 500ha of iconic land in the Lyttelton harbour basin on 1 July 2021, successfully concluding several years work and a fundraising campaign. The purchase secures enduring access on several of the Te Ara Pātaka tramping network tracks and the summits of Mt Herbert/Te Ahu Pātiki and Mt Bradley. The principal activity in 2021-22 will be to set up and ensure its future as Te Ahu Pātiki conservation park along with securing access on the track from it to the Sign of the Packhorse Hut.

The Trust will also continue with its other projects, including:

- in time extending Te Ara Pātaka to connect Christchurch to Akaroa and loop back to SH75 via the Southern Bays and creating new connections from Little River;
- managing, maintaining and developing the Trust's existing assets including Rod Donald Hut, a suite of walking information products and the annual Banks Peninsula Walking Festival;
- supporting development of the Head to Head walkway around Lyttelton Harbour/Whakaraupō;
- supporting the Banks Peninsula Conservation Trust and its Ecological vision - including Pest Free Banks Peninsula 2050 and the Peninsula having four indigenous forest areas of more than 1000ha each;
- building knowledge of how income from carbon sequestration projects can assist with native biodiversity enhancement and advocating for this;
- building a stronger partnership with Christchurch City Council through joint projects to support its Public Open Space Strategy; Biodiversity and Climate Change goals and,
- building stronger partnerships with other organisations and initiatives

The Trust regards securing public access as the most significant long-term legacy it can achieve, noting that this has often coincided with securing land for biodiversity protection. This is a unique point of difference from other organisations working on Banks Peninsula. The Trust's independence and capital base give it the ability to secure opportunities as they become available and to work more flexibly and rapidly than government bodies. The CCC Public Open Space Strategy provides a guiding framework.

To date the Trust has operated on the premise that it will distribute its initial capital of \$3.5 million on projects in support of its four strategic pillars. In 2019 the Trust signalled to the Council that it expected to fully deplete the bulk of its capital completing the projects listed above, and a Joint Working Party with the Council recommended a further injection of funding. The Trust now understands that Christchurch City Council intends to provide further capital funding and ongoing operational funding through its Long Term Plan commencing in FY24.



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1 Introduction

Rod Donald Banks Peninsula Trust Te Pātaka o Rākaihautū (RDBPT, the Trust) is a Council Controlled Organisation (CCO) as defined in the Local Government Act 2002 (LGA), and is a Trust for charitable purposes. It is governed by Trustees, the majority of whom are appointed by Christchurch City Council (CCC, the Council).

The negotiation and determination of a Statement of Intent (SOI) is a public and legally required record of the accountability relationship between the Trust and the Council.

This SOI is prepared in accordance with Section 64(1) of the LGA. It sets out the objectives, governance, nature and scope of activities, and targets and performance measures.

The SOI is reviewed annually by the Council and covers a three-year period.

2 Objectives

RDBPT exists for the benefit of the present and future inhabitants of Banks Peninsula and for visitors to Banks Peninsula.

Its founding deed gives it a wide set of objectives of sustainable management, and the protection, preservation and enhancement of the environment, recreation, culture and heritage. The objectives are listed in full in Appendix A.

The RDBPT has crystallised its wide objectives into four strategic pillars; **Access, Biodiversity, Knowledge and Partnership**. These pillars are used as criteria to select and assess projects and underpin day-to-day work.

In pursuing the objectives of the RDBPT, the Trustees are required to have regard to:

- a) the views of Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourāta, Wairewa Rūnanga, Te Taumutu Rūnanga and Ōnuku Rūnanga in respect to the value of Banks Peninsula's Mana Whenua, Mana Moana and Mana Tangata;
- b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Council;
- c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- d) the objectives, roles and activities of any other organisation engaged in similar activities on Banks Peninsula.

3 Governance statement

RDBPT is governed by up to nine Trustees, with up to seven Trustees appointed by the Council. The Trustees manage the affairs of RDBPT in accordance with their legal obligations, the objectives of the Trust and the terms of the RDBPT Trust Deed.

3.1 Guiding Principles

The Trustees' decisions reflect the following values:

- Leading - the RDBPT is a trusted and credible body making unique and courageous decisions and instigating projects
- Linking - the RDBPT focusses on the big picture issues of Banks Peninsula and links people and projects supporting their passion for Banks Peninsula.



- Enhancing - the RDBPT works as an entrusted steward/guardian enhancing the historic work of previous generations
- Enduring - The funds and work of the Trust are to be used to create an enduring legacy for Banks Peninsula.

In furthering these values, RDBPT adheres to the following principles:

- Respecting and engaging with the Banks Peninsula communities
- Building high-trust relationships
- Transparency between partners
- No surprises, full disclosure
- Behaving in an ethical manner
- Being formal in its processes – with agreements documented and approved
- Assessing and measuring all its projects against its four pillars of access, biodiversity, knowledge and partnership
- Keeping the public and the Council informed through its website and annual newsletter.

The Trust has developed a Walking and Cycling Strategy to more specifically guide its decision making on access projects. The CCC Public Open Space Strategy 2010-2040 provides a guiding framework for the Trust's Strategy. The Trust anticipates working closely with the Council regarding the walking and biking framework for Banks Peninsula as the Public Open Space Strategy is reviewed.

3.2 Responsibility to the Christchurch City Council

In accordance with the LGA, the RDBPT will submit an annual SOI to the Council for consultation and approval. The SOI sets out the Trust's objectives, intentions and performance targets.

The Trustees will ensure that the Council is informed of all major developments affecting the Trust's state of affairs. Information will be communicated to the Council by the RDBPT through the annual report and the half-yearly report.

The Trust will endeavour to operate on a 'no surprises' basis for all issues of relevance to the Council. Early notice will be given to the Council of issues requiring its consent.

3.3 Subsidiary and Monitored Companies

The RDBPT has no investments in other companies.

3.4 Financial Results

The Trustees will receive and review the RDBPT's financial and other reports regularly, and will provide financial statements to the Council on a 6-monthly basis.

3.5 Distributions

RDBPT developed an investment policy in 2012 based on the eventual distribution of its entire capital fund and signalled then that the rate and method of this distribution would depend on the opportunities arising that matched the objectives. As of December 2020 it held the equivalent of 59% of its original funds, but this includes donations toward the purchase of the Te Ahu Pātiki block that will be spent when the purchase completes on 1 July 2021.



RDBPT continues to signal that in completing its current projects it is likely to deplete its capital below the level where it can operate but understands that provision has been made to top-up the Trust's capital fund and provide an operational grant effective from FY 24 (commencing 1 July 2023).

The SOI including financial forecasts are based on the premise that the injections proposed in the draft LTP are approved by the Council and the Trust therefore continues to operate as a CCO of Council for at least another 10 years.

4 Nature and Scope of Activities

RDBPT was named to honour the memory of former MP Rod Donald and his commitment to Banks Peninsula. The Trust's hallmark has been entrepreneurship and practical achievement, important values to Rod Donald. The RDBPT has and will continue to manage its funds well and use them to achieve outcomes that individual groups and projects cannot achieve on their own.

RDBPT has identified securing public walking access as the most important enduring legacy for Banks Peninsula, and the one which it is uniquely positioned to progress. The Trust's independence and its capital base give it the ability to work more flexibly and rapidly to secure opportunities as they become available than many government bodies.

Access is often achieved in conjunction with protecting native biodiversity, developing well-marked tracks, providing public information, and always with partner participation.

Over the next three years RDBPT intends to continue carrying out activities of the following nature and scope:

- Taking a leadership role to secure and extend public walking and biking **access** on a network of well-marked and managed tracks;
- Taking a support role to assist others to secure and enhance areas of native **biodiversity**;
- Taking a leadership role in the dissemination of **knowledge** with regard to public walking access and a support role with regard to biodiversity, culture and heritage
- Working in **partnership** with statutory and community bodies as appropriate on all of its projects.

The principal project and focus over the next two years is the setting up of the Te Ahu Patiki conservation park in the Lyttelton/Whakaraupō basin on 1500ha of land that will come into the ownership of the Trust on July 1, 2021. The park will secure long-term public access on the Te Ara Pātaka tramping network and enhance landscape, biodiversity and harbour catchment values. Once the park is setup, the principal focus will be extending the Te Ara Pātaka tramping network.

Other projects will involve maintaining existing Trust assets and working to secure further public access over private land to create extensions of the Te Ara Pātaka network. As this relies on negotiations with willing land-owners, there may be considerable variance in costs and timeframes from the targets in this SOI.

Should the Trust fully deplete its capital, and no further funding is granted by the Council then it will seek to wind down and cease operating as a CCO. Whether the assets are then donated to other parties, such as the Department of Conservation, or a new Trust continues to operate without CCO status and seeks funding elsewhere would be determined at that point. The Trust anticipates clarity regarding its future by 1 July 2021 after the 2021 LTP is adopted.

RDBPT's current projects, and those to which funds have already been pledged, include:

- Taking ownership of and establishing the new Te Ahu Pātiki conservation park in Lyttelton/Whakaraupō basin



- Acquiring an additional 8ha adjacent bush block for the Te Ahu Pātiki conservation park and securing an easement across the neighbouring property linking the park to the Sign of the Packhorse Hut
- Developing and managing Te Ara Pātaka (Summit Walkway) in partnership with DOC, CCC and landowners
- Owning and managing Rod Donald Hut
- Developing and providing walking information products, e.g. website, brochures and signage
- Supporting the Head to Head walkway around Lyttelton/Whakaraupō Harbour
- Funding partner organisations through grants
- Supporting biodiversity enhancement via Banks Peninsula Conservation Trust led initiatives
- Leading the Banks Peninsula Native Forest-Climate Change group
- Supporting the Banks Peninsula Pest Free initiatives
- Co-ordinating the Banks Peninsula Walking Festival
- Developing new walking and biking opportunities around Little River

Some of the Trust's ongoing projects are run on a social enterprise basis:

- Rod Donald Hut
- Walking information products
- Banks Peninsula Walking Festival

These social enterprises are undertaken principally for the public benefits they bring; however the Trust's goal is for these projects to will eventually be self-funding and provide a small contribution toward the Trust's overall operating costs.

Further information on these projects and social enterprises is in Appendix E.

4.1 Impacts of Covid-19

The Trust has benefited from the increase in domestic tourism due to the border closures following Covid-19 with an increase in the use of its Rod Donald Hut. However, revenue from the sale of walking publications has dropped due to the lack of international visitors.

Revenue from brochure sales is a small proportion of the Trust's income so the decline in revenue over this period is not material.

The Trust considers that its work is even more important in the post lockdown Covid-19 period. The lockdown demonstrated the importance and popularity of walking for mental and physical health for the people of Christchurch. The work of the Trust provides more opportunities for this on Banks Peninsula within easy distance of the urban city, and provides a drawcard to bring more domestic visitors and later international visitors back to the area. The Te Ahu Pātiki conservation park is a major good news story and opportunity for Christchurch to appeal to domestic visitors from across New Zealand.

5 Performance targets and measures

5.1 Non-financial performance targets

This section lists the Trust's non-financial key performance indicators, and the goals from its 10-year Strategic Plan that the Trust intends to progress in the 2021-22 year.



Indicator 1	<i>The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnerships.</i>
	Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project, and action those that are deemed a priority
	Make submissions to relevant policy documents in support of the pillars.
Indicator 2	<i>Provide leadership and tangible support for the projects achieving Access through implementing the CCC Public Open Space Strategy.</i>
	A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities.
	Te Ara Pātaka is nationally recognised as a walking route from Christchurch to Akaroa with a network of track connections.
	The Head to Head Walkway connecting Godley Head to Adderley Head is completed as a continuous and principally coastal pathway around Lyttelton Harbour.
	Unformed legal roads are valued and effective as a delivery tool for walking and biking.
Indicator 3	<i>Provide tangible support for biodiversity</i>
	Increase protection for areas with high biodiversity value in conjunction with public walking/cycling access; purchasing land if necessary.
	Active support for Banks Peninsula Conservation Trust's Ecological Vision goals to protect all old-growth forest remnants of more than 1ha, examples of all rare ecosystems and four indigenous forest areas of more than 1000ha each.
	Support the Pest Free Banks Peninsula group in its work toward Banks Peninsula being effectively free of pest animals.
	Address the Climate and Ecological Emergency through encouraging native biodiversity to regenerate on a landscape scale, assisted by its income from carbon sequestration where possible.
Indicator 4	<i>Provide tangible support for projects building the Knowledge pillar, and leadership around walking access knowledge.</i>
	Trails are used to educate people and connect them to the natural environment and mātauranga Maori with the aim of building environmental guardians.
	Regularly publish and update material on the walking and biking trails and work with other agencies to enhance their publications.
	Develop methods to transfer knowledge through events, on-line information channels and support for a Banks Peninsula Geopark.
	Promote information about the biodiversity, culture, heritage and geology of Banks Peninsula and its potential for carbon sequestration.
Indicator 5	<i>Provide tangible support for and work with a range of partners</i>
	Working in partnership with others to achieve greater outcomes than we could individually.
	Relationships with key stakeholders are formalised with appropriate agreements and delivering as agreed.
	Ngai Tahu's role as kaitiaki is acknowledged and supported through productive partnerships with Papatipu Rūnanga on Te Pātaka o Rākaihautū
	A mutually supportive partnership with Christchurch City Council recognising the Trust as an effective delivery vessel.



5.2 Financial performance targets

The financial performance targets for the next three years are based on the following assumptions

- The Trust completes the purchase of the Te Ahu Pātiki conservation park having brought in \$700k in donations toward the purchase, including a \$300k donation from Orton Bradley Park.
- Operational activity in 2021/22 and 2022/23 is focussed on setting up the conservation park.
- The Council's 2021 LTP includes a further capital injection for the Trust in 2023-24 and an operational grant of \$100k per annum also commences in that year.

	Notes	2021-22	2022-23	2023-24
Operating Surplus				
Revenue	1	\$51,696	\$50,365	\$1,496,598
Trust Management	2	-\$96,445	-\$98,374	-\$100,341
Operating costs	3	-\$94,165	-\$95,354	-\$96,767
Operating Surplus/(Deficit)		-\$138,914	-\$143,363	\$1,299,489
Trusts Funds				
Opening funds	4	\$2,413,362	\$956,948	\$628,584
Operating Surplus/(Deficit)		-\$138,914	-\$143,363	\$1,299,489
Strategic grants and project expenditure	5	-\$1,317,500	-\$185,000	-\$290,000
Closing balance		\$956,948	\$628,584	\$1,638,073

Notes

- Revenue consists of interest income plus sales in the first two years. In 2023-24 it includes a capital grant of \$1,350,000 and operating grant of \$100,000 from Christchurch City Council LTP.
- Trust Management reflects the cost of the current management contract with Peninsula Projects, providing the Trust's operational management service.
- Operating costs include accountancy, insurance, audit fees, meeting costs, web hosting, strategic planning, minor projects (such as advocacy or web development), professional fees not separately budgeted, the costs of goods and services sold, including the Trust's social enterprises, and operational grants to partners.
- Opening funds forecast the amount of the Trust's liquid capital (held as cash and term deposits), but does not include its capital assets. This liquid capital figure enables the Trust to determine its ability to take on projects. The Financial Performance targets therefore reflect the Trust's cash rather than equity position.

The 2021/22 Opening Balance is an estimate based on the balance at December 31, 2020 plus revenue and less expenses and liabilities forecast to June 30 2021. It includes \$700,000 of donations held for the Te Ahu Patiki purchase. This includes \$250,000 held as of December 31 2020, a \$300,000 pledge from Orton Bradley Park, and assumes the Trust can raise a further \$150,000 over the next 5 months to the end of June.



-
- 5 Strategic grants and project expenditure include grants to other organisations achieving Trust goals and its own major projects. Expenditure in 2021-22 includes completing the purchase of the Te Ahu Pātiki conservation park and the adjoining 8ha bush block. The Trust has no commitments beyond the period shown.
-

The Trustees will report financial results as set out below in the 'Information to be provided to Council' section.



6 General matters

6.1 Information to be provided to the Christchurch City Council

The RDBPT will provide an annual Statement of Intent and a half-yearly report to the Council in accordance with Section 64(1) of the LGA.

The RDBPT will provide an annual report including audited financial and performance statements in accordance with Section 67 of the LGA.

The RDBPT will provide an Information and Records Management Strategy meeting its obligations under the Public Records Act 2005 including archiving its records with the support of the Council staff.

A separate annual newsletter will provide more information about the Trust's projects and will include any other information the Trustees consider appropriate.

The RDBPT will provide its annual report and newsletter to the Banks Peninsula Community Board for their information and, if invited by the Community Board, will attend an annual workshop to discuss its activities and the respective Board activities. If called on by the Council it will hold up to two additional meetings per year with Community Board representatives.

6.2 Accounting policies

The current accounting policies are attached to this SOI in Appendix C.

The financial statements are prepared on the basis of historical cost, except for the revaluation of certain non-current assets.

6.3 Acquisition of shares in any company

RDBPT will notify the Council before acquiring securities or debt shares in any company.

6.4 Ratio of consolidated Trust funds to total assets

RDBPT's funds are equal its total assets.

6.5 Estimate of distributions of accumulated profits and capital reserves

The Trustees will explore options to attract funds from other sources to grow the trust fund and/or to serve the trust objectives.

6.6 Commercial value of the investment

The commercial value of the investment is equal to the net assets of the RDBPT. The current cash asset of the RDBPT (at the end of December 2020) is approximately \$2,046,609 including cash, investments and donations held for the Te Ahu Patiki purchase. The value of its equity including property and intangible assets is \$2,416,001. The commercial value will be reviewed on a 6-monthly basis when the financial reports for the RDBPT are prepared. The figure given here is based on the Half Year Report, December 2020.

6.7 Activities for which compensation is sought from any local authority

Currently there are no activities for which compensation will be sought from any local authority.



Appendix A Trust objectives

The RDBPT is a trust for charitable purposes.

The RDBPT exists for the benefit of the present and future inhabitants of Banks Peninsula and for visitors to Banks Peninsula.

The RDBPT's activities will focus on the area within the district which was administered by the Banks Peninsula District Council immediately prior to its amalgamation with the Christchurch City Council (the Banks Peninsula area). A map of the Banks Peninsula area is included as Appendix B to this Statement of Intent.

The objectives of the RDBPT are:

- (a) to promote sustainable management and conservation (consistent with the purposes and principles of the Resource Management Act 1991 and the Conservation Act 1987 and any replacement legislation) of the natural environment in the Bank Peninsula area;
- (b) to establish, support or facilitate environmental based projects that are focussed on:
 - (i) the maintenance and development of recreation facilities including parks, reserves, walkways and affordable camping grounds in the Bank Peninsula area;
 - (ii) providing public access to recreation facilities including parks, reserves, walkways and affordable camping grounds in the Bank Peninsula area;
 - (iii) the reinstatement and preservation of native vegetation in the Bank Peninsula area;
 - (iv) the enhancement of the natural biodiversity of the Bank Peninsula area;
 - (v) the restoration of the Bank Peninsula area waterways to their natural state; and
 - (vi) the protection of native endangered species present in the Bank Peninsula area;
- (c) to establish, support or facilitate projects that are focussed on the protection, preservation and enhancement of areas of historical or cultural significance, or the built heritage of the Bank Peninsula area;
- (d) to undertake or facilitate in any other way research projects or scientific enquiries to carry out the Objects;
- (e) to provide educational opportunities to further the public's understanding or enjoyment of the natural, historical and cultural qualities of the Bank Peninsula area;
- (f) to commission or otherwise support research and monitor projects relating to the status and quality of the natural and physical environment throughout the Bank Peninsula area;
- (g) to purchase or lease land to:
 - (i) carry out any improvements on land for the sustainable management of the environment or more general environmental or conservational purposes of the Trust;
 - (ii) provide facilities or opportunities for the educational purposes of the Trust;
- (h) to source and allocate funds for projects which support, promote or otherwise contribute to the Objects;
- (i) to seek the support and involvement of appropriate persons, organisations and agencies, (including the Christchurch City Council) and work alongside or collaboratively with such persons, organisations and agencies to carry out the Objects;
- (j) to hold seminars, tutorials and lectures within the Bank Peninsula area and throughout Canterbury to demonstrate research relating to the objects, and to encourage the public to become involved with or to generally promote the aims and purposes of the Trust to the community;



- (k) to carry out any other charitable purpose which is capable of being carried out in connection with the Objects or may directly, or indirectly, advance the Objects;
- (l) to raise money and to seek, accept and receive gifts, donations, grants, endowments, legacies and bequests of money or in kind for the Objects; and
- (m) to do all such other acts and things that are incidental or conducive to the attainment of the Objects.

In pursuance of the objectives of the RDBPT, the Trustees are required to have regard to:

- (a) the views of Te Hapū o Ngāti Wheke (Rāpaki), Te Rūnanga o Koukourārata, Wairewa Rūnanga, Te Taumutu Rūnanga and Ōnuku Rūnanga in respect to the value of Banks Peninsula's Mana Whenua (Land), Mana Moana (Waterways) and Mana Tangata (People);
- (b) the potential for alignment between the activities of the Trust and any existing or future projects or initiatives of the Christchurch City Council;
- (c) whether other sources of funding or support are available, including assistance provided through industry or regional development policies and programmes of local authorities or central government;
- (d) the objectives, roles and activities of any other organisation engaged in similar activities on Banks Peninsula.



Appendix C Summary of Significant Accounting policies

This summary is set out in a form consistent with the form in which the accounting policies will be set out when presented with the financial statements of RDBPT. No financial statements are included with this SOI.

Statement of Significant Accounting Policies

a) Basis of financial statement preparation

In accordance with the Accounting Standards Framework the RDBPT is a Public Sector PBE. The RDBPT while meeting the requirements to apply Tier 3 PBE Accounting standards (is not publically accountable and has expenses less than \$2 million) has elected to apply Tier 2 PBE standards with effect from 1 July 2014.

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain non-current assets.

The functional and presentation currency is New Zealand dollars, and all values are rounded to the nearest dollar.

b) Revenue

Revenue is measured at the fair value of consideration received. Interest income is recognised using the effective interest method.

c) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

d) Income tax

The Inland Revenue Department (IRD) has confirmed that the Trust has charitable status for tax purposes and is therefore not liable for income tax.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments with maturities of three months or less.

f) Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less impairment provision.

g) Trade and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost.

h) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

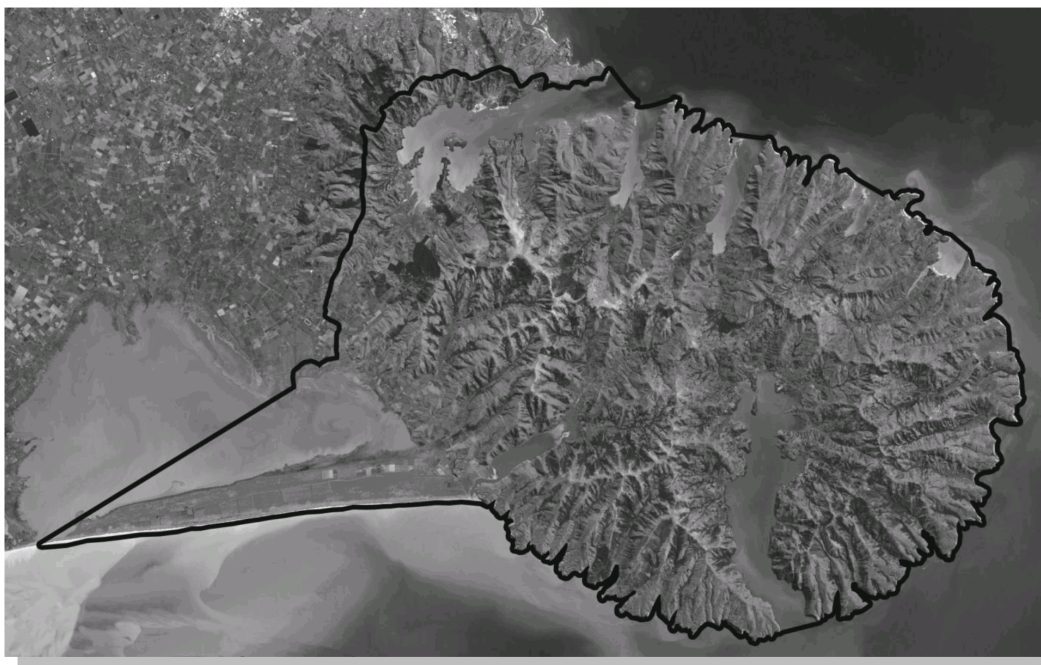
i) Goods and Services Tax

The Rod Donald Banks Peninsula Trust is registered for GST. All amounts stated are exclusive of GST where applicable.



Appendix B Trust's area of interest

The map below shows the area formerly administered by Banks Peninsula District Council. The Trust's deed directs that its funds are to be used to achieve objectives within this area.



Once the Trust has clarity on whether further funding is allocated in the LTP, it may approach the Council to change its Deed and extend its area of interest to enable new funding to be used in the Banks Ecological district.



j) Provisions

A provision is recognised in the balance sheet when the Trust has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits, the amount of which can be reliably estimated, will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

k) Critical accounting estimates and assumptions

In preparing these financial statements the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.



Appendix D Investment Strategy

This appendix describe the:

- Rod Donald Banks Peninsula Trust Investment Principles
- Available funds
- Method to achieve principles

This strategy is aimed at the 5 year period from the start of the financial year on 1 July 2018 to the end of the financial year on 30 June 2023.

D.1 Investment Principles

Summary

- The trust funds are managed for the medium term with the intention that the original capital funds may be close to exhausted by around 2023.
- This intention may change over time and the investment principles will be adjusted to match any changed timeframes.
- The Trust has generally aimed to achieve capital injection through partnerships with other organisations, i.e. for every \$1 the Trust invests in projects that further its objectives, it seeks \$4 from partners or other sources. However, where assets are key to the Trust goals it will proceed without partners.

Investment Objectives

1. To retain sufficient funds in the Trust's current account to provide sufficient cashflow for day to day operations and to invest the remainder of the funds in order to generate the best return possible for the Trust.
2. To invest for income rather than capital growth as the Trust's aim is to maximise income to support the achievement of the Trust's objectives.
3. To achieve, on average, better than the Official Cash Rate for each investment class.

Risk tolerance

1. To maintain a prudent spread of investments so that any risk on the capital fund is managed and minimised.
2. To make investment decisions that are informed and do not risk the on-going viability of the Trust.
3. To only invest in investment classes that Trustees are informed about and understand.
4. To invest the Trust's funds in compliance with the Christchurch City Council's Investment Policy.

Compliance with the Council's Investment Policy

The Trust will ensure compliance by:

1. Only acquiring securities or debt shares in any company after having notified Council.
2. Investing with banks that hold an investment grade rating of at least BBB.
3. Ensuring that no more than 30% of fixed income investments fall outside the Council's Investment Policy.



Selection Criteria

The Trust will invest in organisations that are well established, strong performers and which it expects will deliver a regular healthy dividend in future years, e.g. power, telco, banks, property, energy, retirement companies.

Delegations

1. The Trust's Employment, Audit and Risk Committee will oversee the management of investments and compliance with these principles on behalf of the Board and will report all investment decisions and outcomes to the Board on a regular basis.
2. Re-investment of funds for periods greater than one year or for amounts greater than \$500,000 will require a decision by:
 - a) The Board; or
 - b) If the Board is not available, then the Manager in conjunction with the Chair; or
 - c) If the Chair is not available, then the Manager in conjunction with another Board Member.
 - d) In both instances of the Board not being available, the decision will need to be ratified at the next Board Meeting.

D.2 Available Funds

The following table calculates the Trust's anticipated opening balance on July 1, 2020 based on the current position in its Half Year report at 30 December 2019, where the opening balance represents the Trust's cash position.

Total cash and investments at 30 December 2020	\$2,063,458
Current liabilities and expenses forecast to 30 June 2021	(\$126,196)
Anticipated revenue to 30 June 2021	\$476,100
(including donations toward the Te Ahu Pātiki project)	
Anticipated opening balance 1 July 2021	\$2,413,362

D.3 Methods to achieve principles

The total capital sum forecast as available for use from the start of the financial year on 1 July 2021 is \$2,413,362.

The Trust will complete the purchase of Te Ahu Pātiki on 1 July 2021, and this will deplete its funds by \$1,075,500 on that date.

As remaining funds mature they will be reinvested using the principles to produce income for the Trust. A mix of longer and shorter term investments will be used to ensure that the Trust has access to sufficient capital funds each year to meet the demands of any projects that have been accepted and are in its forecast, or are pending. However, the Trust may break a longer term deposit if a sufficiently compelling opportunity arises and this cannot be avoided. The capital will be used on projects that leave an enduring legacy.

The annual operational expenditure of the Trust will be funded from a mix of income and capital until such time as an operational grant from the Council comes on-stream. At that point it will be funded through income and the operational grant and any use of capital will be from existing funds, not the new capital injection.



Appendix E Project detail

The following projects are in progress and some expected to continue into 2021-22 and beyond.

E.1 Te Ahu Pātiki conservation park

The Trust will take possession of approximately 500ha of land above Charteris Bay in Lyttelton crater on 1 July 2021, including the summits of Mt Herbert and Mt Bradley, the two highest places in the Christchurch City territorial area. The Trust will work to add a further 8ha of adjacent bush land to the park.

The land is to be protected in perpetuity with a conservation covenant for the protection, restoration and enhancement of native biodiversity and with full non-motorised public access. This park will provide Christchurch with a stunning new asset, biodiversity enhancement, outdoor recreation and knowledge building for generations to come.

Setting up the new park will form the main focus for the Trust in 2021-22. This will include completing a management plan for the park in conjunction with partners Orton Bradley Park and Te Hapū o Ngāti Wheke.

The Trust does not intend to be the long-term owner of the park and will continue to work with its partners to determine the future governance, ownership and management of the land.

E.2 Te Ara Pātaka (Summit Walkway)

A 2½ day tramp connecting Lyttelton and Akaroa craters via the summit ridgelines of Banks Peninsula, with a network of tracks linking to valleys below. The tramp was formally opened in 2016 and is proving popular, including with many families and youth groups from Christchurch.

Ongoing work includes securing an easement from the new Te Ahu Pātiki park to the Sign of the Packhorse Hut across neighbouring land as well as the maintenance of tracks not covered by DOC or the Council. The Trust proposed to improve map signage at track entrances and to investigate provision of day shelters en-route.

The Trust seeks to extend Te Ara Pātaka to Wainui with a water taxi to Akaroa and/or around the Southern Bays, improving links with the Lyttelton Crater Rim walkway and developing an appropriate mechanism to co-ordinate the long-term maintenance and management of these tracks that cross a variety of land ownerships and are managed by different agencies may be made. A connection to Little River is also planned.

E.3 Managing and maintaining existing assets

The Trust has built up a suite of assets that it intends to continue managing and maintaining. These include the Rod Donald Tramping Hut on Te Ara Pātaka, Walking information products, and the Banks Peninsula Walking Festival.

E.3.1 Rod Donald Hut

Rod Donald Hut is owned and managed by the Trust and provides one of the overnight stays on Te Ara Pātaka. Fees are charged through the Department of Conservation booking system. The Trust intends to continue running the hut as a social enterprise over the coming year, to use it to build goodwill with youth groups and other organisations, act as a front face for the Trust and work toward meeting all of its costs including oversight by the Trust Manager.

Work over the three-year timeframe may include finding a long-term owner for this asset if the Trust is unsuccessful in securing future funding from the Council.



E.3.2 Walking information products

The Trust has developed the Banks Peninsula Walk Directory, available both in print and on-line, and a suite of walking brochures. Again, these products operate as a social enterprise, and the Trust intends to continue this as it also builds goodwill and enhances the Trust's profile.

Work over the three year timeframe may include a new brochure for Wairewa and finding a long term owner for these assets if the Trust is unsuccessful in securing future funding from the Council.

E.3.3 Banks Peninsula Walking Festival

The Banks Peninsula Walking Festival is a community collaboration led by the Trust and involving Project Lyttelton, Akaroa District Promotions, Little River/Wairewa Community Trust and the Diamond Harbour Community Association. It has been run annually in November since 2013 and built up a strong reputation and following. The Festival aims to cover its costs through grants and ticket sales. The main cost is the Festival Co-ordinator, a position contracted through the Trust.

E.4 Supporting Head to Head walkway in Lyttelton Harbour

The Trust participates in the Head to Head Working Party, a sub-committee of the Banks Peninsula Community Board. The Trust's primary role is finding access routes to connect existing Head to Head walkway sections where there is currently no public access available, subject to the agreement of the Working Party in which it participates. It does not anticipate purchasing land to facilitate the Head to Head walkway, but may negotiate easements or make use of formed and unformed legal roads and water transport. The Trust is currently working to progress an easement across Living Springs, and will look to formalise its relationship around the Head to Head walking with an MOU with Council.

E.5 Supporting Banks Peninsula Conservation Trust Ecological Vision

The Trust has an ongoing grant commitment to Banks Peninsula Conservation Trust running through the 2020/21 financial year to support its Volunteer Coordinator, but does not envisage issuing further ongoing grants until it has secured further funding for its own future.

The Te Ahu Pātiki conservation park in the Lyttelton Harbour/Whakaraupō basin fills the missing link to create over 1700ha of continuous land protected for biodiversity. It therefore significantly contributes to the Banks Peninsula Conservation Trust's Ecological Vision goal that seeks to see four areas of over 1000ha contiguous protection in place.

E.5.1 Banks Peninsula Pest Free 2050

The Trust along with Department of Conservation, Banks Peninsula Conservation Trust, Christchurch City Council and others have signed the Banks Peninsula Pest-Free Memorandum of Understanding, incorporating the government's NZ Predator free programme. The Trust has supported this initiative to date with a grant enabling trialling of a new goat eradication methodology and a new Pest Free co-ordinator position managed by Banks Peninsula Conservation Trust, but further funding has not been allocated or forecast. The Trust will keep a watching brief on progress but has not allocated funding to support future initiatives.

E.6 Building knowledge of carbon sequestration income to support native biodiversity

The Trust is developing knowledge about carbon sequestration using native biodiversity. In particular how income derived via the ETS system may be used to assist with leveraging more native regeneration across Banks Peninsula along with supporting Banks Peninsula Conservation Trust and landowners involved with conservation activities. The Trust leads a collaborative group consisting of representatives from DOC, CCC, ECAN, QEII National Trust, BPCT, Manaaki Whenua/Landcare Research, Hinewai Reserve, and Lucas and Associates landscape planners.



E.7 Developing new walking/biking opportunities around Little River

There are currently no public off-road walks departing directly from Little River except for the Little River Rail Trail. The Trust is seeking to create an off-road connection to Rod Donald Hut and links to Te Ara Pātaka from Little River.

E.8 Building stronger relationships with Council and others

The Trust sees the need for an ongoing entity to advocate for Banks Peninsula tracks and trails, support agencies, develop an associated volunteer network, and to ensure that Banks Peninsula's role as a walking and biking destination for residents and visitors grows with high quality and well maintained tracks, and enhanced biodiversity and is seeking ongoing funding from the Council so that it can continue to fulfil this role.

The Trust is working to build a stronger relationship with the Council through shared projects, including:

- working with Council staff to improve the signage, waymarking and maintenance of peri-urban tracks around Akaroa, Diamond Harbour and the Lyttelton settlements to match the Trust's popular brochure series.
- working with Strategic Planning staff to improve walking linkage planning through the Council's current Public Open Space and Biodiversity strategies, and making use of some unformed legal roads where appropriate.

The Trust has formalised its relationship with Department of Conservation through a shared MOU, and this is a living document that is added to as new projects develop. It has also developed an MOU with the Te Pātaka o Rākaihautū ;/Banks Peninsula GeoPark Trust

The Trust expects to have formalised its relationship with Orton Bradley Park and Te Hapū o Ngāti Wheke.in its work its work to form the Te Ahu Pātiki conservation park

10. Council-controlled organisations - Half year reports for the period 1 July 2020 - 31 December 2020.

Reference / Te Tohutoro: 20/1611698

Report of / Te Pou

Matua:

Linda Gibb, Performance Advisor, Resources

General Manager /

Pouwhakarae:

Diane Brandish, Acting General Manager, Resources

1. Brief Summary

- 1.1 The purpose of this report is to advise the Committee of the 2020/21 half year performance for the following Council-controlled organisations (CCOs) – Civic Building Ltd, Local Government Funding Agency, Riccarton Bush Trust and Rod Donald Banks Peninsula Trust.
- 1.2 The reports were received on or before 28 February 2020 as required by the Local Government Act 2002 (LGA).

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes the 2020/21 half year performance reports for the following Council-controlled organisations:
 - Civic Building Ltd;
 - Local Government Funding Agency;
 - Riccarton Bush Trust; and
 - Rod Donald Banks Peninsula Trust.

3. Key performance information

Civic Building Ltd (Attachment A)

- 3.1 The Council is both a 50 percent owner of the civic building through Civic Building Ltd (CBL) and is the major tenant of the building. The other 50 percent owner is Ngāi Tahu Property Ltd.
- 3.2 The building was acquired by CBL with financing provided by the Council. The core transactions are interest paid by CBL on its debt financing and received by CBL as part of its finance lease arrangement with the Council. Revenue is received by the joint venture (JV) as rent from the Council, and costs incurred by the JV to maintain the building are expensed, and charged back to the tenant (Council) in a later period. The surplus (rent less expenses) is distributed by the JV as revenue to CBL.
- 3.3 CBL's financial performance is impacted by historical hedging arrangements that were put in place some years ago as protection against rising interest rates. However, as interest rates have fallen these are now well above market rates.

- 3.4 CBL has not been impacted by COVID-19. Its forecast is shown in the following table:

	Actual \$m	Target \$m	Variance \$m	Last year \$m	Variance \$m
Net profit before tax (NPBT)	(0.021)	0.030	-0.051	0.077	-0.098

- 3.5 **Against target**, the reduced NPBT of \$51,000 is largely made up of higher interest costs on term debt.
- 3.6 **Against last year**, NPBT is down by \$98,000 largely due to higher interest costs of \$76,000. This is due to significantly higher margins incurred on \$42.5 million of debt that was rolled over on 20 March 2020. Revenue is down by \$25,000 due to lower than expected interest rates which reduced the lease cost to the tenant of the building and consequently incoming revenue to CBL.
- 3.7 The two non-financial performance targets have been met – the building is managed in accordance with the management agreement, and it is operating in a manner consistent with a 6 Green Star rating facility (as advised by the Council's Facilities' Management Team).

Local Government Funding Agency (Attachment B)

- 3.8 The LGFA is owned by the New Zealand Government (11.1%) and 30 councils (88.9%). Christchurch City Council, and eight other councils all have equal shareholdings of 8.3% each and the remaining 14.2% is held by 21 other local authorities.
- 3.9 The COVID-19 impact has resulted in a higher demand from councils for borrowing to enable them to minimise rates' increases and manage revenue gaps from other sources. LGFA has added four new members giving it total membership of 71 councils and issued a record \$1.9 billion of bonds over the half year period and undertaken lending of \$1.74 billion (including re-financing of current debt).
- 3.10 Its financial performance targets and half-year outcomes are as follows:

Target	Actual \$m	Target \$m	Variance \$m	Last year \$m	Variance \$m
Net interest income	9.8	9.2	+0.6	9.8	-
Annual issuance and operating expenses (excluding approved issuer levy)	3.9	3.9	-	3.7	+0.2
Net profit	5.9	5.3	+0.6	6.1	+0.2

- 3.11 **Against target**, net interest income and consequently net profit are slightly ahead of target by around \$0.6 million. Around half of this gain is a revaluation of hedging losses which have turned to profit due to an increase in interest rates since June 2020. The other half reflects higher lending and early refinancing of council loans maturing in May 2021.
- 3.12 **Against last year**, the results are similar. The small decrease in net profit reflects the lower interest environment in 2020 as against 2019.

Balance Sheet

Target	Actual \$m	Target \$m	Last year \$m
Total lending to participating councils	12,289	9,790	10,106

- 3.13 Total lending to participating councils is ahead of expectations by \$2.5 billion. This reflects additional council borrowing as well as early refinancing of existing debt and is a mix of short and long term borrowing. Between years, it has grown by \$1.4 billion.
- 3.14 LGFA advises that there have been no breaches of its Treasury Policy or any regulatory or legislative requirements including health and safety.
- 3.15 There are two non-financial targets that LGFA advises it is not on target to meet at year end. Its target “to achieve 85% market share of all council borrowing in New Zealand” is not achieved due to the large amount of private debt held by Auckland Council. It notes that excluding Auckland Council, LGFA’s share of council borrowing was 94% at 31 December 2020. It has not been able to meet its target to meet each council at least annually due to COVID-19 travel difficulties.

Riccarton Bush Trust (Attachment C)

- 3.16 The Trust administers 7.8 hectares of native bush and Riccarton (historic) House. The Trust was incorporated under an Act of Parliament in 1914. The Riccarton Bush Amendment Act 2012 underpins the Council’s financing obligations to the Trust.
- 3.17 Aside from Council grant funding, the key drivers of the Trust’s financial performance are income from the on-site café (Local) the Saturday morning market commission and tours, all of which have been adversely impacted by COVID-19 restrictions.
- 3.18 Grants and donations can also make a significant contribution to the Trust’s revenues. The upkeep costs for the house and bush and staff salaries are the Trust’s highest costs.
- 3.19 The following table presents the Trust’s half year to December 2020 performance results.

	Actual \$m	Target \$m	Variance \$m	Last year \$m	Variance \$m
Deficit	(0.054)	0	-0.054	(0.014)	-0.040

- 3.20 **Against target**, revenue was \$18,000 lower due to fewer independent tours, door sales and café patrons, all as a result of ongoing COVID-19 impacts. The Ranger left his position and consequently vacated the Ranger’s House which was unoccupied for two months while a replacement ranger was sought, reducing rental income by \$4,100. The position is now filled. Operating expenses were lower by \$48,000 which reflects a deferral in painting Riccarton House until 2022.
- 3.21 **Against last year**, the Trust has returned a higher deficit of \$40,000 due in most part to a lower value of grants received of \$47,400, a one-off bequest of \$33,000 received in the December 2019 half year, adverse COVID-19 impacts of around \$5,500 and reduced rental for the Ranger’s House of \$4,600 (note the variance is different to that against target because the rent was reduced in January 2020 based on expert advice of the appropriate rental rate). Offsetting this was the receipt of \$50,000 of Council funding for house painting which has been deferred until the 2021/22 financial year.
- 3.22 All non-financial performance targets are on track.

Rod Donald Banks Peninsula Trust (Attachment D)

- 3.23 The Trust supports sustainable management, conservation and recreation on Banks Peninsula. At its inception in 2010 the Trust was vested with capital of \$3.5 million from the sale of a farm endowed to an earlier Banks Peninsula council. The Trust will not have sufficient funding to operate past 2023 and is seeking new funding in the Long Term Plan 2021-2031.

- 3.24 The Trust's half year report does not refer to any issues relating to COVID-19.
- 3.25 The following table presents the Trust's half year to December 2020 performance results.

	Actual \$m	Target \$m	Variance \$m	Last year \$m	Variance \$m
Surplus/(Deficit)	(0.030)	(0.064)	+0.034	(0.078)	+0.048

- 3.26 **Against target**, the deficit is lower by \$34,000, made up of increased revenue of \$203,000 largely from donations of \$192,000 received for Te Ahu Pātiki land purchase (to protect biodiversity values) in 2021/22.
- 3.27 Offsetting this were strategic grants and projects of \$163,000, the majority of which (approximately \$131,500) was a deposit on the Te Ahu Pātiki land purchase. The Trust had forecast \$655,000 for this cost category, the balance of which will now be incurred in the second half of the 2020/21 year for the land purchase.
- 3.28 **Against last year**, the deficit is lower by \$48,000 which is made up of additional revenue of \$178,000 mostly from donations received for the purchase of Te Ahu Pātiki land, less \$10,000 lower interest on the declining trust fund balance and lower income from the walking festival of \$3,000 (a 30% reduction from 2020 income).
- 3.29 Offsetting this were increased costs of \$130,000 made up of \$142,000 for strategic grants and project expenditure (the majority of which is \$131,000 for the Te Ahu Pātiki project) and lower operating expenses of \$12,000 (lower trust management costs of \$6,000 and lower minor project costs of \$4,000).
- 3.30 **Financial position** - the Trust has total assets of \$2.4 million represented mostly by cash and investments of \$2.1 million.
- 3.31 The Trust's non-financial targets are all either achieved or in progress with the exception of one which is scheduled to start in the second half of the 2020/21 financial year.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Civic Building Ltd - Half year performance report for the period 1 July-31 December 2020	150
B ↓	Local Government Funding Agency - Half year performance report for the period 1 July-31 December 2020	159
C ↓	Riccarton Bush Trust - Half year performance report for the period 1 July-31 December 2020	191
D ↓	Rod Donald Banks Peninsula Trust - Half year performance report for the period 1 July-31 December 2020	201

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Nil	Nil

Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Len Van Hout - Head of Business Partnership Diane Brandish - Acting General Manager Resources



Civic Building Limited

Unaudited Half Year Financial Statements

For the six months to 31 December 2020

Civic Building Limited

Background

These are the unaudited interim financial statements of Civic Building Limited ("the Company").

The Company is a Council Controlled Trading Organisation as defined by Section 6 of the Local Government Act 2002. Accordingly, the Company has designated itself as a profit oriented entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) reporting as a Tier 2 for-profit entity.

The Company is a party along with Ngai Tahu Property (CCC-JV) Limited to the Christchurch Civic Building Joint Venture (CCBJV), an unincorporated joint venture which has developed and now maintains the Christchurch City Council's Civic Building on Hereford Street.

The financial statements of the Company are for the six months ended 31 December 2020. The financial statements were authorised for issue by the Board of Directors on 19 February 2020.

Directors

The persons holding office as Directors of the Company for the six months to date and at 31 December 2020 were:

James Gough (Chairperson)
Sam MacDonald
Philip Mauger

Civic Building Limited

Commentary

Financial Performance

Revenue decreased slightly for the last six months December 2020 compared to December 2019 due to lower finance lease interest revenue, caused by more of finance lease principle being repaid, reducing interest every year. The lower revenue figure was partially offset by increased interest income and rental income.

The rise in finance costs between December 2020 and December 2019, was due cost of debt increasing with the average quarterly interest rate charged by CCC was at 6.79% last year, and has further increased to 7.06% in quarter two. Resulting in increased interest payments. Other expenses was lower than last year, mainly caused by lower insurance expenses and professional fees, partially offset by the cost of analysis option report.

Financial Position

Total assets had a minor increase of \$17,000 for half year due to holding more cash and partially offset by a decrease in the non-current finance lease receivable.

The decrease in total liabilities in December 2020 of \$4.3 million from December 2019 arises mainly from the reduction in deferred tax liabilities, the reason is largely due to the reintroduced tax depreciation on commercial buildings.

Statement of intent variance commentary:

Total actual income is higher than plan due to higher finance lease interest revenue, and slightly higher rental income and recovery of property expense.

Expenses are higher than plan mainly to higher CCC interest charge rates, and a one-off payment for Civic Building option analysis, partially offset by slightly lower insurance expenses.

The variance for borrowings from Council is higher due to deferral of the \$2.4 million planned repayment. The repayment has postponed until further decisions.

The finance lease asset has differences that are expected to gradually reduce to nil at end of the financial year.

The total asset balance at 31 December 2020 is \$56.5 million which is greater than plan. This is mainly due to cash and cash equivalents being higher than expected, due to deferral of the planed loan principal in FY2020 till to FY2022. Resulting in higher cash reserves.

Operational Performance Targets

Objective and Strategy	Performance Measure 2020/21	Performance to date
Meet the financial targets contained within this SOI.	Budgeted key performance indicators are met or exceeded.	Financial targets are generally in line with the SOI targets.
Manage the investment in a commercially astute and prudent manner.	Ensure the Civic building is managed in accordance with the management agreement.	The building has been managed in accordance with the management agreement.

Civic Building Limited

Environmental and Social Performance Targets

Objective and Strategy	Performance Measure 2020/21	Performance to date
The Civic building was designed to achieve a high standard in terms of environmental and energy sustainability.	Ensure the Civic Building operates in a manner that preserves accreditation features equivalent to 6 Green Star rating.	The Facility Management Team work to manage the building consistent the building is operating in a manner consistent with a star 6 facility.

Statement of comprehensive income
for the six months ended 31 December 2020

	Six months ended 31 December	
	2020 \$000	2019 \$000
Revenue	2,248	2,273
Finance costs	1,924	1,848
Other expenses	345	348
	<u>2,269</u>	<u>2,196</u>
Profit / (Loss) before income tax	<u>(21)</u>	<u>77</u>
Income tax expense/(income)	(44)	(23)
Profit / (Loss) for the period	<u>23</u>	<u>100</u>
Total comprehensive profit / (loss) for the period	<u><u>23</u></u>	<u><u>100</u></u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Civic Building Limited

Statement of changes in equity
for the six months ended 31 December 2020

	Share Capital \$000	Retained Earnings \$000	Other Reserves \$000	Total \$000
Balance at 1 July 2019	6,188	(14,808)	-	(8,620)
Profit/(loss) for the 6 months to 31 December 2019	-	100	-	100
	-	-	392	392
Balance at 31 December 2019	6,188	(14,708)	392	(8,128)
Profit/(loss) for the 6 months to 30 June 2020	-	4,304	25	4,329
Balance at 30 June 2020	6,188	(10,404)	417	(3,799)
Profit/(loss) for the 6 months to 31 December 2020	-	23	-	23
Other comprehensive income	-	-	26	26
Balance at 31 December 2020	6,188	(10,381)	443	(3,750)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Civic Building Limited

Statement of financial position
as at 31 December 2020

	31 December 2020 \$000	31 December 2019 \$000
Current assets		
Cash and cash equivalents	3,386	1,470
Trade and other receivables	152	143
Finance lease receivable	4,538	4,538
Current tax assets	-	539
Total current assets	8,076	6,690
Non-current assets		
Other financial assets	250	250
Investment property	6,400	6,400
Finance lease receivable	41,817	43,187
Total non-current assets	48,467	49,837
Total assets	56,543	56,527
Current liabilities		
Trade and other payables	266	291
Current tax liabilities	15	-
Borrowings	-	1,000
Total current liabilities	281	1,291
Non-current liabilities		
Deferred tax liabilities	6,124	10,475
Borrowings	53,888	52,888
Total non-current liabilities	60,012	63,363
Total liabilities	60,293	64,655
Net liabilities	(3,750)	(8,128)
Equity		
Capital and other equity instruments	6,188	6,188
Retained earnings	(10,381)	(14,708)
Reserves	443	392
Total equity	(3,750)	(8,128)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

For and on behalf of the Board of Directors which authorised the issue of the financial statements:

Chair

Director

Date

Date

Civic Building Limited

Statement of cash flows

for the 6 months ended 31 December 2020

	Six months ended 31 December	
	2020	2019
	\$000	\$000
Cashflows from operating activities		
Operating revenue	2,937	2,875
Payments to suppliers and employees	(411)	(507)
Net GST movement	-	144
Net cash flow from operating activities	<u>2,526</u>	<u>2,512</u>
Cashflows from investing activities		
Interest received	15	21
Term deposits matured	2,480	2,850
Term deposit investments	(2,730)	(3,100)
Net cash flow from investing activities	<u>(235)</u>	<u>(229)</u>
Cashflows from financing activities		
Interest paid	(1,925)	(1,838)
Net cash flow from financing activities	<u>(1,925)</u>	<u>(1,838)</u>
Net increase/(decrease) in cash and cash equivalents	367	445
Cash and cash equivalents at beginning of period	3,019	1,025
Cash and cash equivalents at end of period	<u><u>3,386</u></u>	<u><u>1,470</u></u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Civic Building Limited

Notes to the interim financial statements for the six months ended 31 December 2020

Statement of Compliance

These are the unaudited interim financial statements of the Company for the six months ended 31 December 2020.

The interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice as appropriate for Tier 2 for-profit entities. They comply with the Tier 2 for-profit accounting standards.

As the Company has elected to report under Tier 2 for-profit accounting standards, it has applied disclosure concessions, where available. The criteria under which the Company is eligible to report under Tier 2 for-profit accounting standards are as follows:

- (a) the Company is not publicly accountable; and
- (b) the Company's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Company's annual financial statements as at 30 June 2020.

Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 30 June 2020.

Contingencies

The Company had no contingent liabilities on 31 December 2020 or 30 June 2020.

Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.

Civic Building Limited

Statement of Service Performance

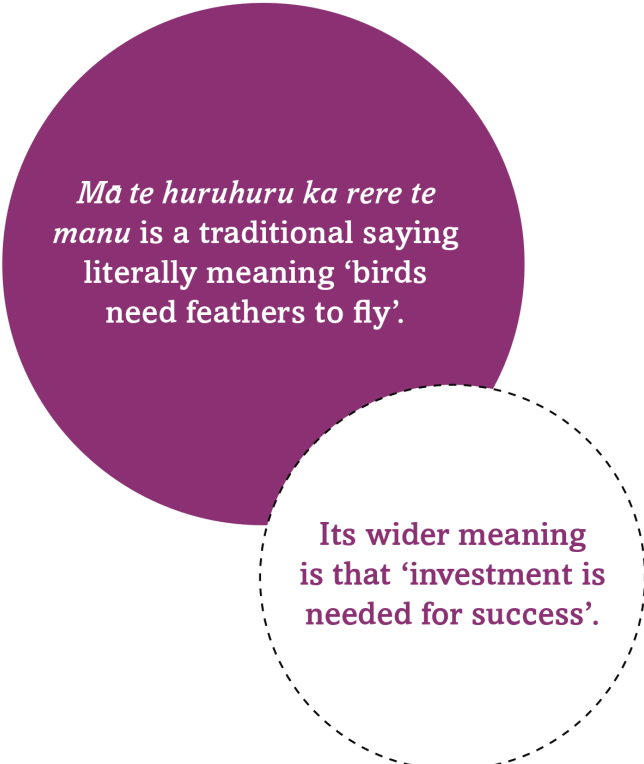
The following lists the financial and operating performance targets set by the Company in its Statement of Intent for the year to 30 June 2021 and reports on progress to date against these targets.

	Six months ended 31 December 2020			Full year
	Target	Actual	Variance	Target
	\$000	\$000	\$000	\$000
Financial Performance Targets:				
<i>Income</i>				
Interest - finance lease	1,648	1,661	13	3,296
Interest - other	13	15	2	25
Other income	524	572	48	1,047
<i>Expenses</i>				
Finance costs	1,864	1,924	(60)	3,728
Other expenses	291	345	(54)	582
(Loss)/profit before income tax	30	(21)	(51)	58
Taxation	83	(44)	(127)	166
(Loss)/profit after income tax	(53)	23	76	(108)
Ratio of Shareholders Funds to Total Assets	13.8%	-6.6%	-20.4%	-13.8%
	Six months ended 31 December 2020			Full year
	Target	Actual	Variance	Target
	\$000	\$000	\$000	\$000
Capital Structure				
Uncalled capital	10,000	10,000	-	10,000
RPS shares	6,188	6,188	-	6,188
Borrowings from Council	50,488	53,888	3,400	50,488
Finance lease asset	41,129	41,817	688	41,129
Total assets	55,282	56,543	1,261	55,282

Financing New Zealand councils' infrastructure investment

**Te tuku pūtea
ki te haumitanga
hanganga kaunihera
o Aotearoa**

Half Year Report
31 December 2020



Mā te huruhuru ka rere te manu is a traditional saying
literally meaning 'birds
need feathers to fly'.

Its wider meaning
is that 'investment is
needed for success'.

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Rārangi tauwaea

Message from the Chair and Chief Executive He karere mai i te Toihau me te Tumuaki

**for the six-months ended
31 December 2020**

*“LGFA continues to meet the challenges
of COVID-19 while providing cost
effective financing solutions for its
growing council membership base
and offering New Zealand dollar
fixed income investors a choice of
high-grade investment maturities”*



Craig Stobo, Board Chair

We are pleased to highlight another period of positive financial and non-financial performance by the company for the six-month period to 31 December 2020.

Strong Financial and Operational Performance

LGFA total interest income for the six-month period of \$190.38 million was a 2.9% increase over the 2019-20 comparable period result of \$185.10 million while net operating profit of \$5.92 million was a 2.5% decrease on the 2019-20 comparable period result of \$6.10 million.



Mark Butcher, Chief Executive

While operating profit was lower than the prior period due to the lower interest rate environment, it was ahead of the Statement of Intent (SOI) forecast due to the early refinancing of council loans maturing in May 2021 and a higher level of new council borrowing.

Expenses have been managed under budget over the past six months. In terms of composition, lower fees paid on the NZDM facility, and lower Approved Issuer Levy payments were somewhat offset by higher legal and NZX costs from higher than forecast lending and bond issuance activities.

LGFA bonds continue to be an attractive investment for investors while LGFA has also delivered savings in borrowing costs, extended the tenor of lending available by four years and rolled out the provision of standby facilities to council members.

The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained our domestic currency credit rating at 'AA+' in November 2020 and our 'AA+' rating from S&P Global Ratings remains on positive outlook, both of which are the same as the New Zealand Government.

Borrowing activity

LGFA issued a record \$1.90 billion of bonds over the past six months and just eclipsed the prior six-month record of \$1.80 billion. Nominal outstandings of LGFA bonds total \$13.71 billion (including \$950 million of treasury stock) across ten maturities from 2021 to 2037. The debut of a new April 2037 bond maturity by syndication of \$500 million in July 2020 was another successful issue and the bond tenders were well supported by market participants.

LGFA is the largest issuer of New Zealand dollar securities after the New Zealand Government and our bonds are amongst the largest and most liquid New Zealand dollar debt instruments available for investors. We have seen a shift in investor composition over the past six months as offshore investors have become less attracted to the lower yielding NZD fixed income asset class while domestic banks and investors have increased their nominal holdings based on the outlook for lower interest rates and lack of supply of other high-grade bonds. The Reserve Bank has continued to support the domestic capital markets through the purchase of LGFA bonds in the Large-Scale Asset Purchase Programme and hold \$1.79 billion or 14% of our bonds outstanding as at 31 December 2020. Our offshore investors hold 21.6% of LGFA bonds on issue while NZ Institutional and retail investors hold 29.7% and domestic banks hold 34.6%

The performance of LGFA bonds over the past six months has been pleasing with LGFA bond spreads to both swap and New Zealand Government Bonds (NZGB) tighter on positive credit market sentiment as well as investors seeking additional yield in what is a low interest-rate environment. Outright yields on LGFA bonds have declined modestly over the past six months by between 2 basis points (bps) (0.02%) on the 2022 maturity and 12 bps (0.12%) on the 2027 maturity. It was another period of volatility with the 2027 LGFA bond yield trading in a 60 bps (0.60%) range over the six-month period, trading to a low of 0.49% in early November before rising to 0.87% on 31 December 2020.

LGFA continues to issue short-dated LGFA Bills ranging in maturities from three months to 12 months through a combination of monthly tenders and private placements. As at 31 December 2020, outstandings under the programme were \$612.5 million. These instruments provide a source of funding for short-dated lending to our council borrowers and assist LGFA with liquidity management.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. Over the past six months, we added four new members with South Waikato, Waitaki and Central Otago District Councils joining as guarantors and Kawerau District Council joining as a non-guarantor. Total membership of 71 councils is very pleasing and this is expected to increase slightly in the coming six months as several councils are partly through the joining process.

Long-dated lending over the six-month period was \$1.74 billion with the lending activity a mix of new borrowing and the refinancing of council loans due to mature on 15 May 2021. The average tenor of borrowing by councils at 7.1 years was longer than the average term of borrowing of 5.4 years over the 12-month period to June 2020.

Short-dated lending for terms less than 12 months has been well supported by councils and, as at 31 December 2020, LGFA had \$343.4 million of short-term loans outstanding to 26 councils.

The underlying credit quality of the sector continues to remain very strong with all member councils remaining compliant with the LGFA lending covenants.

The impact from COVID-19 on the sector and LGFA

The local government sector has felt the impact from COVID-19, albeit there has been a divergence of the severity of impact amongst councils. Councils have in general experienced a reduction in revenue from fees and charges and reduced income from their investment portfolios. It has also been difficult for many councils to implement planned rate increases given the financial impact from COVID-19 on some ratepayers within the community. Meanwhile there has been a need to continue, if not increase, capital expenditure on infrastructure.

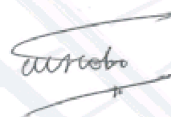
LGFA responded by increasing the Net Debt / Total Revenue covenant for councils with a long-term credit rating of 'A' equivalent or higher from 1 July 2020. This will assist councils with greater financial flexibility through the COVID-19 economic recovery phase as well as reflecting the strong financial position of the sector. We have also introduced standby facilities for councils as an alternative to sourcing from banks. We have also extended the term of the LGFA bond curve from 2033 to 2037 and in doing so can now offer longer borrowing terms for councils. In line with the legislative change to extend statutory reporting

deadlines by two months due to COVID-19, we allowed councils an extension to provide their compliance certificates to LGFA. All have provided their certificates, and all remain compliant with our financial covenants.

While COVID-19 has restricted travel, we were able to hold our annual shareholder-borrower day for council members and held events to update investors on the proposed water industry reform.

Acknowledgments

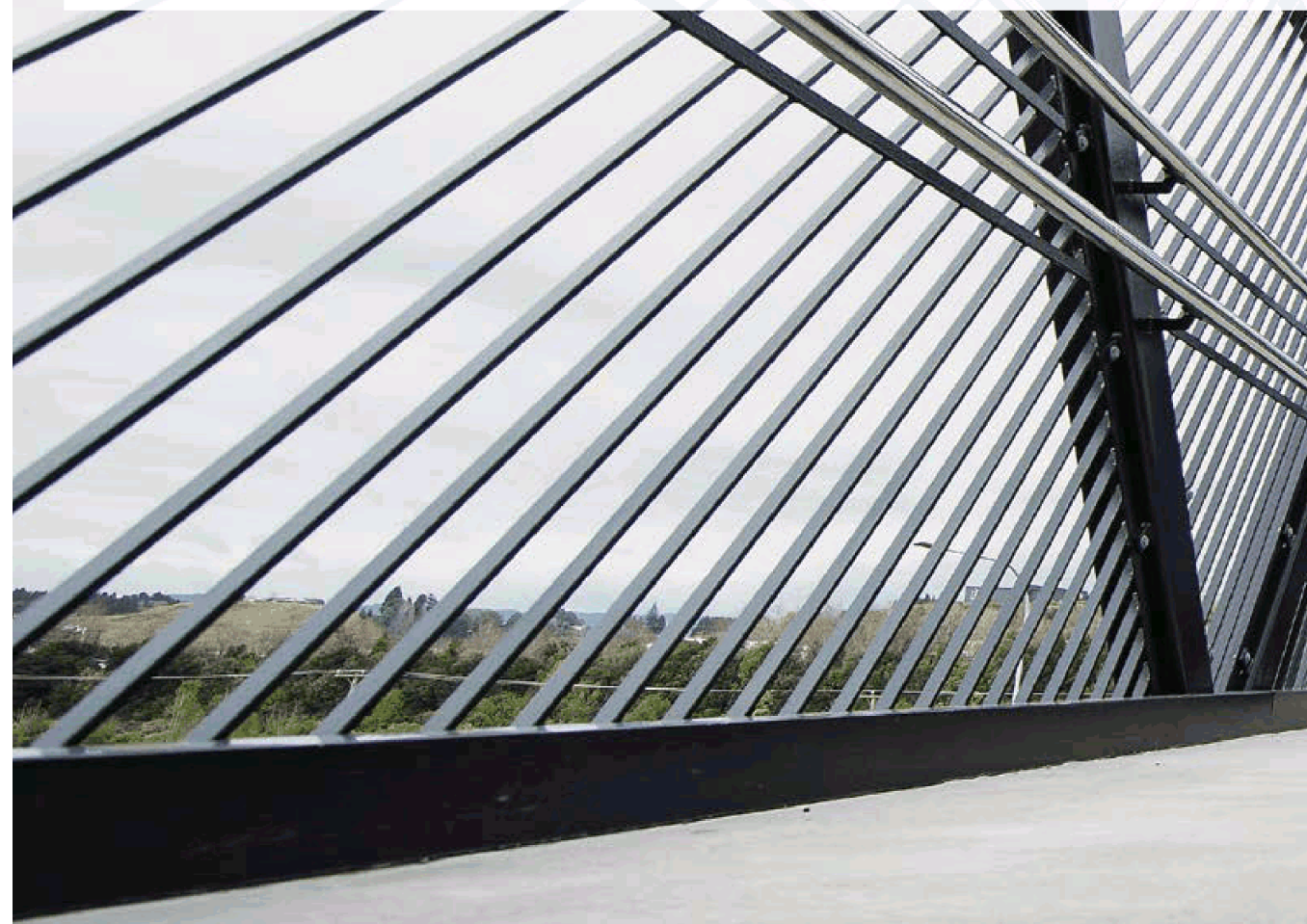
On behalf of the Board we are pleased to be part of the continued success of this organisation and wish to thank our council shareholders, guarantors and borrowers as well as the Reserve Bank of New Zealand, NZ Debt Management, our financial intermediaries, investors and staff for their continued support.

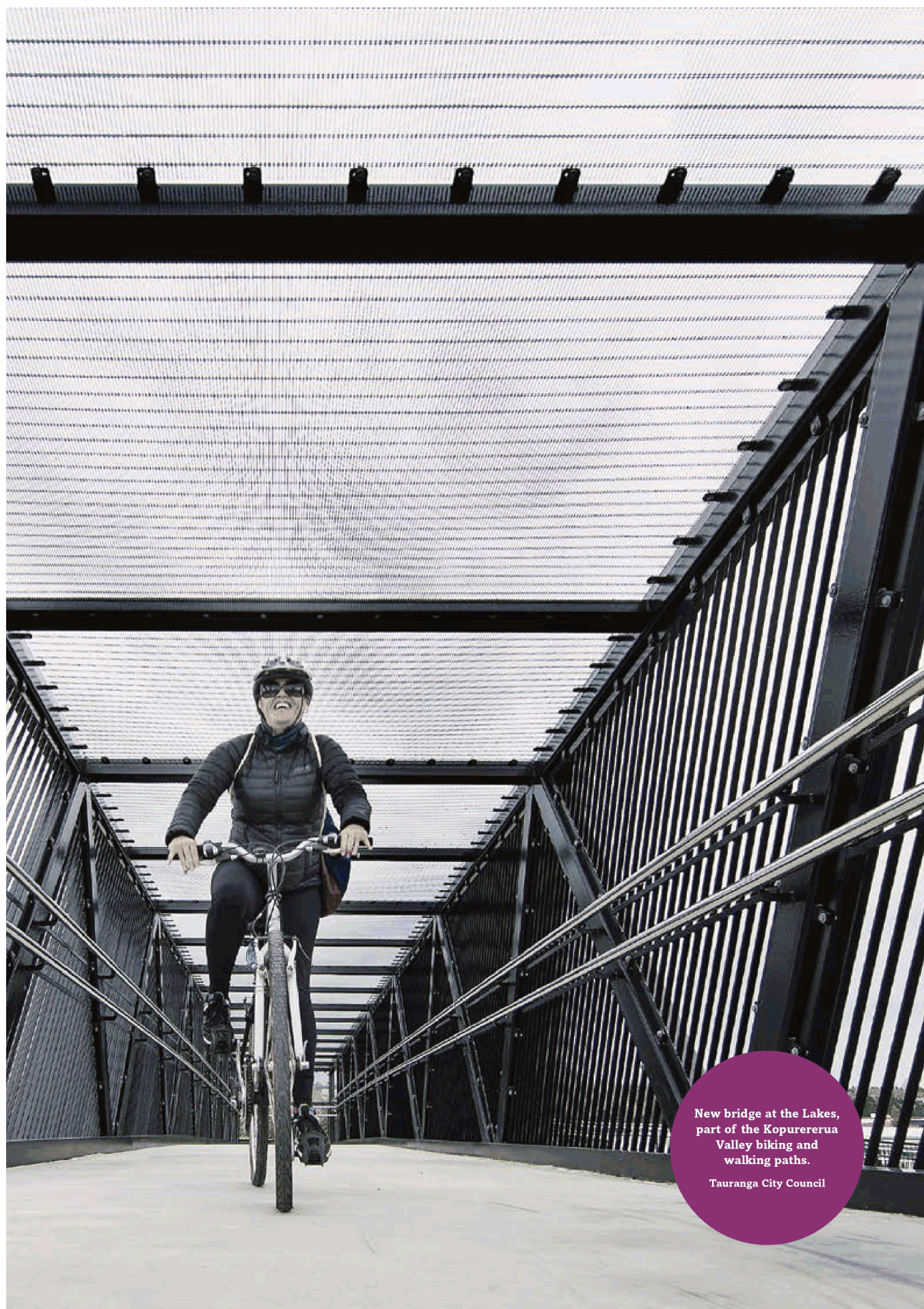


Craig Stobo
Chair, LGFA Board



Mark Butcher
Chief Executive





New bridge at the Lakes,
part of the Kopurererua
Valley biking and
walking paths.
Tauranga City Council

Performance against objectives Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance details LGFA's performance for the first half of the year against the objectives and targets set out in the LGFA Statement of Intent 2020-21 (SOI)

2020-21 performance objectives

The SOI sets out two primary performance objectives and seven additional objectives for the year ended 30 June 2021.

Primary objectives

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually.

LGFA will:

- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
- Provide at least 85% of aggregate long-term debt funding to the Local Government sector.
- Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.
- Meet or exceed the Performance Targets.
- Comply with the Health and Safety at Work Act 2015.
- Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
- Assist the local government sector with their COVID-19 response.

Performance against primary objectives

This section sets out LGFA's performance for the six months ended 31 December 2020 against the two primary objectives set out in the 2020-21 SOI.

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

Providing interest cost savings relative to alternative sources of financing;

LGFA continues to borrow at very competitive spreads compared to Sovereign, Supranational and Agencies (SSA) issuers who borrow in the New Zealand debt capital markets, the domestic banks and our closest domestic peer issuer Kainga Ora. The benefits are greater the longer the term of financing.

In the latest stakeholder survey result in August 2020, respondents recorded a 99% satisfaction result to the questions "How would you rate LGFA in adding value to your borrowing requirements?" and "How satisfied are you in general as a borrower?"

Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;

Both short and long-term borrowing has been well supported by member councils. Over the six-month period to 31 December 2020:

- there were 37 new short-term loans transacted with loan terms ranging between one month and 12 months. As at 31 December 2020, \$343 million of short-term loans were outstanding to 26 councils.
- 46 councils borrowed \$1,738 million in 137 new long-term loans, across 169 maturity dates ranging between 2021 and 2037.

In July 2020, LGFA issued a new April 2037 bond providing councils with the opportunity to extend their long term borrowing if desired. The average borrowing term by councils (excluding short-dated borrowing) was 7.22 years for the September quarter and 6.77 years for the December quarter, with both quarters exceeding the average term of 5.42 years for the year to June 2020.

In December 2020, LGFA launched the Standby Facility Agreement as a new product that will help reduce overall financing costs for councils and we entered into the first agreement with a council for a \$100 million facility.

Delivering operational best practice and efficiency for its lending services;

Over the six months, LGFA operations successfully processed 2,900 financial payments and 2,386 financial receipts without settlement error.

In the latest stakeholder survey result in August 2020, respondents recorded a 94% satisfaction result to the question "How satisfied are you with the settlement process?"

Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

For LGFA to provide certainty of access to markets for our council borrowers we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market and we measure strength with participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a healthy market implies high turnover.

Over the six months, LGFA issued \$1.9 billion in bonds, through five tenders and a syndication, as well as \$612.5 million bills through six tenders and private

placements. LGFA uses proceeds from LGFA bills and LGFA bond issuances to fund lending to councils and invests the balance in our liquid asset portfolio.

We estimated secondary market turnover across all maturities in LGFA bonds of \$3.9 billion in the six month period. This compares favourably to turnover of \$3.7 billion in the prior corresponding period.

LGFA documented an Australian Medium-Term Notes Programme in November 2017. We have no immediate intention to use this programme, but it provides flexibility if there is a market disrupting event in the future.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;

LGFA reviews all councils' financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list.

We have received compliance certificates from all Participating Borrowers, and all remain compliant as at 30 June 2020. There are seven councils who, due to COVID-19 delays in finalising the audit process, have provided outcomes based on unaudited financial statements. LGFA has reviewed these financial statements and are comfortable with them.

Analyse finances at the Council group level where appropriate and report to shareholders;

No council has yet to request to LGFA that they be measured on a group basis.

Endeavour to visit each Participating Borrower annually, including meeting with elected officials as required, or if requested; and

Following the lifting of COVID-19 travel restrictions, LGFA commenced council visits again in the later months of 2020. We met with 22 councils over the six months and that number will increase in the second half of the current financial year.

Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Over the six months, LGFA management met with representatives from Reserve Bank of New Zealand, Department of Internal Affairs, Office of

the Auditor General, SOLGM, the New Zealand Debt Management section of the Treasury (NZDM) and members of the Three Waters Reform Group. We held investor conference calls for investors and banks relating to bond issuance and provided updates on the impact on the local government sector from COVID-19 and the proposed water industry reforms.

In our 2020 Annual Report, LGFA outlined our commitment to develop lending products to assist councils finance projects that promote environmental and social wellbeing. LGFA is committed to exploring opportunities in Green, Social and Sustainable lending and we are actively progressing development in this area, with the objective of launching inaugural Green, Social and Sustainable lending products.

LGFA continues to assist the sector and the advisers in finding ways for LGFA to play a supporting role in providing solutions to off balance sheet financing for councils and are currently providing technical input into the Cameron Partners Ratepayer Financing Scheme.

Additional objectives

LGFA has the following seven measurable and achievable additional objectives which complement the primary objective. Performance against these objectives is reported annually. LGFA will:

Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.

LGFA has an annual review process regarding our credit ratings from Standard and Poor's and Fitch Ratings and meets with both agencies at least annually. Formal review meetings were last held in November 2019 with S&P and in October 2020 with Fitch.

- **Standard and Poor's (S&P).** On 28 February 2020, S&P affirmed our long-term local currency credit rating (AA+) and our long-term foreign currency credit rating (AA). Both ratings remain on positive outlook and the same as the New Zealand Government.
- **Fitch Ratings (Fitch).** On 4 November 2020, Fitch affirmed our long-term local currency credit rating as AA+ and classified LGFA as a corporate mission, government-related entity (GRE) under its GRE rating criteria. Fitch equalises our ratings with those of the New Zealand Government. Our foreign currency credit rating of AA remains on positive outlook.

Provide at least 85% of aggregate long-term debt funding to the Local Government sector.

LGFA's estimated market share of 82% for the rolling twelve-month period to 31 December 2020 and our market share is strong compared to our global peers.¹

Over the six months, four new councils became members of LGFA, lifting total participating members to 71 as at 31 December 2020. South Waikato District Council, Waitaki and Central Otago District Councils joined as guarantors and Kawerau District Council joined as a non-guarantor.

Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with approved dividend policy.

Net interest income (NII) over the six months, on an unaudited basis, was \$609k above budget while expenses were \$30k below budget. The six-month net operating profit of \$5.918 million was \$673k above budget.

Included in the NII is the unrealised mark-to-market movement in fixed rate swaps that are not designated effective for hedge accounting purposes. These swaps reduce exposure to fixed rate loans made outside of the normal tender process and to reduce mismatches between borrowing and on-lending terms in our balance sheet. The unrealised loss increases as interest rates fall but turns to a profit if interest rates rise. Due to a rise in interest rates since June 2020, the year to date revaluation is a profit of \$317k.

Expenses for the six-month period, on an unaudited basis, were \$3.938 million which is \$30k below budget. Key drivers for the variance are:

- **Issuance and on-lending costs** (excluding Approved Issuer Levy) at \$1.4 million were \$14k above budget. A larger amount of bond issuance and short-term lending increased these costs relative to budget, primarily in relation to higher NZX costs and legal costs. These were offset to some extent from lower fees than budgeted relating to the NZDM facility.
- **Operating costs** at \$1.945 million were \$33k below budget due to lower travel and consulting costs offset by higher legal and personnel costs relative to budget.

- **Approved Issuer Levy** (AIL) payments of \$593k were \$11k below budget. We pay AIL on behalf of offshore investors at the time of semi-annual coupon payment and offshore investor holdings are just below our SOI forecasts.

Comply with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee and reporting on health and safety issues is made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no health and safety incidents during the six months.

Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.

There were no compliance breaches during the six-month period.

Assist the local government sector with their COVID -19 response.

On 30 June 2020, in response to COVID-19, shareholders approved a change to LGFA's Foundation Policy covenants to provide short term relief to councils from any temporary reduction in revenue and to allow councils to co-invest alongside Central Government in infrastructure projects. For the financial year ending 30 June 2021, the net debt/total revenue covenant for borrowers with an external credit rating of at least A+ has been increased from 250% to 300%. In addition to this direct response:

- LGFA continues to provide input into the Ratepayer Financing Scheme project that, if successful, could offer temporary financial relief to ratepayers via rates postponement.
- The new Standby Facility product will provide greater certainty of access to cost-effective standby funding for councils as an alternative to the traditional bank provider.
- LGFA has extended the longest dated borrowing maturity for councils from 2033 to 2037 to enable councils to be better match assets with liabilities and to benefit from record lows in interest rates and borrowings spreads.

1. LGFA use the PwC Local Government Debt Report as source data for calculating market share.

Meet or exceed the Performance Targets.

As at 31 December 2020, LGFA were meeting eight out of the ten performance targets.

Performance measure	Result to 31 December 2020	Outcome
LGFA net interest income for the period to June 2021 will be greater than \$18.8 million	\$9.85 million	✓
Annual issuance and operating expenses (excluding AIL) will be less than \$6.30 million	\$3.93 million	✓
Total nominal lending (short and long term) to participating councils to be at least \$9.79 billion	\$12,289 million	✓
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	August 2020 survey outcome of 98.8%	✓
Meet all lending requests from participating councils	100%	✓
Achieve 85% market share of all council borrowing in New Zealand ¹	81.8%	✗
Review each participating council's financial position, its headroom under LGFA policies and arrange to meet each council at least annually	22 council visits but behind plan due to COVID travel difficulties	✗
No breaches of Treasury Policy, any regulatory or legislative requirements including H&S	Nil	✓
Successful refinancing of existing loans to councils and LGFA bond maturities as they fall due	100%	✓
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	AA+/AA+	✓

1. After excluding Auckland Council borrowing, LGFA's share of councils' borrowing in New Zealand was 94.0% at 31 December 2020.



Waikawa flood
prevention work
commences.

Marlborough District
Council

Financial statements Nga taukī pūtea

Attachment B Item 10

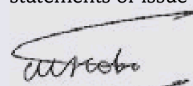
Statement of comprehensive income

For the six months ended 31 December 2020 in \$000s

	Note	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Interest income			
Cash and cash equivalents		385	216
Marketable securities		1,911	2,072
Deposits		3,493	3,065
Derivatives		107,810	69,933
Loans		76,776	109,786
Fair value hedge ineffectiveness	2	-	-
Total interest income		190,375	185,072
Interest expense			
Bills		1,149	3,521
Bond repurchase transactions		325	257
Lease liability		9	14
Bonds		177,963	169,918
Borrower notes		1,077	1,562
Total interest expense		180,523	175,272
Net interest income		9,852	9,800
Other operating income	3	5	-
Total operating income		9,857	9,800
Operating expenses			
Issuance and on-lending expenses	4	1,993	1,846
Operating expenses	5	1,945	1,851
Total expenses		3,938	3,697
Net operating profit		5,918	6,103
Total comprehensive income		5,918	6,103

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements or issue on 26 February 2021.



Craig Stobo, Director
Board Chair



Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of changes in equity

For the six months ended 31 December 2020 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2019		25,000	49,149	74,149
Net operating profit			6,103	6,103
Total comprehensive income for the year			6,103	6,103
Transactions with owners			-	-
Dividend paid on 6 September 2019			(1,155)	(1,155)
Unaudited closing balance as at 31 December 2019		25,000	54,097	79,097
Equity as at 1 July 2020		25,000	58,616	83,616
Net operating profit			5,918	5,918
Total comprehensive income for the year			5,918	5,918
Transactions with owners			-	-
Dividend paid on 4 September 2020			(878)	(878)
Unaudited closing balance as at 31 December 2020		25,000	63,656	88,656

These statements are to be read in conjunction with the notes to the financial statements

Statement of financial position

As at 31 December 2020 in \$000s

	Note	Unaudited as at 31 December 2020	Audited as at 30 June 2020
Assets			
Financial assets			
Receivables		5	-
Cash and bank balances		323,854	165,826
Marketable securities		613,360	589,124
Deposits		640,500	499,824
Derivatives in gain		913,793	1,018,775
Loans	6	12,319,999	10,899,756
Non-financial assets			
Prepayments		963	642
Other assets	11	471	419
Total assets		14,812,945	13,174,365
Equity			
Share capital	13	25,000	25,000
Retained earnings		57,738	58,616
Total comprehensive income for the period		5,918	-
Total equity		88,656	83,616
Liabilities			
Financial liabilities			
Payables and provisions		909	706
Bills	7	612,111	647,021
Bond repurchases	10	36,935	202,755
Derivatives in loss		41,351	19,075
Bonds	8	13,811,478	12,038,468
Borrower notes	9	221,088	182,272
Non-financial liabilities			
Other liabilities		417	453
Total liabilities		14,724,289	13,090,749
Total equity and liabilities		14,812,945	13,174,365

These statements are to be read in conjunction with the notes to the financial statements

Statement of cash flows

For the six months ended 31 December 2020 in \$000s

	Note	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Cash Flow from Operating Activities			
Cash applied to loans		(1,420,594)	(847,625)
Interest paid on bonds issued		(212,221)	(184,896)
Interest paid on bills issued		(1,149)	(3,498)
Interest paid on borrower notes		(137)	(48)
Interest paid on bond repurchases		(599)	(278)
Interest received from loans		77,156	117,942
Interest received from cash & cash equivalents		377	215
Interest received from marketable securities		5,376	1,711
Interest received from deposits		2,978	1,534
Net interest on derivatives		139,963	75,341
Payments to suppliers and employees		(4,177)	(4,270)
Cash proceeds from provision of standby facilities		5	-
Net cash flow from operating activities	12	(1,413,023)	(843,872)
Cashflow from Investing Activities			
Purchase of marketable securities		(27,701)	3,734
Purchase of deposits		(140,161)	(164,334)
Net Cashflow from Investing Activities		(167,862)	(160,600)
Cashflow from Financing Activities			
Cash proceeds from bonds issued		2,026,534	1,137,733
Cash proceeds from bills issued		(34,910)	(100,489)
Cash proceeds from bond repurchases		(165,546)	(23,570)
Cash proceeds from borrower notes		37,876	10,882
Dividends paid		(878)	(1,155)
Cash applied to derivatives		(124,161)	(29,729)
Net Cashflow from Financing Activities		1,738,914	993,672
Net (Decrease) / Increase in Cash		158,029	(10,800)
Cash, Cash Equivalents and Bank overdraft at beginning of year		165,826	56,198
Cash, Cash Equivalents and Bank overdraft at end of year		323,854	45,398

These statements are to be read in conjunction with the notes to the financial statements

1 Statement of accounting policies

a. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 26 February 2021.

b. Statement of compliance

The interim financial statements are for the six months ended 31 December 2020 and are to be read in conjunction with the annual report for the year ended 30 June 2020.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

c. Basis of preparation

Accounting judgements, estimates and assumptions

The judgements, estimates and assumptions used to prepare these interim financial statements are consistent with those used at 30 June 2020.

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

d. Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit and bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets

Property, plant and equipment (PPE)

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f. Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g. Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Other operating income

Other operating income is recognised as services are performed and the related performance obligations are fulfilled.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

i. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

2. Hedge accounting

LGFA is exposed to interest rate risk from fixed rate borrowing and variable rate lending to councils. LGFA uses interest rate swaps to manage this interest rate risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings and loans.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

in \$000s	Unaudited gain/(loss) for the six months ended 31 December 2020	Unaudited gain/(loss) for the six months ended 31 December 2019
Hedging instruments – interest rate swaps	635,001	465,184
Hedged items attributable to the hedged risk – fixed rate bonds	(635,001)	(465,184)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds or loans) are mapped to the same fair value account.

For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

3. Other operating income

in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Standby facilities fee income	5	-
Total other operating income	5	-

4. Issuance and on-lending expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Rating agency fees	311	301
NZDM facility fee	308	308
Legal fees – issuance	294	223
NZX	340	235
Trustee fees	50	50
Regulatory, registry, other fees	97	79
Approved Issuer Levy ¹	593	650
	1,993	1,846

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of certain LGFA bond maturities.

5. Operating expenses

Operating expenses are all other expenses that are not classified as issuance and on-lending expenses.

in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2019
Information technology	367	358
Consultants	16	52
Directors fees	200	199
Insurance	42	35
Legal fees	95	73
Other expenses	159	192
Auditors' remuneration		
Statutory audit	54	53
Advisory services	-	-
Personnel	1,012	889
	1,945	1,851

6. Loans

in \$000s	Unaudited as at 31 December 2020		Audited as at 30 June 2020	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	20,010	52,250	10,001	32,279
Auckland Council	-	3,215,451	-	2,766,155
Bay of Plenty Regional Council	-	232,150	-	192,077
Buller District Council	-	20,004	-	20,005
Canterbury Regional Council	6,002	64,145	6,002	48,129
Central Hawkes Bay District Council	-	20,108	-	20,107
Christchurch City Council	9,005	2,080,650	25,094	1,904,271
Clutha District Council	2,002	11,036	2,003	7,030
Far North District Council	-	56,714	10,001	46,686
Gisborne District Council	-	73,755	-	58,754
Gore District Council	6,011	23,554	6,004	16,538
Greater Wellington Regional Council	-	450,898	-	425,877
Grey District Council	3,991	15,144	3,967	15,196
Hamilton City Council	-	531,033	-	481,064
Hastings District Council	-	185,368	-	150,335
Hauraki District Council	-	49,104	-	44,102
Hawkes Bay Regional Council	-	8,821	-	2,507
Horizons Regional Council	6,993	37,202	6,987	37,199
Horowhenua District Council	16,003	90,213	16,003	90,618
Hurunui District Council	8,005	33,063	8,005	30,065
Hutt City Council	-	206,491	-	216,523
Invercargill City Council	25,013	78,698	25,013	65,165
Kaikoura District Council	-	5,014	4,007	3,008
Kaipara District Council	-	44,082	-	44,089
Kapiti Coast District Council	-	220,339	-	210,353
Manawatu District Council	11,523	72,687	11,519	65,669
Marlborough District Council	30,222	73,155	27,224	73,157
Masterton District Council	-	55,609	-	51,215
Matamata-Piako District Council	-	33,573	-	26,561
Nelson City Council	-	90,143	-	75,118
New Plymouth District Council	-	185,010	-	139,939
Northland Regional Council	-	14,148	-	9,729
Opotiki District Council	-	8,611	-	8,620
Otorohanga District Council	-	3,029	-	3,035
Palmerston North City Council	-	167,305	-	137,267

in \$000s	Unaudited as at 31 December 2020		Audited as at 30 June 2020	
	Short-term loans	Loans	Short-term loans	Loans
Porirua City Council	-	141,772	-	131,787
Queenstown Lakes District Council	25,025	120,481	20,027	95,525
Rangitikei District Council	-	3,020	-	3,020
Rotorua District Council	2,821	205,105	22,855	195,105
Ruapehu District Council	8,004	17,063	8,005	17,061
Selwyn District Council	-	60,117	-	35,092
South Taranaki District Council	-	107,214	-	101,232
South Waikato District Council	24,966	-	-	22,018
South Wairarapa District Council	-	22,020	-	-
Stratford District Council	-	22,774	-	15,571
Taranaki Regional Council	3,997	-	3,992	-
Tararua District Council	-	45,090	2,006	33,080
Tasman District Council	27,071	177,062	31,143	177,039
Taupo District Council	-	135,178	-	115,177
Tauranga City Council	19,986	566,724	-	526,768
Thames-Coromandel District Council	-	69,150	-	61,147
Timaru District Council	22,507	67,194	22,577	67,203
Upper Hutt City Council	-	57,120	2,993	46,108
Waikato District Council	-	95,201	-	95,222
Waikato Regional Council	-	32,079	-	32,085
Waimakariri District Council	-	160,529	-	160,550
Waipa District Council	15,805	57,113	13,503	40,053
Wairoa District Council	-	9,046	-	9,045
Waitaki District Council (WD)	2,498	12,517	-	-
Waitomo District Council	6,008	30,043	7,022	30,044
Wellington City Council	-	806,414	-	635,684
West Coast Regional Council	2,001	6,611	2,001	6,610
Western Bay Of Plenty District Council	-	90,183	-	90,212
Westland District Council	-	23,856	-	19,652
Whakatane District Council	-	78,185	-	67,178
Whanganui District Council	7,506	104,295	7,510	94,290
Whangarei District Council	9,994	165,317	9,992	142,301
	322,970	11,997,029	315,456	10,584,299

As at 31 December 2020, \$1,920 million of loans are due to mature within 12 months. This comprises all short-term loans and \$1,597 million of loans.

7. Bills on issue

Unaudited as at 31 December 2020 in \$000's	Face value	Unamortised premium	Accrued interest	Total
6 January 2021	20,000	-	(1)	19,999
15 January 2021	140,000	-	(16)	139,984
5 February 2021	25,000	-	(8)	24,992
10 February 2021	85,000	-	(30)	84,970
10 March 2021	50,000	-	(28)	49,972
15 March 2021	87,500	-	(58)	87,442
7 April 2021	25,000	-	(20)	24,980
15 April 2021	25,000	-	(20)	24,980
12 May 2021	55,000	-	(54)	54,946
9 June 2021	25,000	-	(32)	24,968
14 June 2021	25,000	-	(34)	24,966
14 September 2021	50,000	-	(88)	49,912
	612,500	-	(389)	612,111

Audited as at 30 June 2020 in \$000's	Face value	Unamortised premium	Accrued interest	Total
8 July 2020	110,000	-	(21)	109,979
17 July 2020	58,500	-	(31)	58,469
22 July 2020	12,000	-	(9)	11,991
6 August 2020	225,000	-	(102)	224,898
12 August 2020	75,000	-	(79)	74,921
9 September 2020	50,000	-	(59)	49,941
7 October 2020	17,000	-	(36)	16,964
11 November 2020	50,000	-	(63)	49,937
9 December 2020	25,000	-	(37)	24,963
15 December 2020	25,000	-	(43)	24,957
	647,500	-	(479)	647,021

8. Bonds on issue

Bonds on issue do not include \$950 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 10: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2020 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 May 2021	1,450,000	8,241	11,296		
14 April 2022	1,605,000	25,268	9,579		
15 April 2023	1,660,000	58,789	19,564		
15 April 2024	1,348,000	11,809	6,499		
15 April 2025	1,469,000	(22,584)	8,657		
15 April 2026	1,150,000	7,139	3,696		
15 April 2027	1,426,000	76,592	13,751		
20 April 2029	952,000	(4,577)	2,864		
14 April 2033	1,130,000	34,748	8,584		
15 April 2037	570,000	3,894	2,443		
Total fixed interest	12,760,000	199,318	86,933	635,001	13,681,252
Floating rate notes					
14 October 2022	130,000	(45)	272	-	130,226
Total	12,890,000	199,272	87,204	635,001	13,811,478

As at 30 June 2020 in \$000's	Face value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 May 2021	1,450,000	19,259	11,111		
14 April 2022	1,155,000	16,630	6,769		
15 April 2023	1,550,000	55,449	17,935		
15 April 2024	1,248,000	6,717	5,908		
15 April 2025	1,409,000	(31,014)	8,152		
15 April 2026	1,000,000	763	3,156		
15 April 2027	1,326,000	56,918	12,554		
20 April 2029	692,000	(14,904)	2,042		
14 April 2033	1,030,000	8,706	7,683		
Total fixed interest	10,860,000	118,524	75,309	854,268	11,908,100
Floating rate notes					
14 October 2022	130,000	(58)	426	-	130,368
Total	10,990,000	118,465	75,735	854,268	12,038,468

9. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

10. Treasury stock and bond repurchase transactions

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2020, \$950 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 31 December 2020, bond repurchase transactions comprised:

Maturity date	Unaudited as at 31 December 2020	Audited as at 30 June 2020
15 May 2021	-	25,970
14 April 2022	-	25,196
15 April 2023	-	27,670
15 April 2024	-	25,139
15 April 2025	21,901	22,135
15 April 2026	-	-
15 April 2027	-	31,145
20 April 2029	-	22,899
14 April 2033	-	22,600
15 April 2037	15,034	-
	36,935	202,755

11. Other assets

	Unaudited as at 31 December 2020	Audited as at 30 June 2020
Intangible assets ¹	230	306
Right-of-use lease asset	241	113
Total	471	419

1. Intangible assets comprise acquired and internally developed software costs incurred on the implementation of LGFA's treasury management system.

12 Reconciliation of net profit to net cash flow from operating activities

For the year ended 30 June in \$000s	Unaudited six months ended 31 December 2020	Unaudited six months ended 31 December 2020
Net profit/(loss) for the period	5,948	6,103
Cash applied to loans	(1,420,594)	(847,625)
Non-cash adjustments		
Amortisation and depreciation	1,937	(1,700)
Working capital movements		
Net change in trade debtors and receivables	149	(248)
Net change in prepayments	(321)	(259)
Net change in accruals	(143)	(143)
Net Cash From operating activities	(1,413,023)	(843,872)

13 Share Capital

As at 31 December 2020, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

Shareholder information

Registered holders of equity securities as at 31 December 2020	31 December 2020		30 June 2020	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames - Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	100%	45,000,000	100%

14 Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 13.

LGFA operates under an annual Statement of Intent with the respective local authorities that sets out the intentions and expectations for LGFA's operations and lending to participating local authorities.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating councils.

The lending to individual councils is disclosed in note 6, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by councils who borrow from LGFA is disclosed in note 9.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Other disclosures

Net Tangible Assets

Net tangible assets per \$1,000 of listed bonds as at 31 December 2020 is \$6.86 (30 June 2020: \$7.09).

Directory Rārangi tauwaea



Postal address

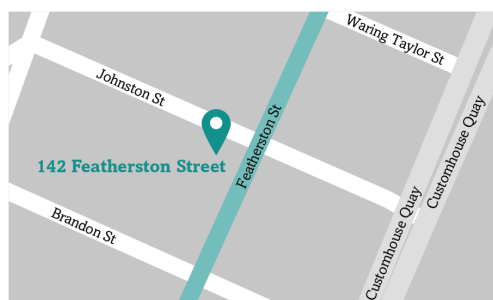
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RICCARTON HOUSE & BUSH
PŪTARINGAMOTU



Unaudited half year report to 31 December 2020

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU



RICCARTON BUSH TRUST

Background

These are the unaudited interim financial statements of the Riccarton Bush Trust ("the Trust"). The financial statements of the Trust are for the 6 months ended 31 December 2020. The financial statements were authorised for issue by the Trust Board on 24 February 2021.

The Trust was formed by an Act of Parliament and operates and manages Riccarton House and grounds together with Riccarton Bush. The key objectives of the Trust are to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history; and
- encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch.

Trustees

The persons holding office as Trustees for the year to date and at 31 December 2020 were:

Bob Shearing (Chairman)
Mike Mora (Deputy Chairman)
David Norton
Tim Deans
Jimmy Chen
Bob Lineham
Shirish Paranjape
Pippa Ensor

State of Affairs

For the six months ended 31 December 2020 the Trust made a deficit of \$53,952 compared to a deficit of \$13,473 for the six months to 31 December 2019.

Total income (including interest revenue) was \$317,079 against budget of \$335,500 (\$18,421 or 5% below budget). This was mainly a result of a lower than expected revenue from independent tours of \$6,611, door sales of \$1,864 and commission received from Local of \$2,422. These were primarily impacted by the border closure due to Covid-19 measures. In addition to this, the Ranger's house rent was lower than budget by \$4,164 because the house was unoccupied for a couple of months while the recruitment process of the new ranger was in progress. The house is now occupied and rent is back to normal levels. The decrease of this income is compensated by the decrease of rent expense so it had no actual impact on the profit of the Trust.

Operating expenses were \$287,635 against budget of \$335,500. This budget includes \$50,000 for exterior painting of the house, which is scheduled for 2022. Considering this, the operating expenses are \$2,135 above budget.

RICCARTON HOUSE & BUSH
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RICCARTON BUSH TRUST

Operational highlights

Carpet upgrade has been completely paid for and carpet is expected to be installed in April 2021

As a result of a CCC Metropolitan Grant a Cultural Design Strategy on Putaringamotu/Riccarton Bush was developed. The Trust has engaged Kamo Marsh and a concept plan for improved access and interpretation is underway

Major structural repairs to the Water Tower have been completed.

Due to severe corrosion and breakdown in the water supply from Kauri Street a new supply from Ngahere street has been installed.

An Acquisitions Policy has been developed which clearly details the acquisition, care and disposal of all gifted and purchased items.

Since the Covid-19 lockdown and the reduction in overseas visitors marketing to domestic travellers has increased.

Bush telegraph continues to be delivered to the local community on a quarterly basis

The Trust participated in the Heritage Festival offering guided Bush tours. Feedback was very positive.

Kidsfest proved very popular with a lantern walk through Riccarton Bush

One staff member completed the Level 4 Certificate in Museum Studies and another has commenced it. The Canterbury Museum provides sponsorship and support to this valuable professional development.

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RICCARTON BUSH TRUST

Statement of comprehensive revenue and expense

For the six months ended 31 December 2020

	Six months ended	
	31 December 2020	31 December 2019
	\$	\$
Revenue from operations	67,387	70,506
Other revenue	249,692	289,565
	<u>317,079</u>	<u>360,071</u>
Employee benefits expense	166,430	166,479
Depreciation and impairment	83,390	81,246
Projects cost	-	3,633
Other expenses	121,205	122,186
	<u>371,025</u>	<u>373,544</u>
Net deficit for the period	<u>(53,946)</u>	<u>(13,473)</u>
Income tax expense/(income)	-	-
Total comprehensive expense	<u>(53,946)</u>	<u>(13,473)</u>

The accompanying notes form part of and are to be read in conjunction with these financial statements.

RICCARTON BUSH TRUST

Statement of changes in equity

For the six months ended 31 December 2020

	Trust Funds	ACR&E*	Total equity
	\$	\$	\$
Balance as at 1 July 2019	15,124,415	1,096,699	16,221,114
Total comprehensive expense for the six months to 31 December 2019	-	(13,473)	(13,473)
Balance as at 31 December 2019	15,124,415	1,083,226	16,207,641
Total comprehensive expense for the six months to 30 June 2020	(50,015)	115,657	65,642
Balance as at 30 June 2020	15,074,400	1,198,883	16,273,283
Total comprehensive expense for the six months to 31 December 2020	-	(53,946)	(53,946)
Balance as at 31 December 2020	15,074,400	1,144,937	16,219,337

*Accumulated comprehensive revenue and expense.

The accompanying notes form part of and are to be read in conjunction with these financial statements.

RICCARTON BUSH TRUST

Statement of financial position

As at 31 December 2020

	31 December 2020 \$	30 June 2020 \$
Current assets		
Cash and cash equivalents	229,377	322,431
Receivables from exchange transactions	41,920	19,676
Receivables from non-exchange transactions	-	3,925
Inventories	1,837	1,709
GST receivable	9,516	-
Total current assets	282,650	347,741
Non-current assets		
Property, plant and equipment	15,990,099	15,981,860
Total non-current assets	15,990,099	15,981,860
Total assets	16,272,749	16,329,601
Current liabilities		
Payables under exchange transactions	17,046	19,248
Provisions	30,357	29,878
Finance lease liability	935	1,782
Income in advance	-	336
Total current liabilities	48,338	51,244
Non-current liabilities		
Finance lease liability	5,074	5,074
Total long term liabilities	5,074	5,074
Total liabilities	53,412	56,318
Net assets	16,219,337	16,273,283
Equity		
Trust funds	15,074,400	15,074,400
Accumulated comprehensive revenue and expense	1,144,937	1,198,883
Total equity	16,219,337	16,273,283

The accompanying notes form part of and are to be read in conjunction with these financial statements.

For and on behalf of the Board of Trustees, which authorised the issue of the financial report on:

Date

24/02/21

Chairman (Bob Shearing)

pp. M. Mora *Mike Mora, Acting Chairman*

Manager (Shona Willis)

Shona Willis

RICCARTON HOUSE & BUSH
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RICCARTON BUSH TRUST

Statement of cashflows

For the six months ended 31 December 2020

	Six months ended	
	31 December 2020	31 December 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers and donations	78,723	184,924
Contributions from Christchurch City Council	230,199	181,550
Interest income	371	1,235
Payments to employees and suppliers	(304,595)	(303,616)
Net GST movement	(7,333)	4,297
Net cash flow from operating activities	(2,635)	68,390
Cash flows from investing activities		
Purchase of property, plant and equipment	(89,572)	(117,346)
Net cash flow from investing activities	(89,572)	(117,346)
Cash flows from financing activities		
Establishment/(Payment) of finance lease	(847)	(694)
Net cash flow from financing activities	(847)	(694)
Net (decrease)/increase in cash and cash equivalents	(93,054)	(49,651)
Opening cash and cash equivalents	322,431	249,366
Represented by:		
Cash and cash equivalents	229,377	199,715

The accompanying notes form part of and are to be read in conjunction with these financial statements.

RICCARTON BUSH TRUST

Statement of Objectives and Performance

For the six months ended 31 December 2020

The following lists the financial and operating performance targets set by the Trust in its Statement of Intent for the year to 30 June 2020 and summarises the Trust's performance against the objectives for the period to date.

Financial Performance Targets

	Six months ended 31 December			
	2020	2020	2020	2020
	Actual	Target	Variance	FY Target
	\$	\$	\$	\$
Operating Revenue	317,079	335,500	(18,421)	671,000
Less Operating Expenses	287,635	335,500	47,865	671,000
Operating surplus (deficit) before depreciation	29,444	-	29,444	-
Capital structure - total equity	16,219,337	15,895,000	324,337	15,895,000
Capital structure - total debt	nil	nil	nil	nil

The above targets relate to operating revenue and operating expenses and do not include depreciation and project costs of \$83,390.

Project Performance Targets

Target		Performance Measure 2020/21	Actual 2020/21
1.	Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015	<ul style="list-style-type: none"> Report to each Board meeting Target results for all Trust activities, of: <ul style="list-style-type: none"> Serious Harm incidents = 0 Accident = 1 Near Misses = 3 	Health and Safety meetings are held each month and a report is submitted to each Board meeting. Serious Harm incidents = 0 Accident = 0 Near Misses = 0
2.	Refit and upgrade the external public toilets (deferred from 19/20)	Completed by 30 June 2021	Planning has commenced and works are scheduled for completion prior to 30 June.
3.	New Antiques and Furnishings	Jane Deans' Fire Surround fully conserved and on display by March 2021	Initial contact with the Conservator has been made.

RICCARTON BUSH TRUST

Environmental and Social Performance Targets

Target		Performance Measure 2020/21	Actual 2020/21
1.	Monitoring and management of rodent activity in Riccarton Bush	Effective management of bait stations resulting in observable decrease in activity	There is evidence of rodent activity in the Bush. Improvements have been made to type of traps and bait used.
2.	Bush Enhancements - Replacement Board Walk	Working Drawings completed by February 2021 Fundraising commenced by June 2021	Kamo Marsh have been engaged to lead the design of the enhancement works. A detailed concept plan will be available late May. Fundraising commenced December 2020

Notes to the interim financial statements for the six months ended 31 December 2020

Basis for preparation and Statement of Compliance

These are the unaudited interim financial statements of the Trust. The Trust operates under the Riccarton Bush Act 1914 and is a Council Controlled Organisation under the Local Government Act 2002. The Trust manages property in Riccarton. The property consists of Riccarton historic house, cottage and grounds, a residential house and conservation bush.

The major source of income is from an operating levy and an additional grant received annually from the Council and from grants and donations and rents from use of the properties.

The primary purpose of the Trust is to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history; and
- encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The interim financial statements for the six months ended 31 December 2020 have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- (a) the Trust is not publicly accountable; and
- (b) the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1 reporting.

RICCARTON HOUSE & BUSH
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RICCARTON BUSH TRUST

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements as at 30 June 2020.

Significant Accounting policies

Changes in Accounting Policies and Disclosures

There have been no significant changes in accounting policy since 30 June 2020.

Significant related party transactions

The Trust requires the Council to contribute a significant amount of funds towards its operating costs to deliver its objectives as specified in the Riccarton Bush Act.

During the six months to 31 December 2020, the Trust received \$231,963 (2019: \$180,300) in operational grants and levies from the Council.

The Trust owes Council \$nil as at 31 December 2020 (2019: \$nil).

The Council owes the Trust \$nil as at 31 December 2020 (2019: \$nil).

Contingencies

The Trust has no contingent assets or liabilities as at 31 December 2020.

Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.



Unaudited Half Year Report

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2020



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DIRECTORY

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

Address

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Little River
Banks Peninsula 7546

Trustees

Andrew Turner
Bob Webster
Bryan Storey
Cynthia Roberts
Maureen McCloy
Paul McNoe
Richard Suggate

Bankers

Bank of New Zealand

Auditors

Audit New Zealand on behalf of the Auditor General

Email

manager@roddonaldtrust.co.nz

Website

www.roddonaldtrust.co.nz



ROD DONALD BANKS PENINSULA TRUST NON-FINANCIAL PERFORMANCE TARGETS

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2020

Indicator 1. The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnerships.	
Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project, and action those that are deemed a priority.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Project to create first Geo site on Banks Peninsula supported with grant funding to Te Pātaka Rākaihautū Banks Peninsula GeoPark Trust. <p>IN PROGRESS</p> <ul style="list-style-type: none"> Support for dealing with new pig infestation on southwestern Banks Peninsula. Support for Whakaraupō Helping Hands project proposed by Te Hapū o Ngāti Wheke to improve biodiversity in the Whakaraupō area.
Make submissions to relevant policy documents in support of the pillars.	<p>NOT APPLICABLE</p> <ul style="list-style-type: none"> No relevant policy documents released
Indicator 2. Provide leadership and tangible support for the projects achieving Access through implementing the CCC Public Open Space Strategy	
A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Secured a Sale and Purchase agreement for 500ha of land in the Lyttelton Harbour to secure public access on for several existing tracks in the Te Ara Pātaka network that currently cross private land. These tracks are a key route in the Public Open Space Strategy. The land will come into the Trust's ownership on July 1 2021 and become the Te Ahu Pātiki conservation park with free walking and biking access.
Te Ara Pātaka is nationally recognised as a walking route from Christchurch to Akaroa with a network of track connections.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Te Ara Pātaka given national profile during launch of Te Ahu Pātiki project
The Head to Head Walkway connecting Godley Head to Adderley Head is completed as a continuous and principally coastal pathway around Lyttelton Harbour.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Attendance at Head to Head Working Party meetings Work in progress to create new access across private land
Unformed legal roads are valued and effective as a delivery tool for walking and biking.	<p>NOT YET ACHIEVED</p> <ul style="list-style-type: none"> Seminar with Council staff planned for second half of year

ROD DONALD BANKS PENINSULA TRUST NON-FINANCIAL
PERFORMANCE TARGETS



Indicator 3. Provide tangible support for biodiversity	
Increase protection for areas with high biodiversity value in conjunction with public walking/cycling access; purchasing land if necessary.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Sale and Purchase agreement for Te Ahu Pātiki in place to protect 500ha of land for biodiversity in conjunction with, creating a 1700ha eco-corridor of protected land and ki uta ki tai (summit to sea protection)
Active support for Banks Peninsula Conservation Trust's Ecological Vision goals to protect all old-growth forest remnants of more than 1ha, examples of all rare ecosystems and four indigenous forest areas of more than 1000ha each.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Securing Te Ahu Pātiki creates potential for an indigenous forest area of more than 1000ha Banks Peninsula Conservation Trust supported with grant funding for volunteer co-ordinator
Support the Pest Free Banks Peninsula group in its work toward Banks Peninsula being effectively free of pest animals.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Trust participates in Pest Free Banks Peninsula project management group
Address the Climate and Ecological Emergency through encouraging native biodiversity to regenerate on a landscape scale, assisted by its income from carbon sequestration where possible.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Co-ordinating Banks Peninsula Native Forest group meeting with MPI and elected representatives Research on registration of natural regeneration on Te Ahu Pātiki
Indicator 4. Provide tangible support for projects building the Knowledge pillar, and leadership around walking access knowledge.	
Trails are used to educate people and connect them to the natural environment and mātauranga Māori with the aim of building environmental guardians.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Working in partnership with Te Hapū o Ngāti Wheke to incorporate mātauranga Māori into Te Ahu Pātiki management plan
Regularly publish and update material on the walking and biking trails and work with other agencies to enhance their publications.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Banks Peninsula Walks website updated Akaroa Country Walks brochure updated
Develop methods to transfer knowledge through events, on-line information channels and support for a Banks Peninsula Geopark.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Banks Peninsula Walking Festival ran over four weekends in November 2020 with guided walks promoting knowledge Banks Peninsula GeoPark supported with grant funding to create first GeoSite
Promote information about the biodiversity, culture, heritage and geology of Banks Peninsula and its potential for carbon sequestration.	<p>ACHIEVED</p>

ROD DONALD BANKS PENINSULA TRUST NON-FINANCIAL
PERFORMANCE TARGETS



	<ul style="list-style-type: none"> Storehouse Stories newsletter published in October 2020 with information about biodiversity and carbon sequestration
Indicator 5. Provide tangible support for and work with a range of partners	
Working in partnership with others to achieve greater outcomes than we could individually.	<p>ACHIEVED</p> <ul style="list-style-type: none"> Steering group setting up Te Ahu Pātiki conservation park is a new partnership between the Trust, Te Hapū o Ngāti Wheke and Orton Bradley Park
Relationships with key stakeholders are formalised with appropriate agreements and delivering as agreed.	<p>ACHIEVED</p> <ul style="list-style-type: none"> MOU in place with Geo Park Trust <p>IN PROGRESS</p> <ul style="list-style-type: none"> MOU regarding Te Ahu Pātiki in development with Te Hapū o Ngāti Wheke and Orton Bradley Park
Ngāi Tahu's role as kaitiaki is acknowledged and supported through productive partnerships with Papatipu Rūnanga on Te Pātaka o Rākaihautū	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Ngāi Tahu's role as kaitiaki is acknowledged and supported through productive partnership with Te Hapū o Ngāti Wheke regarding new Te Ahu Pātiki conservation park
A mutually supportive partnership with Christchurch City Council recognising the Trust as an effective delivery vessel.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> Work continuing with Christchurch City Council to secure Trust's longer term future through renewed funding allocation in Long Term Plan



FINANCIAL PERFORMANCE TARGETS

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

	TARGET NOTES	DEC - 20 TARGET	DEC - 20 ACTUAL	DEC - 20 VARIANCE	JUN - 21 TARGET
Financial Performance Targets					
Operating Surplus/(deficit)					
Revenue	1	30,620	234,036	203,416	61,240
Trust Management	2	(47,277)	(38,435)	8,842	(94,554)
Operating Costs	3	(47,743)	(59,369)	(11,626)	(95,486)
Operating Surplus/(deficit)		(64,400)	136,232	200,632	(128,800)
Opening Funds	4	2,148,149	2,236,458	(88,309)	2,148,149
Operating Surplus/(deficit)		(64,400)	136,232	200,632	(128,800)
Strategic grants and project expenditure	5	(655,000)	(162,998)	492,002	(1,310,000)
Closing balance		1,428,749	2,209,691	780,942	709,349



FINANCIAL PERFORMANCE TARGETS NOTES

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

1. Revenue

Actual figures include - include interest on Trusts Term Deposits, Sales and substantial donations to the Te Ahu Patiki land purchase project. The Trust launched a fundraising campaign to support the purchase on October 29, 2020.

Explanation of Variance - Te Ahu Patiki donations account for \$191,665 of the revenue figure. This will be expended when the purchase completes in the next financial year.

2. Trust Management

Actual figures include - include the cost of the current management contract with Peninsula Projects, providing the Trust's operational management service.

Explanation of Variance - the focus of management work this year has been on the Te Ahu Patiki project which is coded under Strategic Project Expenditure as it is directed toward acquiring and setting up a capital asset. This accounts for \$8,842 of variance.

3. Operating Costs

Actual figures include - accountancy, insurance, audit fees, meeting costs, web hosting, strategic planning, minor projects (such as advocacy or web development), professional fees not separately budgeted, and the costs of goods and services sold. (Walking Products, Walking Festival and Rod Donald Hut) and operational grants to Orton Bradley Park and Banks Peninsula Conservation Trust.

Explanation of Variance - higher than forecast for the half year period because some major expenses including the Banks Peninsula Walking Festival and payment of the grant to Orton Bradley Park fell in the first half of the year.

4. Opening Funds

Actual figures include - reflects the Trust's available cash Includes cash on hand, term deposits, accounts receivables less accounts payable. Excludes inventory, property, plant, equipment, land held for sale & intangibles.

Explanation of Variance - Opening balance was higher than expected as the Trust had not yet incurred costs with the Te Ahu Patiki land purchase in the previous year.

5. Strategic grants and project expenditure

Actual figures include - all other project grants and direct project spending. The actual figures include expenditure on the Te Ahu Patiki project and a grant of \$20,000 to the Te Pātaka o Rākaihautū Banks Peninsula GeoPark Trust.

Explanation of Variance - The forecast included completing the purchase of the Te Ahu Pātiki block. The expenditure in the first half year includes the deposit on this property. The purchase agreement now in place has a settlement date of July 1, 2021 and hence expenditure for the remainder of the year expected to be significantly lower than forecast, and will shift into 2021-22.



STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

	NOTES	JUL-DEC 2020	JUL-DEC 2019
Exchange Revenue			
Interest Income		20,772	30,922
Banks Peninsula Walking Festival 2019 income		-	10,822
Banks Peninsula Walking Festival 2020 income		7,520	-
Hut Fee Revenue		6,715	5,030
Te Ara Pataka 2 degrees tower lease income		3,500	3,500
Walking products		1,870	2,009
Woodhills South - Reimbursement from partners		-	3,206
Total Exchange Revenue		40,376	55,488
Total Exchange Revenue		40,376	55,488
Non-exchange revenue			
Donations		1,995	100
Te Ahu Patiki donations		191,665	-
Total Non-exchange revenue		193,660	100
Total Revenue		234,036	55,588
Expenses			
Operating Expenditure			
Trust Management Operational Contract		38,435	44,311
Operating Costs			
Administration Costs		12,191	12,599
Banks Peninsula Walking Festival 2019		-	10,463
Banks Peninsula Walking Festival 2020		10,042	-
BP Walks Website development		165	-
Depreciation		3,446	3,135
Hut operating and maintenance costs		8,504	10,818
Strategic Planning		886	158
Walking product minor update and production costs		1,551	1,285
Website hosting and minor updates		1,440	1,380
Total Operating Costs		38,225	39,838
Minor Projects			
Minor Projects		2,091	6,407
Total Minor Projects		2,091	6,407
Commitments to partners			
Grants (Commitments to partners)		22,500	22,500
Total Commitments to partners		22,500	22,500
Total Operating Expenditure		101,250	113,056

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES



	NOTES	JUL-DEC 2020	JUL-DEC 2019
Strategic grants and project expenditure			
Grants - Geopark Trust		20,000	-
Little River Biodiversity Land		-	1,500
Te Ara Pataka		11,509	19,161
Te Ahu Patiki Project		131,489	-
Total Strategic grants and project expenditure		162,998	20,661
Total Expenses		264,248	133,717
Surplus (Deficit)		(30,213)	(78,129)
Total Comprehensive revenue and expense		(30,213)	(78,129)

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



STATEMENT OF FINANCIAL POSITION

Rod Donald Banks Peninsula Trust As at 31 December 2020

	NOTES	31 DEC 2020	30 JUN 2020
Assets			
Current Assets			
Cash and cash equivalent		268,174	280,368
Receivables		17,550	19,441
Current Investments		1,438,853	1,810,000
Inventories		4,747	3,827
Total Current Assets		1,729,325	2,113,637
Non-Current Assets			
Intangible Assets		22,821	24,979
Property, plant and equipment		320,426	321,715
Long Term Deposit		350,053	-
Loan Investment		9,295	9,295
Total Non-Current Assets		702,596	355,989
Total Assets		2,431,920	2,469,626
Liabilities			
Current Liabilities			
Trade and Other Payables		10,167	17,659
Total Current Liabilities		10,167	17,659
Total Liabilities		10,167	17,659
Net Assets		2,421,754	2,451,966
Equity			
Retained Earnings		2,421,754	2,451,966
Total Equity		2,421,754	2,451,966

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



STATEMENT OF CHANGES IN EQUITY

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

	JUL-DEC 2020	JAN-JUN 2020	JUL-DEC 2019
Trust Capital			
Opening Balance	2,451,966	2,508,193	2,586,322
Comprehensive Revenue (Deficit) for the period	(30,213)	(56,226)	(78,129)
Total Trust Capital	2,421,754	2,451,966	2,508,193

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.



CASHFLOW STATEMENT

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

	DEC - 20	DEC - 19
Cashflows for the period		
Cash flows from operating activities		
Receipts from customers and other sources	209,560	33,615
Interest received	28,353	54,392
Payments to suppliers and employees	(269,216)	(149,490)
Net GST movements	(1,985)	(52,025)
Total Cash flows from operating activities	(33,288)	(113,508)
Cash flows from investing activities		
Payments for investments	(371,147)	(900,000)
Proceeds from investments	350,053	970,000
Total Cash flows from investing activities	(21,094)	70,000
Cash movement		
Net inflow / (outflow) of cash	(12,194)	(43,507)
Opening cash and cash equivalents	280,368	133,747
Closing cash and cash equivalents	268,174	90,240
Represented by		
Bank Deposits	268,174	90,240

These half year financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Notes.



NOTES ON THE INTERIM FINANCIAL STATEMENTS

Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2020

1. Statement of Compliance

These are the unaudited interim financial statements of the Rod Donald Banks Peninsula Trust ("the Trust"). The Trust was settled by the Christchurch City Council on 12 July 2010.

The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region.

The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pātaka O Rākaihautū – the storehouse that nourishes. In pursuit of this vision, the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula. On this basis, the Trust is classified as a not-for-profit public benefit entity for financial reporting purposes.

The interim financial statements for the six months ended 31 December 2020 have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice. They comply with the Tier 2 Not-for-profit PBE standards for periods beginning on or after 1 July 2014.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- the Trust is not publicly accountable; and
- the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements as at 30 June 2020.

2. Significant accounting policies

Changes in accounting policies and disclosures

There have been no significant changes in accounting policy since 1 July 2017 besides reclassifying the layout of the Statement of Comprehensive Revenue and Expense to align with the Annual report.

Contingencies

The Trust has no contingent liabilities as at 31 December 2020.

Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure up to the date of authorisation of these financial statements.

11. Civic Financial Services Statement of Intent 2020

Reference / Te Tohutoro: 20/1611566

Report of / Te Pou
Matua:

Linda Gibb, Performance Advisor, Finance and Commercial.

General Manager /
Pouwhakarae:

Diane Brandish, Acting General Manager, Finance and Commercial
(Acting CFO).

1. Brief Summary

- 1.1 The purpose of this report is to notify the Finance and Performance Committee of Civic Financial Services' (Civic's) Statement of Intent (SOI) for 2021. The report has been written following receipt of the SOI which is at **Attachment A** together with a covering letter from the Civic Board at **Attachment B**.
- 1.2 Civic's business has changed from a provider of insurance products and services to local government, to a provider of superannuation fund administration for local government employees. Its 2020 Annual Report has not yet been issued, but Civic confirms that funds under management now totals \$470 million from over 11,000 scheme members.
- 1.3 Civic is not a Council-controlled organisation (CCO). It is exempted pursuant to section 6(4)(f) of the Local Government Act 2002 (LGA) due to its former insurance activities which were governed by a separate, but now repealed Act of Parliament.
- 1.4 There are two major CCOs in the Council's stable of companies that are also exempted as CCOs by the LGA – Orion New Zealand and Lyttelton Port Company. However, these entities are subject to respectively, energy and port company-specific governing legislation which largely mirror the LGA's accountability provisions.
- 1.5 Although Civic is not CCO, it issues a SOI as a way of keeping shareholders informed of its performance. Unlike the LGA provisions for CCOs, Civic provides its SOI in final form; that is, it does not seek comments from shareholders. The LGA provisions for SOIs focus on accountability and transparency between shareholders and CCO boards.
- 1.6 Staff propose to raise the issue of removing Civic's exemption as a CCO in the LGA with the Crown with a view to the anomaly being rectified in the next LGA amendment bill.

Statement of Intent for the year ending 31 December 2021

- 1.7 The following table sets out Civic's forecast surplus in its current SOI against that in last year's SOI.

	2021 Forecast \$000	2022 Forecast \$000	2023 Forecast \$000
2021 SOI: Surplus before tax	349	416	397
2020 SOI: Surplus before tax	201	265	-
Difference	+148	+151	-

1.8 Civic has only two performance targets as follows:

- To provide superannuation services to at least 90% of local authorities; and
- To continue to be an efficient and effective administration manager for its LAPP, Riskpool, CLP and CPP schemes (former insurance schemes that are closed for new business, and which are being run out).

1.9 Staff are concerned that there are no performance measures at all for the superannuation schemes administered. At the very minimum we would expect Civic to measure the returns its funds earn (before fees) with the market. Staff propose to write to the Civic board requesting that in future it includes such a measure in its SOI.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes Civic Financial Services' Statement of Intent for 2021; and
2. Notes that staff intend to address the ongoing Council-controlled organisation exemption provided to Civic Financial Services in the Local Government Act 2002 and the need for a performance target measuring returns on its investment funds with market returns.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Civic Financial Services - Final Statement of Intent for 2021	218
B ↓	Civic Financial Services - Letter accompanying 2021 SOI	222

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Nil	Nil

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Len Van Hout - Manager External Reporting & Governance Bruce Moher - Head of Financial Management Diane Brandish - Acting General Manager Finance and Commercial (CFO)

CIVIC FINANCIAL SERVICES LIMITED
STATEMENT OF INTENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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1.0 Mission Statement

Mission Statement of Civic Financial Services Ltd
To provide superannuation and risk-financing solutions to the local government sector

2.0 Corporate Goals

The specific goals of the Company are:

- 2.1 To operate as a sound and successful business.
- 2.2 To be the primary supplier of superannuation and risk-financing services to the local government sector.
- 2.3 To investigate and facilitate, as appropriate, new products and markets in superannuation and risk-financing and such other markets that it believes could prove beneficial to its shareholders and the local government sector.

3.0 Nature and Scope of Activities

- 3.1 The Company administers superannuation services for local government and local government staff via SuperEasy and the SuperEasy KiwiSaver Superannuation Scheme.
- 3.2 The Company provides administration, accounting, and a range of other services to LAPP, Riskpool, CLP (Civic Liability Pool) and CPP (Civic Property Pool).
- 3.3 The Company investigates and facilitates as appropriate such new superannuation and risk-financing services and/or markets that it believes will prove beneficial to its shareholders and the local government sector.
- 3.4 In a modest and selective way the Company provides sponsorship for a range of local government activities at regional and national level.

Civic Financial Services Ltd

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4.0 Financial Projections

Civic's projected profit outlook over the next three years is shown in the tables below.

Civic's main revenue streams will come from two sources: fees from providing administration services and investment income.

Profits from providing administration services: Civic's primary source of income in 2021 will come from providing superannuation services for local government and local government staff via the SuperEasy and the SuperEasy KiwiSaver Superannuation Schemes, supported by administration, accounting, and a range of other services to LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.

Profits from investment income: Civic's income in 2021 other than from providing administration services will come solely from investment income.

Dividends: Civic has resolved not to pay any dividends to its shareholders. Civic with overwhelming support from the 2020 Special General Meeting, will apply the funds that could otherwise be provided as dividends to effect a reduction to the management fees for the members of the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. The reason for this decision is to support and enhance Civic's primary source of income from providing administration services to these schemes.

Fee reduction for our SuperEasy and SuperEasy KiwiSaver Superannuation Schemes: For the reasons described above we will be reducing the schemes' base investment management fee from 1 April 2021 from a rate of 0.44% per annum to 0.40% per annum. This reduced fee structure has been taken into consideration and is reflected in the projections below.

Financial projections for 2021 to 2023 are:

	2021	2022	2023
Administration Income	\$2,443,312	\$2,525,085	\$2,537,487
Investment Income	\$103,175	\$107,000	\$112,000
Revenue	\$2,546,487	\$2,632,085	\$2,649,487
Expenses	\$2,197,367	\$2,216,512	\$2,251,994
Surplus before tax	\$349,120	\$415,573	\$397,493
Surplus after tax	\$251,367	\$299,213	\$286,195

Please note that these are projections, not firm predictions.

5.0 Performance Targets and Measures

- 5.1 We aim to provide superannuation services to at least 90% of local authorities.
- 5.2 We plan to continue to be an efficient and effective administration manager for LAPP, Riskpool, CLP and CPP.

6.0 Reporting to Shareholders

- 6.1 We will provide an audited annual report for the 2020 year by 30 April 2021.
- 6.2 We will provide a report on the first half of 2021 by 30 September 2021. The report will contain a review of the Company's operations during the half year and unaudited half-yearly accounts.

7.0 Acquisitions/Disposals

Any acquisition or disposal that is equivalent to 50% or more of the Company's assets will constitute a "major transaction" under the Company's constitution and approval of the shareholders will be sought in accordance with the constitution. Any acquisition that is equivalent to 25% or more but less than half of the Company's assets will constitute a "minor transaction" under the Company's constitution and consultation with shareholders will take place.

8.0 Transactions with Related Parties

The Company has 72 local authority shareholder members plus TrustPower (holding 1.22%). Local Government Superannuation Trustee Limited and Local Government Mutual Funds Trustee Limited are wholly owned subsidiaries of the Company. Because it is sharing management resources, the Local Authority Protection Programme (LAPP), Riskpool, CLP and CPP are also considered to be related parties. Transactions with shareholder members include risk-financing services and superannuation related financial services.

Charges to and from shareholder members will be made for services provided as part of the normal trading activities of the Company and its subsidiaries. Transactions with shareholder members are on a wholly commercial basis.

***** END *****

Civic Financial Services Ltd

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Dawn Baxendale
Chief Executive
Christchurch City Council
PO Box 237
CHRISTCHURCH 8140

18 December 2020

Dear Dawn,

Civic Financial Services - Statement of Intent for 2021

Please find enclosed your copy of Civic's Statement of Intent for 2021.

With the sale of Civic Assurance House and subsequent Special Dividend having concluded and been paid to our shareholders in August 2019 our income now comes from two sources, administration services and investment income. Civic's primary source of income in 2021 will come from providing superannuation services for local government and local government staff via the SuperEasy and the SuperEasy KiwiSaver Superannuation Schemes. This is supported by administration, accounting, and a range of other services to LAPP, Riskpool, Civic Liability Pool and Civic Property Pool.

Civic has resolved not to pay any dividends to its shareholders. Civic with overwhelming support from the 2020 Special General Meeting, will apply the funds that could otherwise be provided as dividends to effect a reduction to the management fees for the members of the SuperEasy and SuperEasy KiwiSaver Superannuation Schemes. The reason for this decision is to support and enhance Civic's primary source of income from providing administration services to these schemes.

For the reasons described above we will be reducing the schemes' base investment management fee from 1 April 2021 from a rate of 0.44% per annum to 0.40% per annum.

Civic (through its SuperEasy and/or SuperEasy KiwiSaver Scheme) provides superannuation services to 76 councils, has over 11,000 members and funds under management of over \$470 million. Of the councils that have a preferred provider for KiwiSaver, 70 out of 74 (94%) have appointed Civic.

Having been appointed in March 2006, after a long and successful tenure Mike Hannan has retired as a Director of Civic Financial Services with effect from 4 December 2020. Jo Miller, Chief Executive of Hutt City Council, has been co-opted by the Board to fill this casual vacancy and takes up her appointment as a Director of Civic Financial Services Ltd with effect from 18 December 2020. Jo is required to step down at the next Annual General Meeting but is able to be nominated for election in the usual way.

Thank you for your continued support and I look forward to working with you in 2021.

Yours sincerely,

Ian Brown
Chief Executive
Email: ian.brown@civicfs.co.nz

12. Christchurch City Holdings Ltd - Half year report for the period 1 July 2020 to 31 December 2020

Reference / Te Tohutoro: 20/1611721

Report of / Te Pou Linda Gibb, Performance Advisor, Resources / Paul Munro, Chief
Matua: Executive CCHL

General Manager /
Pouwhakarae: Diane Brandish, Acting General Manager, Resources.

1. Brief Summary

- 1.1 The purpose of this report is to advise the Committee of the half year performance results for the Christchurch City Holdings Ltd (CCHL) group of companies. The report has been written as a result of receiving the reports from CCHL on or before 28 February 2021 as required by the Local Government Act 2002.
- 1.2 Attached to this report are the following:
 - CCHL's cover report and each subsidiaries' RAG¹ report primarily designed to inform the Council and public of the progress of each company towards meeting its annual performance targets (**Attachment A**);
 - CCHL's Interim Report for the period July-December 2020 which was released to the market in February as required by the NZX (**Attachment B**); and
 - Christchurch International Airport Ltd's Interim Report for the period July-December 2020 which was released to the market in February as required by the NZX (**Attachment C**).

CCHL's Interim Report

- 1.3 The group's performance targets were set following the first COVID-19 lockdown in 2020 but prior to the resurgence in August. Of the performance targets that are noted as red (that the year-end target will not be achieved) and orange (that the year-end target is uncertain), several are related to ongoing COVID-19 impacts. In particular CIAL and Lyttelton Port have been impacted by the ongoing closure of international borders.
- 1.4 CCHL has recorded net profit after tax of \$26.3 million for the half year to December 2020. This compares with \$48.3 million for the half year to 31 December 2019. All of the subsidiaries have returned profits ahead of budget by relatively modest amounts excluding CIAL (discussed below). CCHL notes that it is on track to meet its dividend commitment to the Council of \$34 million for the full 2020/21 financial year.
- 1.5 CCHL has submitted a strategic update report to the Committee which is on the Public Excluded agenda of today's meeting.

CIAL's Interim Report

- 1.6 CIAL has returned net profit after tax of \$1.2 million compared with \$23.3 million in the prior half year ending December 2019, and against a budgeted loss of \$15.5 million for the six month period.
- 1.7 CCHL advises that the better than budget half year performance was due to the resilience and continued growth of the property portfolio, coupled with post lockdown domestic travel at

¹ RAG refers to red, orange, green categories of progress against targets.

levels much higher than anticipated, the use of the Novotel Christchurch Airport as a Managed Isolation Facility and a strong focus on managing core operating costs.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes the Christchurch City Holdings Ltd and Christchurch International Airport Ltd Interim Reports for the period 1 July – 31 December 2020.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A ↓	Christchurch City Holdings Ltd - Interim staff report and RAG status reports	225
B ↓	Christchurch City Holdings Ltd - Interim Report to Dec 2020	248
C ↓	Christchurch International Airport Ltd - Interim Report to Dec 2020	274

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Nil	Nil

Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Len Van Hout - Head of Business Partnership Bruce Moher - Head of Financial Management Diane Brandish - Acting General Manager Resources



Christchurch
City Holdings
Limited

Report for Council

Date: 25 February 2021

To: Dawn Baxendale, Chief Executive, Christchurch City Council

From: Leah Scales, CFO, Christchurch City Holdings

Subject: CCHL Group Half Year reporting – to 31 December 2020

Purpose

This report includes the following public reports:

1. CCHL Group Interim Report (unaudited) – for the half year to 31 December 2020
2. Christchurch International Airport Ltd (CIAL) Interim report (unaudited)– for the half year to 31 December 2020
3. Statement of Intent (Sol) progress dashboard reports for period ended 31 December 2020.

The CCHL Group and the CIAL Interim reports have both been released to the market via the NZX on during February 2021. This report is intended for submission to the 26 March 2021 meeting of the Finance and Performance Committee – **Public Agenda**.

Background

Section 64 of the Local Government Act 2002 requires all Council-Controlled Organisations (CCOs) to include a range of measures in their annual SOI, against which their performance may be judged.

Under the LGA Amendment Act 2019, all quarterly SOI Performance Reports delivered to CCHL by its subsidiary CCOs must also be delivered to CCC as the ultimate local authority owner [LGA s.66 (1) (b)], and published on the CCC public website [LGA s.66 (5)].

Orion and Lyttelton Port Company Ltd (LPC) are not defined as “CCOs” under the Local Government Act(section 6(4)), and are therefore exempt to the changes in the Act, however we have requested they continue to provide the same dashboard style report as our other subsidiaries.

This report contains a series of dashboard reports showing progress against Sol targets for each CCTO. These KPIs reflect measures that are included in the Sol’s for each company for the current year to 30 June 2020 (31 March 2020 for Orion). In relation to any targets that are tracking below target or likely not to make year-end target, a brief explanation is included.

This report is based primarily on the results for the period ended 31 December 2019 (Q2 for all subsidiaries except Orion New Zealand Ltd (Orion), which has a March balance date so reflects results for Q3).

Analysis

The ongoing financial challenges on the Group caused by COVID-19 continues to impact the Group result, but not as badly as originally forecast. As the challenges of a lack of tourism and freight logistics at our air and sea ports continue, our fibre, electricity and contracting companies continue to provide strong support to the Group and our wider community.

The group recorded a net profit after tax (NPAT) for the six months ended 31 December 2020 of \$26.3 million, compared with \$48.3 million in the equivalent period last year. Total operating revenue for the Group for the six month period was \$496 million compared to \$538 million for the same period last year.

The reduced group profit is reflective of the impact of COVID especially on our airport, where operating revenue was down 31% compared to the same (pre COVID) period last year. Orion also saw a reduction in its operation revenue compared to last year due to the commencement of its five year default price path under the regulatory framework that Orion operates.

LPC has shown a small increase in profit compared to last year, but this is well ahead of expectations considering the impact of the COVID on the Cruise industry, and supply chain volatility across the industry. The Group result has also been helped by strong operating performance by City Care, and Enable, with the later showing a 14% increase in revenue compared to last year, and the announcement of their first dividend to be paid this financial year.

The sale of Red Bus urban transport business to Ritchie's Ltd during the period, has reduced reported Group revenue for the period, due to the six months trading prior to sale now treated as a discontinued operation, where all the income and expenses from this part of the business are shown separately in the income statement. The sale of this business sees the end of an era with the removal of Red buses off Christchurch streets, however the decision to sell this business was made following the combined impact of loss of urban routes and the impact of COVID on Red Travel both having serious financial impact on the ongoing viability of the business.

The transfer of urban development agency work by DCL to Council owned entity ChristchurchNZ has resulted in a reduction in revenue for DCL as it is no longer receives Council funding, however the two agencies are working closely to ensure the sale of land held by DCL continues to make good progress.

Group assets for the same period (from December 2019 to December 2020), have increased to \$4,629m from \$4,415m, due mainly to:

- the continued property development programme by CIAL,
- the capital programme at Orion and LPC, and
- revaluation of net assets of LPC and Enable at last year end.

However, overall Group net assets have only slightly increased to \$1,872m from \$1,864m reflective of increased net debt of \$175m across the Group.

Dividends during the period have been received by Orion (\$26.8m), LPC (\$6.4m), City Care (2.7m), EcoCentral (0.5m) and RBL Property Ltd (\$17m – this includes \$15m of capital dividends). Whilst no interim dividend has been paid to Christchurch City Council in line with our statement of intent, we are on track to meet a full year commitment of \$34m.

Please read through the CCHL Group Interim Report for more detail/stories that show the continued contribution each subsidiary plays as a part of the CCHL Group in the areas of our other strategic pillars.

Recommendations

That the following reports be received:

- CCHL Interim Report for the period ended 31 December 2020
- Christchurch International Airport Ltd Interim Report for the period ended 31 December 2020
- Statement of Intent progress dashboard reports for period ended 31 December 2020



Leah Scales – CFO

Performance against Statement of Intent targets (financial year 2021)

Christchurch City Holdings Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial (Group)

SOI Measure	Target	Tracking	Comment on non-performance
Net Profit After Tax	\$5m		
Return on Average Equity	0.3%		
Equity / Total Assets	39%		
Net Debt / [Net Debt + Equity]	55%		
Dividends - Ordinary	\$18.8m		

Kaitiakitanga

SOI Measure	Target	Tracking	Comment on non-performance
Actively engage with subsidiaries to ensure strategic alignment with CCC expectations	Yes		
Receive regular strategic performance reports detailing financial, market and performance updates from the subsidiaries	Yes		
Meet regularly with subsidiary management, to review performance & strategic focus areas	Yes		
Receive business plans from each subsidiary by 31 May each year	Yes		
CCHL board will meet with the Chair and CEO of each subsidiary at least annually	Yes		
Encourage group participation in Emerging Technology and Innovation, CFO group, CEO group, Chairs and Audit Committee Chairs meetings	Yes		

Mana

SOI Measure	Target	Tracking	Comment on non-performance
Establish group performance targets relating to innovative, disruptive and new technologies	Yes		
Major matters of urgency are reported to CCC at the earliest opportunity	Yes		
Disclose any matters of material impact in line with the CCHL framework for continuous disclosure	Yes		

Sustainability

SOI Measure	Target	Tracking	Comment on non-performance
CCHL Group will prepare carbon energy management plan including a timeline to achieve a group target of being net carbon neutral	Yes		
CCHL Group will deliver and Integrated Reporting framework over the next three years	Yes		
CCHL will establish a sustainability framework for our debt funding programme aligned with our IGFF	Yes		

People

SOI Measure	Target	Tracking	Comment on non-performance
CCHL Group will continue to work towards a living wage for all direct employees, including investing in training and staff development programmes	Yes		COVID may impact on this target, exacerbated by increases in the assessed level of the Living Wage.
Trial an online platform aimed at sharing human capital expertise and experience	Yes		Te Whāriki platform launched and working successfully with all companies engaged including ChchNZ.
Follow a rigorous & documented process to appoint subsidiary Directors	Yes		
Actively monitor board diversity (considering all relevant diversity perspectives/measures) across the CCHL Group	Yes		

Conduct a Board effectiveness review every three years, next due in 2022	Yes		Next due in FY-2022.
Appoint at least 5 Associate Directors to CCHL and related company boards	Yes		Completed.

Performance against Statement of Intent targets (financial year 2021)

Christchurch International Airport Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Total Revenue	\$111.2m		
EBITDAF (Earnings Before Interest, Tax, Depreciation, Amortisation, and Fair value movements)	\$51.1m		
NPAT (Net Profit After Tax)	(\$17.7m)		
EBITDAF / Revenue	46%		
Return on Invested Capital	1.2%		
Equity / Total Assets	56.3%		
Debt / (Debt + Equity)	37.4%		
EBITDAF interest cover	2.1 times		
Free Funds Interest cover	2.3 times		
Free Funds / Debt	5.1%		
Dividends	\$nil		

Passenger Volumes

SOI Measure	Target	Tracking	Comment on non-performance
Domestic	2,860,433		
Tasman & Pacific Islands	506,272		No expectation of a Tasman bubble in FY21.
International	22,581		No expectation of wider border opening in FY21.
Total	3,389,286		

Carbon

SOI Measure	Target	Tracking	Comment on non-performance
Reduction in carbon emissions vs. FY-15 benchmark	20%		Currently 60% reduction from baseline year.
ACI ACA Level 2 certified	Yes		Complete (Level 4 Certified).

Percentage of CIAL road vehicle fleet that is EV or hybrid	80%		
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Waste

SOI Measure	Target	Tracking	Comment on non-performance
Work with airlines to achieve greater recycling of waste off aircraft	Yes		
Implement food court waste upgrades	Yes		On hold due to COVID.
Complete feasibility analysis for onsite processing of organic waste	Yes		Feasibility undertaken - determined to be viable from waste perspective but unviable economically. Further assessment required.

Energy

SOI Measure	Target	Tracking	Comment on non-performance
Domestic jet ground power stands commissioned	Yes		
Passenger terminal energy consumption reduced from FY-18 levels	10%		
Scope 1 emissions reduction vs. FY-15 baseline	90%		
ITB energy centre commissioned & operational	Yes		Complete.

Water

SOI Measure	Target	Tracking	Comment on non-performance
Accurate water metering devices installed re. passenger terminal use	Yes		
On-going compliance with NZ Drinking Water Standards (regular monitoring)	Yes		
Continue Environmental Compliance & Monitoring Programme	Yes		

Noise

SOI Measure	Target	Tracking	Comment on non-performance
Number of noise complaints per 10,000 aircraft movements (pa)	<=10		

Successful delivery of updated noise compliance contours to Ecan	Yes		Unsure of revised timing.
Successful implementation of the CIAL Noise Management Plan	Yes		
Offers of acoustic mitigation to noise-impacted properties currently eligible	Yes		

Land

SOI Measure	Target	Tracking	Comment on non-performance
Completion of the Canada Goose Tracking Masters programme	Yes		
Development of estate-wide sustainable development guidelines (for property portfolio)	Yes		

Health & Safety

SOI Measure	Target	Tracking	Comment on non-performance
Increased number of safety leadership conversations	Yes		
Active participation in safety leadership working group	Yes		
Incorporate Safety-II principles into Assurance Programme	Yes		
CIAL people and aviation safety assurance program delivered.	Yes		Annual programme.
Incremental increase in wellbeing measures in culture & engagement survey.	Yes		
Continued activation of Whare Tapa Wha wellness strategy	Yes		
Mental Health & Resilience Programme complete	Yes		

Community

SOI Measure	Target	Tracking	Comment on non-performance
Continued support for events for city benefit (i.e. Visitors, reputation, residents)	Yes		Limited due to COVID.
Support community initiatives & organisations through the CIAL Community Fund, etc	Yes		Community Fund on hold post-COVID.

Open stakeholder engagement & communication via Exec attendance at events, speeches, etc	Yes		
Actively involve staff in Corporate Social Responsibility initiatives (to enhance engagement)	Yes		

People

SOI Measure	Target	Tracking	Comment on non-performance
Improvements in leadership measures in annual Culture & Engagement survey	Yes		Achieved in latest survey.
Incremental improvement in leadership performance in performance reviews	Yes		
Improvements in participation & inclusion measures in annual Culture & Engagement survey	Yes		Achieved in latest survey.
Improvements in connection with purpose measures in annual Culture & Engagement survey	Yes		Achieved in latest survey.
Improvements in reward & recognition measures in annual Culture & Engagement survey	Yes		Minor decrease in latest survey.
Improved retention of critical future talent	Yes		
Activate Wawata Iwi fair employer charter (incl. new measures in annual staff survey)	Yes		

Performance against Statement of Intent targets (financial year 2021)

Orion New Zealand Limited

Quarter ended: **31 December 2020** (*third quarter for Orion*)

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Network delivery revenue	\$226m		
NPAT (Net Profit After Tax)	\$27m		
Dividends	\$30m		
NPAT / equity	4.1%		
Debt / (debt plus equity)	34%		Likely to increase to around to 36% due to required Electricity Authority delivery agreement changes, which require invoicing in arrears. This is expected to add c.\$20m to debt as at 31-Mar-21 year-end.
Equity / total assets	54%		

Network Reliability

SOI Measure	Target	Tracking	Comment on non-performance
SAIDI -- planned	40		
SAIDI -- unplanned	85		
SAIDI -- total	125		
SAIFI -- planned	0.15		
SAIFI -- unplanned	1.00		
SAIFI -- total	1.10		

* SAIDI = minutes of interruption per customer per year

* SAIFI = number of outages per customer per year

Network Development

SOI Measure	Target	Tracking	Comment on non-performance
Upgrade sub-transmission supply to Hawthornden zone substation	Yes		Expected 31 May 2021. COVID has delayed the delivery of the required 66kV circuit breakers.

Undertake a trial of new 11kV fault indication equipment on the underground cable network	Yes		
Upgrade 11kV underground network in the Springston and Rolleston areas	Yes		
Build and commission a new zone substation at Belfast and interconnect it with the existing 66kV subtransmission network and a new switching station to be built and a new switching station to be built and commissioned at Marshland (Mar-22)	Yes		

Sustainability

SOI Measure	Target	Tracking	Comment on non-performance
Set reduction targets for operational carbon emissions, including plans and timeframes to achieve them	Yes		
Report on climate-related risk exposures (Dec-20)	Yes		Complete – the TCFD report is available on Orion's website.
Support initiatives that help the community's long-term sustainability	Yes		
Investigate how to bring the network's resource consumption footprint into business decisions	Yes		
Keep SF-6 gas losses to below 0.8% per year	Yes		

New Technology

SOI Measure	Target	Tracking	Comment on non-performance
Build a data warehouse and implement data marts (Mar-21)	Yes		Complete.
Automate the enabling/disabling of network auto-reclose functions (Sept-21)	Yes		
Install a new digital voice radio network on Banks Peninsula (Sept-21)	Yes		

Increase the real time 'visibility' of the state of the low voltage network (Jun-21)	Yes		
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Health & Safety

SOI Measure	Target	Tracking	Comment on non-performance
Fewer than four events that did or could have resulted in serious injuries to employees or contractors	Yes		Five incidents year-to-date, one resulting in minor injury to two people. All were reported to Worksafe, resulting in two Duty Holder Reviews (both completed with no further actions required).
No event that did or could have resulted in serious injury to members of the public	Yes		
Improve how critical health and safety risks are managed	Yes		

People

SOI Measure	Target	Tracking	Comment on non-performance
Continue to develop future capability via the Orion development programmes	Yes		
Ensure that Connetics has sustainable industry competence via its apprentice and electrical training schemes	Yes		
Complete the first major phase of the people leadership programme (Dec-20)	Yes		Complete.
Complete the first major phase of the diversity and inclusion programme	Yes		
Support the wellbeing of employees	Yes		

Performance against Statement of Intent targets (financial year 2021)

Lyttelton Port Company Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Revenue	\$137m		
NPAT (Net Profit After Tax)	\$8.5m		
Equity / Total Assets	72%		
Interest Cover Ratio (ICR)	5 times		
Debt	\$193m		
Dividends	\$10m		Year-to-date dividends have been paid as forecast.

Operational

SOI Measure	Target	Tracking	Comment on non-performance
Gross Crane Rate (from MoT)	25		Rates are being affected by the disruption in the New Zealand supply chain flowing from the situation at the Ports of Auckland. Vessel omissions and scheduling continue to be an issue.
Ship Rate (from MoT)	65		As above.
Coal Load-out Rate (tonnes per day)	25,000		

People

SOI Measure	Target	Tracking	Comment on non-performance
Collect & report on gender and ethnicity statistics	Yes		
Design a LPC Leadership Programme	Yes		
Measure staff engagement & develop a targeted improvement plan	Yes		

Health & Safety

SOI Measure	Target	Tracking	Comment on non-performance
Notifiable injuries/incidents	0		Notifiable incidents are tracking above plan, but none are being investigated by WorkSafe and there have been no serious injuries.
TRIFR (Total Recordable Injury Frequency Rate) down 10%	5.4		
Safety Culture – measure & develop a targeted improvement plan	Yes		
Critical Risk – embed assurance programme	Yes		
Assurance – develop internal process based on ISO-45001	Yes		

Environmental

SOI Measure	Target	Tracking	Comment on non-performance
Carbon: Detailed Carbon Reduction Plan in place for first 5 year Period	Yes		Complete.
Waste: 5% increase in diversion rates (operational waste) from baseline FY18	Yes		
Biodiversity Positive: road map in place	Yes		
Responsible sourcing: Purchasing policy updated	Yes		
Reporting: Transition towards Integrated Reporting	Yes		

Performance against Statement of Intent targets (financial year 2021)

Enable Services Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Gross Telecomms Revenue	\$76.4m		
NPAT (Net Profit After Tax)	\$12.2m		
Total Assets	\$579.0m		
Debt	\$294.4m		
Equity	\$84.5m		
RPS (related to Crown funding, expiring May-21)	\$158.4m		
Equity / Total Assets	42.0%		
Dividends	\$13.5m		

Operational

SOI Measure	Target	Tracking	Comment on non-performance
Number of connections	127,623		
Connection SLA achievement	95%		
Total Network Availability	99.97%		

Environment

SOI Measure	Target	Tracking	Comment on non-performance
CO ₂ reduction	21%		
Corporate Waste Reduction (Average for Paper, Landfill Waste, Food and Stationery)	15%		

Health & Safety

SOI Measure	Target	Tracking	Comment on non-performance
TRIFR (recordable incident rate)	<=3		There were two recordable incidents in the quarter, and no serious harm injuries. There was one Notifiable Event during the period, for which

			Worksafe has taken no further action. All incidents have been investigated and appropriate corrective actions taken. Performance improvement plans are in place with contractors where required.
Significant Harm injuries incurred	Nil		
Site Visits (% of gross new connections)	>15%		

Performance against Statement of Intent targets (financial year 2021)

City Care Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Revenue	\$286.1m		
NPAT (Net Profit After Tax)	\$2.8m		
Return on Equity	5%		
Equity / Total Assets	51.7%		
Dividends	\$0.4m		

Kaitiakitanga

SOI Measure	Target	Tracking	Comment on non-performance
Positive year-on-year "Net Promoter Score" (minimum 5 key customers)	Yes		
Full compliance with legislative and regularity requirements	Yes		

Mana

SOI Measure	Target	Tracking	Comment on non-performance
Develop and implement new ideas that drive a benefit consistent with our values	> 4		

Sustainability

SOI Measure	Target	Tracking	Comment on non-performance
100% of new (non-operational) passenger vehicles purchased or leased to be hybrid or EV (excludes vehicles procured through	Yes		

acquisitions) (subject to vehicle availability)			
Annual reduction of company-wide greenhouse gas emissions normalised against annual turnover	5%		
No environmental prosecutions	Yes		
Fully measure waste going to landfill and set reduction targets	Yes		

People

SOI Measure	Target	Tracking	Comment on non-performance
Incidents requiring notification to WorkSafe	< 15		
WorkSafe investigations	< 1		
Proportion of workforce to be female	> 18%		
Action items related to 3 primary findings from 2020 employee survey on attitudes to diversity in the workforce	Yes		
Increase in youth in the workforce (higher % of staff under 25 years)	Yes		
Year on year improvement in staff engagement score	Yes		
Maintain current ISO-accredited systems	Yes		Achieved.
Collaborate with Social Enterprises	> 3		
Coordinate safe delivery of volunteer hours	> 15,000		

Apex

SOI Measure	Target	Tracking	Comment on non-performance
Positive Net Promoter Score	Yes		Achieved.
Identify new products or technologies to bring to market	2		

Performance against Statement of Intent targets (financial year 2021)

Eco Central Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Revenue	\$33.2m		
NPAT (Net Profit After Tax)	\$0.3m		
Total Assets	\$12.8m		
Equity	\$8.4m		
Debt	Nil		
Return on Equity	3.7%		
Dividends	Nil		\$500K dividend paid in October 2020.
Equity / Total Assets	66.4%		Ratio will be affected by new IFRS-16 requirements.

Operational

SOI Measure	Target	Tracking	Comment on non-performance
EcoDrop -- Investigate new initiatives for waste stream	>= 2		
EcoSort - MRF plant efficiency	75%		
EcoSort - Proportion of waste	12%		
EcoShop - number of customer sales (pa)	142,000		
EcoShop - tonnes diverted from landfill (pa)	8,000		Difficult to determine due to seasonal nature of business.

Health & Safety

SOI Measure	Target	Tracking	Comment on non-performance
TRIFR (recordable incidents per 200,000 hours worked)	<= 18		Year-to-date tracking above target.
Complete transition to ISO45001	Yes		Completed.

Sustainability

SOI Measure	Target	Tracking	Comment on non-performance
Reduce energy consumption of plant & machinery (kWh/tonne)	Yes		Reduced tonnage at EcoSort is driving greater kWh/tonne consumption.
Measure ECL carbon footprint	Yes		
Transition mobile plant to Bio-diesel	Yes		Completed.

Performance against Statement of Intent targets (financial year 2021)

Red Bus Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Revenue	\$16.6m		Operating business has been sold.
NPAT (Net Profit After Tax)	\$0.77m		
EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortisation)	\$2.7m		
Return on Equity	2.4%		
Return on Assets	2.3%		
Dividends	Nil		Dividends of \$17m have been paid to date.
Shareholders Funds	\$32.1m		Dividend payments have approximately halved shareholders funds.
Debt / Equity	4.3%	n/a	No debt on balance sheet.
Interest Cover	n/a	n/a	No debt on balance sheet.

Community

SOI Measure	Target	Tracking	Comment on non-performance
Work co-operatively with ECan to develop contractual business plan for Unit 3 to support and drive use of public transport	Yes		Complete – co-operative relationship maintained throughout the sale process.

Environment

SOI Measure	Target	Tracking	Comment on non-performance
Establish and Maintain Sustainability Framework	Yes		Mercedes 45s are being used on allowable routes.
Make Toitu certification practices a focus of business	Yes		Toitu cancelled on sale of business.
Encourage electric bus patronage on 29 Route	>= 5%	n/a	No longer applicable due to sale of business.

People

SOI Measure	Target	Tracking	Comment on non-performance
Zero Notifiable Events	Nil		
Work to a smooth transition for staff with route changes in Nov/Dec.	Yes		Complete.
Develop an appropriate transition plan for staff with other ChCh operators.	Yes		Complete.
Fully support EAP	Yes	n/a	No longer applicable due to sale of business.

Performance against Statement of Intent targets (financial year 2021)

Development Christchurch Limited

Quarter ended: **31 December 2020 (half-year)**

The current SOI can be found online at <https://www.cchl.co.nz>

Tracking on target	
Outcome uncertain / at risk	
Will not be achieved	
Annual Target – only assessable at year end	

Governance

SOI Measure	Target	Tracking	Comment on non-performance
DCL will wind up all operations and transition property development and related functions to ChristchurchNZ while retaining ownership of its existing land and strategic tourism destination investment assets	Yes		
DCL will progress the development of the existing land assets owned by DCL	Yes		
DCL does not intend to make any distributions	Yes		



Christchurch
City Holdings
Limited



Interim report 2021

July 2020-December 2020



A WHOLLY OWNED SUBSIDIARY OF CHRISTCHURCH CITY COUNCIL

Item 12
Attachment B



Additional images supplied by ChristchurchNZ.

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COVID-19 Update

Whether on the frontline of New Zealand's borders, providing essential services to the community, or keeping our people safe, the CCHL team has been working throughout the year to manage the impacts of COVID-19 and the risks it poses to our community. COVID-19 continues to be ever present and has impacted our businesses, as it has all businesses in some form or another globally. Protection of our staff, suppliers and customers is paramount, along with the wider communities we interact with, whilst our subsidiaries navigate the landscape to protect and enhance wealth.

Continuing impact on our bottom line

The first six months of the 2021 year has shown the impact of COVID-19, with our borders remaining closed impacting our tourism, freight, the way we work and the continued rebuild of our city. While challenging, those changes have also created some opportunities for the Group, with our community's increasing reliance on fibre and electricity, and the ability of our companies to react to both commercial and community need.

CCHL's strength comes from the ability to manage short term impacts by focusing on decisions over the long term. For a region that has been struck by three disasters in 10 years, we have learnt the hard way that you need to be ready for the unexpected, that black swan events are not so unusual, and that being resilient does not mean that we know how to react, it means we are prepared. While we know we are a long way from being business-as-usual for some of our entities, the short-term results and the benefit of Group diversity means we are confident that the Group will come back stronger.

Orion remains vigilant

As a lifeline utility, Orion's vigilance in managing its operations during the COVID-19 pandemic has been vital.

Separating its people into two operational teams without any physical contact called for an "out of the box" solution for those who needed a physically distant work station with access to headquarters functionality during lockdown. After establishing temporary work stations during the immediate response, Orion recognised the need for a long-term solution and upgraded its back-up off-site facilities at its Papanui substation to create a fully functional alternative operational base, which opened in May 2020.

Supply chain issues are now beginning to affect the arrival of some specialist equipment and this has resulted in some project delays. Demonstrating planning foresight, Orion has where possible, increased supplier orders and built extra supplies of essential items, such as power poles, which means it has ample supplies to undertake routine maintenance and emergency works and complete future planned projects.

Commitment to safe operation

Citycare Water continued to provide essential services to communities across New Zealand. Throughout COVID-19 the organisation's commitment has been to keep our team safe, with regular COVID-19 updates to staff provided as required.

Maintaining links with the world

While we aren't flying around the world at the moment, South Island produce certainly is. The Government's International Air Freight Capacity (IAFC) scheme has provided funding to airlines for freight flights to ensure our high value products get to the markets requiring them, as well as creating jobs for Kiwis as produce is harvested, prepared and transported.

Before the borders closed, more than 90% of air freight was carried in the holds of passenger aircraft. Christchurch Airport supported the bid from airlines to deliver a network that satisfied the demands on services of our exporters and their freight forwarder partners. And it's far from one-way traffic: incoming freight includes critical supplies including medical parts, medicines, artificial heart valves and componentry.





Kaitiakitanga

Given the importance of the roles we play in our economy and community, being good guardians for the future is one of the Group's key strategic focuses. Through this lens, CCHL seeks to make long-term investments that will benefit future generations, to understand and respond to the needs of our community – both now and over the long term, and to ensure we have the right foundations and support for local businesses and people to work, share and connect.

Investing in the future

The South Island's growing economy means LPC has needed new land to handle increasing volumes of export and import trade. To provide greater freight capacity LPC has completed another stage of the Te Awaparahi Bay reclamation, seeing Port land extend by 6 hectares to approximately 16 hectares of land reclaimed.

LPC has also opened New Zealand's first purpose-built cruise ship facility. The berth welcomed its first domestic cruise ship in November and has been in use for other inner harbour operations, including using the space for fishing vessels, Antarctic research vessels and some bulk cargo operations. While, due to the impacts of COVID-19, it may be some time before it is fully utilised, the berth is a long-term asset for Lyttelton Port.

Understanding community needs

Orion has launched a series of projects to gear its network up for the changing energy needs of our community. The Future Networks project involves understanding the future needs of its customers, how they might embrace new technology and interact differently with Orion's network as they change the way they generate, store, and use electricity in their daily lives and businesses.

A core aspect of the project is installing remote monitoring equipment to improve the data gathering and analysis of customer activity on Orion's low-voltage, street level network. This will enable Orion to understand and forecast usage patterns at a more granular level and make better informed decisions around operating and planning its network developments.

Supporting connections

In a time when the COVID-19 pandemic has highlighted the critical nature of having access to quality broadband, Enable is working to expand connections for the community. 125,000 Christchurch connections, often with several users per connection, are now benefitting from fibre broadband speeds, performance, and reliability. Approximately half of Enable's customers connected to or moved to speeds of 200Mbps or greater as they use more and more data. The importance of this vital infrastructure has never been more important as we faced and continue to recover from the impacts of COVID-19 throughout our region.

Protecting resources

In a first for the Southern Hemisphere, Citycare Water is using the latest technology to pinpoint temperature changes in water networks and reduce the risk of untreated water being discharged into the environment. Temperature profiling in wastewater pipes helps identify stormwater leaks into the sewer networks. Distributed Temperature Sensing Technology is in operation in several districts.

Constant adoption of new technology for sustainable and healthier outcomes is a key part of Apex Environmental's (subsidiary of Citycare Water) mantra. An example of this is The Greasebuster™, which enables the continuous removal of fat, oil and grease using a hydrophilic belt. Apex Environmental has recently installed this new technology in a wastewater treatment process for a food processor client.





Mana

We have a responsibility to act in a way that enhances the lives of our people and our broader community. From operating in a safe manner, to being a good neighbour, this means recognising the impacts made in every aspect of our work, and the array of opportunities we have to make a positive contribution, now and in the future.

Culture change focus

LPC has released an independent review into workplace culture, which has clearly laid out the need for cultural change at the Port. The independent review into workplace culture was commissioned by recently-appointed LPC Chief Executive Officer Roger Gray in May 2020 with the support of the LPC Board and led by Maria Dew QC.

LPC's Board, CEO Roger Gray and Executive Leadership Team have accepted and plan to implement all the review's 32 recommendations, including specialist training for all LPC's 600 staff on appropriate workplace conduct, improving diversity and inclusion in the workforce, improving accountability for poor staff conduct and reducing the 'them and us' barriers that exist between teams.

Modelling change

EcoCentral continues to promote recycling education in the wider community, presenting to an increasing number of community groups and advising businesses on recycling best practice and assisting with key information.

EcoCentral is also involved in a number of key advisory roles with the aim of improving recycling behaviours and the circular economy. Standardisation of recycling messaging for territorial authorities has been an important topic of discussion with MfE and WasteMINZ as they seek to establish acceptance guidelines that are adopted nationally, to improve residents understanding of what can and cannot be recycled.

The organisation is also championing the concept of product stewardship, aimed at holding suppliers to account for those products that are not easily recycled in the current environment, such as batteries, tyres and e-waste.





Being a good neighbour

Focusing on how we can not only reduce impacts, but enhance the lives of our community is an important guide to the way the Group works.

Residents and visitors can now walk, cycle, run or scooter directly from Norwich Quay in Lyttelton to Te Ana Marina, part of LPC's commitment to open the west side of the harbour as a space for the community to enjoy. The new pathway from Norwich Quay along Sutton Quay includes two crossings, creating a direct link from Lyttelton to Te Ana Marina, Canterbury's only walk-on floating marina.

In an initiative driven by the LPC Environmental team, new broadband alarms on straddles have replaced tonal alarms to help LPC reduce the overall port noise. The broadband alarms work by producing white noise across several frequencies, and while they are as loud as the previous tonal alarms, they are not as obvious at a distance, causing less disturbance in the community.

Cyber security boosted

A series of recent, high-profile cyber attacks have highlighted the need for businesses to have very robust protection systems. Working closely with technology partner, Spark, Orion installed a new-generation, threat intelligence service that provides improved visibility, reporting and protection against the more than 1,000 potential cyber threats the organisation fends off each week. The upgrade substantially increases Orion's cyber security capability and allows Orion to tap into the knowledge and experience of a worldwide threat intelligence community.

Community support

Working to enrich our communities often goes beyond the direct projects the Group is involved in. Citycare Property has worked with the Student Volunteer Army (SVA), Live in Vacant Spaces (LiVS) and Land Information New Zealand (LINZ) to transform a disused cul-de-sac in Christchurch's red zone into a vibrant and colourful learn-to-ride bike track.

Award-winning contribution

Citycare has also been recognised in several awards that acknowledge staff, expertise and community contribution. These include: Winner of the South & East Excellence in Community Contribution Award (Westpac Auckland Business Awards, December 2020); Highly Commended in the social impact award at Building Nations Gala dinner – Infrastructure New Zealand; Highly Commended at Diversity Works Awards Tomorrow's Workforce Award and Winner, Best Loo (Hunua Falls) in the Keep NZ Beautiful Awards.



Kai for the
community

In South Auckland, Citycare Property is supporting the Garden to Table not-for-profit organisation. The team has built massive garden planters, using recycled timber, for several low-decile schools. Garden to Table's mission is for kids to get their hands dirty and learn to grow, harvest, prepare and cook fresh, seasonal food. The charity provides resources for teachers and the kids to practise their skills in the school gardens.



Financial

The ongoing financial pressures for the Group caused by COVID-19 continues to impact the Group result, but not as badly as originally forecast. As the challenges of a lack of tourism and freight logistics at our air and sea ports continue, our fibre, electricity and contracting companies continue to provide strong support to the Group and our wider community.

The Group recorded a net profit after tax (NPAT) for the six months ended 31 December 2020 of \$26.3 million, compared with \$48.3 million in the equivalent period last year. Total operating revenue for the Group for the six month period was \$496 million, compared to \$538 million for the same period last year. The reduced group profit is reflective of the impact of COVID-19 especially on our airport, where operating revenue was down 31% compared to the same (pre COVID) period last year. Orion also saw a reduction in its operation revenue compared to last year due to the commencement of its five year default price path under the regulatory framework that Orion operates.

LPC has shown a small increase in profit compared to last year, but this is well ahead of expectations considering the impact of the COVID-19 on the cruise industry, and supply chain volatility across the industry. The Group result has also been helped by strong operating performance by City Care, and Enable, with the later showing a 14% increase in revenue compared to last year, and the announcement of their first dividend to be paid this financial year.

The sale of Red Bus urban transport business to Ritchies Ltd during the period, has reduced reported Group revenue for the period, due to the six months trading prior to sale now treated as a discontinued operation, where all the income and expenses from this part of the business are shown separately in the income statement. The sale of this business sees the end of an era with the removal of red buses off Christchurch streets. However, the decision to sell this business was deemed necessary following the combined impact of loss of urban routes and the impact of COVID-19 on Red Travel both having serious financial impact on the ongoing viability of the business.

The transfer of urban development agency work by DCL to Council owned entity ChristchurchNZ has resulted in a reduction in revenue for DCL as it no longer receives Council funding. The two agencies are working closely to ensure the sale of land held by DCL continues to make good progress.

Group assets for the same period have increased to \$4,629m from \$4,415m, due mainly to:

- the continued property development programme by CIAL,
- the capital programme at Orion and LPC, and
- revaluation of net assets of LPC and Enable at last year end.

However, overall Group net assets have only slightly increased to \$1,872m from \$1,864m reflective of increased debt of \$175m across the Group.

Dividends during the period have been received from Orion (\$26.8m), LPC (\$6.4m), City Care (\$2.7m), EcoCentral (\$0.5m) and RBL Property Ltd (\$17m – this includes \$15m of capital dividends). Whilst no interim dividend has been paid to Christchurch City Council in line with our statement of intent, we are on track to meet a full year commitment of \$34m.



Enable set to deliver first dividend a year early

Enable has announced plans to deliver its first dividend to the city in June 2021. The business is targeting a \$13.5 million dividend – which will be its first since beginning its ultra-fast broadband network roll-out in 2011.

Returning a dividend represents another important milestone for the business being reached early – having previously indicated it would generate the first dividend in 2022. This milestone comes on the back of completing its fibre network roll-out 18 months early, reaching 100,000 fibre broadband customers two years ahead of plan and moving to a net profit position two years early.



Sustainability

As a Group, we have the power to make significant changes for the good of our environment, and the opportunity to lead that process for the benefit of the wider community and economy. This means not only making necessary changes to the way we work now, but looking ahead to see how we can become a model for sustainable practice over the long-term.

World-first sustainability

Christchurch Airport is the first in the world to achieve the new global standard in carbon reduction at airports. Airports Council International (ACI) has recognised the airport with its highest award for measurement and reduction of emissions. One of the big changes the airport made was to install ground power for aircraft, an initiative that saves approximately 730 tCO₂e per plane per year.

Enhanced capability

In August 2020, EcoCentral received confirmation of \$16.8m government funding to enhance recycling capability for mixed plastics and mixed fibre. The project will see the installation of the latest optical and mechanical sorting technology, enabling separation of plastic into specific resin types and significantly improving sorted fibre purity. The project is planned to take two years to complete and will ensure Canterbury recycling is equipped to meet current and future global quality standards.

Future ways of working

Enable has made significant changes to the way it runs its business in a post-COVID-19 lockdown environment, embracing fully flexible working arrangements and technology-based activity. Over the first six months of the year, it has realised a 54% reduction in operation carbon emission against its benchmark – saving 37 tonnes of carbon. This has been driven by less vehicle usage (and a transition to efficient vehicles) and reduced travel.





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Improving water quality and management

Citycare has been working with young people to help protect and manage precious local water resources. Working with students from Mission Heights Junior College in Manukau, the Citycare Water team has planted riparian buffers of native plants at a South Auckland waterway to improve water quality and generate understanding of sustainability. At the end of December, Citycare Water stormwater and 2 in a Ute teams volunteered to restore a stream area for a local preschool in Ōtara. The team, in collaboration with Ōtara Waterways and Lake Trust, collected more than 2.5 tonnes of rubbish along the stream banks and cleared 5 tonnes of unkempt and damaged plants from the surrounding steep banks.

Auckland's drought has meant Citycare Water has also had to be innovative in responding appropriately to Auckland Council and Watercare's requirements, capturing non-potable water used during water-mains replacement for re-use by Citycare Property for rural and urban streetscape, roadside maintenance programmes and hydro-excavation and concrete mixing.

Plugging in to the future

As part of LPC's wider Sustainability Strategy to work towards being net-zero carbon by 2050, the Port has welcomed four new electric vehicles to its fleet. The project was championed by LPC's Sustainability Team who, with the help of the Procurement Team, were able to purchase three Nissan Leafs and a Nissan eNV200 van. Charging stations have also been installed around LPC, with plans being finalised to transition the entire light fleet to electric.

Carbon-neutral target announced

In December 2020 Orion announced its commitment to achieving carbon neutrality for corporate emissions by June 2022, the first electricity organisation in New Zealand to commit to this ambitious target.

To meet the target, the Orion Group is implementing initiatives to reduce its corporate emissions such as vehicle and building emissions, and investing in natural climate initiatives that will provide carbon offsets. Over the next five years Orion will plant more than 200 hectares of native forestry in the central Canterbury region, which is served by its network. While this takes time to be planted and grow, Orion will purchase carbon reduction units associated with New Zealand and international carbon reduction projects.

A helping paw for our native birds

The seawalls around the Port are a great habitat for white-flipped penguins and this time of year they can often be found onshore laying eggs and raising chicks. To help keep the birds safe while they're on land, every year LPC does a full survey of coastal sea walls to locate the nest sites and protect them as part of LPC's Biodiversity Positive strategy. The Port has a special helper to do this: Mena the conservation dog and her trainer Alastair from the Kaikōura Ocean Research Institute. Alastair and Mena were able to locate 20 penguin nests around the Port.



CCHL Interim Report 17



People

Investing in our people – and supporting them in helping our community – is paying enormous dividends for the CCHL Group. From enhanced diversity and the increasing value gained from engaging a variety of voices, to ensuring our people go home safe and well at the end of every day, a firm focus on the people we work with, and the lives they touch, is vital in driving our success.

Supporting our community

The Group continues to focus on ways to support the community in a way that is both engaging and meaningful, with initiatives driven by staff and involving direct participation in a range of local activities.

Feedback from the community through Orion's Residential Survey showed customers would prefer to see Orion supporting "grass roots" activities in the local community rather than large "corporate style" events. This year Orion initiated a Community Fund Sponsorship programme. This is an internal programme where Orion people nominate local non-profit groups they are involved in for support. To date Orion has supported more than 25 community organisations which include Canterbury Community Gardens, Santa's Christmas Parade, Christchurch Bull Breed Dog Rescue and the Western Association Football Club.

Citycare Water teams hosted an education and work experience day for Conservation Volunteers NZ. As well as co-ordinating projects around the country, Conservation Volunteers NZ partners with the Ministry for Social Development to help unemployed people get back into the workforce through the Conservation Work Skills programme.

Enable continues to support Christchurch through its sponsorship activity. It is a Major Sponsor of the Canterbury Employers' Chamber of Commerce (alongside Orion) and sponsors the Chamber's Digital Series to support local businesses to grow through application of technology and will sponsor the key Chamber Back to Business event in February. Enable also supports young technology professionals to contribute more to local business, through the Future Leaders in Technology Christchurch branch.

Focusing on safety

Getting our people home safe, every day, drives the health and safety focus of the whole Group.

LPC's four new state-of-the-art reefer towers highlight the significant investment the organisation is making in the South Island's refrigerated freight market, and a firm focus on the safety of our people.

Each tower is 60 metres long and stands 10 metres high and includes the world's most advanced reefer monitoring system, providing real-time data on temperature and energy consumption. The towers provide a substantial health and safety benefit by introducing hard engineered separation between the Reefer Care Team and the straddles operating in the Container Terminal.





Transformative roles for people

To inspire Orion leaders and develop their leadership capability, 55 Orion people leaders completed a nine day course over a period of several months to equip them with the skills and tools they need to confidently lead our people on the journey of organisation's transformation. This follows a similar course for Connetics' leaders which ran earlier in the year.

The Orion Group has also helped spearhead two critical people projects this year, which led the way for CCHL.

Connetics and Orion supported the phenomenal GirlBoss Edge programme led by gender-equity pioneer Alexia Hilbertou. The programme, fully delivered online this year due to COVID-19, targets young women between 15 and 18 who are passionate about Engineering, Technology and Innovation. Connetics and Orion sponsored the ten-day programme and connected the 140-person cohort to a range of industry mentors.

The Orion Group has also played a pivotal role in the CCHL pilot programme for the online resource sharing platform, Te Whāriki. This platform enables CCHL organisations to post large-scale and micro projects, knowledge-sharing sessions and other development opportunities to optimise Group capability and provide our CCHL employees with ways to contribute outside the sphere of their own entities. Te Whāriki is now being used by a majority of CCHL companies and is contributing to a more collaborative group culture, promoting smarter ways of working for all entities.



Employer Of Choice

Christchurch Airport has just been named an Employer of Choice in the New Zealand HR Awards. As well as programmes to support all aspects of employee wellness, the way its People and Culture team supported the staff during lockdown last year has been recognised.

Generally staff engagement surveys reveal an outstanding and improving level of engagement, with a very high percentage of staff feeling strongly connected and committed to the company. Staff strongly believe the company has a culture of continuous improvement, are proud to work at the airport and wouldn't hesitate to recommend it to others as a great place to work.



Supporting talent and diversity

The Orion Group remains passionate and committed to attracting a more diverse workforce to the engineering sector. The organisation has been proud to recognise the innovation of Rangipo Takuira-Mita, winner of the Orion and Connetics STEM Award for Te Kete Waiora – her portable and affordable water-quality testing kit. To date, Rangipo has facilitated workshops and gifted more than 200 kits to communities in the far north, Auckland, Tauranga, Rotorua, Taranaki, and Tonga and is looking to expand further.

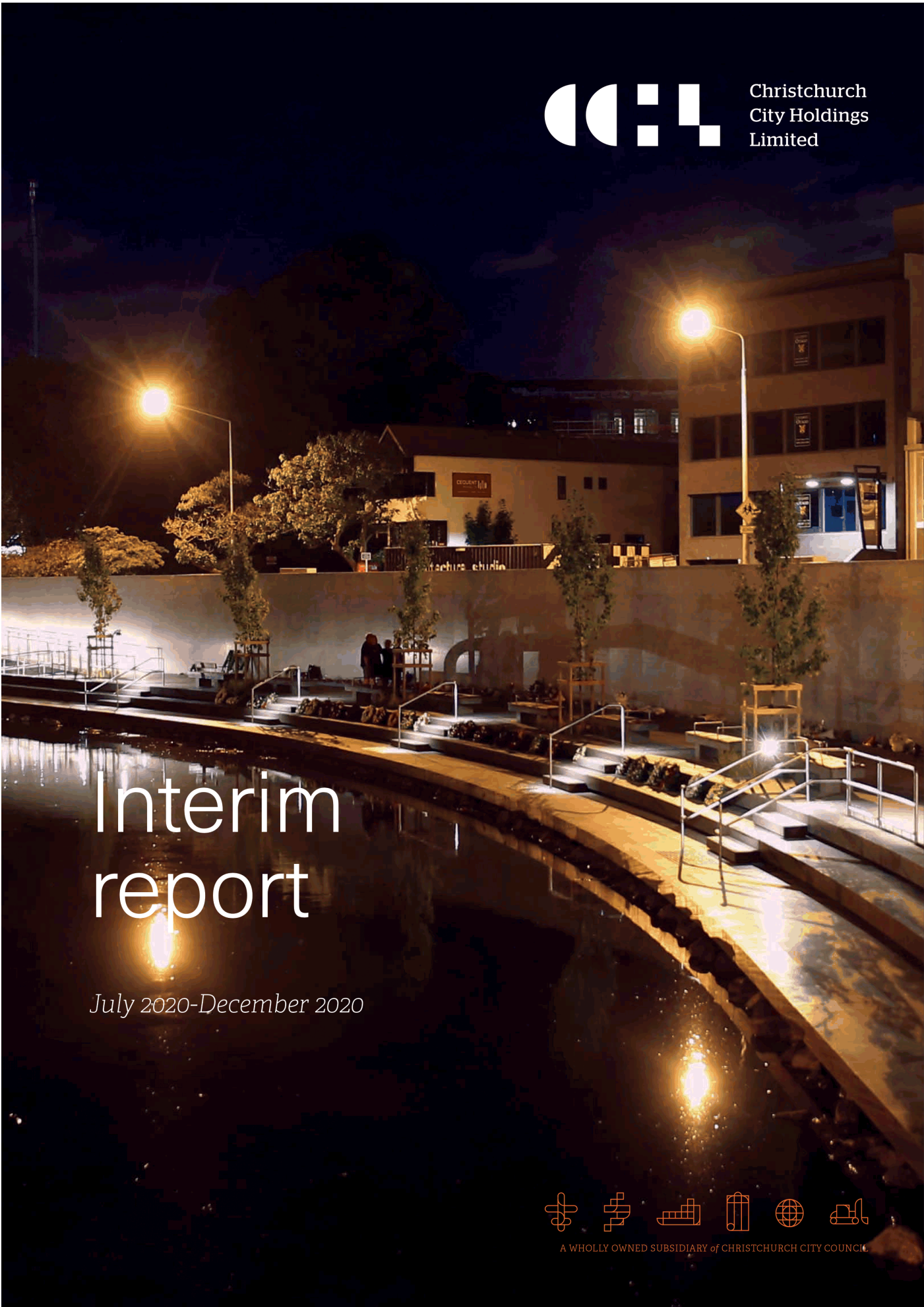


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Directors' Responsibility Statement

Group Structure



Christchurch City Holdings Ltd (CCHL) is the commercial and investment arm of Christchurch City Council (the Council). It was incorporated on 12 May 1993 to act as the holding company for the Council's commercial investments. As a result, it is a council controlled organisation under the Local Government Act 2002.

The company is responsible for managing the Council's investment in eight fully or partly-owned trading companies – Orion New Zealand Ltd, Christchurch International Airport Ltd, Lyttelton Port Company Ltd, Enable Services Ltd, City Care Ltd, RBL Property Ltd, EcoCentral Ltd and Development Christchurch Ltd. Six of these are 100% owned, the other two are majority owned by CCHL, being Orion (10.725% owned by Selwyn District Council) and Christchurch International Airport (25% owned by the Crown).

During the reporting period the urban transport business operations of Red Bus were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and some surplus buses. Also during the period the Council requested CCHL to transfer the urban development agency work of Development Christchurch Ltd (DCL) to council controlled entity ChristchurchNZ. DCL continues to hold land as inventory, and holds the investment in Christchurch Adventure Park on behalf of the Council.

Unaudited interim condensed financial statements

These interim condensed financial statements are for Christchurch City Holdings Group (Group), a group made up of Christchurch City Holdings Ltd and the entities over which it has control or joint control.

Christchurch City Holdings Ltd is registered in New Zealand under the Companies Act 1993. The directors are responsible for ensuring that the Group interim condensed financial statements present fairly in all material respects:

- the financial position as at 31 December 2020, and
- the financial performance and cash flows for the six month period ended 31 December 2020

The directors consider that the interim condensed financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, and comply with New Zealand equivalent to International Accounting Standard NZ IAS 34 as appropriate for profit-oriented entities.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the Group.

The directors have pleasure in presenting the interim condensed financial statements of the Christchurch City Holdings Group for the six months ended 31 December 2020.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 25 February 2021.

For and on behalf of the Board.

Jeremy Smith
 Chair
 Christchurch
 25 February 2021

Alex Skinner
 Director
 Christchurch
 25 February 2021



Condensed statement of financial position

As at 31 December 2020

Condensed statement of comprehensive income

For the six months ended 31 December 2020

		Unaudited 6 months	Unaudited 6 months	Audited 12 months			Unaudited 6 months	Unaudited 6 months	Audited 12 months
	Note	Group 31 Dec 20 \$'000	Group 31 Dec 19 \$'000	Group 30 Jun 20 \$'000		Note	Group 31 Dec 20 \$'000	Group 31 Dec 19 \$'000	Group 30 Jun 20 \$'000
Non-current assets					Operating revenue		496,517	538,521	1,030,791
Property, plant and equipment		3,610,685	3,616,629	3,616,191	Other gains		408	12	15,099
Investment property		602,672	516,039	571,658					
Loans and other financial assets		30,435	28,437	35,044	Total revenue and gains		496,925	538,533	1,045,890
Intangible assets		23,218	40,938	27,895					
Debtors, inventory and other assets		28,733	20,766	22,805	Operating and other expenses		344,835	357,814	708,948
Right of use assets		39,949	39,538	34,484					
Finance lease receivable		41,640	-	42,688	Earnings before interest, tax, depreciation and amortisation		152,090	180,719	336,942
Total non-current assets		4,377,332	4,262,347	4,350,765	Depreciation/amortisation and impairment		77,027	74,096	341,433
Current assets					Earnings before interest and tax		75,063	106,623	(4,491)
Cash and cash equivalents		104,331	23,896	50,334					
Debtors, inventory and other assets		98,050	126,898	104,197	Finance income		1,020	469	2,394
Finance lease receivable		1,301	-	502	Finance costs		37,819	36,049	78,867
Contract assets		22,728	-	21,051					
Loans and other financial assets		16,750	1,993	12,528	Net finance costs		36,799	35,580	76,473
Non-current assets held for sale		3,104	-	2,199					
Current tax asset		5,014	-	6,331	Net profit before tax		38,264	71,043	(80,964)
Total current assets		251,278	152,787	197,142	Income tax expense		15,372	22,744	(28,488)
Total assets	3	4,628,610	4,415,134	4,547,907	Profit/(Loss) from continuing operations (after tax)		22,892	48,299	(52,476)
					Profit/(Loss) from discontinued operations (after tax)	4d	3,410	-	(568)
Non-current liabilities									
Borrowings	9	1,485,962	1,523,651	1,432,905	Net Profit/(Loss) after tax		26,302	48,299	(53,044)
Net deferred tax liabilities		305,915	329,344	297,585					
Provisions and other liabilities		110,030	78,648	120,688	Profit for the period attributable to:				
Lease liabilities		76,223	46,721	70,959	Owners of the parent		23,895	39,959	(69,924)
					Non-controlling interests		2,407	8,340	16,880
Total non-current liabilities		1,978,130	1,978,364	1,922,137			26,302	48,299	(53,044)
Current liabilities									
Borrowings	9	633,552	420,700	612,269	OTHER COMPREHENSIVE INCOME				
Creditors and other payables		130,171	99,974	113,087	Items that will not be recycled to profit and loss:				
Provisions and other liabilities		2,464	41,801	45,700	Revaluation of assets		-	-	133,596
Contract liabilities		4,740	-	4,897					
Lease liabilities		7,993	4,932	7,444	Items that may be recycled to profit and loss in future:				
Current tax liabilities		-	4,812	-	Cash flow hedges		5,567	(2,831)	(41,957)
Total current liabilities		778,920	572,219	783,397			5,567	(2,831)	91,639
Total liabilities	3	2,757,050	2,550,583	2,705,534	Income tax(credit)/expenses relating to other comprehensive income		(1,208)	1,080	(14,646)
Net assets		1,871,560	1,864,551	1,842,373	Other comprehensive income for the period, net of tax		4,359	(1,751)	76,993
Equity					Total comprehensive income for the period		30,661	46,548	23,949
Capital and other equity instruments		94,144	86,779	94,144					
Reserves		660,793	586,922	657,342	Total comprehensive income is attributable to:				
Retained earnings		773,588	856,289	749,417	Owners of the parent		27,623	38,333	1,305
					Non-controlling interests		3,038	8,215	22,644
Parent entity interest		1,528,525	1,529,990	1,500,903			30,661	46,548	23,949
Non-controlling interests		343,035	334,561	341,470					
Total equity		1,871,560	1,864,551	1,842,373					

The accompanying notes form part of and are to be read in conjunction with these interim financial statements

Operating revenue	496,517	538,521	1,030,791
Other gains	408	12	15,099
Total revenue and gains	496,925	538,533	1,045,890
Operating and other expenses	344,835	357,814	708,948
Earnings before interest, tax, depreciation and amortisation	152,090	180,719	336,942
Depreciation/amortisation and impairment	77,027	74,096	341,433
Earnings before interest and tax	75,063	106,623	(4,491)
Finance income	1,020	469	2,394
Finance costs	37,819	36,049	78,867
Net finance costs	36,799	35,580	76,473
Net profit before tax	38,264	71,043	(80,964)
Income tax expense	15,372	22,744	(28,488)
Profit/(Loss) from continuing operations (after tax)	22,892	48,299	(52,476)
Profit/(Loss) from discontinued operations (after tax)	3,410	-	(568)
Net Profit/(Loss) after tax	26,302	48,299	(53,044)
Profit for the period attributable to:			
Owners of the parent	23,895	39,959	(69,924)
Non-controlling interests	2,407	8,340	16,880
	26,302	48,299	(53,044)
OTHER COMPREHENSIVE INCOME			
Items that will not be recycled to profit and loss:			
Revaluation of assets	-	-	133,596
Items that may be recycled to profit and loss in future:			
Cash flow hedges	5,567	(2,831)	(41,957)
	5,567	(2,831)	91,639
Income tax(credit)/expenses relating to other comprehensive income	(1,208)	1,080	(14,646)
Other comprehensive income for the period, net of tax	4,359	(1,751)	76,993
Total comprehensive income for the period	30,661	46,548	23,949
Total comprehensive income is attributable to:			
Owners of the parent	27,623	38,333	1,305
Non-controlling interests	3,038	8,215	22,644
	30,661	46,548	23,949

The accompanying notes form part of and are to be read in conjunction with these interim financial statements



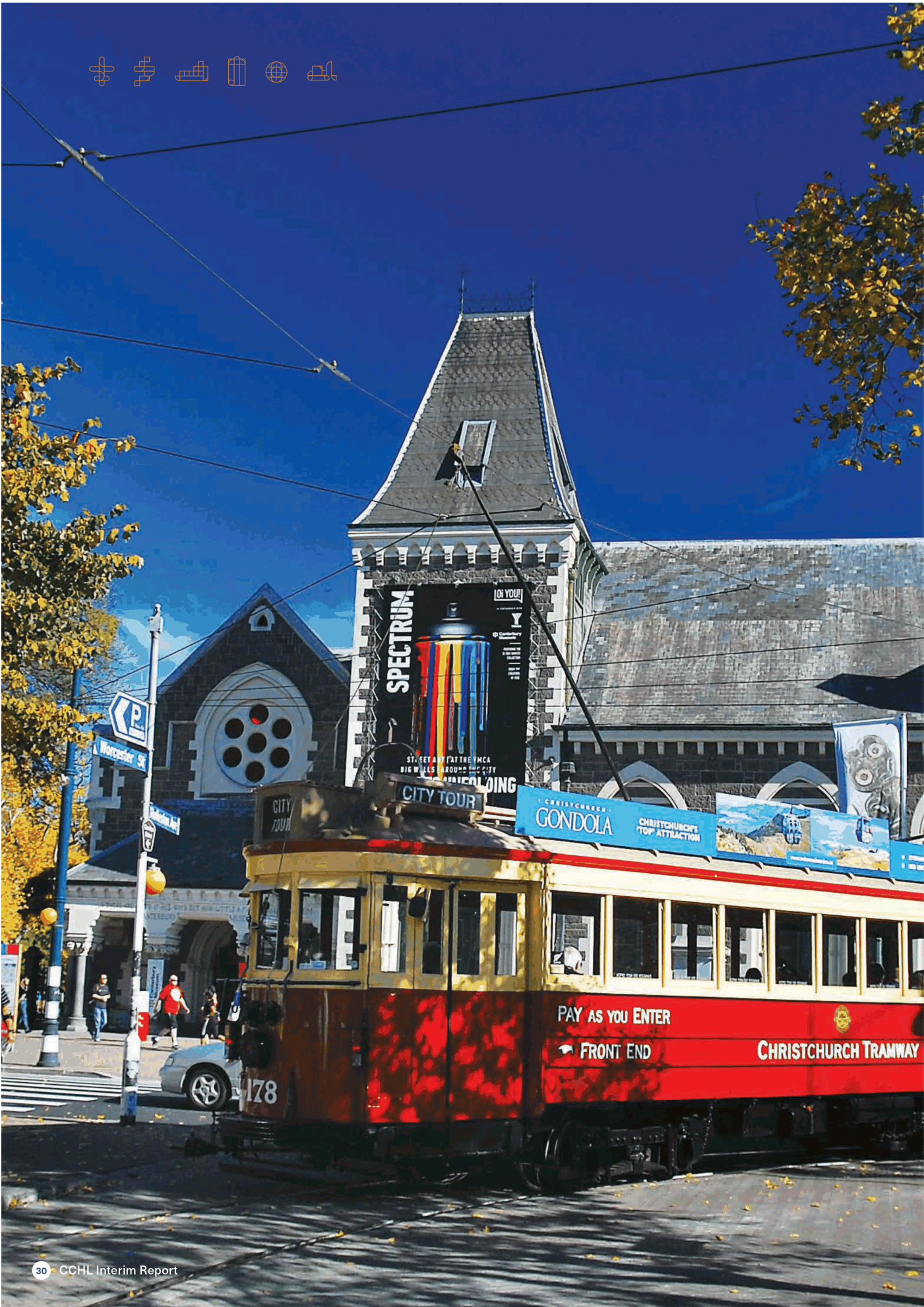
Condensed statement of cash flows

For the six months ended 31 December 2020

Share capital	Asset revaluation reserve	Hedging reserve	Retained earnings	Attributable to equity holders of parent	Non- controlling interests	Unaudited 6 months	Unaudited 6 months	Audited 12 months		Note	Unaudited 6 months	Unaudited 6 months	Audited 12 months
						Group 31 Dec 20	Group 31 Dec 19	Group 30 Jun 20			Group 31 Dec 19 \$'000	Group 31 Dec 19 \$'000	Group 30 Jun 20 \$'000
Opening Balance	94,144	725,147	(67,805)	749,417	1,500,903	341,470	1,842,373	1,847,882	Cash flows from operating activities				
NPAT	–	–	–	23,895	23,895	2,407	26,302	48,299	Receipts from customers and other sources		516,071	549,986	1,038,448
Other comprehensive income for the period	–	–	3,451	276	3,727	631	4,358	(1,747)	Interest received		223	419	2,311
Dividends paid/payable	–	–	–	–	–	(1,609)	(1,609)	(29,883)	Payments to suppliers and employees		(376,580)	(367,533)	(706,146)
Issue of shares/other	–	–	–	–	–	136	136	–	Interest and other finance costs paid		(34,181)	(38,434)	(72,182)
									Income tax paid		(9,903)	(18,257)	(20,148)
									Subvention payments		–	–	(4,602)
									Net cash from operating activities of discontinued operations		(334)	–	464
Closing Balance	94,144	725,147	(64,354)	773,588	1,528,525	343,035	1,871,560	1,864,551	Net cash provided by operating activities	5	95,296	126,181	238,145
									Cash flows from investing activities				
									Advances made to external parties		(182)	(198)	–
									Payment for property, plant and equipment		(97,698)	(170,613)	(288,418)
									Proceeds from sale of property, plant and equipment		1,687	971	1,790
									Payment for intangible assets		(1,338)	(2,325)	(8,419)
									Payment for investment properties		(19,279)	(28,319)	(66,683)
									Proceeds from sale of investment properties		12,618	1,000	0
									Payment for investment into bank deposits		–	–	(25,000)
									Net proceeds from/(to) bank deposits		(4,000)	–	14,301
									Other		(504)	169	(1,587)
									Net cash used in investing activities		(108,696)	(199,315)	(374,016)
									Cash flows from financing activities				
									Proceeds from borrowing		74,471	356,932	453,692
									Repayment of borrowings		(1,596)	(236,520)	(239,400)
									Repayment of lease liabilities		(3,869)	(2,266)	(6,816)
									Proceeds from issue of shares		–	–	7,365
									Dividends paid – equity holders		–	(22,000)	(22,000)
									Dividends paid – non-controlling interests		(1,609)	(7,883)	(15,403)
									Net cash provided by financing activities		67,397	88,263	177,438
									Net increase in cash and cash equivalents		53,997	15,129	41,567
									Cash and cash equivalents at start of period		50,334	8,767	8,767
									Cash and cash equivalents at end of period		104,331	23,896	50,334

The accompanying notes form part of and are to be read in conjunction with these interim financial statements

The accompanying notes form part of and are to be read in conjunction with these interim financial



Notes to the interim financial statements
For the six months ended 31 December 2020

1 Reporting entity

Christchurch City Holdings Ltd (CCHL) is a wholly-owned subsidiary of Christchurch City Council, formed for the purpose of holding investments in trading subsidiary organisations. The company was incorporated on 12 May 1993, and commenced operations on 14 May 1993.

CCHL is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act. The reporting currency used in the preparation of these financial statements is New Zealand dollars.

CCHL is an issuer for the purposes of the Financial Markets Conduct Act 2013 as its issued debt securities are listed on the New Zealand Debt Exchange ("NZDX").

The unaudited condensed consolidated interim financial statements comprise CCHL, its subsidiaries and the group's interest in associates and joint ventures ("the group").

The unaudited condensed consolidated interim financial statements of CCHL are for the six months ended 31 December 2020. The financial statements were authorised for issue by the CCHL Board of directors on 25 February 2021. The Board of Directors has the power to amend the financial statements after issue.

Group Ownership		Shareholders		Balance date	
Parent	Business				
Christchurch City Holdings Ltd	Holding Company	100%	Christchurch City Council		30 June
Subsidiaries		CCHL%	NCI Holder	NCI %	
Orion New Zealand Ltd	Electricity network	89.275%	Selwyn District Council	10.725%	31 March
Christchurch International Airport Ltd	Airport	75.0%	Minister of Finance	12.5%	30 June
			Minister for State-Owned Enterprises	12.5%	
Lyttelton Port Company Ltd	Port	100%			30 June
Enable Services Ltd	Broadband network	100%			30 June
City Care Ltd	Contracting	100%			30 June
RBL Property Ltd	Investment Property	100%			30 June
EcoCentral Ltd	Waste recycling	100%			30 June
Development Christchurch Ltd	Urban Development Agency and Asset Manager	100%			30 June



Notes to the interim financial statements

For the six months ended 31 December 2020

2 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2020 are unaudited.

The interim condensed consolidated financial statements have been prepared in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) as appropriate for profit-oriented entities. The report should be read in conjunction with the audited financial statements for the year ended 30 June 2020.

The balance date of all subsidiary companies, other than Orion New Zealand Ltd which has a balance date of 31 March, is 30 June. The interim report therefore includes the results of Orion New Zealand Ltd for the six months to 30 September 2020, and the results of other subsidiaries for the six months to 31 December 2020.

Section 461(3) of the Financial Markets Conduct Act requires the reporting entity and all its subsidiaries to have the same balance date. As noted above, Orion New Zealand Ltd (Orion) and its subsidiary has a 31 March balance date. CCHL applied for and has received an exemption from this obligation from the Financial Markets Authority until 27 August 2023.

The accounting policies as published in the annual report for the year ended 30 June 2020 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2020, and the financial position as at that date.

Significant changes during the period:

The ongoing financial pressures on the Group caused by COVID-19 continues to impact the Group result, but not as significantly as originally forecast. The reduced Group profit is reflective of the impact of COVID-19 especially on our airport, where operating revenue was down 31% compared to the same (pre-COVID) period last year. Whilst LPC has shown a small increase in profit compared to last year, this is well ahead of expectations considering the impact of COVID-19 on the cruise industry, and supply chain volatility across the industry.

During the reporting period the urban transport business operations of Red Bus Ltd were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and surplus buses. The buses are currently treated as assets held for sale, whilst the Land and Buildings have been reclassified as Investment Property. Due to the change in business operations, the net profit resulting from the urban transport operations is treated as discontinued operations in the statement of comprehensive income. Refer to note 4d.

Also during the period the Council requested CCHL to transfer the urban development agency work of Development Christchurch Ltd (DCL) to council controlled entity ChristchurchNZ. DCL continues to hold land as inventory, and holds the investment in Christchurch Adventure Park on behalf of the Council. No accounting treatment change has been applied due to this change at this stage. A review of DCL's Public benefit entity status will be undertaken prior to year end due to the Council funding to DCL having stopped during the reporting period.

3 Segment information

The reportable segments of the CCHL Group have been identified in accordance with NZ IFRS 8, *Operating Segments*. The Group's operating segments are identified on the basis of the nine significantly different businesses whose individual operating results are received on a quarterly basis by the Group chief operating decision maker (CCHL Board) to assess and monitor performance.

The nine reportable segments are as follows:

- i) **Orion New Zealand Ltd (Orion)** – owns and operates the electricity distribution network in Christchurch and central Canterbury.
- ii) **Christchurch International Airport Ltd (CIAL)** – operates predominantly in the business of providing airport facilities and services to airline and airport users at Christchurch International Airport.
- iii) **Lyttelton Port Company Ltd (LPC)** – primarily involved in providing and managing port services and cargo handling facilities over three sites in the Canterbury region.
- iv) **Enable Services Ltd (ESL)** – owns and operates the ultra-fast broadband fibre network across greater Christchurch and parts of Waimakariri and Selwyn Districts.
- v) **City Care Ltd (Citycare)** – provides construction, maintenance and management services in the infrastructure sector throughout New Zealand.
- vi) **RBL Property Ltd (RBLPL)** – investment property owner.
- vii) **EcoCentral Ltd (EcoCentral)** – manages the processing of refuse and sorting of recycling throughout Canterbury.
- viii) **Development Christchurch Ltd (DCL)** – urban development land owner and asset manager.
- ix) **Christchurch City Holdings Ltd (Parent)** – does not trade in its own right, its primary assets are its investments in and advances to its operating subsidiaries.

Major customers:

Revenue from Christchurch City Council amounted to \$57m (Dec 19: \$56m) mainly from sales by Citycare, Orion, and EcoCentral (refer to note 1i). All group assets are domiciled and operated in New Zealand. The Group's revenue from external customers by geographical location are not allocated to operating segments as they are not reported at group level.

Segment reporting explanation:

- 1 Revenue from external customers reflects the revenue of each separate segment excluding revenue earned from other group entities.
- 2 Segment profit/(loss) represents the actual profit/(loss) of each segment.
- 3 The Parent total non-current assets and total assets includes the investment held in subsidiaries which have been measured at fair value as at 30 June 2020 per independent valuations completed by Deloitte. These investments and advances to subsidiaries have been eliminated on consolidation and do not form part of the primary statements. They are recognised in the 'other' column.
- 4 Capital expenditure and investments in the Parent total relates to equity investments made in subsidiaries during the period, which is then eliminated for the Group total.
- 5 Intra-group transactions between segments have been eliminated on consolidation and recognised in the 'other' column.



Notes to the interim financial statements

For the six months ended 31 December 2020

3a For the six months ended 31 December 2020 (unaudited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Other \$'000	Total \$'000
Segment revenue	53,679	154,313	66,037	66,078	40,538	152,475	67	19,647	3,215	(59,532)	496,517
Inter-segment revenue	(53,679)	(285)	(417)	–	–	(4,512)	(1)	(200)	(438)	59,532	–
Revenue from external customers	–	154,028	65,620	66,078	40,538	147,963	66	19,447	2,777	–	496,517
Share of earnings of associate companies	–	–	–	–	–	–	–	–	–	–	–
Interest income	7,060	4	13	656	131	43	10	6	3	(6,906)	1,020
Interest expense	18,864	5,596	11,734	1,540	6,639	333	–	–	19	(6,906)	37,819
Depreciation and amortisation	(48)	(26,187)	(20,846)	(8,918)	(12,401)	(6,256)	–	(2,174)	(197)	–	(77,027)
Net realisations, revaluations and (impairments)	–	386	–	–	2	–	20	–	–	–	408
Taxation expense	–	(7,523)	(484)	(2,213)	(3,801)	(1,207)	(17)	(436)	311	(2)	(15,372)
Segment profit/(loss)	40,860	18,308	1,245	5,656	6,962	3,099	3,453	1,121	(721)	(53,681)	26,302
Total non-current assets (excluding derivatives and deferred tax)	3,320,746	1,226,937	1,845,940	512,005	646,759	54,636	16,196	13,124	28,201	(3,295,794)	4,368,750
Total assets	3,390,548	1,250,414	1,875,892	576,623	673,736	126,241	21,032	21,705	30,445	(3,338,026)	4,628,610
Total liabilities	1,153,989	580,018	790,614	220,873	355,454	66,786	2,320	11,796	4,725	(429,525)	2,757,050
Additions to non-current assets	5	37,028	24,708	29,710	16,687	3,969	–	304	–	–	112,411

3c For the year ended 30 June 2020 (audited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Other \$'000	Total \$'000
Segment revenue	59,087	307,471	165,721	128,258	76,985	294,305	18,912	34,638	18,147	(72,733)	1,030,791
Inter-segment revenue	(59,087)	(1,901)	(910)	–	–	(9,941)	–	(367)	(527)	72,733	–
Revenue from external customers	–	305,570	164,811	128,258	76,985	284,364	18,912	34,271	17,620	–	1,030,791
Share of earnings of associate companies	–	–	–	–	–	–	–	–	–	–	–
Interest income	14,225	32	86	1,437	81	102	28	31	47	(13,675)	2,394
Interest expense	(39,400)	(12,253)	(23,565)	(2,869)	(13,499)	(666)	–	(335)	(81)	13,801	(78,867)
Depreciation and amortisation	(109)	(51,288)	(42,059)	(206,737)	(24,186)	(12,033)	(737)	(4,166)	(510)	392	(341,433)
Net realisations, revaluations and (impairments)	–	(856)	13,482	(606)	6	290	28	51	–	–	12,395
Taxation expense	–	(11,908)	3,138	31,153	(3,661)	(2,375)	(222)	207	(376)	12,532	28,488
Segment profit/(loss)	31,972	48,315	47,825	(152,781)	11,320	5,616	(30)	(74)	1,126	(46,333)	(53,044)
Total non-current assets (excluding derivatives and deferred tax)	3,323,685	1,216,500	1,842,386	492,215	642,067	57,942	27,775	14,995	24,651	(3,301,746)	4,340,470
Total assets	3,329,826	1,250,329	1,885,606	557,263	666,790	131,538	36,294	21,292	28,881	(3,359,912)	4,547,907
Total liabilities	1,140,450	578,840	805,988	201,201	355,467	72,431	4,035	12,003	1,405	(466,286)	2,705,534
Additions to non-current assets	12,956	70,555	132,551	105,712	33,160	5,632	45	1,339	7,678	(12,956)	356,672

3b For the six months ended 31 December 2019 (unaudited)

	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Other \$'000	Total \$'000
Segment revenue	41,503	154,409	96,240	67,122	35,450	150,132	10,540	17,477	14,755	(49,107)	538,521
Inter-segment revenue	(41,503)	(690)	(138)	–	–	(6,300)	–	(180)	(296)	49,107	(0)
Revenue from external customers	–	153,719	96,102	67,122	35,450	143,832	10,540	17,297	14,459	(0)	538,521
Share of earnings of associate companies	–	–	–	–	–	–	–	–	–	–	–
Interest income	7,268	23	–	39	20	54	13	20	35	(7,003)	469
Interest expense	(16,676)	(6,151)	(11,814)	(957)	(6,958)	(274)	–	(136)	(86)	7,003	(36,049)
Depreciation and amortisation	(54)	(25,472)	(18,969)	(8,943)	(11,466)	(5,518)	(1,187)	(2,085)	(402)	–	(74,096)
Net realisations, revaluations and (impairments)	–	–	–	–	5	–	–	7	–	–	12
Taxation expense	–	(8,917)	(9,043)	(2,174)	(1,914)	(675)	(20)	–	–	(1)	(22,744)
Segment profit/(loss)	28,907	22,681	23,253	5,388	4,783	1,718	66	(180)	3,188	(41,506)	48,299
Total non-current assets (excluding derivatives and deferred tax)	3,115,220	1,191,159	1,745,704	624,147	548,752	55,156	31,311	17,095	17,390	(3,090,022)	4,255,912
Total assets	3,134,905	1,214,580	1,770,888	658,975	565,672	111,554	36,642	23,272	23,051	(3,124,405)	4,415,134
Total liabilities	1,069,636	553,441	715,872	141,118	327,313	55,457	3,817	14,090	1,031	(331,192)	2,550,583
Additions to non-current assets	–	34,264	56,600	99,971	26,967	13,670	27	688	–	–	232,187



Notes to the interim financial statements
For the six months ended 31 December 2020

4 Revenue

4a Disaggregation of revenue

4c

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Intra- group \$'000	Total \$'000		Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Intra- group \$'000	Total \$'000
For the six months ended 31 December 2020 (unaudited)											For the year ended 30 June 2020 (audited)										
Revenue from contracts with customers											Revenue from contracts with customers										
Electricity Distribution	118,473	-	-	-	-	-	-	-	(285)	118,188	Electricity Distribution	242,450	-	-	-	-	-	-	-	(1,901)	240,549
Airport Services	-	35,898	-	-	-	-	-	-	(12)	35,886	Airport Services	-	80,238	-	-	-	-	-	-	(547)	79,691
Port Services	-	-	64,308	-	-	-	-	-	-	64,308	Port Services	-	-	124,125	-	-	-	-	-	-	124,125
Gross telecommunications revenue	-	-	-	38,491	-	-	-	-	-	38,491	Gross telecommunications revenue	-	-	-	67,729	-	-	-	-	-	67,729
Construction contract revenue	-	-	-	-	39,382	-	-	-	-	39,382	Construction contract revenue	-	-	-	-	87,378	-	-	9,779	-	97,157
Contracting	22,717	-	-	-	109,169	-	-	-	(4,512)	127,374	Contracting	45,107	-	-	-	190,680	-	-	-	(9,941)	225,846
Bus and Coach Services	-	-	-	-	-	-	-	-	-	-	Bus and Coach Services	-	-	-	-	-	18,767	-	-	-	18,767
Waste and recycling services	-	-	-	-	-	-	18,329	-	(200)	18,129	Waste and recycling services	-	-	-	-	-	-	30,009	-	(367)	29,642
Sale of goods	5,955	-	-	1,067	3,924	-	1,045	3,215	(439)	14,767	Sale of goods	12,172	-	-	2,000	7,078	-	3,704	4,239	-	29,193
Total revenue from contracts with customers	147,145	35,898	64,308	39,558	152,475	-	19,374	3,215	(5,448)	456,525	Total revenue from contracts with customers	299,729	80,238	124,125	69,729	285,136	18,767	33,713	14,018	(12,756)	912,699
Other operating revenue											Other operating revenue										
Rent and Lease income	-	12,247	1,770	-	-	26	-	-	-	14,043	Rent and Lease income	383	29,669	4,133	-	-	145	-	561	(890)	34,001
Rental income from investment property	-	12,591	-	-	-	41	-	-	(405)	12,227	Rental income from investment property	-	35,237	-	-	-	-	-	-	-	35,237
Other	7,168	5,301	-	980	-	-	273	-	-	13,722	Other	7,359	20,577	-	7,256	9,169	-	925	3,568	-	48,854
Total other operating revenue	7,168	30,139	1,770	980	-	67	273	-	(405)	39,992	Total other operating revenue	7,742	85,483	4,133	7,256	9,169	145	925	4,129	(890)	118,092
Segment revenue	154,313	66,037	66,078	40,538	152,475	67	19,647	3,215	(5,853)	496,517	Segment revenue	307,471	165,721	128,258	76,985	294,305	18,912	34,638	18,147	(13,646)	1,030,791

4b

4d Discontinued operations

	Orion \$'000	CIAL \$'000	LPC \$'000	ESL \$'000	Citycare \$'000	RBLPL \$'000	Eco Central \$'000	DCL \$'000	Intra- group \$'000	Total \$'000		Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
For the six months ended 31 December 2019 (unaudited)											Discontinued operations			
Revenue from contracts with customers											Revenue			
Electricity Distribution	124,163	-	-	-	-	-	-	-	(690)	123,473	Revenue	8,078	-	1,348
Airport Services	-	53,631	-	-	-	-	-	-	(138)	53,493	Other gains	4,718	-	9
Port Services	-	-	67,122	-	-	-	-	-	-	67,122	Depreciation, amortisation and impairment expense	(1,460)	-	(1,157)
Gross telecommunications revenue	-	-	-	32,526	-	-	-	-	-	32,526	Employee benefits expense	(4,621)	-	(597)
Construction contract revenue	-	-	-	-	47,839	-	-	8,485	-	56,324	Other expenses	(3,047)	-	(392)
Contracting	21,848	-	-	-	98,083	-	-	-	(6,300)	113,631	Profit (loss) before income tax expense	3,668	-	(789)
Bus and Coach Services	-	-	-	-	-	10,540	-	-	-	10,540	Income tax credit/(expense)	(258)	-	221
Waste and recycling services	-	-	-	-	-	-	15,972	-	(180)	15,792	Net surplus/(loss) after taxation from discontinued operations	3,410	-	(568)
Sale of goods	5,436	-	-	1,004	4,210	-	1,505	2,942	(296)	14,801				
Total revenue from contracts with customers	151,447	53,631	67,122	33,530	150,132	10,540	17,477	11,427	(7,604)	487,702				
Other operating revenue														
Rent and Lease income	-	34,708	-	-	-	-	-	328	-	35,036				
Other	2,962	7,901	-	1,920	-	-	-	3,000	-	15,783				
Total other operating revenue	2,962	42,609	-	1,920	-	-	-	3,328	-	50,819				
Segment revenue	154,409	96,240	67,122	35,450	150,132	10,540	17,477	14,755	(7,604)	538,521				



Notes to the interim financial statements
For the six months ended 31 December 2020

5
Reconciliation of profit for the period with operating cash flows

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Profit for the period	26,302	48,299	(53,044)
Add/(less) non-cash items			
Depreciation, amortisation and impairment	77,027	74,096	341,433
(Gains)/losses in fair value of investment property	(20)	–	(13,481)
(Gains)/losses in fair value of derivative financial instruments	3,749	3,213	203
Net foreign exchange (gains)/losses	–	4	14
Deferred tax charged/(credited) to income	3,109	1,390	(46,228)
Discontinued operations	1,460	–	1,151
Other	(1,236)	(4,291)	7,868
	84,089	74,412	290,960
Add/(less) items classified as investing or financing activities			
Gain on disposal of non-current assets	(4,946)	(370)	1,086
Movement in capital creditors/(debtors)	9,515	10,393	9,576
Other	50	246	985
	4,619	10,269	11,647
Add/(less) movement in working capital items			
Debtors, inventory and other current assets	4,192	394	(2,087)
Non-current receivables, prepayments and other	(785)	11,687	(5,156)
Creditors and other liabilities	(14,509)	(18,233)	(6,638)
Provisions and other liabilities	(1,585)	258	4,785
Current tax liabilities	(282)	3,392	(2,127)
Other current liabilities	(6,412)	(4,791)	–
Non-current provisions and other liabilities	(333)	494	(195)
Net charges in net assets and liabilities	(19,714)	(6,799)	(11,418)
Net cash from operating activities	95,296	126,181	238,145

6
Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1** – The fair value is calculated using quoted prices in active markets. Quoted market price represents the fair value determined based on quoted market prices in active markets as at the reporting date without any deduction for transaction costs.
- Level 2** – The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments that use valuation techniques with only observable market inputs include interest rate swaps and foreign exchange contracts not traded on a recognised exchange.
- Level 3** – The fair value is estimated using inputs for the asset or liability that are not based on observable market data. The fair values of unlisted investments that do not have an active market are based on market data that is not observable.

	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
31 December 2020 (unaudited)					
Financial assets measured at fair value					
Derivative financial instruments	8,930	–	8,930	–	
USD loan	21,853	–	21,853	–	
	30,783	–	30,783	–	
Financial liabilities measured at fair value					
Derivative financial instruments	64,471	–	64,471	–	
Loans from External parties	157,078	–	–	157,078	
	221,549	–	64,471	157,078	
Net assets/(liabilities) at fair value	(190,766)	–	(33,688)	(157,078)	
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Carrying value \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed					
Fixed Interest borrowings – bonds	541,095	323,172	217,923	–	508,286
Fixed Rate Loans from CCC, maturing < 1 year	91,132	–	91,132	–	89,500
Fixed Rate Loans from CCC, maturing 2-5 years	129,601	–	129,601	–	114,500
Fixed Rate Loans from CCC, maturing > 5 years	51,326	–	51,326	–	45,500
	813,154	323,172	489,982	–	757,786



Notes to the interim financial statements

For the six months ended 31 December 2020

Fair value \$'000					Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total Level 3 \$'000
31 December 2019 (unaudited)								
Financial assets measured at fair value								
Derivative financial instruments	6,435	–	6,435	–				149,963
USD loan	22,022	–	22,022	–				–
	28,457	–	28,457	–				3,806
Financial liabilities measured at fair value								
Derivative financial instruments	75,937	–	75,937	–				–
Loans from External parties	149,963	–	–	149,963				153,769
	225,900	–	75,937	149,963				–
Net assets/(liabilities) at fair value	(197,443)	–	(47,480)	(149,963)				3,309
Fair value \$'000					Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Carrying value \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed								
Fixed Interest borrowings – bonds	536,920	318,686	218,234	–				506,250
Fixed Rate Loans from CCC, maturing < 1 year	50,027	–	50,027	–				50,000
Fixed Rate Loans from CCC, maturing 1-2 years	94,277	–	94,277	–				89,500
Fixed Rate Loans from CCC, maturing 2-5 years	123,321	–	123,321	–				109,000
Fixed Rate Loans from CCC, maturing > 5 years	15,389	–	15,389	–				13,000
	819,934	318,686	501,248	–				767,750

Analysis of movements in Level 3 assets/liabilities

Closing carrying value 31 December 2019

Additions

Fair value movements

Closing carrying value 30 June 2019

Additions

Fair value movements

Closing carrying value 31 December 2020

There were no transfers between fair value hierarchy levels during either the current or prior periods.

In June 2016, CCHL entered into a Loan Facility Agreement with Crown Infrastructure Partners Ltd (CIP) (previously known as Crown Fibre Holdings Ltd) as part of the reorganisation of Enable Services Ltd (ESL). The loan was drawn down as network stages/ premises were completed, and was used to subscribe in redeemable preference shares in ESL. It is secured by a charge over the assets of the Enable Group.

This interest free loan is held at fair value, where fair value is calculated using the current drawn balance and the loan's May 2021 maturity date, discounted by the CCHL parent company's current average cost of borrowing.

Fair value \$'000					Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
30 June 2020 (audited)								
Financial assets measured at fair value								
Derivative financial instruments	10,295	–	10,295	–				
USD loan	24,749	–	24,749	–				
	35,044	–	35,044	–				
Financial liabilities measured at fair value								
Derivative financial instruments	115,598	–	115,598	–				
Loans from External parties	153,769	–	–	153,769				
	269,367	–	115,598	153,769				
Net assets/(liabilities) at fair value	(234,323)	–	(80,554)	(153,769)				
Fair value \$'000					Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Carrying value \$'000
Financial liabilities not measured at fair value but for which fair values are disclosed								
Fixed Interest borrowings – bonds	537,036	317,010	220,026	–				360,005
Fixed Rate Loans from CCC, maturing < 1 year	83,179	–	83,179	–				79,500
Fixed Rate Loans from CCC, maturing 1-2 years	10,176	–	10,176	–				10,000
Fixed Rate Loans from CCC, maturing 2-5 years	132,386	–	132,386	–				114,500
Fixed Rate Loans from CCC, maturing > 5 years	19,776	–	19,776	–				15,500
	782,553	317,010	465,543	–				579,505



Notes to the interim financial statements
For the six months ended 31 December 2020

7 Dividends

	Unaudited 31 Dec 20 \$'000	Unaudited 31 Dec 19 \$'000	Audited 30 Jun 20 \$'000
Fully paid ordinary shares	94,143	86,778	94,143
Partly paid redeemable preference shares	1	1	1
	94,144	86,779	94,144
Ordinary dividends	–	22,000	22,000
Total dividends declared on fully paid ordinary shares	–	22,000	22,000
Cents per share	–	54	46

There are no movements in shares during the reporting period. CCHL has on issue:

- 48,090,528 (2019: 40,725,528) fully paid ordinary shares to Christchurch City Council, carrying one vote per share and the right to dividends.
- \$1,500,139,000 (2019: \$1,500,139,000) of redeemable preference shares, paid up to \$1,390, to Christchurch City Council. No further calls have been made on these shares. Dividends are only payable to the extent that the shares are paid up. CCHL may elect to redeem the whole or any part of the shares. The shares do not carry any right to conversion into ordinary shares in CCHL. The shares have no par value.

8 Impact of seasonality

There are no material cyclicity impacts in the Group.

9 Group debt

	Unaudited 31 Dec 20 \$'000	Unaudited 31 Dec 19 \$'000	Audited 30 Jun 20 \$'000
Unsecured:			
Commercial Paper	75,000	–	–
Bonds and floating rate notes	648,286	656,188	650,005
Loans from external parties	578,950	481,000	668,200
Loans from related entities	573,200	573,200	573,200
	1,875,436	1,710,388	1,891,405
Secured:			
Loan from external parties	244,078	233,963	153,769
	244,078	233,963	153,769
Total current group borrowings	633,552	420,700	612,269
Total non current group borrowings	1,485,962	1,523,651	1,432,905
Total group borrowings	2,119,514	1,944,351	2,045,174

		Unaudited 31 Dec 20 \$'000	Unaudited 31 Dec 19 \$'000	Audited 30 Jun 20 \$'000
Christchurch City Holdings Ltd				
Nature of Debt	Avg rate – Maturity			
Commercial Paper	0.28% Jan 21/Mar 21	75,000	–	55,000
Retail Bond	3.49% Dec 22/Nov 24	300,000	300,000	300,000
Floating Rate Notes	n/a	–	10,000	–
Related Party Funding – Short Term	3.29% May 21/Nov 21	156,500	52,700	183,500
Related Party Funding – Long Term	2.23% Apr 22/Apr 29	416,700	520,500	389,700
Total Related Party Funding		573,200	573,200	573,200
Crown Infrastructure Partners Ltd	0% May 21	157,078	149,963	153,769
Undrawn Bank Facility	Dec-21	100,000	100,000	100,000
Christchurch International Airport Ltd				
Nature of Debt	Avg rate – Maturity			
Bank Facility	3.3% Oct 21/Sept 23	397,000	319,000	380,000
Bond Funding	5.01% Oct 21/Apr 27	208,286	206,188	210,005
Undrawn Bank Facility	n/a	128,000	51,000	105,000
Orion New Zealand Ltd				
Nature of Debt	Avg rate – Maturity			
Bank Loans	1.12% Nov 22/Jul 23	181,950	162,000	174,200
Undrawn Bank Facility	Jul 23	28,050	48,000	35,800
USPP Facilities (fully drawn)	1.87% Sept 28 /Sept 30	140,000	140,000	140,000
Lyttelton Port Company Ltd				
Nature of Debt	Avg rate – Maturity			
Bank facility	1.3% Nov 21/Apr 23	87,000	84,000	59,000
Undrawn bank facility	n/a	78,000	146,000	106,000



Notes to the interim financial statements
 For the six months ended 31 December 2020

10 Significant events and transactions

10a Capital commitments

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Property, plant & equipment	22,053	94,144	73,443
Electricity distribution network	22,218	36,500	16,223
UFB network	21,000	58,500	-
Investment property	8,776	37,715	13,285
Intangible assets	60	-	123
	74,107	226,859	103,074

10b Acquisitions of non-current assets

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Additions	112,411	232,187	356,672

The acquisitions of property, plant and equipment reflects the capital programmes of Orion, Christchurch Airport, Lyttelton Port and Enable.

10c Contingent liabilities

The contingent liabilities of the Group as disclosed in Note 18 of the annual report for the year ended 30 June 2020 are materially the same as at 31 December 2020, except that in September 2020, a settlement was reached in the claim against Orion NZ in relation to the Port Hills Fires.

10d Discontinued operations

In December 2020 the urban transport business operations of Red Bus were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and surplus buses that are currently held for sale.

11 Related party disclosures

	Unaudited 6 months Group 31 Dec 20 \$'000	Unaudited 6 months Group 31 Dec 19 \$'000	Audited 12 months Group 30 Jun 20 \$'000
Transactions between CCHL group entities and Christchurch City Council (CCC)			
Dividends paid/payable to CCC	-	22,000	22,000
Interest paid to CCC	7,206	8,627	16,733
Services provided to CCC	56,845	56,112	113,245
Services provided by CCC (including rent and rates)	8,126	8,587	24,079
Net Loan Advances received from CCC	-	44,700	44,700

12 Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure up to the date of authorisation of these financial statements.



Notes to the interim financial statements
 For the six months ended 31 December 2020

Investor relations

Investor Centre

CCHL's website, www.cchl.co.nz, enables Bondholders to view information about the Group, including SoIs, annual reports for CCHL and its subsidiaries and announcements.

Bondholder Interest Payments

Interest is paid semi-annually in June and December (until December 22), and November and May (until November 24) each year, until redemption.

Registrar

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Bond Register. Computershare can be contacted directly:

Computershare Investor Services Limited
 Private Bag 92119
 Auckland 1142
 Level 2, 159 Hurstmere Road
 Takapuna
 Auckland 0622

Telephone +64 9 488 8777
 Email enquiry@computershare.co.nz

Managing your Bondholding online

To view and update your bondholder details please visit www.investorcentre.com/nz.

Bondholder Distribution

In line with clause 3.7.1 of the NZX listing rules, the following table details the spread of bondholders within 2 months of the date of this report:

The 20 largest bondholders as at 31 December 2020 were:

CH010 – Maturing December 2022

Rank	Name	\$ Holdings
1	BNP Paribas Nominees (NZ) Ltd – NZCSD <COGN40>	31,951,000
2	Citibank Nominees (New Zealand) Ltd – NZCSD <CNOM90>	20,227,000
3	National Nominees Ltd – NZCSD <NNLZ90>	14,275,000
4	Tea Custodians Ltd Client Property Trust Account – NZCSD <TEAC40>	12,662,000
5	BNP Paribas Nominees (NZ) Ltd – NZCSD <BPSS40>	10,809,000
6	Forsyth Barr Custodians Ltd <1-CUSTODY>	10,617,000
7	HSBC Nominees (New Zealand) Ltd – NZCSD <HKBN90>	9,735,000
8	JP Morgan Chase Bank NA NZ Branch – Segregated Clients Acct – NZCSD <CHAM24>	8,530,000
9	Investment Custodial Services Ltd <A/C C>	6,048,000
10	FNZ Custodians Limited	4,339,000
11	PIN Twenty Limited <KINTYRE A/C>	3,000,000
12	Forsyth Barr Custodians Limited <Account 1 E>	1,942,000
13	Custodial Services Ltd <A/C 1>	1,891,000
14	Custodial Services Ltd <A/C 4>	1,581,000
15	MT Nominees Limited – NZCSD	1,000,000
16	ANZ Custodial Services New Zealand Ltd NZCSD <PBNK90>	957,000
17	FNZ Custodians Ltd <DTA Non Resident A/C>	930,000
18	Commonwealth Bank of Australia – NZCSD <CBAANZ>	800,000
19	Public Trust RIF Nominees Limited – NZSCD <NZPR40>	748,000
20	Thomas Hermann Grothe	576,000

December 2022 Bond-holder spread

Holding range	Holder Count	Holding quantity	% of total
1 to 499	0	0	0.00
500 to 999	0	0	0.00
1,000 to 1,999	0	0	0.00
2,000 to 4,999	0	0	0.00
5,000 to 9,999	10	54,000	0.04
10,000 to 49,999	117	2,341,000	1.56
50,000 to 99,999	26	1,600,000	1.07
100,000 to 499,999	16	2,887,000	1.92
500,000 to 999,999	6	4,511,000	3.01
1,000,000 over	15	138,607,000	92.4
Total	190	150,000,000	100.00



Notes to the interim financial statements
For the six months ended 31 December 2020

CH020 – Maturing November 2024

Rank	Name	\$ Holdings
1	BNP Paribas Nominees (NZ) Ltd – NZCSD <COGN40>	49,372,000
2	BNP Paribas Nominees (NZ) Ltd – NZCSD <BPSS40>	12,268,000
3	Tea Custodians Ltd Client Property Trust Account – NZCSD <TEA C40>	11,380,000
4	National Nominees Ltd – NZCSD <NNLZ90>	11,300,000
5	Citibank Nominees (New Zealand) Ltd – NZCSD <CNOM90>	11,080,000
6	HSBC Nominees (New Zealand) Ltd – NZCSD <HKBN90>	10,338,000
7	ANZ Fixed Interest Fund – NZCSD <PNL90>	9,800,000
8	HSBC Nominees (New Zealand) Ltd A/C State Street – NZCSD <HKBN45>	9,800,000
9	NZPT Custodians (Grosvenor) Ltd – NZCSD <NZPG40>	7,400,000
10	Forsyth Barr Custodians Ltd <1-CUSTODY>	4,925,000
11	FNZ Custodians Limited	2,833,000
12	Risk Reinsurance Ltd	2,000,000
13	JP Morgan Chase Bank NA NZ Branch Segregated Clients Acct – NZCSD <CHAM24>	1,861,000
14	Custodial Services Ltd <A/C 1>	1,255,000
15	University of Otago Foundation Trust	1,000,000
16	Forsyth Barr Custodians Limited <Account 1 E>	524,000
17	Custodial Services Ltd <A/C 3>	455,000
18	James Hargest High School Board	300,000
19	Custodial Services Ltd <A/C 4>	266,000
20	Guy Denby Domett & Nicole Ann Domett <Guy & Nicole Domett Family A/C>	180,000

November 2024 Bond-holder spread

Holding range	Holder Count	Holding quantity	% of total
1 to 499	0	0	0.00
500 to 999	0	0	0.00
1,000 to 1,999	0	0	0.00
2,000 to 4,999	0	0	0.00
5,000 to 9,999	7	43,000	0.03
10,000 to 49,999	18	367,000	0.24
50,000 to 99,999	9	608,000	0.41
100,000 to 499,999	10	1,846,000	1.23
500,000 to 999,999	1	524,000	0.35
1,000,000 over	15	146,612,000	97.74
Total	60	150,000,000	100.00

Directory

Registered Office

Level 1, 151 Cambridge Terrace
Christchurch

Directors

J B Smith (Chair)
C A Evans
G S Campbell
L A Dalziel
S L Templeton
J T Gough
A D Turner
A M G Skinner

Bankers

Westpac Institutional Bank, Auckland
Bank of New Zealand, Christchurch
ANZ New Zealand Ltd, Wellington

Auditors

Audit New Zealand (on behalf of the
Controller and Auditor-General)
Christchurch

Ownership

100% owned by Christchurch City Council

Group contact details

Orion New Zealand Limited

565 Wairakei Rd
PO Box 13896 Christchurch 8141
Telephone: (03) 363 9898
Email: info@oriongroup.co.nz
Website: www.oriongroup.co.nz

Christchurch International
Airport Limited

Top floor, Car Park Building, 30 Durey Road
Memorial Avenue
PO Box 14001 Christchurch 8544
Telephone: (03) 358 5029
Website: www.christchurch-airport.co.nz

Lyttelton Port Company Limited

41 Chapmans Rd, Woolston
Private Bag 501, Lyttelton 8841
Telephone: (03) 328 8198
Website: www.lpc.co.nz

Enable Services Limited

Enable House, 2nd Floor
106 Wrights Road, Addington
PO Box 9228, Tower Junction, Christchurch
Telephone: (03) 363 2962
Email: support@enable.net.nz
Website: www.enablenetworks.co.nz

City Care Limited

110c Orchard Road
P O Box 7669 Christchurch
Telephone: (03) 941 7200
Website: www.citycare.co.nz

EcoCentral Ltd

Level 1, Baigent Way, Middleton
PO Box 6320, Christchurch
Telephone: (03) 336 0080
Email: admin@ecocentral.co.nz
Website: www.ecocentral.co.nz

RBL Property Ltd
Development Christchurch Ltd

C/- Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace
P O Box 1151
Christchurch 8140
Telephone: (03) 941 8475



Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace,
PO Box 1151,
Christchurch 8140,
New Zealand



**CHRISTCHURCH INTERNATIONAL AIRPORT LTD
INTERIM REPORT & FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**



INTERIM REPORT

INTERIM FINANCIAL STATEMENTS

Statement of financial performance for the six months ended 31 December 2020

	Note	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
INCOME			
Operating revenue	3	66,034	96,181
Interest income		13	59
Total Income		66,047	96,240
EXPENSES			
Operating costs	4	31,738	33,163
Financing and interest costs		11,734	11,814
Depreciation, amortisation and impairment		20,846	18,967
Total Expenses		64,318	63,944
Surplus before tax		1,729	32,296
Total taxation expense		484	9,043
Net Operating Surplus after income tax		1,245	23,253

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2020 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of comprehensive income for the six months ended 31 December 2020

	Note	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
Surplus after income tax		1,245	23,253
Other comprehensive income			
<i>Items that may be reclassified subsequently to the statement of financial performance</i>			
Changes in fair value of cash flow hedges (net of deferred tax)	11	4,412	1,190
Other comprehensive income for period, net of tax		4,412	1,190
Total comprehensive income for the period		5,657	24,443

Statement of changes in equity for the six months ended 31 December 2020

	Note	Share Capital \$000	Reserves \$000	Retained Earnings \$000	Total Equity \$000
Balance at 1 July 2019		57,600	620,959	373,461	1,052,020
Dividends paid to shareholders	8	-	-	(21,449)	(21,449)
Total comprehensive income for the period		-	1,190	23,253	24,443
Balance at 31 December 2019		57,600	622,149	375,265	1,055,014
Balance at 1 July 2020		57,600	639,683	382,338	1,079,621
Total comprehensive income for the period		-	4,412	1,245	5,657
Balance at 31 December 2020		57,600	644,095	383,583	1,085,278

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2020 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of financial position as at 31 December 2020

	Note	Unaudited As at 31 Dec 2020 \$000	Audited As at 30 June 2020 \$000
EQUITY			
Share capital		57,600	57,600
Reserves		644,095	639,683
Retained earnings		383,583	382,338
TOTAL EQUITY		1,085,278	1,079,621
NON-CURRENT LIABILITIES			
Term Borrowings	5	391,312	470,005
Derivative financial instruments	11	39,898	45,590
Deferred taxation		122,189	120,472
Trade and other payables		631	682
TOTAL NON-CURRENT LIABILITIES		554,030	636,749
CURRENT LIABILITIES			
Current Portion of Borrowings	5	213,974	120,000
Trade and other payables		16,068	28,850
Taxation payable		5,201	4,693
Derivative financial instruments	11	1,341	1,743
TOTAL CURRENT LIABILITIES		236,584	155,286
TOTAL EQUITY AND LIABILITIES		1,875,892	1,871,656
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,253,120	1,263,491
Investment Properties	10	586,482	571,658
Intangible Assets		2,657	3,253
Trade and other receivables		3,681	3,984
Derivative financial instruments	11	8,582	10,295
TOTAL NON-CURRENT ASSETS		1,854,522	1,852,681

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2020 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of financial position as at 31 December 2020 (continued)

	Unaudited As at 31 Dec 2020	Audited As at 30 June 2020
Note	\$000	\$000
CURRENT ASSETS		
Cash and cash equivalents	4,083	4,164
Trade and other receivables	16,799	14,345
Inventories	488	466
TOTAL CURRENT ASSETS	21,370	18,975
TOTAL ASSETS	1,875,892	1,871,656

For and on behalf of the Board



Catherine Drayton
Chair



Kathryn Mitchell
Director

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2020 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of cash flows for the six months ended 31 December 2020

	Note	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from customers		76,523	94,528
Interest received		13	59
Net Goods and Services Tax received		14	678
		<u>76,550</u>	<u>95,265</u>
<i>Cash was applied to:</i>			
Payments to suppliers and employees		(52,105)	(39,303)
Financing and interest costs		(11,649)	(10,987)
Net income tax paid		-	(5,600)
		<u>(63,754)</u>	<u>(55,890)</u>
Net Cash Flows from Operating Activities		<u>12,796</u>	<u>39,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment and intangible assets		(10,598)	(44,155)
Purchase of investment properties		(19,279)	(28,319)
Net Cash Flows from Investing Activities		<u>(29,877)</u>	<u>(72,474)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Borrowings		17,000	159,000
<i>Cash was applied to:</i>			
Borrowings		-	(105,000)
Dividends paid	8	-	(21,449)
Net Cash Flows from Financing Activities		<u>17,000</u>	<u>32,551</u>

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2020 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of cash flows for the six months ended 31 December 2020 (continued)

	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
Net (Decrease)/Increase in Cash Held	(81)	(548)
Add cash and cash equivalents at beginning of the period	4,164	845
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	4,083	297
Cash	9	9
Bank and deposits	4,074	288
CASH AT END OF THE PERIOD	4,083	297
RECONCILIATION WITH NET OPERATING SURPLUS AFTER TAX		
Net operating surplus after income tax	1,245	23,253
<i>Non-cash items</i>		
Amortisation of capitalised borrowing costs and fair value hedge ineffectiveness	2	104
Amortisation of lease surrender	295	318
Accrued interest within derivatives	26	140
Depreciation, amortisation and impairment	20,846	18,967
	22,414	42,782
<i>Items Not Classified as Operating Activities</i>		
Capital items included in trade payables and accruals	5,173	15,888
	5,173	15,888
<i>Movements in Working Capital</i>		
Increase/(decrease) in trade and other payables	(12,832)	(17,680)
(Increase)/decrease in trade and other receivables	(2,445)	(4,996)
(Increase)/decrease in inventories	(22)	(62)
Increase/(decrease) in taxation payable	508	3,443
	(14,791)	(19,295)
Net Cash Flows from Operating Activities	12,796	39,375

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2020 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Notes to the interim financial statements for the six months ended 31 December 2020

1. Basis of preparation and accounting policies

Christchurch International Airport Limited is a company registered under the Companies Act 1993. The company is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

The interim financial statements presented are for Christchurch International Airport Limited and its wholly owned subsidiaries. As the wholly owned subsidiaries were not trading and held no assets and liabilities during and at the end of the period of review, the financial statements for the group are the same as that of the parent.

The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Local Government Act 2002, the Financial Reporting Act 2013, the Companies Act 1993 and the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Debt Market Listing Rules. These unaudited interim financial statements comply with New Zealand equivalents to International Financial Reporting Standards NZ IAS 34. Christchurch International Airport Limited is designated as a profit-oriented entity for financial reporting purposes.

These interim financial statements are not required to and do not make disclosure of all the information required to be included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements and related notes included in Christchurch Airport's Annual Report for the year ended 30 June 2020 ("2020 Annual Report").

The accounting policies set out in the 2020 Annual Report have been applied consistently to all periods presented in these interim financial statements, except for the adoption of new standards effective for periods commencing on or after 1 January 2020. Christchurch Airport has not early adopted any other standard that has been issued but is not yet effective.

COVID 19

During March 2020 the World Health organisation declared a global pandemic in relation to COVID 19. The New Zealand government responded to COVID 19 by imposing significant restrictions around travel including quarantining of international travellers arriving into New Zealand and introducing an alert level system with restrictions on business activity and societal interaction.

The current financial year for the twelve months to 30 June 2021, will continue to have many aspects of the prior year in terms of the impact of COVID 19 on the airport operating environment, ongoing border closures and both the aeronautical and non-aeronautical passenger-based business activities of the company.

During this six-month period, CIAL continued with several actions designed to manage the impact of COVID 19 on the financial resilience of the company. These actions include:

- rationalised operations and related operating cost to reflect new environment;
- ongoing wage and salary freeze, and recruitment freeze with sinking lid on staff numbers;
- suspended or cancelled capital expenditure projects where necessary;
- subsequent to 30 June 2020, obtained a further \$40m of new bank facilities for additional liquidity (see note 5 for total facilities);
- subsequent to 30 June 2020, obtained extensions on all bank facilities maturing before 31 December 2020 (see note 5);
- subsequent to 30 June 2020, obtained bank and bond supervisor financial covenant waivers from 31 December 2020 to 31 December 2021 inclusive (see note 5);
- extension of the Novotel Christchurch Airport Managed Isolation and Quarantine facility contract until the end of April 2021.

INTERIM REPORT

During the preparation of the financial statements at 30 June 2020, the company was required to make several estimates and judgements. Based on the company's performance in the most recent six months to 31 December 2020, these estimates and judgements have been reassessed and no material adjustments have been deemed necessary.

Outlined below are certain areas of financial reporting where the pandemic has required the company to make certain estimates and judgments for the 6 months to 31 December 2020.

<i>Accounting Estimate/Judgement</i>	<i>Summary Impact</i>	<i>Note to the Financial Statements</i>
Impact of Credit loss assessments	Several of our airline partners and tenants have experienced major disruption to their businesses. Credit loss assessments have been made for each individual debtor. This has resulted in an increase in the doubtful debts provision of \$484,000, bringing the overall provision for doubtful debts to \$1,394,000. This provision reflects the uncertainty associated with the collection of certain outstanding debts at 31 December 2020.	See Note 4.
Liquidity Risk Management, Classification of Borrowings and Going Concern	<p>During the period, CIAL obtained further liquidity to meet forecast cashflows over the coming 18 months, arranging a new facility for \$40m with an existing provider and extending the maturity of three existing facilities. Facilities classified as current mature between October and December 2021.</p> <p>The company was not in breach of its banking covenants at 31 December 2020 and no change to classification between current and non-current was required.</p> <p>Covenant Waivers were agreed with our bank funding providers and bond supervisor on the 18th August 2020 for reporting periods to 31 December 2021 inclusive. Given the performance for this six-month period, waivers and additional liquidity obtained, the adoption of the going concern assumption remains appropriate for the preparation of these interim financial statements.</p>	See Note 5.
Lease Agreements	<p>The company continues to provide ongoing relief to a number of tenants by way of rent deferral or rent abatement.</p> <p>Deferral of rents has consequently increased the debtor receivable balances and lengthened the aging profile of those debtors.</p> <p>The company has assessed that the rent abatements are not lease modifications that would be spread over the remaining terms of the leases. The company has therefore recognised the abatements as a reduction to income during the period.</p>	See Note 3.
Wage Subsidy	CIAL applied for and was eligible for the Government Wage subsidy extension. The subsidy is included within Other Revenue.	See Note 3.

INTERIM REPORT

2. Segment Reporting

Reportable segments

The company's reportable operating segments have been based on the monthly internal reporting that is received by the Chief Executive, as the chief operating decision maker. This information is used to assess performance and determine the allocation of resources.

The operating segments are based on the type of services rendered. Discrete financial information is presented to the Chief Executive to a Net Profit Before Tax level, which is used to assess segment performance. An allocation of all corporate revenues and expenses (except tax), is included within each operating segment.

Operating segments – Services provided

Planes

This area of the business offers services that facilitate the movement of aircraft, cargo and passengers on the airfield.

Passengers

The passenger operating segment provides services to the terminal retailers, provides ground transport solutions to staff and the public and includes the terminal portion of the aeronautical charge.

Property

The property operating segment earns revenues from the provision of investment properties to landside airport campus tenants.

	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2020	\$000	\$000	\$000	\$000
Total segment income	11,166	24,127	30,754	66,047*
Total segment expenses	11,989	32,115	20,214	64,318*
Segment Net Profit before Tax	(823)	(7,988)	10,540	1,729*
	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2019	\$000	\$000	\$000	\$000
Total segment income	18,816	52,858	24,566	96,240*
Total segment expenses	13,201	35,571	15,172	63,944*
Segment Net Profit before Tax	5,615	17,287	9,394	32,296*

*Agrees to total income, total expenses and surplus before tax on the Statement of Financial Performance. Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2019: nil).

INTERIM REPORT

3. Operating Revenue

	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
<i>Revenue from contracts with customers</i>		
Landing and Terminal charges	21,432	41,618
Ground transport and other trading activities	14,463 ¹	11,955
Total Revenue from contracts with customers	35,895	53,573
<i>Other Income</i>		
Rent and Lease income	24,838	34,707
Other revenue	5,301 ²	7,901
Total Other Income	30,139	42,608
Total Operating Revenue	66,034	96,181

¹ balance includes the hotel revenue (noting hotel only operated for one month in the comparative period)

² balance includes Government COVID 19 wage subsidy. All conditions attached to this grant have been fulfilled at 31 December 2020.

4. Operating Costs

	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
Staff	11,486	12,337
Asset management, maintenance and airport operations	6,101	7,273
Rates and insurance	6,472	5,785
Marketing and promotions	758	2,019
Professional services and levies	758	870
Commercial entity running costs	3,786 ¹	2,083
Other	2,377 ²	2,796
	31,738	33,163

¹ balance includes the hotel staff and operating costs (noting hotel only operated for one month in the comparative period)

² balance includes bad debt provision of \$484,000 (2019: \$20,000) associated with rent and lease income.

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5. Borrowings

As at 31 December 2020, the Company has committed bank funding facilities for an aggregate \$525,000,000 (2019: \$370,000,000) with six banks. In addition, the Company has an overdraft facility of \$1,000,000 (2019: \$1,000,000).

Total bond funding at 31 December 2020 is \$200,000,000 (2019: \$200,000,000). \$100,000,000 (2019: \$100,000,000) of the bond funding is held at amortised cost, adjusted by the fair value of the designated hedge instrument. Additionally, the Company has two \$50,000,000 bonds, maturing in October 2021 and April 2027 respectively.

During the period, a new facility for \$40,000,000 was arranged with an existing provider. Additionally, the maturity of three existing facilities were extended.

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The negative pledge deed requires that no security interest is provided over any assets for borrowings, unless an equivalent security interest is created for the borrowing group and bond holders. Interest rates paid during the period, including offsetting interest rate swaps, ranged from 0.9% to 6.3%. (2019: 2.2% to 6.7%). The bonds constitute direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

During the current and prior periods, there were no defaults or breaches on any of the borrowing facilities.

The Company obtained waivers of its financial covenants from both bank lenders and the bond supervisor. These waivers were granted in August 2020 and take the following form:

- waive compliance with the interest cover ratio for the Financial Periods ending 31 December 2020 and 30 June 2021 (which would otherwise be required to be at least 1.75:1); and
- waive compliance with the interest cover ratio for the Financial Period ending 31 December 2021, provided that the interest cover ratio for that Financial Period must be no less than 1.50:1.

Borrowings maturing in October-December 2021 are expected to be re-financed through the extension of existing facilities and debt capital market issuance.

	Unaudited As at 31 Dec 2020	Audited As at 30 June 2020
	\$000	\$000
Less than 1 year	213,974	120,000
1 > 3 Years	233,000	309,956
3 > 5 Years	108,312	110,049
Greater than 5 Years	50,000	50,000
	605,286	590,005
Total available funding	725,000	685,000

INTERIM REPORT

6. Related Party Transactions

Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company.

Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. All transactions with related entities:

- are conducted on an arm's length basis;
- result from the normal dealings of the parties;
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

The New Zealand Government is the majority owner of Air New Zealand, a major customer of CIAL from both an aeronautical and rental and lease perspective. Pricing agreements are renegotiated for aeronautical charges with all airline customers of CIAL, including Air New Zealand, every five years. Air New Zealand also leases several properties within the terminal and the wider CIAL campus.

	Unaudited 6 months to 31 Dec 2020 \$000	Unaudited 6 months to 31 Dec 2019 \$000
<i>Transactions with owners during the period to 31 December</i>		
Purchases from CCC and subsidiaries	3,755	6,516
Rates paid to CCC	3,237	2,948
Revenues from CCC and subsidiaries	365	321
Dividend paid to CCHL	-	16,087
Dividend paid to the Crown	-	5,362
Amounts payable to CCC and subsidiaries	413	1,303
Amounts receivable from CCC and subsidiaries	1	62

Non-Shareholder Related Party Transactions

Some directors of the company are, or have been during the period, directors of other companies or organisations with whom Christchurch International Airport Ltd may transact. Such transactions are all carried out on an arm's-length basis and are conducted on normal commercial terms.

No amounts were written off or forgiven during the reporting period and outstanding balances were settled under normal trading terms.

7. Commitments

	Unaudited As at 31 Dec 2020 \$000	Unaudited As at 31 Dec 2019 \$000
<i>Total capital expenditures committed to, but not recognised in, the financial statements</i>		
Property, Plant and Equipment and Intangibles	5,057	18,677
Investment Properties	8,776	37,715

Cashflows associated with the purchase or construction of Property, Plant and Equipment, Intangibles and Investment Properties are included in the Statement of Cashflows.

INTERIM REPORT

8. Dividends

	Unaudited 6 months to 31 Dec 2020	Unaudited 6 months to 31 Dec 2019
	\$000	\$000
2019 Final dividend paid (\$0.37 per share)	-	21,449

As part of obtaining financial covenant waivers with our bank funding providers and bond supervisors, CIAL agreed that it will not make or pay any Distribution to shareholders until it is in compliance with all financial covenants and has delivered a certificate demonstrating that compliance.

The Company paid a dividend of \$20m for the year ended 30 June 2020 in line with its dividend policy. No decisions on dividends for the current financial year will be made until full year trading is known and more information around vaccinations and the future of borders is known.

9. Property, Plant & Equipment

The company carries Land, Buildings, Terminal facilities, sealed surfaces, infrastructure and car parks at fair value. The company last revalued the car parking assets at 30 June 2020, as outlined in the 2020 Annual Report, and the other asset classes at 30 June 2018 as outlined in the 2018 Annual Report. No revaluation of these assets has been performed as at 31 December 2020.

Motor Vehicles, plant & equipment, office & computers and work in progress are carried at cost.

Additions to property, plant & equipment were \$9,900,000 for the six months ended 31 December 2020 (2019: \$31,800,000).

10. Investment Property

The company carries Investment Property at fair value. The company last revalued investment property at 30 June 2020 as outlined in the 2020 Annual Report. No revaluation of investment property has been performed as at 31 December 2020.

Additions to investment property were \$14,800,000 for the six months ended 31 December 2020. (2019: \$24,800,000).

11. Fair Value of Financial Instruments

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the six months to 31 December 2020.

The company's derivative financial instruments are all classified as level 2 and the fair values are determined using valuation techniques. The company has an outsourced treasury provider that has provided the fair values as at 31 December 2020. These valuation techniques are based on observable market data and the interest rate swaps calculation takes into account the present value of the estimated future cash flows.

12. Contingent Assets and Liabilities

As at 31 December 2020 there were no contingent assets (2019: nil) and there were no contingent liabilities (2019: nil).

13. Events Subsequent to Balance Date

There were no other events occurring after balance date that could significantly affect these interim financial statements.

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INTERIM REPORT

COMPARISON OF FORECAST TO ACTUAL RESULTS

The company prepares an annual Statement of Intent which is approved by shareholders and incorporates financial and performance measures for the ensuing year.

A comparison of the company's actual performance for the six months ended 31 December 2020 with those measures are as follows:

TARGETS	FY 2021 FY Target \$000	HY 2021 Actual \$000	HY 2021 Target \$000
a) FINANCIAL			
Total Revenue	111,200	66,034	47,489
EBITDAF (Earnings before interest, tax, depreciation, amortisation and fair value movements)	51,112	34,296	19,274
Net Profit (Loss) after tax	(17,740)	1,245	(14,865)
EBITDAF as a % of Revenue	46.0%	51.9%	40.6%
Return on Invested Capital (EBIT/(Equity+Debt))	1.2%	0.8%*	(1.5%)*
b) PASSENGER NUMBERS			
	FY 2021 FY Target	HY 2021 Actual	HY 2021 Target
Domestic	2,860,433	1,673,089	1,180,820
Tasman and Pacific Islands	506,272	1,037	161,387
International	22,581	4,774	2,244
Total	3,389,286	1,678,900	1,344,451
c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS			
	FY 2021 FY Target	HY 2021 Actual	HY 2021 Target
Shareholder Funds / Total Assets %	56.3%	57.9%	56.7%
Gearing (debt / (debt + equity)) %	37.4%	35.5%	36.7%
EBITDAF Interest Cover x	2.1	2.9	1.8
Free Funds Interest Cover x	2.3	2.9	1.6
Free Funds / Debt %	5.1%	5.7%*	1.1%*

* the half year actual and target amounts are based on performance for the six-month period to date, and hence will be proportionately lower than the full year target shown in the first column. It should also be noted that the performance in the second half of each financial year is forecast to include any uplift in investment property revaluations, and hence in a normal year will generate a higher return ratio than in the first half of the year.

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d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures	
	2021	Progress to 31 December 2020
Health, Safety & Wellbeing		
1. Visible and active safety leadership by all CIAL leaders	<ul style="list-style-type: none"> Increased number of safety leadership conversations as measured in safety leadership app Active participation in safety leadership working group by all members 	<ul style="list-style-type: none"> Safety Leadership conversation app being redesigned to improve alignment and usability with relaunch expected in Feb 21. The annual culture survey showed good improvement in safety leadership with an 83% positive result to the statement that CIAL demonstrates a strong commitment to the health, safety and wellbeing of our people. Excellent attendance and participation in the safety leadership working group in the year to date. Group members actively demonstrate safety leadership.
2. Delivery of People and Aviation Safety Assurance Program	<ul style="list-style-type: none"> CIAL people and aviation safety assurance program delivered. Incorporate Safety-II principles into Assurance Program 	<ul style="list-style-type: none"> Delivery of the current year People and Aviation Safety Workplan is on schedule and is reported on monthly at all levels including board. Safety II principles are incorporated into all aspects of the Health and Safety Management System in line with the alignment to ISO45001.
3. Mental health and resilience program implemented	<ul style="list-style-type: none"> Incremental increase in wellbeing measures in culture and engagement survey Continued activation of our Whare Tapa Wha wellness strategy Mental Health and Resilience Program complete 	<ul style="list-style-type: none"> Great results of 87% and 83% respectively for the health, safety and wellbeing and the work/life blend factor insights in the 2020 culture survey. Recognising the impact of COVID-19 on employee wellbeing we have continued activations to enhance both employee physical and mental health. Delivery of the Mental Health and Resilience Program was completed with all staff last year. As part of the ongoing improvements in the delivery of our Wellbeing Strategy, 85 of our people completed Mental Health First Aid training between August and October 2020.
Sustainability		
Carbon		
4. Eliminate all non-emergency related Scope 1 emissions, reduce our scope 2 emissions from electricity and managing our Scope 3 emissions	<ul style="list-style-type: none"> 20% reduction on CIAL carbon emissions benchmarked against FY15 ACI ACA Level 2 certified 80% of CIAL's road vehicle fleet made up of EV and hybrid vehicles 	<ul style="list-style-type: none"> 45% reduction on CIAL carbon emissions benchmarked against FY15 ACI ACA Level 4 certified (World's first airport to achieve this). Currently 52% of CIAL's road vehicle fleet is EV and hybrid vehicles. Awaiting more electric alternatives.

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<p>Waste</p> <p>5. Waste is a by-product of operating a diverse and large organisation, but we can work with all our stakeholders to reduce, reuse and recycle so we minimise the impact on our environment</p>	<ul style="list-style-type: none"> ▪ Work with airlines to achieve greater recycling of waste off aircraft ▪ Implement food court waste upgrades ▪ Complete feasibility analysis for onsite processing of organic waste 	<ul style="list-style-type: none"> ▪ Continuing to review quarantine waste and feasibility of introducing a transitional waste sorting facility. ▪ Food court upgrades have been deferred for consideration in FY22. ▪ Feasibility analysis of several options underway - including onsite anaerobic digestion and designing organic waste processing as part of circular system that supports carbon capture and greater food resilience. <p>Redesign of how we approach our waste contract is now underway with the introduction of a new waste minimisation contract, in addition to waste removal services.</p>
<p>Energy</p> <p>6. By minimising our energy use, we reduce our carbon footprint, reduce costs to our businesses and reduce demand on the national grid. We strive for growth without impact, and for our business to protect our city region and island.</p>	<ul style="list-style-type: none"> ▪ Domestic jet ground power stands commissioned ▪ Passenger terminal energy consumption at least 10% further reduced on FY18 levels ▪ 90% reduction of Scope 1 emissions (baseline year FY15) achieved ▪ ITB energy centre commissioned and operational 	<ul style="list-style-type: none"> ▪ Jet ground power installed at all international stands, except Gate 16 & 17. Overall 80% is completed. Ground power infrastructure is currently sufficient to meet short to medium term needs. ▪ Following the removal of the diesel boilers in favour of clean tech ground source heating, energy consumption has increased slightly - by 1% when comparing FY20 to date vs FY18. Our commitment to look for energy consumption reductions remains. ▪ 65% reduction in Scope 1 emissions against FY15 baseline. *noting in 2015 we were not measuring fugitive emissions from refrigerant systems. Over the past 12 months, Scope 1 emissions have reduced by 83%. ▪ ITB energy centre commissioned and operational
<p>Water</p> <p>7. Christchurch is unique in using 100% naturally filtered water. Our passion is to maintain its integrity, avoid accidental contamination and minimise use of this precious resource as it passes under the airport. By doing so, we ensure water supply safety and security, protect the aquifer, reduce costs and our business protects the city, region and island</p>	<ul style="list-style-type: none"> ▪ Install accurate water metering devices to better understand passenger terminal water use ▪ Ensure on-going compliance with NZ Drinking Water Standards through regular monitoring of potable drinking groundwater supply ▪ Continue Environmental Compliance and Monitoring Program with existing airport operators and new operators on airport land 	<ul style="list-style-type: none"> ▪ Telemetry devices installed across CIAL campus. ▪ Ongoing - compliance with all regulatory requirements under drinking water standard and health act has been maintained this year. CIAL has also built and commissioned a UV treatment water plant on well 8. ▪ This program is ongoing

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<p>Noise</p> <p>8. Noise is the environmental issue of greatest focus at airports around the world. Our responsibility and bias are to engage and collaborate with all stakeholders, especially residents and businesses close to the airport and its flight paths</p>	<ul style="list-style-type: none"> Noise complaints are limited to 10 per 10,000 aircraft movements per annum Successful delivery of the updated noise compliance contours to Environment Canterbury Successful implementation of the CIAL Noise Management Plan Offers of acoustic mitigation to noise impacted properties currently eligible 	<ul style="list-style-type: none"> Ongoing – Noise complaints on average down to 5.22 per 10,000 aircraft movements (previous 6-month average was 9.68). On-going – project on hold due to COVID On-going, all compliance requirements meet for 1st half of FY21. On-going
<p>Land</p> <p>9. Our Place is an area of unique natural beauty. We have a responsibility to maintain it, improve it and remediate contaminated land. We also have a responsibility to ensure the safety of travellers and our airline partners, and so understanding the hazards and addressing the risks of bird strike is a critical and on-going activity</p>	<ul style="list-style-type: none"> Completion of the Canada Goose Tracking Masters project Development of estate wide sustainable development guidelines for use in our property development portfolio 	<ul style="list-style-type: none"> Canada Goose tracking master's thesis successfully completed. Construction Design Guidelines for new builds on campus have been completed, including sustainability best practice.
<p>Community Engagement</p>		
<p>10. To make a positive contribution to the social and community outcomes of our City and the South Island</p>	<ul style="list-style-type: none"> To continue to demonstrate support for events which attract visitors, enhance the City's image and that residents can enjoy Support community initiatives and organisations through the CIAL Community Fund, charity fundraisers and other donations through the year To engage and communicate openly with stakeholders through the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, addresses and workshops To actively involve our staff in Corporate Social Responsibility initiatives to enhance engagement 	<ul style="list-style-type: none"> Actively involved in activities such as Christchurch NZ activations and promotions, a sponsor of Pop Up Penguins and the Special Children's Christmas party. The impact of the Covid-19 pandemic has led us to pause the Community Fund and we have not made any recent grants. We continue to support charity collections within the terminal. The Executive Leadership Team and senior leaders have been actively engaged in a variety of educational and leadership seminars and sessions, locally, nationally and internationally (online). Staff have been supported to plant trees as part of the Lyttelton Saddle regeneration project, cook at Ronald McDonald House and donate food and gifts to the City Mission Christmas Appeal.
<p>Our People</p>		
<p>11. Strategy Activation Leadership Program</p>	<ul style="list-style-type: none"> Incremental improvement in leadership performance, in personal development and performance reviews 	<ul style="list-style-type: none"> Leadership performance over this period was evaluated via regular surveys, completed through the different phases of lockdown and reflect an above average level of confidence in CIAL's leadership response and display of support. 95% of our team told us that they felt well supported by CIAL through the varying Alert levels of C-19.

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	<ul style="list-style-type: none"> Incremental improvement in leadership measures in culture and engagement survey 	<ul style="list-style-type: none"> We anticipate that 2021 will provide greater stability and the leadership/competency development component of our strategic activation leadership program will be able to recommence with the support of external specialist training providers and introduction of coaching/mentoring opportunities.
12. Creation and implementation of a diversity, inclusion and participation strategy and engagement program (Wawata Iwi Charter)	<ul style="list-style-type: none"> Activate Wawata Iwi fair employer charter Incremental improvements in participation and inclusion measures in culture and engagement survey 	<ul style="list-style-type: none"> We activated a proactive approach to addressing undesirable behaviours through an internal education program promoting respectful, kind and positive communication between all. This engagement program has ensured our team feel safe, as well as encouraged to enjoy a work environment where they truly feel celebrated for their individual differences. There is a genuine feeling of equal opportunity and equity amongst employees at CIAL with over 80% of our team feeling like they belong and are respected as individuals when they are at work.
13. Review and evolution of our reward and recognition strategy continuing to focus on connection and alignment	<ul style="list-style-type: none"> Incremental improvement in our connection with purpose in culture and engagement survey Incremental improvements in reward and recognition measures in culture and engagement survey 	<ul style="list-style-type: none"> With our purpose updated to Championing Regional New Zealand in 2020, we will be taking the opportunity in 2021 to review our values to ensure our team feel aligned and behave in way that enables the attainment of our future goals. We have a strong baseline to build upon with over 70% of our team feeling they receive appropriate recognition for good work and the same feeling their job performance is evaluated fairly.
14. Review and update of Potential and Performance/areas of strategic value talent mapping exercise	<ul style="list-style-type: none"> Improved retention of critical future talent 	<ul style="list-style-type: none"> We have assessed our approach to talent management and developed a strategic framework which will enable CIAL to attract and retain the critical talent needed to deliver future business outcomes.

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OTHER INFORMATION

Nature of Business

CIAL owns and operates Christchurch International Airport. The company operates predominantly in the business of providing airport facilities and services to airline and airport users. The nature of the company's business has not changed during the period.

For the current and previous reporting period, the results are for Christchurch International Airport Limited and its five wholly owned subsidiaries. As the wholly owned subsidiaries do not trade and hold no assets or liabilities, the results and financial position for the CIAL group are the same as that for the CIAL parent company.

Credit Rating Status

On June 16, 2020 S&P Global Ratings ('S&P') lowered to 'BBB+' from 'A-', the issuer credit rating on Christchurch International Airport Ltd (CIAL) and issue credit rating on the airport's debt. Outlook is 'Stable'.

Summary of Waivers

NZX has provided CIAL with a waiver in relation to Listing Rule 5.2.3 to enable CIAL to apply for quotation on the NZX Debt Market even though the Bonds may not have been initially held by at least 100 members of the public holding at least 25% of the Bonds issued. The waiver was granted for a period of 6 months from the quotation date of the bonds (being 25 May 2018)

The effect of the waiver from Listing Rule 5.2.3 was that initially the Bonds may not have been widely held and there may have been reduced liquidity in the Bonds.

NZX has also provided CIAL with approval under Listing Rule 11.1.5 to enable CIAL to decline to accept or register a transfer of the bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.

13. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
14.	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 25 FEBRUARY 2021			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
15.	CHRISTCHURCH CITY HOLDINGS LTD - SUPPLEMENTARY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020	S7(2)(B)(II), S7(2)(H)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES	TO ENSURE COMMERCIALLY SENSITIVE INFORMATION IS PROTECTED WITHOUT WHICH THERE COULD BE AN ADVERSE IMPACT ON THE CCHL GROUP'S PROFITABILITY.	1 OCTOBER 2021 AFTER CCHL HAS ISSUED ITS ANNUAL REPORT FOR 2020/21 AND WITH THE APPROVAL OF THE CHIEF EXECUTIVES OF THE COUNCIL AND CCHL.
16.	PERFORMING ARTS PRECINCT, OFF STREET CAR PARKING	S7(2)(B)(II), S7(2)(H)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES	THIS REPORT CONTAINS PROPOSED COMMERCIAL ARRANGEMENTS UNDER WHICH COUNCIL WILL WORK WITH THE PREFERRED CAR PARK SUPPLIER.	28 FEBRUARY 2023 TBC AROUND THREE MONTHS AFTER THE PROGRAMMED OPENING DATE OF THE CAR PARK
17.	PROCUREMENT STRATEGY FOR THE ORGANICS PLANT UPGRADE PROJECT	S7(2)(B)(II), S7(2)(H), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	THE REPORT AND ATTACHMENT TO THE PAPER CONTAIN SENSITIVE COMMERCIAL INFORMATION.	30 JULY 2021 ONCE THE TENDER ACTIVITY HAS BEEN COMPLETED AND A NEW CONTRACT HAS BEEN EXECUTED, AND

					AT THE DISCRETION OF THE HEAD OF PROCUREMENT AND CONTRACTS UNIT.
18.	CANTERBURY MULTI USE ARENA DESIGN AND BUILD	S7(2)(B)(II), S7(2)(H), S7(2)(I)	PREJUDICE COMMERCIAL POSITION, COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	COMMERCIAL TENDER INFORMATION PRE CONTRACT AWARD FOR COUNCIL APPROVAL	30 APRIL 2025 ON APPROVAL FROM HEAD OF PROCUREMENT AND CONTRACTS