

Finance and Performance Committee AGENDA

Notice of Meeting:

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

Date:	Thursday 29 April 2021
Time:	9.30am
Venue:	Council Chambers, Civic Offices,
	53 Hereford Street, Christchurch

Membership

Chairperson Deputy Chairperson Members **Deputy Mayor Andrew Turner** Councillor Sam MacDonald 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**

23 April 2021

Principal Advisor

Dawn Baxendale Chief Executive Tel: 941 6996

David Corlett Committee and Hearings Advisor 941 5421 david.corlett@ccc.govt.nz <u>www.ccc.govt.nz</u>

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.

To view copies of Agendas and Minutes, visit:

Principal Advisor Diane Brandish

and Commercial

Tel: 941 8454

Acting General Manager Finance





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

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

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

decision-making

Community Outcomes

Vibrant and thriving city centre

A well connected and accessible

Sustainable suburban and

city promoting active and

Sufficient supply of, and

21st century garden city

we are proud to live in

access to, a range of housing

Liveable city

rural centres

public transport

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)

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 connectedMeeting the challenge of climate changeEnsuring a high quality drinking water supplyAccelerating the momentumEnsuring a thinking water supplycommunities to own their futurethe city needsa						
Ensuring we get core	business done while deliv	vering on our Strategic Pric	prities and achieving our C	ommunity Outcomes		



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
 - o 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.

<u>Property</u>

• 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.

<u>Insurance</u>

• 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.

<u>Submissions</u>

- 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 decisionmaking 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 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 <u>Thursday, 25</u> <u>March 2021</u> 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: Time: Venue:	Thursday 25 March 2021 9.31am Council Chambers, Civic Offices, 53 Hereford Street, Christchurch
Present Chairperson Deputy Chairperson Members	Deputy Mayor Andrew Turner Councillor Sam MacDonald Mayor Lianne Dalziel Councillor Jimmy Chen Councillor Catherine Chu Councillor Melanie Coker Councillor Melanie Coker Councillor Pauline Cotter Councillor James Daniels Councillor James Daniels Councillor Anne Galloway Councillor Anne Galloway Councillor Yani Johanson Councillor Phil Mauger Councillor Jake McLellan Councillor Tim Scandrett
	Councillor Sara Templeton

25 March 2021

Principal Advisor

Diane Brandish Acting General Manager Finance and Commercial Tel: 941 8454

Principal Advisor Dawn Baxendale Chief Executive Tel: 941 6996

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Part A Matters Requiring a Council Decision

Part B Reports for Information

Part C Decisions Under Delegation

Karakia Timatanga: Given by Deputy Mayor Turner

The agenda was dealt with in the following order.

1. Apologies / Ngā Whakapāha

Part C Committee Resolved FPCO/2021/00004

That the apologies received from Councillor Gough for absence and Council Johanson for lateness and the Mayor for early departure, be accepted.

Deputy Mayor/Councillor Chen

<u>Carried</u>

2. Declarations of Interest / Ngā Whakapuaki Aronga

Part B

Councillors Gough, MacDonald and Mauger declared an interest in Item 9 relating to Civic Building Ltd.

Councillor Chen declared an interest in Item 9 relating to the Riccarton Bush Trust.

Deputy Mayor Turner declared an interest in Item 9 relating to the Rod Donald Banks Peninsula Trust.

The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton declared an interest in Item 12 and public excluded item 15 relating to Christchurch City Holdings Ltd.

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

Part C

Committee Resolved FPCO/2021/00005

That the minutes of the Finance and Performance Committee meeting held on Thursday, 25 February 2021 be confirmed.

Deputy Mayor/Councillor McLellan

Carried

Part B

There were no public forum presentations.

4. Public Forum / Te Huinga Whānui



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 MacDonald joined the meeting at 9.33am before item 7.

The Mayor and Councillor Johanson joined the meeting at 9.34am during discussion on item 7.

7. Performance Exceptions Report February 2021

Committee Comment

- 1. The Committee requested that the next Performance Exceptions Report provide an update on the Residents Survey results, to the extent that preliminary data is available.
- 2. Staff were requested to provide a memo setting out the timeline for the replacement of the real time information system for the buses.

Committee Resolved FPCO/2021/00006 Officer Recommendation accepted without change

That the Finance and Performance Committee:

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

Deputy Mayor/Councillor Cotter

8. Capital Project Performance Report - March 2021

Committee Comment

1. Staff to provide an update on the Lyttleton Harbour Waste Water Scheme.

Committee Resolved FPCO/2021/00007 Officer Recommendation accepted without change

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.

Deputy Mayor/Councillor Chen



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

- 1. In response to comments from the Committee staff undertook to talk to:
 - a the Riccarton Trust Board around reporting against targets for visitation, to the extent that this is practicable; and
 - b Civic Building Trust directors on having social target on building accessibility.

Committee Resolved FPCO/2021/00008 Officer Recommendation accepted without change

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.

Councillor Davidson/Councillor Scandrett

Carried

10. Council-controlled organisations - Half year reports for the period 1 July 2020 - 31 December 2020.

Committee Resolved FPCO/2021/00009 Officer Recommendation accepted without change

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.

Councillor Scandrett/Councillor Templeton



11. Civic Financial Services Statement of Intent 2020

Committee Comment

 The Committee noted that staff will need a paper on nominations prior to the 18th of April 2021. To expedite this process the Committee recommended that the Mayor and Deputy Mayor be given delegated authority to make decisions on Director nominations. A recommended timeline on performance targets measuring by Civic Financial Services was included in resolution 2 below.

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.

Committee Resolved FPCO/2021/00010

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 within the next six months.
- 3. Delegate to the Mayor and Deputy Mayor decisions on Director nominations for the upcoming annual general meeting.

Councillor MacDonald/Councillor Daniels

Carried

12. Christchurch City Holdings Ltd - Half year report for the period 1 July 2020 to 31 December 2020

Committee Resolved FPCO/2021/00011 Officer Recommendation accepted without change

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.

Councillor Scandrett/Councillor Cotter



13. Resolution to Exclude the Public

Committee Resolved FPCO/2021/00012

Part C

That Paul Munro of Christchurch City Holdings Ltd, remain after the public have been excluded for Item 15 of the public excluded agenda as they have knowledge that is relevant to that item and will assist the Council.

AND

That at 10.52am the resolution to exclude the public set out on pages 294 to 296 of the agenda be adopted.

Deputy Mayor/Councillor MacDonald

The public were re-admitted to the meeting at 2.52pm.

Karakia Whakamutunga: Given by Deputy Mayor Turner

Meeting concluded at 2.52pm.

CONFIRMED THIS 29[™] DAY OF APRIL 2021

DEPUTY MAYOR ANDREW TURNER CHAIRPERSON



t,

7. Performance Exceptions Report March 2021

Reference / Te Tohutoro: 21/338588

Report of / Te Pou Matua:	Peter Ryan, Head of Performance Management peter.ryan@ccc.govt.nz
General Manager /	Lynn McClelland, Assistant Chief Executive,
Pouwhakarae:	lynn.mcclelland@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is for the Finance and Performance Committee to note performance results for the year to 31 March 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 framework is based on the levels of service, budgets and projects approved in the 2018 Long Term Plan against 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 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 Residents' Survey results have been received and are included in this month's report. Overall, the survey resulted in a net improvement of one level of service from forecast exception (amber or red) last month to will meet target (green) this month.
- 1.8 In addition, there is a net improvement of 6 levels of service which were forecast as exceptions (amber or red) last month, which are now forecast to meet target (green).
- 1.9 As at 31 March 2021, LTP levels of service forecast 82.4% delivery, which is marginally below the performance target of 85% but an improvement of 2.4% from last month.
- 1.10 Watchlist capital projects delivery improved to 80% from 76.7% last month. It remains below ELT target of 90% delivery, while Major Cycleways projects delivery is 88.0%.
- 1.11 Refer to attachments for details of LOS performance exceptions: Attachment A – Performance Exceptions Summary March 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. (opex)



2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

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

Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>J</u>	Performance Exceptions Summary March 2021	17
В <u>↓</u>	FY 2020/21 Forecast Year-end LOS Delivery by Activity and GOA March 2021	20
С 🚺	LOS Delivery Exception Commentaries March 2021	21
D <u>↓</u>	Performance by Activity - Scatter Graph and Table March 2021	36

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 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	Angeline Burks - Performance Analyst	
Approved By	Peter Ryan - Head of Performance Management	
Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance		

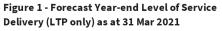


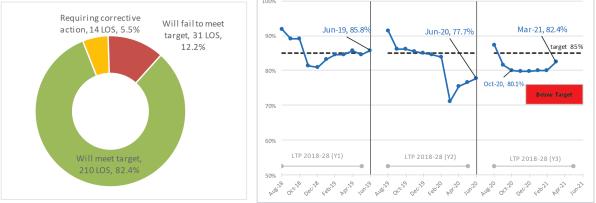
Performance Exceptions Report for Levels of Service and Watchlist Capital Projects Finance & Performance Committee of the Whole – March 2021 FY 2020/21

Level of service (LOS) performance targets

As at 31 March 2021, LTP levels of service forecast 82.4% delivery, compared to 80.0% in February, and 71.2% in March 2020 last year. Level of service delivery improved by 2.4% after being stable for five months, see figure 2 below. Delivery remains just below the ELT target of 85%.

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





Both amber and red level of service delivery forecasts are defined as exceptions. This month shows a net improvement of 6 (2.4%) LOS forecast green (on target) which were previously forecast as exceptions.

There were a large number (16 LOS) of movements in level of service delivery forecast lights from February 2021 to March 2021 as a result of Residents' Survey results being received as follows:-

- Eleven LOS moved from amber to red: Wastewater (1), Water Supply (3), Parks (4), Parking (2) and Community Support, Governance & Partnerships (1)
- Three LOS moved from amber to green, all from Parks
- Two LOS moved from green to red: Citizen & Customer Services (1) and Parks (1).

There were movements in 12 other levels of service (not Residents' Survey) as follows:-

Three LOS from amber to red:-

Solid Waste – 8.0.1 Recyclable materials collected by Council services and received for processing Art Gallery – 3.0.1 Visitors per annum

Public Transport Infrastructure – 10.4.1 More people are choosing to travel by bus

Seven LOS from amber to green:-

Wastewater – 11.0.5.2 Number of dry weather overflows Parks – 6.8.3.3 Annual increase in rate of CSR clearance Recreation and Sports – 2.8.5.2 Produce and deliver engaging programme of community events Building Services – 9.1.1 Grant Building Consents within 20 working days Regulatory Compliance – 9.0.5 Food premises are safe and healthy for the public Traffic Safety and Efficiency– 10.0.6.1 Reduce the number of crashes on the road network, and 10.5.1 Reduce the number of reported cycling and pedestrian crashes on the network

Two LOS from green to amber:-

Flood protection – 14.1.3.3 Major flood protection and control works are maintained, repaired and renewed

Parks - 10.8.1.2 Provision of a network of publicly available marine structures



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 performance targets

Watchlist capital projects are forecast to deliver 80.0%. 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, 35 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		
PTOJe	ect Name	Original Baseline	Baseline	Forecast
Wat	chlist Capital Project Exceptions			
Deli	very in FY 2020/21			
×	WW Mains Renewal Tuam St Reticulation Renewal (Brick Barrel) (Livingstone to Mathesons)	Jun-20	Oct-20	Apr-21
×	St Albans Community Centre	Jun-19	Mar-21	Apr-21
Deli	very 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
×	Coastal Pathway & Moncks Bay	Jun-20	Jun-22	Aug-22
×	Evans Pass Road & Reserve Terrace Remedial Works	Sep-21	Aug-22	Nov-22

Finance & Performance Committee

Droject Name		Delivery Completion Date		
PIO	Project Name		Baseline	Forecast
Ma	jor Cycleways Project Exceptions			
×	Major Cycleway Nor'West Arc Route (Section 1b) Sparks to Lincoln & Hals	well Intersection	Oct-20	Mar-21
×	Major Cycleway - Northern Line Route (Section 1) Blenheim to Kilmarnock Crossing & Restell	and Harewood	Jun-22	Dec-22
⊗	Major Cycleway - Northern Line Route (Section 2a) Tuckers to Sturrocks Ir Crossings	ncluding	Jun-21	Dec-22

For detail on all capital projects, refer to Capital Project Performance Report from the Programme Management Office.

Two watchlist projects which were forecast as exceptions last month are now forecast to be delivered on time. They are :

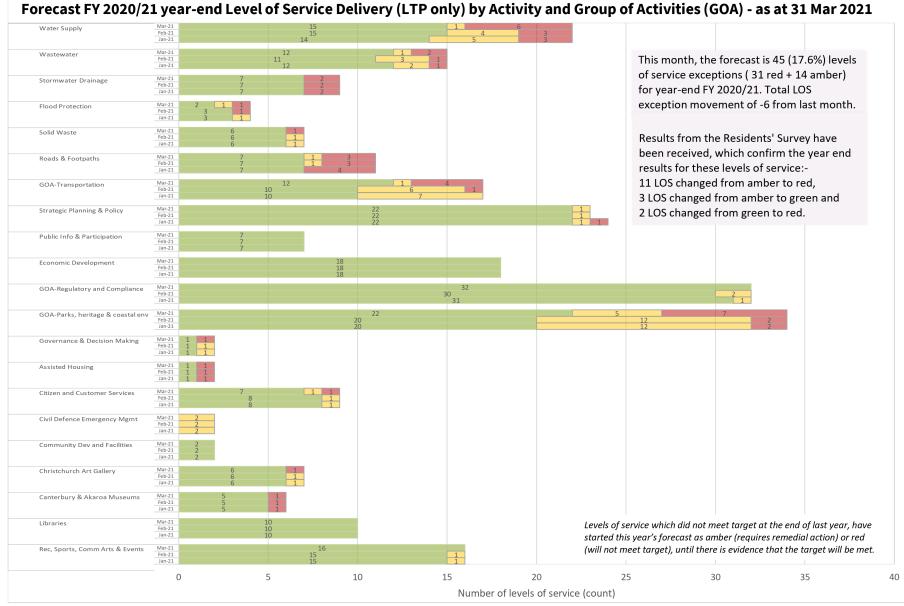
- **Central City Projects Hereford Street (Manchester to Cambridge)** was forecast as an exception but now expected to complete in February 2021.
- SW Eastman Sutherland and Hoon Hay Wetlands project, has a new baseline date of May 2025 (previously made up of two separate projects with baseline dates of August 2019 and June 2024) and is now forecast to be delivered in December 2024.

There is one new exception watchlist projects this month, which is **Evans Pass Road & Reserve Terrace Remedial Works.** This is due to public notification of consents which significantly delayed procurement and construction.

St Alban's Community Centre project is pushed back by 12 days due to international supply chain issue. **WW Mains Renewal Tuam St Reticulation Renewal (Brick Barrel)** delivery date has been pushed from February to April 2021. A change request to re-baseline of **WW Akaroa Reclaimed Water Treatment and Reuse Scheme** has been submitted to reflect Council resolution.

Major Cycleway Nor'West Arc Route (Section 1b) Sparks to Lincoln & Halswell Intersection forecast delivery date was pushed out by another month from Feb 21 to Mar 21. This is due to property purchase and contractor availability for traffic light connection.





Performance by Group of Activities

Performance Exceptions Report



Level of Service Exceptions Forecast Period Ending: 31 March 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:	8 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: >= 85%
Actual:	Year end result is 52%, 2% less than the previous year.
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.
	Target missed largely due to the large number of leaks being responded to across the city with a large number of these being highly visible. Response times have improved greatly. Focus is still being given to replace, rather than repair, water connections. This will increase asset life and over time we will start to see a reduction of leaks at connections. Renewal programmes will also

In LTP 2021 the LOS targets are proposed to be reduced; Y1 65%, Y2 70%, Y3 75%, Y10 85%.

contribute to the reduction of reactive repairs depending on the level of funding approved.

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 then the 5 year average.
Comments:	March's city-wide water consumption is close to the 5 year average. NIWA's prediction of a normal to warmer/drier summer than average appears reasonable correct. It is therefore
Remedial Action:	anticipated water consumption will exceed the target. Active water savings communications with the public is ongoing, however in previous years this has not shown to be as effective as hoped.



Target: Actual: Remedial Action:	Proportion of residents satisfied with reliability of water supplies: >= 85%. Year end result is 75%, an increase of 3% on the previous year. 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. Target missed largely due to the large number of leaks being responded to across the city with a
	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. Target missed largely due to the large number of leaks being responded to across the city with a
Remedial Action:	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. Target missed largely due to the large number of leaks being responded to across the city with a
	large number of these being highly visible. Response times have improved greatly. Focus is still being given to replace, rather than repair, water connections. This will increase asset life and over time we will start to see a reduction of leaks at connections. Renewal programmes will also contribute to the reduction of reactive repairs depending on the level of funding approved. General dissatisfaction across Christchurch regarding water supply.
	LTP 2021 the LOS targets are proposed to be reduced; Y1 75%,Y2-3 80%, Y10 60%.
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
Actual:	criteria: >= 99.8% The February Actual 'Year to Date' is 0%, ie. 'not compliant'.
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: Target: Actual: Remedial Action:	 LTP/AP20: 12.0.2.19 Council provides high quality drinking water. Proportion of residents satisfied with the quality of Council water supplies: >= 70% Year end result is 45%, 3% less than the previous year. Residents survey results reflect general dissatisfaction with the addition of chlorine to the water supply and the large number of leaks. 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. LTP 2021 LOS targets are proposed to be reduced; Y1 55%, Y2 60%, Y3 65%, Y10 85%.
Measure:	Kernel Karley Science and S
Target:	Percentage of real water loss from Council's water supply network: <= 15.0%
Actual:	21%
Comments:	Target is 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: Target: Actual:	LTP/AP20: 12.0.2.1 Council water supplies are safe to drink. Proportion of water supply zones with a MoH approved Water Safety Plan: 100% We cannot provide a percentage at this stage due to the following factors:
	We have 7 water safety plans covering 18 water supply zones. However, not all water supply zones need a water safety plan under the current regulations. For the zones that require a water safety plan, a plan has either been approved (Akaroa/Takamatua water safety plan, covering 2 zones) or is currently being assessed by the Drinking Water Assessor (Christchurch/Lyttelton water safety plan, covering 11 zones).
	The remaining five plans for water supply zones that don't need a plan but for which we decided to create one anyway are currently being worked on to align them with the 2018 framework.
	In terms of compliance, even though we don't have 100% of plans approved under the new framework, the Drinking Water Assessor has assessed us as being 'implementing', which translates to the water supplier using the existing water safety plan document but is intending to update it and good progress is being made with the update.
Comments:	The following progress has been made with water safety plans:
	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.

GOA Wastewater Collection, Treatment & Disposal Wastewater Collection, Treatment & Disposal

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:	Year end result is 60%.
Comments:	Previous year was 66%.
Remedial Action:	Response times for wastewater maintenance have been good. We will continue to improve on all wastewater related response times to help improve on this year's result and continue to refine our planned wastewater maintenance rounds to reduce blockages. No widespread wastewater outages have occurred.
	There will be a review of Residents Survey comments when they are available.
	LTP 2021 the LOS targets are proposed to be reduced: Y1 67%. Y2-3 65%. Y10 60%.

Measure:



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Target:	Number of wastewater system fault complaints per 1,000 properties connected to the wastewater network per year: <= 0.8
Actual:	Feb 0.25 YTD 1.80
Comments:	Based on YTD do not expect to meet target
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: 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:	93.4
Remedial Action:	Additional inspections through CCTV being undertaken with water reform funds.

S LTP/AP20: 11.0.1.9 Council wastewater services are reliable.

GOA Stormwater Drainage

Stormwater Drainage

Measure:	X 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	
Actual:	1	
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:	S LTP/AP20: 14.0.2.1 Council manages the stormwater network in a responsible and sustainable manner.	
Measure: Target:		
	manner. Number of abatement notices regarding Council resource consents related to discharges from	
Target:	manner. Number of abatement notices regarding Council resource consents related to discharges from the stormwater networks per year: 0	



GOA Flood Protection and Control Works 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:	En /Ai 20. 14.1.0.1 Reduce has of hooding to property and dwettings during extreme fair event.
- digeti	Annual reduction in the modelled number of properties predicted to be at risk of habitable floo level flooding of the primary dwelling in a 2% AEP Design Rainfall Event of duration greater thar 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 year 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.
Measure:	LTP/AP20: 14.1.3.3 Major flood protection and control works are maintained, repaired and renewed to key standards.
Target:	Stop banks identified as being below their original design standard are repaired within 9 months. Measured as proportion of stop bank length identified as not meeting standard that is repaired within required timescale: 75%
Actual:	A review of stop bank surveying results has found determined that there are sections of the sto bank that have been potentially built below the design level.
Comments:	This is as a consequence of a technical/timing issue when the design was done and changes in the benchmark survey due to the Kaikoura EQ's that were not recalibrated before the project construction was completed. As a result the construction was completed to the previous benchmark levels approximately 30mm below the re-calibrated benchmark levels.
Remedial Action:	We are resurveying the stop banks to confirm the extent of the issue. We area also reviewing the design levels to ensure that any remedial work undertaken is done with up to date flood/tide level data. Remedial work will be undertaken as soon as possible.
A Refuse Disposa	ıl
Solid Waste	
	S LTP/AP20: 8.0.1 Recyclable materials collected by Council services and received for processing the Materials Recovery Facility (MRF)
Target:	103 kg +40%/-10% recyclable materials / person / year collected and received by Council services.
Actual:	58.1Kg/person year to date
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 March 2021 this has been reduced to 7% being sent to landfill.
Remedial Action:	Council are continuing to address the excessive contamination issue with ongoing education, b



Measure:	CLTP/AP20: 10.3.3 Improve customer perception of the ease of use of Council on- street parking facilities.
Target:	>=53%
Actual:	The 2021 goal was not achieved with a result of 49%.
Comments:	While not achieved, the result was an improvement of the previous year of 43%
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.
Measure:	KITP/AP20: 10.3.7 Improve customer perception of vehicle and personal security at Council off- street parking facilities. >=53%
Target:	
Actual:	The 2021 goal was not achieved with a result of 50%.
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.
ctive Travel	
Measure:	😣 LTP/AP20: 16.0.10 Improve the perception that Christchurch is a walking friendly city.
Target:	>=85%
Actual:	74%
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% o 2,550km).
	Increase in the Renewals quantities, to further address the shortfall in customer expectation, have been proposed in the draft LTP.
ublic Transpor	t Infrastructure
	A LTD/AD20, 10, 4, 1 Mara page la ara abagaine ta traval by bus
Measure:	😣 LTP/AP20: 10.4.1 More people are choosing to travel by bus.
Measure: Target:	>=+0.63% (13,551,740 pax)
Target:	>=+0.63% (13,551,740 pax) 6.3 million year to date as at the end of February, compared to 7.0 million (average 2019/20
Target:	>=+0.63% (13,551,740 pax) 6.3 million year to date as at the end of February, compared to 7.0 million (average 2019/20 monthly patronage pro-rated due to Covid). Based on the year to date figures it is forecasted that the year-end patronage will be
Target: Actual:	 >=+0.63% (13,551,740 pax) 6.3 million year to date as at the end of February, compared to 7.0 million (average 2019/20 monthly patronage pro-rated due to Covid). Based on the year to date figures it is forecasted that the year-end patronage will be approximately 9.5 million versus a target of 10.5 million (a variation of approximately 10%). Although an improvement compared to the previous month, the current year to date patronage remains below the average monthly year to date for 2019/20 by approximately 9.7%. CCC is
Target: Actual: Comments: Remedial Action: Measure:	 >=+0.63% (13,551,740 pax) 6.3 million year to date as at the end of February, compared to 7.0 million (average 2019/20 monthly patronage pro-rated due to Covid). Based on the year to date figures it is forecasted that the year-end patronage will be approximately 9.5 million versus a target of 10.5 million (a variation of approximately 10%). Although an improvement compared to the previous month, the current year to date patronage remains below the average monthly year to date for 2019/20 by approximately 9.7%. CCC is responsible for PT infrastructure while eCan delivers the PT service. 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. LTP/AP20: 10.4.3 Improve the reliability of passenger transport journey time.
Target: Actual: Comments: Remedial Action: Measure: Target:	 >=+0.63% (13,551,740 pax) 6.3 million year to date as at the end of February, compared to 7.0 million (average 2019/20 monthly patronage pro-rated due to Covid). Based on the year to date figures it is forecasted that the year-end patronage will be approximately 9.5 million versus a target of 10.5 million (a variation of approximately 10%). Although an improvement compared to the previous month, the current year to date patronage remains below the average monthly year to date for 2019/20 by approximately 9.7%. CCC is responsible for PT infrastructure while eCan delivers the PT service. 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. LTP/AP20: 10.4.3 Improve the reliability of passenger transport journey time. >= 86%
Target: Actual: Comments: Remedial Action: Measure:	 >=+0.63% (13,551,740 pax) 6.3 million year to date as at the end of February, compared to 7.0 million (average 2019/20 monthly patronage pro-rated due to Covid). Based on the year to date figures it is forecasted that the year-end patronage will be approximately 9.5 million versus a target of 10.5 million (a variation of approximately 10%). Although an improvement compared to the previous month, the current year to date patronage remains below the average monthly year to date for 2019/20 by approximately 9.7%. CCC is responsible for PT infrastructure while eCan delivers the PT service. 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. LTP/AP20: 10.4.3 Improve the reliability of passenger transport journey time.

GOA Roads and Footpaths

Measure:

😢 LTP/AP20: 16.0.9 Maintain resident satisfaction with footpath condition

Item 7



Target:	>=54%
Actual:	36%
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:	S 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:	S LTP/AP20: 16.0.3 Improve resident satisfaction with road condition
Target:	>=40%
Actual:	29%, up from 26% last year.
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.



ITP/AP20: 16.0.13 Respond to customer service requests within appropriate timeframes.
>=95%
Achieving 95% of pothole response, Incident Response, Planned Programme delivery, budget delivery etc against Contract Targets. Hyrbis measures do not accommodate change to initial service response timeline if it is assigned incorrectly.
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 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 and the customer is told it has been fixed. This is what we will aim to address through the Hyrbis health check.)

GOA Strategic Planning and Policy

Measure:	ITP/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
Actual:	the urban design aspects of resource consent applications. Recruitment for the two permanent urban designers has concluded. One was filled via an internal promotion leaving 1 FTE vacancy for which recruitment is underway as a 12 month fixed term role.
Comments:	Current demand for urban design advice and review is unprecedented and continues to exceed capacity; priorities and level of advice are being managed to meet levels of service. This results in internal projects not receiving the level of advice and input which they warrant and increases the risk that Council outcomes for capital and policy/planning projects may not deliver anticipated outcomes. With current resources, we need to see a sustained decrease in resource consent applications for this situation to change.
	Improvements to the pre-app service are needed to offer value to customers, achieve outcomes sought through the District Plan, and provide greater efficiencies given limited staff capacity.
Remedial Action:	Continue to work with Resource Consenting on consent process improvements, including the pre-app service.
	Recruitment is in progress.



GOA Parks

Actual:80%Comments:Previous year 70%.Remedial Action:To continue renewal and maintenance programme. The draft LTP 2021 proposed target for th LOS is to be reduced to 60%.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:63%Comments:Up from previous year 57% (6% positive improvement).Remedial Action:Target of 80% not achieved, planning with Capital budget and key areas that indicate as poor from survey comments will be taken into account in new financial year.Measure: & LTP/AP20: 6.8.3.1 Parks are provided managed and maintained in a clean, tidy, safe, functiona and equitable manner.Target:100% of CSRs addressed within priority timeframes.Actual:Internal Service provision result = 74% Contractor performance = 60% Overall average 66% all of parksComments:Year over year increase in tickets is 20% for month of March, noting we headed into Covid Lockdown at this time last year. We have also taken over full management responsibility for th former residential red zone.Remedial Action:Parks are having ongoing conversations with IT regarding clarity of reporting and being able to report on actual physical work complete to accurately reflect the customer response vs the current measure that only captures full closure including Admin.	Measure:	😣 LTP/AP20: 6.8.5 Satisfaction with the range and quality of recreation opportunities within parks
Actual: Annual Survey results 78% against a target of greater than or equal to 85%. Comments: Marginal increase on previous years. Remedial Action: Will review detailed analysis when available to develop an improvement plan. There is a modification to this measure in the draft LTP to make it more relevant to the current Christchurch environment. Measure: Image: Customer satisfaction with marine structure facilities: 90 % Actual: 80% Comments: Previous year 70%. Remedial Action: To continue renewal and maintenance programme. The draft LTP 2021 proposed target for th LOS is to be reduced to 60%. Measure: Image: Community Parks presentation: resident satisfaction with the presentation of the City's Parks. Target: Community Parks presentation: resident satisfaction >=80 % Actual: 63% Comments: Up from previous year 57% (6% positive improvement). Remedial Action: Target of 80% not achieved, planning with Capital budget and key areas that indicate as poor from survey comments will be taken into account in new financial year. Measure: CltP/AP20: 6.8.3.1 Parks are provided managed and maintained in a clean, tidy, safe, functiona and equitable manner. Target: 100% of CSRs addressed within priority timeframes. Actual: Internal Service provision result = 74% Contractor performance = 60% Overall average	Tanata	
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Remedial Action: To continue renewal and maintenance programme. The draft LTP 2021 proposed target for th LOS is to be reduced to 60%. 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: 63% Comments: Up from previous year 57% (6% positive improvement). Remedial Action: Target of 80% not achieved, planning with Capital budget and key areas that indicate as poor from survey comments will be taken into account in new financial year. Measure: LTP/AP20: 6.8.3.1 Parks are provided managed and maintained in a clean, tidy, safe, functiona and equitable manner. Target: 100% of CSRs addressed within priority timeframes. Actual: Internal Service provision result = 74% Contractor performance = 60% Overall average 66% all of parks Comments: Year over year increase in tickets is 20% for month of March, noting we headed into Covid Lockdown at this time last year. We have also taken over full management responsibility for th former residential red zone. Remedial Action: Parks are having ongoing conversations with IT regarding clarity of reporting and being able to report on actual physical work complete to accurately reflect the customer response vs the current measure that only captures full closure including Admin. Note this level of service is being discontinued i		
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		Note this level of service is being discontinued in the next LTP, as the target of 100% is unrealis for services that receive 10,000 plus tickets per annum.



Measure:	S LTP/AP20: 6.8.4.2 Overall customer satisfaction with the presentation of the City's Parks.
Target: Actual:	Inner City presentation: resident satisfaction >=85%. 82%
Remedial Action:	It has been a challenging year, much of it without a full compliment of staff. As of yesterday we now have a full compliment of staff in the city centre team. We are working on and planning key plantings and projects to raise the standard of the city centre planting and assets. Obtaining spare parts for Margaret Mahy playground has been hard with supplies from Europe being severely disrupted. The target is proposed to be reduced from 85% to 80% in the draft LTP.
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:	Up 15% as at March 30
Comments:	This is an annual report completed at the end of the financial year.
Remedial Action:	This measure is not continuing in the next LTP. We continue to receive more land to manage year on year so it is counter intuitive to have an annual reduction. We also actively encourage the citizens to notify us of issues, wo we would rather see an increase and a improved response. Note that since we took responsibility for CSRs to in-house teams for the majority of our activity performance has improved from 40% compliance to 60 % and improving.
Measure:	UTP/AP20: 10.8.1.2 Provision of a network of publicly available marine structures that facilitate recreational and commercial access to the marine environment for citizens and visitors.
Target:	Annual increase in partnership agreements.
Actual:	No new partnership agreements confirmed yet.
Remedial Action:	Continue to offer to work with any interested community groups.
Measure: Target:	LTP/AP20: 6.8.2.4 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner (Asset Condition) Playgrounds - condition average or better: 90%
Remedial Action:	Measured annually at the end of the FY when capital programme complete.
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:	YTD
	Slipways 82%
Comments:	Wharves 80% Renewal work underway.
Remedial Action:	To continue renewal work. This LOS is proposed for deletion in the draft LTP 2021, instead to be managed through the asset management plan.
Measure: Target:	 LTP/AP20: 6.8.2.6 Parks are provided managed and maintained in a clean, tidy, safe, functional and equitable manner (Asset Condition) Public Convenience - condition average or better: 90%
Remedial Action:	Measured annually at the end of the FY when capital programme complete.
Active Active.	



arks Heritage Measure: Target:	➢ LTP/AP20: 6.9.1.5 To manage and maintain Public Monuments, Sculptures, Artworks and Parks Heritage Buildings of significance. Resident satisfaction with presentation of Public Monuments, Sculptures & Artworks: >= 90%
Actual:	67%
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. For the current year the survey has already been conducted thus we won't see any survey impact until the early summer of 2021. The target is proposed to be changed to 65% satisfaction in the draft LTP.
Measure:	X 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:	Annual Survey Results 48%, down marginally on last year.
Comments: Remedial Action:	Need to see detailed survey responses before able to provide meaningful comment as this is a measure of resident satisfaction rather than technical. Awaiting detailed survey results to develop a mitigation plan. Note new targets for the future LTP, reducing from 70% to 55%.

GOA Housing Assisted Housing

S LTP/AP20: 18.0.1 Council makes a contribution to the social housing supply in Christchurch
1,964 units.
1944
The target has not been met because the Council has sold a non-viable complex, Cecil Courts. The decision to sell came after the LoS was set.
The LoS has been replaced in the LTP. The new LOS will better reflect Council's intention to facilitate new development. Council's actions have facilitated over 100 new units in recent years.

GOA Governance

Governance and Decision Making

	0
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:	2021 residents survey - 33% of respondents understand how Council makes decisions.
Comments:	This is an improvement of 7% over 2020 but falls short of the 42% target.
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.



Ci	Citizen And Customer Services		
	Measure:	LTP/AP20: 2.6.7.2 Citizen and Customer expectations for service response are delivered in a timely manner	
	Target:	At least 75% of citizens and customers are satisfied or very satisfied by the quality of the service received at the first point of contact via email.	
	Actual:	71%	
	Remedial Action:	Prior to Annual Plan 2020/21 there was a single level of service addressing satisfaction with customer services. In AP 2020/21 this was broken down into three separate levels of service, with an individual focus on the level of satisfaction with walk-in, telephone and email service experiences.	
		The current result has confirmed that interaction specific analysis and remedial actions are required. Detailed survey results including customer feedback/comments will be closely reviewed once they become available to staff, and insights incorporated into service planning.	
	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:	Total calls received 33,726 YTD: 139 seconds	
	Comments:	Calls answered in less than 2 minutes = 74.2% (22,386 calls) Calls answered between 2 - 5 minutes = 15.9% (4,807 calls) Calls answered between 5 - 10 Minutes = 9.9% (2,988 calls) Our overall average speed to answer (ASA) year to date is now sitting on 139 seconds. This has improved by 7 seconds since the end of February.	
		Twelve new Customer Service representatives commenced employment this month which has made a considerable difference on our ability to meet levels of service. This was our first intake of permanent staff since May 2020, due to COVID lockdown and the commitment to providing redeployment opportunities as we consulted and begun the implementation of the Unit restructure in 2020.	

GOA Citizens And Community



Measure:	ITP/AP20: 2.5.4.2 Build resilience through public education and community engagement
Target:	programmes At least 30 communities have developed community resilience planning documentation
Actual:	resources, or activities. There have been 19 of 30 Community Response Planning activities conducted - 63%
Comments:	No further progress has been made this period. There have been 19 Community Response Planning activities conducted.
	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. Southshore Residents Association - Community Evacuation
	 Spreydon Emergency Support Centre Sumner Residents Association - Community Evacuation Planning
	 Sumner Residents Association - Community Evacuation Planning Redcliffs Residents Association
	10. Shirley Emergency Action Plan (SHEAP)
	11. Amhara Support, Relief and Rehab Association (ASRRA)
	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
Remedial Action:	19. Bromley Community Centre Emergency Response
Refiledial Action.	The recent release of the tsunami education campaign 'Know Your Zone' will be utilised as mu as possible to engage additional groups in Community Response Planning.
Measure:	UTP/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 educatio
	and Stan's Got a Plan school programmes.
Actual:	The CDEM Community Resilience Coordinators have so far delivered 30 activities from 60 under this LOS.
Comments:	This public education level of service has been difficult to meet due to there being less events in attend and fourier arranged group meetings due to COVID 10. In addition, schools appear to be
	attend and fewer arranged group meetings due to COVID-19. In addition, schools appear to ha 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 curriculu
Remedial Action:	There is an expectation that this LOS will continue to be difficult to deliver. However, remediation activities are planned as follows:
	Emergency Preparedness Wānanga at Onuku Marae - Date TBC
	Emergency Preparedness Wānanga at Wairewa Marae Date TBC
	Emergency Preparedness Wānanga at Rapaki Marae Date TBC
	Booked Stan's Got a Plan Programme (1)- May 2021
	Booked Stan's Got a Plan Programme (2) - May 2021 Booked Stan's Got a Plan Programme (3) - May 2021

Community Development and Facilities



Christchurch Art Measure: Target: Comments: Remedial Action:	 Gallery LTP/AP20: 3.0.1 Visitors per annum Increase visitors by 5% per annum. In 2020/21=362,747 visitors. The lack of international tourism continues to have an effect on the Gallery's visitor numbers. The Gallery's visitor target for FY21 is 362,747, which averages 6,975 visitors per week (or 5,979 over Christmas week). Our current visitation is at 220,158 making the average weekly visitation for the year to date 5,546 (or 79.5% of target). It is highly unlikely that the local audience will be able to fulfil the deficit left by the lack of international tourism over the coming months so we are forecasting that we will not meet this target.
Akaroa Museum Measure:	
Target:	ETP/AP20: 3.3.2 Visitors per annum to Akaroa Museum > 20,000 24,300 visitors
Actual:	2,088 visitors
Comments:	The trend continues, showing an approximate 25% drop in visitor numbers compared to last year. This is a good result, considering there are no international visitors - domestic visitors have helped to fill the gap.
Remedial Action:	Continue to promote the Museum locally and regionally, within budget.

120%

110%

100%

90%

80%

70%

60%

50%

30%

20%

10%

0% -25%

-20%

-15%

-10%

-5%

0%

5%

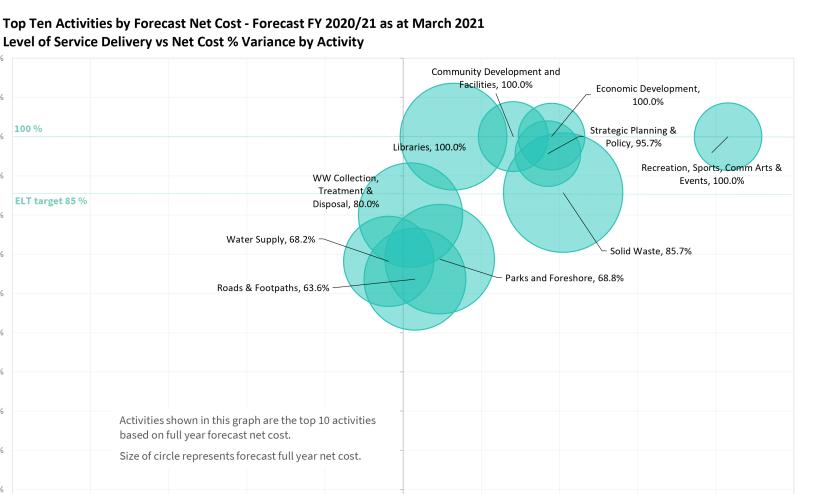
10%

15%

20%

-end LTP Level of service delivery %

Forecast year-40%

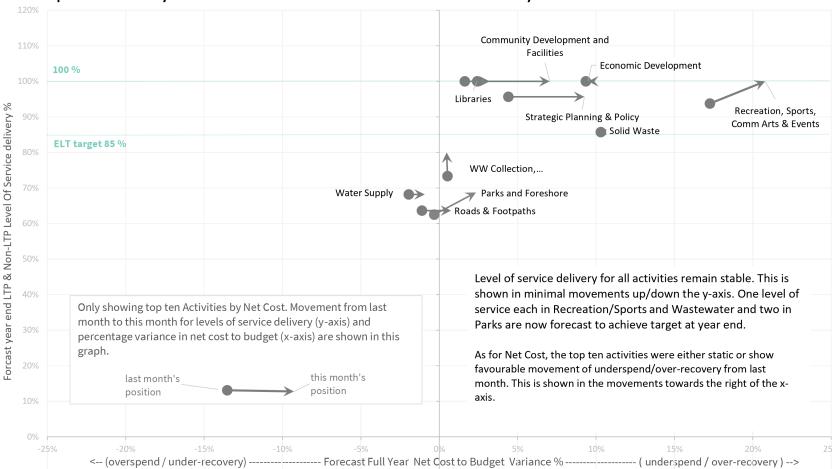


Level of Service Delivery vs Net Cost % Variance by Activity

Performance by Activities

Performance Exceptions Report

25%



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

Performance by Activities

Performance Exceptions Report

Christchurch City Council

Performance by Activity Table - Fo	precast FY 2020/21 March 2021
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			Net Cost * (opex)			Levels of Serv	ice (LOS)
Activities	Full Year	Full Year Plan	Carry Forwards	Variance after	% Variance after	Forecast LTP LOS %	
	Forecast \$000	\$000	\$000	C/Fwd \$000	C/Fwd	Delivery	Total LTP LOS
Water Supply	22,933	22,722	0	-211	-1%	68%	22
WW Collection, Treatment & Disposal	30,555	30,699	150	-6	-0%	80%	15
Strategic Planning & Policy	12,176	13,418	835	407	3%	96%	23
Public Information & Participation	4,703	4,853	0	150	3%	100%	7
Economic Development	12,615	13,937	1,372	-50	-0%	100%	18
Stormwater Drainage	13,323	15,634	0	2,311	15%	78%	9
Flood Protection & Control Works	3,957	4,688	0	731	16%	50%	4
Traffic Safety & Efficiency	3,301	2,904	0	-397	-14%	100%	4
Parking	-4,349	-5,263	0	-914	-17%	33%	3
Public Transport Infrastructure	2,250	2,323	0	72	3%	50%	4
Active Travel	230	326	0	97	30%	83%	6
Roads & Footpaths	29,202	29,423	0	221	1%	64%	11
Solid Waste	40,023	44,585	0	4,562	10%	86%	7
Building Services	661	1,525	0	864	57%	100%	8
Resource Consenting	234	1,908	0	1,673	88%	100%	6
Land & Property Information Services	-2,243	-1,484	0	758	51%	100%	4
Regulatory Compliance & Licencing	2,471	2,782	0	311	11%	100%	14
Parks and Foreshore	33,703	34,510	134	673	2%	69%	32
Heritage	1,616	1,747	0	132	8%	0%	2
Assisted Housing	-1,461	-1,234	0	227	18%	50%	2
Governance & Decision Making	11,546	12,035	0	489	4%	50%	2
Citizen and Customer Services	8,530	8,200	0	-330	-4%	78%	9
Civil Defence Emergency Management	1,558	1,640	0	82	5%	0%	2
Community Development and Facilities	13,847	14,897	997	52	0%	100%	2
Christchurch Art Gallery	7,005	7,295	0	290	4%	86%	7
Canterbury & Akaroa Museums	8,736	8,722	0	-15	-0%	83%	6
Libraries	32,042	33,108	87	979	3%	100%	10
Recreation, Sports, Comm Arts & Events	12,909	16,296	147	3,241	20%	100%	16
Net Cost	302,073	322,194	3,722	16,399	5%	0.0%	255

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

Performance by Activities

Performance Exceptions Report



8. Capital Project Performance Report - April 2021

Reference / Te Tohutoro:	20/1424606
Report of / Te Pou	Ruth Cable, Head of Programme Management Office,
Matua:	ruth.cable@ccc.govt.nz
General Manager /	Mary Richardson, Acting Assistant Chief Executive – Strategic Policy
Pouwhakarae:	and Performance, mary.richardson@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 March 2021.
- 1.2 Main highlights from this month's report are as follows
 - **Projects delivered** Key projects delivered since last report are
 - Community St Albans Community Centre
 - **Three Waters & Waste** Main Renewals projects x 7, Prestons Well Development and Well Head Construction, CWTP Earthquake Repair Occupied Buildings, Grassmere Well Renewal, Rawhiti Re-zoning.
 - IT Business Systems Platform Information Enhancement
 - Watchlist
 - **St Albans Community Centre** achieved Practical Completion. Opening in April.
 - **Canterbury Multi Use Arena** successful Design Construct Consortia announced 29 March 2021 and will be Besix Watpac. Official start date 9 April 2021.
 - Current Financial Year (2021) Performance
 - **Spend to Date –** Spend in March was 94% of Project Manager forecast (-\$2m).

Delivery Units are forecasting to recover the \$14m unspent against forecast in January and February in future months this financial year.

- **Current Forecast** – Project Managers are forecasting a spend of \$372.1m against a Core Programme budget of \$376.2m. This would result in a carry forward of \$4.1m.

Decrease in forecast from previously reported is not due to a reduced delivery programme, but is instead a result of sharp tender pricing in 3 Waters.

Across 35 contracts recently tendered, Council has saved \$9.4m from pre-tender estimates. These savings have provided the opportunity for identifying alternative short term / urgent projects to be delivered earlier than originally planned – opportunities are currently being assessed with asset management and maintenance teams.

- **Deliverability of Current Forecast** – deliverability commentary per month is provided within the report. Change from previous month forecasts is also provided.



2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Capital Project Performance, Capital Project Watchlist, External Funded projects, Major Cycleways and Delivery Complete FY21 reports

Attachments / Ngā Tāpirihanga

No.	Title					
A <u>1</u>	Capital Project Performance Report - March 2021	41				
В <u>Л</u>	Capex Watchlist Report - Mar 2021	60				
С 🚺	External Funded Report - Mar 2021	64				
D <u>1</u>	Major Cycleway Routes - Mar 2021	70				
E <u>1</u>	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 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.

	-
Author	Ruth Cable - Head of Project Management Office
Approved By	Helen Beaumont - Head of Three Waters & Waste
	Carolyn Gallagher - Acting General Manager Infrastructure Planning & Regulatory
	Services
	Mary Richardson - General Manager Citizens & Community

Signatories / Ngā Kaiwaitohu





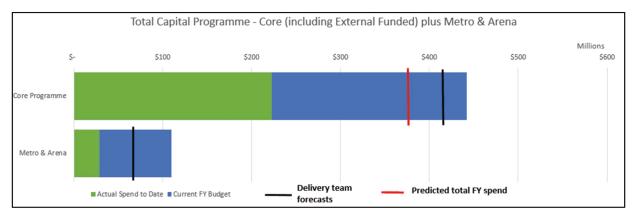
Finance and Performance Committee of the Whole

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

Current Financial Year Position

Number of Inflight Projects: 907

	CCC Core	External Funded	CMUA / Metro	TOTAL
Budget:	\$376.2m	\$66.3m	\$110.1m	\$552.6m
Forecast:	\$372.1m	\$46.9m	\$62.3m	\$481.3m
Spend to date:	\$203.6m	\$19.5m	\$29.1m	\$252.2m



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	\$146.3M	55%	Forecast remains to budget this Financial Year. The number and size of projects that are contracted and in construction gives a reasonable level of confidence in achieving spend in FY21 close to budget. Integration with Kiwirail requirements continues to be a risk and staff are working closely to progress as fast as possible. Progress is positive.



Delivery Unit	Budget (FY21)*	Forecast (FY21)	% Spend (of budget)	Commentary
3 Waters	\$171.7M	\$158.3M	48%	Forecast has reduced from previous period, but is not reflective of a reduced delivery programme this financial Year. The reduction in forecast is a result of substantial cost savings, resulting from competitive lowest price conforming tenders on more than 35 projects. This has resulted in cost savings for Council on 3 Waters projects over \$10m. These savings have provided the opportunity for identifying alternative short term / urgent projects to be delivered earlier than originally planned – opportunities are currently being assessed with asset management and maintenance teams. In addition to the above, there have also been delays in procurement of construction projects due to various issues; including time consuming post tender clarifications and resulting changes. 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.
Capital Delivery Community	\$35.9M	\$28M	46%	Portfolio comprises 146 projects, most hold some degree of risk around agility to market, as they all have significant community and stakeholder input. 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. A number of larger projects >\$1M have kicked off so the spend profile will increase in the period to FY end.
Major Facilities	\$135M	\$87.8M	32%	 Spend relies on key major projects - Canterbury Multi Use Arena (CMUA), Metro Sport Facility (MSF) and Te Pou Toetoe Linwood Pool. Major Facilities will report a considerable underspend on both Metro Sports Facility (MSF) and Canterbury Multi Use Arena (CMUA) in this Financial Year: MSF has been impacted by the Covid-19 lockdown and their on-going delivery is under review by Ötäkaro. CMUA closed to market for the Design/Construct consortia 29 January 2021 with an appointment in March 2021. Te Pou Toetoe Linwood Pool is under construction and current progress indicates a bring back is required.

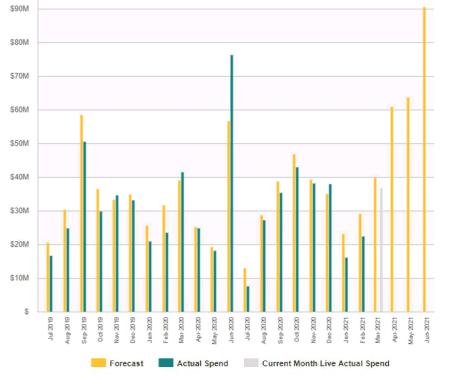


Delivery Unit	Budget (FY21)*	Forecast (FY21)	% Spend (of budget)	Commentary
Other	\$46.2M	\$47.3M	47%	 Spend relies on key initiatives: Social Housing Warm & Dry programme – on track for delivery by end financial year. Strategic Land Purchase – relies on property purchase requirements and project timelines. 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 Initiative and Town Hall spend (Vbase equity injection).
Totals	\$535.6M	\$467.6M	46 %	

*\$17m 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:

Note: At the time of submitting this February status report, not all March 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.



Month:	June		Since last month (\$m)	
Forecast: Last FY:	\$90m (+\$9m from February) \$76m	\$18.3m (20%) Metro / CMUA	-\$3	Metro (\$11.2m) – based on contractor cash-flow CMUA (\$7m) – dependent on contractor cash-flow
(costs are accrued for work completed in June to		\$21.9m (24%) Transport	-\$1	Projects Forecasting >\$1m Carriageway Reseals - Chipseal - \$1.2m Major Cycleways - \$7m. Based on current contractor programme South Express Section 3 - \$3.9m. In construction. Other - \$4.9m Nor' West Arc Annex & Wigram Rd to University - \$1.5m. In construction. Other - \$4.9m Dyers Pass Corridor Guardrails Installation - \$1.8m - in construction. 3 projects currently in construction, including Road Lighting LED - \$1.6m • Cashmere Hoon Hay Intersection Improvement 3% of this budget for luminaires from local manufacturer - low risk of delivery. • Delivery Packages (Renewals) 19% for luminaire deliveries from overseas - delay risk due to ongoing Covid impacts • Delivery Packages (Renewals)
		\$32.6 (36%) 3 Waters and Waste	+\$10	Projects Forecasting >\$1m\$11m forecast for projects currently in Construction 73 projects in construction, includingSW Horners Kruses Land Purchase - \$6.8m Values agreed.WW Riccarton Mains Renewals (Hansons Lane to Euston St) • SW Cashmere Worsleys Flood StorageSW Otukaikino Facility Land Purchase - \$2.8m Settlement paid 8 March 2021.SW Eastman Sutherland and Hoon Hay Wetlands • WS Ben Rarere Pump Station Bexley EQ Replacement • Waste Transfer Station Renewals • SW Blakes Road Stormwater Facility\$9.3m forecast for projects progressing through Planning, Design and Procurement phasesSW Flood Management LDRP 521 Waitaki Street • W Owaka Basin • Water Supply, Wastewater, Stormwater Renewals
\$17.2m (19%) Other		+\$3	Projects Forecasting >\$1m Corporate Investments - \$3.0m - dependent on the funds required this financial year for the Housing Initiative and Town Hall Te Pou Linwood Pool - \$1.6m – based on contractor cash-flow Data Network Upgrade - \$1.3m – based on equipment purchase.	



Month:	Мау		Since last month (\$m)						
Forecast:	\$63.6m \$9.3m (15%) Forecast: (-\$7m from Metro/CMUA			Metro (\$5.5m) – based on Contractor Cash-flow CMUA (\$3.7m) – dependent on contract award, and contractor cash-flow					
Last FY: FY20 spend re completed du Alert Level 4 le non-essential Previous FY sp \$30m, FY18: \$	uring Covid ockdown (all I work ceased). pends FY19:	\$19m (30%) +\$3 Transport		Projects Forecasting >\$1m Major Cvcleways - \$4.4m South Express Route (Section 3) Curletts to Old Blenheim – in construction Nor West Arc Section 2 Annex & Wigram Rd to University – in construction Road Lighting LED - \$2.1m 41% of this budget for luminaires from local manufacturer – low risk of delivery. 17% for luminaire deliveries from overseas – delay risk due to ongoing <u>Covid</u> impacts Forecast for effort reflects contractor installation rates.	Carriageway Reseals - Chipseal and Road Pavement Renewals-\$3.7m Based on current Contractor programme. Other - \$7.2m 47 projects currently in construction, including • Dyers Pass Corridor Guardrails Installation • Ferry Road Masterplan (WL1) • Marshland Road Bridge Renewal • Intersection Improvement projects • Delivery Packages (Renewals)				
		\$19m (30%) 3 Waters and Waste	-54	 \$10m forecast for projects currently in Construction 75 projects currently in construction, including WW Riccarton Mains Renewal (Hansons Lane to Euston Street) WS Riccarton Mains Renewal (Hansons to Matipo) SW Eastman Sutherland and Hoon Hay Wetlands SW Highfield Northwest Basins IPA Hoon Hay Basin Outlet and Cashmere Stream Control Structure (Eastman Sutherlan SW Cashmere Worsleys Flood Storage \$6.8m forecast for projects progressing through Planning, Design and Procurement phate 					
		\$16m (25%) Other	-\$3	Projects Forecasting >\$1m Strategic Land Purchase - \$2.8m – reflects current land purchase programme. Te Pou Linwood Pool - \$1.7m – based on contractor cashflow.	Community - \$3.6m 44 projects currently in construction, including • Pioneer Pool EQ Renewals, • Park Maintenance Facility Planned Renewals, • Chokebore Lodge, • Sports Fields Development, • Taiora QEII Park - School of Gymnastics Carpark, • Edmonds Band Rotunda, • Harewood Nursery Development				



Month:	April		Since last month (\$m)		•
Forecast:	\$61m (-\$4m from	\$5.5m (9%) Metro/CMUA	-0.5	Metro (\$4.3m) – based on Contractor cash-flow CMUA (\$1.4m) – dependent on Contract award, and Contractor cash-flow	
		\$14.7m (24%) Transport	-\$1	Projects Forecasting >\$1m Other - \$6.4m Major Cycleways - \$3.8m 47 projects currently in Construction South Express Route (Section 2) Annex & Wigram Rd to University - in construction 17 affic Signal Cabinets Safety Improvement Nor'West Arc Route (Section 2) Annex & Wigram Rd to University - in construction 7 raffic Signal Cabinets Safety Improvement Carriageway Reseals - Chipseal - \$1.9m 8ased on current Contractor programme. 9 Percent Contractor Guardrails Installation Renewals 9 Renewals 9 Percent Contractor Contractor Programme. 9 Percent Contractor Contractor Contractor Programme.	
		\$24m (39%) 3 Waters and Waste	-\$6	Projects Forecasting >\$1m SW Otukaikino Stormwater Facility Land Purchase - \$6.6m Land purchase in progress – settlement paid 8 March 2021. WW Akaroa Reclaimed Water Treatment & Reuse Scheme - \$1.6m Purchase of irrigation sites – subject to purchase agreements. \$4.3m forecast for projects progressing through Planning, Design and Procurement phases	Other \$9.2m - 81 projects currently in Construction including • SW Eastman Sutherland and Hoon Hay Wetlands • Hoon Hay Basin Outlet and Cashmere Stream Control Structure (Eastman Sutherlands) • WW Riccarton Mains Renewal (Hansons Lane to Euston Street) • SW Cashmere Worsleys Flood Storage • WS Riccarton Road Mains Renewal (Hansons to Matipo) • Lyttelton Harbour Wastewater Scheme • Water Supply, Wastewater, Stormwater Renewals
		\$16.5m (27%) Other	+\$3.5	Projects Forecasting >\$1m Te Pou Linwood Pool - \$2.4m – based on contractor cash-flow	Community -\$3.2m 45 projects currently in construction, including: Pioneer Pool EQ Renewals, Chokebore Lodge, Taiora QEII Park – School of Gymnastics Carpark, Edmonds Band Rotunda Harewood Nursery Development, Cob Cottage Renewals



Council Delivered Projects

Delivery budget for this financial year where Council manages delivery is \$442.4m. Current forecast against this budget is \$433.7m.

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	\$135.7m	\$13.2m	\$12m	Jun 2021
Te Pou Toetoe Linwood Pool	\$24m	\$13m	\$15.8m	Dec 2021
Delivery Package - Strategic Land Acquisitions	\$195m	\$11.8m	\$8.5m	Jun 2021
Otukaikino Stormwater Facility	\$19.5m	\$10.6m	\$9.4m	Jun 2028
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	Dec 2021
Downstream of Christchurch Northern Corridor (Project 2)	\$13m	\$7m	\$9m	Oct-2020
Ōtākaro-Avon River Corridor (OARC)	\$53.8m	\$7m	\$1.3m	Jun 2030
Major Cycleway - Nor'West Arc Route (Section 2) - Annex & Wigram Road to University	\$13.5m	\$6.5m	\$5.6m	Jun 2021

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

\$121.5m 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 \$84.3m.

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	\$47.5m	Nov 2022
Canterbury Multi Use Arena (CMUA)	\$483.0m	\$27.8m	\$14.8m	Dec 2024
Totals	\$634.3m	\$109.1m	\$62.3m	

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 March 2021 is \$64.2m (+\$125.9m carry forward, -\$61.7m bring back).

Breakdown by Delivery Department for the Core Programme (including External Funding projects) of \$442.4m is as follows:

Unit	Net Carry Forward
Art Gallery	\$6,267
Capital Delivery Major Facilities	-\$604,145
Capital Delivery Community	\$7,885,444
Parks	\$2,639,845
Facilities, Property & Planning	-\$4,017,564
Corporate	\$851,920
Information Technology	\$1,521,780
Libraries & Information	\$171,209
Recreation Sports & Events	\$498,414
Regulatory Compliance	\$3,000
Technical Services & Design	\$3,516
CDEM & Rural Fire	\$177,190
Strategy & Transformation	\$361,244
Three Waters & Waste	\$13,435,652
Transport	\$515,604
TOTAL	\$23,449,374

*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 \$47.6m 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	\$7.9m	Bring back reflects progress on projects that are progressing quicker than current financial year phased budget – key contributors are as follows: - Pioneer Pool Earthquake Renewals and Cycle Shutdown (-\$2.2m) -
		refer to the Top Ten Bring Back table for full detail.



Unit	Net Carry Forward	Commentary
		 Naval Point Development Plan (-\$584k) - required for the next steps in the planning for the project and to complete the pontoon removal from the site. Carry Forward reflects projects that are progressing slower than current financial year phased budget Ötäkaro-Avon River Corridor (OARC) (+\$5.7m) - refer to the Top Ten Carry forward table for full detail. Diamond Harbour Wharf Planned Renewals (+\$1.1m) - based on current schedule for detailed design and tendering for the contract. Further updates to forecast will be made when investigations are complete.
Three Waters & Waste	\$13m	 Current carry forward position reflects cost savings achieved as a result of tender process (>\$10m) - refer to comments on Financial Year Deliverability. Bring back reflects progress on projects that are progressing quicker than current financial year phased budget - key contributors are as follows: SW Horners Kruses Land Purchase (-\$6.1m) - Bring back required for land purchase. \$6.8M confirmed to be settled in April 2021. SW Blakes Road Stormwater Facility (Works 1) (-\$4.4m) - Bring back required for land purchase. Tender finalised and construction has started on site. Forecast to be reviewed and confirmed once ECan consents have been received. WW Reactive Lateral Renewals (-\$1.7m) - refer to the Top Ten bring back table for full details. SW Eastman Sutherland and Hoon Hay Wetlands (-\$1.3m) - The majority of the bring back is to cover construction work that started in Feb'21. Forecast reflects current delivery plan – opportunity taken to expedite work. Carry Forward reflects projects that are progressing slower than current financial year phased budget WW Riccarton Mains Renewal (Hansons Lane to Euston Street) (+\$2m) - refer to the Top Ten Carry forward table for full detail. WS Ben Rarere Pump Station Bexley Earthquake Replacement (+\$1.7m) - refer to the Top Ten Carry forward table for full detail. WW Riccarton Interceptor (Upper Riccarton) (+\$1.4m) - Carry forward is due to delays in completing the modelling works to inform the preferred design solution. WW Lytelton Harbour Wastewater Scheme (+\$1.4m) - Forecast based on delivery programme. Works forecast for completion in December 2021 due to covid shipping issues. SW Gardiners Stormwater Facility (+\$1.3m) - CF required. Construction would not be able to start due to design delay. Detailed Design expected to be finalised end of March 2021.



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	\$33.8m	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. Site decontamination works will begin in March 2021 following resource consent uplift.
Ōtākaro-Avon River Corridor (OARC)	Execute (Procure)	\$7m	\$5.7m	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. 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. We have received both a Comprehensive Programme (schedule) and a proposed cashflow which will allow us to accurately record a forecast for FY21 (and confirm carry forward).
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.
Coastal Pathway & Moncks Bay	(Execute) Design	\$4.2m	\$3.4m	Carry forward required to allow delivery in line with approved Shovel Ready delivery programme.
Canterbury Multi Use Arena (CMUA)	Plan	\$17.8m	\$3m	RFP was extended to Jan'21. The successful Design construct Consortia has been announced and will be Besix Watpac, date announced was 29 March 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 scope is unlikely to get priority once physical works are underway.
WS Ben Rarere Pump Station Bexley Earthquake Replacement	(Execute) Construction	\$3m	\$1.7m	Carry forward is due to delays in completing the detailed design. There were a number of scope changes late in the detailed design stage which have pushed the project out.



Project Title	Project Phase	FY21 Budget	FY21 Forecast Carry Forward	Project Manager Comment
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. The first two sections of the route are in procurement with construction expected to commence this financial year.
Evans Pass Road & Reserve Terrace Remedial Works	(Execute) Design	\$2.6m	\$1.6m	Delays due to consenting and resolution of associated issues. The works are expected to be tendered this financial year.

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	\$6.6m	Land purchase currently forecast for FY21.
SW Blakes Road Stormwater Facility (Works 1)	(Execute) Construction	\$2.5m	\$4.4m	Bring back required for land purchase. Tender finalised and construction has started on site. Forecast to be reviewed and confirmed once ECan consents have been received.
Road Lighting LED Installation	(Execute) Construction	\$4.1m	\$3.6m	Bring back required to reflect delivery programme which aims to maximise higher NZTA subsidy (85%).
Te Pou Toetoe Linwood Pool	(Execute) Construction	\$13m	\$2.9m	Bring back required based on current Contractor delivery programme.
Pioneer Pool Earthquake Renewals Cycle Shutdown	(Execute) Construction	\$2m	\$2.3m	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	\$1.7m	Reflects delivery schedule from third party.
Central City Projects - Victoria Street	Close	\$2.6m	\$1.7m	Works were started in FY20 taking advantage of the Covid lockdown and starting works in Level 3 to minimise disruption before businesses were at full operation. Bring back reflects actual construction programme.



Project Title	Project Phase	FY21 Budget	FY21 Forecast Bring Back	Project Manager Comment
WW Reactive Lateral Renewals	(Execute) Construction	\$0.9m	\$1.7m	Spend rate can vary as the works are reactive in nature and directed by the operations team. A bring back of \$1.68m from FY22 is forecast to reflect current priority works. The works are carried out by a panel of drain layers as faults are reported and as a result of planned inspection programs.
Central City Projects - Hereford Street (Manchester to Cambridge)	(Execute) Handover	\$3.8m	\$1.5m	Bring back required from FY22 to FY21 reflecting construction programme. Construction is complete.



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 March 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 reestablishment 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
	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
- W - I	Canal Reserve Drain	City Care
3 Waters	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

Christchurch City Council

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	lsaacs
	Riccarton Road Roading upgrade - Harakeke to Matipo	Fulton Hogan
	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
Community	Pioneer Recreation & Sport Centre – Roof Replacement	Watts & Hughes
community	Kapuatohe Dwelling/Cottage	Higgs
	Edmonds Band Rotunda	Dominion
	Ōtākaro Avon River Corridor	WSP
	Harrington Park Play Space Renewal	Mike Downs
	Delivery Package Parks Hard Surface Renewals - Jellie Park Paths	Pigeon Contracting
	Palmers Road (Bowhill-New Brighton)	Isaacs
	Warden Street (Petrie-Chancellor)	City Care
	Riccarton Road Bus Priority	Fulton Hogan
Transport	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

Christchurch City Council

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



(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.





Total

Projects

467

Christchurch City Council

from Execute (Design) to Project Delivery Complete

68

All of Capital - Summary

Amber

44

Green

355



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

Covid-19

- <u>Supply Issues</u> 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 rephasing work to reduce impact of supply delays.
- <u>Exchange Rate</u> 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.
- <u>Covid Second Wave</u> 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.
- <u>Other</u> 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 (Deviat	tion from Baseline)	Budget (De	viation from Baseline)
Green	<30 days delay	Green	On Track
	31-60 days delay	Amber	Forecast Overspend <5%
Red	>61 days delay	Red	Forecast Overspend >5%

Project	Trend	Cost	Time	Scope	Risks	lssues	Current Forecast Delivery	Commentary
Traffic Signal Cabinets Safety Improvements	¥	Red	Green	Red	Amber	Green	Feb-22	Uncertainty around future years scope and therefore cost to rectify all electrical safety issues. The condition of existing cabling infrastructure may require significantly more work at some sites. Further investigations of asset condition are required to prioritise cable replacement order of intersections. Change request may be prepared after investigations are completed to address any future years short fall in budget.
Waste Water Treatment Plant Asset Reactive Renewals	\rightarrow		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.
Waste Water Ensors, Fifield & Louisson Mains Renewal	→	Red	Green	Green	Green	Green	Oct-21	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.

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Project	Trend	Cost	Time	Scope	Risks	lssues	Current Forecast Delivery	Commentary
Storm Water Rossendale Infrastructure Provision Agreement	¥	Green	Red	Green	Red	Green	Jun-22	The project delivery date will be updated and re-baselined once the draft LTP has been approved. This is to meet the requirements of the Infrastructure Provision Agreement.
Storm Water St Albans Creek (Slater to Hills) (LDRP 534)	≁	Green	Red	Green	Green	Green	Jun-21	Delays to construction due to property issues which have now been resolved, namely environmental incidents and asbestos find.

March 2021 Time (Deviation from Baseline) Budget (Deviation from Baseline) <30 days delay On Track 31-60 days delay Forecast Overspend <5% Red >61 days delay Red Forecast Overspend >5% ТІМЕ BUDGET ime Comment (By Exception) Original Delivery Date Project Title Current Phase Time Status Actuals to Budget Comment (by Exception) Current Current Budget Status Current Current Approved Forecast Date Approved Budget Forecast Delivery Date **Delivery Date** ireen - On irack Naval Point Development Plan Jun-15 Jan-27 Jan-27 \$29.0 M \$26.5 M \$2.5 M Budget relies on final adoption of the 2021-2031 LTP. Plan avs) Execute ireen - On irack Ōtākaro Avon River Corridor (OARC) Jun-30 Jun-30 \$53.8 M \$53.8 M \$0.8 M Procure ireen (<30 lays) ireen - On Track Execute -St Albans Community Centre Jun-19 Mar-21 Mar-21 \$3.9 M \$3.9 M \$3.5 M Construction Green - On Track Akaroa Wharf Renewal Plan Feb-23 Jun-24 Jun-24 \$20.2 M \$20.2 M \$0.8 M Budget relies on final adoption of the 2021-2031 LTP. avs) Lancaster Park Land Remediation and Foundation removal contract now awarded, Physical works to commence in April 2021. Contractor completing detailed design and authorisations process. ancaster Park Enabling Works Execute -Parks ed (>61 Jun-19 May-21 Dec-21 \$3.0 M \$3.0 M \$0.2 M re-requisite to Lancaster Park Redevelopment) Construction waiting a final programme and associated cashflow from the contractor . ireen - On irack Hornby Library, Customer Services and South West (Execute) Apr-20 Feb-23 Feb-23 \$35.9 M \$35.9 M \$2.5 M eisure Centre Design ireen - On irack Execute -Nov-23 \$38.8 M \$2.34 M rforming Arts Precinct Jun-18 Nov-23 \$38.8 M Investigate Majo ireen - On Track (Execute) Te Pou Toetoe Linwood Pool Jun-20 Dec-21 Dec-21 \$24.0 M \$24.0 M \$12.8 M Construction ays)

City Council

RISK (BU	DGET AND TIME)
Status	Risks All risks are monitored with mitigations actively managed by delivery units.
Green	
	Initial Lump Sum allowances for Christchurch Earthquake Appeal Trust (CEAT) works and the City to Sea (CTS) Pathway that used to create this Financial Year 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 for this financial year with be expended.
Green	
Amber	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.
Amber	Awaiting a final programme and associated cashflow from the contractor .
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. The main construction contractor's programme, when available, will inform the completion date. Detailed design is continuing with tender issue design documents due on 26 March 2021.
Green	
Red	All major equipment being sourced from overseas is now in the country. While supply of certain items remains challenging, delays with receiving those have not impacted overall programme and we remain ahead of schedule. The scale of this project mean that it naturally has both high value and a large volume of risks which drive it to a rating of red, but the reality is that relative to other projects of this size, its risk is at worst amber with risk decreasing as we move towards completion.

								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.	
	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	\$8.2 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	\$11.2 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	\$1.2 M	Funding for completion of works currently in construction. The second stage that involves Kiwirail integration is still in th design phase and costs will be monitored closely as work progresses.	ne Green		
	Downstream Intersection Improvements: Cranford Street	Execute - Construction	Green (<30 days)	Jun-20	Jun-23	Jun-23		Green - On Track	\$40.7 M	\$39.7 M	\$27.4 M	Budget relies on final adoption of the 2021-2031 LTP.	Green		
	Dyers Pass Corridor Safety Improvements (Guardrails, Cycle Safety and Pedestrian)	Execute - Construction	Green (<30 days)	Jun-19	Dec-22	Dec-22		Green - On Track	\$13.4 M	\$13.4 M	\$2.2 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	Construction is underway and in constrained NZTA funding timeframe on narrow road in steep topography. Construction methodology is continually being assessed to ensure optimised delivery. NZTA funding at 75.5% past end of FY21 is still a risk.	
Transport	Evans Pass Road and Reserve Terrace Remedial Works	Execute - Design	Red (>61 days)	Jun-19	Aug-22	Nov-22	Delays due to consenting and resolution of issues, the consent is expected to be granted in March. The programme will be confirmed following the tender evaluation process and confirmation of the successful tenderers methodology.		\$24.5 M	\$23.6 M	\$1.1 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	CCC consent relating to visual affects was at risk though updated assessment is less than minor and consents should be granted in March'21. Design and construction methodologies are being considered to optimise the delivery timeframe.	
	Ferry Road Masterplan (WL1)	Execute - Construction	Green (<30 days)	Sep-17	Jun-21	Jun-21		Green - On Track	\$4.1 M	\$3.8 M	\$2.5 M		Green		
	Halswell Junction Road Extension	Execute - Design	Green (<30 days)	Jun-16	May-22	May-22		Green - On Track	\$12.5 M	\$12.5 M	\$3.3 M	Budget relies on final adoption of the 2021-2031 LTP.	Amber	Kiwirail 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	\$29.8 M	\$20.4 M		Green		
	Coastal Pathway & Moncks Bay	Execute - Design	Amber (31-60 days)		Jun-22	Aug-22	The timeframe for completion is very tight, with significant constraints due to underground services, wildlife, and traffic management. The project schedule will gain more certainty once the methodology is confirmed, and contract awarded in May/June.	Green - On Track	\$15.8 M	\$15.8 M	\$0.5 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.	

Christchurch City Council	Ü
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		TIME E											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.	
	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	\$20.0 M		Green		
	SW Eastman Sutherland and Hoon Hay Wetlands (including Eastman Wetlands (LDRP 528)	Execute - Construction	Green (<30 days)	Jun-24	May-25	Dec-24		Green - On Track	\$39.6 M	\$39.6 M	\$19.4 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	\$10.3 M		Green		
Three Waters and Waste	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	Dec-21		Amber (<5%)	\$54.2 M	\$55.2 M	\$51.7 M	There has been unforeseen issues which have all had financial impacts. Redesign of Simeon PS has included items that were previously not designed (but required) and has increased construction costs. Significant COVID-19 claims have been received, contaminated ground conditions, as well as pipe foundations required for 300m of pipe.	Amber	Rock removal at the back of the tunnel portal for installation of the pipeline, site access due to a slip closing the road, redesign at tunnel portal required to be reworked due to services not where they should be. Contractor has flagged th Covid conditions will impact productivity on physical works fronts. Alport Place street beautification works are being assesed b landscape architect.	
	WW Mains Renewal Tuam St Reticulation Renewal (Brick Barrel) (Livingstone to Mathesons)	Execute - Construction	Red (>61 days)	Jun-20	Oct-20	Apr-21	Historic delays on Brick Barrel works 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. This work is now complete. Final works - Livingstone is forecast for completion by Easter, with practical completion expected in April. Proactive communication and progress information is being provided regularly to the community.	Green - On	\$14.8 M	\$14.8 M	\$12.3 M		Green		

City Council

			TIME					BUDGET					RISK (B	UDGET 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.
Third Party Delivery /	Funding						_							
Northern Arterial Extension in Street Upgrade	including Cranford	Execute - Construction	Green (<30 days)	Jun-22	Jul-23	May-21		Green - On Track	\$51.3 M	\$51.3 M	\$43.1 M		Green	
Metro Sport Facility		Execute - Construction	Red (>61 days)	Jan-20	Feb-22		Delays due to slower progress than current construction programme and Covid-19.	Green - On Track	\$151.3 M	\$151.3 M	\$76.6 M		Amber	Effects of Covid 19 yet to be assessed. Construction programme currently being reviewed by Contractor and Õtäkaro.
Canterbury Multi Use Arena (r	(CMUA)	Plan	Green (<30 days)	Jun-25	Jun-25	Dec-24		Green - On Track	\$473.0 M	\$473.0 M	\$3.4 M		Amber	The CMUA Project Delivery Ltd Board accepted as extension the RFP tender period to 29 January 2021. RFP was extende to Jan'21. The successful Design construct Consortia has been announced and will be Besix Watpac, date announced was 2 March 2021. Schedule to be confirmed with the Consortia.
Multicultural Recreation and	l 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 given its support to the project, including the proposed location.
			Time (Deviation Green Amber Red	n from Baseline <30 days dela 31-60 days de >61 days dela	elay				from Baseline) On Track % overspend fore % overspend fore					

City Council



			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)
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 contaminat material, cost associated with Cumnor Terr- two way, changes to KiwiRail requirements cycleways running parallel to level crossing are being monitored and if necessary is able
Heat	Programme Contingency - Major Cycleway - H Expressway	eathcote						\$3.0 M			covered from the programme contingency.
		I			-		Total	\$11.5 M	\$11.0 M	\$0.5 M	
	Section 1 - Major Cycleway - Northern Line Route (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.	Red (>5%)	\$7.0 M	\$11.5 M	\$4.1 M	
cleway	Section 2a - Major Cycleway - Northern Line Route Tuckers to Sturrocks including crossings	Detailed Design	Red (>61 days)	Jun-21	Dec-22	Historic baseline for delivery - construction programmes are still to be confirmed by Kiwirail which will further inform the completion milestone. Kiwirail are looking at options to assist with a faster delivery schedule.	Red (>5%)	\$2.4 M	\$3.6 M	\$0.0 M	Forecast is based on current detailed design however Kiwirail treatments are still to be fin and costs will be monitored against budget.
Northern Line Cycleway	Section 2b - Major Cycleway Northern Line Route (Section 2b) Sturrocks to Barnes & Main North Road	Procurement	Green (<30 days)		Oct-22		Red (>5%)	\$1.8 M	\$2.1 M	\$0.0 M	A change request is being raised to reflect sh ready funding, and reallocate across section MCR. There is sufficient funding to meet the forecast for complete route. Forecasts for th crossings are currently included in the Sectiv will be sepreated out as part of the change r
	Section 3a - Major Cycleway Northern Line (Section 3a) Styx Mill Overbridge to Northwood Boulevard	Procurement	Green (<30 days)		Dec-22		Green - On Track	\$8.2 M	\$1.7 M	\$0.0 M	
	Major Cycleway Northern Line Cycleway Rail Crossings (x5)						Green - On Track				
	Programme Contingency - Major Cycleway No Cycleway	rthern Line						\$1.5 M			
							Total	\$20.8 M	\$19.0 M	\$4.1 M	

City Council

Red

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

	Progress Update
ited race being s around gs. Costs le to be	Consents have been lodged and detailed design is progressing. Construction phasing will be determined by environmental considerations.
gn estimate finalised t. shovel	Work is progressing well across the route 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. 100 % Detailed Design has been issued to Kiwirail for approval and Deed of Grant and lease agreement are being finalised. A funding agreement will be submitted once cost estimates are recieved. Kiwirail to carry out internal civil and signaling design and commence procurement of long lead items. The section through Barnes Reserve is in procurement
ons of the ne current the rail tions and request.	and works are expected to commence in April/May. Design is currently at 85% with final comments being addressed to complete the 100% design this involves all rail crossing gates and combined traffic and rail crossing lights.
	This section is in procurement and works are expected to commence in April/May.
	Change Request currently in progress to reflect delivery of the Rail Crossings separate from other Sections within Northern Line.
	For efficiency of delivery, rail crossings may be procured with other Northern Line sections. To be confirmed with Kiwirail.

Time (Deviation from Baseline) Green 430 days delay Amber Red >61 days delay

			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
	Section 1a - Major Cycleway Nor'West Arc Route (Section 1a) Cashmere To Sparks	Defects Liability	Green (<30 days)	Dec-20	Dec-20		Amber (<5%)	\$4.4 M	\$4.6 M	\$4.4 M	Project costs to be balanced within the route, a change request will be raised to transfer the funds within the route to cover the overspend.	Factions 0.00% complete
	Section 1b - Major Cycleway Nor'West Arc Route (Section 1b) Sparks to Lincoln & Halswell intersection	Construction	Red (>61 days)	Oct-20	Mar-21	Completion date moved due to property purchase and contractor availability for traffic light connection.	Green - On Track	\$4.0 M	\$3.9 M	\$3.8 M		Sections 98% complete. Remainder of works around Domain/ Lincoln Road intersection (Medical Centre) to be completed by 31s March 2021. All sections are expected to be completed by April 2021.
	Section 1c - Major Cycleway Nor'West Arc Route (Section 1c) Lincoln & Halswell Intersection to Annex & Southern Motorway Underpass	Defects Liability	Green (<30 days)	Mar-22	Dec-20		Green - On Track	\$2.2 M	\$2.0 M	\$1.6 M		
	Annex, Birmingham & Wrights Corridor Improvement	Construction	Green (<30 days)	Mar-24	Oct-21		Red (>5%)	\$7.1 M	\$7.8 M	\$1.3 M	Sufficient funding for completion of works currently in construction. The second stage that involves Kiwirail integration is still in the design phase and and is based on high level estimates. Costs will be monitored closely as work progresses.	Require design approval from Kiwirail for Annex Road crossing. The Annex Rd Motorway underpass section is under construction and started in January 2021. 75% of work will be completed and remainder 25% to be completed by end October 2021.
Nor	llam, Middleton & Riccarton Intersection Improvement	Construction	Amber (31-60 days)	Aug-21	Sep-21	Forecast delivery date updated to reflect contractors programme which includes 3 Waters Main Replacement work (enablng delivery efficiency and reduced disruption). Intersection work approved under "Shovel Funding".	Green - On Track	\$1.3 M	\$1.0 M	\$0.4 M		Works commenced on site in early March
	Section 2 - Major Cycleway - Nor' West Arc Route (Section 2) Annex & Wigram Road to University	Construction	Amber (31-60 days)	Jun-21	Aug-21	Forecast completion date reflects contractors programme following award of tender.	Green - On Track	\$13.5 M	\$7.5 M	\$3.0 M		Section 2B (including part of Suva St ex MCR South Express) has been awarded and expected to be built by May 2021. Section 2A has been awarded and expected to be bu by August 2021.
	Section 3 - Major Cycleway - Nor' West Arc Route (Section 3) University to Harewood	Investigate & Scheme Design	Green (<30 days)	May-25	Apr-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. Forecast completion date amended to reflect timing of Urban Development and Transport (UDAT) Option Report meeting date in July.
	Programme Contingency - Nor' West Arc				1			\$2.0 M				
							Total	\$45.3 M	\$37.3 M	\$14.8 M		1

City Council

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

			TIME				BUDGET				
Proje	ct 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)
Rapanui - Shag Rock	Section 3 - Major Cycleway - Rapanui Shag Rock Route (Section 3) Dyers to Ferry Road Bridge	Construction	Green (<30 days)	Jun-23	Mar-22		Green - On Track	\$8.8 M	\$8.8 M	\$1.6 M	
	Programme Contingency - Major Cycleway R	apanui Shag Rock						\$1.0 M			
				4			Total	\$9.8 M	\$8.8 M	\$1.6 M	
	Section 1 - Major Cycleway - South Express Route (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	
xpress	Section 2 - Major Cycleway - South Express Route (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	
South Express	Section 3 - Major Cycleway - South Express Route (Section 3) Curletts to Old Blenheim	Construction	Green (<30 days)	Sep-21	Sep-21		Amber (<5%)	\$15.5 M	\$15.6 M	\$5.4 M	Reflects cost risk of contaminated material additional pipework. These are being moni during construction and if necessary the co at programme level may be required.
	Programme Contingency - Major Cycleway - So	outh Express		•				\$2.0 M			
							Total	\$41.9 M	\$40.1 M	\$7.9 M	
Coastal Pathway	Coastal Pathway & Moncks Bay	Detailed Design	Amber (31-60 days)	Jun-22	Aug-22	The timeframe for completion is very tight, with significant constraints due to underground services, wildlife, and traffic management. The project schedule will gain more certainty once the methodology is confirmed, and contract awarded in May/June.	Green - On Track	\$15.8 M	\$15.8 M	\$0.5 M	
	Programme Contingency - Coastal Pathway							\$1.5 M			
							Total	\$17.3 M	\$15.8 M	\$0.5 M	
ΤΟΤ	AL SHOVEL READY							\$146.6 M	\$131.9 M	\$29.5 M	
	Budget of \$146.6M is Shovel Ready funding p	lus historic costs							0 1.0 W		

City Council



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

>61 days delay

Red

Progress Update
Minor works to repair damaged chipseal on Humphries Drive has been completed. Construction of Section 3a beside the canal is underway and expected to be completed in late April.
Section 3b through the reserve is expected to start construction 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, construction is expected to start in the second half of 2021.

	The first stage has been tendered and will start construction this financial year, and the second stage will be tendered mid 2021
Il and hitored ontingency	
	Construction is expected to start mid 2021. Significant constraints to be worked through -

services.

ninimal space in road corridor, property issues, geotech, coastal marine environment (sensitive ecology, consenting, and complex engineering), stormwater/ flooding issues, archaeology, existing

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

CROWN REGENERATION ACCELERAT	ION FUND - CH	Raf (\$40m)								
		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)
Linwood & Woolston Roading & Transport Improvements	Investigate	Green (<30 days)		ТВС		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M	
New Brighton Roading & Transport Improvements	Investigate	Green (<30 days)		ТВС		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M	
Riccarton Roading & Transport Improvements	Investigate	Green (<30 days)		ТВС		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M	
Richmond Roading & Transport Improvements	Investigate	Green (<30 days)		ТВС		Green - On Track	\$2.0 M	\$2.0 M	\$0.1 M	
Spreydon, Somerfield, Waltham & Beckenham Roading & 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)

KE APPEAL TRUST (\$13.7M) and CROWN REGENERATION ACCELERATION FUND (\$40M)	

		TIME				E	BUDGET					
Project Title	Current Phase	Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	E	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	Progress Update
Ōtākaro Avon River Corridor - 3x Footbridges & Landing (CEAT)	Construction (Bridges) Detailed Design (Landing)	Green (<30 days)	Mar-22	Mar-22		C	Green - On Track	\$13.8 M	\$13.8 N	\$0.8 M		Contract for the Bridges has been awarded and the contract is underway following a pre start meeting. The Resource Consent application has been submitted and is currently being processed for the Landing.
Ötākaro Avon River Corridor - City to Sea Pathway, Ecological Restoration, Landings (CRAF)	Initiate	Green (<30 days)	30-Jun-30	30-Jun-30		C	Green - On Track	\$40.0 M	\$40.0 N			Design package for Dallington Loop has been prepared and is currently being reviewed by QS who will provide advice around estimates to allow Concept to be finalised.
TOTAL CEAT AND CRAF								\$53.8 M	\$53.8 M	\$0.8 N		





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

Progress Update

Tenders have closed and the evaluation is currently underway. Community engagement is underway with drop in sessions being held in each area to futher inform scoping.

Further funds will be drawndown from the CRAF programme once asesssments are complete and scope is confirmed.

Construction is expected to start in the first half of 2021.

ern		IA) - WATER Expenditure. Pro	ogress updat	es for all init	iatives being delivered (both capital and operationa		d below.			Amber 31	0 days delay -60 days del 1 days delay	ay Amb	Forecast Overspend <5%
	Project Title	Current Phase	TIME Time Status	Current Approved Delivery Date	Current Forecast Delivery Date	BUDGET Budget Status	Council Funded	Govt Funded	Total Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	Progress Update
	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 en- run the tender process. The ten- released on 17th February 2021 closes at the end of March.
	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 complet Easement applications in progr 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 could affect pipe supply from Au may require Principal purchase remove lead time risk.
	ite new an												Temporary bypass works have l accelerated to allow for installa 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	\$3.9 M	\$0.8 M		Construction in progress. We have received the archaeology author proceed with construction worl Mar-21.
	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	\$4.4 M	\$1.6 M		Construction in progress and or 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	\$2.8 M	\$0.2 M		Construction to start April 2021 Archaeology findings.
	WW Sails, Langdons, Hoani, Wilmot, Cone, Perry, Gambia, Frank, Sturrocks, Grassmere Mains Renewal	Construction	Green (<30 days)	May-23	Aug-22	Green - On Track	\$0.5 M	\$6.0 M	\$6.5 M	\$4.9 M	\$0.5 M		Construction start late March 20
	WW Akaroa Inflow and Infiltration Renewals	Construction	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 construction stag contract award confirmed in ea Timeline and market capacity re key risk.
	WW Duvauchelle Inflow and Infiltration Renewals	Investigation & Scheme Design	Green (<30 days)		Feb-22	Green - On Track	\$0.0 M	\$2.0 M	\$2.0 M	\$2.0 M	\$0.0 M		Fibre installation is under way, splicing to follow this month. M to start in April 2021.
	WW Lift Station SCADA Renewals	Procurement	Red (>61 days)	Jun-21	Installation is dependent on delivery Mar-22 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, Remote Termi ordered. Delivery will be stagge several months. Currently out to
	WS Smart Water Monitoring System	Investigation & Scheme Design	Green (<30 days)		Feb-22	Green - On Track	\$0.0 M	\$3.4 M	\$3.4 M	\$3.4 M	\$0.0 M		All tenders completed and cont all of the packages are to be aw April 2021.

City Council

			TIME				BUDGET						
	Project Title	Current Phase	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)	Progress Update
	Reservoirs & Suction Tanks ondition 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	Denton and Prestons have been added to the list due to transgressions, both have been assessed. Investigations underway. Seven assessments completed and reports received. Access to assess tanks/reservoirs internally now denied by Operations until after summer.
	nall Community Private Water & Wastewater heme 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 - project underway.
ws	S 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	\$0.3 M	Tranche 1, 2 and 3 are complete. Tranche 5 is due to start 22-Mar-21
Operational Expendiutre	N Pump Station Deferred Maintenance	Plan	Green (<30 days)	Nov-21	Nov-21		Green - On Track	\$0.0 M	\$1.3 M	\$1.3 M	\$1.2 M	\$0.0 M	Tranche 4 construction has now started. Tranche 6 starting in late Apr-21 and Tranche 5 in early May. Work scope is expanding to include steel cover replacement and lighting upgrades.
	N CCTV Inspections	Investigation & Scheme Design	Green (<30 days)		Mar-22		Green - On Track	\$0.2 M	\$2.0 M	\$2.2 M	\$2.2 M	\$0.0 M	One package started and five to be released for pricing in April 2021.
	siness Case for Regional Water Services Entity CC 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	Impact assessment provided 18 March 2021, the final report is expected to be provided end of April 2021
	S Pressure Management and Water Supply zoning	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	CCC Functional Requirements provided - several additional clarification and information queries are being responded to.
	N Duvauchelle Wastewater Treatment Plant ferred 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.
Ass	set 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	\$0.2 M	A number of work packages currently being defined. Service information in internal validation exercise.
Т	OTAL DIA	· · · · ·		I				\$5.5 M	\$40.5 M	\$46.0 M	\$42.2 M	\$4.9 M	

CHRISTCHURCH CITY COUNCIL MAJOR CYCLEWAYS PROGRAMME

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



Mar-21

			TIME				BUDGE	T			
	Project Title	Current Phase	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)
2	Section 1 - Major Cycleway Ōtākaro-Avon Route (Section 1) Fitzgerald Avenue to Swanns Road Bridge (ORAC)	Concept		Jun-28	Green (<30 days)		Red (>5%)	\$7.9 M	I \$8.3 M	\$0.1 M	Forecasts are based on high level estimate costs to be monitored during scheme development and balanced within the rou
Avon-Õtākaro	Section 2 - Major Cycleway Ōtākaro-Avon Route (Section 2) Swanns Road Bridge to ANZAC Drive Bridge (ORAC)	Concept		Jun-28	Green (<30 days)		Red (>5%)	\$11.1 M	\$17.0 M	\$0.0 M	Forecasts are based on high level estimate costs to be monitored during scheme development and balanced within the rou
	Section 3 - Major Cycleway Ōtākaro-Avon Route (Section 3) ANZAC Drive Bridge to New Brighton (OARC)	Concept		Jun-28	Green (<30 days)		Green - Or Track	\$11.1 M	I \$6.6 M	1 \$0.0 M	
						Tota	s	\$30.2 M	\$31.8 M	I \$0.1 M	
Little River Link	Section 1 - Major Cycleway - Little River Link Route (Section 1) Moorhouse Avenue to Edinburgh Street	Handover	Sep-18	3 Sep-18	Green (<30 days)		Green - Or Track	\$6.9 M	I \$6.7 M	I \$6.6 M	
	1			1		Tota	s	\$6.9 M	I \$6.7 M	I \$6.6 M	
e	Section 1 - Major Cycleway - Ōpāwaho River Route (Section 1) Princess Margaret Hospital to Corson Avenue	Investigate & Scheme Design	Jun-27	7 Jun-27	Green (<30 days)		Green - Or Track	\$11.7 M	\$10.0 M	\$0.0 M	
Õpāwaho River Route	Section 2 - Major Cycleway - Ōpāwaho River Route (Section 2) Corson Avenue to Waltham Road	Concept		Jun-28	Green (<30 days)		Green - Or Track	\$6.1 M	I \$4.0 M	I \$0.0 M	Budgets are subject to the approval of the LTP funding. Forecasts are based on high level estimate
Ōpāwaho	Section 3 - Major Cycleway - Ōpāwaho River Route (Section 3) Waltham Road To Ferrymead Bridge	Concept		Jun-28	Green (<30 days)		Green - Or Track	\$38.1 M	1 \$18.7 M	\$0.0 M	costs to be monitored during scheme development and balanced within the rout
						Tota	s	\$55.9 M	S32.7 M	I \$0.0 M	
Southern Lights	Section 1 - Major Cycleway - Southern Lights Route (Section 1) Strickland Street to Tennyson St	Investigate & Scheme Design	Dec-22	2 Dec-22	Green (<30 days)		Green - Or Track	\$4.4 M	1 \$4.4 M	\$0.4 M	
				•		Tota	s	\$4.4 M	\$4.4 M	\$0.4 M	
	Section 1 - Major Cycleway - Wheels to Wings Route (Section 1) Harewood Road to Greers Road	Investigate & Scheme Design	Mar-25	5 Mar-25	Green (<30 days)		Green - Or Track	\$7.7 M	\$7.7 M	\$1.2 M	
Wheels to Wings	Section 2 - Major Cycleway - Wheels to Wings Route (Section 2) Greers Road to Wooldridge Road	Investigate & Scheme Design	κ	Jun-27	Green (<30 days)		Green - Or Track	\$10.0 M	\$10.0 M	\$0.0 M	
S	Section 3 - Major Cycleway - Wheels to Wings Route (Section 3) Wooldridge Road to Johns Rd Underpass	Investigate & Scheme Design		Jun-28	Green (<30 days)		Green - Or Track	\$5.0 M	I \$5.0 M	\$0.0 M	
			-	-		Tota	e	\$22.6 M	\$22.7 M	\$1.2 M	

City Council

Budget (Deviation from Baseline) Green On Track

Red Forecast Overspend <5% Red Forecast Overspend >5%



		TIME					Budget				
	Project Title	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
	MCR Papanui Parallel - Section 1 - Grassmere to Tomes	Closed	Oct-15	Oct-15	Green (<30 days)	(Green - On Track	\$1.7 M	\$1.7 M	\$1.7 M	
	MCR Papanui Parallel - Section 2 - Bealey Ave to Trafalgar	Handover	Aug-17	Aug-17	Green (<30 days)	(Green - On Track	\$11.1 M	\$11.1 M	\$11.1 M	
	MCR Papanui Parallel - Section 3 - Trafalgar to Tomes	Closed	May-17	May-17	Green (<30 days)		Green - On Track	\$0.0 M	\$0.0 M	\$0.0 M	1
	MCR Papanui Parallel - Section 4 - Grassmere to Sawyers Arms Road	Handover	Aug-17	Aug-17	Green (<30 days)	(Green - On Track	\$3.4 M	\$3.4 M	\$3.4 M	
						Total	5	\$16.2 M	\$16.2 M	\$16.2 M	l
	MCR Quarryman's Trail - Section 1a - Hoon Hay Road to Roker/Strickland Street	Defects Liability	Jun-18	Jun-18	Green (<30 days)	(Green - On Track	\$17.5 M	\$17.5 M	\$17.5 M	
	MCR Quarryman's Trail - Section 1b - Victors Rd to Hoon Hay Road	Closed			Green (<30 days)		Green - On Track	\$0.0 M	\$0.0 M	\$0.0 N	1
	MCR Quarryman's Trail - Section 2 - Halswell to Victors Road	Defects Liability	Jun-19	Oct-19	Green (<30 days)		Green - On Track	\$6.2 M	\$6.2 M	\$6.2 M	
						Total	5	\$23.7 M	\$23.7 M	\$23.7 M	Í
	MCR Uni-Cycle - Section 1 - Matai St East	Closed	Jan-16	Jan-16	Green (<30 days)		Green - On Track	\$3.1 M	\$3.1 M	\$3.1 M	1
	MCR Uni-Cycle - Section 2 - Hagley Park to Riccarton Bush	Closed	Nov-17	Nov-17	Green (<30 days)		Green - On Track	\$3.3 M	\$3.3 M	\$3.3 N	1
	MCR Uni-Cycle - Section 3 - Ngahere St to Dovedale Ave	Closed	Sep-17	Sep-17	Green (<30 days)		Green - On Track	\$4.2 M	\$4.2 M	\$4.2 M	
	MCR Uni-Cycle - Section 4 - Railway Line Crossing	Closed	Sep-17	Sep-17	Green (<30 days)		Green - On Track	\$0.3 M	\$0.3 M	\$0.3 N	
						Total	5	\$10.8 M	\$10.8 M	\$10.8 M	l
222	MCR Heathcote Expressway - Section 1 A- Ferry Rd	Handover	Oct-19	Oct-19	Green (<30 days)		Green - On Track	\$6.4 M	\$6.4 M	\$6.2 N	1
Exp	MCR Heathcote Expressway - Section 1 B- Charles St to Tannery	Defects Liability	Oct-19	Oct-19	Green (<30		Green - On Track	\$11.2 M	\$11.2 M	\$11.1 M	
						Total	5	\$17.6 M	\$17.6 M	\$17.3 M	l
	MCR Little River Link - Section 2 - Wigram Magdela Link	Closed	Jan-17	Jan-17	Green (<30 days)		Green - On Track	\$0.2 M	\$0.2 M	\$0.2 M	
	MCR Little River Link - Section 3 - Little River Township	Closed	Oct-16	Nov-16	Green (<30 days)		Green - On Track	\$0.8 M	\$0.8 M	\$0.8 M	
						Total	5	\$0.9 M	\$0.9 M	\$0.9 M	
LINE	MCR Northern Line Cycleway - Section 1b- South Hagley Park Connection	Closed	Sep-14	Sep-14	Green (<30 days)		Green - On Track	\$0.0 M	\$0.0 M	\$0.0 M	
						Total	5	\$0.0 M	\$0.0 M	\$0.0 M	1
KOCK	MCR Rapanui - Shag Rock Cycleway - Section 1 - Worcester Street to Linwood Ave	Handover	Oct-18	Jan-18	Green (<30 days)	(Green - On Track	\$9.3 M	\$9.2 M	\$9.2 N	
ŝ	MCR Rapanui - Shag Rock Cycleway - Section 2 - Aldwins Road to Dyers Road	Handover	Jul-18	Jul-18	Green (<30	(Green - On Track	\$7.1 M	\$7.1 M	\$7.1 M	1
	Djero noud				auys/	Total		\$16.5 M	\$16.3 M	\$16.3 M	
						IUlat	•	3TO'D IM	910.5 M	210.J M	

Risk	
Status	Risk Commentary
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City Council



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 - Lytellton (M4)	Jo Grigg	Parks Project Management	3-Dec-20
41939	Cemetery Buildings Reactive Renewals	Dave Weedon	Asset Planning & Management	19-Dec-20
57163	Brooklands Lagoon Planned Viewing Platform Renewals	Steve Gray	Parks Project Management	22-Jan-21
21131	St Albans Community Centre	Ritchie Moyle	Capital Delivery Heritage	25-Mar-21



Projects Delivered - Financial Year 2021

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-2
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-2
59731	Corporate Performance Reporting	Kim Farrar	Digital Platform	27-Jan-2
44247	Trade Waste Management System Replacement	John Buckler	Digital Platform	5-Feb-2
59730	Business Systems Platform Information Enhancement (C4HANA)	Andi Cossar	Digital Platform	19-Mar-2

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 Roading & 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



Projects Delivered - Financial Year 2021

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Project ID	Project Title	Project Manager	Delivery Team	Project Delivery Complete
50583	WW Springfield, Berry, Clare & Onslow Mains Renewal	Peter McConnell	WW Renewal Reticulation	18-Feb-21
50579	WW Neville, Domain, Edinburgh, Cooke, McCombs, Selwyn & Stennes Mains Renewal	Peter McConnell	WW Renewal Reticulation	19-Feb-21
48156	WW Tilford, Bute, Linwood, Ferry, & McGregors Mains Renewal	Peter McConnell	WW Renewal Reticulation	19-Feb-21
49231	WW Aylesford, Speight & Thornton Mains Renewal	Peter McConnell	WW Renewal Reticulation	19-Feb-21
48893	WS Westmont, Bartlett, Peacock & Bridle Path Road Mains Renewals	Peter McConnell	WS Renewal Reticulation	19-Feb-21
18639	WS Rāwhiti Rezoning	Peter McConnell	Water Supply Improvement	19-Feb-21
48895	WS Balgay, Karamu & Minebank Mains Renewal	Peter McConnell	WS Renewal Reticulation	19-Feb-21
48892	WS Halswell Road Stream Crossing Mains Renewal	Peter McConnell	WS Renewal Reticulation	19-Feb-21
50340	WS Grassmere Well Renewal (1)	Grant Deeney	Water Supply Improvement	28-Feb-21
52095	WS Prestons - Additional Well Development & Well Head Construction	Grant Deeney	Water Supply Improvement	28-Feb-21
2717	CWTP Earthquake Repair Occupied Buildings	Patrick Cantillon	WW Renewal Treatment	26-Mar-21



9. Corporate Finance Report for the period ending 31 March 2021

Reference / Te Tohutoro:	21/329441
Report of / Te Pou	Bruce Moher, Head of Financial Management,
Matua:	bruce.moher@ccc.govt.nz
General Manager /	Diane Brandish, Acting General Manager Resources,
Pouwhakarae:	diane.brandish@ccc.govt.nz

1. Brief Summary

1.1 The purpose of this report is for the **Finance and Performance Committee** to receive quarterly information relating to the Council's treasury and debtors risks, and insurance notifications.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the information in the Corporate Finance Report for the period ended 31 March 2021.

3. Executive Summary

3.1 Key messages from Treasury as at 31 March 2021 are:

3.1.1 All treasury risk positions are within policy limits.

- 3.2 Key messages re General (non-rates) Debt as at 31 March 2021 are:
 - 3.2.1 General non-rates debt increased by \$12.3 million to \$16.1 million over the quarter.
 - 3.2.2 There was \$0.03 million of debt written off in the March quarter.
- 3.3 Key messages re Rate Debt as at 31 March 2021 are:
 - 3.3.1 Rates debtors have decreased \$2.5 million since 31 December 2020. Net rate debt is \$1.1 million after taking into account credit balances held.

	\$m	Mar 21	Dec 20	Jun 20	Dec 19
Rates debtors		19.7	22.2	29.2	22.11
Credit balances		(18.6)	(27.4)	(7.4)	(22.09)
Net rates debt		1.1	(5.2)	21.8	.02

4. Treasury

Borrowing, Treasury Lending and Bank Deposits

4.1 Council's borrowing, treasury lending, and cash deposit balances as at 31 March 2021 (and their movements since 30 June 2020) are as follows:

Note: "Treasury lending" excludes lending to CBL and non-treasury lending such as to community groups.

Debt



31 Mar 21	30 Jun 20	Change
1,195,839,087	1,063,839,088	132,000,000
194,973,000	182,973,000	12,000,000
60,076,000	60,076,000	-
6,056,000	6,056,000	-
1,865,980	1,865,980	-
22,709,000	22,709,000	-
745,933	745,933	-
1,482,265,000	1,338,265,001	144,000,000
573,200,000	573,200,000	-
30,000,001	11,000,000	19,000,002
1,400,000	1,400,000	-
604,600,001	585,600,000	19,000,002
89,500,000	89,500,000	-
2,176,365,001	2,013,365,001	163,000,002
2,086,865,001	1,923,865,001	163,000,001
1,571,765,000	1,427,765,001	144,000,000
	1,195,839,087 194,973,000 60,076,000 6,056,000 1,865,980 22,709,000 745,933 1,482,265,000 573,200,000 30,000,001 1,400,000 604,600,001 89,500,000 2,176,365,001	1,195,839,0871,063,839,088194,973,000182,973,00060,076,00060,076,0006,056,0006,056,0001,865,9801,865,98022,709,00022,709,000745,933745,9331,482,265,0001,338,265,001573,200,000573,200,00030,000,00111,000,0001,400,0001,400,00089,500,00089,500,00089,500,00089,500,0002,086,865,0011,923,865,001

Treasury Lending

Total CCC Lending	640,582,341	615,981,840	24,600,501
Borrower Notes	35,982,340	30,381,840	5,600,500
On-lent to Vbase	1,400,000	1,400,000	-
On-lent to OCHT	30,000,001	11,000,000	19,000,001
On-lent to CCHL	573,200,000	573,200,000	-

CCC Net Debt 1,535,782,660	1,397,383,161	138,399,501
----------------------------	---------------	-------------

Treasury Cash

Total Cash	313,451,640	266,219,564	47,232,076
Term Deposits	277,000,000	216,500,000	60,500,000
Rabobank call account	35,000,000	47,000,000	-12,000,000
BNZ call account	1,451,640	2,719,564	-1,267,924

- 4.2 The additional \$132 million borrowed in the General category in the nine months to 31 March 2021 is all temporary pre-funding. Where there are large amounts of debt to be rolled we borrow in advance to spread the risk. Once the debt is rolled in May 2021, borrowing and term deposits will go down by \$132 million.
- 4.3 In that nine month period we also borrowed \$12 million for Vbase equity to fund the Town Hall repair and \$19 million to on-lend to OCHT for housing development.

Short-term liquidity risk

4.4 Council sources its borrowed funds from the LGFA. We have an obligation to LGFA to keep our liquidity ratio above 110%. As at 31 March 2021 our treasury liquidity ratio is well above that minimum level.



4.5	Policy Limit (ratio must exceed 110%) – Within Limit
-----	--

Liquidity	31-Mar-21
Term Debt	\$2,087,206,064
Financial Lease Liabilities	\$91,762,393
Committed Loan Facilities	\$200,000,000
Liquid Investments	
Cash and cash equivalents	\$313,224,386
Term Deposits (CEF)	\$10,000,000
CCHL Debt < 12mths	\$156,500,000
	\$479,724,386
Total	\$2,858,692,843
Current External Debt	\$2,178,968,457
Ratio (>110%)	131.19%
Benchmark	110.00%

4.6 Our liquid investments (cash) of \$313.2 million includes \$132 million of pre-funding cash held specifically to roll over debt maturing in May 2021. The \$200 million committed loan facilities give us the option to borrow funds very quickly if we need it. Together, our liquid investments and committed loan facilities demonstrate strong liquidity management.

Long term funding risk

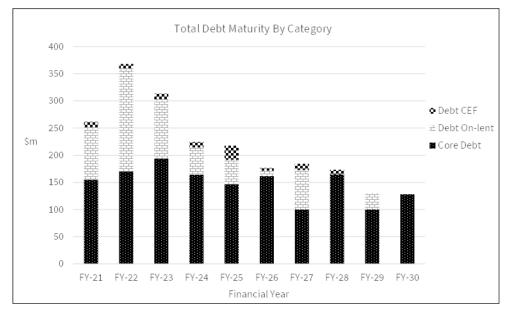
4.7 Funding risk is the risk that funds may not be available in future for Council to borrow at reasonable prices. This includes access to funds for rolling over existing borrowing when it matures. This lack of availability could last days, weeks or months. We manage this risk by ensuring our existing debt does not all mature at the same time, but gradually over many years. We have policy limits to guide our debt maturity profile.

Profile vs. Policy Limits for Existing Core External Debt					
Long Term Funding Risk	Actual	Minimum	Maximum		
0 to 3 years (ends June 2024)	46%	15%	60%		
3 to 7 years (ends June 2028)	39%	25%	75%		
7 years plus	15%	10%	60%		
	100%				

Policy Limit (maturity of existing debt only) – Within Limit

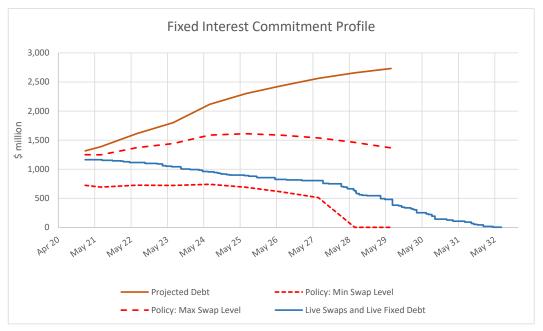
Funding risk also includes the risk we will not be able to access new borrowing (as opposed to 4.8 borrowing to roll over existing debt). A more comprehensive risk profile is shown below:





Interest Rate Re-pricing

- 4.9 When we borrow funds at floating interest rates, the interest rate normally changes every three months. If we borrow at fixed rates, the interest rate will change when we roll that debt over at its maturity. If interest rates have increased at the repricing date, our borrowing will cost more. All our borrowing is exposed to interest rate re-pricing risk, but we manage this by fixing the interest rates for varying lengths of time lasting several years. We can use interest rate swaps ("hedges") to convert floating rate borrowing into fixed rate borrowing.
- 4.10 Our hedging profile shows the length of time over which our debt is protected from interest rate re-pricing risk. We want to have sufficient protection from re-pricing risk on one hand, while preserving flexibility (e.g. to repay debt) on the other. We have policy guidelines that provide an envelope within which we aim to keep our hedging profile. This is shown in the chart below which focuses on core external debt, net of borrower notes and excluding the temporary pre-funding.





Explanation of chart

* Blue line = our profile of fixed interest rate commitments for core external debt. This is the amount of our existing core external debt that is protected against interest rate re-pricing.

* Orange line = projected core external debt including projected new borrowing.

* Dotted red lines = Policy Limits (maximum & minimum amount) for hedging. These are calculated as a certain percentage (which decreases over time) of the orange line (projected core external debt). This guides the extent to which Council can be protected from interest rate re-pricing risk. The blue line should lie between the dotted red lines.

4.11 Fixed interest commitments (blue line) are within policy limits (dotted red lines) both now and into the future.

Credit risk

- 4.12 Credit risk is the risk that the Council will suffer loss from counterparties' failure to pay funds owed to Council. This risk is managed by keeping our term deposits, call deposits and investments with any one party within specified limits. All exposures are within policy limits.
- 4.13 Our exposure to banks consists of our call and term deposits, plus the discounted present value of amounts we would expect to receive from them under swap contracts. The latter was (until recently) zero since interest rates have been generally declining over recent years (we expect to pay amounts to banks under our swap contracts rather than receive amounts).

					Cash/Term	Swap Exposure	Total Exposure
Counterparty	S&P rating	Outlook	Last Reviewed	Limit (\$m)	Deposits(\$m)	(\$m)	(\$m)
Derivative Banks							
AN Z Bank	AA-	Negative	18 Aug 2020	200	87	0.25	87.25
BNZ Bank	AA-	Negative	18 Aug 2020	200	1.5	-	1.5
Westpac Institutional Bank	AA-	Negative	27 May 2020	200	69	-	69
Kiwibank	А	Stable	30 Oct 2020	150	20	-	20
Other Banks							
ASB / CBA Bank	AA-	Negative	27 May 2020	200	10	-	10
Rabobank	А	Negative	23 Apr 2020	150	35	-	35
Bank of China	Α	Stable	7 Jan 2020	150	91	-	91
Government & Council Controlled							
NZ Government	AA+	Positive	3 May 2020	Unlimited	-	-	-
LGFA Borrower Notes	AA+	Positive	27 Feb 2020	100	36	-	36
Other							
Interstar NZ Millenium	BBB- (sf)		25 Jun 2020	0.1	0.1	-	0.1

Policy Limit (exposure to single creditor) - Within Limit



5. General Debtors

	Mar 21 Sm	Dec 20 Śm	Movement	Mar 21 %	Dec 20 %	Movement
All non-rates debtors	3m 16.1	3.8	Up	100	⁹⁰ 100	
Greater than 90days	0.4	0.5	Down	2	13	Down
Greater than \$5k	14.4	2.8	Up	89	74	Up
Greater than \$1m	9.4	-	Up	58	-	Up
Debtors written off (Qtr)	0.03	0.15	Down	-	4	Down
Debtor Category						
General	12.7	1.9	Up	79	50	Up
Resource Consent	1.1	0.5	Up	7	13	Down
Building Consent	1.5	0.6	Up	9	16	Down
LIMS	0.4	0.3	Up	2	8	Down
Health	0.1	0.1	No change	1	3	Down
Infringements	0.1	0.2	Down	1	5	Down
Others	0.2	0.2	No change	1	5	Down

- 5.1 Non -rates debtors has increased \$12.3 million from December 2020, but is consistent with \$18.2 million at 31 March 2020.
- 5.2 General debtors (sundry) has increased \$10.8 million from December 2020. \$9.4m is due to Quarter 4 funding for the Canterbury Multi Use Arena owing from the Crown, which was subsequently paid in April 2021.
- 5.3 Building consent debt is \$0.9 million higher than 31 December 2020.
- 5.4 General debtors have an aging profile as follows:

General Debtors	Current	Due	Overdue	T
\$m	(less than 30 days)	(between 30 and 90 days)	(greater than 90 days)	Total
31 Mar 2021	15.31	0.43	0.40	16.14
31 Dec 2020	2.55	0.78	0.46	3.79

5.5 The following chart highlights the trend in general debtors over the past two years.







5.6 Overdue debtors (greater than 90 days) is 3% of total debtors.

General Debtors Written Off

- 5.7 General debts of \$0.03 million have been written-off in the three months to 31 March 2021 compared to \$0.15 million in the three months to 31 December 2020.
- 5.8 The Library debtors written off comprise a large number of relatively small amounts where the debt collection agency has been unable to locate the debtor or the debtor has refused to pay. Only amounts over \$30 are referred to the debt collection agency for collection.
- 5.9 A summary report of debtors written off in 2020/21 by month is provided as Attachment A.

6. Rates Debtors

6.1 The table below highlights all outstanding rates invoices in arrears. It ignores credits recorded for other ratepayers who have paid in advance of the next instalment date.

31 Mar 2021	Rates Invoiced	Prior years	Outstanding	% Outstanding
(\$m)	YTD	arrears	current year	Current year vs
				Invoiced YTD
2020/21	545.8	2.0	17.7	3.2%

- 6.2 Prior year rates arrears have reduced by \$3.3 million to \$2.0 million at 31 March 2021. This decrease is due to normal debt recovery processes for prior year rates.
- 6.3 Outstanding current year rate debtors are \$17.7 million compared to \$18.9m at 31 December 2020.
- 6.4 Included in the \$17.7m are the deferrals for Instalment 1, 2 & 3 from the second COVID payment extension plan covering the 2020-2021 year. So far 28 applications have been approved for the year, totalling \$0.46 million (covering instalments 1, 2, 3 & 4).
- 6.5 In the table below, the arrears reflect the rates outstanding from previous reporting periods.



Quarter Ended	Value of Arrears	Number of Ratepayers
	(\$m)	in Arrears
Mar 2021	2.0	715
Dec 2020	5.3	2,403
Jun 2020	1.5	521

6.6 The table below shows the ageing of the \$2.0 million and movement since December 2020 when the balance was \$5.3 million for the pre-2019/20 arrears:

Year (\$000)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Arrears	8	10	17	21	75	88	112	113	238	329	1,027	2,038
∆ in Qtr	-1	-1	-1	-5	-26	-1	-	-	-8	-163	-3,038	-3,244
Number	8	11	14	16	22	25	29	38	62	121	715	
∆ in Qtr	-1	-1	-1	-2	-1	-	-	-	-10	-125	-1,688	

- 6.7 Arrears are actively managed to the extent possible. Options include payment plans and direct debit arrangements. Rates postponement is offered where appropriate.
- 6.8 Excess water rates debtors have increased \$0.87m from 31 December 2020, largely due to the change in the meter reading approach and billing cycle. All commercial billing is now invoiced on a rolling quarterly basis. Of the total \$1.1m debt at 31 March 2021, \$0.95m is current debt (up to 30 days old).

\$m	Mar 21	Dec 20	Jun 20
Excess water rates debtors	1.1	0.23	1.29

7. Insurance Claims

7.1 The table below outlines the number of events that have been notified by Council against its insurance policies as well as claims against Council from third parties for the January - March 2021 quarter.

	Delieu	Claims / No	Estimated	
	Policy	Above excess	Below excess	Cost
Claims by Council	Motor Vehicle	1	1	\$16,200
	Material damage	0	0	\$0
Claims against Council	PI / PL	0	0	\$0



Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>J</u>	Debtors Written Off Summary 31 March 2021	86

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 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

Authors	Brett Hales - Manager Transactions
	Andrew Jefferies - Manager Funds & Financial Policy
	Denise Yee - Treasury Accountant
Approved By	Bruce Moher - Head of Financial Management
	Diane Brandish - Acting General Manager Resources

Attachment A

Debtors Written Off Summary 31 March 2021

Debt written off - summa	anyron	ort																	
Debt whiteh on - Summe	aly lep	on																	
		July	August	s	September		October	N	lovember	December		January	February	March	April	Мау	June	YTD Total	%
Breakdown:																			
Parking	\$	-	\$ -	\$	-	\$	-	\$	-	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Regulatory	\$	4,052.96	\$ 187.60	\$	-	\$	8,254.62	\$	3,293.34	\$ 60.50	\$	-	\$ 387.60	\$ 5,621.60	\$ -	\$ -	\$ 	\$ 21,858.22	9.21%
Sundry	\$	1,080.00	\$ 448.00	\$	38,359.10	\$	280.00	\$	-	\$ 77,527.20	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 	\$ 117,694.30	49.59%
Street Poles	\$	69.02	\$ -	\$	1,339.00	\$	-	\$	-	\$ 12,090.82	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,498.84	5.69%
Commercial Rents	\$	-	\$ -	\$	-	\$	19,308.60	\$	-	\$ -	\$		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,308.60	8.14%
Hall Hire	\$	-	\$ 253.60	\$	-	\$	720.00	\$	-	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 973.60	0.41%
Others	\$	-	\$ -	\$	-	\$	-	\$	-	\$ 166.80	\$	166.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 333.60	0.14%
Library	\$	10,707.33	\$ 4,377.73	\$	4,237.24	\$	7,105.41	\$	8,297.60	\$ 7,435.20	\$	4,472.81	\$ 8,958.65	\$ 4,039.38	\$ -	\$ -	\$ -	\$ 59,631.35	25.13%
Intelli -RSU	\$	179.46	\$ 396.50	\$	233.86	\$	29.94	\$	933.97	\$ 245.23	\$	310.52	\$ 601.66	\$ 1,089.78	\$ -	\$ -	\$ -	\$ 4,020.92	1.69%
Total 2020-2021	\$	16,088.77	\$ 5,663.43	\$	44,169.20	\$	35,698.57	\$	12,524.91	\$ 97,525.75	\$	4,950.13	\$ 9,947.91	\$ 10,750.76	\$ -	\$	\$ -	\$ 237,319.43	
Total 2019-2020		5,798.53	13,554.85		9,369.43		10,231.32		14,670.70	324,321.54		3,834.99	8,343.95	6,257.57	1,257.48	1,773.37	8,816.58	\$ 408,230.30	
Variance to Last Year	s	10,290.24	\$ (7,891.42)	\$	34,799,77	S	25,467.25	\$	(2,145.79)	\$ (226,795.79)	s	1,115.14	\$ 1,603.96	\$ 4,493.19	\$ (1.257.48)	\$ (1,773.37)	\$ (8,816.58)	\$ (170,910.87))



10. Financial Performance Report for the nine months ended 31 March 2021

Reference / Te Tohutoro:	20/1603554
Report of / Te Pou	Bruce Moher, Acting Head of Financial Management
Matua:	bruce.moher@ccc.govt.nz
General Manager /	Diane Brandish, Acting General Manager Resources
Pouwhakarae:	diane.brandish@ccc.govt.nz

1. Brief Summary

1.1 The purpose of this report is to update Finance and Performance Committee on the financial results for the nine months ended 31 March and the current forecast for the full financial year.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the information in the Financial Performance Report for the nine months ending 31 March 2021.

3. Overview

- 3.1 Financial information reported to Council covers two key areas. Operational (expenditure and revenue) covers the day to day spend on staffing, operations and maintenance, and revenues. Capital covers the delivery of the capital programme and funding relating to it.
- 3.2 Generally operational revenues will exceed expenditure. This is because included in the rates revenue is funding for capital renewals and debt repayment. This revenue is removed in the table below to show a true (rate funded) operating result.

	Yea	ar to Date Res	ults	Foreca	ast Year En	d Results	After Ca	rry Forwards	;
\$m	Actual	Plan	Var	Forecast	Plan	Var	Carry Fwd	Var	
Operational									
Revenues	(562.5)	(548.0)	14.5	(775.7)	(743.6)	32.1	(1.8)	33.9	
Expenditure	425.7	449.9	24.2	594.4	607.2	12.8	8.0	4.8	
Funds not available for Opex	124.0	107.8	(16.2)	156.8	136.4	(20.4)	(0.8)	(19.6)	
Operating Deficit / (Surplus)	(12.8)	9.7	22.5	(24.5)	-	24.5	5.4	19.1	
<u>Capital</u>									
Gross Programme Expenditure	266.5	334.6	68.1	480.4	552.3	71.9	64.2	7.7	
Less planned Carry Forwards	-	-	-	(43.1)	-	43.1	43.1	-	
Capital Programme Expenditure	266.5	334.6	68.1	437.3	552.3	115.0	107.3	7.7	
Revenues and Funding	(281.6)	(285.1)	(3.5)	(391.5)	(406.1)	(14.6)	(17.5)	2.9	
Borrowing required	(15.1)	49.5	64.6	45.8	146.2	100.4	89.8	10.6	

3.3 The residual source of funding for the Capital programme is borrowing.



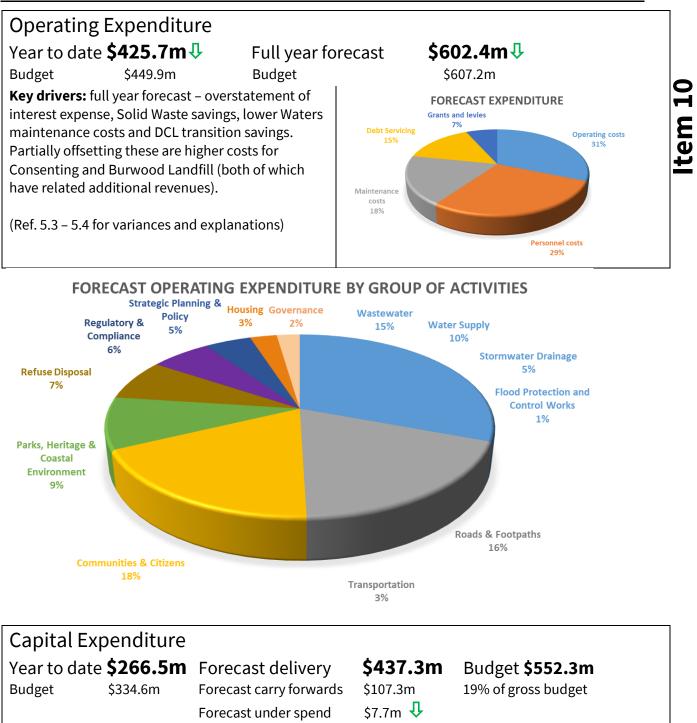
4. Key Points

- 4.1 Since the 31 December 2020 report, the operational forecast has improved \$12.9 million to a projected surplus of \$19.1 million. The improvement is mainly driven by lower costs in Three Waters (\$5.9 million), improved Consenting and Regulatory Compliance net result (\$2.3 million) driven by increased volumes, unbudgeted subventions receipts received (\$2.2 million), and higher Recreation and Sport revenue (\$0.9 million).
- 4.2 Revenues are forecast to be \$32.1 million higher by year-end, with the additional CCHL dividend (\$15.2 million) being the largest contributor between year to date and forecast variance. The forecast drop in the expenditure underspend between actuals and forecast is largely due to additional costs of \$3.5 million to incur in Consenting and Regulatory Compliance (budgets dropped away in second half of year but actual volumes have remained). Also contributing is timing of Communities and Citizens expenditure (\$2.7 million mainly operating costs and staff costs), Roads and Footpaths maintenance expenditure (\$2.6 million), and Parks expenditure (\$2 million primarily operating costs).
- 4.3 The default course of action will be to use the forecast surplus to reduce the current year's planned COVID borrowing. This action was taken for the forecast additional CCHL dividend (\$15.2 million) and Interest Expense overstatement (\$3.1 million) in the Draft Long Term Plan which reduced this year's forecast COVID borrowing to \$17.9 million. The forecast surplus exceeds this figure, and if no Covid borrowing is required this year, the rating impact in the final LTP would be a 0.68% reduction in 2021/22. This would be a five-year deferral due to the debt repayment requirement removed, and the 2026/27 rates would increase by 0.52%.
- 4.4 The Draft LTP assumes a carry forward of \$40 million for Metro Sports and CMUA. The balance of the programme was expected to be delivered to budget. A potential additional net carry forward of \$75 million is signalled, which would also impact on planned borrowing and the 21/22 rates increase positively. Further work is required to determine whether this is just a one year timing issue, or has a longer term impact.

Operating	g Surplus	Full year forecast	\$19.1m
		Budget	\$0m
unbudgeted s maintenance (\$1.2 million)	subvention receipts (\$ (\$2 million), Burwood and net interest rever	2.2 million), decreased Solid W Landfill net revenue (\$1.8 mill	on and Sport revenues (\$2.2 million), /aste costs (\$2.2 million), lower Waters lion), cost savings from DCL transition
Operating	g Revenue		
	∽ \$562 5m1	Full year forecast	\$775.7m î
Year to dat	e JJJZ.JIII 🛛	i uli yeur foreeuse	ų i i 511 ili 🖬
Year to dat ^{Budget}	\$548.0m	Budget	\$743.2m

(Ref. 5.1 and 5.2 for variances and explanations)

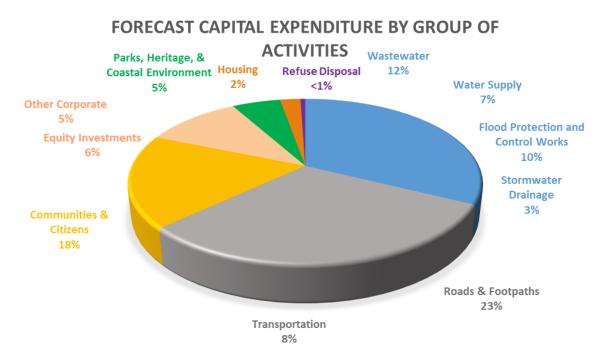




Key drivers: forecast under spend – due to substantial cost savings in Three Waters because of competitive lowest price conforming tenders on 35 projects.

Forecast carry forwards – Canterbury Multi Use Arena and Metro Sports contribute \$46.8 million. Of the remaining \$60.5 million, \$43.1 million is yet to be specifically identified (forecast based on actuals to date and historical trend analysis, which is lower than what project managers are forecasting).







5. Operational Details

	Year	to Date Resu	lts	Forecas	t Year End Re	esults	After C Forwa	-
\$m	Actual	Plan	Var	Forecast	Plan	Var	C/F	Result
Operating revenue	(117.9)	(106.7)	11.2	(151.5)	(139.6)	11.9	(1.8)	13.7
Interest and dividends	(28.5)	(26.2)	2.3	(70.3)	(50.7)	19.6	-	19.6
Rates income	(416.1)	(415.1)	1.0	(553.9)	(553.3)	0.6	-	0.6
Revenue	(562.5)	(548.0)	14.5	(775.7)	(743.6)	32.1	(1.8)	33.9
Personnel costs	146.6	149.7	3.1	206.8	204.7	(2.1)	-	(2.1)
Less recharged to capital	(26.2)	(29.8)	(3.6)	(37.3)	(39.9)	(2.6)	-	(2.6)
Grants and levies	30.2	33.7	3.5	39.7	42.6	2.9	2.6	0.3
Operating costs	131.0	146.2	15.2	186.0	196.3	10.3	5.2	5.1
Maintenance costs	76.2	83.3	7.1	109.3	111.2	1.9	0.2	1.7
Debt servicing	67.9	66.8	(1.1)	89.9	92.3	2.4	-	2.4
Expenditure	425.7	449.9	24.2	594.4	607.2	12.8	8.0	4.8
Net Cost	(136.8)	(98.1)	38.7	(181.3)	(136.4)	44.9	6.2	38.7
Other Funding								
Transfers from Special Funds available Borrowing for capital grants/insurance	(5.7)	(6.3)	(0.6)	(8.9)	(9.2)	(0.3)	-	(0.3)
claim/COVID-19 impacts	(13.8)	(29.4)	(15.6)	(25.6)	(45.7)	(20.1)	(0.8)	(19.3)
Less Rates for capex and debt repayment	143.5	143.5	-	191.3	191.3	-	-	-
Funds not available for Opex	124.0	107.8	(16.2)	156.8	136.4	(20.4)	(0.8)	(19.6)
Operating Deficit / (Surplus)	(12.8)	9.7	22.5	(24.5)	-	24.5	5.4	19.1

Revenue

- 5.1 Revenue is \$14.5 million higher than budget year to date. This is due to higher Consenting and Regulatory Compliance revenues (\$6.8 million), Burwood Landfill revenue (\$3 million) due to operating beyond December 2020 (as budgeted), and Recreation and Sport revenues being \$2.4 million higher. Also contributing are unbudgeted subvention receipts (\$2.2 million) and higher interest revenue (\$2 million). Partially offsetting these are timing of Transwaste dividends (\$1.9 million).
- 5.2 The revenue forecast variances include;
 - An additional CCHL dividend (\$15.2 million),
 - Higher Consenting and Regulatory Compliance revenues (\$8.3 million) due to higher volumes mainly made up of Building consenting (\$4 million), Resource consenting (\$3 million), and LIM revenues (\$1.1 million), these are partially offset by higher resourcing costs,
 - Burwood Landfill operating until 31 May 2021 instead of closing in December 2020 (\$2.8 million) (partially offset by higher costs forecast to be incurred of \$1 million),
 - Recreation and Sport revenues (\$2.2 million) due to the release of revenues from the balance sheet (\$0.7 million), higher He Puna Taimoana (\$0.6 million) and pool operations revenue (\$0.5 million),
 - Unbudgeted subvention receipts received (\$2.2 million), and,
 - Higher interest revenues (\$1.7 million), due to investment of pre-funded debt repayment due in May and higher cash on hand than planned.



Expenditure

- 5.3 Operational expenditure is \$24.2 million below budget year to date, mainly due to:
 - Grants timing (\$3.5 million),
 - Waters maintenance (\$3.3 million) including Stormwater Drainage (\$2 million) and Flood Protection (\$1.3 million),
 - Roads and Footpaths timing of maintenance (\$2.6 million),
 - Parks and Foreshore (\$2.2 million) timing of operating costs (\$1.2 million), and lower personnel costs (\$0.8 million) due to vacancies,
 - Libraries (\$2 million) lower staff costs (\$0.8 million) and operating costs (\$0.8 million), with \$0.4 million relating to National Library fee waivers,
 - Solid Waste (\$2 million) Recycling Collection and Disposal costs are lower, partially offset by increased costs of materials being diverted to landfill. Kerbside collection costs and Organic Material Composting are also lower due to decreased volumes.
 - Recreation and Sport (\$1.8 million) due to operating cost savings (\$0.8 million), personnel costs (\$0.4 million) due to vacancies, timing of professional advice (\$0.2 million) and timing of maintenance (\$0.2 million),
 - Slower Earthquake Facilities Rebuild Programme spend (\$1.3 million) with carry forwards required,
 - Reduced DCL budget spend due to their transition (\$1.2 million), and,
 - Lancaster Park Development timing of costs (\$1.1 million) to be carried forward for stage 6 development.
- 5.4 The \$4.8 million below budget forecast expenditure variance is mainly due to:
 - Budget overstatement of interest expense (\$3.1 million),
 - Decreased costs in Solid Waste (\$2.2 million), reflecting lower recycling and organic volumes, partially offset by an increase in refuse disposal fees,
 - Lower maintenance costs in Waters (\$2 million),
 - Cost savings from the DCL transition (\$1.2 million),
 - Lower external legal advice (\$0.7 million),
 - Recreation and Sport savings (\$0.6 million) due to savings for the Pioneer temporary closure and savings in services contracts,
 - National Library fee waivers (\$0.5 million), and,
 - Earthquake Facilities Rebuild Programme savings after required carry forwards (\$0.5 million).

These are partially offset by:

- Higher costs within Consenting (\$4.4 million) offset by higher revenues,
- Additional costs keeping Burwood Landfill operational until 31 May 2021 (\$1 million) offset by increased revenues above, and
- Higher debt servicing (\$0.7 million) due to pre-funding debt for maturity in May 2021 (offset by increased revenues above).
- 5.5 The net cost of individual activities is shown in **Attachment A.**



6. Capital Programme

	Year	to Date Res	ults	Foreca	st Year End Re	sults	After C Forwa	-
\$m	Actual	Plan	Var	Forecast	Plan	Var	C/F	Result
Three Waters	72.0	88.6	16.6	137.7	148.5	10.8	3.0	7.8
Roading and Transport	77.6	77.4	(0.2)	132.9	132.2	(0.7)	(1.2)	0.5
Strategic Land	(4.7)	(1.7)	3.0	2.1	(3.4)	(5.5)	-	(5.5)
IT	7.7	10.4	2.7	16.2	17.7	1.5	0.4	1.1
Other	44.8	59.3	14.5	74.1	84.8	10.7	8.2	2.5
Works Programme	197.4	234.0	36.6	363.0	379.8	16.8	10.4	6.4
Infrastructure	15.1	19.3	4.2	22.6	25.0	2.4	2.4	-
Transitional / Recovery Projects	12.0	8.8	(3.2)	13.8	16.0	2.2	2.2	-
Facilities Rebuild	32.3	61.6	29.3	69.0	117.6	48.6	48.2	0.4
Rebuild Programme	59.4	89.7	30.3	105.4	158.6	53.2	52.8	0.4
Capital Works Programme	256.8	323.7	66.9	468.4	538.4	70.0	63.2	6.8
Equity Investments	10.0	10.9	0.9	13.0	13.9	0.9	1.0	(0.1)
Vbase recovery - Town Hall	(0.3)	-	0.3	(1.0)	-	1.0	-	1.0
Gross Capital Spend	266.5	334.6	68.1	480.4	552.3	71.9	64.2	7.7
Unidentified Carry forwards	-	-	-	(43.1)	-	43.1	43.1	-
Capital Programme Expenditure	266.5	334.6	68.1	437.3	552.3	115.0	107.3	7.7
-								
Development Contributions	(28.8)	(16.4)	12.4	(34.0)	(21.9)	12.1	-	12.1
Less DC Rebates	-	5.6	5.6	2.5	7.5	5.0	5.0	-
Crown Recoveries	(24.8)	(24.7)	0.1	(32.5)	(50.0)	(17.5)	(17.0)	(0.5)
NZTA Capital Subsidy	(23.8)	(25.4)	(1.6)	(45.7)	(40.7)	5.0	3.1	1.9
Misc Capital Revenues	(4.2)	(6.3)	(2.1)	(4.2)	(8.8)	(4.6)	(5.9)	1.3
Asset Sales	(2.1)	(3.7)	(1.6)	(9.6)	(5.0)	4.6	-	4.6
Capital Revenues	(83.7)	(70.9)	12.8	(123.5)	(118.9)	4.6	(14.8)	19.4
Rates for Renewals	(105.3)	(105.3)	-	(140.4)	(140.4)	-	-	-
Reserve Drawdowns	(92.6)	(108.9)	(16.3)	(127.6)	(146.8)	(19.2)	(2.7)	(16.5)
Other Available Funding	(197.9)	(214.2)	(16.3)	(268.0)	(287.2)	(19.2)	(2.7)	(16.5)
Borrowing Required	(15.1)	49.5	64.6	45.8	146.2	100.4	89.8	10.6

Capital Expenditure

- 6.1 Gross capital expenditure of \$266.5 million has been incurred year to date. A further \$170.8 million is forecast to be spent by year end. The forecast is based on a core capital forecast of \$375 million, plus forecast spend on the Canterbury Multi Use Arena (CMUA) and Metro Sports.
- 6.2 The forecast is \$7.7 million below budget after carry forwards, this is driven by substantial cost savings in Three Waters because of competitive lowest price conforming tenders on 35 projects.
- 6.3 Group of Activity level variance commentary for the capital programme is shown in **Attachment A.**
- 6.4 Financial results of significant (>\$250,000) capital programme projects are shown in **Attachment B.**



Capital Revenues

- 6.5 Development contributions are higher than budget year to date because new development has been higher than anticipated. Development contribution rebates have been slower than planned, pending compliance with the scheme criteria.
- 6.6 Crown recoveries forecast carry forward reflects slower recoveries for the CMUA and Shovel Ready projects.
- 6.7 NZTA capital revenues are \$1.6 million behind budget year to date, forecast to be \$5 million higher which reflects the related forecast expenditure.
- 6.8 Asset sales forecast reflects higher surplus property sales to be settled this financial year than planned.
- 6.9 Reserve net drawdowns are \$16.3 million lower than budget year to date, mainly due to additional development contributions set aside for future development. The lower forecast drawdown after carry forwards also reflects this (\$13.7 million) along with the forecast sale of Housing property (\$2.5 million).
- 6.10 The forecast permanent borrowing requirement is \$10.6 million lower than budget. This is driven by the lower capital programme spend after carry forwards, partially offset by higher surplus property sales.

Special Funds

- 6.11 The current and forecast movements and balance of the Housing Account, Capital Endowment Fund and Earthquake Mayoral Relief Fund are shown in **Attachment C**.
- 6.12 The forecast balance of 2020/21 funds available for allocation from the Capital Endowment Fund at 31 March was \$3,470.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>J</u>	Financial Performance	96
В <u>↓</u>	Significant Capital Projects	104
С 🗓	Special Funds	109

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

Authors	Carly Flowers - Reporting Accountant
	Ryan McLachlan - Reporting Accountant
Approved By	Bruce Moher - Head of Financial Management
	Diane Brandish - Acting General Manager Resources



Attachment A – Financial Performance

Activity Operating Results

		Ye	ar to Date Re	sults		Forecas	st Year End Re	esults	
\$000's	Note	Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Christchurch Art Gallery	1	8,360	8,943	582	11,442	11,731	289	-	289
Canterbury & Akaroa Museums		8,948	8,935	(12)	9,157	9,144	(13)	-	(13)
Libraries	2	32,286	34,469	2,182	45,087	46,109	1,022	87	935
Community Development and Facilities	3	12,777	14,153	1,377	16,999	17,973	974	847	127
Recreation, Sports, Comm Arts & Events	4	18,471	22,891	4,420	27,700	31,030	3,330	147	3,184
Civil Defence Emergency Management		1,280	1,443	163	1,808	1,923	114	-	114
Citizen and Customer Services	5	6,462	6,404	(58)	8,862	8,533	(329)	-	(329
Capital Revenues - Comm & Citizens		(685)	(485)	200	(624)	(485)	139	-	139
Communities & Citizens		87,899	96,753	8,854	120,432	125,959	5,527	1,081	4,44
Flood Protection & Control Works	6	3,644	5,093	1,449	5,077	6,101	1,023	_	1,02
Capital Revenues - Flood Protection	7	(1,802)	(3,148)	(1,346)	(1,944)	(4,198)	(2,253)	185	(2,439
Flood Protection and Control Works		1,842	1,945	103	3,133	1,903	(1,230)	185	(1,416
Governance & Decision Making	8	12,279	13,535	1,257	17,685	18,174	489	-	48
Governance		12,279	13,535	1,257	17,685	18,174	489	-	48
Assisted Housing	9	4,713	5,300	587	5,437	6,287	850	-	85
Housing		4,713	5,300	587	5,437	6,287	850	-	85
Parks and Foreshore	10	47,069	49,041	1,972	64,882	65,494	612	134	47
Heritage		1,628	1,962	334	2,466	2,611	145	-	14
Capital Rev - Parks, Heritage & Foreshore	11	(11,547)	(4,703)	6,844	(11,836)	(6,978)	4,858	(4,897)	9,75
Parks, Heritage & Coastal Environment		37,150	46,300	9,151	55,512	61,127	5,615	(4,763)	10,37
C-1:1W+-	12	20.250	25 500	5 220	42 421	40.174	4 7 4 2		474
Solid Waste	12	30,259	35,588	5,330	43,431	48,174	4,743	-	4,74
Refuse Disposal		30,259	35,588	5,330	43,431	48,174	4,743	-	4,74
Regulatory Compliance & Licencing	13	2,593	3,487	894	5,112	5,420	308	-	30
Building Services	14	(17)	1,877	1,894	1,343	2,207	864	-	86
Resource Consenting	15	77	1,638	1,560	510	2,183	1,673	-	1,67
Land & Property Information Services	16	(2,192)	(978)	1,214	(2,180)	(1,421)	758	-	75
Regulatory & Compliance		461	6,022	5,561	4,784	8,388	3,604	-	3,60
Roads & Footpaths	17	77,494	78,819	1,324	104,616	104,069	(547)	-	(54
Capital Revenues - Roads & Footpaths	18	(21,235)	(24,279)	(3,044)	(34,779)	(32,372)	2,407	765	1,64
Roads & Footpaths		56,259	54,540	(1,719)	69,837	71,697	1,860	765	1,09
Stormwater Drainage	19	30,556	31,648	1,092	40,471	41,107	636	-	63
Capital Revenues – Stormwater Drainage		(57)	(57)	-	(57)	(57)	-	-	
Stormwater Drainage		30,499	31,591	1,092	40,414	41,050	636	-	63
Strategic Planning & Policy	20	10,438	12,724	2,286	15,601	16,844	1,243	835	40
Economic Development	21	9,973	9,936	(37)	13,140	14,462	1,323	1,372	(49
Public Information & Participation		4,400	4,709	309	6,127	6,276	150	-	15
Strategic Planning & Policy		24,811	27,370	2,558	34,867	37,582	2,715	2,207	50

Attachment A – Financial Performance as at 31 March 2021

		Yea	r to Date Resi	ılts		Forecast	Year End Re	sults	
\$000's	Note	Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Traffic Safety & Efficiency	22	4,983	4,433	(550)	6,562	5,910	(652)	-	(652)
Active Travel		174	453	278	748	602	(146)	-	(146)
Parking	23	(2,495)	(2,885)	(390)	(3,252)	(4,143)	(890)	-	(890)
Public Transport Infrastructure	24	2,316	2,680	364	4,116	3,573	(543)	-	(543)
Capital Revenues - Transport	25	(6,857)	(3,215)	3,641	(22,150)	(27,985)	(5,835)	(7,174)	1,339
Transportation		(1,878)	1,465	3,343	(13,976)	(22,043)	(8,067)	(7,174)	(894)
WW Collection, Treatment & Disposal	26	84,147	83,644	(503)	109,408	108,775	(633)	150	(783)
Capital Revenues - Wastewater	27	(21,090)	(15,609)	5,481	(22,258)	(17,055)	5,203	2,204	2,998
Wastewater		63,057	68,035	4,978	87,150	91,720	4,569	2,354	2,215
Water Supply		55,318	55,093	(225)	70,857	70,888	31	-	31
Capital Revenues - Water Supply	28	(10,168)	(7,821)	2,347	(10,697)	(8,558)	2,139	694	1,444
Water Supply		45,151	47,272	2,121	60,160	62,330	2,169	694	1,475
Groups of Activities		392,500	435,715	43,216	528,867	552,348	23,481	(4,650)	28,131
Corporate Revenues & Expenses	29	(405,987)	(400,362)	5,625	(562,024)	(544,056)	17,968	(6,224)	24,192
ISPs & Eliminated Internals	30	(204)	1,609	1.813	12,464	10,761	(1,703)	2,182	(3,885)
Net Cost of Service (excl Vested)		(13,690)	36,963	50,653	(20,693)	19,053	39,746	(8,693)	48,438
Misc P&L Unallocated		(12)	-	12	(14)	-	14	-	14
Vested Asset Income	31	(42,990)	(5,942)	37,048	(82,301)	(45,635)	36,666	-	36,666
Total Net Cost of Service		(56,692)	31,022	87,714	(103,008)	(26,582)	76,426	(8,693)	85,118

Note the Net Cost of Services differs from the Operating result due to the inclusion of capital revenues and depreciation.

Notes

- Christchurch Art Gallery forecast savings are mainly within insurance (\$0.1 million) and security \$0.1 million. The security monitoring system contract had a change in supplier this year which provided some savings. Actuals year to date includes slower timing of additional various expenditure.
- Libraries forecast incorporates the National Library fee waiver (\$0.5 million), personnel savings of \$0.2 million and higher than budgeted grants received from the Gammack Trust Estate (\$0.2 million). Actuals year to date include timing of various expenditure and lower staff costs (the forecast under spend is much lower than actuals due to ongoing Collective negotiations).
- 3. Community Development and Facilities variances are mainly driven by a slower spend on the Earthquake Facilities Rebuild Programme (\$0.5 million forecast to be carried forward). Higher revenues are also contributing (\$0.2 million), mainly from facility hire. Timing of operating expenses (\$0.3 million) and grants (\$0.2 million) also contribute. The forecast also incorporates a carry forward of \$0.3 million for delays in the Land Use of Christchurch Red Zone grants.
- 4. Recreation, Sports, Community Arts & Events favourable variances are mainly a result of higher revenues (\$2.4 million \$2.2 million forecast). This includes historical deferred revenue of \$0.7 million that has now been recognised. Also contributing are higher revenues from He Puna Taimoana (New Brighton Hot Salt Water Pools) (\$0.7 million), due to strong initial demand on opening and a better performance than anticipated; higher pool operations (\$0.6 million); and camping ground revenues (\$0.2 million). Operational savings due to reduced programmes, vacancies and the Pioneer pool temporary closure are contributing to the favourable variances within operating expenditure (\$0.8 million \$0.6 million forecast), and personnel costs (\$0.4 million year to date and forecast). Timing of other various expenditure (\$0.8 million), including \$0.2 million of depreciation contribute to the remainder of the year to date variance.
- 5. Citizens and Customer Services forecast result is due to lower staff recoveries to the My Council programme and Operational Process and Insights which sit within Internal Services.
- 6. Flood Protection and Control Works variance is mainly due to lower maintenance costs (\$1.3

Attachment A – Financial Performance as at 31 March 2021

million), driven by Heathcote Dredging, lower basin mower maintenance, and lower stormwater pump maintenance. The forecast reflects lower maintenance costs of \$0.8 million.

- 7. Capital Revenues Flood Protection variances are driven by lower development contributions than planned (\$1.6 million \$2.4 million forecast), and a slower eligibility for development contribution rebates (\$0.2 million year to date and forecast) to be carried forward.
- 8. Governance and Decision Making variances are mainly driven by lower personnel costs (\$0.7 million \$0.4 million forecast) due to vacancies. Timing of grants (\$0.3 million) also contribute.
- 9. Assisted Housing variances are due to lower depreciation than planned (\$0.5 million year to date \$0.6 million forecast).
- 10. Parks & Foreshore variances are due to lower costs in Residential Red Zone (\$0.7 million year to date \$0.4 million forecast), comprising of lower personnel costs (\$0.4 million), because of vacancies and lower rates expenditure (\$0.3 million) (all land not yet transferred across). Timing of operational expenditure (\$0.8 million) across various Parks areas and lower personnel costs (\$0.4 million) contribute to the below budget spend year to date.
- 11. Capital Revenues Parks, Heritage & Foreshore variances are mainly driven by higher development contributions (\$8.7 million - \$9.3 million forecast), and a slower eligibility for development contribution rebates (\$1.2 million - \$1 million forecast). Partially offset by lower Ōtākaro Avon River Corridor recoveries (\$3.6 million - \$5.9 million forecast), aligned to project spend. This revenue budget is to be carried forward along with the development contribution rebates.
- 12. Solid Waste favourable variances are mainly due to additional revenues from Burwood Landfill (\$3 million year to date and forecast), partially offset by increased costs (\$0.6 million \$1 million forecast). Recyclable Materials Collection and Disposal costs are \$3.3 million lower than budget year to date and forecast, however this is offset by increased costs of materials being diverted to landfill (\$2.3 million \$2.5 million forecast). Residual Waste Kerbside collection costs are \$0.8 million lower (\$1 million forecast), and Organic Material Collection & Composting are \$0.6 million lower (\$0.7 million forecast), due to lower volumes.
- 13. Regulatory Compliance and Licencing variances relate to personnel savings (\$0.4 million \$0.2 million forecast), and Animal Management receiving a further \$0.2 million from the Ministry of Justice court recoveries for previous year's outstanding fines. Timing of operating costs (\$0.2 million) are also contributing to the year to date behind budget spend.
- 14. Building Services volumes and activity levels to date in consenting and building inspections have held up much better than planned. Revenues are up \$2.9 million year to date (\$3.9 million forecast); partially offset by higher resourcing costs of \$0.9 million year to date (\$2.4 million forecast). Revenue and expenditure budgets were built to drop off in the second half of the year. Public advice has an above budget spend forecast of \$0.5 million due to business activity remaining higher than planned.
- 15. Resource Consenting revenue is well ahead of plan (\$2.2 million \$3 million forecast), initially influenced by the finalisation of several very complex consents and now sustained by continuing high volumes. Partially offsetting these revenues are higher resourcing costs (\$0.6 million \$1.2 million forecast). In expectation that volumes were expected to fall, a savings target was also budgeted, phased over the final six months of the year.
- 16. Land and Property Information Services result is due to higher revenues (\$1.4 million), partially offset by higher resourcing costs due to increased volumes. The forecast reflects the uncertainty that the trend will continue as the Reserve Bank and Government announcements might affect the property market.
- 17. Roads & Footpaths year to date variance is due to the timing of costs (\$1.8 million), which are forecast to ramp up in the coming months; partially offset by timing of NZTA/cost recoveries (\$0.4 million). Depreciation is forecast to be \$0.7 million higher.
- 18. Capital Revenues Roads & Footpaths variance year to date is driven by lower developer contributions (\$2 million year to date \$2.7 million forecast), these are offset by higher contributions in the Transport activity. NZTA subsidies are \$1 million lower year to date, forecast to be \$4.3 million higher.
- 19. Stormwater Drainage variances are due to lower maintenance costs (\$2 million \$1.7 million Attachment A Financial Performance as at 31 March 2021

forecast). Lower internal charges (\$0.3 million - \$0.4 million forecast), mainly from staff costs also contribute. Partially offsetting the above is higher depreciation of \$1.2 million year to date (\$1.7 million forecast), due to the impact from the revaluation.

- 20. Strategic Planning and Policy year to date under spend is driven by the timing of grants (\$1.7 million), mainly for Central City Heritage (\$1.2 million \$0.8 million forecast carry forward). Favourable staff recoveries contribute to the remainder of the variance.
- 21. Economic Development forecast includes a carry forward of \$1.2 million for returned funds from Regenerate Christchurch that will be carried over to the next financial year as a placeholder for budget savings.
- 22. Traffic Safety and Efficiency variances are due to reduced activity for Traffic Management Plans once charging was introduced, as well as reduced activity post-lockdown.
- 23. Parking year variances are due to lower parking and fines revenue following a drop off in demand post lockdown.
- 24. Public Transport Infrastructure unfavourable forecast variance is due to higher deprecation (\$0.6 million). Depreciation on the vested Bus Interchange was unbudgeted. Timing of expenditure year to date is offsetting this.
- 25. Capital Revenues Transport variance year to date is due to higher development contributions (\$3 million \$3.7 million forecast), and a slower eligibility for development contribution rebates (\$1 million year to date and forecast) are also contributing. The carry forward reflects Shovel Ready Crown revenues forecast to be lower due to slower project deliveries, and the development contribution rebates to be carried forward. NZTA subsidies are forecast to be \$2.3 million lower.
- 26. WW Collection, Treatment & Disposal variances are driven by higher depreciation (\$0.4 million year to date \$0.8 million forecast).
- 27. Capital Revenues Wastewater variances are mainly due to higher development contributions (\$3.5 million year to date and forecast), and a slower eligibility for development contribution rebates (\$2.5 million \$2.2 million forecast carry forward).
- 28. Capital Revenues Water Supply variances are a result of a slower eligibility for development contribution rebates (\$0.8 million year to date and forecast carry forward), and higher development contributions (\$0.6 million year to date and forecast). Higher revenues from Water Connection fees (\$0.7 million year to date and forecast) are also contributing.
- 29. Corporate Revenues and Expenses variances are mainly due to unbudgeted subvention receipts received (\$2.2 million), savings from the Development Christchurch Limited transition (\$1.2 million), higher rates/penalties revenues (\$1 million), and increased net interest revenues (\$1 million). Included in the forecast result is an additional CCHL dividend (\$15.2 million), and a budget overstatement for interest expense (\$3.1 million). The revenue forecast carry forward reflects slower Crown contributions for the Canterbury Multi Use Arena, aligned with project timing.
- 30. ISPs & Eliminated Internals variance year to date is timing related. By year end there is a \$3.9 million above budget spend forecast after carry forwards. This reflects higher depreciation on IT assets (\$1.9 million). The budget for IT capital projects assumed a 10-year life; however a review indicated a 5 year useful life for many 2019/20 projects was appropriate. Lower IT capitalisations (net of resourcing costs) are also contributing (\$1.9 million).
- 31. Vested assets are higher year to date driven by Red Zone transfers (\$13.8 million), and higher subdivision growth. The Vested Assets full year budget includes \$37.7 million relating to the Multi Use Arena Land.

Group of Activities Capital Programme

		Year	to Date Resul	ts	Foreca	st Year End R	esults	After Carry	Forwards
\$000's		Actual	Plan	Var	Forecast	Plan	Var	Net C/F	Result
Communities & Citizens	1	51,603	77,551	25,948	87,825	119,461	31,635	30,715	920
Flood Protection & Control Works	2	20,728	21,811	1,083	47,628	40,334	(7,294)	(7,586)	292
Governance		6	10	4	10	10	-	-	-
Housing	3	7,276	8,861	1,585	10,794	12,300	1,506	1,200	306
Parks, Heritage & Coastal Environment	4	14,819	22,910	8,091	25,519	37,868	12,349	10,158	2,191
Refuse Disposal	5	858	1,954	1,096	2,535	3,579	1,044	1,658	(614)
Regulatory & Compliance		-	-	-	-	3	3	-	3
Roads & Footpaths	6	68,709	67,715	(993)	108,464	96,694	(11,770)	(10,702)	(1,068)
Stormwater Drainage	7	9,362	14,068	4,706	16,005	16,746	740	1,004	(263)
Strategic Planning & Policy		248	671	423	687	916	228	118	110
Transportation	8	20,905	21,510	605	39,093	52,628	13,535	12,126	1,409
Wastewater	9	36,103	43,566	7,463	56,467	69,710	13,243	8,638	4,605
Water Supply	10	18,404	24,843	6,439	35,689	41,540	5,851	2,497	3,354
Corporate	11	22,319	30,810	8,490	47,534	63,988	16,454	14,528	1,926
Strategic Land Acquisitions	12	(4,681)	(1,695)	2,986	2,135	(3,368)	(5,503)	-	(5,503)
Gross Capital Spend		266,659	334,585	67,926	480,385	552,409	72,024	64,354	7,670
Unspecified Carry Forwards		-	-	-	(43,100)	-	43,100	43,100	-
Net Capital Spend		266,659	334,585	67,926	437,285	552,409	115,124	107,454	7,670

Attachment B provides financial results of individual significant projects.

Notes

1. Communities and Citizens

The below budget spend year to date is driven by a slower spend on Metro Sports (\$21.1 million), forecasting a carry forward of funds of \$33.8 million by year end. This reflects the Council's share of Ōtākaro's current cash flow projections. Also contributing to the below budget spend year to date is the Te Pou Toetoe Linwood Pool project (\$2.8 million), this is timing; the project has a forecast earlier spend of \$2.9 million by year end based on the current contractor programme.

There is a \$1.5 million carry forward forecast for The Multi-Cultural Recreation and Community Centre.

The Pioneer Pool Earthquake Repairs and Renewals project has a forecast bring back of \$2.2 million, this is required to deliver the full scope of works this financial year to minimise disruptions to operations.

2. Flood Protection and Control Works

The slight year to date below budget spend is timing, spend is forecast to be \$7.3 million ahead of budget by year end. This largely relates to a bring back of funds forecast for:

- Horners Kruses Land Purchase project (\$6.6 million) required for land purchase.
- Blakes Road Stormwater Facility (\$4.4 million) required for land purchase.
- Eastman Sutherland and Hoon Hay Wetlands (\$1.3 million) work originally planned in the next financial year has started on site.

The following projects have a significant carry forward of funds forecast:

- Gardiners Stormwater Facility (\$1.3 million) due to design delays construction has been delayed.
- Ōtukaikino Stormwater Facility (\$1.2 million) currently in the planning process with discussions around land acquisitions in progress.
- Flood Management LDRP 521 Stage 1 Waitaki Street (OARC) (\$1.1 million) project is now in the final stages of design awaiting consents and tender award.

Attachment A – Financial Performance as at 31 March 2021



3. Housing

Housing Improvements/Remodelling programme is \$1.6 million behind budget year to date, this is timing and is forecast to budget. The Warm and Dry programme is forecast to be \$1.5 million lower by year end with funds to be carried forward. The heat pumps installation work programme has been completed and is on track to be met within the overall budget. Some overheads and repairs cost are still to be confirmed.

4. Parks, Heritage & Coastal Environment

There is a below budget spend forecast of \$12.3 million for Parks, Heritage & Coastal Environment, with a carry forward of funds required. The largest behind budget spends with carry forwards forecast include:

- Ōtākaro Avon River Corridor Programme (\$5.7 million) considerable uncertainty exists around the likelihood of spending the allocated budget this financial year.
- Diamond Harbour Wharf (\$1.1 million) based on current schedule for detailed design and tendering for the contract.
- Old Municipal Chambers (\$0.7 million) the project was put on hold during the financial year delaying spend.

The under spend showing after carry forwards is a result of various projects showing under spends. It is likely this will be required to be carried forward at year end.

5. Refuse Disposal

The forecast behind budget spend with funds to be carried forward includes landfill after care projects (\$0.8 million), and Burwood Gas Treatment Plant renewals (\$0.3 million), now planned for delivery in future years. There is a slower forecast spend for the Inner City Waste Collection System (\$0.4 million), a specialist consultant has been appointed to explore and evaluate options. The above budget spend after carry forwards is due to Waste Transfer Stations Renewals and Replacements project (\$0.6 million), there are funds available to be brought back for this.

6. Roads and Footpaths

The forecast above budget spend is mainly driven by the following projects with a bring back of funds required:

- Roading Lighting LED Delivery Project (\$3.6 million) earlier delivery to meet the NZTA subsidy period.
- Christchurch Northern Corridor Downstream Projects (\$2 million) bring back required to cover this year's spend.
- Central City Projects Victoria Street, and Hereford St (Manchester Cambridge) both have bring backs forecast of \$1.7 million and \$1.5 million respectively. Projects to be completed this financial year.
- Northern Arterial Extension project (\$1.7 million) project met the scheduled opening date of 17 December 2020.
- Subdivisions (Transport Infrastructure) (\$1.2 million) due to a higher amount of work being carried out this financial year.
- Ferry Road Masterplan (\$1 million) reflects anticipated spend based on contractor programme.
- Hereford Street Bridge Surface Replacement (\$1 million) to allow the works to be undertaken in conjunction with the Hereford Street project.
- Traffic Signal Cabinets Safety Improvement (\$0.9 million) –additional cabinets are planned to be replaced in this financial year. A bring back of funds is required.

Projects with slower spends forecast and funds signalled to be carried forward include:

 Evans Pass Rd & Reserve Tce Remedial Work (\$1.6 million) – delay in NZTA/Government funding decision and the COVID-19 response has delayed design, impacting overall delivery.

Attachment A – Financial Performance as at 31 March 2021

Attachment A

Christchurch City Council

- High Street Tram Extension (\$1.5 million) the delivery of this project is planned to be undertaken with the High Street project.
- New Brighton Public Realm Improvements (\$1.2 million) dependant on property purchase process.

The forecast over spend after carry forwards is offset by a forecast under spend within Transport.

7. Stormwater Drainage

The slower spend year to date is mainly driven by the timing of spend on the Cashmere Worsleys Flood Storage project (\$1.7 million), forecast on budget; and Pump Station 205 upgrade (\$1.2 million), with \$0.4 million forecast funds to be carried forward. There is a \$0.7 million carry forward forecast for the Timber Lining Renewal - Marshland Road Canal Reserve Drain (Stage 1) project due to delays.

8. Transportation

The forecast behind budget spend is largely driven by the Major Cycle Way Programme (\$7 million), and the Coastal Pathway and Moncks Bay project (\$3.4 million). Both of these are part of the shovel ready programme. Budgets for shovel ready were added in November as per the funding agreements. Funds will need to be carried forward for these. Another project with a significant under spend forecast with funds to carry forward is the Square and Surrounds (\$1.2 million) due to the impacts from COVID-19.

The forecast under spend after carry forwards covers the forecast over spend within Roads and Footpaths.

9. Wastewater

Capital expenditure is \$7.5 million lower year to date. By year end spend is forecast to be behind budget by \$13.2 million, mainly driven by the Mains Renewal Programme (\$4.8 million). The following projects also have significant slower forecast spends with carry forwards required:

- Riccarton Interceptor (\$1.4 million) due to delays in completing the modelling works to inform the preferred design solution.
- Lyttelton Harbour Wastewater Scheme (\$1.4 million) due to COVID-19 shipping issues.
- Manholes Infiltration Reduction (\$1 million) forecast variance will be carried forward to fund other projects in the programme.
- Step Screen Renewal (\$1 million) concept design has been issued and a preferred option has been agreed.

Projects with forecast significant earlier spends with bring back of funds required include:

- Reactive Lateral Renewals (\$1.7 million) spend rate can vary as the works are reactive in nature.
- Treatment Plant Asset Reactive Renewals (\$1.4 million) reflects additional reactive renewals than originally expected.
- Christchurch Wastewater Treatment Plant Earthquake Occupied Buildings (\$1.2 million) this has been a multi-year project. A bring back of funds is required to cover this financial years forecast spend.

The forecast under spend shown after carry forwards is a result of substantial cost savings resulting from competitive lowest price conforming tenders. The Riccarton Trunk Main has a \$1 million forecast under spend, the project is largely finished and remaining budget is contingency.

Attachment A – Financial Performance as at 31 March 2021



Delay in forecast spend are mainly a result of significant carry forwards forecast for the following projects:

- Pump and Storage renewals (\$1.9 million) due to delays with design/review/approval process.
- Ben Rarere Pump Station Bexley Earthquake Replacement (\$1.7 million) there were a number of scope changes late in the detailed design stage which have pushed the project out.
- Rawhiti Smart Water Technology (\$1 million) due to focus in utilising funds from Crown under the Smart Water Monitoring project first.

Projects with earlier spends with a significant bring backs of funds forecast include Rocking Horse, Heron, Plover, Mermaid & Pukeko Mains Renewal (\$1 million), and Aranui & South New Brighton Area Submains Renewal (\$1 million), construction has started on both projects.

The forecast under spend shown after carry forwards is a result of substantial cost savings resulting from competitive lowest price conforming tenders.

11. Corporate

The year to date below budget spend relates to a slower spend on the Canterbury Multi Use Arena (CMUA) (\$5.3 million - \$3 million forecast carry forward). The CMUA Site Decontamination project is forecast to be carried forward (\$10 million) to reflect the delivery programme. There is also a slower spend on IT projects (\$2.6 million - \$1.5 million forecast).

There is a \$1.5 million forecast carry forward for the Performing Arts Precinct – site decontamination project. The forecast has been aligned with the start of ground works for the theatre.

12. Strategic Land Acquisitions

Result is showing a \$5.5 million under recovery, mainly driven by Lincoln Rd Passenger Transport project planned in FY23 (\$4.2 million) and City Lanes/Blocks Land Purchases balance \$0.8 million. Given this budget is to be wound up at the end of this financial year, this variance will need to be absorbed within the current year programme.

Attachment A – Financial Performance as at 31 March 2021

Attachment B - Significant Capital Projects

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance Aft C/Fwd (\$000
ommunities & Citizens									
\$250k	240		(240)	221	262	107 20/	122	100	
quipment Replacement	248		(248)		363	107.3%	132	132	1
ontent Capital Project A Al Libraries	3,020 88	,	631 22	4,442 389	4,613 392	68.0% 22.6%	170 4	-	1
urchase Restricted Assets	250		22	373	352	67.0%	1	-	
ibrary Built Asset Renewal & Replacemnt	287	420	133	673	668	42.6%	(5)	-	
ommunity Facilties R&R	270		216	482	487	55.9%	5		
A NA Collections Acquisitions	314		(195)		350	89.8%	-	-	
rt Gallery renewals R&R	363		(47)		444	80.7%	(6)	-	
anuka Cottage Capital Endowment Fund pr	404	403	(1)		404	100.1%	-	-	
ew South West Leisure Centre	2,211	1,700	(511)	4,560	3,744	48.5%	(816)	(731)	
enewal of Fitness Equipment	328	457	129	457	457	71.9%	-	-	
t Albans Permanent Community Centre	1,742	1,907	165	2,059	2,072	84.6%	13	13	
e Pou Toetoe Linwood Pool	10,130	12,978	2,848	15,834	12,978	64.0%	(2,856)	(2,856)	
etro Sports (Multi-Sport Facility)	26,561	47,645	21,084	47,516	81,307	55.9%	33,790	33,790	
ellie Park Recreation and Sports Centre	116	109	(7)	239	418	48.6%	179	177	
ot Salt Water Pools	324		301	630	624	51.4%	(5)	-	
EII Park Delivery Package	258		233	567	567	45.6%	-	-	
SU Operations R&R Delivery Package	92		(89)		480	20.4%	31	-	
ioneer Recreation & Sport Centre- Roof Repair	356	356	1	356	356	100.0%	1	1	
kains Bay Campground Pavilion EQ Repair	225	180	(45)	356	357	63.2%	1	1	
ulti-Cultural Recreation and Com Cent	-	600	600	-	1,500	0.0%	1,500	1,500	
owles Stadium Building Renewals	3		502	3	505	100.0%	502	-	!
pencer Beach Holiday Park Renewals Deli	329		(44)		329	100.0%	-	-	
PW - Athletics Indoor Training Facility	580		(15)		565	100.0%	(14)		
ioneer Pool EQ Repairs and R&R Cycle Sh	2,007		(28)		1,979	47.0%	(2,292)	(2,233)	
SE Camping Grounds Equipment R&R Delive	226	200	(26)	250	250	90.4%	-	-	
letro Sports Facility Equipment	-	-	-	-	1,000	0.0%	1,000	775	:
alance of Programme ommunities & Citizens Total	873 51,603	1,190 77,551	317 25,948	1,580 87,825	1,878 119,461	55.27% 58.8%	299 31,635	159 30,715	1
			20,010	01,020			01,000		
ood Protection and Control Works 3250k									
restons/Clare Park	13	207	195	56	256	23.1%	201	200	
, W Eastman Sutherland & Hoon Hay Wetland	3,580		(1,330)		4,600	60.3%	(1,338)		
W Rossendale Infrastructure Provision	729		500	1,221	1,229	59.8%	9	-	
waka Corridor - Wilmers Basin	1,492	,	281	1,600	1,795	93.3%	195	186	
W Coxs - Quaifes Facility	1,031		(44)		987	98.8%	(57)		
W Owaka Basin	6		63	510	641	1.2%	131	-	:
W Blakes Rd SW Facility (Works 1)	5,476		(2,950)		2,526	78.8%	(4,422)	(4,370)	
DRP 509 Knights Drain Ponds	217	187	(30)		300	72.4%	-	-	
77&185 Cavendish Rd Waterway & FF Basin	900		296	1,491	1,698	60.4%	207	207	
W Summerset at Highsted IPA	2,305			2,305	2,305	100.0%	-	-	
W Gardiners Stormwater Facility	251		1,321	278	1,572	90.2%	1,294	1,282	
W Pump&Storage MEICA Ren PS0203 Wairoa	60		174	231	409	26.0%	178	130	
DRP 527 Heathcote Dredging	786	796	10	908	1,076	86.6%	168	139	
ereford St SW Pipe Renewal/Refurbishmnt	805		(13)		792	101.3%	(3)		
W Highfield Norwest Basins-InfrastrProv	5		625	625	630	0.8%	5	-	
pper Heathcote Storage Optimisation	203		274	333	564	60.9%	231	231	
N Pump & Storage MEICA Ren for FY2021		282	281	26	334	0.8%	308		
prseshoe Lake SW trtmnt Stg 1	110		(77)		33	28.1%	(357)	(357)	
h NewBrightn Set-backBund–Bridge-Jetty	237		328		948	29.4%	142	142	
N Carrs Corridor	4		(4)		488	0.8%	(1)		
N Horners Kruses Land Purchase	56		(56)		269	0.8%	(6,585)		(4
W Otukaikino Stormwater Facility	-	-	(30)	9,389	10,603	0.0%	1,215	1,215	(
N Flood Management Avon River Flood Modelling	177	375	198	246	500	72.0%	254	254	
N Flood Management LDRP 521 Stage 1 Waitaki St	35		1,715	786	1,862	4.4%	1,076	1,076	
N Hoon Hay Basin Outlet and Cashmere St	1,242		(742)		1,960	53.6%	(355)		
alance of Programme	1,009		67	1,744	1,956	57.8%	212	(36)	:
ood Protection and Control Works Total	20,728	21,811	1,083	47,628	40,334	43.5%	(7,294)	(7,586)	2
overnance									
Ilance of Programme overnance Total	6		4	10 10	10 10	57.6% 57.6%	مسیری	-	
	Ŭ	10		10	10	51.070			
ousing 250k									
vner Occupier Housing - Purchases Back	-	-	-	273	273	0.0%	-	-	
ousing Improvements/Remodelling - Prj 1	1,066	2,655	1,589	3,354	3,354	31.8%	-	-	
arm & Dry - Heat Pumps	2,319		(109)		2,970	100.0%	651	651	
arm & Dry - Mechanical Ventilation	1,611		(431)		1,909	100.0%	299	-	
arm & Dry - Insulation	852		348	1,458	1,760	58.4%	302	249	
arm & Dry - Draught Stopping	320		1,080	830	1,760	38.5%	930	300	
arm & Dry - Programme Overheads	974		(974)		-	137.3%	(710)		(
lance of Programme	134		82	240	275	55.9%	35		,
ousing Total	7,276		1,585	10,794	12,300	67.4%	1,506	1,200	3
rks, Heritage, & Coastal Environment									
250k									
rina - Other Capex	1,029	418	(611)	1,187	603	86.7%	(584)	(584)	
uchan Playground Remodel	31	261	231	39	261	79.3%	223	203	
stuary Edge project	-	35	35	-	462	0.0%	462	462	

Cressy Terrace Tennis Courts reconstruction 14 2 (12) 176 255 7.8% 79 79 Old Municipal Chambers (Our City) 450 636 186 746 1,462 60.3% 716 608 Chokebore Lodge 30 905 875 758 1,131 3.9% 374 374 Thomas Edmond Band Rotunda 1,088 1,196 108 1,376 1,376 79.0% - - Cob Cottage 88 432 344 432 432 20.3% - - Akaroa Wharf Renewal 240 215 (25) 405 462 59.1% 56 56	-
Chokebore Lodge309058757581,1313.9%374374Thomas Edmond Band Rotunda1,0881,1961081,3761,37679.0%Cob Cottage8843234443243220.3%Akaroa Wharf Renewal240215(25)40546259.1%5656	-
Thomas Edmond Band Rotunda 1,088 1,196 108 1,376 79.0% - - Cob Cottage 88 432 344 432 432 20.3% - - Akaroa Wharf Renewal 240 215 (25) 405 462 59.1% 56 56	108
Cob Cottage 88 432 344 432 432 20.3% - - Akaroa Wharf Renewal 240 215 (25) 405 462 59.1% 56 56	-
Akaroa Wharf Renewal 240 215 (25) 405 462 59.1% 56 56	-
	-
	-
RRZ-Buildings and Assets Renewals Programme - 850 850 - 850 0.0% 850 -	850
Delivery Package Cemetery Development 19 142 124 152 252 12.2% 100 100	-
Groynes/ Roto Kohatu/ Otukaikino Develop 1,226 1,326 100 1,326 1,326 92.5%	-
DP Port Hills/Banks Peninsula Develop 58 - (58) 257 427 22.6% 170 -	170
DP Port Hills/Banks Peninsula Renewal 76 251 175 251 251 30.1%	-
DP Hagley Park Hard Surface(HS) Renewals 252 219 (34) 250 250 100.7%	-
DP Hagley Park Renewals 65 96 31 270 358 23.9% 88 88	-
Botanics Ground Source Heating Develop 27 - (27) 490 - 5.4% (490) (490)	-
Botanic WIFI and Irrigation Development 234 311 78 262 540 89.1% 277 277	-
DP Botanic Gardens Buildings Development 109 209 100 354 284 30.9% (69) (69)	-
DP Botanics Access and Carpark Develop 245 72 (173) 409 670 59.9% 261 246	15

Attachment B – Financial Performance as at 31 March 2021

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance Afte C/Fwd (\$000s
DP Sports Fields Development	54	85	31		103	11.2%	(381)	(380)	
OP Play and Recreation Development	117	311	194	121	322	96.5%	201	-	20
OP Harewood Nursery Development	222	254	32		425	41.8%	(106)	-	(10
DP Hagley Park Building & Toilet Develop DP Botanic Gardens Buildings Renewals	517 266	411 15	(106)		454 15	100.1% 97.1%	(62) (259)	(18) (259)	
DP Botanic Gardens Hard Surface Renewals	131	15	(251)		708	24.6%	(259)	(239)	
OP Marine Seawall Renewals	100	178	40	139	313	72.3%	175	175	
OP Community Parks Tree Renewals	280	-	(280)		249	76.7%	(117)	-	(11
DP Sport Field Renewals	29	313	285	223	313	12.8%	90	90	
OP Community Parks Hard Surface Renewals	270	354	84	339	354	79.8%	15	15	
OP Community Parks Green Assets Renewals	427	372	(54	489	473	87.3%	(16)	(16)	
DP Comm Parks Bldgs Realised React Renew	126	162	36		275	81.0%	119	-	11
DP Marine Structures Renewals	352	332	(20		413	69.3%	(94)	(94)	
Redcliff Park / School Swap	469	251	(218		546	85.9%	-	-	
Park Maintenance Facility Renewals	45	31	(14)		80	13.5%	(251)	(250)	
Robert McDougall Gallery - Strengthening	-	-	-	-	534	0.0%	534	534	
Diamond Harbour Wharf QEII Park MP – Delivery Package	90 10	270 204	180 194	221 117	1,349 284	40.5% 8.9%	1,128 167	1,123 167	
2EII Park MP – Delivery Package 2EII Park MP – sports field repositionin	34	204	32		335	40.2%	250	250	
)tākaro Avon River Corridor Programme	665	4,700	4,035		6,990	49.9%	5,658	5,658	
Residential Red Zone Mobilisation	947	920	(27)	,	920	103.4%	3,038		
inwood Park - Village Remediation	88	920 149	61	93	660	95.4%	567	- 567	
Park Rubbish Bin Replacement	684	760	76		765	81.7%	(72)	(73)	
lueWorx - Mobile Auditing & WO Management	69	-	(69)		250	26.1%	(12)	(73)	(
RZ - Renewal of Floating Pontoons	-	116	116		250	0.0%	(12)	-	(
won River Corridor Ecological Restoration	-			320	406	0.0%	86	-	
alance of Programme	3,549	4,902	1,353	6,466	8,427	54.90%	1,962	1,145	8
Parks, Heritage, & Coastal Environment Total	14,819	22,910	8,091	25,519	37,868	58.1%	12,349	10,158	2,19
efuse Disposal									
\$250k		107		1.050		11.00/	(005)		10
/aste Transfer Stations and Bins (R&R)	175	427	252	,	627	14.0%	(625)	-	(6
W Miscellaneous Renewals	33 1	261 313	228 312		261 313	165.4%	241	241	
urwood Gas Treatment Plant-Chiller Rnwl losed L'fill A'care Burwood Stg2C2D2E	253		(253)		515	100.0% 100.0%	312 285	312 285	
iner City Waste Collection System	255 51	480	429		480	93.2%	425	425	
exley Closed Landfill - Foreshore Remediation	51	480	429 344	480	1,043	93.2% 14.8%	425 563	425 563	
alance of Programme	274	415 58	(216)		1,043 317	57.9%	(157)	(168)	
Refuse Disposal Total	858	1,954	1,096	2,535	3,579	33.9%	1,044	1,658	(61
Regulatory & Compliance Ialance of Programme Regulatory & Compliance Total	-		-	-	3 3	0.0% 0.0%	3 3	-	
Roads & Footpaths									
-\$250k									
Carriageway Smoothing	3,663	3,950	287	5,317	5,236	68.9%	(81)	-	(8
ootpath Resurfacing	2,911	2,600	(311)		3,473	83.8%	-	-	,
ubdivisions	1,376	400	(976)		630	74.0%	(1,228)	(1,142)	(,
arriageway Sealing and Surfacing	8,479	8,848	369	,	13,181	70.7%	1,182	-	1,1
oad Pavement Replacement igns Renewals	109 109	888 130	779 21	2,346 263	1,161 286	4.6% 41.5%	(1,185) 23	-	(1,1
farshland Road bridge renewal	539	1,304	765	263	1,304	41.5% 25.9%	(776)	- (776)	
orthern Arterial Extension includ Cranford	2,633	1,304	(1,516)		1,304	93.4%	(1,701)		
PDC road metalling	2,633	1,117 950	(1,516)		1,117	93.4% 68.3%	(1,701)	(1,701)	
irmingham to Wrights Route Upgrade	352	930 677	324		350	82.8%	(75)	(75)	
ower Styx / Marshland Intersection	168	80	(88)		98	38.3%	(342)	(342)	
CR Wheels to Wings - Section 1	291	-	(291)		-	137.4%	(212)	(342)	(2
alswell Junction Road Extension	989	325	(664		590	90.8%	(500)	(500)	
ner Harbour Road Improvement	181	522	341		904	23.3%	127	127	
tersection Safety: Barrington/ Lincoln	22	-	(22)	97	378	22.9%	281	281	
tersection Safety: Ilam/ Middleton/ Riccarton	185	705	519	523	705	35.5%	182	147	
tersection Safety: Manchester/ Moorhouse	16	304	288	278	328	5.9%	50	50	
afety Improvements: Guardrails - Dyers	833	1,180	347	3,917	4,008	21.3%	91	91	
afety Improvements: Pedestrian/ Cycle Safety	211	276	65	917	1,043	23.0%	126	126	
ailway Crossing Renewals	18	-	(18)		312	100.0%	295	275	
almers Road (Bowhill-New Brighton)	214	255	41	309	300	69.2%	(9)	(9)	
riffiths Avenue	635	310	(325		310	90.6%	(391)	(391)	
rry Road Masterplan - project WL1	1,737	2,022	284	3,002	2,022	57.9%	(981)	(981)	
ONS Downstream Intersection Improvement	617	22	(595)		22	92.5%	(645)	-	(6
iburban Masterplan: Linwood Village	27	111	84		310	41.1%	243	243	
ed rock retaining walls	53	312	258		331	16.3%	3	-	
aving Cathedral Square, City Mall and High Street	311	324	13		683	73.3%	258	258	
umner Road Geotech & Roading Infrastructure	479	1,086	607	926	1,302	51.7%	377	161	1
acocks Gallop Geotech & Roading Infrastructure nd Purchase - Mass Movement Remediation	255 4	373	118 196		373 684	89.6% 122.5%	88 680	- 680	
and Purchase - Mass Movement Remediation entral City Projects - Victoria Street	4,329	200 2,629	(1,700)		684 2,629	122.5%	(1,700)	(1,700)	
entral City Projects - victoria Street entral City Projects Hereford St (Manchester-Cambrid	4,329 5,203	2,629	(1,700)		3,838	96.7%	(1,700) (1,540)	(1,700) (1,540)	
entral City Projects Hereford St (Manchester-Cambrid entral City Projects: Wayfinding	5,203 178	3,768 361	(1,435)		3,838 367	96.7% 31.5%	(1,540) (198)	(1,540) (198)	
	178 94	361 50	183 (44)		367 1,431	31.5% 6.5%	(198)	(198)	
shmere / Hoon Hay Intersection				1.442	1,431	0.3%	(10)	-	
· · · · · · · · · · · · · · · · · · ·						AG 20/-	70		
affic signals renewals	286	689	402	619	689	46.3% 40.9%	70 (503)	- (503)	
affic signals renewals idge Renewals - Delivery Project	286 828	689 1,522	402 694	619 2,025	689 1,522	40.9%	70 (503)	- (503) -	
raffic signals renewals ridge Renewals - Delivery Project etaining Walls Renewals	286 828 311	689 1,522 727	402 694 416	619 2,025 727	689 1,522 727	40.9% 42.7%	(503)	-	
ashmere / Hoon Hay Intersection raffic signals renewals Bridge Renewals - Delivery Project Retaining Walls Renewals Jew Retaining Walls andscaping Renewals	286 828	689 1,522	402 694	619 2,025 727 701	689 1,522	40.9%		- (503) - (468) -	· · · · ·

Landscaping Renewals	138	-	(138)	413	413	33.4%	-	-	-
Road Lighting Safety	328	433	105	433	433	75.7%	-	-	-
Street Tree Renewals	202	-	(202)	565	565	35.7%	-	-	-
Road Lighting LED delivery project	3,161	4,129	968	7,748	4,129	40.8%	(3,619)	(3,619)	-
Drainage - Rural	122	365	243	400	408	30.5%	8	-	8
Intersection Safety: Marshs / Springs	-	765	765	-	765	0.0%	765	765	-
Tram Extension - High Street	164	629	464	177	1,706	92.9%	1,530	1,530	-
Traffic signs & markings installations	152	1	(151)	317	317	47.9%	-	-	-
Minor Road Safety Improvements	717	163	(554)	1,506	1,506	47.6%	-	-	-
Transport Corridor Optimisation Works	-	-	-	621	621	0.0%	-	-	-
Burwood & North Shirley SCIRT 11091	714	862	148	762	867	93.7%	105	-	105
Central City Projects High Street (Manchester-St Asaph)	370	405	35	501	1,218	73.8%	716	716	-
Road Lighting Renewals delivery project	367	238	(129)	462	238	79.4%	(224)	(225)	1
Hereford Street Bridge - Surface replace	1,033	675	(358)	1,656	675	62.4%	(980)	(980)	-
Warden Street (Petrie-Chancellor)	411	459	48	433	459	94.9%	26	26	-
Evans Pass Rd & Reserve Tce Remedial Work	209	922	713	1,018	2,638	20.5%	1,621	1,621	-
Route Imprvmt: Mairehau Rd Burwood-Marsh	59	22	(37)	606	22	9.7%	(584)	(544)	(40)
Intersection Improvement: Awatea/Carrs	470	506	36	433	510	108.7%	77	-	77

Attachment B – Financial Performance as at 31 March 2021

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance Afte C/Fwd (\$000s
erb & channel renew minor works	381	750	369	819	816	46.5%	(3)	-	(:
Varden Street (#102-Shirley)	41	165	124	86	1,071	47.2%	985	985	
Richmond Hill Road new footpath	215	454	238	495	478	43.5%	(17)	(17)	
raffic Signal Cabinets Safety Improvement Iereford Str at Oxford Terrace Bollards	1,882 128	397 300	(1,486) 172	2,807 126	1,947 300	67.1% 101.5%	(860) 174	(860) 174	
Downstream of CNC Delivery Package 2	8,752	7,044	(1,707)	9,035	7,044	96.9%	(1,990)	(1,990)	
Downstream of CNC Delivery Package 1	4,256	4,303	(1,101)	5,464	5,482	77.9%	18	(1,000)	
lew Brighton Public Realm Improvements	16	-	(16)	11	1,200	145.4%	1,189	1,189	
Varden Street (Hills-Chancellor)	772	-	(772)	798	-	96.7%	(798)	(798)	
CRAF - Road Safety Priorities Delivery	120	-	(120)	500	500	24.1%	-	-	
Balance of Programme	3,481	4,482	1,001	7,351	5,904	47.4%	(1,447)	(805)	(642
Roads & Footpaths Total	68,709	67,715	(993)	108,464	96,694	63.3%	(11,770)	(10,702)	(1,068
Stormwater Drainage •\$250k									
Pump Station 601 Drain, 28 Cressy Terrace	356	341	(15)		352	85.5%	(65)	(13)	(52
Cashmere Worsleys Flood Storage	1,060	2,809	1,748	2,809	2,809	37.7%	-	-	
stuary Drain	624	839	215	936	890	66.7%	(46)	(46)	
emporary stop bank management	637	547	(90)	653	547	97.6%	(106)	(106)	
.DRP 513 PS205 Upgrade .inwood Canal and Cuthberts Drain South	803	1,998 348	1,195	1,598 99	1,998 540	50.2%	399	399 441	
DRP 520 Wigram East Retention Basin	2 205	589	347 384	526	540 686	2.0% 38.9%	441 159	159	
W Timber Lining Renewal - Marshland Rd	394	465	71	441	1,147	89.3%	706	706	
yttelton Brick Barrels renewals – High	179	403	311	501	490	35.6%	(11)		(1
Jacksons Creek BB renewal near Selwyn St	1,597	711	(886)	1,657	711	96.4%	(946)	(946)	(1
Vilkins Drain@Holmwood Ave - 80m concrete	36	294	258	118	421	30.1%	303	303	
Sissons Drain, Hoani St to Langdons Rd	138	302	163	356	365	38.9%	9	-	
REACTIVE Stormwater Drainage Asset Renewal	398	631	233	521	631	76.5%	110	110	
SW Mains Renewals Affiliated with Roading	250	435	185	259	435	96.3%	176	-	17
Natural Waterways Rolling Delivery Package	229	265	37	462	479	49.5%	17	17	
SW Quarry Road Drain Conveyance Improvement	381	330	(51)	426	330	89.4%	(96)	-	(9
DRP 534 St Albans Creek Slater to Hills	514	603	89	995	962	51.6%	(33)	(33)	
SW Mundys Drain Timber Lining Renewal	13	-	(13)		425	3.2%	5	-	(20
Balance of Programme Stormwater Drainage Total	1,547 9,362	2,070 14,068	523 4,706	2,810 16,005	2,528 16,746	55.1% 58.5%	(281) 740	13 1,004	(29) (26:
strategic Planning & Policy									
• \$250k Jrban Renewal	29	17	(11)	181	262	15.7%	81		8
Smart City	219	654	435	506	654	43.3%	148	118	3
Strategic Planning & Policy Total	248	671	423	687	916	36.0%	228	118	110
Fransportation •\$250k									
ACR South Express - Section 1	128	284	156	523	180	24.5%	(343)	(391)	4
ACR Northern Line Cycleway - Section 1a	221	16	(205)		1,920	100.0%	1,699	1,659	4
ACR Wheels to Wings - Section 1	2221	62	(203)	91	565	2.5%	474	262	21
ICR Nor'West Arc - Section 1	1,521	1,573	52	1,739	1,620	87.5%	(119)		(11
PT Facilities : Northlands Hub	272	246	(26)		274	99.9%	1	1	· ·
Section 2 Curries Rd to Martindales Rd	198	24	(174)		1,845	44.1%	1,396	1,396	
Palms PT Facilities	254	280	25	507	280	50.1%	(227)	(248)	2
Drbiter PT Route-Riccarton to Northwest	574	395	(180)	641	395	89.6%	(246)	(271)	2
Riccarton Road Bus Priority	153	109	(44)	231	261	66.1%	30	30	
ore PT Route & Facilities: South-West Lincoln Road	157	93	(64)		472	47.2%	140	-	14
ection 3 - University to Harewood Road	274	-	(274)		270	66.6%	(141)	-	(14
ection 3 -Dyers Rd to Ferry Road Bridge	663	113	(551)	1,280	2,045	51.8%	765	765	
Bus Shelter Renewals	494	-	(494)		709	69.7%	1	-	
PT Bus Priority Electronic Installations	259	14	(245)		98	97.3%	(168)	(180)	1
Central City Projects Colombo Street (Bealey-Kilmore)	70 608	81 561	11	95	580 561	73.6%	485	430	5
Core PT Route & Facilities: North (Papanui & Belfast) Public Transport Stops, Shelters and Seating	95	561	(47) (88)		561 395	98.1% 28.1%	(59) 57	(90)	5
Parking Replacement Capex	53	100	(88)	55	393	96.1%	257	- 257	
The Square (Facilities Rebuild)	147	1,460	1,313	500	1,671	29.3%	1,170	1,029	14
Cycle facilities and connection improvement	4	834	830	123	834	3.3%	711	686	2
inwood/Eastgate Public Transport Hub Package	189	1,089	900	940	1,089	20.1%	150	197	(4
ocal Cycleway: Northern Arterial Link	1,087	1,300	213	1,243	1,548	87.5%	305	305	
ection 2 - Hillmorton to University	2,978	2,550	(428)		6,480	53.4%	907	907	
ection 3-Annex Rd to South Hagley Park	3,911	2,988	(923)		10,394	31.2%	(2,134)	(2,133)	
ICR Nor'West Arc - Section 1b	3,786	3,946	160	3,945	4,045	96.0%	100	-	10
ICR South Express - Section 2b	124	2,130	2,006	880	4,830	14.1%	3,950	3,948	
ntigua Street Central City Cycle Network	-	350	350	105	556	0.0%	451	444	
ICR Northern Line - Section 3a	-	-	-	582	440	0.0%	(142)	(144)	
ACR Nor'West Arc - Section 1c	1,644	-	(1,644)	1,987	2,150	82.8%	163	-	16
Coastal Pathway & Moncks Bay	519	-	(519)		4,200	65.7%	3,410	3,410	
Balance of Programme Fransportation Total	519 20,905	907 21,510	389 605	1,119 39,093	1,611 52,628	46.3% 53.5%	492 13,535	(143) 12,126	63 1,40
vastewater									
\$250k	(176)	4	181	(179)	864	98.6%	1.043	-	1.04
\$250k VW Riccarton Trunk Main Project	(176) 250	4 110	181 (140)	(179) 214	864 932	98.6% 117.1%	1,043 718	- 718	1,04
\$250k /W Riccarton Trunk Main Project /W Akaroa WWTP Improvements								- 718 1,405	1,04
\$250k /W Riccarton Trunk Main Project /W Akaroa WWTP Improvements /W Lyttelton Harbour Wastewater Scheme	250	110	(140)	214 6,230	932	117.1%	718		1,04
Nastewater \$250k WW Riccarton Trunk Main Project WW Akaroa WWTP Improvements WW Lyttelton Harbour Wastewater Scheme WW Pumping Stations - Reactive Renewals WW Reactive Lateral Renewals	250 5,157	110	(140) 1,579	214 6,230 532	932 7,636	117.1% 82.8%	718 1,405	1,405	1,04

WW Treatment Plant Reactive Renewals	1,913	314	(1,598)	1,727	314	110.8%	(1,412)	(1,087)	(325)
WW Highfield Connection to Northcote	1	523	523	68	523	1.1%	456	456	-
CWTP EQ Occupied Buildings	4,783	3,785	(998)	4,967	3,785	96.3%	(1,182)	(1,182)	-
CWTP EQ Channels Restoration	689	663	(26)	699	663	98.6%	(36)	(36)	-
WW Riccarton Road - Harakeke to Matipo	1	373	372	1	373	100.0%	372	-	372
WW Vacuum System Monitoring Equipment	127	567	439	313	567	40.7%	253	-	253
Step Screen Renewal	130	838	708	336	1,289	38.8%	953	953	-
Refurbish Amenities & Mezzanine Roof	680	450	(230)	1,039	963	65.4%	(76)	(76)	-
WW Mains Renew-Tuam St Brick Barrel	5,199	6,186	987	5,789	6,186	89.8%	397	397	-
SCIRT 11257 Hay Street WW	-	252	252	67	252	0.0%	185	-	185
WW Duvauchelle Treat & Disposal Upgrade	306	417	111	472	686	64.9%	214	214	-
CWTP Biogas Storage Upgrade	187	230	43	258	380	72.6%	122	122	-
CWTP MLCG Renewal	110	644	534	422	644	25.9%	222	222	-
Deans Ave - Old Blenheim Rd Odour Treatment	24	196	171	28	724	88.0%	696	696	-
Southshore Odour Treatment	11	173	162	269	291	4.0%	22	-	22
Head St - Wiggins St Sumner Odour Treatment	37	239	202	40	299	91.1%	259	259	-
Hagley Park Odour Treatment	157	389	232	488	456	32.2%	(32)	(32)	-
Clyde Rd - University Dr Odour Treatment	61	281	219	291	292	21.1%	1	-	1

Attachment B – Financial Performance as at 31 March 2021

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance Aft C/Fwd (\$000
60 Hills Rd - Mairehau High Sch Odour	3	252	249	7	276	43.2%	269	267	
VW Mains Renewal – Tilford St / Bute St	-	-	-	-	393	0.0%	393	-	3
WW Manholes - Intervention of Infiltration	293	922	629		1,381	75.2%	991	661	3
VW Pump & Storage MEICA Renewals	957	1,516	560	,	2,207	75.9%	947	412	5
VW Health & Safety Renewals VW Mains Renewal – Aylesford St - Speigh	418 176	280 350	(138) 174		355 350	86.5% 100.0%	(128) 174	(27)	(1
VW CWTP Network Fibre Ring Renewal	176	494	368		494	57.8%	277	- 277	-
PLC 14 Hardware and Software Renewal	50	271	221	147	271	34.0%	124	124	
VW CWTP Oxidation Ponds Renewals	456	149	(307)		149	132.2%	(196)		(1
BiosBiosolids Dryer Silo Controls Split	63	412	350		412	24.3%	155	155	(-
/W Mains Renewal - Neville St, Domain Tce	1,353	1,354	1	1,352	1,354	100.1%	2	-	
/W Mains Renewal - Ensors Rd, Fifield Tce	1,045	1,309	264	1,914	1,559	54.6%	(355)	-	(3
/W Mains Renewal - Barbadoes St, Cannon	1,055	1,071	15	1,054	1,071	100.1%	17	-	
/W Mains Renewal - Randolph St, Hobson St	441	493	53	441	493	100.0%	53	-	
/W Mains Renewal - Springfield Rd, Berry St	916	1,199	284	915	1,199	100.0%	284	-	2
/W CWTP Ponds Midge Control	370	245	(125)	423	245	87.6%	(177)	(121)	(
/W Mains Renew - FerryRd MasterplanBusAr	1,283	1,414	131	1,301	1,438	98.6%	136	115	
Vastewater Renewals - Fast Track Deliver	115	254	139	148	254	78.1%	107	-	1
/W Riccarton Interceptor-Upper Riccarton	93	235	142	132	1,550	70.7%	1,418	1,418	
/W Pump Station 60 Stage 2	226	644	418	345	1,125	65.6%	780	780	
/W Mains Renew-RiccartonRd -HansonsLn Eu	82	2,095	2,013	2,487	4,541	3.3%	2,054	2,054	
/W Mains Renew-Trafalgar, Dover, Cornwal	281	-	(281)		2,502	18.8%	1,010	1,010	
/W Mains Renew-Totara,Puriri,Balgay,Miln	59	20	(39)		316	4.8%	(917)		
/W Mains Renew -Philomel,Inverell,Pegasu	1,391	-	(1,391)		3,260	53.3%	651	651	
W Mains Renew-Nalder, Ruru, McLean, Wyon	37	-	(37)		1,135	3.9%	168	168	
/W Mains Renew- Sails, Langdons, Hoani,W	44	-	(44)		2,011	3.5%	768	-	
W Reactive Mains Renewals Capex Repairs	535	688	153		998	59.9%	104	104	
W Mains Renew-Ascot, Randwick, Flemingt	134	276	142		512	26.1%	-	-	
W Mains Renew-Tome,Rutlan,Scotsto,Norfo	69	178	109		562	12.2%	-	-	
W Mains Renew-Edmonds, Randolph,Marcrof	143	207	64	668	555	21.4%	(113)	(113)	
W Mains Renew-Edinburgh, Hinemoa, Nairn	121	155	34	608	608	19.9%	-	-	
W Mains Renew-Allard, Edward,Geraldine&	199	185	(14)		336	35.3%	(226)	(226)	
W Hayton Road Wastewater Main Upgrade	75	98	23		593	12.6%	-	-	
W Smart Overflow Reduction	72	120	48		260	27.7%	-	-	
W Lift Station SCADA renewals	74	-	(74)		500	19.0%	108	108	
W Akaroa Inflow & Infiltration renewals	48	-	(48)		341	13.9%	-	-	
/W Mains Renewal - High St and Lichfield	2	-	(2)		360	0.7%	-	-	
alance of Programme Vastewater Total	932	2,352	1,420 7,463		4,324	35.0%	1,660	574	1,0
	36,103	43,566	1,405	56,467	69,710	63.9%	13,243	8,638	4,6
Vater Supply									
\$250k									
/S New Connections	1,029	900	(129)		1,171	77.1%	(163)	-	()
S R&R Submains Meter Renewals	51	336	285		336	27.5%	152	-	
ater Supply - Reactive Renewals	466	-	(466)		300	96.6%	(183)	(183)	
rights Pump station Well Renewal	130	323	193		323	40.5%	1	-	
S Eastern Tce Trunk Main Renewal	531	450	(81)		450	82.8%	(191)	(171)	
CPwPS1076 - Jeffreys Suction Tank Replacement	66	30	(36)		1,123	31.9%	918	918	
S Ben Rarere Pump Station - Bexley EQ Replacement	463	300	(163)		3,066	33.9%	1,702	1,702	
S Mains Renewal - Halswell Junction Rd	10	300	290		485	5.9%	321	320	
S Mains Renewal - Colombo St - Moorhouse	38	312	274		381	21.2%	201	201	
S Mains Renewal – Westmont St, Bartlett	876	841	(35)		841	100.2%	(33)	(33)	
S Pump & Storage MEICA Renewals	12	1,473	1,461	427	2,589	2.8%	2,162	1,898	
S Health & Safety Renewals	200	280	80	261	459	76.5%	197	3	
S Well Renewal - Grassmere Well 1	724	726	2		726	88.5%	(92)	(92)	
S Well Renewal - Mays Well 3	632	935	304	1,217	1,217	51.9%	-	-	
S Suction Tank/Reservoir Roof Repairs	362	897	534	908	1,785	39.9%	877	650	
S Sydenham Suction Tank Replacement	183	480	298		900	69.0%	635	635	
S Communications Upgrade Works	120	288	168		288	63.1% 23.2%	98	-	
S Addington - Well Head Conversion S Belfast – Well Renewal	88 448	387 630	299 182		387 630	23.2% 73.3%	6 19	-	
5 Belfast – Well Renewal 5 Mains Renewal - Sparks Rd Roading / Cycleway	448 275	630 275	182	611 275	630 275	73.3% 100.0%	- 19	-	
s Mains Renewal - Sparks Rd Roading / Cycleway eactive WSMains Renew-OtamuhuaLn IlamRd	275 534	532	- (1)		532	100.0%	(1)	-	
S Mains Renewal - Libeau Ln and Chemin	534 89	332	(1)		328	41.9%	(1) 115	- 115	
S Mains Renewal - Libeau Lh and Chemin S Mains Renewal - Riccarton Rd - Hanson	125	123	(89)		328 2,475	6.2%	454	454	
S Mains Renewal - Scruttons PS to Lyttelton	223	82	(141)		1,152	22.8%	454		
S Mains Renewal - Hackthorne Rd and Dyers	53	(85)	(141)		300	17.5%		-	
S Submains Renewal-Aranui Area	399	399	(137)	399	399	100.0%	-	-	
whiti Smart Water Technology	296	309	13		1,310	100.6%	1,016	1,016	
S Reactive Mains and Submains Renewals	522	490	(31)		647	53.4%	(331)		(
S Reactive Water Meter Replacement	2,827	2,900	73		2,900	80.0%	(632)		,
5 Mains Renewal - Port Hills Rd	68	934	865		934	100.0%	865	(002)	
S Mains Renewal - Rocking Horse Rd, Her	25	127	102		127	2.2%	(1,009)	(1,009)	
S Mains Renewal - Purau Ave, Waipapa Av	95	198	102		285	19.0%	(1,003)		
S Mains Renewal - Fenchurch, Grosvenor,	95 75	198	103		285	19.0%	(218)		
S Mains Renewal - Grahams Rd, Hounslow	132	188	39		194	14.8%	(208)		
S Mains Renewal - Granams Rd, Hounslow S Mains Renewal - Puriri,Kilmarnock,Wha	653	439	(214)		439	46.3%	(518) (971)		
S Mains Renewal - Purifi, Kilmarhock, wha S Mains Renewal - Park Tce, Cressy Tce,	130	439 135	(214)		439	46.3% 23.5%	(971) (123)		
S Mains Renewal - Conway St, Hollis Ave,	455	327	(128)		1,000	40.5%	(123)		
S Submains Renew-Aranui S New Brighton	455	327	(128)		1,000	40.5% 66.1%	(123) (1,048)		
•	141	36 21			36 21	40.1%			
S Submains Renew Nth New Brighton			(121)			40.1% 94.2%	(332)		
S Highsted Water Supply Main	309	82	(227)		82		(246) 319		
	174	275							
S Mains Renew-Ashgrove,Macmillan,Cashmere	174	375 374	201 400		639 374	54.5% -11 5%		120	
VS Mains Renew-Ashgrove,Macmillan,Cashmere VS Mains Renew- London, Canterbury, Dublin VS Mains Renew -Cranford St, Sherborn St	174 (26) 467		201 400 (47)	223	639 374 420	-11.5% 100.3%	151 (45)	-	

WS Mains Renew -Cranford St, Sherborn St	467	420	(47)	465	420	100.3%	(45)	(45)	-
WS Above Ground Well Head Conversions	153	300	147	919	300	16.6%	(619)	(619)	-
WS Backflow Prevention WSP	631	1,624	994	784	1,624	80.5%	840	840	-
WS Pump Station Resilience Upgrades	67	410	343	170	800	39.3%	630	630	-
WS Smart Water Monitoring System	15	-	(15)	530	700	2.9%	170	-	170
Balance of Programme	2,354	3,770	1,416	4,141	5,117	56.8%	976	(371)	1,347
Water Supply Total	18,404	24,843	6,439	35,689	41,540	51.6%	5,851	2,497	3,354
Corporate Capital									
>\$250k									
IT Equipment Infrastruct and Device Programme	1,651	1,571	(81)	2,231	2,231	74.0%	-	-	-
Business Technology Solutions Programme	-	-	-	975	873	0.0%	(102)	-	(102)
Continuous Improvement Technology Programme	-	-	-	340	506	0.0%	166	-	166
Fleet and Plant Asset Purchases	361	496	135	666	666	54.1%	-	-	-
Corporate Property R&R	257	167	(90)	290	274	88.7%	(16)	-	(16)
Aerial Photography	240	43	(198)	302	305	79.5%	2	-	2
Town Hall Rebuild Equity	123	-	(123)	1,021	-	12.0%	(1,021)	(1,021)	-
Rebuild funded by Vbase	(267)	-	267	(1,021)	-	26.2%	1,021	-	1,021

Attachment B – Financial Performance as at 31 March 2021

Project Title	YTD Actual (\$000s)	YTD Budget (\$000s)	YTD Variance (\$000s)	Forecast Total Spend (\$000s)	Current Budget (\$000s)	% YTD Actual Forecast Total Spend	Year End Variance (\$000s)	Proposed Carry Forwards (\$000s)	Variance After C/Fwd (\$000s)
Performing Arts Precinct	1,041	710	(331)	1,593	1,250	65.4%	(343)	(343)	-
Pages Road Depot - Buildings	112	288	176	281	288	39.8%	7	7	-
Corporate Investments	10,000	10,852	852	13,007	13,859	76.9%	852	1,000	(148)
Aulesoft Application Upgrade Bundle 2020	268	301	34	301	301	88.8%	-	-	-
Canterbury Multi Use Arena	2,561	7,825	5,264	14,780	17,811	17.3%	3,031	3,031	-
Get off GEMS Programme – Stage 1	654	611	(43)	1,025	1,070	63.8%	45	-	45
Migrate.NET Services Windows 2019 Server	374	459	85	552	624	67.7%	71	71	-
nformation Management Enhancemment Bundle	304	303	(1)	370	320	82.2%	(50)	-	(50)
Alemba Platform Enhancement	172	144	(27)	282	304	61.0%	22	11	11
Data Network Upgrade - New Design Future	459	853	394	2,125	2,100	21.6%	(25)	-	(25)
Canterbury Multi Use Arena Site Decontamination	-	-	-	-	10,000	0.0%	10,000	10,000	-
Performing Arts Precinct Site Decontamination	11	-	(11)	21	1,500	53.4%	1,479	1,479	-
Spatial Prog - User Empowerment (BTS)	192	203	11	270	270	71.0%	-	-	-
Business Intelligence & Data Analytics	202	313	111	313	400	64.5%	87	-	87
General Application upgrades and security	246	358	112	401	500	61.5%	99	-	99
Holidays Act	440	913	473	1,555	1,500	28.3%	(55)	-	(55)
mprove Rates Processes and Systems	116	115	(1)	219	250	53.0%	31	-	31
Digital Citizen Experience Programme	228	331	103	586	512	38.9%	(74)	-	(74)
1365 Modern Workplace – Exchange Online	35	224	189	172	338	20.1%	166	60	106
Dur Space - Time Management	14	-	(14)	596	600	2.4%	4	-	4
C4HANA CCv2 Upgrade	14	178	163	268	355	5.3%	87	-	87
M365 – SharePoint Online Migration	14	-	(14)	184	250	7.8%	66	105	(39)
Balance of Programme	2,496	3,553	1,057	3,829	4,731	65.2%	902	127	775
Corporate Capital Total	22,319	30,810	8,490	47,534	63,988	47.0%	16,454	14,528	1,926
Strategic Land Acquisitions									
>\$250k									
Strategic Land Acquisitions	1,304	3,335	2,031	8,496	11,782	15.3%	3,286	-	3,286
SLP Land Value Offset	(5,985)	(5,030)	955	(6,361)	(15,150)	94.1%	(8,789)	-	(8,789)
Strategic Land Acquisitions Total	(4,681)	(1,695)	2,986	2,135	(3,368)	-219.2%	(5,503)	-	(5,503)
Grand Total	266,659	334,585	67,926	480,385	552,409	55.5%	72,024	64,354	7,670

Attachment B – Financial Performance as at 31 March 2021

Attachment C - Special Funds

	Year	to Date Re	sults	Foreca	st Year End	Results	After Carr	y Forwards
\$000's	Act/YTD	Plan/YTD	Variance	Forecast	Plan Year	Variance	Carry Fwd	Variance
Housing - Normal Operations								
1 July Opening Balance	8,622	8,622	-	8,622	8,622	-	-	-
Income	11,195	11,536	(341)	15,263	15,381	(118)	-	(118)
Operating expenditure	(11,526)	(11,929)	403	(14,781)	(15,125)	344	_	344
Capital expenditure	(7,276)	(8,861)	1,585	(10,794)	(12,300)	1,506	1,200	306
Asset sales	(1,210)	(0,001)	-	2,500	(12,000)	2,500		2,500
Transfer from Housing Earthquake fund	286	-	286	286	-	286	_	286
Interest on fund balance	17	37	(20)	18	50	(32)		(32)
Balance	1,318	(595)	1,913	1,114	(3,372)	4,486	1,200	3,286
	·							
Housing - Earthquake proceeds								
1 July Opening Balance	285	285	-	285	285	-	-	-
Transfer to Housing Normal Operations fund	(286)	-	(286)	(286)	-	(286)	-	(286)
Interest on fund balance	1	1	-	1	2	(1)	-	(1)
Balance	-	286	(286)	-	287	(287)	-	(287)
Capital Endowment Fund - Capital							1	
1 July Opening Balance	104,050	104,050	-	104,050	104,050	-	-	-
Balance	104,050	104,050	-	104,050	104,050	-	-	-
Capital Endowment Fund - Income Distribution								
1 July Opening Balance	1,471	1,471	-	1,471	1,471	-	-	-
Income	2,548	2,520	28	3,353	3,357	(4)	-	(4)
Less: Expenditure								
Christchurch NZ	(1,516)	(1,454)	(62)	(1,939)	(1,939)	-	-	-
Multicultural Recreation and Community Centre	-	(100)	100	-	(1,000)	1,000	1,000	-
Innovation and sustainability grants	(201)	(300)	99	(400)	(400)	-	-	-
Pukeko Centre	(200)	(150)	(50)	(200)	(200)	-	-	-
Strengthening Communities Grants	-	-	-	(180)	(180)	-	-	-
Healthier Homes Canterbury	-	(127)	127	(170)	(170)	-	-	-
City Mission - 275 Hereford Street	-	-	-	(155)	(155)	-	-	-
Te Ora Hou Whare	-	-	-	(150)	(150)	-	-	-
Summit Road Society	-	(113)	113	(150)	(150)	-	-	-
Botanic D'Lights	-	-	-	(117)	(117)	-	-	-
The Art & Industry Biennial Trust	-	(75)	75	(100)	(100)	-	-	-
Canterbury Brain Collective	(100)	(75)	(25)	(100)	(100)	-	-	-
Upper Riccarton Domain Development		. ,		(70)	(70)	-	-	-
Enviroschools	(50)	(38)	(13)	(50)	(50)	-	-	-
Conductive Ed Grenville Project	-	-	-	(40)	(40)	-	-	-
Unallocated funds	-	-	-	(4)	(4)	-	-	-
Balance	1,952	1,560	392	999	3	996	1,000	(4)
Funds available for allocation	,			3			, -	
Earthquake Mayoral Relief Fund								
1 July Opening Balance	10	10	-	10	10	-	-	-
Balance	10	10	-	10	10	-		-

Attachment C – Financial Performance as at 31 March 2021



11. Asset Performance and Condition 2020 Report

Reference / Te Tohutoro:	21/338674
Report of / Te Pou	Piers Lehmann, Head of Asset Management,
Matua:	piers.lehmann@ccc.govt.nz
General Manager /	Mary Richardson, Acting Assistance Chief Executive Strategic Policy
Pouwhakarae:	and Performance, mary.richardson@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is to provide visibility of the 2020 Asset Condition and Performance report findings. The report has been prepared by the Asset Management Unit.
- 1.2 In 2017 following Council resolution FPCM/2017/00037 the Asset Management Unit provided Asset Valuation and Condition reports on each of the asset areas: Transport, Three Waters, Parks and Facilities.
- 1.3 The 2018 Asset Management Maturity Assessor recommended an annual asset condition and performance assessment be undertaken in order to address the risk that Long Term Plan financial forecasts are based on potentially unreliable and incomplete asset condition and performance data.
- 1.4 Audit and Risk Management Committee were tasked with tracking completion of the recommendation to "undertake an annual assessment of the completeness and reliability of asset performance and condition data".
- 1.5 Initially it was recommended that the result of the annual assessment be provided to Audit and Risk Management Committee. However it was later requested that Asset Management report to Finance and Performance Committee.
- 1.6 Following presentation to Finance and Performance Committee item #55 on the Internal Audit Findings register will be closed.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Receive the information in the Asset Condition and Performance 2020 report
- 2. Note that the Asset Management Governance Board monitors Asset Condition and Performance and receives a report annually.
- 3. Approve the timing for the next Asset Condition and Performance report to be submitted to the Finance and Performance Committee in April 2023 in order to align with the Long Term plan preparation cycle.

3. Background

- 3.1 To understand the context of this report, three key terms need to be understood.
 - 1. Asset condition
 - 2. Asset performance
 - 3. Data quality
- 3.2 **Asset Condition** reflects the physical state of the asset (cracks in pipes, potholes, rusting paintwork etc.), which may or may not affect its performance. Condition data is typically used



to determine the need and timing of some preventative or remedial action to prevent loss of service or economic loss.

- 3.3 **Asset performance** is the ability to provide the required level of service (the roof does not leak) to our communities. Generally this can be measured in terms of reliability, availability, capacity, and meeting the community's demands and needs.
- 3.4 Condition assessment and asset performance are inexorably linked. Condition and performance failure can be considered as 'cause' and 'effect' respectively. That is, condition deterioration is a cause of failure, the effect of failure is poor performance (failure to meet required levels of service).
- 3.5 A very simplified example would be a brand new roof (good condition) that leaks; (poor performance).
- 3.6 As Council matures away from purely age based renewals to more sophisticated mechanisms the information we hold about our assets helps us to derive the most value from the investment in terms of useful life to provide the services to the community, be it a pool pump, water supply pipe or a library roof etc.
- 3.7 This information is a critical first step in ensuring we are planning to replace the right assets at the right time to ensure we deliver the services in the most cost effective manner.
- 3.8 **Data quality** Having 100% complete data about our assets would drive significant cost in our business. Christchurch City Council teams are working to ensure that every dollar spent delivers value by having the capability to improve our understanding of the vast quantity of data we hold and where to invest to ensure that we have the right level of information for the assets in question.
- 3.9 To ensure value is delivered, we need to understand and measure the confidence in the data we have, to ensure that any gaps are identified and that sufficient visibility is provided. Christchurch City Council assess the data held in our systems against the criteria in Table 1.

Confidence Conde	Description
Confidence Grade	Description
Highly Reliable	Data based on sound records, procedures, investigations
	and analyses, well documented and recognised as best
	practice.
Reliable	Data based on sound records, procedures, investigations
	and analyses, well documented but has minor
	shortcomings.
Uncertain	Data based on sound records, procedures, investigations
	and analyses, but not well documented, incomplete,
	unsupported, or interpreted from a limited sample of good
	data.
Very Uncertain	Data based on unconfirmed verbal reports, weak inspection
	and analysis processes, with the majority of data
	interpreted or extrapolated.
Unknown	None or very little data held

Table 1: Data Confidence Grades

Source: Table 2.4.6 International Infrastructure Management Manual (2015)

- 3.10 The objective of asset condition and performance monitoring is to:
 - Identify those assets which are underperforming.
 - Predict when asset failure to deliver the required level of service is likely to occur.
 - Ascertain the reasons for performance deficiencies.
 - Determine what corrective action is required and when (maintenance, rehabilitation, renewal).
- 3.11 Condition monitoring of all assets, whether they are passive infrastructure assets or dynamic ones such as plant / equipment and even landscape assets, must be:
 - Economically justified as a benefit to the organisation;
 - Carried out in the most cost-effective and efficient manner;
 - Applied consistently;
 - Repeatable.
- 3.12 Our assessment of the condition and performance data held by Council for our 3 Waters, Transport and Parks assets is summarised in Attachment 1 – Asset Condition Summary.
- 3.13 A more detailed assessment for these business units is available in attachments 2, 3, 4, and 5.

4. Three Waters Summary

- 4.1 Confidence in the completeness and reliability of our data on high value pipe networks (\$7.7b/\$10.1b total Three Waters asset base) is high (very reliable or reliable). Key changes since the 2018 report include deployment of the Asset Assessment Intervention Framework (AAIF) assessment methodology which provides an evidence based approach to condition assessment, measuring performance and renewals planning for the reticulated pipe network assets.
- 4.2 For the majority of pump station and treatment plant assets, condition assessment is still age based, utilising theoretical asset lives and the date of installation to determine remaining life and condition grade score.
- 4.3 Between 14%-28% of our station assets (depending on the network) and 56% of our treatment plant assets do not have a start-up date. In addition not all appropriate station equipment is currently being captured in our asset information management system. This information gap limits our ability to do effective and efficient renewals planning for these assets. Focus has been on the Pipe network to support the AAIF project. Our station data is the team's next priority focus.
- 4.4 Despite these challenges the overall quality in our asset registers / condition information increased (as measured by the Asset Management Maturity Assessment (AMMA) 2020) by 15 percentage points. This is a large improvement though the auditor did note the need to address information deficiencies for non-reticulation Three-water assets.

5. Transport Summary

- 5.1 Overall the completeness and reliability of data on our transport assets (\$3.93B) is considered to be reliable.
- 5.2 Key changes since the 2018 report include:
 - Converting kerb and channel visual condition rating into an accurate 1-5 condition indicator available within RAMM;

Finance and Performance Committee 29 April 2021



- Improvements in the condition forecasting methodology used for carriageway;
- Completion of a three year inspection programme for retaining walls which has seen a large increase in the number of walls recorded in the database (Increasing from 554 to 1611);
- A significant programme of bridge renewals. This work has focussed on replacing timber bridges with concrete structures; and
- Amalgamation of Councils Dataset with bridge data held in WSP's 'OBIS' database.
- 5.3 These improvements have been reflected in Christchurch City Councils Road Efficiency Group (REG) data quality scores which have increased from 65% to 77% between FY2018 and FY2020.

6. Parks Summary

- 6.1 Parks has an extensive inventory of diverse assets spread across the city and Banks Peninsula with over 1251 parks, cemeteries and reserve land holdings containing nearly 110,000 individual assets.
- 6.2 Parks currently operates a range of condition assessment programmes at varying frequencies ranging from annually to 8 yearly depending on the asset type. Condition information is stored in SAP as a "measurement point" against each individual asset and allow us to understand how the asset condition is deteriorating over time. Where condition scores are available these have been used to inform the renewal model for Parks.
- 6.3 Over time Parks have managed to significantly improve their knowledge of the condition of assets (approximately 75% of all assets have an assessment) and are now well positioned to sustain a programme of cyclic inspections.
- 6.4 The volume and quality of data has improved since the last review and this was reflected in the recent Asset Management Maturity Assessment 2020 (presented at ARMC Dec 2020) which saw a 10 percentage point lift in asset register data and a 5 percentage point lift in asset condition and performance data across the portfolio.

7. Facilities Summary

- 7.1 Since the last report, Council has taken a number of steps to improve the quantity and quality of its facility data. These include:
 - amendment of the asset information structures contained in SAP (Council's Asset Register) to enable us to robustly and accurately capture building information;
 - defining what assets and attribute/characteristic (metadata) information needs to be captured for our facilities, closely aligning it with the NZ Metadata Standards; and
 - In early 2020 working with City Care Limited (CCL) to capture nearly 22,000 individual assets and their condition relating to 475 sites (both Parks and Facilities buildings).
- 7.2 At the same time a data quality framework (DQF) which assesses data for completeness, consistency, accuracy, validity and timeliness was also deployed for Facilities. The results varied by profit centre (e.g. Community Facilities, Art Gallery, Social Housing) fluctuating between 41% 58% indicating the completeness and reliability of our facilities data is still uncertain.
- 7.3 These improvements that have been completed were reflected in the recent Asset Management Maturity Assessment 2020 (presented at ARMC Dec 2020), which saw a 10 percentage point lift in asset register data (to 75) and a 5 percentage point lift in asset condition and performance data (to 65) across the portfolio.



8. IT Summary

- 8.1 IT has instigated a new Asset management team structure within their group as part of the change proposal last year.
- 8.2 This IT assets team has made significant progress with an internal review of their IT asset management maturity.
- 8.3 The team is focusing on bringing the IT asset related information into SAP in the coming months that will continue to strengthen the usage of SAP and identify opportunities for improvements in the usage of that core system
- 8.4 Note that work is underway with AMU and the Risk and Audit team to understand how an external independent review could add further value to the team's activities and focus.

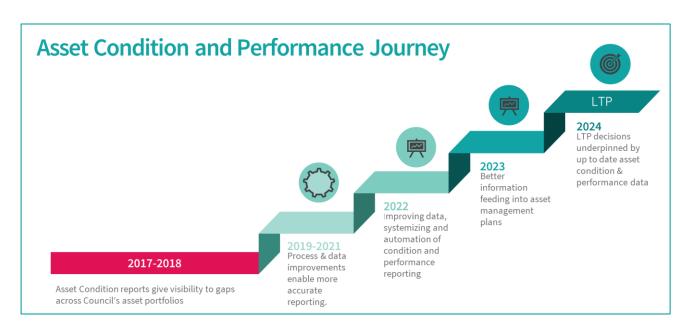
9. Implications

- 9.1 Our physical assets are valued at more than \$16 billion (replacement), so good management of physical assets is important. Appropriate management of physical assets starts by ensuring relevant information is available, for the right people, in the right format at the right time.
- 9.2 Unknown condition and performance of our assets subjects Council to unnecessary risk and uncertainty. Equally assets that are known to be in poor condition and/or performing badly:
 - Impact the reputation of Council and Councillors;
 - Result in inefficient LTP Investment decisions, and
 - Have a long-term impact on Council's legacy to the community.
- 9.3 This report highlights that we have some good data for some of our assets but there are significant gaps in our knowledge that need to be addressed if we want to improve our investment decision making ability.
- 9.4 Closing these gaps requires us to continue the implementation of quality assurance regimes over asset data collection, data entry, and the maintenance of our asset information system. It will also require us to continue our investment in collecting relevant asset condition and performance information.
- 9.5 Improving our asset condition and performance data is critical in the short to medium term to not only to inform the next LTP process but to ensure Council can continue to deliver services that the community need and want, now and into the future.



10. Next Steps

- 10.1 Next steps to improve our asset condition and performance reporting to Council are to systemise and automate reporting –see diagram below
- 10.2 The next Asset Condition and Performance report is planned for April 2023.



Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>1</u>	Attachment 1 - Asset Condition and Performance Summary	118
В <u>↓</u>	Attachment 2 - 3 Waters Asset Condition & Performance 2020	120
С 👔	Attachment 3 - Transport Asset Condition & Performance 2020	136
D <u>J</u>	Attachment 4 - Parks Asset Condition & Performance 2020	142
Е <u>Л</u>	Attachment 5 - Facilities Asset Condition & Performance 2020	145

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

Authors	Steve Sullivan - Manager Asset Systems & Information Wendy Walker - Programme Manager
Approved By	Piers Lehmann - Head of Asset Management Mary Richardson - General Manager Citizens & Community

Asset Condition and Performance Summary Report 2020

Network	Asset Class	Data Reliability	Trend	Value \$m	Sub Cat	Condition 1 2 3 4 5 Unkn	Performance 1 2 3 4 5 Unkn	Cont
	WWPipes	Highly Reliable	1	\$3,445		2017 50% 18% 12% 7% 13% 2020 53% 15% 21% 7% 4% 2020 Det 52% 8% 12% 16% 12%	2017 2020 73% 19% 6%	Chan condi time netwo perfo signif Fram unde
Waste Water (T	Laterals	Uncertain	ŧ	\$691		Not Available	Not Available	Work when little o from respo contin
Waste Water (Total Assets \$5.1B)	Stations	Uncertain		\$151	Vacum Pumping Odour Control Lifting	2020 94% 0%8% 2020 55% 17% 8% 5% 6% 9% 2020 48% 30% 22% 22% 2020 98% 23 24 24	Not Available	Impro condi indivi basec comn relati appro area f
	Treatment Plants	Very Uncertain	1	\$515		2020 26% 5% 4% 5% 4% 55%	Not Available	In tot treatr been data. loade plant key fo
Water Supp	WSPipes	Reliable	1	\$2,178		2017 55% 17% 10% 6% 12% 03 2020 53% 19% 6% 8% 14% 1	2017 100% 2020 67% 13% 14%	Chan perfo impro over f
Water Supply (Total Assets \$2.9B)	Pumping and Storage	Uncertain	1	\$270		2020 45% 18% 5% 14% 10%	Not Available	There pump as pa the re the W thoug
	SWPipes	Reliable		\$1,823		2017 66% 16% 7% 4% 7% 2020 67% 13% 14% 39/4% 2020 Det 62% 9% 3% 18% 8%	Not Available	Chan condi time netwo for st provi Refor
Storm Water (Tota	Water Course Lining	Uncertain	1	\$116		Improvements in defining our water course liner assets require us to update our condition assessments in FY22. Previous condition assessments are now considered to be unreliable.	Not Available	Impro result the lo requi progr not re

ontext

nanging methodology (based on AAIF) appears to improve ondition of the network. However when adjusted for the me elapsed since inspection (2020 Det) condition of etwork is similar to if not worse than 2017. The addition of erformance data taken from the AAIF tool provides gnificant improvement. Implementation of Data Quality amework provides additional assurance by identifying nderlying issues with the data.

ork on laterals is reactive and they are typically replaced hen the main / submain is replaced. As a result there is tle condition data available. Council only own the laterals om the property boundary to the Council main and is sponsible for their maintenance and renewal. Works ontinues to improve this area.

provements since 2017 allow us to provide structure ondition assessments using replacement cost to weight dividual assessments. Condition assessments are age ased. Unknown condition assessments reflect missing ommission dates in core dataset. There are known issues lating to a backlog of stations not in system yet and lack of oppopriate station equipment capture. This is a key focus rea for us in FY21/FY22.

total approximately 55% of assets recorded under eatment plant do not have a start-up date so we have not een able to derive an age-based condition score from core ata. In early 2020 over 3000 treatment plant assets were aded into SAP. This is a big step forward for the treatment ant and will provide the basis for future improvements. A ey focus area for FY22

nanging methodology (based on AAIF) and addition of erformance data (from AAIF) provides significant nprovement. Implementation of a Data Quality Framework ver this data set provides additional assurance.

nere are some known issues with the water supply asset ump station register which are scheduled to be addressed part of the 3 Waters Reform Programme. At the time of e report there was a backlog of renewal data relating to e Water Supply Security Improvement Program (WHISP) ough this has since been rectified.

nanging methodology (based on AAIF) appears to improve ondition of the network. However when adjusted for the me elapsed since inspection (2020 Det) condition of etwork is worse than 2017. The lack of performance data r storm water pipes is the result of an unreliable data set rovided by the contractor. Likely to be picked up by Water eform Programme.

provements in defining our water course liner assets (as a sult of LDRP 98) will help us to better manage the assets in e long term. To get the best out of these improvements quires us to implement a condition assessment rogramme in FY22 because the previous assessments do ot relate to the newly defined assets.

Network	Asset Class	Data Reliability	Trend	Value \$m	Sub Cat	Condition	1 2 3 4 5 Unkn	Performance 2 3 4 5 Unkn	Conte
ıl Assets \$2.1B)	Treatment and Storage	Uncertain	1	\$51			ion data available for this asset group and currently no mal condition monitoring in place	Not Available	This as years (availal more o assess
	Open Waterways	Uncertain	1	\$7		Drainage 5% Ecology 15% Cultural 3% 15% Recreation 10% 16% Heritage 7% 11% Landscape 4% 16%	58% 33% 308 71% 13% 1% 21% 29% 32% 20% 20% 34% 15% 32% 34% 32% 29% 19%	Not Available	LDRP 4 the 24 LDRP9 condit to pro inform renew
	Carriage way	Reliable	_	\$1,678		2017 18% 2020 17%	22% 25% 21% 14% 24% 25% 23% 12%	Not Available	The ov steady
Transp	Kerb and Channel	Reliable	1	\$682		2020 42	% 9% 11% 5% 29% 6%	Not Available	Kerb a availal the co now b
Transport (Total Assets \$3.9B)	Footpaths	Uncertain		\$456			45% 25% 13% 1% 15% 1 46% 25% 13% 1% 15% 0	Not Available	Last co poor c of com
sets \$3.9B)	Bridges and Structures	Reliable	1	\$512	Traffic Bridges Foot Bridges Culverts Retaining Walls	2020 2020 2020 2017 13% 2020 24%	60% 29% 9% 77% 18% 5% 64% 33% 1% 56% 27% 5% 42% 22% 5% 6%	Not Available	Bridge acces: signifi Transı surpri condit
Parks (\$485M)	Park Improvements	Highly Reliable	ſ	\$340		2020 <mark>2%5% 13%</mark>	29% 15% 34%	Not Available	Asset o AMU Ir compa improv now w inspec assess condit types i
185M)	Park Trees	Highly Reliable	1	Not Valued		2020 2% 10%	6%0 <mark>% 14%</mark>	Not Available	88% o assess having
	Park Buildings	Uncertain	_	\$84		2020 <mark>%</mark> 5% 9%	13% 2% 69%	Not Available	Only 2 assess to be a
	Foreshore Assets	Highly Reliable		\$61		2020 %6% 19%	40% 11% 24%	Not Available	76% of with 93
	Equipment Captured in 2020	Uncertain	1	Not Applicable		2020 369	6 59 % 4%	Not Available	The ca condit needs equipr assess

ntext

s asset data set has grown considerably over the last 11 rs (116 to 960) however there is limited condition data ilable and no formal condition monitoring in place. A re detailed methodology is being developed to accurately ess the physical condition.

RP data is being used this round. However only 17% of 2449km of open waterways were assessed as part of RP98. These assessments did not use Councils standard dition assessment methodology. Further work required provide consistent repeatable condition assessments that orm renewals. Drainage values most closely aligned with ewals.

overall condition of the carriageway asset has remained ady since last reported in 2018.

b and Channel now assessed yearly. This data was not ilable in 2018. Previously no methodology for converting condition rating into an accurate 1-5 indicator. This has v been resolved.

t condition survey was in 2017 with 15% of footpaths in or condition. A key focus area for FY22 given the number complaints which have been rising.

Ige and Culvert data now available which was not essible in 2018. Retaining walls characterised by nificant increase in numbers (554 to 1611) as a result of a nsport data improvement initiative. Somewhat prisingly this caused no material change in overall dition of retaining wall portfolio.

et classification methodology changed as a result of J Improvement Projects meaning there is no directly nparable data. Parks have managed to significantly prove their knowledge of the condition of assets and are well positioned to sustain a programme of cyclic pections. 66% of assets in this category have a condition essments reflecting that nature of the group. i.e. dition assessment is not always justified for some asset es in this group

6 of assets in this category have a valid condition essment (compared to only 65% in 2018) with 86% ing a condition grade average or better. y 29% of assets in this category have a condition

essment with 81% of these being average or better. Likely be a focus in FY22 6 of assets in this category have a condition assessment

h 91% average or better.

e capture of nearly 22,000 individual assets and their dition is a big step forward for facilities. Focus now ds to be un developing a methodology to consolidate the ipment based condition assessments into condition essments for individual buildings.



Attachment 2 – 3 Waters Condition & Performance

1 Three Waters Valuation Review

As a result of the work carried out by the Asset Systems team and Finance team's review of the valuation of the network, an increase in value was reflected as a new total of \$5.1B (an increase of 42.1%). This shift in value is mainly attributed to the following reasons in order of impact to value:

- substantial increase in unit rates particularly for our reticulation network;
- significant increased capital investment in networks;
- general increase in construction costs;
- Data and systems improvements- found assets.

2 Waste Water

The objective of this activity is to provide wastewater collection, treatment and disposal that protects the public and the environment.

	Asset Category	Sub- Type	Quantity	Replacement Value (2020) \$M
Ŧ	Treatment Plants	Wastewater Treatment Plants	7	\$ 465.9
mer	Pumping Stations	Pump Stations	132	\$ 119.9
Treatment		Lift Stations	86	\$9.8
ంర		Vacuum Stations	3	\$12.3
tion		Odour Control Stations	22	\$9.3
Collection	Reticulation	Gravity	1,622.9km	\$ 2,950.6
		Pressure	253.0km	\$ 494.5
vate		Laterals	1002.1km	\$ 690.9
Wastewater		Other Pipes (Biogas, Vacuum etc.)		79.4
Wa		Accesses, Valves and non-pipe assets		\$ 275.4
		Total		\$5,108.0

The waste water network was recently revalued at \$5.1B (an increase of 42.1%).

2.1 Waste Water Pipes (Excluding Laterals) (\$3.45B /\$5.1B)

Wastewater pipes condition grades use the 1 to 5 scale condition assessment methodology which reflects the proportion of remaining useful life according to the table below:

Table 1: Remaining Life and Condition Grades

Grade	Condition	Percentage of Theoretical Useful Life Remaining
1	Excellent	≥ 50%
2	Good	≥ 25% and < 50%
3	Average	≥ 15% and < 25%
4	Poor	≥ 5% and < 15%
5	Very Poor	< 5%

2.1.1 Frequency and Method of Condition Inspections / Assessment

For gravity pipes CCTV inspection results are the primary source of condition data. All gravity pipelines are required to pass a CCTV inspection, carried out after completion of all construction works.

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As a general rule asset inspections depend on the consequences of failure and expected degradation rate of the pipe. High or very high consequence of failure pipes will be inspected two or more times during their life with the exact number and timing of inspections dependant on the consequence of failure and degradation grades. Medium consequence of failure pipes will be inspected once during their life with timing dependant on their degradation grade. Low and very low consequence of failure pipes do not receive proactive inspections being allowed to run to failure. The low or very low consequence of failure pipes receive reactive inspections following operational or maintenance issues.

Christchurch City Council currently has CCTV inspection records for 52% of its gravity pipes with the remaining 48% having an estimated condition grade based on installation year and theoretical useful lives.

All waste water pressure pipes are assessed based on installation year and theoretical useful lives. Lack of manholes to insert cameras prevents CCTV inspection of pressure pipes. Condition assessment from laboratory assessment as per our water supply pipes is under consideration for these pipes.

2.1.2 How Complete and Reliable Is the Condition Data? Highly Reliable

The recently deployed Data Quality Framework which assesses data for completeness, consistency, accuracy, validity and timeliness has this data set assessed at 97.5% making this a very reliable data set. The absence of a condition grade typically occurs when key attributes such as commission date, pipe material or diameter are not available.

Figure 1 below highlights the latest assessment of wastewater pipe condition utilising a 1 (Very Good) to 5 (Very Poor) scale. At first glance there appears to have been a significantly improved condition profile compared to the 2018 report. This is primarily due to changes to the condition grading process developed as part of the recently completed Asset Assessment Intervention Framework (AAIF) project (presented to Council in October 2020).

The graph also shows two values for 2020. One which shows the condition grades from CCTV inspections without taking in to consideration how much the pipe may have deteriorated in the time elapsed between when the inspection was carried out and the current year. While the other shows the condition grades deteriorated in accordance with a standard deterioration curve.

Notably most of our CCTV inspections were carried out post-earthquake in (2011-2013) and it is highly probable that the defects identified at that time have worsened.

Additional work is required to verify and validate the deterioration curves for different pipe types.

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Attachment 2 – 3 Waters Condition & Performance 2020

Figure 1 - Waste Water Pipe Condition Grades



2.1.3 Performance

The repairs, maintenance and operation (RMO) assessment provides a score of 1 – 5 based on the level of maintenance intervention required to keep each pipe operating. Maintenance interventions include flushing, root cutting and clearing blockages. Pipe dips and other recorded defects likely to cause blockage are also considered.

The RMO Framework uses the digital maintenance records from SAP and other systems to understand which assets have required operational interventions and the frequency of them as well as the CCTV results for root intrusion and dipped pipes. This information is used to identify pipes requiring high maintenance. These pipes can then be analysed further to determine if the maintenance issues can be remedied by either renewal or by technical services intervention (e.g. fat blockages).

Only about 2% of our waste water pipes are performing badly (RMO Grade 4 or 5). See Figure 2 Waste Water Repair Maintenance and Operations Grades.



Figure 2 Waste Water Repair Maintenance and Operations Grades

Attachment 2 – 3 Waters Condition & Performance 2020

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2.1.4 Changes since 2018

Key changes since the 2018 report include deployment of the AAIF assessment methodology to our production data and the implementation of a data quality framework for this information set. This framework specifically allows us to understand how much we can trust the asset information.

2.1.5 Future Improvements

Planned improvements over the next 2-3 years include deploying check sheets to improve the quality of information contained in our work orders ultimately enabling us to better identify the root cause of failures, the asset being worked on and the nature of any repairs i.e. was this a third party such as Enable damaging the pipe or that the pipe fell apart because of poor condition.

2.2 Public Waste Water Laterals (\$690.9m/\$5.1B)

A lateral is the wastewater or storm water pipe from an individual property to the Council main. The lateral is a continuous pipe which may cross from private to public land (such as a road or recreation reserve), and may serve more than one property.

In Christchurch property owners own and are responsible for the maintenance and renewal of laterals within their property boundary while Christchurch City Council own the laterals from the property boundary to the Council main and is responsible for their maintenance and renewal.

2.2.1 Frequency and Method of Condition Inspections / Assessment

While informal opportunistic assessments may occur this is rare. Hence little to no data is available.

2.2.2 How Complete and Reliable Is the Condition Data?

Uncertain

The completeness and reliability of the lateral data set is considered to be uncertain. The lack of an adequate change process and ownership issues means that there is a high likelihood that the data is incorrect.

2.2.3 Changes since 2018

There have been no material changes to the wastewater laterals data set since 2018. Importantly laterals were excluded from the scope of AAIF (Pipe Renewals tool see presentation Oct 2020).

2.2.4 Future Improvements

The only changes being considered at this time are improvements to the way lateral data is processed into Council systems.

2.3 Waste Water Stations (\$151.3m/ \$5.1B)

Waste water stations include Pump, Lifting, Vacuum and Odour Stations with assets broken down further into:

- civil and structures (including wells)
- mechanical
- electrical
- instrumentation, automation and control (IAC)

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Civil and structural assets are fewer in number, high in value and long lived compared to electrical and IAC assets.

2.3.1 Frequency and Method of Condition Inspections / Assessment

For the majority of waste water station assets condition assessment is age based, utilising theoretical asset lives and the date of installation to determine remaining life and condition grade. See Table 2 - Station Age Based Condition Grades.

Table 2 - Station Age Based Condition Grades

Grade	Condition	Percentage of Theoretical Useful Life Remaining
1	Excellent	≥ 50%
2	Good	≥ 25% and < 50%
3	Average	≥ 15% and < 25%
4	Poor	≥ 5% and < 15%
5	Very Poor	< 5%

These condition grades are then prioritised based on operations and maintenance feedback, whether the assets have become obsolete and the knowledge and experience of our engineers to identify a short list of renewal sites.

Due to the hierarchical nature of station assets, condition scores have been rolled up based on value. It is worth noting that station unit rates were not reviewed in detail as part of the revaluations process in 2020 and these assets are considered to be undervalued.

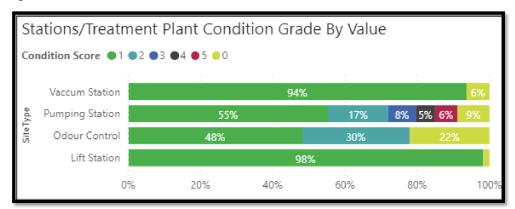


Figure 3 Waste Water Stations Condition Grades

2.3.2 How Complete and Reliable Is the Condition Data?

Uncertain

The waste water stations asset register is incomplete with not all appropriate station equipment captured. There is also a backlog of stations renewal data that needs to be loaded into our asset system. These two factors combined mean that the valuations data is likely to be significantly understated despite a full external valuation being completed in 2020. In an attempt to provide more clarity when weighting the condition assessments by value our engineers have applied an escalation factor in an effort to provide a more realistic view of replacement cost.

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In addition approximately 14% of waste water station assets do not have a start-up date. Assets without start-up dates automatically revert to Condition 5 (Very Poor). This does impact the renewals and investment approach taken for these assets.

2.3.3 Performance

Station assets have required a higher level of reactive repair and emergency works in recent years. Failures include motors, switchboards, instrument and control assets and more recently internal pipework and wet wells failures.

2.3.4 Changes since 2018

The main change that has occurred since the 2018 report has been the alignment of the condition grades with the percentages of theoretical useful life used across the reticulation portfolio. In addition condition grades have been aggregated based on value to provide a more balanced view of the overall condition of our stations assets.

2.3.5 Future Improvements

Recognising there is a need to apply different condition assessment methodologies to the different groups of assets there is still a need to:

• Define, document and implement a range of intervention strategies including: scope purpose and frequency of condition inspections for stations.

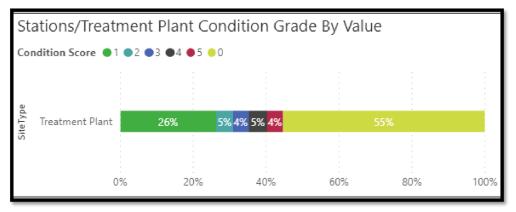
2.4 Treatment Plants (\$515m/\$5.1B)

Christchurch City Council owns and operates 8 treatment plants located in Christchurch city and Banks Peninsula. The largest is located in Bromley and services the entire Christchurch city area.

2.4.1 Frequency and Method of Condition Inspections / Assessment

There has been no systematic survey of assets at our treatment plants to derive a condition rating although some information can be gleaned from operations and maintenance records. Additionally, the majority (55%) of treatment assets do not have a start-up date so we have not been able to derive an age-based condition score - see Figure 4.





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2.4.2 How Complete and Reliable Is the Condition Data? Very Uncertain

In total approximately 56% of assets recorded under treatment plant do not have a start-up date. As a result the completeness and reliability of the treatment data set is considered to be very uncertain. The lack of an adequate change process means that there is a high likelihood that the data is incorrect.

2.4.3 Performance

There is little or no accessible performance data for our treatment plants.

2.4.4 Changes since 2018

In early 2020 over 3000 treatment plant assets were loaded into SAP (our enterprise asset management system). This is a big step forward for the treatment plant and will provide the basis for future improvements.

2.4.5 Future Improvements

Further resourcing is needed to fill data gaps, verify existing data and collect new data. The greatest need is to verify the asset inventory and add appropriate start up dates so that database analysis methods can be used.

3 Water Supply

Christchurch City Council builds, owns, operates and maintains water sources, networks and treatment plants to provide safe drinking (potable) water to the community.

The water supp	ly network was i	recently valued	d at \$2.9B (an	increase of 15.	1% since 2017).

Service	Asset Group	Sub Type	Quantity	Replacement Value (2020) \$M
	Water Treatment	Water Treatment Plants	6	\$ 10.6
	Pumping and Storage	Primary /Secondary (130) and Reservoirs (87)	217	\$ 270.3
	Pipework	Mains /Sub mains	3430.2km	\$2,177.6
		Laterals	219.6km	\$ 78.3
	Fittings	Valves	35,361	\$ 105.7
		Fire Hydrants	14,412	\$ 83.2
		Other (Water Meters, restrictors etc.)		\$ 147.7
		Total		\$ 2,873.4

3.1 Water Supply Pipes (\$2.3B /\$2.9B)

Like waste water pipes, water supply pipe condition grades use the 1 to 5 scale condition assessment methodology which reflects the proportion of remaining useful life –see Table 1: Remaining Life and Condition Grades

3.1.1 Frequency and method of Condition Inspections / Assessment

Sample collection followed by a laboratory condition assessment is currently the sole measured methodology for condition grading. As a result costs prohibit this assessment on all except very

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high consequence of failure mains. Selective laboratory assessment of pipe samples obtained during pipe repairs improve the understanding of theoretical lives of different pipe materials.

Figure 5 Water Supply Pipes Condition Grade



3.1.2 How Complete and Reliable Is the Condition Data?

Reliable

Our Data Quality Framework has the overall data set sitting at 88% making this a reliable data set. Overall less than 0.2% of our water supply pipe network lack a condition grade and this is reflected in a Data Quality Framework score of 99% for condition data.

3.1.3 Performance

The repairs, maintenance and operation (RMO) assessment provides a score of 1 – 5 based on estimating the amount of maintenance intervention required to keep each pipe operating. The RMO schema uses the digital maintenance records of which assets have required operational interventions and the frequency of them.

For water supply, maintenance counts include only those repairs where the pipe itself has failed and not a fitting on the pipe. Maintenance counts also do not include third party damage and its repair. RMO grades identify where a pipe is failing earlier than expected and therefore requires early renewal as well as where a pipe is surviving longer than expected and can have renewal deferred. About 6% of our water supply pipes are performing badly (RMO Grade 4) or have failed and are renewal candidates (RMO Grade 5).

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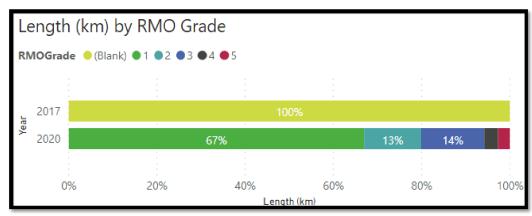


Figure 6 Water Supply Repairs Maintenance and Operations Grades

3.1.4 Changes since 2018

The recently completed Asset Assessment Intervention Framework (AAIF) project has had an impact on the condition scores for water supply pipes but this is not as significant as waste and storm water networks.

The primary change since the 2018 report is the application of a criticality framework which impacts when we choose to intervene based on tolerable risk.

3.1.5 Future Improvements

The RMO assessment relies heavily on the quality of failure data. Each maintenance job must identify the correct pipe and identify the component of the pipe that failed (a fitting, a seal or the pipe itself).

Improved data recording templates are being implemented to improve reliability over time.

3.2 Pumping and Storage (\$270.3m/\$2.9B)

Christchurch City Council own, operate and maintain 168 water supply pumping stations.

3.2.1 Frequency and Method of Condition Inspections / Assessment

At a portfolio level, the condition data held for water supply station assets is poor compared to reticulation assets. The high-level condition assessments rely on asset age as a proxy for condition.

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Stations/Treatment Plant Condition Grade By Value							
ition Score 🌒 1	●2 ●3 ●4 ●	5 0					
oumping Station		45%	185	6 8	8% 5%	14%	10%
	19/. 5	:	10%	60%	01		100%
	ition Score ●1	ition Score •1 •2 •3 •4	ition Score • 1 • 2 • 3 • 4 • 5 • 0 Pumping Station	ition Score • 1 • 2 • 3 • 4 • 5 • 0 Pumping Station 45% 185	ition Score • 1 • 2 • 3 • 4 • 5 • 0	ition Score • 1 • 2 • 3 • 4 • 5 • 0	ition Score 1 2 3 4 5 0 Pumping Station 45% 18% 8% 5% 14%

Figure 7 - Water Supply Pumping Condition Grade

3.2.2 How Complete and Reliable Is the Condition Data?

Uncertair

Similar to our waste water stations the water supply asset register is incomplete with not all station equipment attributes captured. There is also a backlog of renewal data relating to the Water Supply Security Improvement Program (WHISP) that needs to be loaded into the system. These two factors combined mean that the valuation data is highly likely to be understated despite a full external valuation being completed in 2020.

With approximately 28% of water supply station assets not having a start-up date, the backlog and the understated valuation data we have assessed the water supply data set as uncertain.

3.2.3 Performance

Customer impacts have included drinking water quality transgressions within reservoirs and suction tanks resulting in interruption to supply, boil water notices and temporary treatment with higher levels of chlorine.

3.2.4 Changes since 2018

The main change that has occurred since the 2018 assessment has been the alignment of the condition grades with the percentage of theoretical useful life used across the reticulation portfolio. In addition condition grades have been aggregated based on value to provide a more balanced view of the overall condition of our pump station assets.

3.2.5 Future Improvements

Like all our stations assets there is a need to define, document and implement a range of intervention strategies including: scope purpose and frequency of condition inspections.

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4 Storm Water and Watercourses

Our storm water and watercourse assets support the stormwater and flood protection needs of the Christchurch City and Banks Peninsula communities.

Service	Asset Group	Sub Type	Quantity	Replacement Value (2020) \$M
	B. G. adation	Pipes	935.3km	\$1,823.1
	Reticulation	Pipe Protection	2700	\$3.8
		SW Access	14,201	
		SW Inlet	2,890	
	Nodes	SW Outlet	509	\$87.4
		Junction	4,616	
		Other	3446	
Irse		Earth Channel	187.3km	\$7.0
Stormwater and Water Course	Drains	Lined Channel Earthworks	124.9km	\$6.9
Vatel		Lined Channel Bedding	89.4km	\$18.6
A pu		Lined Channel Lining	208.1km	\$97.1
iter a	Waterways Structures	Stop Banks	103	\$9.1
mwa		Weirs	247	\$1.4
Stor		Valves	28	\$0.2
		Other		\$0.7
	Pump stations	Pumping Stations	42	\$14.2
		Earthworks		\$40.5
	Storage /Treatment	Lining		\$10.6
		Instruments		\$0.3
	Hydrometric	Piezometers		\$0.6
		Other		\$0.2
			Total	\$2,121.5

4.1 Storm Water Pipes (\$1.8B/\$2.1B)

Storm water pipes use the 1 to 5 scale condition assessment methodology which reflects the proportion of remaining useful life according to Table 1: Remaining Life and Condition Grades.

4.1.1 Frequency and Method of Condition Inspections / Assessment

CCTV inspection results are the primary source of storm water reticulation condition data. Overall 36.88% of the network is surveyed using CCTV however this rises to 60.2% for mains (our high volume, large, deeper or otherwise more expensive pipes.

As a general rule assets will be inspected once during their life (when the asset reaches 85% of useful life unless the asset is highly critical or vulnerable, in that case the asset will be reinspected when the RUL (remaining useful life) is less than 10%. However, if the asset is not critical or vulnerable, it will not be inspected unless there are operational or maintenance issues associated with it.

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Pipes not assessed using CCTV have an estimated condition grade based on the installation year and a theoretical useful life which is determined using statistical analysis if sufficient data is available.

Like waste water the storm water reticulation graph shows two values for 2020. One mirroring the condition grades at the time of inspection and the other the expected deterioration in condition since the last inspection.

Figure 8 Storm water Pipe Condition Grades



4.1.2 How Complete and Reliable Is the Condition Data? Reliable

The recently deployed Data Quality Framework which assesses data for completeness, consistency, accuracy, validity and timeliness has this overall data set assessed at 88% with the SW Pipe Condition data set sitting at 98%.

Overall less than 0.26% of our storm water pipe network is lacking a condition grade.

4.1.3 Performance

Unlike our other pipes storm water pipes are not assessed using the repairs, maintenance and operation (RMO) to pinpoint poor preforming pipes. This is because of a poorly defined maintenance standard which has resulted in equipment ID's (assets) not being assigned to workorders (which enable us to track performance under the RMO Methodology) by the contractor.

4.1.4 Changes since 2018

Like our other pipe assets the recently completed Asset Assessment Intervention Framework (AAIF) project has had a significant impact on the condition scores for storm water pipe.

4.1.5 Future Improvements

A key improvement which could be made to this data is the ability to track individual pipe performance (RMO) data using work orders. This is likely to be incorporated in the 3 Waters Maintenance Contract (3WMC) renewal if it goes ahead.

4.2 Water Course Lining (\$115.7m/\$2.1B)

Waterway lining is generally installed to stabilise banks and prevent erosion/scour. The asset types in this group include:

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- Bank & bed lining (timber, concrete, rock etc.)
- Retaining Walls
- Bank Stabilisation

4.2.1 Frequency and Method of Condition Inspections / Assessment

Liner Assets were last inspected under the LDRP Open Waterway Condition Assessment project (LDRP98) in 2016.

4.2.2 How Complete and Reliable Is the Condition Data?

Uncertain

There is limited asset data available for retaining walls and bank stabilisation as specific assets. For liner assets the data we do have is of limited use as:

- There is no differentiation in the data set between public or private linings, where private linings are generally for aesthetic purposes and not waterway protection.
- There have been no updates to lining type, installation or condition for any capital or operational repairs since the LDRP98 data was collected (between 2014-2016).

4.2.3 Performance

There is no performance data routinely collected for liner assets.

4.2.4 Changes since 2018

The liner data set underwent a transformation in 2017 which saw water course liners loaded into SAP as an equipment type for the first time (up until then liners were only represented geospatially in our GIS environment). This enabled condition grades to be loaded against the specific asset and greatly improved our understanding of how we could use the data collected during LDRP98.

4.2.5 Future Improvements

In order to be able to make the liner condition data more reliable a number of improvements are required. These include:

- Determining ownership (private/CCC) of the liners and defining the circumstances under which ownership may change.
- Carry out a desktop review of the 2016 condition assessments to ensure known capital works /maintenance remediation are reflected in the condition grades.
- Confirm an appropriate methodology to assess asset condition and performance.

Council will also consider:

Implementation of a mobile in-field asset management solution that is integrated with SAP (e.g. Blueworx by Zag) and can update data in near real-time from the contractor in the field. This will have a significant positive impact by not only bringing data into our asset systems but also enable us to better monitor contractor performance.

4.3 Treatment and Storage (\$51.1m/\$2.1B)

Treatment and storage facilities include:

- Retention basins
- Ponds
- Detention basins
- Swales

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- Silt traps and
- Rain gardens.

4.3.1 Frequency and Method of Condition Inspections / Assessment

There is limited condition data available for this asset group and currently no formal condition monitoring in place. Inspections and maintenance is being undertaken to remove vegetation and debris from basin inlets and outlets.

The condition of infiltration media and impermeable lining has been inferred (using a model) for basins using age, base life from the 2020 valuation (20 years) and an assumed linear deterioration with time.

4.3.2 How Complete and Reliable Is the Condition Data?

Uncertain

The basic underlying data and characteristics are substantially complete although work is still required to refine asset definition. Nevertheless the lack of condition data and updates has seen us downgrade the overall classification to uncertain.

4.3.3 Performance

There is no performance data routinely collected for storm water storage and treatment assets.

4.3.4 Changes since 2018

This particular data set has grown considerably over the last 11 years with the number of recorded basins increasing from 116 (42 of which were in-service) in 2009 to 960 (811 of which are in service) in 2020.

4.3.5 Future Improvements

A more detailed methodology needs to be developed to accurately assess the physical condition and performance of treatment and storage facilities. This will consider factors such as the percentage of volume lost due to sedimentation build-up and achieving target infiltration and treatment rates.

A project is also underway to reclassify storage and treatment assets, align them with the treatment stages and group them into systems to enable us to better manage the assets as a Sustainable Drainage System (SuDS).

4.4 Open Water Courses

The Land Drainage Recovery Programme [LDRP] was initiated by Christchurch City Council in 2012. One of the Programme's main goals was to identify the effects of the Canterbury earthquakes on the land drainage network of Christchurch including open courses. The programme involved a series of 14 surveys over a 2 year period.

4.4.1 Frequency and Method of Condition Inspections / Assessment

The last condition inspection of our water courses took place as part of LDRP98 which began in February 2016 with the final report delivered in November 2016.

The data collection for the LDRP focused on a high level visual assessment of the six values CCC recognise for waterways:

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- 1. Cultural
- 2. Drainage
- 3. Ecology
- 4. Heritage
- 5. Landscape
- 6. Recreation

The condition grading scale used for non-drainage values is replicated in Appendix 3

Based on data held in GIS exported in October 2017¹, the total length (included piped sections) of classified open waterways was 2,449km and the total length of unclassified waterways is 310km.

The total length of classified open waterways physically inspected through LDRP 98 to assign a drainage condition grade was approximately 415km.

4.4.1.1 Condition Grades - Drainage Value

Grading asset condition based on drainage capability was one of the key aspects of the LDRP data collection. The grading gives the Council a baseline of the current performance of the network and identifies where key areas of hydraulic constriction and performance issues exist.

Asset performance was visually assessed through three components; average asset condition [channels and structures], peak [worst] asset condition [channels only -referring to the poorest 5–10 m stretch of any reach], and fault severity/recommended response time.

Grade	Description	Interpretation
1	Very Good	Assets with mainly cosmetic defects that will have no effect on
		performance. New or near new condition. No action required.
2	Good	Assets with minor defects that will have no will have no effect on
		performance. Monitor to see if anything changes.
3	Average	Assets with defects that could affect performance. Asset is still
		functional but needs some attention. Repair or monitor depending on
		severity of defects.
4	Poor	Assets with defects that reduce performance. Asset is performing below
		intended level of service. Repair or specialist assessment is required.
5	Very Poor	Assets with defects resulting in complete performance failure. Asset
		needs urgent repairs or replacement to uphold level of service.

Table 3 Watercourse Drainage Value Condition Grades

4.4.2 How Complete and Reliable Is the Condition Data?

Uncertain

Despite all efforts to ensure consistency the data collected through the various surveys varied greatly. At the time these inconsistencies made amalgamating the final datasets challenging. These inconsistencies have also created difficulties incorporating the data in core Council systems limiting its usefulness.

Attachment B

Item 1.

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¹ 2018 Land Drainage AMP - Watercourse Classification Data 20171017 TRIM://18/662558

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Keeping the data live and up to date has also been a challenge with the data collected essentially representing a snapshot of the condition of assets at the time of survey.

Unfortunately changes arising from capital and maintenance works that have been carried out haven't been fully captured.

4.4.3 Performance

As can be seen from above the condition assessments performed to date are more closely aligned to performance than condition assessment. True condition assessment is typically aligned to renewals rather than performance related defects e.g. a new water course blocked by a wall of discarded tyres might be classified as Condition grade 5 above. However if we send a maintenance contractor out to remove the tyres the condition could conceivably revert to a Grade 1.

4.4.4 Changes since 2018

The volume and quality of data has improved significantly since the last review and this was reflected in the recent Asset Management Maturity Assessment 2020 which saw a 10 percentage point lift in asset register data and a 25 percentage points lift in asset condition and performance data across the storm water and watercourse's portfolio.

4.4.5 Future Improvements

In order to be able to make the liner condition data more reliable a number of improvements are required. These include:

- Confirm an appropriate methodology to assess asset condition and performance.
- Determine the extent of condition assessment for open waterways and whether condition assessments are required/advisable for natural water course assets.

Consideration should also be given to:

• Resurveying the data which is now 5 years old using modern methods e.g. Drone assessment (modern drones can capture Lidar, infrared, still and video footage).



Attachment 3 - Transport Condition & Performance

Asset Category	Quantity	Quantity	Replacement Cost (m)
Carriageways	Sealed (dTIMS modelled/Total)	2,081/2178 km	\$1,677.7
	Unsealed	323.7 km	
Road Drainage	Kerb & channel	3,451 km	\$681.7
	Sumps & associated pipes	34,195	-
Footpaths		2,581.7km	\$456.1
Bridges &	Roads bridges	246	\$511.6
Structures	Foot bridges	54	_
	Culverts	98	
	Retaining walls	1,611	_
	Guardrails	217	-
	Railings	2721	
	Gantries	50	
Road Lighting	Lights	38,145	\$110.0
	Poles.	20,327	
Traffic Systems	signalised intersections	348	\$50.3
	CCTV sites & X school speed zone sites	247	
Traffic Services	Signs & city wide marking.	55,979	\$40.2
Road	Trees	65,720	\$363.2
Landscaping	Berms and landscaped sites	9592	-
Cycleway	On-road lanes	294.1 km	Valued as part
	Shared paths	172.8 km	of carriageway
Bus	Bus shelters, signs and furniture.	519	\$2.5
Tram	Tram line	4km	\$32.8
Parking	On street metered spaces	1,200	\$9.7
	Parking meters.	437	_
Total			\$3,935.8

1.1 Carriageway (\$1.68B/\$3.94B)

Carriageways are built to provide for the effective and efficient movement of vehicles and people. Carriageways need to have a suitable all weather surface that is appropriate to its location, function and have a structure suitable for legal traffic loading requirements.

Council is responsible for managing Christchurch's local road network, which includes 2,179 kilometres of sealed roads and 324 kilometres of unsealed roads. Carriageways in the city and peninsula vary from very old, lightly constructed carriageways, to more recent examples where pavement designs take account of present and future loadings from traffic.

Attachment 3 – Transport Asset Condition & Performance 2020



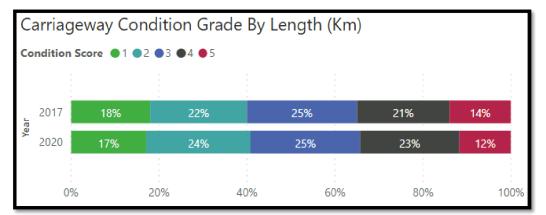
1.1.1 Frequency and method of Condition inspections / assessment

The condition of the carriageway is rated on an annual basis, with physical faults recorded over a fixed statistically representative portion of the carriageway. Capturing a snapshot of condition is complex because of the constant wearing of carriageway surfaces.

The current condition of carriageways is assessed by a range of measures in conjunction with the RAMM system. These measures are categorised in two ways:

- Surface condition Skid resistance, scabbing, potholes, linear cracking, edge break, and drainage factors.
- Structural condition Roughness, deflection, pavement depth, sub-grade type and strength, rutting & shoving and alligator cracking.

Figure 1 Carriageway Condition Grades



1.1.2 How Complete and Reliable Is the Condition Data

Reliable

Road condition prediction is an area of growing importance and plays a significant role in achieving asset management goals. Condition forecasting methods have much value as they provide an overall view of the asset conditions into the future, allowing for road asset valuations and determination of remaining service lives.

The condition data in this report is based on our dTIMS (deterioration modelling tool) and is classified as a reliable condition data set.

1.1.3 Performance

Performance of our carriageway asset is measured by the annual resident satisfaction survey. Prior to the earthquakes 63% of respondents were ssatisfied with the condition of Christchurch roads. Since the earthquakes satisfaction has hovered between 20%-40% and currently sits at 27%.

1.1.4 Changes since the 2018 Assessment

There has been little change in the overall condition of the carriageway data set since we last reported in 2018.

Attachment 3 – Transport Asset Condition & Performance 2020

Page 2/6



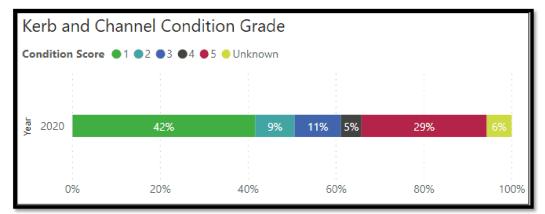
1.2 Kerb and Channel \$(681m/\$3.9B)

Council is responsible for 3,451 kilometres of kerb and channel and 34,195 sumps and associated pipes. The purpose of drainage infrastructure is to provide sufficient carrying capacity for normal (i.e. 5 year recurrence interval) surface storm-water runoff from the carriageway, footpaths, berms, adjacent properties to an outfall point and to delineate the road edge for road users.

1.2.1 Frequency and method of Condition inspections / assessment

The condition of the total length of both kerb and channels and rural surface water channels assets are assessed on a yearly basis during the RAMM condition survey, with the number and length of faults being recorded.





1.2.2 How Complete and Reliable Is the Condition Data

Reliable

This data sets is classified as reliable.

1.2.3 Performance

The current design philosophy allows for a 5 year return period rainfall event for stormwater design, meaning that any storm with rainfall intensities expected during a normal 5 year interval should create no more than minimal ponding into the road shoulders, and should not create any traffic safety issues.

As far as we are aware there is no data supporting whether or not the assets are performing to this level.

1.2.4 Changes since the 2018 Assessment

At the time of the 2017 report there was no methodology for converting the visual condition rating into an accurate 1-5 condition indicator. This has now been resolved with the data residing in RAMM - our road asset management software.

1.2.5 Future Improvements

There are currently no specific improvements planned for the Kerb and Channel data set.

Attachment 3 – Transport Asset Condition & Performance 2020

Attachment C Item 1



1.3 Footpaths (\$456m/\$3.93b)

Council is responsible for managing 2,582 kilometres of footpath. Footpath assets include the sealed network providing pedestrian access to residential properties, industrial, commercial and recreational areas, and alongside state highways where applicable. The main physical parameters are width, alignment and material.

The width of footpaths is highly variable across the city, generally they are 1.65m wide in industrial areas, 1.8m wide in residential areas and 3.0m wide in the city centre and other urban areas.

A footpath is made up of its construction layers and a surfacing material. The standard footpath construction includes a 75 mm thick layer of metal course, which is increased at vehicle entrances

1.3.1 Frequency and method of Condition inspections / assessment

The last condition survey of the network was undertaken in 2017. Given the quantity of completed renewals and the change in condition it provides only a quick guide on where sections of path may be requiring attention.

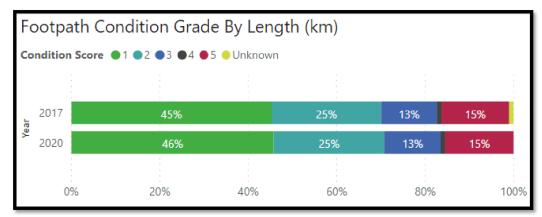


Figure 3 Footpath Condition Grades

1.3.2 How Complete and Reliable Is the Condition Data

Uncertain

Given the quantity of renewals completed since 2017 and the change in conditions this data set is considered to be of uncertain reliability.

1.3.3 Performance

Resident satisfaction with the condition of footpaths has been low since the Canterbury earthquakes in 2010 and 2011. Since then it has fluctuated between 34 and 51%, and is currently sitting at 40% based on the 2020 survey results.

1.3.4 Changes since the 2018 Assessment

No material changes have been observed in this data set since the last assessment

Attachment 3 – Transport Asset Condition & Performance 2020

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Attachment C Item 11

1.3.5 Future Improvements

Council intends to update the condition survey carried out in 2017 by conducting a partial survey of our footpaths (approximately 20% of the network /year).

1.4 Bridges and Structures (\$512m/\$3.93b)

Council is responsible for managing 246 bridges, 98 culverts and 1,611 retaining walls, 217 guardrails, 2721 railings and 50 gantries. The oldest road structure on record is a 156 year old masonry culvert. A significant programme of bridge renewals has been completed over recent years. This work has focussed on replacing timber bridges with concrete structures.

Data for transport bridges and structures owned by the Council are currently held in the RAMM database. This data is supplemented with some bridge data held in WSP's OBIS database.

1.4.1 Frequency and method of Condition inspections / assessment

Prior to the earthquakes, full structural inspections of all bridges are undertaken on a six-year cycle, but are now carried out in one-year, two-year, three-year and six-year cycles, depending on their age, material type and condition. These inspections are carried out generally in accordance with the NZTA guidelines (NZTA Bridges, geotechnical structures and other significant highway structures inspection policy (NZTA S6:2019) taking into account user safety, structural integrity, defects and appearance.

A three-year inspection programme to inspect all retaining walls that Council is responsible for has recently been completed. The inspections record data including approximate age, wall material, structural type, dimensions, condition and defects. Ongoing inspections are generally in accordance with NZTA S6:2019.

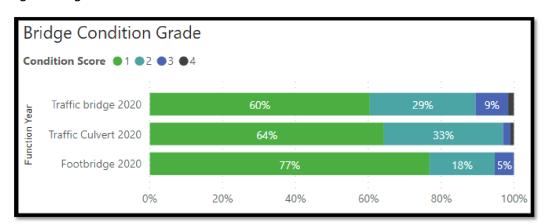
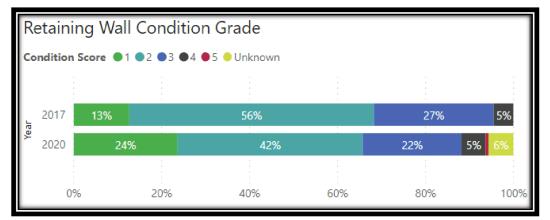


Figure 4 Bridges Condition Assessment

Attachment 3 – Transport Asset Condition & Performance 2020

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Figure 5 Retaining Wall Condition Grades



1.4.2 How Complete and Reliable Is the Condition Data

The data held against our bridge and retaining wall assets has been assessed as reliable.

1.4.3 Changes since the 2018 Assessment

The main changes since the 2018 assessment have been the completion of a three year inspection programme for retaining walls which has seen a large increase in the number of wall recorded in the database (Increasing from 554 to 1611)

1.4.4 Future Improvements

The current bridge count is subject to ongoing dialogue with other Council Units (namely Parks) in relation to ownership and consequent asset management responsibility. A rigorous set of rules for determining ownership has been created by Transport, and this needs to be agreed and signed off by the respective stakeholders.

Guardrails were inspected in the summer of 2019/20 and the findings have been incorporated into an ongoing maintenance and renewals programme.

Gantries will be inspected in the second half of FY21, in accordance with NZTA S6:2019. The older style gantries were structural reviewed on a desktop basis in 2018.

Attachment 3 – Transport Asset Condition & Performance 2020

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Attachment 4 – Parks Condition & Performance

1 Parks

Parks has an extensive inventory of diverse assets spread across the city and Banks Peninsula. With over 1251 parks, cemeteries and reserve land holdings containing nearly 110,000 individual assets it is vital that the Unit maintain an accurate assets register and information on assets, in order to efficiently plan and operationally maintain its asset portfolio.

Activity Type	# of Assets	Assets with Rating	Assets w/o Rating	% Average or Better
FSH - Assets	209	159	50	91% 🏴
PRK - Buildings	604	176	428	81% 🏴
PRK - Improvements	57,286	37,529	19,757	88% 🏴
PRK - Trees	51,432	45,154	6,278	86% 🏴
Total	109,531	83,018	26,513	87 %

1.1.1 Frequency and method of Condition inspections / assessment

Parks currently operates a range of condition assessment programmes at varying frequencies ranging from annually to 8 yearly depending on the asset type. Condition information is stored in SAP as a "measurement point" against each individual asset. Where condition scores are available these have been used to inform the renewal model for Parks.

The condition assessment programme is coordinated by the Parks Asset Planning & Management Team. Assessments of targeted assets are done either through a competent external/internal technical specialist, service provider or internal Parks staff. In general, a visual assessment is carried out to assess condition using the criteria in Table 1 below.

Table 1: Parks Condition Measurement Grading

Grade	Measurement description	Remaining Service Potential
0	Unassessed – Assets can be unassessed because it is not economically justifiable to assess them or the asset has not yet been assessed	
1	Very Good Condition - (No work required) Asset in sound physical condition designed to meet current standard	85-100%
2	Good Condition- (Only minor work required (if any)) Acceptable physical condition but not designed to current standards or showing signs of wear. Wear has minimal impact on assets performance.	65-85%
3	Moderate Condition - (Work required but asset still serviceable) Functionally sound but showing some wear with minor failures and some deterioration in performance. Minor components or isolated sections need repair or replacement.	30-65%
4	Poor Condition - (Substantial work required in short term, asset barely serviceable) Asset functioning but requiring a high level of maintenance to remain operational. Likely to cause a marked deterioration in performance in short term.	10-30%
5	Very Poor Condition - (Major work or replacement required now) Unserviceable/Unsafe with failure imminent. Asset life effectively exceeded and excessive maintenance cost incurred. Major work or replacement required urgently.	0-10%

Condition reporting is done on an individual equipment level in SAP for targeted asset types and on an overall level for buildings. Depending on their nature, a condition assessment is not always justified for some asset types e.g. plaques, shared boundary fences, amenity and informal turf, natural areas. It is recommended that a pragmatic approach is followed to allocate sufficient resources and funding to improve and sustain a well-managed programme of condition assessment data to provide base data for Capital asset renewal planning.

Figure 1 below presents an overview of the current status of our asset condition assessments at a high level. More detailed reporting from Power BI is available in the Appendices



Figure 1 - Parks Condition Assessments

Attachment 4 – Parks Asset Condition & Performance 2020

1.1.2 How Complete and Reliable Is the Condition Data

Asset data is held in SAP and various other stand-alone applications such as spreadsheets and databases. A variety of information such as plans, specifications and reports are held in hard copy documents in Trim. The table below summarises the asset information available for Parks and Foreshore both in terms of completeness and reliability.

Table 2: Asset data confidence for Pa	arks & Foreshore assets
---------------------------------------	-------------------------

Asset Category	Material / Size/type	Asset Age	Asset Condition
Buildings	95% / Reliable	80% / Uncertain	5% / Highly Reliable
Structures	95% / Reliable	90% / Unknown	60% / Highly Reliable
Furniture	95% / Reliable	90% / Unknown	80% / Highly Reliable
Hard surfaces	95% / Reliable	90% / Unknown	95% / Highly Reliable
Green assets	90% / Reliable	90% / Unknown	70% / Highly Reliable
Play & Recreation facilities	95% / Reliable	90% / Unknown	95% / Highly Reliable
Sports facilities	95% / Reliable	90% / Unknown	95% / Highly Reliable
Water and Waste Water	95% / Highly Reliable	90% / Unknown	20% / Highly Reliable
Marine structures	90% / Highly Reliable	90% / Unknown	90% / Highly Reliable

1.1.3 Performance

There is no performance data currently analysed for Parks.

1.1.4 Changes since the 2018 Assessment

Over time Parks have managed to significantly improve their knowledge of the condition of assets and are now well positioned to sustain a programme of cyclic inspections.

The volume and quality of data has improved since the last review and this was reflected in the recent Asset Management Maturity Assessment 2020 which saw a 10 percentage point lift in asset register data and a 5 percentage points lift in asset condition and performance data across the portfolio.

1.1.5 Future Improvements

One of the main focusses for Parks is to extend the condition rating of assets programme to cover all buildings as very little condition data currently exists for these.

In order to be able to make the condition data more reliable a number of improvements are required. These include:

- close the gap in condition rating of parks managed buildings
- extend the condition rating of assets programme to cover public artworks, monuments and objects assets
- confirm an appropriate methodology to assess asset performance

Attachment 4 – Parks Asset Condition & Performance 2020

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Attachment 5 – Facilities

Council's facilities team is responsible for managing a diverse range of building including:

- commercial / corporate buildings;
- social housing units;
- community facilities buildings (predominantly halls);
- library and volunteer library buildings;
- Art gallery buildings;
- Heritage buildings; and
- A variety of non-operational buildings.

Changes since the 2018 Assessment 1.1

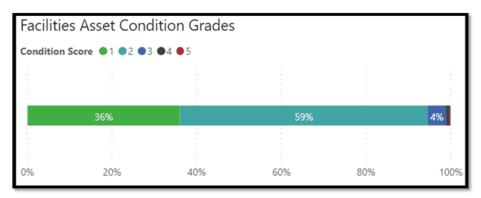
Until this year our understanding of the condition of our facilities has been rudimentary with little or no cyclic conditions inspections being undertaken.

In September 2018 Council completed its Facilities Better Business management (FBBM) project. The purpose of this project was to amend the asset information structures contained in SAP (the Councils Asset Register) to enable us to robustly and accurately capture building information. FBBM was quickly followed by the IDS facilities Project. This project built on the FBBM project defining what assets and attribute (metadata) information needed to be captured under what information structures for our facilities. A key benefit of this project was how closely it aligned us with the NZ metadata standards effectively future proofing the solution. However the most notably benefit is the ability to capture costs at the lowest practical level via work-orders. A proven approach in parks for optimising maintenance and renewal spend.

Frequency and method of Condition inspections / assessment 1.2

In early 2020 working with City Care Limited (CCL) Christchurch City Council completed the capture of condition information on nearly 22,000 individual assets relating to 475 sites (both Parks and Facilities buildings).





Attachment 5 – Facilities Asset Condition & Performance 2020

Attachment E

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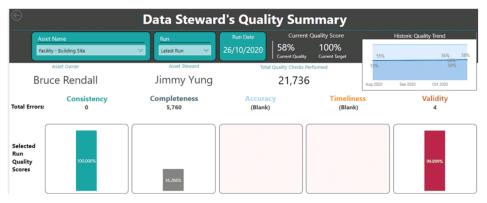
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1.2.1 How Complete and Reliable Is the Condition Data Uncertain

A data quality framework (DQF) which assesses data for completeness, consistency, accuracy, validity and timeliness was deployed for facilities in September 2020. The results varied by profit centre (e.g. Community Facilities, Art gallery, Social Housing) fluctuating between 41% - 58% making this an uncertain data set –

Figure 2 Facilities Building Site Data Quality Framework Results



1.3 Performance

In terms of performance the majority of our facilities undergo a building warrant of fitness yearly. A building warrant of fitness (BWoF) confirms the specified systems in the compliance schedule for our buildings have been maintained and are performing as expected for the previous 12 months.

1.4 Future Improvements

In December 2020 it is our intention to release a Council as Built Template (CAT) and accompanying data dictionary (Survey as Built Guideline or SAG). For the first time, these documents will enable us to clearly articulate Council's expectations surrounding the quantity and quality of data required for all our buildings closing one of our biggest data related gaps.

This work also coincides with our newly developed ability to incorporate structured data dictionaries into any BIM models for our larger buildings saving both money and time for contractors, Project Managers and Council.

Further developments to close the gap include:

- Completion of the remaining condition assessments using the Fulcrum solution developed earlier this year (social housing is underway).
- Development of methodology to aggregate condition assessments providing an overall condition assessment for a facility.
- Implementation of a mobile in-field asset management solution that is integrated with SAP (e.g. Blueworx by Zag) and can update data in near real-time. A proof of concept is currently underway in 3 waters and parks covering work order management and auditing.

Attachment 5 – Facilities Asset Condition & Performance 2020

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12. Asset Management Improvement Programme 6 monthly report

Reference / Te Tohutoro:	21/272520
Report of / Te Pou	Piers Lehmann, Head of Asset Management,
Matua:	piers.lehmann@ccc.govt.nz
General Manager /	Mary Richardson, Assistant Chief Executive, Strategic Policy &
Pouwhakarae:	Performance, mary.richardson@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is to inform the Finance and Performance Committee about the Asset Management Improvement Programme activity.
- 1.2 Council has requested that reports are provided to the Finance and Performance Committee on a six monthly basis.
- 1.3 This report covers asset management improvement projects and initiatives completed from July to December 2020.
- 1.4 Previous achievements are outlined in updates provided in October 2018, May 2019, January 2020 and September 2020.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Asset Management Improvement Programme Six Monthly Update Report

3. Asset Management Improvement Programme July - December 2020

Key Points

- 3.1 The FY2020/21 Asset Management Improvement Programme was developed in collaboration with the business units accountable for managing assets. It was endorsed by the Asset Management Governance Board (AMGB) on 16 July 2020.
- 3.2 The FY2020/21 Asset Management Improvement Programme is comprised of 13 Asset Management (AM) led projects of which three are completed. The programme also includes a range of AM initiatives and Business led projects. **(Attachment A)**.
- 3.3 The bi-annual Asset Management Maturity Assessment established the average asset management maturity score increased by 5 points.
- 3.4 The International Infrastructure Management Manual (IIMM) chose to include three case studies from Christchurch City Council asset management practice.

Project and Initiative Outcomes

- 3.5 During the period under review the following projects and initiatives were completed and outcomes achieved:
 - 3.5.1 Asset Management Planning Project (Completed)

The Asset Management Planning Project created and supported the 2021 AMP development process. Over 18 months, draft AMPs were developed by the teams managing asset owning teams and endorsed by 'Heads of' managing assets. This ensured the draft AMPs were of a consistent quality, alignment and completion.



As a result of the project:

- AMPs' content quality and completeness were increased to an accepted level for public consumption, including financial information
- In conjunction with the Communications Team, created a standardised, and community facing, Management Summary for each AMP
- Achieved complete drafts through a high level of collaboration with shared services e.g. Risk & Audit, Finance.
- 14 AMPs were delivered within the timeframes.

3.5.2 Strategic Asset Management Plan (SAMP) Project (Completed)

The SAMP project ran in parallel with the Asset Management Planning project and the final document was a result of collaboration with the teams responsible for assets through workshops, as the relevant sections were developed with input from the AMP authors.

The SAMP is an internal facing Council document which:

- Sets out the organisation's asset management objectives, alignment to Council's strategic priorities and the role of the asset management system in meeting these objectives.
- Documents the Council-wide approach for developing AMPs and is intended to provide the 'front-end' corporate information to minimise duplication across all AMPs.
- Is aligned with the ISO standard for Asset Management and the International Infrastructure Management Manual (IIMM).
- Was approved by ELT in October 2020.

3.5.3 Asset Management Maturity Assessment Project (Completed)

The 2020 Asset Management Maturity Assessment report was delivered to the Audit and Risk Committee on 2nd December 2020. The report confirmed Council is now operating at an intermediate/advanced asset management level. **(Attachment B)**

Since the last maturity assessment in 2018, improvements relating to asset information and analysis, alignment of strategic priorities with asset management planning and understanding of long-term renewal investment requirements were noted.

The average asset management maturity score increased by 5 points and the overall gap between current and target practice reduced by 10 points (the gap reduction was higher than the score increase because 'appropriate practice' was revised down in some areas). This reduction was in line with wider local government practice.

Council is in a much better position to provide evidence to support decisions around funding constraints and associated level of service and risk choices. The value of the renewals planning tool for reticulation assets in the LTP process was further confirmed by the recently completed external audit of the tool commissioned by the Risk and Audit team.



The improvement programme focus to date has been on the highest value council asset areas of road pavement and waters reticulation. There are opportunities in parks and facilities to build that evidence base and to reduce asset management risks.

AMMA recommended that future focus include:

- Extend the Data Quality Framework and Reporting
- Improve Asset Financial Information
- Implement Quality Management practice
- Establish Asset Management KPI's
- Review priorities and funding and update Activity and Corporate Improvement Plans
- 3.5.4 Future State of BAU Asset Management Initiative (Completed)

Work on Future State of BAU Asset Management at Christchurch City Council was presented as a whitepaper to the Audit and Risk Management Committee (December 2020). This has provided a framework for discussion on the role of Asset Management at Council. The four asset management priorities the report identified will provide the framework for future programme development. The four asset management priorities are to:

- Build trust in information
- Create asset insights
- Bridge technology and the business
- Increase asset management capability.

Focussing on these priorities will enable Council to achieve five key asset management outcomes so in the future there is:

- 1. Effective governance and visibility of asset management throughout Council
- 2. A single source of truth for appropriate, timely, and accurate information about our assets
- 3. A 'whole of asset life' approach for each asset class
- 4. Centralised enterprise wide asset management leadership at Council
- 5. Ongoing development of competent and motivated people.

4. Current Focus for the Programme

- 4.1 We continue to progress projects and initiatives to improve the asset management maturity of the Council in collaboration with Transport, Three Waters, Resource Recovery, Parks, Facilities, and IT units.
 - 4.1.1 Building Trust in Information

By growing capability to deliver evidenced based programmes of work within the LTP.

• AAIF - Asset Assessment Intervention Framework project (aka the reticulation assets renewals planning tool) is on track for completion by April 2021. An independent external audit of the renewals' planning tool has confirmed that it provides an appropriate basis for the 10 and 30 year renewals programme.



- Quality Assurance of Asset Management Plans prior to LTP consultation document release deadlines.
- Asset Information Improvements to support Three Waters to prepare for the new maintenance contract and the upcoming Water Reform.
- 4.1.2 Increase asset management capability.

Governance and delivery oversight of organisation-wide asset management improvement programmes.

• Transport, Three Waters, Resource Recovery, Facilities, Parks, IT.

Provide advice to the business on Building Information Management (BIM) when required.

- 4.1.3 Create asset insights
 - Ongoing implementation of the Data Quality Framework and reporting.
- 4.1.4 Bridge technology and the business
 - Blueworx (auditing capability for 3 Waters and Parks).
 - Implementation of the Process Quality Framework for top 10 critical processes.
 - Engaging with National Forward Works Viewer stakeholders and negotiating with government agencies on usage and support of the system with a view to transferring it away from Council custodianship.

5. Challenges

- 5.1 We are working with the business units to ensure work is programmed and executed at a pace that is appropriate for the impacted business unit.
- 5.2 Competing priorities and the business and IT resource constraints impact on the definition of the 21/22 asset management improvement programme.
- 5.3 Three Waters' reform issues.

6. Next Steps

- 6.1 Reset the asset management governance and reporting structure to align with the new organisation structure and changes to reporting lines.
- 6.2 Identify the asset management risks and impacts created by the Three Waters reform process for remaining Council assets.
- 6.3 Define the three year Asset Management Improvement Programme for FY21/22 onwards and align with IT programme.
- 6.4 Engage with Ngai Tahu on asset management opportunities that have cultural significance.

7. Conclusion

- 7.1 Delivering the asset management outcomes Council seeks:
 - 1. Effective governance and visibility of asset management throughout Council
 - 2. A single source of truth for appropriate, timely, and accurate information about our assets
 - 3. A 'whole of asset life' approach for each asset class

- 4. Centralised enterprise wide asset management leadership at Council
- 5. Ongoing development of competent and motivated people.
- 7.2 By continuing to invest in enhancing asset management practices Council will:
 - Effect improvements to cost-efficiency realisation,
 - Result in more transparent decision-making, and
 - Be more sustainable by having long term plans that provide equitably funded services across the generations.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>J</u>	Asset Management Programme Roadmap FY 20-21 March 2021 Update	152
В <u>Л</u>	Asset Management Maturity Assessment - Graph of 2020 Assessment Results	154

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

Authors	Wendy Walker - Programme Manager
	Gertrud Annevelink - Programme Coordinator / Analyst
	Michelle Saban - Programme Manager
Approved By	Piers Lehmann - Head of Asset Management
	Mary Richardson - General Manager Citizens & Community

Asset Management Improvement Programme Roadmap 2020/21

	3/03/2021			2020/21											
			CPMS		Quarter 1			Quarter 2			Quarter 3			Quarter 4	
	AMU Projects (#) and Initiatives (not numbered)	PM / Lead	Status	July	Aug	Sept	Oct	Nov	Dec		Jan Feb	Mar	April	May	June
mme	1. 3W Financial Data Framework	Eric						Initia	ate					Plan & Design	
gra	2. AAIF - Asset Assessment Intervention Framework	Irmana	1					Execute					Close		
3 Waters Improvement Programme	AMU 3 Waters Reform Support Programme 3. JOINT Parks/3W: Blueworx Contact Auditing	Chaley				Initiate			Plan	& Des	ign		Execute		Close
me	4. Asset Information Improvements	Chaley				initiate						ncept Ini	tiate	Execute	
076	5. Contract Reporting	ТВС													Concept
s Impi	6. CCTV Solution & Storage	Steve						Execute/Close	_				Close		
ater	Local Pressure Sewer Systems (LPSS)	3W									Plan & Des	ign		Execute	
<u>3 Wa</u>	Centralized Info System for planned storm water basins	Elaine/Steve									Completed				V
	1. Traffic Signals Maintenance Contract	Eric						Execute	-			Close			
a 1	NZTA Audit Preparation	Eric									Audit Preparation	AUDIT			
Transport Improvement Programme	TIP - Transport Improvement Programme 2020/22	Eric			Execute -	Latest roadmap	can be found at h	:tp://intranet.ccc.	govt.nz/Teams	s/CitySe	ervices/Transport/CSTRPla	nDel/TAM/SitePag	es/Improvemen	t%20Programme.a	ър То 2023
gran	Alignment with GPS 2021	Eric			Completed										
Pro	Treatment Selection Progress Systems Integration	Eric			Completed								Execute		
ent I	Transport Asset Risk Bowtie Diagrams	Eric										1		Execute	
eme	Capture & share knowledge through case studies AM Competency Framework	Eric Eric												Execute Execute	
rov	Knowledge transfer from experienced Transport practitioners	Eric												Execute	
dm	One Network Framework Implementation Transport Process Continuous Improvement	Eric Eric												Execute Execute	
ort	Response to Water Regulator	Eric									Initiative start pa	used due to		Execute	
usp	Next Generation of Maintenance Contracts	Eric									NZTA Audit pre	paration		Execute	
Tra	TIP - Transport Improvement Programme 2018/20														
	Internal Review of AM Maturity	Eric												Execute	
	RAMM Data AMDS Release RAMM Training AMDS Release v0.1	Eric Eric												Execute Execute	Y
	Document Processes Medium Priority Tasks	Eric												Execute	
	1. Facilities Data Consumption Project	Eric		Completed											
	Fuel source transition (Civic/Art Gallery)	Facilities						C	Options Analysi	is					
Programme	Improve Asset Register Data - Consolidate useful lives etc	Facilities							Exec	cute		I			
ogr	BAU - Facilities Single Source of Truth	Facilities							Exec	cute					
	BAU - Improve Facilities' workflows	Facilities							Exec	cute					
em	Facilities Improvement Programme 21/22	ТВС	1								-				
rov	Improve Asset Register Data - Guideline Spec standardisation People & Capability - Asset Management Training														
lmp	SAP Road Map - Plan Facilities Impact														
ies	Data Quality - Data Collection (processes & collection)													Initiate	
Exercilities Improvement	Facilities Climate Change Response Verticial IDS (develop & implement)											Change Proposa Enacted		Facilities Improvement	
21/193759	Contract Mgmt - Refine Building Maintenance Plans]									Enacted		Programme	

City Council

Asset Management Improvement Programme Roadmap 2020/21

	3/03/2021			2020/21											
			CPMS		Quarter 1			Quarter 2			Quarter 3			Quarter 4	
	AMU Projects (#) and Initiatives (not numbered)	PM / Lead	Status	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
	Data Quality - Information Work History													Ŭ	
	Data Visualisation for Improved Performance														
	People & Capability - Processes aligned with APQC														
	Heritage Assets Strategy Development										l				
비	JOINT Parks/3W: Blueworx - Auditing & Work Order Mgmt	Chaley				Initiate			Pla	n & Design		1	Execute		Close
Parks Improvement Programme	Parks Improvement Programme 20/21 SAP and GIS structure for Public Artworks,Monuments and Artifa	Parks											Execute		
	Parks Integration (GIS to SAP comparison)	Parks										Execute			
and m	Capital programme development	Parks												Sco	pe / Execute
Pro	Asset criticality	Parks													pe / Execute
art	BAU Parks Buildings data improvement	Parks													
C	BAU Buildings asset data and condition	Parks													
															/
۲	SAP Assets Roadmap Development	Ross										1	Execut	e	
	IT AM Improvement Programme	IT - Colin							F	kecute					
												1			
	1. Asset Lifecycle Management	Eric					Execut	e				Close			
	2. Duilding Information Management (DIM)								F>	(ecute					
	2. Building Information Management (BIM)	Mary													
Asset Management Improvement Programme	3. Asset Management Planning (AMPs)	Dave		Execute	Completed										
ent 'am	4. AMP QA Project	Chaley						Execute				Close			
ogr									_						
Pr	Asset Management Maturity Assessment (AMMA)	Wendy				Completed									
<u>Aar</u>	Asset Info & Data Pathways (Data Handover)	 Moya									Initia	ative planning	In	tiative Executio	
em et N							_								
VOV	Whole of Life Costing Test	Moya/Steve						Initiative t	est					Initiativ	e planning
- du															7
=	Process Quality (Top 10 Transport/3W processes)	Moya		Initiative	e Phase 1 - 3W & 1	Fransport	_					Initiative Phase	e 2 - Transport (<i>PL</i>	DPs)	
	Report Quality Framework	Sean					Initiative	Planning				Initiative Executio	n		
	Asset Management Continuous Improvement Initiatives	Tony			Comp	oleted									,
												1			

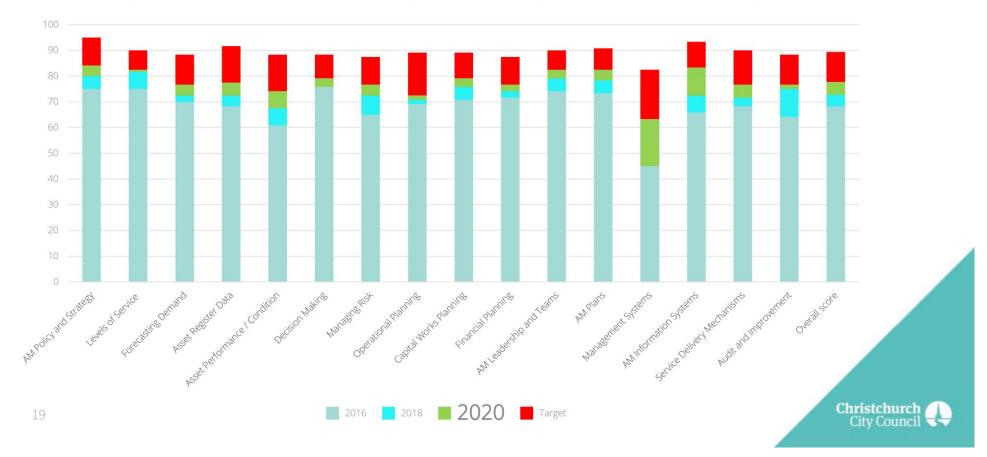
21/193759

City Council



Asset Management Maturity Assessment







13. Capital Delivery Major Facilities Elected Member Updates

Reference / Te Tohutoro:	20/1437791
Report of / Te Pou	Alistair Pearson, Manager Capital Delivery Major Facilities,
Matua:	alistair.perason@ccc.govt.nz
General Manager /	Mary Richardson, General Manager Citizens & Community,
Pouwhakarae:	mary.richardson@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is to inform the Finance and Performance Committee of current updates involving Capital Delivery Major Facilities' projects.
- 1.2 The Capital Delivery Major Facilities Team (CDMF) is responsible for the delivery of Christchurch City Council's Major Facilities "high risk" and "high value" vertical projects. Established under the 2016 Fit for Future Organisational restructure, it currently holds a portfolio of six (06) major projects with an estimated total CCC available budget of \$289,141,433 and a Heritage Maintenance Programme with a budget of around \$300k.
- 1.3 Since its establishment, CDMF has completed the delivery of Lichfield Street Carpark (November 2017), Taiora QEII Recreation and Sport Centre (May 2018), Tūranga - Christchurch Central Library (October 2018), Christchurch Stadium Turf Replacement (February 2019), Christchurch Town Hall (February 2019) and the Christchurch Symphony Orchestra Rehearsal Building (October 2019), Lancaster Park Deconstruction & Demolition (February 2020), and Graham Condon R&R (March 2020).
- 1.4 CDMF is headed by its Manager, Alistair Pearson with a full time staff of six.

2. Officer Recommendations / Ngā Tūtohu

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).



Attachments / Ngā Tāpirihanga

No.	Title	Page
A <u>J</u>	Major Facilities - Elected Member Updates 2021-04-06	157

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

Document Name	Location / File Link
Not Applicable	

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

Authors	Harriet Scott - Project Coordinator
	Rita Estrella - Senior Project Coordinator
Approved By	Alistair Pearson - Manager Capital Delivery Major Facilities
	Mary Richardson - General Manager Citizens & Community



Elected

Member

Update

06 APRIL 2021



Metro Sports Facilities Elected Member Update More Info at https://www.otakaroltd.co.nz/anchor-projects/metro-sports-facility Otakaroltd.co.nz 03 941 8999 ccc.govt.nz

Metro Sports Facility

\$151.3M)

PHOTOS

Project Budget \$300M (CCC

Project Delivery: Q4 2022 Current Phase: Construction



ARTIST'S IMPRESSION OF METRO SPORTS FACILITY

Metro Sports Facility

SCOPE

The Metro Sports Facility will provide an aquatic and indoor recreation and sport facility catering for the day-today needs of the leisure, sporting, recreational and high performance sport communities in Canterbury.

Metro Sports Facility is a joint project between Christchurch City Council and Ōtākaro Ltd.

CURRENT UPDATES

Work continues on the large steel portal frames over the competition and leisure pool areas. The installation of the stainless steel walls to the Learn to Swim pool is well underway. In the dive well, the majority of the concrete floor slab has been poured. The first of the precast concrete wall panels for the basement plant room have also been installed.

In the Show Court space, the roof panels and first external wall panels have been installed. Steel frames to the west and south walls of the Community Courts are well underway.

Tenders have been called from potential tenants for the allied health & wellness areas, café, and an operator for the performance movement spaces. Tenders received have been evaluated and negotiations are underway with preferred tenants.



													onstructio ete: Q4 20	
				•	TENDER &		UCTION							
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	2020 2021							20	022			2023		

*Queries for this report please send to <u>majorfacilities@ccc.govt.nz</u> Delivery timetable as at April 2021. Disclaimer - All timeframes are accurate at the time of publication and are dependent on the Contractor's programme

Elected

Member

Update

\$6.oM (Court Theatre)

06 APRIL 2021



Performing Arts Precinct Elected Member Update 06 April 2021 majorfacilities@ccc.govt.nz 03 941 8999 ccc.govt.nz

> <u>Performing Arts Precinct</u> Project Budget: \$33.0M (CCC)

Project Delivery: Q3 2023

Current Phase: Preliminary Design



MAGE

Performing Arts Precinct

SCOPE

The Performing Arts Precinct (PAP) is planned to be the central city's entertainment core for all things performing arts, offering first-rate facilities in a vibrant and creative hub.

The PAP sits alongside the Convention Centre Precinct, the Central Library, Victoria Square, the Isaac Theatre Royal and The Piano. It is also closely linked with the Town Hall.

It will offer a range of entertainment options to residents and visitors to Christchurch, within walking distance of many central city hospitality providers and hotels.

CURRENT UPDATES

Preliminary Design for the Court Theatre and PAP public realm concluded in March. Following review and approval from respective governance, developed design will commence in April. Council's relationship with the Court Theatre is strong and this is a positive milestone for all parties.

Staff are working with MBIE to relocate the existing MiQ exercise facility provided by the Crown Plaza hotel. This is needed in order to commence ground works on site later this year, in preparation for the main contractor.

Expressions of Interest for a main contractor will be sought in April with a formal Request for Proposals to follow. In line with the existing resolution, a recommendation will be brought to Council for approval.

The recent return to market for a supplier to build, own and operate an off street car park attracted a strong response. At a meeting on 25 March, Elected Members voted to leave the paper on the table and requested further information from Council Officers.

During the next period staff will be working on a development brief for 128 Armagh Street with a view to seeking expressions of interest for this key piece of central city land.

The Performing Arts Precinct meets the Strategic Priorities set by Council by delivering on many of the Community Outcomes. The new Court Theatre will be a celebration of our identity through arts, culture and heritage. This project, as well as the surrounding public realm will contribute to a vibrant and thriving city centre and a place we are proud to call home.



PLAN			DE	S GN								Currently in Design Phase Project completion: Q3 2023				
			CONSTRUCTION						JCTION							
Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2		Q3	Q4	Q1	Q2	Q3	Q4	
2020 2021							202	22			202	23				

*Queries for this report please send to majorfacilities@ccc.govt.nz

Delivery timetable as of 06 April 2021. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanism

City Council



Hornby Library, Customer Service and South Leisure Elected Member Update majorfacilities@ccc.govt.nz 03 941 8999 ccc.govt.nz



HORNBY CENTRE – IMAGES ARE INDICATIVE ONLY – SUBJECT TO DESIGN

Elected Member Update

Hornby Library, Customer Services & SW Leisure Project Budget \$35.7M Project Delivery Q4 2022 Current Phase: Design

06 APRIL 2021

Hornby Library, Customer Services and South West Leisure Centre

SCOPE

The Hornby Library, Customer Services & South West Leisure Centre will compromise customer services facilities, a library and swimming pools. The pools will include a lap pool, family spa and a toddler's pool. In addition to the usual collections space the library will include a creative activities space.

Christchurch City Council is moving towards grouping a range of services together in convenient locations for citizens to access. In addition to having the facilities together, services will be integrated to provide a Citizens Hub with no 'wrong doors'.

CURRENT UPDATE

A site blessing occurred on 26 February 2021.

We have monitored school and traffic flows to inform temporary traffic management.

HEB Construction are on site undertaking the Early Works Package, this includes tree removal, fencing, ground excavation and filling works. This is expected to be completed around the end of June 2021.

Detailed design for the main construction is 95% complete. We will shortly lodge the Building Consent application and have already obtained all necessary Resource Consents. The Quantity Surveyor will now create the schedule of quantities and collate the tender documents. These will be released to the market late April 2021

Independent energy and constructability reviews have been undertaken to attain additional surety on cost and buildability..

	PL	ANNING							1					Design Pha lue Q4 20	
						TS, PROCL CONSTRL		/							
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2019				2020				2021				2022			

*Queries for this report please send to <u>majorfacilities@ccc.govt.nz</u> Delivery timetable as at April 2021 Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



Linwood Pool Elected Member Update 06 April 2021 majorfacilities@ccc.govt.nz 03 941 8999 ccc.govt.nz

Elected

Member

Update

06 APRIL 2021



TE POU TOETOE: LINWOOD POOL – ARTISTS IMPRESSION

Te Pou Toetoe: Linwood Pool

SCOPE

The Linwood Central Heathcote Community Board has promoted the Linwood Pool as a means of strengthening community cohesion and increasing participation in aquatics.

It will provide leisure and community spaces that are tailored to the identity of this community with a distinctive point of difference to other community facilities.

CURRENT UPDATES

Site works continue to progress exceptionally well and are ahead of schedule. Rippletone install to the Pool Hall is complete and the birdcage has been dropped. All Pool Hall pipework has been installed and pea metal has been spread between grids 4 and 7 (around the Main Pool/Spa area).

Dry side exterior windows are complete, with most linings also complete and

stopping commenced. Roof fall arrest system has been installed, as has the roof ladder. The Service Yard block wall and slab has been poured. Exposed slab and block has been plastered. Villa board soffit is complete.

Design is essentially complete, with only final detailed specifications being to be confirmed.

Delays of equipment delivery and issues around availability of some materials owing to the well publicised shipping bottlenecks have not affected the overall programme and the project is on schedule to deliver by, or before, the target completion date of end of 2021.

Key stakeholders, including Community Board members, were shown around the site on 26 March 2021.



Te Pou Toetoe: Linwood Pool

Project Budget \$24 M Project Delivery Q4 2021 Current Phase: Construction



PLANNING CONCEPT DESIGN, RES. CONSENT, PROCUREMENT								Ph	urrently in (nase omplete: Q		on				
					DET	AILED DE	SIGN, BL	JILDING (ONSEN	T, CONSTR	RUCTION				
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2018 2019					20	20			20	21					
	*Queries for this report please send to majorfacilities@ccc.govt.nz														

Delivery timetable as of 06 April 2021. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



Christchurch City Council

ARTIST IMPRESSION OF CATHEDRAL SOLLARE IMPROVEMENT

The Square & Surrounds

SCOPE

Within the LTP 2018 to 2028 the Council allocated a budget of \$9.2m for Cathedral Square.

The associated projects will focus on delivering public-realm improvements, particularly in the south and southeast areas of Cathedral Square, where a number of private-sector developments will be completed in the last quarter of 2019. The work will be phased to meet the immediate priorities, beginning with the south-east corner.

Phase One (South-East Corner): Repair and renew existing pavings (re-using materials) including re-contouring to meet new building levels, assessment and upgrade of the infrastructure for lighting, power, CCTV and water. Exploring 'greening' concepts for this space including re-invigorating the raised tree planter areas.

Phase Two-A (South-West Corner) Repair and renew existing pavings (reusing materials where permissible), assess upgrade of the infrastructure. Reform raised tree planters on southern edge to strengthen this area as an event ready space.

CURRENT UPDATES

- A revised communication plan for all stakeholders is being reviewed however the communication has been maintained at consistently high levels and will be continued.
- Te Pae Convention Centre roadway options. Te Pae Crossing will remain as is while the new entry into Te Pae is finished. The adjacent area to the side of the entrance is to be temporarily landscaped until they are developed into buildings. As The Square planning is developed and plans for the privately owned buildings are progressed then the crossing and landscaping to The Square side of Te Pae will be designed to complement the public space and building's uses.

The Square & Surrounds Elected Member Update majorfacilities@ccc.govt.nz 03 941 8999 ccc.govt.nz

Elected Member Update

<u>The Square and Surrounds</u> Project Budget \$9.2m (\$3.6m initial phases) <u>Project Delivery T</u>BA

06 APRIL 2021

Te Pae's practical code of compliance is due at the end of July with the opening still to be announced.



Draft Plan of Te Pae landscaping under construction for the opening

The current Design and Construction Programme was amended due to the 12month MIQ facility located at Distinction Hotel. The Ministry of Business Innovation and Employment and the Christchurch City Council is exploring the possibility of relocating the exercise area outside of the Distinction hotel and the Spark Building.

*Queries for this report please send to majorfacilities@ccc.govt.nz

Delivery timetable as at March 2021. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms

Item No.: 13

E Issue #

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			COI	VSIKUCI		1010			
Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
20	19		2020 2021						

This will free the area of the current constraints and allow the construction work and landscaping to continue as planned, albeit to revised timelines.

 The demolition of the Police kiosk is now complete and planning for the relocation of the citizen's war memorial well underway. The exact location of the memorial is still being determined however it is within the close vicinity of the demolished police kiosk. I.e. with a variable of one or two metres of the old building. While there was no economically salvageable items from the Kiosk demolition, a set of the keys to the building were gifted to the daughter of Max Sword, who spent over 25 years coordinating volunteers in the building. These had great sentimental value to her and she was very appreciative. The tree beside the Kiosk is being relocated to replace a dying tree within The Square adjacent to the events area. This will happen at the end of April to the beginning of May 2021. The Citizens War Memorial has been blessed and is being dismantled, refurbished strengthened and eventually, relocated. Dismantling will take place after this Easter 2021. As noted above the location is within the vicinity of the now demolished Police Kiosk.

 Zone 3 incorporates the East/North elevations of the old Post Office as detailed design is now complete so we are now able to complete the budget estimate. Once this estimate is approved, and services procured, we expect to commence physical work in Q42021.

03 941 8999 ccc.govt.nz

Old Municipal Chambers Elected Member Update

Elected

Member

Update

06 APRIL 2021



Old Municipal Chambers (OMC)

SCOPE

The main objective is to preserve, restore and reconstruct the Old Municipal Chambers so it can remain a living part of the City and enhance the historic memory within the community.

CURRENT UPDATES

Cyclical Maintenance of the building has ceased and maintenance contractors have been notified.

The construction of the scaffolding for the wrapping of the building is underway. City of Christchurch Trust has control of the building.

As at 17 March 2021, 30% of the detailed design has been completed and aiming for 60% by the 9th of April 2021 for an early engagement with the CCC Consent Team. The Resource Consent Pre-Approval meeting took place the 23rd of March 2021.

The Project Control Group (PCG) has been established with membership from CCC Major Facilities and Box Civic Initiatives.





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			Ļ							
	YCLICAL NTENANCE				CONS	TRUCTION				
Q3	Q4	Q1	Q2 Q3 Q4			Q1	Q2	Q3	Q4	
20	20		20	2021 2022						

*Queries for this report please send to majorfacilities@ccc.govt.nz

Delivery timetable as at April 2021. Disclaimer - All timeframes are accurate at the time of publication and are dependent on private or public sector delivery mechanisms



14. Christchurch City Holdings Ltd - Draft Statement of Intent for 2021/22

Reference / Te Tohutoro:	20/1611756
Report of / Te Pou Matua:	Linda Gibb, Performance Advisor, and Len van Hout, Manager External Reporting and Governance, Resources. linda.gibb@ccc.govt.nz
General Manager / Pouwhakarae:	Diane Brandish, Acting General Manager, Resources. diane.brandish@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is to advise the Committee of the Christchurch City Holdings Ltd's (CCHL's) group's draft Statements of Intent (SOIs) for 2021/22. CCHL's report on the group's draft SOIs is at **Attachment A**, its draft SOI is at **Attachment B** and the group's draft SOIs are at **Attachment C**. The Council's Letter of Expectation to the CCHL board is at **Attachment D**.
- 1.2 This report has been written as a result of receiving the draft SOIs on or before 1 March in accordance with clause 1(2), part 1 of schedule 8 of the Local Government Act 2002 (LGA).
- 1.3 The Council's obligation as CCHL's shareholder is to provide comments if it so wishes on the draft SOIs by 1 May. Clause 2, part 1 of schedule 8 of the LGA requires Council-controlled organisation (CCO) boards to consider the comments, if any on the draft SOIs before finalising them by 30 June, and publishing them by 31 July.
- 1.4 The CCHL subsidiaries have not yet completed business planning, so all financial forecasts should be treated as indicative (subject to finalisation through each entity's business planning activity).
- 1.5 CCHL must comply with the Financial Markets Conduct Act 2013 and the NZX Debt market listing rules. As a reminder, it is illegal for any person who has the information (known as insider information) to trade in CCHL's bonds, advise or encourage others to trade or hold CCHL's bonds, or pass on or disclosure the insider information to others.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Notes the draft Statements of Intent for 2021/22 for Christchurch City Holdings Ltd and its subsidiaries.
- 2. Agrees to provide feedback to Christchurch City Holdings Ltd on the group's draft Statements of Intent as set out in this report and to endorse the feedback that Christchurch City Holdings Ltd has advised it will provide to its subsidiary companies.

Local Government Act 2002

- 2.1 Key content requirements for SOIs are set out in parts 2 and 3 of schedule 8 of the LGA (for trading CCOs (CCTOs)).
- 2.2 They include stating the objectives of the group, the board's approach to governance, nature and scope of activities to be undertaken, non-financial performance targets and other measures by which performance is judged in relation to the objectives, an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be



distributed to shareholders, and the board's estimate of commercial value of the Council's investment in the CCO or its group.

2.3 The CCHL group's draft SOIs meet these requirements, with one exception which will be rectified in the final SOI. The omission was an oversight.

Letter of Expectations 2021/22

- 2.4 The Letter of Expectations (LOE) to CCHL for 2021/22 is at **Attachment D**. The key requirements in the LOE (summarised) are the following:
 - Prosperous economy to focus on the group's recovery from the impacts of COVID-19 and to consider the contribution they can make to the city's economic and social recovery and to maximise dividend distributions.
 - Climate change target carbon neutrality by 2030, and demonstrating progress in its planning for achieving this. Work is ongoing on this at a group level. The subsidiary companies are at different points in their individual carbon reduction programmes.
 - Governance diversity of board membership and restraint in the level of senior executive total remuneration demonstrated by a narrowing gap between the highest and lowest remunerated employees. Also requested was that CCHL stress to the boards of its subsidiaries the importance of holding senior executives to account.
 - Engagement to continue to work closely with ChristchurchNZ Holdings Ltd to ensure strong strategic alignment between the two companies. CCHL's draft SOI is strong on collaboration within its group but has not separately identified CNZ. This is an oversight and will be included in the final SOI.
 - Reporting periodic reporting on achieving remuneration expectations across the group, implementing the living wage, benchmarking performance against other similar organisations and the group's recovery plans and financial strategy.
- 2.5 These expectations have been appropriately provided for in the group's draft SOIs, as discussed in CCHL's cover report on page 4.

Living Wage

2.6 At a workshop on 30 March, the CCHL board provided an update on the implementation of the living wage across the group. The advice was that each of the entities that have staff earning below the current minimum wage of \$22.10 per hour is working towards implementing that rate where possible, taking into account the timing of union contract negotiations and affordability.

Restraint on senior executive remuneration

- 2.7 At the workshop, the CCHL board also discussed the governance tensions regarding senior executive remuneration. While acknowledging the issue is one of concern both to it and the Council, the CCHL board noted the criticality of the chief executive position to the success of the company, both for achieving its purpose and driving value, the legal obligations for directors to act in the best interests of the company and the market 'price' for such roles.
- 2.8 The issue has been noted in the draft SOIs with the exception of Orion's, which will be addressed with the company as part of CCHL's feedback on the draft SOI.

Diversity

2.9 CCHL's draft SOI demonstrates its commitment to achieving diversity on the groups' boards and reporting progress to the Council. As well, it has been explicit in its intent to encourage its subsidiaries to work towards (and report on) narrowing the gap between the highest and lowest remuneration in their respective companies.



Review of Auckland Council's CCOs

- 2.10 The review of the Auckland Council's substantive CCOs in 2020 identified a number of weaknesses in the governance and accountability settings which do not have material applicability to this Council's CCO framework.
- 2.11 The above notwithstanding, the Auckland CCO review did raise several general issues that are relevant to a CCO's SOI, irrespective of its size or funding levels, as follows:
 - they should allow the public and council to understand at a glance what the CCO's activities for the year will be;
 - most SOIs were lengthy (the reviewers noted one even reached 37 pages), miss financial performance measures or are poorly aligned to their activities and objectives; and
 - key performance measures should include meeting strategic priorities and goals.
- 2.12 The CCHL group's draft SOIs for its five large subsidiary companies range in length from 19 to 27 pages. Staff consider the groups' draft SOIs provide high quality information with respect to work programmes and that they provide meaningful information that goes beyond the LGA requirements. Objectives are clearly articulated and their commercial, social, environmental and cultural activities to achieve their objectives are evident in the draft SOIs.
- 2.13 The reviewers also recommended that a core set of financial performance measures are identified and become mandatory performance measures in each SOI, with any others at the discretion of the CCO.
- 2.14 The CCHL group uses a variety of financial targets to demonstrate performance which have been tailored to the company's specific circumstances. Examples of these targets include measures of shareholder returns (return on average equity), revenue and profit growth, and gearing. The risk of imposing a template on the companies, as suggested by the reviewers, is that they focus solely on those ratios and let others slide over time.
- 2.15 Non-financial performance targets largely speak to sustainable business, looking after staff, health and safety of staff and customers, reducing and offsetting carbon emissions and customer service.
- 2.16 Over the past five years or so, the quality of the CCHL group's SOIs has markedly improved, partly as a result of the collaborative working relationship between CCHL and Council staff towards achieving year on year improvements in disclosures.

COVID-19 impacts

2.17 Last year's final SOIs included expected impacts from COVID-19 which mostly affected Christchurch International Airport Ltd (CIAL) and Lyttelton Port Company Ltd (LPC). The assumptions around timing of reopening of international borders and trans–Tasman bubbles have been changed to reflect new expectations which has impacted the forecasts.

Comparison with prior year SOIs

- 2.18 At a workshop on 30 March, CCHL advised that its subsidiary companies are yet to complete business planning, and therefore the financial forecasts are not final. However, the forecasts have been updated to reflect information known to date. CCHL has advised that it does not anticipate that the forecasts when finalised will materially change the dividends forecast by CCHL to the Council.
- 2.19 CCHL's report at **Attachment A** provides a comparison of each of the group's draft SOI financial forecasts against those in the final SOIs of last year.



- 2.20 CCHL's dividend to the Council increases from a forecast \$16 million in 2021/22 to \$50.7 million in 2023/24 which takes into account the following:
 - Improved profitability from strong cost control across the group as a result of COVID-19 which will continue to prevail at current levels of output.
 - Orion's profitability is broadly similar over the forecast period, but its dividends reduce from approximately \$30 million in 2021/22 and 2022/23 to \$25 million in 2023/24. CCHL has previously signalled Orion will need to increase its debt to fund its capital investment programme over the next few years.
 - CIAL has not provided detail of its forecast dividends over the SOI period, and although there remains significant uncertainty in its core business activities CCHL intends to request that the company includes dividend forecasts in the final SOI.
 - LPC's profits increase from \$13 and \$14 million in the first two SOI years to \$23 million in 2023/24 reflecting an expectation of higher volumes and improving profit margins. There is no change in its forecast dividends due to the company paying higher dividends in the first two SOI years, at CCHL's request.
 - Enable's dividends are projected over the three years at \$17 million, \$28.5 million and \$36 million, these higher dividend projections are a reflection that Enable are using their free cash flow to support dividend payments to CCHL during the SOI period rather than reducing its own debt. This was at the request of CCHL during the period that CIAL has been impacted by COVID-19 and consequently unable to pay dividends.
 - City Care is forecasting steady growth in its profitability and dividends over the period. The profitability forecasts of between \$5 and \$8 million in each of the three year SOI timeframe compare with last year's SOI forecasts of around \$0.5 million in each year.

Annual end-to-end governance and accountability process

2.21 Following the publication of final SOIs by 30 June, the annual end-to-end process for the 2021/22 financial year is proposed as follows:

Deliverable	Due to Council staff	Workshop	F&P meeting
Annual report for year ending 30 June 2021	By 30 September	N/A	November
Strategic update, Draft Letter of Expectations / Statement of Expectations	N/A	October	November
Quarter 1 (July-Sept) performance report	By 30 November	N/A	December
Half year (interim) report	By 28 February	N/A	March / April
Draft SOIs	By 1 March	March	April
Quarter 3 (Jan-Mar) performance report and expected annual outturn	By 31 May	N/A	June / July
Strategic update – CCHL business plan	Мау	June	August



Issues workshop, including for example - diversity on boards, living wage, strategic projects, valuation, benchmarking performance, opportunities and threats.	N/A	January / February	N/A
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Next steps

- 2.22 Feedback proposed throughout this report is provided to CCHL by 1 May 2021 as required by clause 2, part 1 of schedule 8 of the LGA including acknowledgement of its advice of feedback it intends to provide to its subsidiaries.
- 2.23 Final SOIs will be submitted to the Council by 30 June 2021 and will be published on the individual websites of each company within one month of the SOI being adopted.

Attachments / Ngā Tāpirihanga

No.	Title	Page
А <u>Л</u>	Christchurch City Holdings Ltd - Report on Group's draft Statement of Intent 2021/22	170
В 🕂	Christchurch City Holdings Ltd - Draft Statement of Intent 2021/22	179
С 🚺	Christchurch City Holdings Ltd - Subsidiaries' Draft Statements of Intent 2021/22	206
D <u>↓</u>	Christchurch City Holdings Ltd - Letter of Expectations for 2021/22	347

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.

	0		
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		

Signatories / Ngā Kaiwaitohu





Christchurch City Holdings Limited

Report for Council

Date:	6 April 2021	

To: Dawn Baxendale, CEO, Christchurch City Council

From: Paul Munro, CEO, Christchurch City Holdings Ltd

Subject: Draft Statements of Intent – Subsidiary Companies

Background

Most CCOs are required under the Local Government Act to prepare a Statement of Intent (SoI) each year. A draft of this SoI is required to be submitted to their shareholder and the ultimate shareholder (CCHL and Council) by 1 March 2021.

Please note the following:

- 1. LPC is a Port Company governed by the Port Companies Act 1988, and accordingly, their Statement of Intent is prepared in accordance with LPC's obligations under that Act, not the Local Government Act.
- 2. Orion is an Energy Company governed by the Energy Companies Act 1992, and accordingly, their Statement of Intent is prepared in accordance with section 39 of that Act and clause 11 of Orion's constitution, not the Local Government Act.

Purpose

This report details the process required for reviewing and providing feedback to the Subsidiary companies on their draft Sols before the required timeline of 1 May 2021. This report also provides a summary of the changes made to the companies' previous Sols and highlights changes that deal with the specific requests made of the companies in the CCHL shareholder letter of expectation.

Analysis

Attached to this report are the draft Sols received from each subsidiary before 1 March 2021.

A briefing for Councillors was held on 31 March to provide an opportunity for more direct feedback. At that session, an update was provided on progress against Living Wage and restraint on Executive remuneration. These matters are not further referred to in this report.

Once feedback has been received from Councillors, we will write directly to the Subsidiaries to convey the Council and CCHL feedback.

Draft Numbers

As previously advised the numbers provided in the financial forecasts are draft, as other than Orion, they do not reflect any update from the business planning cycles of each subsidiary. However they do reflect the impact of updated forecasts for FY20 (for example, CIAL have shown a better than budget outcome in current year to date results).

Things to note in regard to forecasts:



- Airport forecasts will continue to be affected by coronavirus developments, including the timing of a trans-Tasman bubble, the possible re-opening of our international borders, and the continued use of the Novatel as an MIQ facility.
- The RBL Property Ltd Sol has been prepared on the basis that all surplus assets except land have been sold in FY21, and the company remains purely as a holding company and landlord for the Ferry Road site. Please note work continues by CCHL on possible options for this site, to be presented to Council.
- The DCL Sol assumes that current transitional arrangements continue, with CNZ seeking to dispose of DCL's land held for resale. The impact of this is that the entity will not be able to be officially liquidated or wound up until:
 - A decision is made on whether the investment of CAP should be held.
 - The settlement of property sales is complete.

No proceeds from the sale of any land parcels has been assumed in the Group Sol financial forecasts.

Sol Context

We note that whilst we did not receive the Council Letter of Expectations (LOE) under February 2021, we still sent a CCHL LOE to Subsidiaries in December 2020 as per our usual timing, with the expectation that we would include any additional requests from Council as part of the feedback letter.

The CCHL LOE centred on our five strategic pillars as follows:

Kaitiakitanga

The Council shareholder expectations reinforce that the CCHL Groups commercial and financial performance is currently the highest priority for shareholders. Accordingly, while this drives the need to deliver a commercial rate of return on equity, the CCHL Group also has an inherent responsibility to help our community prosper and to display leadership in areas that will allow Christchurch to grow economically and sustainably. The strength of the wider CCHL Group sees this opportunity amplified through a more connected approach to community-centric service delivery and a shared sense of pride in the value of our work and its positive impact on the community.

CCHL appreciates the continued support that the companies display in their community engagement through various forms and **encourage our companies to detail these in their Statement of intent (SoI**).

Mana

With 'big data' challenges likely to drive AI, AR, VR and IoT solutions, collaboration is essential to optimise the value of the CCHL Group, through knowledge-sharing and co-opted innovation.

We request you actively engage in CCHL's 2021 Group Programme of work which will include Group-wide initiatives in service of:

- Optimising performance
- Accelerating innovation
- Enhancing community impact
- Expanding and leveraging capability

The proposed programme of work will be designed to be future focused, for mutual benefit, and be delivered by the group for the group.

Financial

CCHL does recognise that an appropriate balance needs to be maintained between dividends and reinvestment, however our reliance on dividend income means it is important that regular communication is maintained to ensure you consult with CCHL in regard to any strategy or business direction that could potentially have a downward impact on dividend targets/payments.

2



Given the above, the level of debt within each of the subsidiary balance sheets is increasingly relevant to CCHL Group at a consolidated level and so we also request that you continue to target debt levels to ensure that they are no greater than the levels previously signalled in recent business plans.

In relation to reporting against financial performance targets, as a minimum we request the following:

- Revenue
- NPAT
- Shareholder Funds to Total Assets
- Dividends

Sustainability

Our Shareholder has consistently acknowledged the highest levels of importance being placed on reducing our carbon footprint and driving a deliberate sustainability strategy.

CCHL wishes to commend the significant work completed to-date in the area of sustainability by all subsidiary companies, noting that we now have a strong platform in place to consider Group targets that can be measured against the Council plan of being carbon neutral by 2030.

Another aspect to consider is the need to work towards the Task Force on Climate-related Financial Disclosures (TCFD) reporting requirements during this Sol period. **CCHL intends to develop a Group wide** carbon emissions target. This is a complex area that will benefit from input from all parts of the Group. It is proposed CCHL coordinate a small working group to develop a measurable Group target over the next three months. The output of this work will be shared with the wider group prior to finalising subsidiary Statements of Intent.

We request the companies support this by each continuing to provide personnel to be part of this working group.

People

We request the companies continue to include safety targets, using the threshold of incidents that are reported to WorkSafe, as the key measure of safety outcomes. Incidents investigated by WorkSafe are another key measure.

Our Group wide initiative to take positive steps to achieve a Living Wage for all direct employees continues to be a key expectation, we do note the challenges that COVID-19 has had on progress of this initiative.

CCHL continue to request that our companies continue to promote and foster a diverse and inclusive workplace, and those initiatives are documented in your Statement of Intent to highlight the importance of this to the Group.

Finally, we request continued recognition of public accountability and to show significant restraint with the level of senior executive total remuneration including actively addressing the need to achieve equitable relativity across the company.

The following table summarises key areas that were asked in the LoE.

	LGA Compliance	Carbon	Diversity	Living Wage	Executive Remuneration
CIAL	Yes.	Specific targets (including net zero by 2030).	Non-numeric targets around diversity, inclusion, & engagement.	No comments.	Importance recognised. No specific targets.
onz	Need to reinstate a Commercial Value estimate (deleted last year due to COVID).	Specific targets, informed by UN Development Goals (including net zero by Jun-22).		Stated commitment, informed by UN Development Goals, but no specific targets.	No comments.
LPC	Yes.	Specific targets. Aspirational net zero by 2050 (including interim mileposts).	Specific gender balance target.	Stated as a minimum for all staff (except trainees). Not a reportable target.	Importance recognised (balance between market rates and public responsibilities). No specific targets.
ESL	Yes.	Specific targets, linked to UN Development Goals.	Specific targets for gender equity in leadership oles and pay, linked to UN Development Goals.	Specific targets for Living Wage (including plans for contractors), linked to UN Development Goals.	Importance recognised (balance between market rates and public responsibilities). No specific targets.
CCL	Yes.	Specific targets for long-term goals only (30% down by 2030, net zero by 2050).	Gender target changed from a % figure to a generic "increase". New generic target for Maori/Pacifica workforce.		Importance recognised (balance between market rates and public accountability). No specific targets.
ECL	Yes.	Target to reduce (non- numeric).	No comments.	No comments.	Importance recognised (balance between market rates and public responsibilities). No specific targets.

We note that any non-compliance matters will be noted in our feedback to subsidiaries.

CCHL Group Draft Sol

In the LOE from Council to CCHL received in February 2021, it noted a number of specific requests, each have been highlighted below:

Key Requests	Addressed in Sols	Comments
Road Map to Christchurch's ongoing recovery from COVID - 19 including meeting any obligations acquired through the Otautahi Christchurch Economic Recovery Plan.	Yes	CCHL (through our subsidiaries) have a supporting role largely through being good at the respective core business and core activities of each of our subsidiaries (i.e. this plan isn't impacting CCHL or the role of the CCHL subsidiaries in any way other than noting that the subsidiaries, which are ultimately owned by CCC, can support the recovery through their activity). Specific mentions: CIAL - supporting air freight support measures; LPC - project developing feasibility of Lyttelton as a 'turnaround' port for Cruise ships; Orions's TCFD reporting; and EcoCentral's upgrade to MRF.
Maximises Dividend distributions.	Yes	CCHL continue to balance the Council need to maximise dividend distribution with the management of debt reduction.
Climate Change initiatives to achieve Group carbon neutrality by 2030.	In progress	CCHL have commited to have a Group target in the reduction of carbon emmisions by the final Sol - they have commenced a working group (from around the Group) to undertake this.
Governance Diversity.	Yes	New CCHL target: CCHL will aim to increase diversity on our boards and report on progress as part of our annual reporting to our shareholder.
Executive Remuneration.	Yes	New CCHL target: CCHL will encourage its subsidiaries to report on and work to show a narrowing of the gap between the highest and lowest remuneration in each company.
Communication and Reporting.	Yes	Continue to commit to regular reporting and briefing for specific purposes - ie. Draft Sols, LoE, valuations, benchmarking, and anything else as requested.

4

Financials:					
CCHL	FY-2022		FY- 2023		FY- 2024
	draft SOI	last year	draft SOI	last year	draft SOI
NPAT	53.0	54.0	77.0	76.0	97.0
Net debt/net	53%	54%	52%	53%	51%
debt plus equity					
Return on	2.8%	3.1%	4.0%	4.2%	4.9%
average equity					
Dividends	16.1	16.1	32.4	32.4	50.7

Draft Subsidiary Statement of Intents

We have noted the specific changes for each subsidiary below, along with the CCHL Board feedback from the CCHL Board meeting on 17 March 2021. As appropriate specific relevant comments will be fed back to each subsidiary immediately after feedback is received from Council.

Orion New Zealand Ltd (Orion)

Significant strategic re-focus - low-carbon sustainability & specific UN Sustainable Development Goals

- Three "impact areas" strategic leadership, regional prosperity, sector transformation
 Performance targets re-grouped & expanded; aligned to the re-written Strategy

Specific Carbon targets; commitment to Diversity & Living Wage



Financials broadly unchanged:

Continue to pay maximum imputable dividends (provided Gearing <45%; "A-" rating)

• Gearing increases in the SOI period (capex exceeds depreciation)

Orion	FY-2	2022	FY-2023		FY-2024
	draft SOI	last year	draft SOI	last year	draft SOI
Revenue	227.6	225.0	230.1	230.0	233.2
NPAT	25.1	25.1	24.1	26.4	23.4
Gearing	38.0%	36.0%	41.0%	40.0%	44.0%
Dividends	31.0	31.0	32.0	32.0	25.0

The above table highlights the changes for the 22 and 23 financial years, compared to last year's Sol targets for the same years.



Attachment A Item 14

Orion will be asked to:

- reintroduce the importance around the restraint around executive remuneration due to public ownership
- include in Section 5 'our capital structure and our dividends', the expectation of consulting with shareholders in the event of major investment requiring an increase in corporate debt, and subsequent impact on dividends.

Christchurch International Airport Ltd (CIAL)

Updated long-term strategy - "Real Growth 2040" (previously 2025)

- "Recover & Reposition" focus for 3 pillars (Planes, Passengers & Property)
- \circ $\;$ Aim to support regional economic growth and lower-carbon transport $\;$
- Continue to include opportunities beyond a single site

Governance section includes some additional legislative context (graphic – next page) Specific Carbon targets; commitment to Diversity

Financials slightly softer overall, but still indicate a recovery in the SOI period:

- Continued focus on lower gearing
- No dollar projections for dividends focus on policy aims (gearing < 40%, stand-alone "BBB+" rating)

CIAL	FY-2	2022	FY-2023		FY-2024
CIAL	draft SOI	last year	draft SOI	last year	draft SOI
Revenue	154.9	164.1	178.8	190.8	190.7
NPAT	15.2	17.7	30.2	36.1	37.8
Gearing	34.5%	35.9%	34.0%	34.6%	33.6%
Dividends *	0.0	0.0	0.0	35.0	n/a

The above table highlights the changes for the FY22 and FY23 financial years, compared to last year's Sol targets for the same years.

CIAL will be requested to reinstate Dividend targets, even though the Local Government Act no longer requires this.

Full community / commercial trade off governance graphic recommend for inclusion by all subsidiary Sols.



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Lyttelton Port Company Ltd (LPC)

Expanded narrative for Vision & Goals (reflects end of earthquake rebuild program)

- New 5-year plan "Leading the Way"
- o Focus on sustainable trade growth & sustainable profitability

Specific Carbon & Diversity targets; Living Wage adopted for all staff (except trainees)

- $\circ \quad \text{Importance of Exec. pay recognized}$
- \circ $\;$ Material update of "People" section to reflect the QC Culture review

Financials broadly unchanged – continued revenue / NPAT growth, with controlled debt O Dividend policy = 50% of normalized NPAT

LPC	FY-2	2022	FY-2023		FY-2024
	draft SOI	last year	draft SOI	last year	draft SOI
Revenue	149.0	149.0	153.0	153.0	169.0
NPAT	13.0	12.7	14.0	11.5	23.0
Debt	210.0	216.0	209.0	210.0	210.0
Dividends	10.0	10.0	11.0	11.0	11.0

The above table highlights the changes for the FY22 and FY23 financial years, compared to last year's Sol targets for the same years.

Enable Services Ltd (ESL)

Strategic direction similar to current SOI

- \circ ~ Enhanced focus on sustainability & ESG (graphic) ~
- \circ ~ Targets are more detailed & linked to UNSDGs ~



Explicit targets for Carbon, Diversity, & Living Wage; importance of Executive pay recognized

Financials show improved Revenue & NPAT vs. current SOI but somewhat lower dividend in FY23 (capex driven – Div. policy = 100% of free cash flows)

ENL	FY-2	2022	FY-2023		FY-2024
	draft SOI	last year	draft SOI	last year	draft SOI
Revenue	88.0	86.4	94.5	93.8	99.6
NPAT	19.5	18.5	21.7	21.6	24.8
Debt	294.4	294.4	294.4	294.4	294.4
Dividends	17.0	17.0	28.5	34.0	36.0

The above table highlights the changes for the FY22 and FY23 financial years, compared to last year's Sol targets for the same years.

7



City Care Ltd (CCL)

Business description reflects restructure into two business units (Water & Property), but overall strategic direction similar to current SOI

• Performance targets informed by UNSDGs – direct linkage being developed



Long-term targets for Carbon; commitment to Diversity;

- Importance of Exec. Pay recognized
- Living Wage policy being developed

Financials show significant upgrade vs. current SOI

- However, SOI emphasizes continued margin pressures
- Dividend policy = 50% of NPAT

CCL	FY-2	2022	FY-2023		FY-2024
	draft SOI	last year	draft SOI	last year	draft SOI
Revenue	316.0	300.0	333.0	314.0	365.0
NPAT	5.7	0.5	6.6	0.6	8.0
Net Funds	6.1	0.0	10.1	0.0	14.1
Dividends	2.5	1.7	3.1	1.9	3.7

The above table highlights the changes for the FY22 and FY23 financial years, compared to last year's Sol targets for the same years.

EcoCentral Ltd (ECL)

Strategy broadly unchanged from current SOI Commitment to reduce Carbon emissions

o Importance of Executive Pay recognised

Financials show material improvements vs. current SOI, although dividends unchanged

ECL	FY-2	2022	FY-2023		FY-2024
ECL	draft SOI	last year	draft SOI	last year	draft SOI
Revenue	37.00	33.50	37.50	33.90	37.80
NPAT	0.75	0.25	0.72	0.18	0.69
Dividends	0.25	0.25	0.25	0.25	0.25

The above table highlights the changes for the FY22 and FY23 financial years, compared to last year's Sol targets for the same years.

RBL Property Ltd

Ferry Rd land currently being assessed, disposal options will be brought back to Council for Councillor input.

Bus disposal process is progressing (slowly) targeting a 30 June 2021 completion date.



Development Christchurch Ltd (DCL)

The DCL wind up will extend beyond this date because of the timing of various asset sale processes and settlement dates (e.g. Milton Street), which in some cases are linked to tenant exit dates beyond 30 June 2021.

Recommendations

That the Councillors:

- 1. Note the report
- 2. Provide feedback to CCHL to be provided to the subsidiaries.

Paul Munro **CEO**

9

Christchurch City Holdings Limited

Statement of Intent

For the Year Ending 30 June 2022



Introduction

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

The SoI sets out for Christchurch City Holdings Limited (CCHL) and its subsidiaries 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.

CCHL is recognised as a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.



Statement of Intent 2022 2





Commerce Act – promote long term benefit of consumers ... by promoting outcomes produced in competitive markets. Airport Authorities Act – manage as a commercial undertaking Port Companues Act/ Energy Companies Act – operate as a successful

Companies Act – act in the best interests of the

company

The CCHL Group SoI has been prepared in the context of:

- our ultimate public ownership through Christchurch City Council;
- the Local Government Act provisions relevant to subsidiary companies;
- the Commerce Act provisions relevant to regulated activities;
- other relevant legislative provisions (as summarised in the Appendix); while
- noting the rights and interests of other shareholders where that is relevant.

Many of CCHL's investments have economic impacts into regions beyond Christchurch City, some are assets of national economic significance and not all are owned 100% by CCHL. The chart below brings these aspects of 'Community' focus and 'Commercial' focus together to highlight that inherently meeting all of these requirements will at times be internally conflicting. Accordingly, the roles of the independent subsidiary Boards is to review all of the needs on the businesses from shareholders, customers, regulators, our community and various legislative requirements. It is the role of the independent Board's to strike the best balance of these inputs when developing the SoI and long term strategy for each business.

CCHL articulates its key focuses to each independent board in an annual letter of expectation to that business. This is in turn informed by the annual letter of expectation received from CCHL's shareholder, Christchurch City Council. A good way to contextualise the various aspects in the model above is by considering our CCHL purpose:

"By being good kaitiaki, CCHL's purpose is to make a positive difference to our community by ensuring the city's major investments provide commercial returns and at the same time provide leadership in the areas that matter to the wellbeing of our residents and our environment".





CCHL is the commercial and investment arm of Christchurch City Council (the Council).

The CCHL Group is made up of six trading companies – Orion New Zealand Ltd (Orion), Christchurch International Airport Ltd (Christchurch Airport), Lyttelton Port Company Ltd (LPC), Enable Services Ltd (Enable), City Care Ltd (Citycare) and EcoCentral Ltd (EcoCentral),

Four of the CCHL subsidiaries are 100% owned, the other two are majority owned, being Orion (10.725% owned by Selwyn District Council) and Christchurch International Airport (25% owned by the Crown).

CCHL's purpose statement is focused on supporting the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

COVID-19 Impact

The impact of COVID-19 on some of our trading entities has been significant. However, the strength of the CCHL Group that holds a diverse group of key infrastructure assets is the ability to balance the challenges of some of the entities in the short term, with others that are not as badly impacted.

Whilst this does not mean the CCHL Group will not be negatively impacted, it does mean that we will make decisions today that support our strategic assets to recover more quickly and strongly in the long term. Balancing that, CCHL is fully aware of the implications of its decisions regarding managing cash returns to its shareholder and the wider community.

The lessons learned from the 2010/11 earthquakes on Christchurch and Canterbury businesses allowed us to:

- Respond quickly to the rapidly deteriorating impact as it emerged
- Recognise that decisions made in the heat of the crisis may impact on the ability of the entity to recover more quickly
- Capitilise on our ability to work together with the Group, our shareholder and the wider community as we balance the needs of now with that of future generations.

COVID-19 continues to impact the world and it is not expected to return to pre-COVID conditions anytime in the near future. With this in mind whilst our SoI provides Group financial forecasts for the next three years, these results may continue to be impacted by:

- Timing of our international borders being opened
- Recovery of tourism including but not limited to the cruise industry
- Return to domestic and international air travel
- Lower customer demand in our electricity and fibre sectors
- Increased bad debt provisions
- Deferral of capital work programmes
- Impact of Government decisions on shovel-ready projects and tax legislation changes.

However, noting all the above, the scope of our business, our key roles and our commitment to our community remain unchanged despite the impacts of COVID-19.



tem 14

CCHL strategic framework

The CCHL strategic framework helps shape our approach to how and what we do to pursue our purpose.



Kaitiakitanga

Our role as intergenerational guardians, reflective of the broader purpose of the CCHL Group and the duty of care that comes with our scale and financial strength in the context of protecting our environment and our ability to positively impact our community;

Mana

Recognising that we earn the trust of our community as a 'leader' through what we do and how we do it, being transparent and accountable and through driving meaningful collaborations;

Financial

A financially prudent approach to driving strong commercial returns and responsible stewardship of our commercial assets, enabling positive impact investments to support innovation, community and environmental outcomes;

Sustainability

Identifying the CCHL Group as a leader in social responsibility (Business for Good) and as a partner in addressing the impact of climate change through proactive, responsible and tangible environmental management;

People

Facilitating equality, diversity and fair remuneration, while building strong leadership and a dynamic and appropriately skilled workforce, while always ensuring the health, safety and wellbeing of our people remains front of mind.

Christchurch City Holdings Limited



H = I = I

 Objectives

The core role of CCHL is to monitor the Council's commercial investments, which largely service the region's strategic infrastructure needs.

To achieve this, CCHL has the following key objectives:





Attachment B Item 14



Governance Best Practice

- To encourage exemplar leadership and best practice governance of our subsidiaries by appointing directors that have the appropriate mix of industry, sector, strategic, community focus, technical skills and diversity.
- Provide an environment for our commercial entities to perform without undue political influence, whilst ensuring alignment with the views of our ultimate shareholder.

Financial Returns and Enhanced Shareholder Value

- To build on and protect the financial strength of *CCHL* through appropriately directed commercial investment and a financially prudent capital structure.
- To encourage and facilitate the subsidiary companies to increase shareholder value and regional prosperity through growth, investment and strong financial returns, including dividend payments.

Reporting and Monitoring the Investment Portfolio

- To monitor the performance of each subsidiary against their stated economic, environmental and social performance objectives.
- To report quarterly to the Council on CCHL's performance.
- To advise the Council on strategic issues relating to its
 commercial investments including, but not limited to,
 ownership structures, capital structures and rates of return.
- To encourage intra-Group cooperation.

Community, Social and Environmental Outcomes

- To seek investment opportunities that have the potential to enhance the economic, social and environmental well-being of the region and identify future regional infrastructural needs.
- To actively support the Council's Strategic Priorities as outlined in their Strategic Framework:
 - 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.

Diversity

We want the CCHL Group to represent the diversity of the communities that they serve within Otautahi Christchurch and Waitaha Canterbury and across Aotearoa New Zealand. We value diversity in all its forms and recognise the value that diversity of thought brings in terms of improved decision-making, better risk management, innovative thinking, community understanding and breadth of perspective.

In recent years we have made significant progress on our journey to being gender balanced with over 30% female Directors in our total Director pool. In addition the introduction of our Associate Director programme has provided an opportunity for prospective directors to experience and learn in a real Governance environment. This also adds to our future Director talent pool.

We note that gender is only one aspect of our diversity journey, so to reflect the importance of this to the Group and our community we will look to report on our diversity goals and progress as part of our annual reporting to our shareholder.





Nature and scope of activities

CCHL exercises its role in relation to it's objectives through a variety of means, including:

Letters of Expectation

Sent by CCHL to each operating subsidiary each year, setting out CCHL's shareholder expectations for the subsidiaries' scope of activity and financial performance.

Statements of Intent (SOI)

Each operating subsidiary is required to produce an annual SOI setting out its operational and financial intentions and key performance measures in respect of which the subsidiary is monitored.

Routine monitoring

Operating subsidiaries provide regular updates to CCHL which include *financial, strategic, risk and operational updates for any given period.* Financial reporting is required semi-annually for consolidated reporting purposes, with audited financial reporting required annually. Three year business plans are also provided annually.

Appointment of directors

CCHL selects and appoints all directors to its subsidiaries following approval by Council, except for Orion and CIAL where the minority shareholders have certain appointment rights. In addition, CCHL has the ability to remove its appointed operating subsidiary directors as it sees fit.

Group Collaboration

CCHL can provide debt funding to subsidiaries within the Group through the CCHL Intra Group Funding Facility (IGFF) which utilises CCHL's strong credit rating and its trust and reputation in the marketplace, to access cost effective debt funding for the Group. CCHL also facilitates and promotes various other collaborative initiatives across the Group where there is alignment and mutual benefit.



Te Whāriki

During 2020, CCHL launched a pilot for a shared Human Capital Platform (Te Whāriki). The ambition of this project was to utilise the scale and diversity of our Group to create an ecosystem that transforms the way we work and develop the human capabilities needed for any future we will face individually and collectively. An ecosystem which:

- Leverages the talent and capabilities we already have
- · Accelerates the development of new capabilities
- Attracts the best talent to the Group (and the region)
- Enables each organisation to access specialist capabilities when it needs them
- · Helps to rebalance workloads and resourcing
- Allows the Group and each individual company to quickly adapt to changes in its operating environment

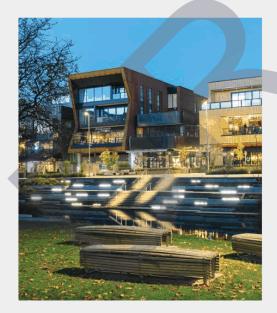
After the success of the pilot the CCHL Group have moved to formally launching the platform in the Group.

tem 14





CCHL acquired its 89.275% stake in Orion from the Council in 1993. The remaining 10.725% is held by the Selwyn District Council.



Orion originally carried out electricity retail and distribution activities, but sold its electricity retail activities following the energy industry reforms introduced in 1998.

Orion owns and operates the electricity distribution network between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass. It has approximately 200,000 customer connections, and is NZ's third largest electricity distribution business (EDB) when compared on line revenue, asset size and system length (km).

Orion also owns the electrical contracting business Connetics Limited. Connetics is a contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers. Connetics employs approximately two thirds of the Orion Group employees and comprises approximately 2% of the Orion Group's operating assets. Connetics is a strategically owned asset for Orion, as it undertakes approximately half of Orion's network fieldwork and it is an important part of Orion's emergency response capability.

The key priorities for Orion are maintaining a resilient network that provides continuity of supply, and working with the community to establish an effective way forward with disruptive technologies impacting on their business.



Attachment B Item 14





Christchurch Airport first opened as a commercial airport in 1939 as a division of the Council.



CCHL acquired its 75% stake in CIAL from the Council in 1995. The remaining 25% stake is held by the Crown.

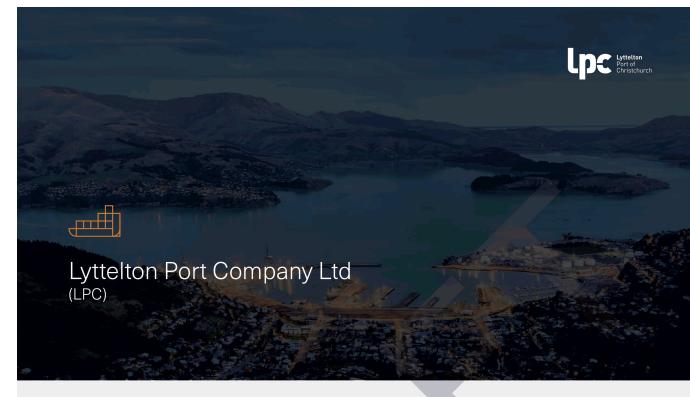
Primarily, CIAL is responsible for the efficient and safe operation of airport infrastructure wherever requested to do so on a commercial basis by its various customers, while aiming to provide its diversity of users with modern, appropriate and efficient facilities and services.

The Christchurch Airport campus is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of national and regional infrastructure. As the gateway for Christchurch and the South Island, the Airport is NZ's second largest airport based on passenger numbers and the busiest and most strategic air connection for South Island trade and tourism markets. The Christchurch Airport campus has a land holding of approximately 1,000 hectares (including the airport). While this land is held for airport purposes, land not needed for immediate aeronautical and terminal activity has been identified in Christchurch Airport's Master Plan for commercial property development.

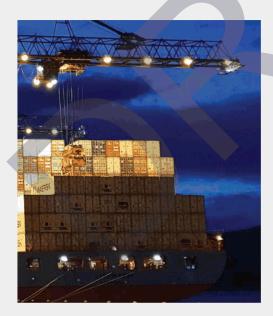
As a response to the risks to the CIAL business arising from the earthquakes, CIAL developed a strategy in 2014 focused on building breadth into its risk mitigation approach through developing further diversification into its revenue streams on the Christchurch campus via the three commercial pillars of Planes, Passengers and Property. Business risk diversification through property growth has underpinned the long term competitive position of Christchurch Airport's aeronautical services and derisks Christchurch Airport against aviation volatility which can impact profitability.

In 2019, CIAL reached a point in its strategic journey where it wanted to build further depth into its risk mitigation approach to go alongside the breadth already achieved at the Christchurch campus. A market scan identified opportunities for CIAL to extend and expand the existing strategy out for the next twenty years, through investigating opportunities beyond a single site that support regional economic growth and lower carbon transport opportunities as they relate to aviation infrastructure in New Zealand. The first major step has been purchasing land in Central Otago to explore the potential for the long-term development of new aviation infrastructure in Central Otago to serve the aviation needs of the lower South Island for the next 75 years and beyond.





The first port at Lyttelton was established in 1849. LPC was established in 1988 under the Port Companies Act 1988 to take over the Port's commercial role including the land, assets and facilities.



CCHL acquired the Council's shares in 1995, and in 1996 LPC was listed on the NZX main board, following the decision by Hurunui and Selwyn District Councils to sell their shares. In 2014, CCHL acquired all shares in LPC and delisted from the NZX.

Lyttelton Port is the South Island's largest port by volume and the third largest container port in NZ processing over 400,000 TEUs (20-foot equivalent units) of containerised cargo.

LPC's revenue is received from shipping and shipping related services, including stevedoring and cargo handling for a diverse range of cargo. It owns two Inland Ports which improve the Port's connectivity for South Island trade – CityDepot is located 6 kilometres from Lyttelton, and MidlandPort at Rolleston which provides a direct daily rail link with the Lyttelton Port.

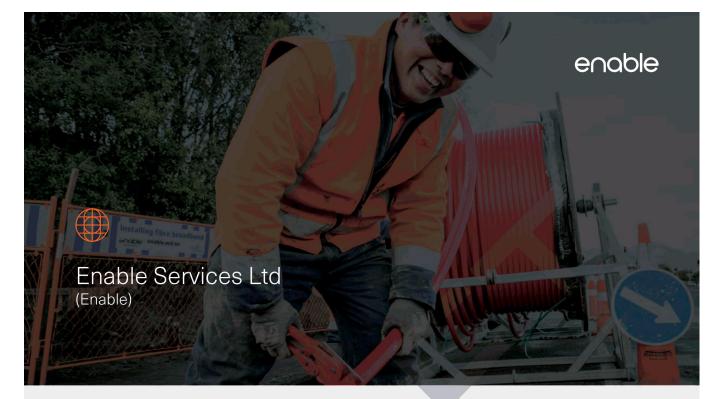
Key priorities for Lyttelton Port are to create an efficient, prosperous and sustainable port through working with customers, and the community, whilst ensuring their environmental footprint is minimised.



Statement of Intent 2022 11

Christchurch City Council





Enable Services Limited (ESL) was established in February 2007 by CCHL to investigate the opportunity of developing a fibre optic network covering key public and private business locations throughout greater Christchurch.



ESL was awarded the Ultra-Fast Broadband contract to build and operate a fibre optic network for greater Christchurch. This build was completed in May 2018.

ESL owns the shares of Enable Networks Ltd. Collectively, both entities make up the Enable Group (Enable).

Enable provides world-class fibre broadband services reaching approximately 200,000 homes, businesses, schools, and healthcare and community service providers across Christchurch and in towns in Waimakariri and Selwyn. Enable provides its wholesale fibre broadband services to internet service providers (retailers) who then deliver broadband, voice, internet, TV, content and IT services to end customers. At December 2020, approximately 125,000 customers were connected to Enable's fibre broadband.

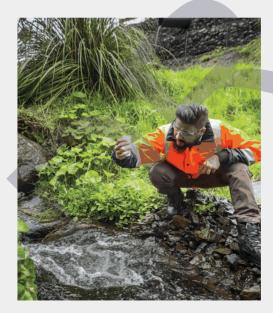
Enable's key priorities are ensuring as many people as possible are benefiting from and enjoying its fibre broadband services, and that these customers are receiving an excellent customer experience at all times. The business is also focused on continuing to build and strengthen its financial position, so it can provide greater value to the Christchurch community in future.







Citycare was formed in 1999 to acquire the Works Operations Unit of the Council.



At that time Citycare was a company operating solely in Christchurch, providing services to the Council only. CCHL acquired the shares in Citycare from the Council in 2002.

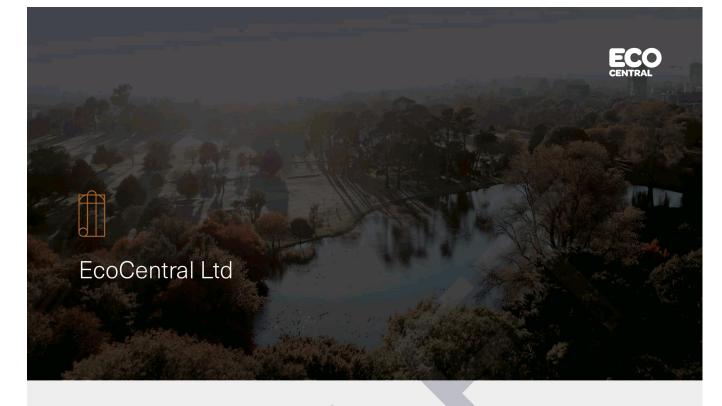
Citycare Group has grown and matured into a leading national provider of maintenance and management services for parks, public gardens, sports fields, cemeteries, waterways, coastal areas, buildings and public facilities, roading networks and water, wastewater and stormwater networks and construction.

Citycare is structured in to two sectors : Water and Property to differentiate the specific specialist services each sector offers.

Key priorities for Citycare are to drive growth through its core business units, with a main focus on customer acquisition, delivering operational excellence and continuing to build on its strong health and safety culture.







EcoCentral manages the processing of household and commercial refuse and the automated sorting of recycling throughout Canterbury.



EcoCentral has a long term Council contract to operate the recycling plant which generates revenue from the sale of recycled products mostly to offshore markets. It also runs an EcoShop that sells second-hand goods to the local community.

EcoCentral is aware of the essential service it provides Christchurch City and the need to ensure a stable future focused waste minimisation business.

Waste and recycling is undergoing global change and EcoCentral recognises that to be resilient and adopt new technologies, there may be commercial or partnership opportunities developed that benefit EcoCentral, CCHL and Canterbury.

Key priorities for EcoCentral are to be a key part of a waste and resource recovery system that minimises waste generation, maximises resource recovery, and works towards zero waste going to landfill.







In December 2020 the Red Bus operating business was sold to Ritchies transport.

The remaining assets being the land and buildings situated at Ferry Road which continue to be owned by the renamed entity RBL Property Ltd. The decision on the future ownership of these assets will be determined during the SoI Period, in consultation with the Council.







CCHL established DCL in July 2015 at the request of the Council to deliver on the Council's ambition to drive investment opportunities, encourage urban development, aid regeneration and engage the community in activities that will benefit Christchurch.



In June 2020, Christchurch City Council requested CCHL to move the urban development agency operations from DCL to ChristchurchNZ(CNZ). The remaining assets of DCL including the ownership investment in Christchurch Adventure Park are monitored by CCHL, with a services agreement with CNZ to manage the disposal of the remaining land assets.

CCHL Parent – other subsidiaries:

CCHL Parent also holds 100% of the shares in four shelf companies. These companies have no assets or liabilities and are non-trading, but have the potential to be activated in the future subject to prior consultation with the Council.



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Corporate Governance

This statement gives readers an overview of the company's main corporate governance policies, practices and processes adopted or followed by the CCHL board.

Role of the Board of Directors

The CCHL board is responsible for the strategic direction and control of the company's activities. The board guides and monitors the business and affairs of CCHL on behalf of the shareholder, Christchurch City Council ('the Council'), within the strategic framework and objectives that are set out in this Statement of Intent.

The Chief Executive is responsible for the day to day management of the company.

All directors are required to comply with a formal Code of Conduct, which is based on the New Zealand Institute of Directors' Principles of Best Practice.

The Chair will conduct a board effectiveness review with the board on a periodic basis.

Responsibility to shareholder

Statement of Intent

In accordance with the Local Government Act 2002, the company submits a draft Statement of Intent (SoI) for the coming financial year for consideration by CCHL's shareholder, the Council. The SoI sets out the company's overall objectives, intentions and financial and performance targets.

Information flows

The board aims to keep the Council informed of all major developments affecting the company's and Group's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

CCHL will provide a quarterly update to Council on Statement of Intent performance.

Board composition and fees

The board comprises eight directors – four Councillors and four independent directors.

All Councillor directors are required to retire by rotation within three months following the triennial local government elections, but are eligible to be re-appointed. Where there are four or more non-Councillor directors, two of those directors must retire by rotation annually, but may offer themselves for re-appointment. Appointments to CCHL are made in accordance with the Council policy on Appointment and Remuneration of Directors.

Fees for the CCHL board and all subsidiary boards are set triennially. In relation to the CCHL board fees, CCHL recommends fee levels to the Council, based on commercial norms, but discounted to reflect a public service element. In relation to subsidiary board fees, CCHL will approve the board fees, based on commercial norms, but discounted to reflect a public service element. Where a director provides professional services over and above the normal role of a director, they are entitled to charge for those services at commercial rates provided the conditions of the board's Conflict of Interest policy are met.

The board has resolved on the request of Council that no fees are to be paid to Councillor directors, but the equivalent amount are donated to the Mayor's Welfare Fund Charitable Trust or nominated fund approved by Council.

The board generally meets on a monthly basis.



Board Committees

Audit and Risk Management Committee (ARMC)

The responsibilities of the ARMC include reviewing the company's accounting policies, treasury policy, reporting practices and financial statements. The committee will also consider external audit reports, audit relationship matters and fees, and risk management issues. The CCHL Chair cannot be the Chair of the Audit and Risk Management Committee.

Governance and Appointments Committee (GAC)

The GAC is responsible for recommending director appointments to its subsidiaries. It also assists in developing, reviewing and formalising the company's governance procedures. The GAC is led by the CCHL Chair.

Funding Sub Committee

In 2017 a Funding Sub Committee was established to manage the roll out of the debt capital market programme. The Chair of the Funding Sub Committee is the Chair of the Audit and Risk Committee.

Other committees

The board establishes other committees on an as needed basis to deal effectively with issues as they arise.

Remuneration Policy

The company is especially conscious of its public responsibilities in the setting of remuneration for senior executives, which is closely managed by the board and made publicly available via the annual report.

The company has policies and procedures in place to ensure remuneration levels are set at responsible limits that are able to attract and retain the people we need to manage and operate the business. These include:

- Delegated financial authorities for hiring of new employees
 and remuneration setting
- An annual staff appraisal and pay review process
- Market appraisal of remuneration levels of key staff.



Subsidiary companies

Monitoring

Each subsidiary submits annually a draft Statement of Intent. CCHL reviews the SoI, suggests any changes that may be considered appropriate, and then forwards the draft SoI to the Council for consideration.

Representatives of the subsidiary board and management meet with CCHL at least twice each year, to discuss the company's strategic direction and any significant issues that arise. The board also receives such other reports as are necessary to perform its monitoring function.

Board appointments

All directors of subsidiary companies are selected for their commercial expertise and aptitude in accordance with the Council's appointments policy, with specific consideration to supporting CCHL's diversity and inclusion policy.

When identifying the skills, knowledge, and experience required of directors of a subsidiary, CCHL will consider how knowledge of tikanga Māori may be relevant to governance of the entity.

NZX Listing rules

CCHL has listed Bonds on the NZX Debt Market. With this comes additional reporting requirements including:

- Continuous Disclosure requirements including material information in relation to CCHL that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of the Bonds.
- Compliance with Financial Reporting Act 2013 and Part 7 of the Financial Markets Conduct Act.



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Ratio of shareholder's funds to total assets¹

The forecast ratio of shareholder's funds to total assets for the next three years is:

Group Y/e 30 June	2022	2023	2024
Shareholder's funds/total assets	41%	41%	42%

Accounting policies

CCHL has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, and generally accepted accounting practice.

The detailed accounting policies are available in our most recent annual report as published on our company website.

Refer https://www.cchl.co.nz/annual-reports

"Shareholders' funds" are defined as the sum of paid up capital, capital reserves and revenue reserves of the parent company. "Total assets" are defined as the total book value of all assets of the parent company as disclosed in the statement of financial position.



Performance measures



Objective

The CCHL Group will adopt strategies that are compatible with the strategic direction of its shareholder.

CCHL maintains contact with subsidiary company boards, and remains aware of their strategic and business issues.

The CCHL Group will work together to ensure leadership and collaboration where

there is mutual benefit.

Key Performance Indicators

CCHL will actively engage with its operating subsidiaries and its shareholder to ensure strategic alignment with the Council's strategic priorities.

CCHL regularly receives a strategic performance report detailing financial, market and performance updates.

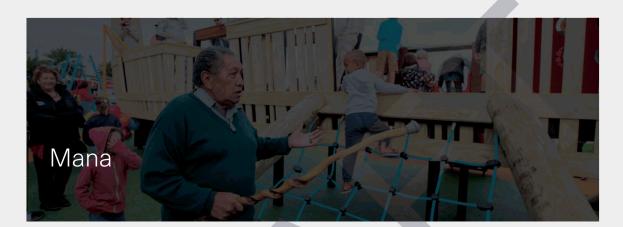
CCHL management meet with operating subsidiary management regularly to review current performance and strategic focus areas.

CCHL receive business plans from each operating subsidiary by 31 May each year.

Operating subsidiary Chair and CEO will meet with CCHL Board at least annually.

CCHL encourage group participation in Te Whāriki, Sustainability forums, Emerging Technology and Innovation (ETI), CFO Group, CEO Group, Chairs and Audit Committee Chairs meetings.





Objective

CCHL Group are committed to showing leadership in emerging technology and innovation.

CCHL keeps Council informed of all significant matters relating to CCHL and its subsidiaries.

CCHL manages its continuous disclosure requirements for NZX effectively.

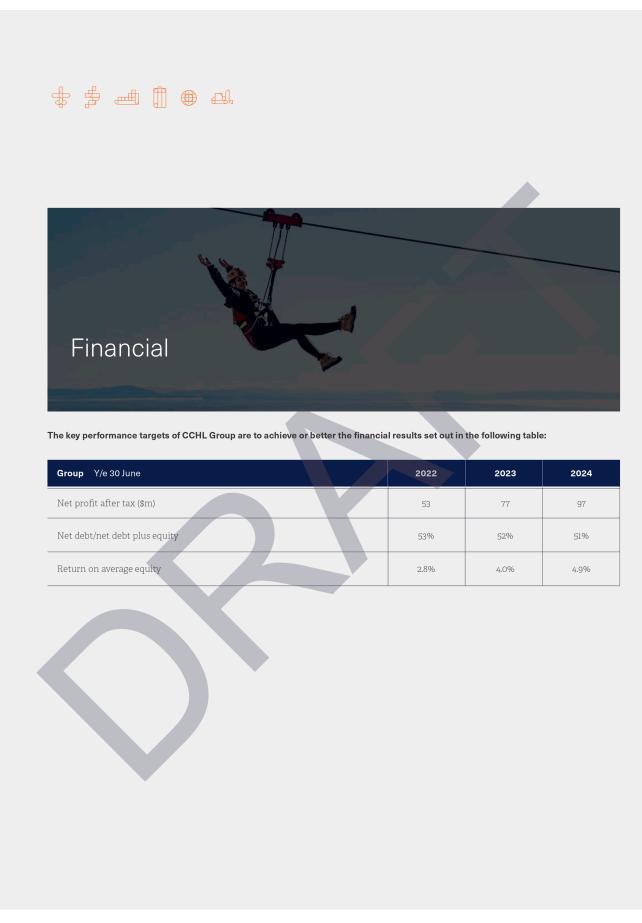
Key Performance Indicators

The CCHL Group uses the Te Whāriki platform in at least four projects per annum to explore, test, pilot, trial or implement new technologies or innovative work practices across the Group.

Major matters of urgency are reported to Council at the earliest opportunity under its 'no surprises' policy within the constraints of commercial sensitivity and NZX listing requirements.

Matters of material impact are disclosed in line with CCHL framework for continuous disclosure.







Sustainability

Objective

CCHL Group companies set and attain environmental, social and innovative performance objectives that are compatible with their activities, commercial nature and other objectives.

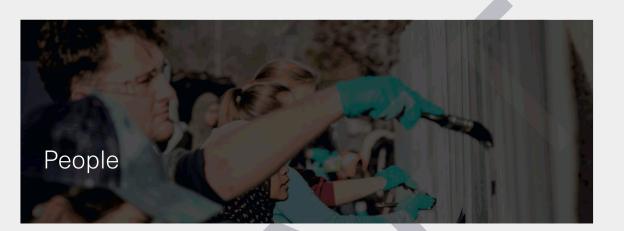
CCHL Group will show sustainability leadership.

Key Performance Indicators

This target will be confirmed by the final SoI, following a Group workshop on establishing a Group target that is required to achieve Group carbon neutrality by 2030 in line with Council expectations.

CCHL will release a sustainability framework for our debt funding programme aligned with our IGFF.





Objective

CCHL Group continue to ensure the health, safety and wellbeing of all people working across the Group.

CCHL's process for the selection and appointment of directors to the boards of subsidiary companies is aligned with governance best practice and reflects the shareholder's expectation of diverse and inclusive Boards for its CCTO's.

CCHL will actively endorse the expectation of its shareholder that restraint is exercised in relation to the level of senior executive remuneration at its CCTOs'

Directors make an effective contribution to the CCHL board, and their conduct is in accordance with generally accepted standards.

Develop future Governance talent for the region by continuing to deliver the CCHL Associate Director programme.

Key Performance Indicators

CCHL Group will show active improvement in continuing to work towards a living wage for all direct employees, including investing in training and staff development programmes.

CCHL will continue to support and encourage the use of Te Whāriki as a means of developing and sharing human resource throughout the Group.

The process followed for each appointment to a subsidiary company board is transparent, fully documented and in line with approved policies and procedures.

CCHL will actively promote and report on board diversity as part of its appointment process and include the process undertaken as part of its approval of appointments with Council.

CCHL will aim to increase our diversity on our boards and report on progress as part of our annual reporting to our shareholder.

CCHL will encourage its subsidiaries to report on and work to show a narrowing of the gap between the highest and lowest remuneration in each company.

An independent board effectiveness review with will be undertaken every 3 years, next due in 2022.

The Chair will actively monitor and approve any training requirements for the Board.

CCHL will hold regular meetings with and provide support to existing Associate Directors throughout the programme.

CCHL will establish an alumni programme for all previous Associate Directors and Intern Directors.





Distributions to shareholder

The CCHL board will pay dividends to the shareholder after taking into account its profitability and future investment requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

FY22 \$m FY23 \$m FY24 \$m Ordinary dividend 16.1 32.4 50.7

The Board will declare and pay a dividend to its shareholder in June of the financial year in which it relates.

COVID-19 has impacted on the ability for CCHL to continue to pay high dividend payout ratios, to its shareholder as it has done in the past. CCHL will continue to monitor the impact of COVID-19 on the financial results of our subsidiaries and will continue to update regularly with its shareholder the impact on future dividends. However during the current three year period CCHL will continue the commitment to repay debt and therefore has retained a dividend payout ratio of 50% for FY22 and FY23, with an increase in FY24 to 67%.

Christchurch City Holdings Limited

Statutory information requirements

The company will provide an annual Statement of Intent in accordance with Section 64(1) of the Local Government Act 2002.

CCHL will submit an annual report within three months of year end to the market and its shareholder. The annual report will include audited financial statements and commentary to permit an informed assessment of the company's performance and financial position during the reporting period, and to comply with the requirements of the Companies Act, Financial Reporting Act, Financial Markets Authority and the NZX listing rules.

CCHL Group will also prepare an unaudited consolidated interim report to 31 December, that complies with NZ IAS 34 "Interim Financial Reporting". This will be prepared and released to the market by 28 February each year.

The company will provide regular updates to the Council on its activities and that of its subsidiary companies. It will operate on a "no surprises" basis in respect of significant shareholder-related matters, to the fullest extent possible in the context of commercial sensitivity, confidentiality agreements and NZX listing continuous disclosure requirements.

Acquisition/ divestment policy

CCHL

In relation to the potential acquisition or divestment of assets/investments (i.e. equity interests, shares, or equivalent) held directly by CCHL (parent entity), CCHL will seek Council approval of any transaction which results in a significant change to the ownership interest held by CCHL.

Subsidiary of CCHL

In relation to the potential acquisition or divestment of assets/investments (i.e. equity interests, shares, or equivalent) by a subsidiary of CCHL (subsidiary entity), CCHL will adopt the following approach:

- If the transaction is a major transaction (as defined by the Companies Act), CCHL will consider the proposal, and as the shareholder of the subsidiary, CCHL is required to either approve or not approve the transaction. CCHL will consult with Council, prior to determining whether or not to approve the proposed transaction.
- If the transaction is material, but not a major transaction, CCHL will request that the subsidiary companies consult with CCHL prior to entering into the proposed transaction, and CCHL will inform Council under the "no surprises" policy.
- If the transaction otherwise requires shareholder approval from CCHL, CCHL will assess the transaction and determine whether or not to approve it, and CCHL will keep Council informed under the "no surprises" policy.
 - Before a council-controlled organisation makes a decision that may significantly affect land or a body of water, it must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.



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. The Council has a contingent liability up to \$1.5 billion in respect of uncalled issued capital in CCHL. There is no current intention to make a call on any uncalled capital.





Commercial value of shareholder's investment

The Council's investment in CCHL as at 30 June 2020 was independently valued at \$2.1 billion. This valuation is updated annually based on independent advice.







Water	 Measure, understand, 	 Measure, understand, 	 Measure, understand,
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	and undertake to conserve water around terminal and campus	and undertake to conserve water around terminal and campus	and undertake to conserve water around terminal and campus
the airport.			
Noise Historically, noise has been the environmental issue of greatest focus at airports around the world. Our responsibility and preference are to coll aborate with all stakeholders, especially residents and businesses close to Christchurch Airport and its flight paths in relation to noise impacts.	 Noise complaints are limited to 10 per 10,000 aircraft movements per annum Successful delivery of the updated noise compliance contours to Environment Canterbury Offers of acoustic mitigation to noise impacted properties currently eligible Long term and ongoing program to protect CIAL from noise reverse sensitivity affects 	 Noise complaints are limited to 10 per 10,000 aircraft movements per annum Successful delivery of the updated noise compliance contours to Environment Canterbury Offers of acoustic mitigation to noise impacted properties currently eligible Long term and ongoing program to protect CIAL from noise reverse sensitivity affects 	 Noise complaints are limited to 10 per 10,000 aircraft movements per annum Successful delivery of the updated noise compliance contours to Environment Canterbury Offers of acoustic mitigation to noise impacted properties currently eligible Long term and ongoing program to protect CIAL from noise reverse sensitivity affects
Land Our Place is an area of unique natural beauty. We have a responsibility to protect it, to encourage biodiver sity, and our native species. We aim to maintain improve our land and remediate contaminated land. We also have a responsibility to our wider stakeholders to understand climate risks and mitigation, as well as airport hazards such as bird strike.	 Understand and enhance our unique dryland habitat Undertake Campus lands cape planning to celebrate native species and include plant succession planning. Monitor and understand bird migration patterns to mitigate bird strike risk Insert bird strike management areas in the regional and district planning framework 	 Develop and implement protection plan for CIAL dryland habitat Continue Campus landscape planning to celebrate native species and include plant succession planning. Monitor and understand bird migration patterns to mitigate bird strike risk 	 Promote and protect CIAL dryland habitat to broader community Continue Campus landscape planning to celebrate native species and include plant succession planning. Monitor and understand bird migration patterns to mitigate bird strike risk

Christchurch International Airport Limited

Attachment C Item 14



Statement of Intent Year ending 30 June 2022



Item No.: 14





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Christchurch International Airport Limited



INTRODUCTION

This Statement of Intent ("SoI") is prepared by the Board of Directors of Christchurch International Airport Ltd ("CIAL") in accordance with Section 64(1) of the Local Government Act 2002.

CIAL has five wholly owned subsidiaries. These wholly owned subsidiaries are currently non-trading and are not holding any assets or liabilities.

This SoI sets out for CIAL (and subsidiary companies) 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 company may be judged in relation to its objectives.

CIAL's achievements against the objectives outlined in last year's Statement of Intent are referred to in this year's Annual Report.

The SoI is a public and legally required document, reviewed and agreed annually with its shareholders and covers a three-year period. This SoI covers the period from 1 July 2021 to 30 June 2024.

Contact details for both the Chair and Chief Executive are CIAL's registered office:

Address:	Fourth Floor, Carpark Building
	Christchurch International Airport
	Memorial Avenue, PO Box 14-001, Christchurch
Telephone:	+64 3 358 5029
Website:	www.christchurchairport.co.nz

Christchurch International Airport Ltd is a council-controlled trading organisation ("CCTO") for the purposes of the Local Government Act 2002.

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PURPOSE & MISSION

Our Purpose

"To be a champion provider of aviation services, acknowledged at home and abroad as the engine room of the social, economic and environmental prosperity for the South Island and regional New Zealand"

Our Mission is to achieve three things simultaneously:

- Building a Stronger Business; and
- Enhancing our customer journeys; and
- Being good Kaitiaki (being good ancestors today)

The activities of CIAL and the connectivity they provide, make a significant contribution to the social and economic wellbeing of the communities and economies of Christchurch, Canterbury and in social and economic development of the South Island and regional New Zealand – making a better contribution to the nation's outcomes.

Airports have a strong multiplier effect on the economies they serve, and they are critical regional economic development and social infrastructure. For CIAL, this has been independently estimated at 50:1, or for every \$1 CIAL earns, the wider South Island economy earns \$50.

NATURE AND SCOPE OF ACTIVITIES

Christchurch International Airport Limited's (CIAL) primary activity is to create growth in long-term value for shareholders, customers and the travelling public through the provision of appropriate landside and airside facilities for all airport users, including both commercial and non-commercial aviation users, and pursuing commercial opportunities with wider complementary products, services and business solutions where needed.

CIAL will also look to utilise the culture and capability developed over the last five years at the Christchurch campus to proactively investigate opportunities beyond a single site, that support regional economic growth across New Zealand and support aviation infrastructure that will enable a more efficient and lower carbon transport network across New Zealand, where that contributes to New Zealand's overall social, economic & environmental objectives and supports long-term growth in shareholder value.

4

Christchurch International Airport Limited



COMMERCIAL & REGULATORY CONTEXT

Christchurch International Airport Limited (CIAL) is one of three named airports in New Zealand within the Airport Authorities Act 1966 (AAA), meaning it is infrastructure of national significance and has economic impacts into regions beyond Christchurch City.

CIAL operates in a commercially competitive environment both domestically and internationally, overlaid by a complex layered legal and regulatory environment with a wide stakeholder group.

The chart below demonstrates various aspects of commercial and non-commercial demands on CIAL, which the Board endeavours to balance.

CIAL has full capacity to carry on or undertake any business or activity, do any act, or enter into any transaction subject only to the law generally and any restriction contained in its constitution.

The business and affairs of CIAL must be managed or supervised by the CIAL Board. Directors on the Board owe a range of duties to CIAL including a duty to act in good faith and in the best interests of CIAL, its customers, the travelling public, its staff and the regions it serves, and to exercise due care, diligence and skill

Controlled trading organisations (CCTO) fully or majority owned by Christchurch City Holdings Limited, who have been established for operating a trading undertaking for the purpose of making a profit.

All decisions relating to the operation of a CCTO must be made by, or under the authority of, the Board to assist the organisation to meet its objectives in accordance with its Sol and its constitution. The duties of a director of a CCTO are not limited or affected by the Local Government Act 2002. Community •Local Goverment Act 2002

> Airport Authorities Act (AAA)
> Financial Markets Conduct Act

Commercial

•Companies Act

Commerce Act

As an airport company, CIAL is required to operate and manage its business as a commercial undertaking. This has two elements, the requirement to attempt to operate profitably and follow generally accepted commercial practices and disciplines.

The AAA also imposes an obligation to consult with its aeronautical customers before setting aeronautical prices for a five-year cycle and in relation to substantial items of capital expenditure.

CIAL has issued debt securities to retail and institutional investors that are quoted on the NZX Debt Market (NZDX).

Under this Act and the NZX Listing Rules, CIAL has an obligation to disclose material information in a concise and timely manner under the continuous disclosure regime.

Part 4 of the Commerce Act 1986 seeks to achieve outcomes in the aeronautical services market consistent with outcomes produced in a competitive market

As one of only three regulated aeronautical services suppliers the Commerce Commission has regulatory oversight over CIAL. The regime is designed to ensure that operating costs, capital invested, and airport master plans are market based, commercially focused and transparent to interested stakeholders in each airport

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CCTO GOVERNANCE MODEL

CIAL is 75% owned by Christchurch City Holdings Limited (CCHL) and 25% by the Crown.

CCHL was set up in 1993 to create a confidential, independent, non-political buffer between the Council and the companies it owned and has no direct role in the operations of the subsidiaries.

The holding company structure was adopted to ensure a commercial approach to managing the investments.

The key aspects of the shareholders role in providing the foundations for an effective relationship with CIAL revolve around:

- being clear about CIAL's purpose;
- appointing Directors with appropriate skills, knowledge and experience; and
- creating an appropriate level of monitoring and accountability.

In turn the role of the independent CIAL Board is to review all the needs on the business from shareholders, customers, regulators, community and statutes (see section above). It is the role of the CIAL Board to strike the best balance of these inputs when developing the SoI and long-term strategy for the business.

The Office of the Auditor-General has previously reviewed the CCHL holding company model noting a number of factors which have contributed to the success of the model, including:

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- their roles of all parties are clear and well understood by the various participants
- there is a clear focus on skills and capability in Board appointments
- there is respect and confidence between shareholders and the company



PRINCIPAL OBJECTIVES

CIAL's core business is to create growth in long-term value value for shareholders, customers, staff and the travelling public through the provision of aviation services, operating safe and efficient airport infrastructure wherever requested to do so on a commercial basis by its various customers.

CIAL's key objectives are to operate as a successful commercial entity and through that deliver sustainable benefits to customers, the travelling public, the regions it serves and its staff while delivering growth in long-term value and dividends to shareholders.

Consistent with these primary objectives, CIAL will:

- provide well-designed and maintained runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation of New Zealand and other airport users
- provide airfield and terminal infrastructure that delivers the required outcomes for CIAL and existing/potential customers, with an emphasis on resilient and efficient airside activities
- utilise the culture and capability developed at the Christchurch campus to proactively investigate opportunities beyond a single site, that enhance the provision of aviation services across regional New Zealand to the benefit of all stakeholders
- pursue activities designed to ensure the safe and effective utilisation of its assets and its people
- ensure the company adopts an environmentally sustainable approach to the operation of all its activities (including carbon, land use, water, energy, waste and noise management) and pursue a commitment to protecting the environment, minimising use of natural resources where possible and improving the quality of life for our communities
- pursue initiatives to grow shareholder value and provide a sustainable and diversified revenue stream through continuing an appropriate level of investment in, and development of, the company's property holdings
- focus on the health, safety and wellbeing of our people through a culture of safety leadership, a strategic approach to risk management and a robust safety management system
- unequivocally champion Christchurch, Canterbury, the South Island and regional New Zealand's social and economic contribution to the country as a whole, ensuring they are well positioned within Australasian and Pacific Rim aviation networks
- recognise that disruption in many forms will be a constant over the coming years and hence adopt an open-minded, self-driven creative disruption process to our revenues and operating structures. Partnering and trialling will continue to be important components of how we will approach this
- be a fair employer in providing a work place that values people, celebrates inclusiveness and diversity and supports people leading themselves and developing skills to lead others. Ensures all are fairly rewarded
- exhibit a sense of social responsibility by having regard to the interests of the communities in which it operates

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Christchurch International Airport Limited



STRATEGIC PRIORITIES – REAL GROWTH 2040 (RG40)

The strategy Real Growth 2025 (RG25) was developed in 2014 as a response to the risks to the CIAL business arising from the earthquakes. It was focused on building breadth into our risk mitigation approach through developing further diversification into our revenue streams on the Christchurch campus via our three commercial pillars of Planes, Passenger & Property. This served CIAL well as it set about recovering from the quakes.

In 2019, CIAL reached a point in its strategic journey where it wanted to build further depth and resilience into its risk mitigation approach to go alongside the breadth already achieved at the Christchurch campus.

A market scan identified opportunities for CIAL to extend and expand RG25 out for the next twenty years to 2040 (RG40), through investigating opportunities beyond a single site that support regional economic growth and lower carbon transport opportunities as they relate to aviation infrastructure in New Zealand.

The first major step has been purchasing land in Central Otago to continue to evaluate the potential for the long-term development of new sustainable aviation infrastructure in Central Otago to serve the aviation needs of the lower South Island for the next 75 years and beyond.

Developing a greenfield airport is a long term undertaking and the project will adopt a phased approach. The priorities for the current phase of the project, that is expected to take up most of the period covered by this Statement of Intent (FY22-FY24), are:

- continued engagement with local communities, iwi mana whenua and stakeholders; and
- undertaking the validation and planning work that will be required before the project can move to its next critical milestone of obtaining the approvals required to enable development. Formal consultation will occur during the next more formal part of the approvals journey.

Further opportunities may arise that may allow CIAL to place its capital, people talent and operating systems that harness future aviation trends in a way that may create benefits for customers, staff, shareholders and the environment. The company will remain open minded around this and assess opportunities on their long-term merit.

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CURRENT CONTEXT FY22-24: RECOVER & REPOSITION

There is no doubt that Covid-19 is an event of an unprecedented nature, however CIAL has had such an event in its risk register since the earthquakes and proactively made changes to its operational and financial strategies in 2014 building enough resilience into our business, leadership and financial capabilities, to provide CIAL with a self-help pathway in such an event.

The lessons learned from the quakes and preparation for events like a pandemic, has enabled CIAL to navigate Covid-19 by balancing the needs of our customers, airport users and staff while focusing on preserving shareholder value.

It is likely that this approach will continue in the near term, while also ensuring our strategic priorities keep progressing and we position the business to take advantage of the opportunities in the post Covid-19 environment.

It is also relevant to keep in mind that CIAL approaches decision making and risk management over different time horizons i.e. operations (3 years), leases (10 years), building & infrastructure (20 years) and land (50 years).

Consequently, ongoing decisions may look through the near-term impact of Covid-19 (estimated at 2-3 years) i.e. they may have material benefits to CIAL and shareholders which accrue beyond the next three years.

Aeronautical (Planes)

The aeronautical strategy remains focused on 'finding planes' and 'filling planes'. The material impact that Covid-19 has had on aviation has meant that there is a required focus on ensuring that we rebuild what we had before the pandemic, whilst at the same time using the opportunity to seek to improve our position in the New Zealand aviation market.

Christchurch Airport is 90% a short-haul airport, servicing domestic, Tasman and Pacific Islands air services. These networks are expected to recover sooner than long-haul networks and hence strategy will focus initially on recovering and repositioning Christchurch within short-haul networks, while also working closely with key airline partners on long-haul services once that opportunity arises.

Terminal (Passengers)

CIAL's 'Park to Plane' (P2P) strategy is the strategic priority for the passenger portfolio which includes the customer and commercial activity associated with the terminal and ground transport assets. The terminal (including ground transport) is our largest centre of business activity.

- For FY22 the core focus will continue to be on working with our commercial partners to bring them back to a position where our key partners survive and then thrive.
- Opportunity to consider how Christchurch Airport could re-configure the terminal layout to assist with appropriate safe border pathways and future security requirements
- Continue to invest in technology solutions across ground transport, terminal offerings and harnessing customer data.

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Christchurch International Airport Limited



Property

CIAL's commercial portfolio strategy remains to develop its bare land holdings by 'being a Landlord'.

- CIAL's investment strategy in this portfolio is to pursue new investment where the proposed investment grows CIAL's balance sheet, increases (and de-risks) revenue streams and enhances dividend flows.
- CIAL's property development program is focused on the development of quality income producing properties for reputable, well-resourced tenants which meet CIAL's long term investment criteria.
- New revenue generating investment property development opportunities will continue to be reviewed on a case by case basis throughout FY22.
- Asset planning and maintenance remains a priority, with the objective being to create a strategic and planned approach to asset management targeting an outcome of productive and resilient assets that are aligned to CIAL's business needs and strategic direction.

Refer to later sections in this document for discussion around People, Protection (Health & Safety) and Planet (Sustainability).

BEYOND CIAL

CIAL is aware of and acknowledges that Christchurch City Council has objectives regarding Community Outcomes under its Long-Term Plan and that the Crown also has objectives regarding Regional Economic Development under its national growth agenda.

CIAL's strategy is focused on more than just being an airport in Christchurch. CIAL has played a significant role in supporting the tourism recovery of Christchurch, Kaikoura and the Upper South Island (in conjunction with the City and MBIE). CIAL has made significant contributions to the promotion of Christchurch and the South Island through its investment in ChristchurchNZ, the South initiative (all 15 regions of the South Island) and New Horizons (small business mentoring program)

In addition, CIAL also recognises the key role it plays in supporting the Christchurch Antarctic Gateway Strategy, and actively supports Antarctic entities at Christchurch Airport, most notably Antarctica New Zealand and the Antarctic Heritage Trust.

As a commercial entity CIAL will always act and operate as a responsible corporate citizen, noting CIAL must compete for its outcomes, especially in aviation, in a highly competitive environment with several very strong commercial entities that have a purely commercial focus.

CIAL believes that the best way it can support both shareholders' strategies in these areas is by successfully executing its strategy, which will not only deliver wide ranging social and economic benefits to the City and the regions of the South Island, but also grow both the value of CIAL and increase shareholder cash flows which will then be available for each shareholder for investment in specific areas of interest as they see fit.

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In addition, CIAL will continue to focus on the pursuit of essential on-going objectives that will be important to the Council's documented Community Outcomes and the wider local community in general.

- Ensure effective stewardship of the City's airport asset, including meeting all relevant statutory obligations
- Create and maintain an attractive and well-designed airport environment.
- To operate Christchurch Airport and its various activities in a way that supports Christchurch's sustainable economic growth
- Ability to operate 24/7 The ability to operate under a 24/7 operating environment is essential to the financial and economic well-being of both CIAL and the regional economy
- Health and Safety as a priority with a commitment to a safe environment for all staff and airport users
- CIAL will continue to ensure staff engagement remains high and CIAL continues to be regarded as an employer of choice
- Minimise any adverse effects of CIAL's activities and facilities on the environment (land, waste, water, energy, noise and emissions), to be a responsible corporate citizen and to maintain strong links and regard for the community

INTERNAL GOVERNANCE FRAMEWORK

Commitment

Directors and management are committed to effective governance. As with safety and quality, governance includes a set of systems and processes, supported by people with the appropriate competencies and principles.

Governance by its very nature is on-going; it does not have a finite end. Changing commercial circumstances require regular review and continually evolving systems that implement newly developed techniques and industry best practice.

Regulatory Framework

The company operates solely in New Zealand and is governed by a range of New Zealand legislation and regulation including the Civil Aviation Act 1990 and the Airport Authorities Act 1966. The Civil Aviation Act 1990 establishes the framework for civil aviation safety, security and economic regulation in New Zealand and ensures that New Zealand's obligations under international civil aviation agreements are implemented. The Airport Authorities Act 1966 gives a range of functions and powers to airport authorities to establish and operate airports.

The Ministry of Transport is progressing work on a Civil Aviation Bill. The Bill will replace the Civil Aviation Act 1990 and the Airport Authorities Act 1966 with a single new statute that includes a number of proposals related to the safety, security and efficiency of New Zealand's civil aviation system.

See also Regulatory Context section above.

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Governance Objectives

The Board has adopted the following governance objectives:

- Approve Corporate Strategy and direction, laying down solid foundations for management and oversight
- Structure itself to utilize the expertise of Directors to add value at a governance level
- Promote ethical and responsible decision-making
- Safeguard the integrity of its financial reporting and make timely and balanced disclosure
- Recognise and manage risk and encourage enhanced performance
- Ensure the occupational health, safety and wellbeing of the company's people and contractors working for CIAL across the Christchurch International Airport campus
- Remunerate fairly and responsibly
- Respect the rights, and recognise the legitimate interests, of stakeholders.

These objectives are reflected in the Board's management of Board and Committee activities, CIAL's policies and governance practices.

Role of the Board of Directors

The Board is ultimately responsible for approving CIAL's strategic direction; oversight of the management of the company and achievement of its business strategy, with the aim being to increase long term shareholder value while sustaining and ensuring the obligations of the company are properly met.

The Board is accountable to shareholders for the performance of the company.

In carrying out its principal function, the Board's specific responsibilities include:

- Working with executive leadership to ensure that the company's strategic goals are clearly established and communicated, and that strategies are in place to achieve them;
- Monitor management performance in strategy implementation;
- Appointing the Chief Executive Officer (CEO), approving his or her contracted terms, monitoring his or her performance and, where necessary, terminating the CEO's employment;
- Approving and monitoring the company's financial statements and other reporting, including reporting to shareholders, and ensuring the company's disclosure obligations are met;
- Adopting appropriate procedures to ensure compliance with all laws, governmental regulations, applicable codes and accounting standards;
- Ensuring that CIAL's internal decision making and compliance policies and procedures are implemented, to ensure that the business of the company is conducted in an open and ethical manner;
- Approving performance criteria for CIAL and monitoring the performance of the CEO and executive leadership team against these;

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- Deciding necessary actions to protect CIAL's financial position and the ability to meets its debts and other obligations when they fall due, and ensuring that such actions are taken
- Ensuring that the company adheres to high ethical and corporate behaviour standards;
- Establishing procedures and systems to ensure the occupational health, safety and wellbeing of people working at, or visiting the, Christchurch Airport precinct;
- Promoting a company culture and remuneration practice which facilitates the recruitment, professional development and retention of staff, whilst considering ways to achieve a high level of diversity within the business;
- Set specific limits on management's delegated authority for entry into new expenditure, contracts and acquisition or development of assets and approve commitments outside of those limits;
- Ensuring that CIAL has appropriate risk management and regulatory compliance policies in place and monitoring the appropriateness and implementation of these policies.

The Board delegates day-to-day operations of the company to management under the control of the CEO. Such day-to-day operations are required to be conducted in accordance with strategies set by the Board.

All directors are required to comply with a formal code of conduct, which is based on the New Zealand Institute of Directors Code of Proper Practice for Directors.

The Board annually critically evaluates its performance, its processes and procedures to ensure that they are not unduly complex and that they assist the Board in effectively fulfilling its role and performing its duties. The Board and Committees and each director have the right to seek independent professional advice to assist them to carry out their responsibilities.

Responsibility to Shareholders

Shareholders articulate their key focuses to the Board in an annual Letter of Expectation. Having received and considered that Letter of Expectation from shareholders, and in accordance with Section 64 of the Local Government Act 2002, each February the company submits a draft SoI for the coming financial year to Shareholders. The SoI sets out the company's overall objectives, intentions and financial and performance targets.

After due consultation and discussion with the Shareholders and completion of the annual business planning and budgeting, the final SoI is approved by the Board of Directors and delivered to the Shareholders in June.

Board Composition and Fees

A fully constituted Board consists of six Directors, four appointed by majority shareholder, Christchurch City Holdings Limited ("CCHL") and two appointed by the Minister of Finance and the Minister for State Owned Enterprises (on behalf of the New Zealand Government). From 1 July 2014, CCHL has also been appointing an intern director for a period of twelve to eighteen months in order to enable prospective directors to gain an insight into good governance practice and to observe the dynamics of sitting on a Board.

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Directors' appointments are for such periods determined by the relevant shareholder but shall not exceed three years. Retiring Directors may be reappointed by the relevant shareholder by way of notice prior to the Annual General Meeting.

Fees for the Board are reviewed regularly by the shareholders using independent advice.

The Board generally meets approximately nine to ten times during the year and at other times as required. To enhance efficiency, the Board has delegated some of its powers to Board Committees and other powers to the CEO and senior executives. The terms of the delegation by the Board to the CEO are clearly documented.

The CEO has, in some cases, formally delegated certain authorities to his direct reports and has established a formal process for his direct reports to sub-delegate certain authorities.

The Board has four formally constituted committees: the Risk, Audit and Finance Committee, the People, Culture and Safety Committee, the Property and Commercial Committee and the Aeronautical Committee. All committees have Board-approved terms of reference outlining the committee's authority, duties and responsibilities, and its relationship with the Board. Additional committees may be established based on need. Each committee must include a representative of each shareholder.

FINANCIAL PERFORMANCE TARGETS

Due to the continued uncertainty associated with the COVID-19 pandemic, CIAL has formulated profit and loss and cash flow outcomes across FY22-24 using three assumption-based scenarios.

For the purposes of the FY22 SoI, CIAL has adopted a mid-point scenario for FY22-24. It is expected that the current assumptions will likely change over the coming months and with those changes so too will the scenario numbers. i.e. there remains a risk that these forecasts will continue to evolve over coming months until there is more certainty around vaccine rollouts and borders.

CIAL will continue to update its forecasts each quarter as more facts crystallise and provide these to shareholders, plus immediate updates where any changes in assumptions have the potential to have a material impact.

\$m	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
Total Revenue	131.3	154.9	178.8	190.7
EBITDAF ¹	70.6	89.2	110.9	121.0
Net Profit (Loss) After Tax	2.9	15.2	30.2	37.8
EBITDAF as % of Revenue	53.8%	57.5%	62.0%	63.5%
Return on Invested Capital ²	1.7%	2.7%	3.9%	4.4%

¹ Earnings before interest, tax, depreciation, amortisation and fair value movements.
² Earnings before interest & tax / (debt + equity)



Passengers	2021 Forecast	2022 Forecast	2023 Forecast	2024 Forecast	
Domestic	3,456,670	4,418,308	4,658,340	5,032,071	
Tasman & Pacific Islands	5,751	572,982	813,734	1,333,853	
International	5,283	84,036	228,445	292,072	
Total Passengers	3,467,704	5,075,326	5,700,519	6,657,996	

N.B. the forecast statement of financial performance outlined above excludes:

- any non-cash investment property revaluation gains/losses (given amounts are non-cash related)
- any other asset impairment assessments

Notes & Assumptions

<u>Revenue</u>

The impact on CIAL's revenue streams will remain significant until the opening of the borders and or a Tasman bubble eventuates.

- <u>Aeronautical</u>: Tasman bubble will commence from Sept/Oct 2021 with international borders beginning to slowly open in a risk managed way from the start of 2022. Domestic passenger numbers will remain steady at current levels. Beyond FY22 the growth trajectory for overall passenger numbers will essentially be linear recovering to pre-pandemic levels by the end of 2023.
- Lease Rental: The majority of CIAL's Christchurch campus tenants have been largely unaffected since the return to Level 1 back in 2020. However, a small number of tenants continue to be impacted by reduced passenger numbers. For those affected tenants CIAL continues to provide targeted commercial support through rent deferral and abatement.

Underlying lease rental will continue to grow through FY22-24, predominantly reflecting a market rate rental return from the currently funded property development capital expenditure and ongoing market annual rent review arrangements.

<u>Terminal & Commercial Concessions and Ground Transport</u>: All retail and ground transport
operators (including our carparking business) were materially impacted by the impacts of the
border closures and domestic lockdowns due to the pandemic. This has meant that CIAL has had
to provide varying degrees of support to these operators depending on specific circumstances.

Current intention remains on working with these operators to find a pathway to move them back to their pre Covid-19 commercial arrangements as soon as is commercially viable. Revenue will correlate to passenger growth trajectories (overall and Tasman/International for Duty Free).

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Parking taxis and rideshare revenue will follow similar recovery path to domestic and Tasman passenger numbers as key drivers of this.

<u>Hotel</u>: It is assumed that the hotel will remain under contract to the government as a MIQ facility until Sept/Oct 21 – currently contracted until April 21 with extension discussions ongoing.

Operating Costs

CIAL has a relatively fixed operating cost base, particularly in respect to its major terminal and airfield assets even when the level of passenger throughput decreases.

Since the major lockdown period of 2020, CIAL has reduced its underlying operating cost base by around 20% of pre-Covid levels. It is expected that this level of productivity will remain for the majority of FY22 in respect to the underlying operational costs of the terminal and airfield.

Whilst we have seen these productivity gains over the last 6-9 months, CIAL has significant elements of its cost base where cost increases are outside of its control and are likely to increase at rates higher than CPI – e.g. rates and insurance, which are rising much faster than inflation. Current expectation of 5%-7% increases in these costs per annum (i.e. \$600k-\$800k p.a.).

Ratio of Shareholders' Funds to Total Assets

The forecast Capital Structure, ratio of shareholders' funds to total assets and gearing ratios for the next three years are:

\$m	202	21 Forecast	2022 Forecast	2023 Forecast	2024 Forecast
Shareholder Funds/Total Assets %		58.1%	59.1%	59.8%	60.2%
Gearing (debt/(debt + equity)) %		35.1%	34.5%	34.0%	33.6%
EBITDAF Interest Cover x		2.9	3.5	4.4	4.9
Free Funds Interest Cover x		2.5	3.3	3.8	4.3
Free Funds/Debt %		6.1%	9.7%	11.8%	13.6%

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DISTRIBUTIONS

CIAL aims to distribute funds surplus to its on-going and forecast investment and operating requirements, subject to meeting the solvency requirements of the Companies Act 1993.

The Directors will review dividend policy annually and recommend such dividend payments as are consistent with CIAL's earnings, capital expenditure and future investment requirements, subject to targeting a gearing ratio which does not exceed 40% and maintaining CIAL's targeted stand-alone credit rating of BBB+.

In addition, CIAL notes Shareholders' expectations regarding dividends and understands that certainty of dividend stream is a key financial component in ensuring Christchurch City's long-term financial stability.

During FY21 CIAL negotiated covenant waivers with bank funding providers and the bond supervisor. As part of obtaining these waivers, CIAL has agreed, up until 31 December 2021, not to make or pay any distribution to shareholders until it is in compliance with all financial covenants.

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 FY21 will be made until full year trading is known and more information around vaccinations and the future of borders is known.

Beyond FY21, subject to trading conditions at the time, the Board will consider the resumption of dividend payments in line with dividend policy.

As has recently been highlighted, it should be cautioned that aviation is an inherently volatile sector. This volatility coupled with other market sector variables means that trading conditions can be materially and quickly impacted.

HEALTH, SAFETY AND WELLBEING

The Protection of *Our People* is at the core of our Health, Safety and Wellbeing Strategy and we remain committed to bringing this strategy to life through:

- Fostering a positive safety culture with high levels of trust, engagement and participation
- Strong, visible and authentic safety leadership
- A robust safety management system focused on continuous improvement
- Activation of our Whare Tapa Wha (Wellbeing Strategy)

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Performance		Performance Targets	
Measures	2022	2023	2024
Culture - continue to build a positive health, safety and wellbeing culture through strong authentic leadership, engagement and participation.	 Maintain health, safety and wellbeing score above 85% in our annual culture and engagement survey. Safety leadership conversations occurring. 	 Maintain health, safety and wellbeing score above 85% in our annual culture and engagement survey. Safety leadership conversations occurring. 	 Maintain health, safety and wellbeing score above 85% in our annual culture and engagement survey. Safety leadership conversations occurring.
Assurance – through effective management systems including risk management and monitoring.	CIAL Health, Safety & Wellbeing workplan delivered on schedule.	CIAL Health, Safety & Wellbeing workplan delivered on schedule.	CIAL Health, Safety & Wellbeing workplan delivered on schedule.
Wellbeing – providing opportunity for our people to enhance their personal wellbeing.	 Incremental improvement in the wellbeing and work/life blend scores in our annual culture and engagement survey. Continued activation of our Whare Tapa Wha wellness strategy. 	 Incremental improvement in the wellbeing and work/life blend scores in our annual culture and engagement survey. Continued activation of our Whare Tapa Wha wellness strategy. 	 Incremental improvement in the wellbeing and work/life blend scores in our annual culture and engagement survey. Continued activation of our Whare Tapa Wha wellness strategy.

Emergency Response and Resilience

Operational readiness for emergency and business interruption events will continue to be a key focus for CIAL's operations and people safety teams.

CIAL's Airport Emergency Plan is regularly updated in partnership with key airport stakeholders (i.e. NZ Police, NZ Fire Service, St John Ambulance etc.). To assist operational readiness for emergency events, CIAL leads and/or is involved various exercises including seismic events, pandemics, acts of terrorism and an aeroplane incident.

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SUSTAINABILITY

Christchurch City, as the main gateway to the South Island, exists in an area of unique and beautiful geography. We believe, as citizens of the South Island, it's our responsibility and privilege to be one of many kaitiaki to this very special place and we take that role seriously.

We are passionate about protecting the environment, minimising our carbon footprint and improving the quality of life for our community.

Our approach to sustainability is centred in the Maori concept of kaitiakitanga (responsibility, care and guardianship). We continually challenge ourselves to seek out, develop and implement new processes that make our practices more sustainable.

Our base criteria for which we measure sustainability activity includes whether activities align with our emissions reduction goals, are financially viable, and whether they create genuine enduring change. We are not interested in simply ticking boxes, we want to make an impact that improves environmental outcomes for future generations.

Our Sustainability Strategy focusses on six primary pillars. While we strive to make meaningful improvements in each of these focus areas, we are particularly focussed on our commitment to reduce and eliminate fossil fuel-based energy from our operations and acting where we can to help our suppliers, customers and the wider economy to reduce or eliminate fossil fuels.

We are a founding signatory of the Climate Leaders Coalition and have committed to reduce our own direct emissions in line with science-based targets and the global goals to keep temperatures within 1.5 degrees. We acknowledge our reduction pathway will involve dips, plateaus and even occasional spikes, but we have committed to a downward trend ultimately leading to zero emissions by 2050.

Christchurch Airport is the first in the world to achieve the new global standard in carbon reduction for airport infrastructure. Airports Council International (ACI) has recognised the airport with its highest award for measurement and reduction of carbon emissions.

Whilst it is not expected that climate change risk related disclosures will become mandatory until 2023, current view is that CIAL will commence to report in this area for the FY21 year.

This is likely to include some note disclosures in the financial statements around the potential impact (if any) on CIAL's assets, liabilities, revenue or costs, together with some more general risk-based disclosure within the Annual Report or a separate climate risk document.

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Performance	Performance Targets					
Measures	2022	2023	2024			
Carbon We set long- term emissions reduction targets based in science, aligned with keeping global temperatures within 1.5 degrees. Our goals are as follows; • to be net zero by 2030 • to be absolute zero emissions for our Scope 1 and 2 by 2050 • to influence reductions in our Scope 3 stakeholder's emissions where possible.	 Maintain trend with our milestone emissions reduction goal of 84% reduction in Scope 1 & 2 by 2035 (using FY2015 carbon baseline) Demonstrate continued responsibility and leadership in aviation transition Actively seek to influence airport Scope 3 emissions reductions 	 Achieve or surpass 2023 science- based target for S1 & S2 emissions reductions Renew ACA Level 4/4+ or above, and look for opportunities to demonstrate continued climate leadership Actively seek to influence airport Scope 3 emissions reductions 	 Achieve or surpass 2024 science- based target for S1 & S2 emissions reductions Demonstrate continued responsibility and leadership in aviation transition Actively seek to influence airport Scope 3 emissions reductions 			
Waste is a by- product of operating a large and diverse organisation. We aim to minimise waste by redesigning our approach to better support a circular economy.	 Develop a CIAL waste minimisation strategy Create separated waste streams with known waste stream destinations. Undertake waste minimisation projects to reduce emissions and minimise waste 	 Implement CIAL waste minimisation strategy Develop 2-3 key circular waste streams with known life cycle re- purposing Undertake waste minimisation projects to reduce emissions and minimise waste 	 Implement CIAL waste minimisation strategy Maintain and develop 3- 4 key circular waste streams with known life cycle purposing Undertake waste minimisation projects to reduce emissions and minimise waste 			
Energy Energy efficiency has multiple benefits for CIAL; we reduce our carbon footprint, reduce our operating costs, and minimise our demand on the national grid. Beyond this, we understand the importance of clean renewable electricity generation and resilience, and the role critical infrastructure assets play in supporting the national energy transition.	 Actively pursue energy transition from fossil fuel to clean energy sources Make an impact beyond Christchurch Airport terminal boundaries to create partnerships, and demonstrate leadership to encourage faster energy transition uptake Undertake energy efficiency projects, including LED lighting upgrades 	 Actively pursue energy transition from fossil fuel to clean energy sources Implement energy transition project Complete LED lighting upgrade and seek further energy efficiency projects 	 Actively pursue energy transition from fossil fuel to clean energy sources Implement energy transition project Undertake further energy efficiency projects 			

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COMMUNITY ENGAGEMENT

CIAL is a proud member of the Christchurch, Canterbury and South Island community. CIAL will continue to work to broaden and deepen its support and links with its communities.

Performance				
Measures	2022	2023	2024	
To make a positive contribution to the social and community outcomes of our City and the South Island	 Demonstrate support for the city and the region, its image and activities as pandemic impacts allow. Provision of promotional space at the airport to showcase events and activities (i.e. Antarctic programme, mountain bike park) across the region. Engagement and communication with stakeholders led by the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, addresses, panels and workshops. Senior leaders participate in and address events and functions, sharing expertise and skills. Support local and national charities by hosting collections within the terminal, and active engagement by staff in charity events. Respectively engage with our local communities, iwi mana whenua & stakeholders in respect of CIAL's plans to explore the potential for a new airport in Central Otago. 	 Ongoing demonstration of support for the city, its image and activities. Provision of promotional space at the airport to showcase events and activities across the region. Reactivate the Community Fund as the pandemic allows. The Chief Executive and GMs initiate and accept invitations to meetings, speeches, addresses, panels and workshops to engage and communicate with stakeholders. Senior leaders participate in and address events and functions, sharing expertise and skills. Support local and national charities by hosting collections within the terminal, and active engagement by staff in charity events. Respectively engage with our local communities, iwi mana whenua & stakeholders in respect of CIAL's plans to explore the potential for a new airport in Central Otago. 	 Ongoing demonstration of support for the city, its image and activities. Provision of promotional space at the airport to showcase events and activities across the region. Ongoing support of the Community Fund. Engagement and communication with stakeholders led by the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, panels, addresses and workshops. Senior leaders participate in and address events and functions, sharing expertise, skills and airport activity. Support local and national charities by hosting collections within the terminal, and active engagement by staff in charity events. Respectively engage with our local communities, iwi mana whenua & stakeholders in respect of CIAL's plans to explore the potential for a new airport in Central Otago. 	

Statement of Intent - 30 June 2022

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OUR PEOPLE

Our People Strategy is designed to continue building a collaborative, connected and engaged culture that enables every member of our Champion Team to deliver our purpose, mission and strategic priorities both individually and collectively. Our people are at the heart of everything we do and it's their great contributions that underlies all our successes, innovations and reputation.

We offer an environment of continuous learning that encourages our team to express their ideas, empowers them to take reasonable risks and recognises them for their diverse contributions. We will strive to ensure all members of our team have the tools, knowledge and support they need to reach their full potential and achieve their professional and personal goals within an environment that is flexible and supports overall wellbeing. We will continuously develop, support and value our leaders so they have the skills and competencies to inspire and empower others to perform to their best potential.

CIAL has just been named as an Employer of Choice in the New Zealand HR awards. As well as programs to support all aspects of employee and campus staff wellness, the way its People and Culture team supported its staff and the wider campus community during lockdown last year has been recognised.

We are committed to building a work environment that encourages all members of our team to bring their best selves to work every day and enjoy a compelling employee experience that emphasizes acceptance, inclusion and support. We want to build a workforce for the future so that our team are ready for opportunities to develop new skills and competencies they need now and in the future.

Performance Measures	Performance Targets				
	2022	2023	2024		
Retain and develop key talent Review and update of Potential and Performance/areas of strategic value talent mapping exercise Succession plans confirmed, and pathways actioned Pipeline of emerging leaders developed, and competency development pathways activated	 Retention strategy for critical talent and development of emerging leaders Activation of Talent Management strategy and internal review conducted with key stakeholders Tools created that guide talent planning 	Improved retention of critical talent	• Improved retention of critical talent		

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Develop and		T	T
Develop, support and value leadership All employees and people leaders understand the role and expectations of a 'CIAL Leader' Our leaders are highly effective in coaching for performance, enabling change and are committed to supporting, empowering and developing others All our leaders are accountable and recognised for their successful performance and leadership behaviours	 Development of a CIAL Leadership Profile Implementation of a leadership coaching model into performance development/management practices Incremental improvement in leadership performance and performance reviews Incremental improvement in leadership measures in culture and engagement survey 	 Incremental improvement in leadership performance, in personal development and performance reviews Incremental improvement in leadership measures in culture and engagement survey 	 Incremental improvement in leadership performance, in personal development and performance reviews Incremental improvement in leadership measures in culture and engagement survey
Build a workforce of the future Future oriented talent planning is embedded into operational and strategic planning There is enhanced understanding of the skills we have today and the skills we will need in the future We attract, recruit and develop a diverse and highly skilled workforce	 Creation of a CIAL Future of Work working party and establishment of key strategic objectives Internal recognition of the innovation and change being caused by Future of Work strategies Incremental improvement in Innovation measures in culture and engagement survey 	Incremental improvement in Innovation measures in culture and engagement survey	Incremental improvement in Innovation measures in culture and engagement survey
Strengthen diversity, inclusion and engagement Creation and implementation of a diversity, inclusion and participation strategy and engagement program which promotes diversity of thought throughout our business	 Create a set of organisation wide employee value statements that guide how we work, make decisions, and consider diverse perspectives to determine the way we treat each other Flexible work arrangements that reflect our people's needs and the needs of CIAL Incremental improvements in participation and inclusion measures in culture and engagement survey 	Incremental improvements in participation and inclusion measures in culture and engagement survey	 Incremental improvements in participation and inclusion measures in culture and engagement survey

Attachment C Item 14

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FAIR EMPLOYER CHARTER

CIAL is committed to delivering a fair workplace, which means a work place that values people and builds capable and confident human beings. It is in support of these commitments that CIAL has developed our Fair Employer Charter ("Wawata Iwi Charter').

A key commitment of our Charter is to create a culture that has high trust and embraces diversity and inclusiveness. CIAL's wants to be focused on working together to be highly productive and to ensure that all are fairly rewarded for success.

CIAL recognises that we are part of our people's lifelong journey and where we can, we will positively contribute to their learning, development and future success, both now and beyond.

REMUNERATION APPROACH

CIAL will look to attract, retain, develop and motivate high calibre employees at all levels – to support our principal objective, to operate as a successful business. CIAL is a socially responsible and equal opportunities employer.

CIAL has policies and procedures in place to ensure remuneration levels are set at market rates that are able to attract and retain the people we need to manage, operate and grow the business.

We regularly compare our employee remuneration against market data and in general will meet the market, subject to employee performance.

The company is especially conscious of its public responsibilities in the setting of remuneration for senior executives, which is closely managed by the Board and made publicly available via the Annual Report.

INFORMATION TO BE PROVIDED TO THE SHAREHOLDER

No Surprises

CIAL is very aware of Shareholders' requirements in this respect. The company 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. Any sensitive issues that could result in media attention or issues will be communicated to the Shareholders as soon as possible.

The Board aims to ensure Shareholders are informed of all major developments affecting the company's state of affairs, while at the same time recognising commercial sensitivity may preclude certain information from being made public. Within this constraint, information is communicated to the Shareholders through periodic updates, occasional briefings, both the annual report and the half-yearly report, and "no surprises" updates on issues of importance as they may arise.

Statement of Intent - 30 June 2022

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It must be noted that the 'no surprises' approach will be adhered to, as long as this does not cause non-compliance with CIAL's requirement for continuous disclosure, under the listing rules of the NZ Stock Exchange, as part of their bond listing obligations.

Statement of Intent

The Statement of Intent will be submitted to the shareholders 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 shareholders.

Annual & Half Year Report

An annual report will be submitted to the shareholders. The annual report will include audited financial statements and other details which permit an informed assessment of the company's performance and financial position during the reporting period provided to the shareholders.

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

Annual reports will be produced, consistent with the company's objective to be a long-term sustainable and responsible business. The reports will outline the company's objectives and performance in terms of its economic, environmental and social outcomes.

Other Reporting

CIAL is subject to the disclosure regime under Part 4 of the Commerce Act. Under this regime CIAL is required to disclose publicly detailed information after each price setting event and annually after each financial year within the relevant 5-year period.

CIAL will provide regular updates to our shareholder on the ongoing performance of the company which may include financial, strategic, risk and operational updates for any given period.

ACQUISITION/DIVESTMENT PROCEDURES

CIAL will continually assess the best way to maximise its contribution to New Zealand's sustainable aviation growth and its contribution to the social and economic value added to the regions. CIAL's business development activity may include direct investment or partnership activities with appropriate organisations.

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 CIAL.

When the subscription, acquisition or divestment is considered by directors to be significant to the company's business operations, it will be subject to consultation with the shareholders.

Statement of Intent - 30 June 2022

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

Notwithstanding the above, if CIAL is considering a significant acquisition or disposal of assets or securities, the shareholders will be consulted with as much lead-time as is commercially practicable in the prevailing circumstances.

Where the company decides to incorporate, or subscribe to, shares in subsidiaries to undertake its commercial activities, the company will ensure effective management, with Board control of any subsidiary being exercised by CIAL's directors and staff.

ESTIMATE OF COMMERCIAL VALUE

To be updated by 30 June 2020.

ACCOUNTING POLICIES

CIAL has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Christchurch City Council group.

The company's current detailed accounting policies are available in our most recent annual report for the year ended 30 June 2020, as published on our company website https://www.christchurchairport.co.nz/globalassets/about-us/who-we-are/financial-reports/2020-financial-statements.pdf





Statement of Intent

For FY22, FY23 and FY24 Orion New Zealand Limited Approved by the Orion Board DD MMM 2021

> PLACEHOLDER: DESIGN & IMAGE TO COME

Orion – SOI for FY22, FY23 and FY24

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This Statement of Intent (SOI) is submitted by the Board of Directors of Orion, in accordance with section 39 of the Energy Companies Act 1992 (the Act). It sets out the Board's overall intentions and objectives for Orion New Zealand Limited and its subsidiary companies, (the Orion Group) for the year commencing 1 April 2021 and the following two financial years. The companies that comprise the Orion Group are listed in Appendix 2.

Orion - SOI for FY22, FY23 and FY24

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Contents [To be added once content is finalised]

Corporate offices

Orion 565 Wairakei Road PO Box 13896 Christchurch 8141 New Zealand Phone: +64 3 363 9898 Email: info@oriongroup.co.nz Website: oriongroup.co.nz Twitter: twitter.com/orionnz

Executive

- Interim Group Chief Executive
- Interim Orion Network Chief Executive Interim Connetics Chief Executive

Connetics

11 Islington Avenue PO Bo 2237 Christchurch 8042 New Zealand Phone: +64 3 353 7200 Email: enquiries@connetics.co.nz Website: www.connetics.co.nz

> Jono Brent David Freeman-Greene John Thompson

Directors

Jane Taylor – chair John Austin Bruce Gemmell Jason McDonald Geoff Vazey Sally Farrier Richard Wilson – Associate Director

Orion - SOI for FY22, FY23 and FY24

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Our Purpose is to power a cleaner and brighter future for our comunities.



1. Our Purpose

Orion's Group Purpose is central to all we do and is the touchstone for this Statement of Intent.

As New Zealand transitions to a low-carbon economy, the energy sector has a critical part to play. Orion has established its Purpose to ensure it is a vital player in that transition for our community, our region and New Zealand. We are focussed on helping our community realise its aspiration for a sustainable future.

Our SOI delivers on our commitment to undertake our core network role to the high standard expected by our customers. It also outlines many new projects and initiatives aligned to our Group's Strategy.

2. Our Group scope

Orion owns and operates the network that provides the people of central Canterbury with the power they need to go about their daily lives and run their businesses.

We deliver electricity to more than 210,000 homes and businesses and are New Zealand's third largest Electricity Distribution Business. Electricity distribution is an essential, lifeline service that underpins regional, community and economic wellbeing. It also has a critical part to play in New Zealand's transition to a low-carbon economy.

We take pride in stewardship of our assets for the long-term benefit of customers and the wider community.

Traditionally the scope of our business has been to deliver electricity to our region's homes and businesses. Our principle subsidiary Connetics' core business is the design, construction and maintenance of overhead and underground power lines and associated equipment. Specialists in electrical distribution, Connetics supports Orion with the design and build expertise to maintain and develop our network and provides these services to other electricity distribution businesses around New Zealand.

Recognising we are in the midst of radical change in the energy sector and the climate change crisis, we challenged ourselves to consider how we need to adapt, remain relevant and proactively harness opportunities in the fast-evolving energy landscape.

We developed our new Group Strategy to respond to the challenges facing our industry and New Zealand, and position Orion for a new, purpose led future.

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3. Orion Group Strategy

Our Group Strategy is changing the shape of Orion's contribution to our communities - to use the skills and expertise of the Orion Group to meet the changing needs of our communities today and tomorrow.

Purpose	Powering a cleaner and brighter future				
Sustainable Development Goals	11 SECONDECTION OF CONTRACT OF CONTRACTOR OF				
Impacts	Strategic Leadership Regional Prosperity Sector Transformation				
Strategic themes	Re-imagining the Customer Lead Accelerating Powering the Low Capability Carbon Economy				
Foundation	New Zealand's most advanced electricity network				
Enablers	Leadership & Data & Strategic Re-defining Culture Digitisation Agility Value				

1. Our Group Purpose

Powering a cleaner and brighter future for our communities encapsulates the contribution we want to make to our community's future wellbeing and prosperity.

- Powering conveys our commitment to taking action and reinforces our focus on energy
- **Cleaner** speaks to our commitment to assisting our region and New Zealand's transition to a low carbon future and being environmentally sustainable
- Brighter-reflects our contribution to social and economic prosperity
- Our communities reflects our holistic view that includes our people, our region and New Zealand

2. Sustainable Development Goals

We have selected a subset of the 17 United Nations goals that define our global sustainable development priorities and aspirations. We consulted with a variety of our key stakeholders who helped us choose the seven goals most relevant to Orion, and where we could have the most impact. They provide a common language that enables us to collaborate and form partnerships with other like-minded organisations.

3. Impacts

We aim to make a clear, measurable long-term impact in three areas:

- Strategic Leadership we aim to expand and harness the capabilities across the Group to deliver on our Purpose in a dynamic and complex environment.
- **Regional Prosperity** we will lead our region through an equitable transition to a carbon neutral economy. We will become a catalyst for economic and social development for the region. We are committed to managing our costs efficiently and prudently. Affordability is important to us. Our electricity distribution network will adapt as needed to remain fit for purpose for our customers.
- Sector Transformation we will collaborate with others to ensure the sustainability and viability of the South Island electricity sector. We will have transformed the way our industry develops capability.

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4. Strategic themes

Our Group Strategy is focussed on five themes to fulfil our Purpose:

- Re-imagining the Future Network rapidly changing technologies and New Zealand's drive for a low carbon future have the potential to alter the demands on our network assets and the services our customers require. We are focussed on understanding what these changes mean for our customers, and how our network can be re-configured and engineered into one that provides the services our customers need in a changing energy landscape.
- **Customer Inspired** listening to our customers, and being alert to changes and opportunities in the market inspire us to seek out new ways to enhance our service and empower customer choice. This theme focusses on ensuring we engage with our customers in our decision making, and actively seek out new systems and services to provide an exceptional customer experience.
- Lead and Grow we aim to be a forerunner in our field, providing strategic infrastructure leadership. We will capitalise on our strengths and expertise to explore opportunities to maintain our position as a respected contributor to the development of our industry, for an evolving energy future.
- Accelerating Capability we are making a commitment to invest in human capability to ensure our Group and our sector can respond to the challenges ahead. We are focusing on the essential skills and capabilities we need today and on the new capabilities needed for a sustainable future. Our sector underpins New Zealand's ability to thrive and the Energy Academy is reimagining the future of capability development. As we build capability across our sector, we are also committed to building capability within the Group. Through Christchurch City Holdings Limited (CCHL) Te Whāriki pilot, we have experimented with new ways of working, uncovered hidden talent and provided opportunities for our people to develop beyond their role and accessed talent from within the CCHL group of companies. We will continue to support Te Whāriki as it evolves and grows.
- Powering the Low Carbon Economy we are a passionate advocate for clean energy, and a proactive enabler of those seeking help to reduce their carbon footprint through more efficient use of low carbon energy sources. Within our own operations, the Orion Group has committed to achieving carbon neutrality for corporate emissions by June 2022, the first electricity company in New Zealand to commit to this ambitious target. To meet the target, the 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.

5. Our Foundation

We have a strong commitment to the health and safety of our people, our service providers and the public.

Underpinning all we do, it is critical we continue to perform our core network role exceptionally. Our SOI delivers on our aspiration to operate **New Zealand's most advanced electricity distribution network** and undertake our core network role to the high standard expected by our customers and to do so efficiently. It also outlines new projects and initiatives aligned to our Group's Strategic Themes. The initiatives under this heading in this SOI are dedicated to ensuring integrity and future effectiveness.

Aspiring to be **New Zealand's most advanced electricity network** reflects our focus on asset management improvement initiatives and, attention to embedding the right organisational risk management culture of continuous improvement to ensure we are future fit.

This includes providing our community with an understanding of how climate risks and opportunities might impact our business through our Climate Change Opportunities and Risk reporting.

We will continue to monitor changes in the COVID-19 pandemic situation and comply with Government agency requirements and guidelines in response to any changes in the situation.

Orion Group – SOI for FY22, FY23 and FY24

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6. Our Enablers

The building blocks that will enable us to achieve our Group Strategy are:

- Leadership and Culture we are committed to being diverse and inclusive with a culture that generates a
 real sense of belonging. We will continue to engage our people in embracing an inclusive environment and
 will aim to increase diversity across all levels of the Group. We will aim for consistency, fairness and
 alignment with our business objectives for our employee remuneration. We are committed to paying our
 people the Living Wage. Exceptions may occur for those who are part of a structured training programme
 such as an apprenticeship or work experience.
- Data & Digitisation robust data gathering, and analysis will increasingly be used to inform our asset management decision making and strategy and optimise our performance. Obtaining customer insights through research and engagement will drive our thinking around customer service enhancements and enable us optimise asset performance. We are increasing our focus on digital engagement with our community while not losing sight of the importance of face to face interactions with our community when it really matters.
- Strategic Agility rapid technology change and changing customer behaviour, combined with uncertainty in our operating environment dictate the need to be flexible and agile in our strategic thinking and planning. We are developing a greater ease with change, and we approach this uncertainty confident in our ability to adapt to changing circumstances as needed.
- **Re-defining Value** we recognise our long-term value to our community goes beyond our financial returns to shareholders. We intend to redefine long-term value to ensure that our business is sustainable and delivers what is truly important to our community and stakeholders, in line with our Purpose. This requires providing a broader definition of long-term value, which includes social and environmental benefits, while delivering committed financial returns to shareholders.

4. Our governance

The board

Our shareholders appoint the directors to govern and direct the Orion Group. The Group has two boards, one for Orion New Zealand and one for Connetics Limited. The boards are the overall and final body responsible for the direction and control of the companies' activities and decision-making. The boards' responsibilities include the overall strategy, objectives, stewardship, performance and reporting of the relevant entities and Group.

Statement of Intent (SOI)

In accordance with section 39 of the Energy Companies Act 1992 and the Group's constitution, the Orion board submits a draft SOI to shareholders in February each year. After due consultation with the shareholders and after considering their comments, and board approval the final SOI is delivered to shareholders. A copy of the SOI is available on our website.

Board operation

Our boards are committed to best practice governance. Our boards' operations are subject to the Group's constitution and the board charter. The charter sets out how the boards and director shall undertake their responsibilities.

The Orion chair leads the board and its relationship with shareholders and other major stakeholders. The chair maintains a close professional relationship with the Chief Executive and leadership teams.

New directors undertake an induction process to familiarise them with matters related to the company.

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Policies

The boards review the companies' key policies at regular intervals.

Board performance and review

The boards regularly review their performance and the performance of the Chief Executive. The reviews aim to identify opportunities and set plans for performance development and improvement.

Board meetings and committees

Each board meets approximately ten times per year. Additional meetings are convened as and when required. The boards' annual work programmes are set by each board before the start of each calendar year. The boards receive formal agenda papers and regular reports, generally a week in advance of meetings. The Leadership Teams are regularly involved in board discussions. Directors also have other opportunities to obtain information and may seek independent expert advice.

The boards delegate some responsibilities and tasks to board committees, but the boards retain the ultimate responsibility and accountability for any committee's actions or inactions. Subject to any conflict issues, all directors receive agenda papers for committee meetings and all directors may attend committee meetings. The Orion board has two standing committees:

- the audit committee liaises with the company's independent external auditor and independent internal auditor, and reviews the effectiveness of internal controls and financial and regulatory information used and issued by the board
- the remuneration committee reviews the company's remuneration policies and practices and reviews and sets the remuneration of the company's Chief Executives and Leadership Team

Liability insurance and indemnity

The group arranges comprehensive liability insurance policies within the limits and requirements as set out in the Companies Act 1993 and the Group's constitution. The Group also indemnifies directors and employees within the limits and requirements set out in the Act.

Loans to directors or employees

The group does not make loans to directors or employees.

Legislative compliance

The boards receive regular updates and representations from management on legislative compliance. Areas of relevant law include industry-specific regulation, health and safety, corporate, taxation, financial reporting, commercial, environmental, human resources and privacy. Compliance manuals and training are made available to all employees, and independent experts are engaged for advice when needed.

We will continue our comprehensive legislative compliance programmes and we will meet our obligations under relevant legislation and regulations.

Auditor

Audit New Zealand on behalf of the Auditor-General is the auditor of the Group.

5. Our capital structure and our dividends

We maintain a capital structure that ensures we have financial capacity to manage strategic and operational risk, fund ongoing operations and enable investment to fulfil on our Purpose.

We will distribute funds to our shareholders subject to meeting the solvency requirements of s53 the Companies Act 1993.

In determining the level of funds available for distribution, our Directors will consider our earnings, cash flows, capital expenditure, future investment requirements and market and regulatory conditions.

Orion Group – SOI for FY22, FY23 and FY24

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Any dividend declared will be at a level that allows us to execute business strategy and maintain a sustainable capital structure.

In determining any dividend, our Directors will also consider all forms of long-term value that we create for our shareholders and other stakeholders.

Dividends will be subject to maintaining our targeted shadow credit rating of at least A- which implies a gearing ratio (defined as debt/(debt plus equity)) which does not exceed <u>45%.</u>

We will pay our dividends in two instalments:

- in June 2021 and December 2021 for FY22
- in June 2022 and December 2022 for FY23
- in June 2023 and December 2023 for FY24

6. Acquisitions and divestments

We will only consider acquiring securities in a company or organisation, or a divesting part of an existing business, where it is consistent with our objectives. When we consider a transaction to be significant, we will consult with our shareholders with as much lead-time as is commercially practicable in the prevailing circumstances. Major transactions as defined by the Companies Act 1993, will be subject to shareholders' approval by special resolution. Where we decide to incorporate or subscribe for shares in subsidiaries to undertake our commercial activities, we will aim to ensure effective management.

Board control of any subsidiary is exercised by our directors and management.

7. Our relationships with our shareholders and wider CCC and SDC group

We actively support wider group entity initiatives to seek or develop opportunities to stimulate collaboration, share resources and identify where group approaches will achieve more than individual entity approaches, including:

- CCHL's five pillars of focus: financial, mana, kaitiakitanga, sustainability and people
- CCHL's 2021 group programme initiatives optimising performance, accelerating innovation, enhancing community impact and expanding and leveraging capability
- Te Whāriki
- support the continued growth in the Selwyn district, driven by population and decarbonisation
- governance
- sustainability
- group targets for Christchurch City Council's 2030 carbon neutral plan
- carbon emissions targets, emerging technologies and innovation
- collaboration and capability
- debt financing

We collaborate with the wider Christchurch City Council and Selwyn District Council to explore opportunities and develop new business opportunities as appropriate.

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Orion Group – SOI for FY22, FY23 and FY24



No material intercompany transactions are forecast to take place with our shareholders, or the wider CCC and SDC group, during the three years covered by this SOI, except the payment of dividends, services provided or received on an arms-length commercial basis and services received that are covered by local authority rates.

We operate on a 'no surprises' basis with shareholders in respect of significant matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

If a shareholder decides to sell shares in Orion, we will co-operate and work with that shareholder and its advisors, subject to our obligations at law.

How we will report to our shareholders

We submit our draft SOI to our shareholders for consultation annually, as required under the Energy Companies Act 1992 and the Group's constitution. Where appropriate, we will submit a revised SOI to our shareholders. Our performance targets are in section 8 of this SOI.

We will deliver our Annual Report to our shareholders on or before 30 June each year. Our Annual Report will include:

- our audited financial statements
- our performance relative to the targets we set in our SOI
- how we are meeting our community's expectations
- other information to enable an informed assessment of the Group's governance, performance and financial position

We will deliver half-year reports to our shareholders that will contain unaudited information similar in content to our Annual Report and will comply with financial reporting standard NZ IAS 34 – Interim Financial Reporting. We will provide regular updates to our shareholders on our performance, which may include updates on financial, strategic, risk and operational issues.

Our accounting policies will comply with applicable NZ IFRS standards and interpretations and will be consistent with the accounting policies adopted by the CCC group. We have applied the same accounting policies when preparing our financial forecasts in this SOI that we applied for our audited financial statements for the year ended 31 March 2020. Our actual accounting policies may change because of changes to NZ IFRS standards and interpretations.

Orion Group – SOI for FY22, FY23 and FY24

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8. Our performance targets

Description	FY22	FY23	FY24
Financial			
Electricity delivery revenue (\$m)	227.6	230.1	233.2
Profit after tax (\$m)	25.1	24.1	23.4
Fully imputed dividends (\$m)	31.0	32.0	25.0
Profit after tax to average equity (%)	3.7	3.6	3.6
Debt to debt plus equity (%)	38	41	44
Equity to total assets (%)	51	49	47
	FY22 to		
	FY24		
Network reliability (these are regulated limits)			
SAIDI planned	39.68		
SAIDI unplanned	84.71		
SAIDI total minutes per customer	124.39		
SAIFI planned	0.1496		
SAIFI unplanned	1.0336		
SAIFI total number of interruptions per customer	1.1832		
	FY22		
Health and Safety			
Events that did or could have resulted in serious injury to Orion Group employees	≤4		
Events that did or could have resulted in serious injury to Orion service providers	≤4		
Events that did or could have resulted in serious injury to the public, excluding car versus pole incidents	Nil		
Customer Inspired			

Notes and definitions: see Appendix 1

Orion Group – SOI for FY22, FY23 and FY24

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9. Our key initiatives

Re-imagining the Future Network

Rapidly changing technologies and New Zealand's drive for a low carbon future are providing opportunities for our customers to produce, store, consume and share electrical energy rather than simply consuming energy provided to them. These changes have the potential to alter the demands on our network assets and the services our customers require. It is vital we enable open access and customer choice while continuing to provide safe, reliable electricity.

1. Increase the real time 'visibility' of the state of our low voltage network

We have embarked on a significant upgrade of our advanced distribution management system (ADMS), which has been focused on our high voltage network – 11kV, 33kV and 66kV.

This project is to develop our ability to monitor our low voltage network (400V), in real time. Low voltage networks around the world have typically been built without this capability because power flows have overwhelmingly been one-way – from large centralised electricity generators to consumers.

Low voltage networks will increasingly need to support new and more complex two-way power flows, as customers increasingly adopt innovative technologies such as electric vehicles, home storage batteries, energy management systems and solar PV.

Project complete: 30 June 2021

2. Develop a live operating model of our low voltage network

We have embarked on a significant upgrade of our Advanced Distribution Management System (ADMS), which will enable us to include low voltage network monitoring and operation.

Our aim with this project is to integrate the low voltage network (400V) in real time into our current operating system. This will enhance operational response, decision making and customer communications; increase our safety outcomes and allow real time analysis of two-way power flows and demands.

Project complete: 30 September 2022

3. Undertake a trial of non-network alternatives to low voltage constraint management

As new technologies emerge, we will start to see changes in the traditional usage patterns on our low voltage network. In this trial we are investigating the use of alternatives such as low voltage Statcoms (voltage compensators) to maintain supply quality where previously we would have reinforced the LV network at greater cost and disruption to customers.

Trial in place: 31 March 2022

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4. Data and digitisation strategy

Data and digitisation will enable us to deliver a better experience to customers and employees and be key to developing a smart network and high performing assets and operational performance.

Through data and digitisation and customer centricity we will continue to transform our customer's experience.

We will progress our strategy to create smart networks through the deployment of new technology platforms to enable the emergence of new commercial markets and the future energy marketplace.

Our asset management and operational performance will be enhanced with embedded digital practices, analytics and be enabled by artificial intelligence to drive efficiency, collaborative innovation and insight driven decision making.

Business processes will be optimised and automated, to support agile and flexible ways of working. We will develop a robust data and digital strategy, and commence implementation.

Strategy in place: 31 March 2022

5. Non-network supply procurement

Future demands on our network may be less predictable and may not be best addressed through traditional network services. We will need to be adaptive to being able to offer solutions that are not necessarily traditional "poles and wires".

We will explore options to contract for the provision of such services from the open market, choosing solutions that are customer inspired and power the low carbon economy.

Options in place: 31 March 2022

6. Design for new field data collection method in place

Good asset management and decision making relies on good data on which to make decisions. Our in-field data collection of asset condition and maintenance will be enhanced. We have established a project to identify and design how and when we will collect this data and identify how and when we store and use it.

Project complete: 30 September 2021

7. Development of publicly available network constraint maps

To enable true and open access to our network for our customers and suppliers of non-network solutions we will publish information about where our network is constrained or where it can accept technologies freely. We will trial the publishing of heatmaps at a non-granular level. This will allow us to develop and evolve our offering to suit our customers.

Trial complete: 31 March 2022

8. Install a new digital voice radio network in Banks Peninsula

Our current analogue voice radio network has limited range and has significant coverage 'black spots' around the many hills and gullies of Banks Peninsula. These shortcomings can hinder the safety of our people, our service and our operational efficiency/effectiveness. In 2019, we successfully trialled a new type of digital radio equipment for the Peninsula. In the trial, we demonstrated that we can upgrade our voice radio network to achieve almost total high-quality digital coverage for the whole peninsula.

Our new radio network will be the first of its type for New Zealand and our trial has gained attention from several large voice radio user organisations throughout New Zealand. We will in due course also look to deploy this technology in the Darfield to Arthur's Pass area to achieve similar benefits.

Installation complete: 30 September 2021

Orion Group – SOI for FY22, FY23 and FY24

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Customer Inspired

We recognise our customers value great service and have a focus on continual improvement in this area Our customers tell us they want to be confident our network is prepared to meet their future needs, and we will involve them in our decision making.

1. Implement a new Customer Relationship Management platform (CRM)

Customer requirements and expectations are changing and service offerings we make to customers are becoming more diverse. An integrated CRM is the foundation for building a single view of a customer and their various touch points with us; providing enhanced digital channels for interactions with customers and continuing to provide a high level of service in a more complex future. During this year we will establish the foundations of CRM and begin to build our business processes off that.

CRM foundation complete: 31 March 2022

2. Launch a new Outage Notifications service to our community

Customers are increasingly reliant on their electricity supply. Building off the establishment of CRM, we will provide customers with an option to subscribe to planned outage notifications via text or email for work we are doing on the network directly impacting them. This service will augment the current process of planned outage notifications to customers via retailers. As outage work progresses, we will keep subscribed customers informed of outage timeframes, changes to work and restoration of power. When outages on our network are necessary, this will allow customers to better plan their personal and working lives.

Outage notifications in place: 31 March 2022

3. Further develop our customer and community engagement programme to give greater voice to our stakeholders' views in Orion's decision making

We will continue to seek the views of our community through a range of community engagement activities.

We will appoint a community engagement specialist who will extend our current programme of community engagement that includes:

- Our annual customer survey of residential and business customers
- Three meetings of our Customer Advisory Panel per year
- Three **Powerful Conversations** workshops per year with metro, rural and a specific community group to be identified
- Significant project communications to affected communities
- Community outreach via social media, community groups
- Establish **regular briefings** to community boards and community groups to update them on Orion network developments and seek feedback on local needs

Programme in place: 31 December 2021

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4. Continue our community sponsorships and align with our Group Strategy

We will continue to support our community through several strategic partnerships and smaller targeted sponsorships, aligned to our strategy.

Recognising the importance of growing sustainable businesses in Canterbury, we will continue our partnership with the Canterbury Employers Chamber of Commerce. We will maintain our longstanding partnership with Community Energy Action which recognises the need for our community to live in healthy homes and for residential customers and business customers alike to use energy efficiently.

Feedback from our community through Orion's Residential Customer Perceptions Survey told us our customers would prefer to see us supporting "grass roots" activities in our community rather than large "corporate style" events.

Last year we initiated a Community Fund Sponsorship programme, which we will continue this year, allocating \$30,000 to support up to 25 groups with small grants. This is an internal programme where Orion people nominate local non-profit groups they are actively involved in for support. Many Orion people are passionate about being involved in our community and this is another way for Orion to give back to the community and empower our staff at the same time. The aim is to empower Orion people to make decisions on how we spend a small proportion of our sponsorship budget and to encourage wider engagement of Orion people in their community, with the support of Orion.

FY22 Programme complete : 31 March 2022

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Lead & Grow

We ensure our business is financially sustainable and we invest prudently to deliver on our Purpose. We provide value for money for our community.

1. Continuous improvement of our works delivery

We are transitioning to a "Primary Service Delivery Partner" contracting model between Orion and Connetics for contract work which delivers improved safety, quality, and capability development.

The success of this new contracting model will be measured by our performance in safety, quality, and our focus on investment in capability development. Our Asset Management Plan will continue to be delivered on time and on budget.

Model measured: 1 April 2022

2. Connetics will shift its Southern operations from establishment phase to performance phase

Connetics will partner with its key customer in the region, Aurora Energy, to help deliver their significant programme of network maintenance and development into the future. The successful operation of Connetics' new Southern Region depot will be measured across a number of metrics.

Metrics in place: 31 March 2022

3. We have a clear three-year programme to continually optimise in service of our Group strategy

We have an agreed programme of work for FY23 to optimise the performance of the Group to ensure we can deliver on our strategic impacts and themes.

Programme in place: 31 March 2022

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Accelerating Capability

We are a Purpose led, high performing team, focused on achieving great outcomes for our community. To deliver on our Purpose and keep pace with the rapid changes in our industry, we recognise the need to invest in the development and growth of our people. Building the level of employee engagement and passionate commitment to the Group's more dynamic future contribution to our communities will be essential to our success. We will be more agile and develop our ability to operate in a more fluid, fast paced and changing environment.

1. Enhance employee engagement

Our aim is to have highly engaged and motivated people who are proud to work for us. Our people have valuable insights that can help shape our culture and ways of working and through an engagement survey we will establish a benchmark of engagement of our people and identify key initiatives that will continue to grow and develop our people and our businesses.

Survey in place: 31 March 2022

2. Continue to embed and evolve leadership development

Our aim is to continue developing our leaders, so they can lead strategic initiatives with intent and velocity. Our programmes are tailored to context and objectives and focus on what we are seeking to achieve with our Group Strategy.

Programme on-going: 31 March 2022

3. Complete the next major phase of our diversity and inclusion programme

Our aim is to build an inclusive culture of belonging. As we continue to adopt more inclusive behaviours, we will shift our focus to targeting the systemic barriers that may exist within our systems and processes.

Programme phase complete: 31 March 2022

4. Complete the first major phase of initiatives for the Energy Academy

We will evolve the Energy Academy from establishment into the first phase of an extensive programme of initiatives. Key priorities include the introduction of a capability sharing platform for the sector, modelled on Te Whāriki, the launch of three future focused micro-credentials in partnership with tertiary institutions, and a sector-wide future workforce planning project.

Phase one initiatives complete: 31 March 2022

5. Continue to champion the Wāhine tū tahi, wāhine kaha - CCHL's Women & Leadership series

Wāhine tū tahi, wāhine kaha - CCHL's Women & Leadership is a series of events run by volunteers from across the CCHL group. The series helps build relationships and collaboration and breakdown biases. We have two more events planned for FY22 and we will evolve this series into an ongoing platform to encourage diversity across the CCHL group of companies.

Sessions complete: 30 September 2021

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Powering the Low Carbon Economy

We are committed to taking decisive action to address the climate change emergency, and recognise the need to take action that is both urgent and game-changing.

1. Prepare to offset our Group corporate carbon emissions, to become carbon neutral by June 2022

In 2021 we will undertake the necessary steps to be ready to offset our Group corporate emissions excluding emissions from electricity lost as it travels along our distribution network. See Appendix 1.

Our activity includes the carbon reduction and planting measures detailed in initiatives 2. and 4. below. In addition to this, we will purchase carbon credits from a Verified Emissions Reduction Scheme in 2021, to allow the group to offset its corporate emissions until any planting scheme reaches maturity.

Group corporate carbon emissions neutral: 30 June 2022

2. Halve our Group benchmark corporate emissions by 2030

Obtain Group carbon reduce (previously CEMARS) certification

During 2022 we will pursue a group audit of carbon emissions to ISO 14 064-1 standard, in order to obtain carbon reduce certification.

This will necessitate the implementation of a fresh benchmark year but does not alter our goal to reduce our group corporate emissions by 2030 in line with keeping global warming within 1.5 degrees. In 2022, Orion will pursue an absolute reduction of its corporate emissions of 50 tonnes, from our existing benchmark year of 2018.

We are excluding emissions associated with electricity lost along our lines from our reduction target, as these are largely outside our control.

Group carbon reduce certification obtained: 31 March 2022

3. Undertake initial scenario modelling of physical risks to our network from climate change

We published our first **Climate Opportunities and Risks** report in August 2020. This contained largely qualitative analysis of our exposure to climate risk.

During 2021 we will expand our understanding of how our changing climate could affect our physical network by undertaking quantitative scenario modelling based on at least two warming scenarios. The results will be discussed in our 2021 Climate Opportunities and Risks report.

Scenario modelling complete: 30 September 2021

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4. Partner with local landowners to create a native forest resource

In 2020 we committed to achieving carbon neutrality for our group corporate emissions by June 2022. As part of this we will partner with local landowners to plant an area of native forest of at least 200ha in at least two locations around our region. During 2021 we will identify and secure locations for this forest.

Partnerships in place: 31 March 2022

5. Set a business environmental budget aligned with the planetary boundaries

A healthy environment requires us to operate within the constraints of our planet. The Ministry for the Environment has already quantified NZ's status within the planetary boundaries, but this is difficult to apply at a business level to influence our day to day choices.

During 2021 Orion will work to identify its environmental quotas, within the planetary boundary framework and use this information to influence its business as usual decisions.

Business environmental budget in place: 31 March 2022

6. Partnerships to promote the effective use of electricity in the region

We have been working to establish partnerships to promote the effective use of electricity within community buildings in our region. During 2021 we will have monitoring and partnership outcome agreed within at least three sites.

Partnerships established: 31 March 2022

7. Access to data on thermal fuel boilers

We are working with other South Island EDBs to collect data on thermal fuel boiler sites to understand conversion opportunities in the South Island.

Data collection underway: 30 June 2021

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Our key projects

We maintain and develop our network to support customer needs and ensure we can enable our customers to realise the benefits of access to New Zealand's low-carbon energy source, now and into the future. Maintaining our respected, leadership position in the New Zealand industry is also about ensuring safety, reliability and resilience are our top priorities.

1. Improve how we manage our critical health and safety risks

In FY21, we identified and reviewed our critical health and safety risk activities and our critical controls using the risk assessment tool, BowTie.

In FY22, we will develop and embed a Critical Control Assurance Programme to monitor the effectiveness of these controls to ensure we are taking all reasonably practicable steps to ensure the health and safety of our Group employees, service providers, visitors, customers and the public in relation to our critical risks.

Programme in place: 31 March 2022

2. Construct a new 66kV line between Highfield zone substation and Norwood GXP

Our existing commercial customers in this area are growing their businesses and placing constraint on our existing network. This project will provide these customers with the opportunity for growth by increasing the capacity of our network now, ahead of the planned full GXP to be installed in this area in following years.

Project complete: 31 March 2022

3. Replace our end of life 11kV switchgear at Oxford Tuam zone substation with modern vacuum breakers

This project is necessary as the current bulk oil filled breakers are near their end of life. Replacement of these breakers will enable us to take advantage of modern safety and protection systems, with remote operation. It will deliver enhance operational benefits to ongoing developments in the central business district.

Project complete: 31 December 2021

4. Build and commission a new zone substation at Belfast and connect it with our existing 66kV sub-transmission network and a new switching station to be built and commissioned at Marshland

This is a two-year project to support significant customer and demand growth in the north and north-east of Christchurch. We also forecast a follow-on project to interconnect Belfast with our Papanui zone substation by 31 March 2023.

Project complete: 31 March 2022

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10. Appendix 1: Notes and definitions

Financial

- Our financial targets above are for the consolidated Orion Group and are in nominal terms they include forecast inflation/escalation.
- Our key assumptions for our financial targets are:
 - our future electricity distribution revenues will be within the limits the Commerce Commission has set for Orion
 - our transmission charges from Transpower will be 'passed through' to customers
 - our future opex and capex will be in line with our approved network AMP, effective from 1 April 2021
 - no future major investments/divestments
 - no future natural disasters, material COVID-19 impacts, material adverse events or materially adverse decisions by regulatory agencies
 - no future asset revaluations

Reliability

- SAIDI and SAIFI are standard industry measures for network reliability:
- SAIDI refers to our system average duration: the minutes of supply interruptions per customer
- SAIFI refers to our system average frequency: the number of supply interruptions per customer
- Both measures exclude interruptions that are caused by electricity generators or Transpower, are caused by our low voltage (400V) network or last for less than one minute
- The Commerce Commission sets performance limits for our network reliability as part of the Commerce Act (Part 4) price-quality control regime. Our annual targets are consistent with our performance limits for FY21 to FY25
- The Commission assesses our actual unplanned network reliability against our limits each year after 'normalising' for the impacts of major events by 'capping' the measured impact of each major event. We will report our annual performance against our network reliability limits, after normalising for 'major events' using the Commerce Commission's methodology

Group corporate emissions

Our total Group carbon emissions for our current benchmark year of 2018 were approximately 19,300 tCO₂e. Around 95 per cent of these are associated with electrical losses, directly linked to how New Zealand generates its electricity. We take steps to limit losses, for example by reducing peak load, but there are no viable solutions to eliminate them yet.

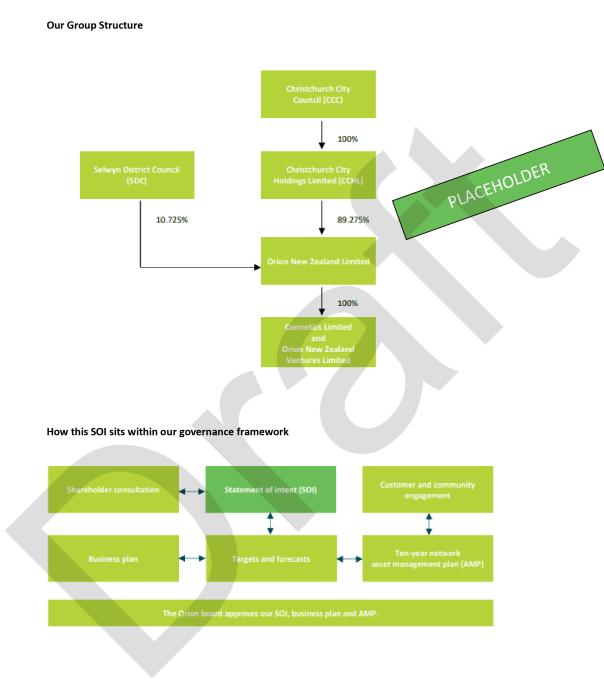
What we consider to be our Group *corporate emissions* are relatively small by comparison, around 3,000 tonnes per annum in 2018. They include direct emissions, such as petrol or diesel used by the group, as well as some indirect emissions, such as landfill gas and air travel by staff.

We believe it is important to manage our footprint regardless of its size and use mitigation of our corporate emissions to trial reduction measures that could also assist our customers.

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11. Appendix 2: Our Group Structure

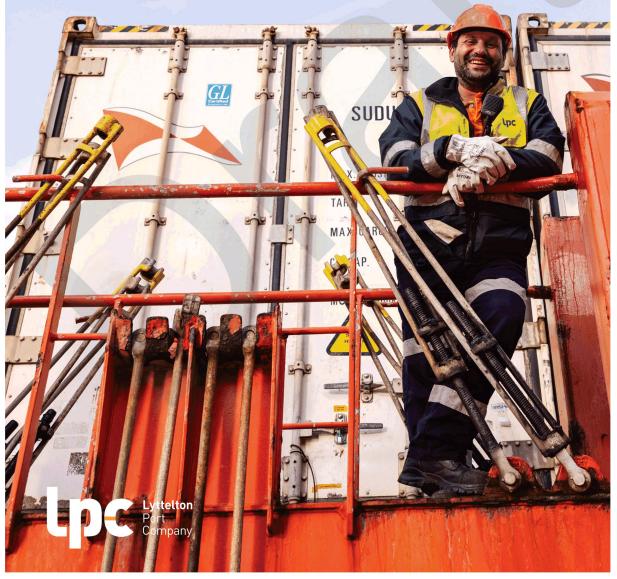


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For the period ending 30 June 2024

Draft Statement of Intent A Profitable and Sustainable Port



LPC Statement of Intent / Draft V2

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Mihimihi

Tihei mauri ora

Me mihi ki te Rūnga Rawa nāna nei ngā mea katoa. Give praise to that which is above us for all things are from that source.

Ngā mate, pupu ake te mahara i o mātou hinengaro, hāere koutou kua wehe atu ki te pō, ki te okiokinga, hāere, hāere, hāere. To those passed on, memories well up in our thoughts because you have departed from here to the night, to your resting place, farewell, farewell, farewell.

Ki te hunga ora, he mihi tenei ki ngā maunga tapu me ngā marae maha o Te Waipounamu huri noa i ngā tangata katoa e noho ana. To the living, greetings to the sacred mountains, marae and all the people living throughout the South Island.

Kei roto i tō tātou hitori i hāere mai ō tātou tīpuna ki te whenua nei ko Horomaka. I kimihia e rātou te ao hou me te mātauranga hei oranga mo te iwi. Within our history, our ancestors came to Banks Peninsula seeking a new world and knowledge for their future wellbeing.

Tae mai ki tenei rā, kei te mahi tahi te Poari me ngā kaimahi o te Kamupene Whakaraupō ki te whakatinana i ngā moemoea me ngā wawata o ngā tangata e noho ana i konei. Today, the Board and staff of Lyttelton Port Company are working together to support the visions and aspirations of all those who live here.

Ko to mātau kāinga tēnei. This is our homeland

He rere ke, he tangata auaha. We are its diverse and innovative people.

He angitu, **he mea pai mo Te Waipounamu**. Driving opportunity, enterprise and prosperity for the South Island.

Kia toitū te taiao mo ake tonu atu. Building a legacy of sustainability for the environment and the future.

Whakaraupō! He wāhi mo te katoa. Lyttelton Harbour! A place for everyone.

LPC Statement of Intent / Draft V2 $\,$

Introduction

The Statement of Intent (SOI) sets out Lyttelton Port Company Ltd (LPC) and its subsidiaries the objectives, nature and scope of its activities. It also sets out performance targets and other measures by which the performance of LPC may be judged in relation to its objectives and other requirements.

The process of negotiation and determination of the SOI is a public expression of the accountability relationship between the company and its shareholder.

This draft SOI covers the 3-year period from 1 July 2021 to 30 June 2024.

LPC is a port company governed by the Port Companies Act 1988. This SOI is prepared in accordance with LPC's obligations under the Act. LPC incorporates Lyttelton Port, as well as two inland ports: CityDepot at Woolston and MidlandPort at Rolleston.

LPC Statement of Intent / Draft V2

Our 5-year plan:

Leading the Way

Leading The Way>

Christchurch City Counci

LPC has come out of a long period of rebuild following the devastating earthquake sequence of 2010/11. This programme was the most ambitious ever undertaken by a port in New Zealand and has delivered an extraordinary asset for the people of the Canterbury region.

This period of rebuild is now over. This financial year, we have focused on a new agenda: transforming LPC into a port for the 21st century and delivering a strong and sustainable profit and a fair return to our shareholders.

LPC has developed a new 5-year plan, called Leading the Way, which keeps LPC's purpose clear: to facilitate the sustainable growth of trade for Canterbury. We will become sustainably profitable, delivering a fair return to our shareholders, the people of Christchurch, whilst remaining the preferred choice for Canterbury's importers and exporters.

To do this, we will ensure we are:

- a safe and secure port
- providing a consistent and seamless customer experience
- efficient, sustainable and innovative
- a committed, collaborative and engaged team
- respected within our community

The priorities we will focus on for FY22–24 are:

Sustainable profitability: We must deliver sustainable profitability that enables LPC to deliver customer, cultural and commercial excellence, whilst providing a fair return to Christchurch City Holdings Ltd (CCHL)

Whanaungatanga: We will build relationships at LPC through shared experiences, working as one team where everyone feels they belong and can contribute to building a stronger LPC whānau together. We will achieve this through improved safety, collaborative approaches to high performance and engagement (HPHE), staff development and the management of talent.

Infrastructure of the future: We will ensure LPC has the right infrastructure it needs at the right time and at the right cost to deliver sustained profitability and growth.

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Our vision

Our goals

5-year vision

LPC will be a port that is sustainably profitable, delivering a fair return to our shareholders while remaining the preferred choice for Canterbury's importers and exporters.

30-year vision

- We will be Canterbury's and the South Island's port of choice, consistently delivering innovative, progressive and collaborative solutions for exporters and importers.
- We will have invested in the infrastructure needed to meet the growth needs of our customers and our region.
- We will be New Zealand's leading port, excelling in mahi hou (innovation), whanaketanga (development), whanaungatanga (one team working together) and kaitiakitanga (responsible environmental guardianship).
- We will have earned mana from our community and our customers.
- We will be activing playing a strong role in addressing global challenges such as climate change and biodiversity loss.

LPC's organisational goals

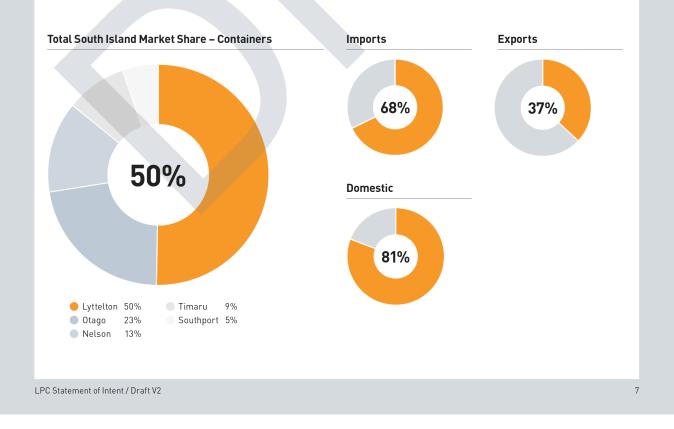
- Increased profitability of the port, which ensures LPC remains economically sustainable. By doing this, we will deliver a 6% return on equity by FY25.
- A collaborative and stable workplace environment with a diverse and inclusive workforce that attracts great people.
- A radically simplified and optimised operation.
- Optimised use of land and infrastructure assets through delivering a 'once in a generation' capital works programme that facilitates sustainable profitable growth.
- Continued investment in new equipment and technology as required.
- Growth of our social capital by creating long-term meaningful value for our communities by developing trust through effective engagement, targeted sponsorship programmes that link ourstaff with their community and a continued partnership with iwi in Whakaraupō.
- Net-zero carbon emissions by 2050, transitioning to zero waste to landfill by 2040 and to pursueour biodiversity positive strategy, which aims to value natural capital inputs in our value chainand have a net positive effect on biodiversity and ecological health of Lyttelton Harbour/Whakaraupō by 2050.

What we do

LPC is the South Island's largest international shipping trade gateway, facilitating the movement of \$6.2 billion of exports and \$3.97 billion of imports last financial year. We are New Zealand's third-largest export hub, taking the South Island's goods to the world.

That's why we take our role in the economic sustainability of Christchurch, Canterbury and the wider South Island so seriously. We are committed to making sure we develop a sustainably profitable port to ensure that it is able to handle the projected growth in volumes and is sustainable in the long term, while delivering value to both our shareholder and the people of our region. This requires us to operate efficiently, safely and sustainably. Our services are critical to the success of a diverse range of exporters and importers and consequently the lifestyle and prosperity of all people living in the South Island. The port supports thousands of jobs and the creation of billions of dollars of wealth.

Here's a snapshot of what we do and our impact on the region and New Zealand:

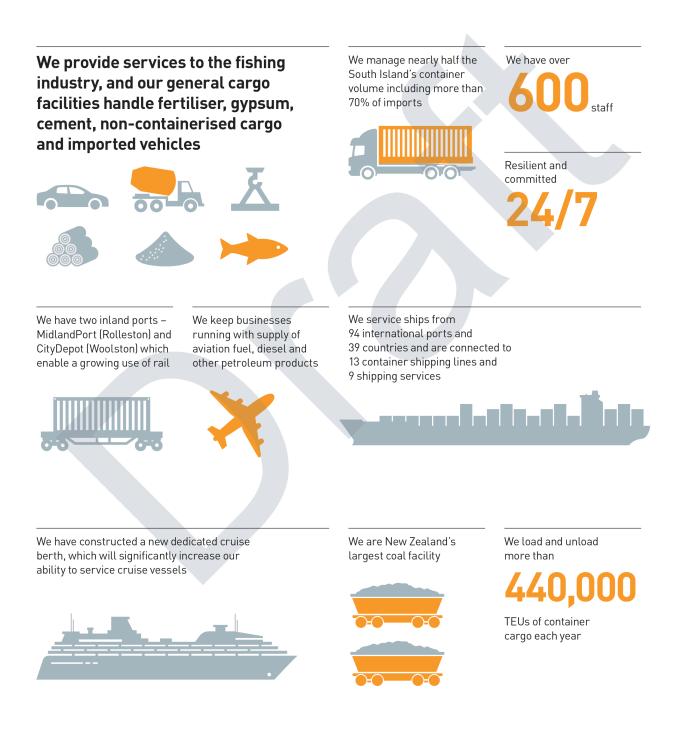


South Island Port TEU volumes

For the year ended 30 June 2020



Key Facts



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Our sustainability strategy: Prosperity, People, Planet



In 2019, LPC launched a business-wide sustainability strategy that set key targets across our three key focus areas: prosperity, people and the planet.

Our prosperity commitment is about creating and maintaining an efficient economically viable business that supports the region's economy and community. We will grow connectivity, deliver operational excellence and be profitable and financially sustainable.

The importance of our people means we are committed to creating quality employment opportunities, attracting and developing talented people and maintaining the health and wellbeing of everyone in our workplace. It also means LPC is committed to building and growing a diverse and inclusive workforce where the unique strengths of individuals are valued and celebrated.

As part of the role we play as a citizen of Lyttelton Harbour, we work hard to be a responsible and supportive part of the community, delivering real value while understanding and minimising the impact of our operations.

We are also committed to the protection and enhancement of our natural environment. As a port, LPC has a special responsibility for the harbour environment, and we are proud to be a part of Whaka-Ora, the Whakaraupō/Lyttelton Harbour Catchment Management Programme for the ecological restoration of the harbour environment. We are committed to achieving net-zero carbon emissions by 2050 and zero waste to landfill by 2040 and have set an ambitious goal of seeing a net gain in the biodiversity and ecological health of the harbour with respect to our biodiversity footprint.

Our commitment is to continue to grow the profitability and economic sustainability of Lyttelton Port, continue our strong focus on health and safety, the wellbeing of our workforce and mutual benefits for our communities and do our part in addressing the significant global challenges of climate change and biodiversity loss.

In FY22, we will build on these commitments through a full materiality assessment to identify the key issues and the United Nations Sustainable Developments Goals that matter most to our business and our community, workforce, partners and customers. This will inform the development of our integrated reporting model and shape our assessment of value creation and how we deliver it across the spectrum.

Our Sustainability Strategy

Strategic Ambitions	Our Targets
1. Financial Performance	 Increase profitability. Maintain and grow connectivity for the South Island to key markets. Maintain efficient and reliable port operations.
2. Healthy Harbour / Biodiversity	• Net gain in biodiversity and ecological health of the harbour.
 3. Carbon Reduction Scope 1 direct emissions = fuel Scope 2 indirect emissions = electricity Scope 3 (mandatory) indirect emissions = waste, air travel, freight Targets are against the FY18 baseline 	 Net-zero carbon emissions by 2050 (for scope 1, 2 and mandatory scope 3 operational emissions Draft Interim targets: FY20 – a detailed carbon emission reduction plan for first 5-year period. FY25 – 20% reduction in scope 1 and 2 operational emissions. FY30 – 30% reduction in scope 1, 2 and mandatory scope 3 emissions. FY40 – 40% reduction in scope 1, 2 and mandatory scope 3 emissions. FY50 – net-zero carbon emissions.
4. Eliminate Waste	 Zero solid waste to landfill by 2040 Interim targets: FY2023 - 10% decrease in landfill waste (operational waste) FY2025 - 20% decrease in landfill waste (operational waste) FY2030 - 50% decrease in landfill waste (operational waste) FY2040 - zero solid waste to landfill
5. Supply Chain and Purchasing / Responsible	 100% Responsible sourcing against a defined policy by 2030. Interim targets: FY2020 - Purchasing policy updated to include non financial / responsible sourcing parameters FY2022 - 50% operational product suppliers > \$50k / annum evaluated against responsible sourcing criteria. FY2030 - 100% of operational suppliers > \$50k / annum evaluated against responsible sourcing parameters
6. Our people	 Improve our staff engagement scores over time. Improve and maintain our performance against our health and safety targets. Collect and report on gender and ethnicity and develop key initiatives to address trends.
7. Relationships with mana whenua and our communities	 Improve our rating in community surveys Implement a long-term focus for our relationships
8. Transparency and reporting	 FY2020 – Move towards Integrated Reporting using the integrated reporting principles FY2022 – Integrated Reporting from the end of 2022

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Delivering a profitable and sustainable port 1. Prosperity

Our purpose is to facilitate the sustainable growth of trade for Canterbury.

To do this, we must increase the profitability of the port, guarantee long-term trade connections for the South Island and ensure that LPC remains economically sustainable.

We are committed to ensuring that the port is able to handle strong projected growth in volumes, delivers a fair return to its shareholder and is sustainably profitable in the long term. We need to provide the infrastructure, services and connectivity that our customers require while ensuring good shareholder returns.

This requires us to operate efficiently, safely and sustainably. It requires us to focus on our efficiency and reliability to ensure port operations provide customers with the service they need, delivered cost-effectively. Continued evolution and innovation in both the deliver of services and in product pricing will form a core part of our work over the perios,

We are dedicated to delivering operational excellence, optimising the use of LPC's infrastructure assets and developing infrastructure at the right time and at the right cost to deliver sustained profitability and growth.

Profitable and financially sustainable

- LPC continues to develop initiatives to increase our profitability. We will have a strong focus on sustainable financial performance, increased returns and delivering prosperity to our region.
- We will have an emphasis on effective cost control and revenue optimisation.
- LPC monitors its current and forecasted debt levels on a regular basis. LPC ensures that it has enough debt headroom to meet all of its financial obligations and enable capital investment back into the company. This is balanced against shareholder requirements for dividend certainty over the short and medium term. We also maintain an approved facility to provide a contingency in case of a oneoff business continuity threat such as foot and mouth.
- We will expand our non-financial reporting through the recognised standards of integrated reporting. To do this, we will work on the development of metrics to reflect the value creation that LPC delivers across the values recognised in integrated reporting (financial, manufactured, intellectual, human, social and relationship, and natural).

Great connectivity to the South Island and global markets

- LPC will continue to invest in new equipment, technology and infrastructure to meet the evolving needs of our customers. We will focus on innovative methods of service delivery.
- LPC owns two inland ports, which gives importers and exporters a range of options for transporting cargo within the region. We are focusing on increasing volumes and profitability through our inland ports, as well as delivering increasingly sustainable services through the modal movement of freight from roads to rail.

Maintain efficient and reliable port operations

- Our customers care about their cargo moving through our port and inland ports in an efficient way. We are focused on constantly improving the performance of our operations while ensuring:
 - all operations are focused on meeting customer needs
 - we use our labour as efficiently as possible
 - we develop and utilise innovative and disruptive technology.

Infrastructure to meet demand

Optimise the use of land and infrastructure assets

- LPC has significant land holdings at Lyttelton Port and at our two inland ports: CityDepot at Woolston and MidlandPort at Rolleston. These will be developed to meet increased demand in a timely and affordable manner.
- We have resource consent to extensively reclaim additional land over the next 30 years. Our intention is to turn this area into our primary container terminal facility, as demand requires it.
- We have an asset maintenance and replacement programme to maintain our assets.

Deliver infrastructure to meet capacity needs in a timely way

- Given the projected growth of the Canterbury economy, the volumes at the port are forecast to grow in the future. With this demand forecast to grow, we will need to invest in new infrastructure in the future.
- This work will be driven by demand, and the programme will be developed in a way that is affordable and delivers an appropriate level of return.

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Objectives	Key Performance Measures		Draft Targets	
		2022	2023	2024
Financial	Revenue (\$m)	149	153	169
	Net Profit After Tax (\$m)	13	14	23
	Shareholder Funds to Total Assets	60	61	63
	Interest cover ratio	8	9	5
	Debt (\$m)	210	209	210
	Dividend Proposed (\$m)	10	11	11
Operational	Ship Rate (as measured by Ministry of Transport)	65.0	65.0	65.0
	Coal load out rate (tonnes per day)	25,000	25,000	25,000

Forecast volatility

LPC operates in a dynamic commercial environment and is continually enhancing our long-term plan. While LPC makes every attempt to provide accurate forecasts, volatility is unavoidable. The situation of an on-going COVID-19 global pandemic greatly increases the uncertainty at this time.

It is the Board's intention to use any surplus funds that are not in the forecast to manage debt levels.

Operational targets

The ship rate combines the gross crane rate with the number of cranes used on a vessel and the time labour is active on the vessel. This indicates how many containers are moved per hour over the whole vessel, rather than a particular crane. It is the key customer measure of the length of time it takes us to unload and load a vessel at the port.



2. People

LPC is committed to playing our role as a responsible employer and being a supportive and collaborative member of the community.

We have a workforce of 600 dedicated and committed staff who are focused on delivering the highest levels of service and performance to the people and businesses of the South Island who depend on the port.

During 2020, we engaged Maria Dew QC to conduct an independent review into our workplace culture, following internal feedback and media comments by staff. The review clearly laid out the need for cultural change at LPC. The review terms of reference covered allegations relating to bullying, racial and sexual discrimination, harassment and unfair selection of family members for roles. The review covered the 3-year period from 2017 to 2020.

As a result, our major focus over the period of this SOI will be the implementation of the recommendations of the review and publicly reporting on our progress. We will also maintain our focus on the continual development of our people, increasing our attractiveness as an employer and delivering on our people and performance strategy.

LPC has developed a range of initiatives to support the health, safety and wellbeing of our people, and we see health and safety as an enabler of great business performance. We have identified five critical risks, established baseline systems and implemented a PCBU framework.

As part of the role we play as a citizen of Lyttelton Harbour, we work hard to be a responsible and supportive part of the community.

LPC has developed a range of initiatives to support the health safety and wellbeing of our people, and we see health and safety as an enabler of great business performance. We have identified five critical risks, established baseline systems, and implemented a PCBU framework. We have launched our new Health, Safety and Wellbeing Policy and Framework.

As part of the role we play as a citizen of Lyttelton Harbour, we work hard to be a responsible and supportive part of the community.



LPC Statement of Intent / Draft V2

Our People

Cultural change

As part of the Leading the Way priority of whanaungatanga and as a result of the findings of the independent review into workplace culture at LPC, cultural change will be a major focus for us over the period. We will develop a plan to implement all 32 of the recommendations of the review and build on the foundation provided by our diversity and inclusion policy.

These are the five focus areas covered by the review's recommendations:

- **Persistent dignity and respect:** Employees repeatedly said it is important that LPC leaders consistently demonstrate dignity and respect.
- Address diversity and inclusion: Improve diversity and inclusion, recognising the review has identified diversity as central to improving workplace culture at LPC.
- People accountability and investment: Improve accountability for poor conduct and, at the same time, invest in the performance and development of people.
- Immediate conduct concerns: Investigations into immediate conduct concerns raised in the report are now under way.
- Reduce 'them and us' barriers: Provide structured opportunities for LPC staff to work together to break down barriers that exist between teams.

LPC will be publicly releasing regular 6-monthly updates on progress on the implementation of the recommendations as well as further measures taken to support organisational cultural change at LPC.

We will also be investing in the resources required to deliver this change and the specialist training that will be required. We will also continue our work to implement LPC's diversity and inclusion policy for. The purpose of the policy is to build and grow a diverse and inclusive workforce, which is essential to driving sustainable commercial success and creating a high-performance culture.

In order to deliver this, LPC will:

- monitor and report on agreed diversity statistics to the Board and CEO
- establish and monitor recruitment, selection and promotion processes to ensure LPC's diversity and inclusion principles are being followed
- ensure that remuneration and other benefits are only influenced by factors pertinent to the job itself
- establish and maintain mechanisms for employees to provide feedback about their inclusion experiences
- ensure there is support in place for those employees who feel that their diversity factors are not acknowledged and respected.

The Board will be responsible for conducting an annual assessment of this policy, its objectives and the progress made towards achieving them. All staff will have an awareness of LPC's commitment to diversity and inclusion.



Attachment C Item 14

Effective workforce

LPC's people and performance strategy is focused on attracting great people, developing a collaborative and stable workplace environment and creating a diverse and inclusive workforce.

The key areas of focus for our people and performance strategy are:

• talent management

Our People

- engagement, participation, diversity and inclusion
- leadership development
- learning and development.

This work over the period will be heavily guided and informed by the recommendations from the review of workplace culture.

We have also commenced the development of a High Performance High Engagement Charter with the four unions that represent staff at LPC and aim to have it in place before FY23. This is part of the development of a more collaborative partnership model at LPC and builds upon various working groups developed during FY21 to collaborate on solutions for specific issues and projects.

Key Performance Measures	Draft Targets		
	2022	2023	2024
Organisational culture change	Establish Culture and Transformation Team Develop plan for implementation of workplace culture review findings	Deliver initiatives	Deliver initiatives
Leadership and development	Redesign LPC leadership programme to reflect workplace culture review findings	Deliver leadership programme	Deliver leadership programme
Gender balance male/female	85/15	80/20	75/25
Engagement score	72	73	74



Health, safety and wellbeing

Our approach to health and safety focuses on visible safety leadership at all levels of the organisation, fundamental risk management and simplified systems and processes.

We care for our people, and we are committed to working safely. We protect the environment and our assets, and we act when we observe hazards or unsafe behaviours.

1. Visible safety leadership from LPC leaders:

- Lead by example and ensure that safety has a high status and is prioritised.
- Actively and collaboratively engage with LPC's employees, health and safety representatives and union partners to ensure we are preventing and controlling hazards and risks.
- Involve employees by allowing the contribution of ideas for health and safety improvement.
- Encourage employees to look out for each other, working as one LPC team to ensure we all go home safe every day.
- Value feedback and use this to make meaningful improvements.
- Adopt a learning teams approach to understanding significant incidents, identifying successful control and implementing learnings.
- Work with LPC's employees to enhance their wellbeing at work and at home.

2. Simplified systems and processes

- Continually improve the way our systems support our safe operations.
- Constantly focus on simplifying our systems.
- Continue to influence the safety performance of our contractors and other PCBUs working at the port.
- Aligned to ISO 45001 standards and internally and externally audited.

3. Fundamental risk management

- A critical control assurance programme is in place to monitor the effectiveness our critical risks.
- Strong reporting is in place for hazard identification and incidents/events.
- Effective incident investigations are in place.
- Safe equipment and work environments are fundamental to how we manage risk.
- Constant review of our equipment and workplace to identify safer alternatives.



Key Performance Measures	Draft Tai	rgets	
	2022	2023	2024
Reportable Injuries/Incidents	0	0	0
Total recordable injury frequency rate	5.4	5.4	5.4
Lost-time injury frequency rate	<2.66	<2.39	<2.15
Health and safety interactions per calendar month	>30	>40	>50

LPC Statement of Intent / Draft V2

Our Community

Our ambition is to grow social capital by creating long-term meaningful value for our communities across a range of parameters.

We want to continue to grow trust by effectively engaging with our communities. We will review our sponsorship programme to deliver meaningful long-term value and encourage programmes that link our staff with community programmes. We will deliver on the community aspiration of more focus on youth and schools in local areas.

LPC also continues to support Christchurch's Antarctic Gateway Strategy with particular focus on two of the four priorities of the strategy. We provide world-class logistics for Antarctic vessels and have a clear focus on sustainability as demonstrated in this SOI.

We will continue to place importance on our partnership with iwi in Whakaraupō. The Manawhenua Advisory Group (MAG) has been an important engagement forum for LPC and Te Hapū o Ngāti Wheke since 2014. The purpose of MAG is to provide a regular forum for conversations between LPC and Te Hapū o Ngāti Wheke to recognise and provide the shared vision for Lyttelton Harbour/Whakaraupō.

Our sponsorships range from one-off donations to ongoing partnerships with leading organisations, such as the Canterbury West Coast Air Rescue Trust and the Banks Peninsula Conservation Trust. We currently support a number of local sporting clubs, community groups, projects and other local organisations. We will continue our regular community engagement, including:

- free monthly port boat tours
- our community newspaper, LPC Update, delivered to nearly 10,000 homes and regular monthly email newsletters to the community and key stakeholders
- the Port Liaison Committee will continue to meet to discuss community issues and includes representatives from the local community, port users, Environment Canterbury and Christchurch City Council.

As outlined in the Port Lyttelton Plan, we are committed to moving the port's operations east over the long term to free up land and provide increased public access to the waterfront. A great example of this objective becoming a reality is the establishment of Te Ana Marina, Canterbury's first walk-on floating marina providing public access to the waterfront. We are now focused on opening up this area further, with increased public pedestrian access and future plans around direct vehicle access from Norwich Quay.

3. Planet

Our sustainability strategy recognises three key priorities for LPC: climate change, waste and biodiversity.

Our climate change target is to positively contribute to addressing climate change and achieve net-zero carbon emissions for our operations by 2050.

We recognise the importance of collaboration and partnering with our peers, including CCHL companies. We are committed to working with the CCHL Group to determine appropriate carbon emissions reduction targets.

We will also continue our involvement in the Sustainable Business Council, the New Zealand Climate Leaders Coalition, World Ports Sustainability Programme and New Zealand ports network.

We will also work with suppliers of our plant and machinery to understand their future plans and work to inform them of our requirements as a customer.

LPC's goal is to transition to zero waste to landfill by 2040 by avoiding waste, focusing on making better purchasing decisions, collaborating with suppliers and considering how we deal with products at end of life.

Our goal is for LPC's net biodiversity impact to be positive for the environment. We will have a net restorative and regenerative approach on our harbour environment. This is an extremely ambitious goal, and we know of no port that has such a bold target. Within the next 3 years, we will focus on:

- implementing the carbon reduction plan developed in FY21 to start the transition to net-zero carbon emissions
- setting science-based targets for our emissions reduction pathway to align with government policy around a 1.5°C warming scenario
- work with CCHL on conducting a risk assessment against the Task Force on Climate-related Financial Disclosures criteria
- conducting a materiality assessment to ascertain our material issues relevant for future sustainability reporting and monitoring
- developing a carbon offsetting strategy and actively contributing to the CCHL Group reduction strategy in line with the Christchurch City Council's carbon reduction strategy.
- setting up our energy efficiency team focused on identifying saving through energy efficiency opportunities
- ongoing implementation of the Whaka-Ora/Healthy Harbour Plan aimed at restoration of the ecological and cultural health of Lyttelton Harbour/Whakaraupō
- completing the ongoing updating of LPC's environmental management system and having it certified withToitū Envirocare
- preparing a natural capital evaluation outlining LPC's impacts and dependencies on nature from our operations
- investigating the use of incentive schemes to promote the use of more-sustainable vessels by customers
- implementing the action plan for the biodiversity positive strategy to move LPC towards having a net positive effect on biodiversity
- continuing ecological enhancement of LPC land including the 17 ha Port Saddle site in Lyttelton in partnership with Banks Peninsula Conservation Trust
- developing a strategic partnership with Banks Peninsula Conservation Trust to help further our biodiversity ambitions
- implementing a framework for valuing and enhancing biodiversity values in port operations and developments
- developing a sustainable procurement process/plan including updating our purchasing policy and associated guidance for suppliers
- conducting waste assessments for all the operational areas and setting area-specific goals for waste reduction that can be owned by the operational teams
- conducting a trial of biodiesel use in major plant or vessels.

LPC Statement of Intent / Draft V2



Key Performance Measures	Draft Targets 2022	2023	2024
Carbon Reduction	3% reduction in scope 1 and 2 operational emissions or carbon intensity from baseline year 2018	5% reduction in scope 1 and 2 operational emissions or carbon intensity from baseline year 2018 Electrify >50% of the LPC light vehicle fleet	Electrify >70% of the light vehicle fleet
Waste	7% increase in diversion rates (operational waste) from landfill from base-line FY18	10% increase in diversion rates (operational waste) from landfill from baseline year of FY18	12% increase in diversion rates (operational waste) from landfill from baseline year of FY18
Biodiversity Positive	Evaluate and report on biodiversity as part of natural capital in the integrated report 50% of all LPC Lyttelton non- operational land is actively managed for key predators Increase in area of non- operational land actively managed for terrestrial weeds	Publish our biodiversity impacts and dependencies analysis 75% of all LPC Lyttelton non- operational land is actively managed for key predators	-
Responsible Sourcing	50% of operational product suppliers >\$50k/annum evaluated against responsible sourcing criteria	75% of operational product suppliers >\$50k/annum evaluated against responsible sourcing criteria	-
Reporting	Publish first full integrated report Conduct risk assessment against the Task Force on Climate- related Financial Disclosures criteria	Integrated reporting ongoing	-

Other Important Information

Corporate governance

LPC is committed to having best-practice governance. LPC'S Code of Corporate Governance has adopted eight key principles:

- 1. Ethical standards
- 2. Board composition and performance
- 3. Board committees
- 4. Reporting and disclosure
- 5. Remuneration
- 6. Strategy and risk management
- 7. Auditors
- 8. Shareholder relations and stakeholder interests

Remuneration and shareholder relations and stakeholder interests are detailed below, as they are required to be included in this document. Our full Code of Corporate Governance can be found on our website (www.lpc.co.nz).

Remuneration

The LPC Board has a clear policy for setting executive remuneration. Remuneration is fair and reasonable and competitive in the market for the skills, knowledge and experience required. The company believes all employees should have the opportunity to reach their potential and thrive in an inclusive and diverse workplace. The Board monitors established reporting and trend analysis on age profile, gender profile and employment tenure. The Board is committed to a policy that the remuneration of management be transparent, fair and reasonable.

The company is conscious of its public responsibilities in the setting of remuneration for senior executives, which is closely managed by the Board and made publicly available via the Annual Report. No executives decide their own remuneration.

The Board recognises the importance of full, fair and transparent disclosure of the Chief Executive Officer's (CEO's) salary. The CEO receives a total remuneration that reflects his skills, experience and contribution to the company and is referenced to the market. It does not include any incentiverelated payments. Full disclosure of the CEO's remuneration is made in the annual financial statements.

The executive leadership team receive total remuneration that reflects their skills, experience and contribution to the company and is referenced to the market. Their remuneration does not include any incentive-related payments.

The shareholder, by ordinary resolution from time to time, sets a total maximum aggregate annual amount payable to the directors in their capacity as directors. That aggregate sum is divided among the directors as they consider appropriate. The fees paid to each of the directors in the previous financial year are detailed in the directors' interests section of the company's Annual Report.

LPC discloses its remuneration policy to shareholders via the annual SOI.

LPC pays all staff at least the living wage, unless they are involved in a training scheme.



Shareholder relations and stakeholder interests

LPC maintains a positive and proactive relationship with CCHL. As part of our annual SOI, the Board includes clear policies for our communications and interactions with CCHL. The Board endeavours to ensure CCHL is informed of all major developments affecting the company's state of affairs, while at the same time recognising commercial sensitivity may preclude certain information from being made public. Information is communicated to CCHL through a 'no surprises' policy on issues of importance as they may arise as well as through formal communications, discussed further below.

Annual Report

The Annual Report is provided direct to shareholders, and it includes audited financial statements and other details that are required to permit an informed assessment of LPC's performance and financial position during the reporting period.

Half-year and quarterly reporting

Half-year and quarterly reporting contains unaudited information.

Statement of Intent

The SOI is prepared based on the requirements within the Port Companies Act 1988 and the Company's Constitution. The directors include any other information they consider appropriate.

Briefings

The company provides briefings to CCHL and its Board and others as required.

CCHL bonds

LPC acknowledges its responsibilities under the continuous disclosure regime in relation to CCHL bonds and has implemented a policy to manage those disclosure requirements.

LPC publishes up-to-date information on the LPC website providing:

- a comprehensive description of its business and structure
- commentary on its goals, strategies and performance
- key corporate governance documents.

LPC has a clear focus on the needs of its key stakeholders (including customers, employees, the public, the Council and government) and recognises it is critical to meet their needs to ensure LPC has a successful business.

LPC takes account of stakeholder interests by:

- having clear policies for LPC's relationships with significant stakeholders
- regularly assessing compliance with these policies to ensure conduct towards stakeholders complies with its code of ethics and the law
- checking that conduct towards stakeholders aligns with current accepted social, environmental and ethical norms.

Shareholder returns

LPC will work closely with CCHL to provide assurance that the remaining Port Development Programme, together with other business initiatives, will add shareholder value.

LPC continues to focus on creating long-term shareholder value by:

- keeping a continuing focus on improvement in underlying business performance
- our commitment to sustainable operations and policies
- nvesting in infrastructure to meet future demand
- ensuring all business investment decisions are subject to rigorous commercial scrutiny.

In discussion with CCHL, LPC intends to:

- continue to strengthen our position as a leading and highly competitive New Zealand port servicing the South Island's importers and exporters
- seek feedback from CCHL on major capital development spend.



Dividend policy

LPC is seeking to maximise shareholder value through investing available LPC cash resources at the highest and best use, while balancing the needs of its shareholder for cash dividends.

Subject to meeting the solvency requirements of the Companies Act 1993, the Board will continue to assess distributions based on:

- the interests of shareholders
- working capital
- capital expenditure
- the timing of reinstatement and development projects
- free cash flow available for distribution.

The company's current dividend policy is to pay 50% of normalised net profit after tax to the shareholder each year.

Estimate of commercial value of shareholder's investment

An independent assessment of the value of the company's fixed assets was conducted for the year ended 30 June 2020. This valuation placed the company's equity at \$356 million. The valuation method for assets used a discounted cash flow model to estimate the fair market value of LPC's assets.

Inherently, there is uncertainty about LPC's current value, due to the large capital expenditure forecasted over the next 10 years. The valuation is sensitive to the timing and quantum of capital expenditure.

Acquisition and 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 LPC. When the subscription, acquisition or divestment is considered by directors to be significant to the company's business operations, it will be subject to consultation with the shareholders.

Post-investment review process

All capital investments over \$250k are eligible for a postinvestment review. The Board is presented with a list from which significant capital investments are chosen for review. This review is completed by an external professional services firm, and the results are presented to the Board.

Innovation, disruption and new technology

LPC is continually investigating a range of new technologies. In recent times, we have adopted a number of new technologies, including:

- A new vehicle booking system that improves the flow of road traffic to and from the port. This technology has delivered operational efficiencies and improved customer experience.
- A dynamic under keel clearance (DUKC) e-navigation systemthat optimises vessel draughts and sailing times. The implementation of this system and the designing of the project won a Port Innovation Award for OMC International at the Dredging and Port Construction Awards 2018.
- The seawall armouring of our new Cruise features the use of 2,000 rock bags holding over 8,000 tonnes of stone. This is the first time this innovative technology has been used in New Zealand. The rock bags are made from 100% recycled polyester (PET). This is very similar material to geotextile fabric, which is used in most construction and infrastructure projects, and accelerated testing confirms they have a 50-year plus lifespan with 100% of strength remaining.
- Our four new state-of-the-art reefer towers highlight our significant investment and support of the South Island's refrigerated freight market. Each tower is 60 metres long and stands at 10 metres high and includes the world's most advanced reefer monitoring system, providing real time data on temperature and energy consumption. The towers introduce hard engineered separation between our Reefer Care team, and the straddles operating in the Container Terminal.

LPC is also an active member of the CCHL Emerging Technology and Innovation (ETI) group, and we are committed to intra-group innovation work.



Scope of activities

LPC is the fully integrated operator of Lyttelton Port, which includes the South Island's largest coal export facility and two inland ports including MidlandPort and CityDepot. Our activities include:

- container terminal handling services receipt, delivery, transit storage and stevedoring of a wide range of import and export cargoes
- the receipt, delivery and loading of coal
- marine services pilotage, towage and lines
- providing wharves, land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipment of a wide range of products
- maintenance of wharves, plant and machinery
- ownership of land and facilities necessary to maintain LPC's commercial assets
- provision of dry dock facilities associated with the repair and servicing of vessels
- ownership and operation of walk-on marina facilities at Lyttelton
- operation of two inland ports, which involve the storage, receipt and delivery, repair and washing of containerised cargo.

Accounting policies

LPC has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards and generally accepted accounting practice and in accordance with the Companies Act 1993 and the Financial Reporting Act 1993 and any amendments thereto.

A full statement of LPC's accounting policies is included in LPC's Annual Report for 30 June 2020 (available on LPC's website at www.lpc.co.nz).

Engagement with stakeholders

Intra-group co-operation and procurement

LPC recognises the importance CCHL places on intra-group co-operation. LPC continues to utilise all-of-government contracts.

We are committed to the CCHL Emerging Technology and Innovation (ETI) group, the sustainability action team and the human capital collaboration meetings.

We will actively engage in CCHL's 2021 Group programme of work which will include Group-wide initiatives with respect to:

- optimising performance
- accelerating innovation
- enhancing community impact
- expanding and leveraging capability.

We are actively involved in the Te Whāriki digital platform, which is aimed at sharing cross-company expertise and experience across the Group. LPC intends to work with CCHL and the rest of the group to strengthen the use of the platform and drive greater inter-group collaboration.

LPC has commercial relationships within the following CCC group entities:

- Orion and Connetics electricity suppliers to the port and maintenance contractors on high voltage systems.
- **Citycare** facilities management and civil construction works.

Role in the growth of the regional economy

The substantial investment resulting from the Development Plan has delivered Christchurch world-class port facilities. There are significant and substantial opportunities for Cantabrians to participate in these projects.

LPC has responsibilities under the Civil Defence Emergency Management Act to build and maintain resilient infrastructure. This has been demonstrated by the performance of the assets after seismic events. LPC will rebuild the port to appropriate standards to ensure its assets are resilient to possible future events.



Contact Details

Lyttelton Port Company Ltd registered office is at: Waterfront House 37–39 Gladstone Quay Lyttelton

Contact details for both the Chairperson and Chief Executive Officer are:

Address Private Bag 501, Lyttelton, 8841 Telephone (03) 328 8198 Website www.lpc.co.nz



28 February 2021

Paul Munro Chief Executive Christchurch City Holdings Limited PO Box 73049 CHRISTCHURCH 8154

Via email

Dear Paul

Draft 2022 Statement of Intent

Please find attached the Enable Services Limited (Enable) draft 2022 Statement of Intent (draft Sol).

The draft SoI is based on our early FY22-25 business planning work and the preliminary FY22-25 forecasts provided to you on 31 January 2021.

In preparing the draft SoI we have considered and, where possible, addressed the items identified in the Shareholder Expectations letter dated 18 December 2020.

Yours sincerely

Steve Fuller Chief Executive Enable Services Limited

Ask for fast, ask for fibre, ask for Enable. enable.net.nz



2022 Statement of Intent

Enable Services Limited



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Address	PO Box 9228, Christchurch
Registered office	Enable House, 2 nd Floor, 106 Wrights Road, Addington, Christchurch
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Chief Executive	Steve Fuller
Telephone	03 335 1765
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Email	steve.fuller@enable.net.nz

INTRODUCTION

This 2022 Statement of Intent (**Sol**) is submitted by the Board of Directors of Enable Services Limited (**ESL**) and is prepared in accordance with Section 64(1) of the Local Government Act 2002.

ESL owns 100% of Enable Networks Limited (**ENL**). Both ESL and ENL (collectively, **Enable**) are council-controlled trading organisations (**CCTO**) for the purposes of the Local Government Act 2002 and this Sol covers the activities of Enable.

The Sol specifies the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of Enable may be judged in relation to its objectives, amongst other requirements.

The process of determination of an acceptable Sol is a public and legally required expression of the accountability relationship between Enable and its shareholder, Christchurch City Holdings Limited (**CCHL**). The Sol is reviewed annually with CCHL and covers a three-year period.

OBJECTIVES

Enable's vision is:

Our fibre network is the essential enabler of an economically and socially vibrant, connected, innovative and globally competitive greater Christchurch

Our vision is significantly strengthened by our purpose:

Connecting Our Community with Unlimited Opportunity

Access to world-class broadband connectivity is now a necessity, an expectation, and considered a fundamental requirement for societal growth and advancement.

The COVID-19 pandemic has made the critical nature of world-class broadband even more evident, as every aspect of our daily lives became dependent on it in 2020 – working, connecting with family and friends, accessing services, learning, shopping and being entertained.

- Fast, reliable broadband services empower businesses within our community to innovate and grow in almost every way, locally and globally.
- Individuals and families depend on broadband services for entertainment, connection with each other, education, and other online services.
- Essential service providers Councils, Government agencies (such as Health and Education) and community support organisations are reinventing how they deliver services to our community using broadband connectivity.
- Cities themselves are being transformed through Smart City initiatives in areas such as Data Management, Internet of Things and Artificial Intelligence, to name a few to deliver greater community value, a better living experience for residents and a sustainable future.

Alarmingly, an estimated 7.5 percent of our community remain isolated from the digital world and all its benefits due to access, skills, motivation and trust digital equity barriers¹ present within our community.

Our vision and purpose define our role as the kaitiaki of the essential enabling broadband infrastructure that empowers our greater Christchurch community. We must be successful in meeting or exceeding our committed objectives.

- Operate and manage all aspects of our fibre broadband network to a high level ensuring the delivery of broadband services with a positive customer experience and keeping ahead of customer demand.
- Drive sensible commercial customer growth (increased fibre broadband connections) through effective market-led strategies based around product development, outstanding internet service provider relationships and customer marketing activity.
- Maximise our fibre broadband network asset performance to secure commercial returns on investment that meet or exceed the cost of capital, considering the long-term nature of this infrastructure investment.

¹ As defined in the The Digital Inclusion Blueprint.

- Advocate the enormous potential of fibre broadband to businesses, consumers, and community groups within our community to truly embrace and realise unlimited opportunities.
- Support more of our community to participate fully in and benefit from our digital society through initiatives focused on digital equity.
- Protect and enhance our community's future through sustainable business practice.

NATURE AND SCOPE OF ACTIVITIES

Our core business is to provide wholesale fibre broadband services delivered over our fibre broadband network infrastructure. Our wholesale fibre services form the basis of retail fibre broadband, voice, internet, TV, content, gaming, and IT services provided to customers (such as homes, businesses, and schools).

We were established in 2007 as the commercial need for businesses to access fibre broadband services in Christchurch became clear. Our parent company, CCHL, established Enable in alignment with its intent 'to own and manage key strategic infrastructure investments' that make Christchurch internationally competitive.

Today our fibre network reaches 200,000 homes, businesses and schools in Christchurch, Rangiora, Rolleston, Woodend, Kaiapoi, Lincoln, Templeton and Prebbleton, Tuahiwi, Ohoka and Tai Tapu.

We are focused on ensuring our connected customers (of more than 131,000) [to be updated 28 May 2021] constantly enjoy world-class fibre connectivity that exceeds their needs and expectations in terms of speed, reliability, performance, and overall customer experience. Furthermore, we are connecting more customers to grow our business and deliver on our purpose for more people within our community. We want to earn the trust and loyalty of all Christchurch broadband customers.

We continually seek to provide the greater Christchurch community with more value and new opportunities to benefit from our fibre broadband capability.

CONTRIBUTION TO GROWTH STRATEGIES FOR GREATER CHRISTCHURCH

We directly contribute to the Christchurch City Council's Strategic Framework (the **Framework**) and particularly the Council's vision of "Christchurch is a city of opportunity for all".

We conduct our business by:

- providing affordable wholesale fibre broadband services;
- ensuring our services support the increasing demand for quality high speed connectivity from our community;
- providing efficient access to fibre broadband services for local businesses and schools;
- ensuring new Greenfield developments (subdivisions) nearby our network



have access to fibre broadband network;

- ensuring our network infrastructure is deployed in a way that minimises the impact to the environment; and
- maximising the opportunity to ensure the large numbers of new commercial and residential buildings in greater Christchurch are designed and built with provision for our network included.

We work closely with key stakeholders in Christchurch to ensure our investment in and the availability of wholesale fibre broadband services supports wider community growth and wellbeing. We add additional value to our community through appropriate partnerships aimed at delivering greater digital equity.

All activities are carried out in line with the objective of securing and growing shareholder value and fulfilling our purpose.

Christchurch City Council – Strategic Framework

Our ownership of a fibre broadband network aligns with and supports the rebuild, recovery and long-term growth plans of local and central Government for greater Christchurch. Fibre broadband services are fundamental to the future growth of the economic and social wellbeing of the people of Christchurch.

Our investment in fibre broadband is a key input into many of the outcomes sought under the Community Outcomes – Resilient Communities, Liveable City, Healthy Environment and Prosperous Economy – and the five Strategic Priorities described in the Framework.

Our fibre broadband services being available across greater Christchurch are having a dramatic impact on the Council's – as well as the community's – ability to deliver on these outcomes.

Resilient Communities

The digital world, accessed through our fibre broadband services, is a vital enabler of community connection; participation in civic life; access to support, education, and health services; organisations connecting with voices from across our community and the sharing of information to our community.

Enable is committed to partnering to address digital equity in our community to ensure more people can benefit from the digital world – therefore, strengthening our community. We are particularly focused on addressing digital inequity amongst our community living in social housing, where up to 61% of people are unable to participate in or benefit from the digital world.

Liveable City

Access to fibre broadband services also underpins almost all aspects of the city's focus on being a very liveable city.

All schools and hospitals within our coverage area are now connected and nearly 70 [to be updated 28 May 2021] percent of the total fixed broadband services within our coverage area now use our network. Fibre broadband is essential for a range of services that form a vital part of our central city and urban environments – including mobile and WiFi connectivity, crime cameras and traffic management systems.



The urban designs of tomorrow will rely even more heavily on access to fibre broadband services as residents and visitors demand and consume even more connected services as they live, work, and play in Christchurch.

Healthy Environment

Fibre broadband provides the opportunity for businesses and organisations to employ technology solutions that reduce their environmental impact, such as video conferencing and remote working, and this has been accelerated by the impact of Covid-19.

It also provides the underpinning connectivity required to monitor, manage, and reduce the environmental impact of organisations and individuals. Programmes from the SmartView app to rubbish bin sensors are made possible through high quality connectivity.

In addition, we are committed to actively contributing – through our core business activity and strategic partnerships and new initiatives – to the medium-term Strategic Priorities set out in the proposed Strategic Framework. Some of our community contribution activity set out below highlights how we are already making a difference in "maximising opportunities to develop a vibrant, prosperous and sustainable 21st century city."

Prosperous Economy

Access to modern and resilient infrastructure – of which our fibre broadband network is one such infrastructure – is recognised as essential if Christchurch is to reach its economic growth goals.

Our fibre broadband network is providing world-class services to thousands of businesses right across the city – catering for their ever-increasing demand for data, and providing the opportunity to grow, increase efficiency and reach new customers. Ubiquitous access to fibre broadband services is also an essential ingredient in attracting new businesses to establish in the city.

It is also supporting businesses to transform how they operate and support the next generation of flexible workers in our community, whether they are in the office, working from home, or on the move.

Strategic Priorities

Enable actively invests in and supports the Council's Strategic Priorities set out in the Framework to help drive the short and medium-term improvements targeted.

Access to world-class fibre broadband right across our city and to nearby towns, aligns Christchurch with some of the most technologically advanced global cities. Fibre broadband access supports the goal of *accelerating the momentum the city needs*.

Our fibre broadband services in homes and essential businesses enabled levels of business continuity during the COVID-19 pandemic that would not have been possible even five years earlier. This empowered our entire community to limit any lost growth momentum in 2020 and supports the recovery in 2021.

At a specific initiative level, we are a major sponsor of the Canterbury Employers' Chamber of Commerce with a focus on supporting local businesses to maximise the

potential of technology to grow and the next generation of business leaders to develop, and we sponsor the Christchurch chapter of Future Leaders in Technology.

We are **enabling active citizenship and connected communities** through our fibre broadband services by empowering people to connect through the digital world.

All local schools have access to a Gigabit fibre broadband service to connect students and educators with each other, the community, and the world. We are also working to address digital inclusion in our community.

We are acutely aware of the Council's commitment to **ensuring rates are affordable and sustainable** and we have been working to ensure Enable is a financially successful strategic asset that can support this strategic priority through its dividends. Enable recently announced its plans to return its first dividend in June 2021, a year ahead of schedule. We will continue to drive business growth and efficiency to maximise these returns.

We have developed and are implementing a sustainability strategy that is directly contributing to Council's environmentally focused priority of *meeting the challenge of climate change through every means available.*

GROWING A STRONG BUSINESS

We are committed to growing our core business, with focus on customer retention and meeting the competitive threat of other broadband technologies (such as fixed wireless), to maximise shareholder value while ensuring the maximum number of people within our community are benefitting from our fibre broadband services. The maturing of our business will ensure we have the operational and financial foundations to deliver even greater value to our community in the future.

Customer Connection and Network Operation Performance

We are now beyond the period of peak uptake of our fibre broadband services and nearly 70 percent [to be updated 28 May 2021] of all fixed broadband connections within our coverage area are delivered over our network.

We are focused on delivering a consistently excellent experience for the more than 131,000 [to be updated 28 May 2021] customers already connected to our network. This includes delivering outstanding customer service and network service reliability and performance and continuing to innovate to ensure our fibre broadband services are always exceeding the needs and expectations of our customers.

We recognise the role we need to play in ensuring our customers are getting all the support they need to maximise their broadband experience and continuing to connect the remainder of our addressable market to fibre. We need to ensure our community has a deep understanding of who we are and what we mean to them and will be evolving our brand to help develop this understanding.

Enable - YE 30 June	2022	2023	2024	
Number of connections (cumulative) ⁽¹⁾	140,467	148,540	153,383	
Connection SLA achievement (2)	>95%	>95%	>95%	
Total network availability ⁽³⁾	>99.97%	>99.97%	>99.97%	

1. The number of connections (cumulative) includes Digital Equity connections totaling X,XXX (2022), X,XXX (2023) and X,XXX (2024).

Financial Performance

Our financial performance targets demonstrate that we have reached a point of financial maturity, after a period of significant capital investment building the network and connecting customers. We will continue to see customer connection growth in the coming years and the profitability and returns to Shareholders will increase accordingly.

We will hold a strong market position with consistent dependable cash flows being received over many years.

Financial Targets (\$m)	2022	2023	2024
Gross Telecommunications Revenue	88.0	94.5	99.6
NPAT	19.5	21.7	24.8
Total Assets	686.4	680.1	669.7
Debt	294.4	294.4	294.4
Equity	311.6	304.7	293.5
Shareholder's Funds to Total Assets Ratio	45.4%	44.8%	43.8%

Dividend to our Shareholder

The dividends payable to the shareholder will be determined by the Board after consideration of future funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993 and shareholder expectations.

No debt will be repaid during the Sol period, with dividend payments being maximised, at the request of our shareholder.

Shareholder Return Target (\$m)	2022	2023	2024
Dividends	17.0	28.5	36.0

Connection SLA achievement pertains to the delivery of operational services within contracted SLAs.

^{3.} Total network availability pertains to all components of our fibre broadband network and is set at the contracted performance of a maximum average customer down time of 120 minutes per year (excludes customer caused down time).

A SUSTAINABLE FUTURE: ENVIRONMENT, SOCIAL and GOVERNANCE (ESG)

Enable is committed to operating all aspects of its business with a focus on protecting and enhancing our community today and in the future through sustainable environmentally responsible business practices, social contribution and good governance (ESG)².



We have also assessed our areas of environmental and social focus against the specific targets and indicators set under each of United Nations' Sustainable Development Goals (SDGs). The programme of work below aligns to seven specific SDGs – (5) Gender Equality; (8) Decent Work and Economic Growth; (9) Industry, Innovation and Infrastructure; (10) Reduced Inequalities; (12) Responsible Consumption and Production; (13) Climate Action; and (17) Partnerships for the Goals.

² Environment, Social and Government, referred to as ESG, is a globally accepted criteria for assessing a company's progress towards sustainability.

ENVIRONMENT – operate our business in an environmentally responsible way towards achieving net zero emissions and zero waste.

To address environmental challenges, we will:

- continually strive towards achieving, maintaining and moving beyond net zero emissions in ways that make financial sense;
- apply 'circular economy' principles to reduce waste; and
- embed sustainability considerations (including ethical considerations) in a culture of excellence across the entire business.

Our initial focus is on improvements in our direct operations (scope 1) and purchased energy (scope 2) before expanding our sustainability goals to our partners and suppliers (indirect – scope 3).

FY2022 Plan and	Targets – by 30 June 2022
	Scope 1 emissions
Climate change	• Finalise fleet conversion plan to hybrid and electric vehicles – for full implementation by June 2023.
13 CLIMATE	Rationalise domestic travel to essential only.Limit international travel to essential only.
	Target:
	 Reduce FY21 carbon emissions of 98 to 62 tonnes – a 37% reduction.
	Scope 2 emissions
	• 100% of energy purchased from renewable energy sources.
	 Next generation network equipment achieving greater energy efficiency per Giga-Byte of data transmitted.
	Establish a model for measuring emissions efficiency of
	Enable's network (and operations) that can be utilised by
	consumers to make sustainable connectivity decisions.
	Target:
	2. Reduce FY21 carbon emissions in corporate operations of 27.5 to 18 tonnes – a 34% reduction.
	3. All electricity to be purchased from an energy provided
	committed to 100% renewable energy.
	 Energy consumed per Giga(or Tera/Peta)-Byte of data transmitted from X to Y.
	Scope 3 emissions
	• Finalise a plan (in partnership with our direct contractors) to reduce their carbon emissions.
	Target:
	5. A net zero carbon emission plan established.
	Overall:
	 Finalise a plan to achieve net zero carbon emissions by 2030 (in partnership with our contractors) to reduce overall carbon emissions.
	Target:
	 Plan and targets established by 31 December 2021 to achieve net zero carbon emission by 2030.

	Corporate consumption and waste
Resource use	 Continue to invest in smart working tools to reduce paper and stationery use.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 Continue to rationalise catering and food consumption. Establish landfill, organic and recycling waste benchmarks to form the basis of a waste reduction strategy. Establish an operational equipment management programme that will support specific target setting on circular lifecycle management of all equipment.
	Targets:
	 Reduce consumption by an average of 25%. Benchmark established by 31 December 2021, and reduction targets in place for the second half of the year. Establish circular economy principle(s) and criteria for Enable that will be used in the operations of Enable.
	Network operations consumption and waste
	 Establish a plan for measuring, managing and reducing operational network waste in partnership with our contractors and vendors.
	Target:
	1. Plan and targets established by 30 June 2022.

SOCIAL – continue to grow our positive contribution to the Christchurch community as a business, employer and contributor to the broader community.

OUR PEOPLE – consisting of Employee Outcomes; Diversity and Inclusions; and Health Safety and Wellness

We are implementing our people strategy to:

- retain and attract diverse, talented people across our organisation to address business challenges and meet the needs of our community;
- embrace diversity including gender, gender identity, age, ethnicity, disability, beliefs, sexual orientation, family responsibilities, work style and experience, socio-economic background, thinking style and personality type – across our business and support our customers, partners, suppliers and other stakeholders to do the same;
- better understand and grow the diversity of thought within Enable as we believe in the potential of greater diversity to deliver better decision making and therefore better outcomes for our business and community;
- actively work to provide an environment where everyone feels they can fully participate at work and where each person is valued for their unique perspectives, skills, and experiences; and
- continue to deliver Health, Safety and Wellness (HSW) for our people that goes well beyond regulatory obligations and compliance with a whole-of-business commitment to looking after our people, partner organisations and their people, customers, and community.

FY2022 Plan and	Targets – by 30 June 2022
	Living wage
Employee	 Maintain provision of the living wage for all Enable
Outcomes	employees.
	Work with all Enable contractors to establish a living wage
O DECENT WORK AND	benchmark and plan for all people contributing directly to Enable's business.
O ECONOMIC GROWTH	Target:
1	1. Living wage provided to 100% of Enable's employees.
	2. Plan established for direct contractors to pay living wage by
	an agreed date.
Standard International States	
	Employee engagement
	Continue to evolve our people strategy in terms of
	engagement; employee benefits; and performance
	management, recognition and reward to lift employee
	engagement. <i>Target:</i>
	<i>3.</i> Employee net promoter score (eNPS) of +X.
	Female/male leadership ratio:
Diversity &	Balance Enable's female/male leadership ratio.
Inclusion	Target:
	1. Increase female in leadership from 23% to over 30% by 30
GENDER	June 2022.
U EQUALITY	Gender (and other diversity factors) pay ratio
	 Develop and implement a plan to ensure there is no ratio
	inequality in Enable.
+	Target:
	2. Ensure all Enable people are equally remunerated on
A O REDITION	experience, expertise and performance, relative to Enable
IU INEQUALITIES	roles.
1	Relationship with mana whenua
	 Work with mana whenua to build knowledge and better
	understand Enable's relationship with the land and how we
	can support the Christchurch community.
	Target:
	3. Relationship established with mana whenua and first
	partnership initiatives completed by 31 December 2021.
	Continue to deliver a best practice Health, Safety and Wellbeing
Health, Safety	model that ensure that our people, partner organisations' people,
and Wellbeing	customers and community are kept safe and well.
	Targets:
	1. Total recordable injuries (TRI) below 6.
8 ECONOMIC GROWTH	2. Incur no serious harm injuries.
	3. Number of sites visited deemed safe >98%.



OUR COMMUNITY – consisting of Community Partnerships and Community Value generation

We are working to generate greater community value with the long-term ambition to create digital equity for everyone in our community. We are working towards this by:

- embracing new and responding to advancing technology innovations and exploring disruptive ways to solve societal challenges, through innovation and partnership; and
- continuing to leverage our existing partnerships and assets to support community growth and exploring new business and social good opportunities to grow the value of Enable to our community.

Digital Equity

We are particularly focused on providing digital equity for residents of social housing and school students without access to the internet at home. We understand the need to partner to remove all digital inclusion barriers including access (connectivity and devices), skills and motivation and trust to ensure the real social benefits are realised.

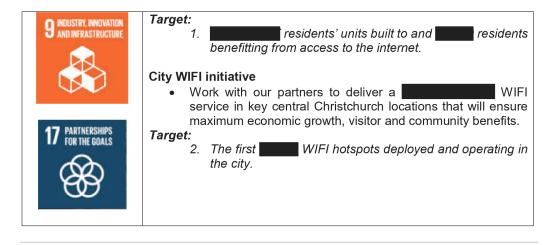
These benefits include individual and family wellbeing benefits, individual and family economic benefits, community benefits, business benefits and governments benefits. We are committed to ensuring all benefits are realised and measured in real terms.

We are initially working with to address digital equity for its tenants. Currently tenants are not able to access the internet – making this potentially the most digitally excluded group in our community.

City WIFI

We are also focused on helping position Christchurch as a smart city through the establishment of a WIFI in the city, in partnership with the Christchurch City Council in high foot traffic areas. This initiative is aimed at delivering significant tourism and major events benefits, local business benefits and community connectivity.

FY2022 Plan and Targets – by 30 June 2022					
Community Partnerships 17 PARTINERSHIPS FOR THE GOALS	 Maintain key strategic partnerships and smaller sponsorships aimed at supporting an environment of growth and innovation in Christchurch. <i>Targets:</i> Maintain our Major Sponsorship with the Canterbury Employers' Chamber of Commerce. Maintain our Future Leaders in Technology sponsorship. Deliver on 10 to 12 small sponsorship initiatives that directly positively impact our community. 				
Community Value	 Digital Equity initiatives Work with our partners to complete the implementation of our Digital Equity initiative aimed at providing equitable digital opportunity for tenants. Business cases completed for solutions to address digital equity in social housing and for school children without access to the internet. 				



GOVERNANCE – govern Enable through best practice to ensure the business delivers the best possible outcomes for the Christchurch community.

Directors and management are committed to best practice governance. Governance requires competent people with a commitment to good governance and an effective set of systems and processes. This provides the shareholder and other stakeholders with the assurance that Enable is appropriately governed.

Good governance involves continual changes to meet the shifting dynamics of the business. This is particularly the case with Enable as we grow and change throughout our growth lifecycle. We have experienced rapid growth, and new systems, processes and positions have been established over the last three years to meet the future needs of the business.

We ensure that the benefits of these changes are maximised and that we are operating as efficiently and effectively as possible.

Directors and management recognise the need to have high-calibre people, backed by excellent systems and processes, for Enable to be a world-class service-led organisation.

BEST PRACTICE GOVERNANCE

Role of the Board

The Board is ultimately responsible for setting the strategic direction of Enable and overseeing the management of our business, with the aim being an increase in shareholder value and the development of communications infrastructure for the economic and social benefit of the people of greater Christchurch. The Board is accountable to its shareholder for the performance of Enable.

Responsibilities of the Board

In carrying out its principal function, the Board's specific responsibilities include:

- reviewing, and approving Enable's business strategies and objectives;
- reviewing and approving Enable's budgets and business/operating plans and monitoring the management of capital, including the progress of any major capital expenditure, acquisitions or divestments;
- providing leadership of Enable within a framework of prudent and effective



controls, which enable risk to be assessed and managed;

- providing health, safety and wellness leadership by understanding, directing and monitoring Enable's health, safety and wellness framework, management system and performance ensuring prudent and effective controls are in place;
- identifying the principal risks faced by Enable and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
- monitoring the operational and financial position and performance of Enable;
- requiring that financial and other reporting mechanisms are put in place by the executive which result in adequate, accurate and timely information being provided to the Board and the shareholder to ensure they are fully informed of all material developments relating to Enable;
- reviewing and approving Enable's remuneration policies;
- establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and accounting standards;
- approving and regularly reviewing Enable's internal decision making and compliance policies and procedures, including any codes of conduct, the Board Charter and the charters of the Board's committees;
- ensuring that Enable's internal decision making, and compliance policies and procedures are adhered to, to ensure that the business of Enable is conducted in an open and ethical manner, and
- leading (with the support of Management) the relationship with Enable's shareholder.

Delegation of Responsibilities to Management

The Board has delegated management of the day-to-day affairs of Enable to the Chief Executive to deliver the strategic direction and goals determined by the Board. The Board has also reserved several powers and responsibilities to the Board.

Delegation of Responsibilities to Committees

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee, the Board adopts a formal Terms of Reference that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee.

Current operational committees include a Health, Safety, Wellness and People Sub-Committee, an Audit and Risk Committee, and a Future Technology and Products Sub-Committee.

The Board is responsible for the oversight of its committees. This oversight includes, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance.

EXECUTIVE REMUNERATION

We remunerate our people at a competitive market rate, noting that we are especially conscious of our public responsibilities in setting senior executives' salaries and Board remuneration, and this is closely monitored by the Board and reported in the Annual Report. We ensure all our people are remunerated at or above the living wage.

COLLABORATION WITH THE CCHL GROUP

We recognise, as a wholly owned subsidiary of CCHL, there may be commercial and community benefit opportunities in greater collaboration with other group companies. We actively participate in all CCHL cross-business forums and initiatives to ensure these opportunities are realised.

We are particularly focused on growing Enable's contribution to CCHL's Emerging Technology & Innovation and Sustainability forums.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

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 the company's performance and financial position during the reporting period.

The Sol 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.

Enable will provide regular updates to our shareholder on the ongoing performance of the entity which may include financial, strategic, risk and operational updates for any given period.

The company 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.

The company will provide information requested by the shareholder in accordance with the requirements of the Local Government Act 2002 and continuous disclosure requirements of the NZX.

COMPENSATION SOUGHT FROM LOCAL AUTHORITIES

At the request of the shareholder, the company may undertake activities that are not consistent with normal commercial objectives.

ACQUISITION / DIVESTMENT PROCEDURES

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 Enable.



When the subscription, acquisition or divestment is considered by directors to be significant to the company's business operations, it will be subject to consultation with and, where required, approval of, the shareholder.

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

ESTIMATE OF COMMERCIAL VALUE

The estimated fair value of UFB network assets at 30 June 2020 was \$625 million. Further information on this asset valuation is provided in the 2020 Annual Report.

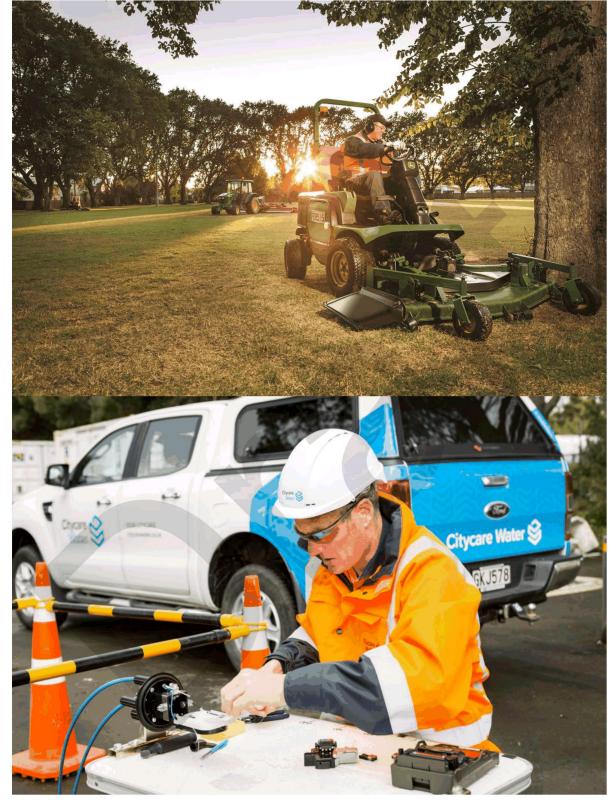
The commercial value is considered by the directors to be at least the equity contributed by the shareholder as recorded in the financial statements.

ACCOUNTING POLICIES

Enable has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Christchurch City Council group. The detailed accounting policies are available in our most recent Annual Report as published on our company website, refer <u>www.enable.net.nz</u>



Item No.: 14



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1 INTRODUCTION (RĀRANGI ŪPOKO)

Nau mai ki te Pānui Whāinga o Citycare 2021/22.

Kei roto i tēnei puka ngā whāinga me te āhua o ngā mahi kua oti i a mātou o Citycare.

Ka mea atu hoki te puka nei i ngā paearu me ngā paeine e tohu nei mēnā rānei kua tutuki ngā whāinga o te Kamupene nei.

The Statement of Intent (SoI) is a public and legally required document, reviewed and agreed annually with the Shareholder, Christchurch City Holdings Ltd (CCHL) and covering a three-year period. The Statement of Intent (SoI) is prepared in accordance with Section 64(1) of the Local Government Act 2002.

Citycare is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002.

The Sol specifies the objectives, nature and scope of activities, performance targets and other measures by which the performance of City Care Limited (Citycare or the Company) may be judged for the period 1 July 2021 to 30 June 2024.

It should be noted that in November 2020, City Care Group formalised their previously signalled business objective of evolving sector strategies that reinforce the autonomous nature of their two business units – Citycare Water and Citycare Property. As a result, Tim Gibson was appointed Chief Executive of Citycare Water and Peter Lord was appointed Chief Executive of Citycare Property, with the integration of the Citycare Civil business. This change enables each sector to better work to their core strengths and deliver optimal performance to customers.

Contact details for the Executive Chair and Chief Executive Officers are City Care's registered office:

Address:	100C Orchard Road, Harewood, Christchurch			
	PO Box 7669, Christchurch			
Telephone:	03 941 7200			
Web:	www.citycare.co.nz			
Email:	citycare@citycare.co.nz			

2 OBJECTIVES (NGĀ WHĀINGA)

Citycare is a leading national provider of infrastructure maintenance, asset management/optimisation and construction services.

2.1. Values

Citycare's values are: We Discover. We Deliver. We Care.

Nāia ngā uara o Citycare: Ka Tūhuratia Mātou. Ka Puakina Mātou. Ka Kumanutia Mātou.

These values support and guide the organisation in all our dealings with stakeholders and with the communities we work in.

2.2. Strategic Priorities

Citycare's key strategic priorities and objectives are to:

- Deliver profitable and sustainable growth across all areas of the Citycare business. The Company's operational focus is on generating strong financial returns and dividend streams for the Shareholder.
- Deliver operational excellence that meets or exceeds client expectations and drives greater customer loyalty and value.

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- Continue Citycare's 100% commitment to the safety and wellbeing of our employees, subcontractors, suppliers and the public we work with.
- Reflect our commitment to Te Reo, Iwi engagement and embrace Treaty of Waitangi principles in our business activities.
- Facilitate a company culture that delivers workplace diversity, cultural competency and that acknowledges Treaty relationships in the most appropriate way.
- Identify, roll out and maximise opportunities to develop vibrant, prosperous and sustainable communities.
- Expand the Company sustainability agenda through support of social enterprises, active involvement in local communities and environmental change leadership.
- Actively explore and develop innovative technologies that enhance the products, processes and services provided to Citycare customers and that connect the communities we operate in.
- Engage effectively with national water reforms and position Citycare Water to benefit from the outcome of Central Government reform to maximise growth and continue with successful delivery in the 3 Waters space.
- Work collaboratively across the CCHL Group of companies to maximise gains and participate in shared business opportunities

3 NATURE AND SCOPE OF ACTIVITIES (TE ĀHUA O NGĀ MAHI)

The Citycare sector-led, operational delivery model includes:

- Citycare Water delivers 3 Waters design, construction and maintenance solutions, asset management and optimisation services, network management and resilience solutions ensuring a safe and sustainable 3 Waters network.
- Citycare Property delivers asset and facilities management, property maintenance and trade services, open space and parks maintenance, building construction and capital works including roading, landscapes and subdivision construction as well as project management services.

Citycare has a 75% shareholding in Apex Environmental Limited and is open to exploring collaborative working partnerships, joint ventures and subsidiary company ownership models.

The Company's current area of operations is New Zealand however, Citycare will explore opportunities in Australia and the Pacific where there are synergies with our existing business.

4 KAITIAKITANGA

4.1 Financial and Commercial performance

Delivery of a strong financial performance and a return to our shareholder, relative to sector benchmarking and competitor performance, is a core measurement of Citycare's business success. The Company goal is to deliver a commercial rate of return on equity without compromising Citycare's commitment to prosperous communities.

4.2 Stronger Communities

Strong communities and relationships are at the core of Citycare's operations. The Company places significant value on community engagement programmes and delivery of community initiatives. The Company will continue to prioritise this aspect of operations because it makes good business sense with regard to attracting and retaining both clients and staff.

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Citycare's focus is on facilitating and enabling community partnerships and action, that is aligned with Local Government interest in positive community, social, cultural, environmental and economic outcomes.

4.3 Provision of Essential Services

Citycare's role as a provider of essential services came to the fore during the Covid-19 pandemic. Citycare Water and Citycare Property were responsible for ensuring the provision of 3 Waters services across the country and the maintenance and management of key infrastructure assets required by the community to minimise disruption. The Company will continue with this commitment, ensuring communities can depend on key infrastructure during times of uncertainty and instability.

4.4 Te Whāriki

Citycare is committed to Te Whāriki which creates opportunities for the Company to explore new ways of working with other CCHL entities to develop capabilities, manage capacity, access specialised skills and expertise and deliver in a more collaborative way on projects and work programmes.

5 MANA

In support of building trust within the communities where Citycare works, the Company aim is to be open and transparent in our actions and reporting while maintaining the sensitivities of our commercial position.

5.1 Innovation, and New Technologies

Citycare is committed to exploiting the growing convergence between OT (Operational Technology) and IT (Information Technology) and to demonstrate leadership that enables Citycare to optimise its customer service offerings and drive productivity benefits through maximising the potential in this space. One example of this is the investment in the Company's unique job management platform EventManager. The platform enhances the customer service experience and the IP connected with the platform is unique to Citycare.

5.2 CCHL Group Programme of Work

Citycare acknowledges challenges that continue to emerge and demand response in the current environment. To deliver an appropriate response in this fast moving and resource intensive environment requires that Citycare continues to take advantage of the benefits provided through engagement in CCHL Group Programmes of Work including those identified for 2021:

- Optimising performance;
- Accelerating innovation;
- Enhancing community impact; and
- Expanding and leveraging capability.

Citycare acknowledges that there is strength in the Group approach to these activities that are designed to deliver mutual benefits based on our shared commitment to values and accountability.

5.3 Strategic Focus

The Board sets the strategic direction of the Company and participates in developing strategic plans, approves budgets and monitors Company performance monthly.

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Citycare's strategic focus 2021-24 is to improve profitability, enhance customer relationships and to establish a more complete sustainability footprint, through delivery against the strategic priorities laid out in Section 2.2.

A focus for Citycare Water will be understanding, engagement and delivery against central government water reform while continuing with the roll out of operational excellence and efficiencies.

The focus for Citycare Property will be seamless integration of the Civil operations into the Property sector and identification and pursuit of growth opportunities that position Property well for the future. The provision of customer value through innovative products and services will be key.

The Group is committed to improvement of our safety performance and the prioritisation of the health, safety and general wellbeing of all Citycare employees and supply partners.

5.4 Company Governance

Citycare's Board of Directors is responsible for corporate governance of the Company. The Board and management are committed to ensuring the Company operates to the recognised principles of best practice governance and adheres to high ethical standards.

5.5 Board Role and Responsibility

Citycare's Board of Directors is appointed by the Shareholder and is responsible for the direction and control of the Company's activities. The primary objective of the Board is to build long-term Shareholder value with due regard to other stakeholder interests. The Board does this by setting strategic direction and context and focusing on issues critical for its successful execution.

The role and responsibilities of the Board are formalised in the Board Charter, which is reviewed periodically. The purpose of the Board Charter is to provide high standards of corporate governance and to clarify the Board's role and responsibilities. Some of the Board's responsibilities are delegated to Board Committees. The roles of the committees are described in Section 5.15.

The Board has delegated to the Chief Executive Water and the Chief Executive Property the day-today leadership and management of Citycare Water and Citycare Property respectively. The Chief Executive Officers have formally delegated authorities to direct reports and have established a formal delegated authority framework for those direct reports to sub-delegate as appropriate.

The Board endorses and adheres to the principles of the Institute of Directors of New Zealand and the Four Pillars of Governance Best Practice for New Zealand Directors.

5.6 Board Composition

The Company's Constitution provides that the Board will consist of a maximum of seven Directors. The Board currently comprises an Executive Chair and five independent non-executive Directors. The Company supports the Shareholder's Associate Director Programme which aims to enhance the governance capability of senior leaders who are embarking on a governance career, offering emerging directors the opportunity to accelerate their boardroom experience through a 12-18 month period as an Associate Director on one of the CCHL group of companies' boards.

Directors retire and are eligible for re-election by rotation in accordance with CCHL Policy on Appointment and Remuneration of Directors September 2007. Retiring Directors are eligible for re-election.

The Shareholder has the right to appoint a Chair and, if it considers appropriate, a Deputy Chair for such periods as it sees fit. If the Shareholder does not exercise that right, then the Board may elect their own Chair or Deputy Chair.

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The Chair's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the Chief Executive of Water and Chief Executive of Property. This relationship is outlined in more detail in section 5.12 Board Management Relationship.

The Chief Executive of Water and Chief Executive of Property are not members of the Board.

5.7 Conflicts of Interest

The Board is conscious of its obligations to ensure that Directors avoid conflicts of interest (both real and apparent) between the Company and their own interests. The Board Charter outlines the Board's policy on conflicts of interest. Where conflicts of interest do exist at law, then the Director/s concerned must disclose their interest, excuse themselves from any Board discussions and not receive any Board papers in respect of those interests.

The Company maintains a Board and Management Interests Register and reviews this register at each Board meeting. Citycare's Conflict of Interest Policy clearly outlines corporate and employee expectations related to actual and potential conflicts of interest and provides a substantive framework to manage this.

5.8 Nominations and Appointment of New Directors

The procedures for appointing and removing Directors are governed by the Company's Constitution. When considering candidates to act as Director, the Shareholder considers such factors as it deems appropriate, including the experience, qualifications, availability and judgement of a candidate, and the candidate's ability to work alongside other Directors. The Shareholder also considers skills required by the Board to ensure effective delivery of their duties across the spectrum of requirements.

5.9 Board Meetings

The Board has regular meetings throughout the year and also meets as/if required between scheduled meetings.

The Chair and the Chief Executives of Citycare Water and Citycare Property establish meeting agendas to ensure adequate coverage of all key issues. The Directors generally receive Board papers one week in advance of Board meetings, except in the case of special meetings for which the time period may be shorter.

The Board encourages scheduled presentations at Board meetings by managers who can provide additional insight into items being discussed or who have future potential that could or should be demonstrated to the Board.

Directors are entitled to have access, at all reasonable times to all relevant Company information and to the Company's management team. Any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director. If a Director considers such advice necessary, the Director shall first gain the approval of the Chair, and having done so, shall be free to proceed.

The Board meets regularly in Director-only sessions, without the Chief Executives or other management present.

5.10 Director Induction and Education

Upon appointment to the Board, all new Directors undergo a tailored induction programme appropriate to their experience to familiarise them with Citycare's business and strategy. The programme includes one-on-one meetings with management and visits to key Company sites.

Directors are expected to keep themselves informed of changes and trends in the Company's business and in the environment and markets in which the Company operates.

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All Directors undertake continuous development so that they may appropriately and effectively perform their duties.

5.11 Board Performance Review

The Board reviews its own performance and the performance of the Chief Executives of Citycare Water and Citycare Property regularly. The process includes one-on-one meetings between the Chair and each Director, as well as regular Board discussions on governance and performance issues.

5.12 Board-Management Relationship

The Board links the company's governance and management functions through the CEs. All Board authority conferred on management is delegated through the CEs so that the authority and accountability of management is considered to be the authority and accountability of the CEs so far as the Board is concerned. The Board will agree with each CE to achieve specific results directed towards the company's overall goals. This will usually take the form of an annual performance plan with relevant targets under which the CEs are authorised to make any decision and take any action within the management limitations, directed at achieving the company goals.

Between Board meetings the Chair will maintain informal communication between the Board and the CEs, expects to be kept informed by the CEs on all important matters, and is available to the CEs to provide counsel and advice where appropriate. Only decisions of the board, acting as a body, are binding on the CEs. Decisions or instructions of individual members, officers or committees should not be given to the CEs and are not binding in any event except in those instances where specific authorisation is given by the Board.

During their first year of appointment as CEs of Property and Water, the Board will give additional support and guidance to the new CEO's by designating the Chair to act in an Executive Chair position, in which he will provide additional time to undertake the responsibilities detailed above along with advancing with the CEs the transition of the company to separate Property and Water businesses as efficiently as possible, in order to enhance the value of the company for the Shareholder.

5.13 Chief Executive Performance Review

The Board will review the performance of the Chief Executive Citycare Water and Chief Executive Citycare Property against key performance objectives at least once a year.

5.14 Director and Officer Insurance

The Company has arranged liability insurance for Directors and Officers. This insurance ensures that, generally, Directors will incur no monetary loss as a result of actions undertaken by them as Directors of the Company arising out of acts or omissions of Directors and employees in their capacity as such. Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions.

The Company indemnifies the Directors and holds them harmless, to the extent possible by law and as allowed under the Company's Constitution, against any proceedings incurred, suffered or expended by or threatened against the Directors with respect to any act or omission in their capacity as a Director. The indemnity excludes: gross negligence or wilful default, deliberate action outside the scope of the delegated authority, criminal liability, breaches of duty under section 131 of the Companies Act 1993 and any other liability for which giving an indemnity is prohibited by law.

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5.15 Board Committees

The Board has three formally constituted committees: the Risk, Audit and Finance Committee, the Health and Safety Committee, and the People and Culture Committee. These committees all have Board-approved Terms of Reference outlining the committees' authority, duties, responsibilities and relationship with the Board. Other committees may be established as, and when, required.

Risk, Audit and Finance Committee

The objective of the Risk, Audit and Finance Committee is to provide independent assurance and assistance to the Board on the Company's risk, control and compliance framework, and its external accountability and reporting responsibilities.

The Risk, Audit and Finance Committee is chaired by a Director who is not the Board Chair. It comprises of non-executive members of the Board as appointed by the Board from time to time. The Chief Executives and Executive General Manager Finance and Administration also attend meetings but are not members of the committee. Any non-executive Directors who are not committee members may also attend meetings of the committee.

The Risk, Audit and Finance Committee shall assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to risk management and systems of internal control, general business practice assurance, reporting of financial information and regulatory disclosure requirements (including all related audit matters) and financial management.

Meetings are scheduled during the year to coincide with the timing of the various responsibilities of the committee. The committee has direct communication with and unrestricted access to the external and internal auditors.

In fulfilling its responsibilities, the Risk, Audit and Finance Committee receives regular reports from management as well as the internal and external auditors. The Risk, Audit and Finance Committee meets (at least) annually with the external auditor without the presence of management.

The committee makes recommendations to the Board for its consideration regarding insurance, dividends, external audit, banking facilities and other matters that the Risk, Audit and Finance Committee may defer to the Board.

Health and Safety Committee

The objective of the Health and Safety Committee is to provide independent assurance and assistance to the Board and Chief Executives on the Company's health and safety performance, systems and processes, compliance and reporting responsibilities.

The Health and Safety Committee comprises two non-executive Directors of the Board as appointed by the Board. The Chief Executive Citycare Water, the Chief Executive Citycare Property, relevant general managers, HSQE managers and no less than three field staff are required to attend the Health and Safety Committee meetings but are not members of the committee. Any non-executive Directors who are not committee members may also attend Health and Safety Committee meetings.

The Health and Safety Committee shall assist the Board in discharging its responsibilities to exercise due care, diligence and skill in relation to its strategy, policy, systems oversight, monitoring and corporate governance responsibilities in relation to health and safety matters arising out of Citycare's activities as they affect employees, contractors, visitors, customers and the communities in which Citycare operates.

Four meetings are held each year and members of the Committee will also undertake site visits.

In fulfilling its responsibilities, the Health and Safety Committee receives regular reports from management through the Board reporting process. It also receives incident information whenever

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significant events occur. The need for access to auditors, legal or independent professional advice is to be determined by the committee as and when required to fulfil its obligations.

The committee makes recommendations to the Board for its consideration if required.

People and Culture Committee

The objective of the People and Culture Committee is to provide independent assurance and assistance to the Board on the Company remuneration strategy, the Company's people related strategies and Chief Executives' employment conditions and remuneration

The People and Culture Committee comprises three non-executive members of the Board as appointed by the Board – currently the committee Chair is the Board Chair. Other internal advisors provide information and attend as required.

The frequency of meetings is determined by the committee Chair to align with the Company remuneration cycles.

In fulfilling its responsibilities, the People and Culture Committee seeks and receives independent advice and timely evaluation reports on current market remuneration information.

The committee makes recommendations to the Board for its consideration.

5.16 No Surprises

Noting that CCHL has debt securities listed on the NZX, Citycare acknowledges that, as a CCHL subsidiary, it is under continuous disclosure requirements as set out in Section 10.1 of the NZX rules, as it would apply to the CCHL group.

Further to this, the Company will continue to operate on a 'no surprises' basis in respect of significant Shareholder-related matters, notwithstanding the context related to matters of commercial sensitivity and/or with confidentiality obligations. This is to include as much advance notification as possible pertaining to issues that may:

- have a material financial impact on the Shareholder;
- have adverse implications on the Company or the Shareholder's reputation; or
- give rise to unsolicited or adverse media enquiries/content.

5.17 Sol Reporting

In accordance with the Local Government Act 2002, the Company will submit to the Shareholder a draft Sol by 26 February 2021, for the coming financial year. The Sol sets out the objectives, activities, intentions, financial and performance targets.

After due consideration and discussion with the Shareholder and completion of the annual business planning and budgeting, the final Sol is approved by the Board of Directors and delivered to the Shareholder in June 2021.

5.18 Regular Shareholder Reporting

Citycare will provide regular updates to our shareholder in accordance with the Local Government Act 2002 Amendment Bill No. 2 on the ongoing performance of the entity against the Sol targets. The Company may also provide the Shareholder with strategic updates.

5.19 Annual Report

An Annual Report will be submitted to the Shareholder and will include audited financial statements and such other information as necessary to permit an informed assessment of the Company's performance and financial position during the reporting period.

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The reports will outline the Company's objectives and performance in terms of financial, environmental and social inputs, outputs and outcomes, as well as performance against the stated Sol targets.

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

6 FINANCIAL

The consolidated Company financial performance targets as detailed in Table 1 show the revenue, profit and key financial ratio expectations for the period 2021 - 2024.

Table 1 – Medium-term Financial Targets

2021/2022	2022/23	2023/24	
315,820	333,429	365,464	
5,709	6,628	8,084	
9.5%	10.4%	11.9%	
51%	52%	53%	
6,141	10,108	14,139	
	315,820 5,709 9.5% 51%	315,820 333,429 5,709 6,628 9.5% 10.4% 51% 52%	

Table 2 - Medium term Financial targets for Apex Environmental Ltd.

'000's	2021/22		2022/23		2023/24	
Net Profit after Tax		1,168		1,268	1,664	

6.1 Revenue

The SOI period sees modest growth in Revenue across both Citycare Property and Citycare Water.

6.2 Net Profit After Tax

The reporting period sees pressure continuing on margins, particularly with local councils where pressure on costs is being experienced. The outcome of the current Central Government Water Reforms is unknown giving rise to a period of uncertainty for the water sector over the next three years. However, company cost reductions are assisting with maintaining earnings over the reporting period.

6.3 Return on Average Equity

During the three year forecast period, the Company's financial gearing is expected to remain at an acceptable level which results in a strong balance sheet to support funding of future growth opportunities and appropriate investment in new technologies, plant and equipment as these opportunities arise.

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6.4 Shareholder Funds to Total Assets

The Shareholder Funds to Total Assets ratio includes the IFRS 16 Lease adjustment where an asset called the Right of Use Asset is included in Total Assets (with an off-setting lease liability) and this asset is circa \$12m. This has increased our total assets base.

The Shareholder Funds to Total Assets remains above 50% in the forecast period.

6.5 Debt Management

During the forecast period, excluding any major investments or acquisitions, the Company is expected to report a modest net cash surplus.

6.6 IGFF as a Source of Debt Funding

The Company has taken advantage of the funding lines provided by CCHL and in July 2019 drew down \$10m of a \$15m facility. The \$10m is fixed for 2 years. This IGFF has worked extremely well and seen a reduction in both the Company interest rate and bank facility fees. Discussions are underway with CCHL to extend this facility prior to current expiry.

6.7 Dividend Payments

The Directors have considered the dividend policy and, having regard for the current financial position and the investment required for the business over the forecast period, consider that a dividend policy of 50% of NPAT is sustainable.

Ordinary dividends are paid in two instalments, in March of each financial year and October of the following financial year. Any dividends will be paid to the Shareholder after taking into account the Company's profitability and future investment requirements. The Board will determine the dividends payable after considering the Company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

To assist the Shareholder with budgeting, the forecast ordinary dividends payable to the Shareholder over the period 2021- 2024 are detailed in Table 3.

Table 3 – Shareholder Dividend Distribution

\$000's	2021/22	2022/23	2023/24
Dividend Paid	2,548	3,085	3,678
Declared Dividend 50% of NPAT	2,854	3,314	4,042

6.8 Capital Investment

In line with the delegated authorities, all new capital investment via tenders or acquisitions require presentation of a sound business case, including the associated risk profile and projected ROI and NPV.

6.9 Controlling and Managing Risk

The Company has a formal risk management framework which identifies the key risks and outlines appropriate risk management and mitigation plans. The risk management framework is reported to, and reviewed by, the Board quarterly and delegated to the Risk, Audit and Finance and Health and Safety Committees where appropriate. Mitigation plans are controlled and administered by Management.

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6.10 Insurance

The Board satisfies itself that adequate insurance is in place for the Company's size and risk profile. External advice is received by the Board as appropriate.

6.11 Estimate of Commercial Value of Shareholder's Investment

Citycare estimates the commercial value of our Shareholder's investment in the Citycare Group is at least that which is stated as Shareholder's equity in our audited financial statements. The Company reassesses this value annually during preparation of audited financial statements.

6.12 Accounting Policies

Citycare has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Christchurch City Council group. The detailed accounting policies are available in the Company's most recent Annual Report, which is published on the Company website.

6.13 Acquisition/Divestment Procedures

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 Citycare. When the subscription, acquisition or divestment is considered by the Board to be significant to the Company's business operations, it will be subject to consultation with the Shareholder. Major transactions as defined by the Companies Act 1993, Section 129(2), will be subject to the Shareholder's approval by special resolution. In this instance, the Shareholder will be consulted with as much lead-time as is commercially practicable in the prevailing circumstances.

Where the Company decides to incorporate or subscribe for shares in subsidiaries to undertake its commercial activities, the Company will ensure effective management. Board control of any subsidiary is exercised by Citycare's Directors and staff.

7 SUSTAINABILITY

Citycare will continue to progress work towards achievement of relevant UN Sustainable Development Goals where these demonstrate relevant sustainability leadership. Continued success in this space requires close collaboration with key customers subcontractors and suppliers, increasingly basing supplier and partner procurement decisions on aligned sustainability and environmental leadership goals.

This approach recognises the importance of the economic wellbeing of Citycare's customer relationships, the engagement and diversity of our workforce and Citycare's commitment to climate action and responsible environmental consumption.



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The Company's commitment to creating healthy environments, prevention of pollution and sustainability of natural resources is reflected through our ISO14001 environmental management certification.

Citycare will update its 10-year Sustainability Goals following confirmation of the 2021 Business Strategy. The Sol will be updated to reflect the Strategy.

7.1 Environmental Leadership

Citycare is committed to taking action to contribute to New Zealand targets under the Paris Agreement to reduce greenhouse gas emissions by 30 per cent below gross emissions for the period 2021-2030. The Company will also work towards contributing to the Climate Change Response (Zero Carbon) Amendment Act domestic 2050 target.

Citycare commits to participation in the CCHL working group that will develop a Group wide measurable carbon emissions target and to commit to this target as part of the Company's SOI targets which will be confirmed as part of the 2021 Business Strategy.

7.2 Greenhouse Gases

Citycare is committed to the annual measurement and reduction of Greenhouse Gas emissions with the goal of being net carbon neutral by 2030. With over 90% of the Company's current reported emissions generated by fossil fuelled vehicles and plant we will continue our policy to replace these, where practical, with electric, hybrid or low emission alternatives. In addition, Citycare will continue to investigate and adopt new technologies and methodologies to reduce our emissions.

The Company's Greenhouse Gases reduction targets are detailed in Section 9, Table 5 of this Sol.

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10 Year Sustainability Goals To be Updated once business planning is complete

To be included post Strategy sessions.

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8 PEOPLE

Citycare will continue to build a culture of diversity, equality and inclusion to support the company vision and values. This will include being an employer of choice in the infrastructure space, ensuring our people are trained, kept safe and have room to grow within their roles.

8.1 Health and Safety

To keep our people safe, the focus has been on placing individuals at the centre of their own safety environment and ensuring that all employees have the required competencies to perform their tasks safely. Critical risk is the primary focus of all Citycare teams who take responsibility for identifying and mitigating the areas and activities with the most potential for harm. The Company uses controls to manage critical risks and a safety culture approach to non-critical risk management.

The Board reviews health and safety performance at every Board meeting. This is further supported by the Board Health and Safety Committee which reviews Company health and safety policies, risk management assessments, and regularly monitors the Company's health and safety performance.

To ensure our systems are constantly assessed against industry standards we are a tertiary level member of the ACC Accredited Employer Programme and accredited with ISO45001 One way we measure progress is by monitoring the number of incidents reported to and investigated by WorkSafe.

8.2 Remuneration

Citycare is conscious of its public accountability in the setting of remuneration which is closely managed by the Board.

The key principles related to Citycare employee remuneration are to ensure that the remuneration level continues to provide the ability to attract, retain and motivate suitably competent employees whilst also being fair and equitable, flexible and transparent.

In support of this transparency, Citycare:

- delegates financial authorities for hiring of new employees and remuneration setting;
- undertakes an annual staff appraisal and remuneration review process; and
- subscribes to and participates in the Strategic Pay market remuneration surveys.

8.3 Living Wage

Citycare is currently reviewing the Living Wage with CCHL and will provide an update for the finalisation of this document.

8.4 Diversity

In 2019 Citycare developed a framework to help achieve the Company's diversity goals. Citycare will continue to progress this strategy through the engage, educate, attract model provided in more detail below.

- Engage we have initiated a structured programme of engagement with the communities that we want to attract and with partners that can help make that happen.
- Educate we focus on educating the future workforce on the importance of our work through our partnership with SVA.
- Attract we support a range of initiatives and partnerships designed to attract people to the range of training and workplace opportunities we offer.

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9 TARGETS

9.1 Performance Targets

The performance targets outlined in Table 5 below act as specific progress metrics against the articulated growth strategy for Citycare.

Table 5 – Performance Targe	ets
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Target	Performance Measure short term (2021-22)	Performance Measure mid term (2022/23)	Performance Measure long term (2021/25)
Client Satisfaction	Positive Net Promotor Score (NPS) based on an annual customer survey	Positive Net Promotor Score (NPS) based on an annual customer survey	Positive Net Promotor Score (NPS) based on an annual customer survey
Environmental	 100% of new (non- operational) passenger vehicles purchased or leased to be hybrid or EV (excludes vehicles procured through acquisitions) (subject to vehicle availability) 	 100% of new (non- operational) passenger vehicles purchased or leased to be hybrid or EV (excludes vehicles procured through acquisitions) (subject to vehicle availability) 	 100% of new (non- operational) passenger vehicles purchased or leased to be hybrid or EV (excludes vehicles procured through acquisitions) (subject to vehicle availability)
	• Annual reduction of Company-wide greenhouse gas emissions normalised against annual turnover to reach 2030 goals	• Annual reduction of Company-wide greenhouse gas emissions normalised against annual turnover to reach 2030 goals	• Annual reduction of Company-wide greenhouse gas emissions normalised against annual turnover to reach 2030 goals

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Health and Safety	 <10 incidents requiring notification to WorkSafe annually <1 WorkSafe investigation annually 	 <10 incidents requiring notification to WorkSafe annually <1 WorkSafe investigation annually 	 <10 incidents requiring notification to WorkSafe annually <1 WorkSafe investigation annually
Employee engagement / Diversity	 Incremental increase in the number of women in leadership roles Increase in youth in the workforce measured by higher % of staff under 25 years More than 50 people in registered training annually 	 Incremental increase in the number of women in leadership roles Incremental increase in the number of Māori/Pasifika in leadership roles Increase in youth in the workforce measured by higher % of staff under 25 years More than 50 people in registered training annually 	 Incremental increase in the number of women in leadership roles Incremental increase in the number of Māori/Pasifika in leadership roles Increase in youth in the workforce measured by higher % of staff under 25 years More than 50 people in registered training annually
Living Wage	• TBA	• TBA	• TBA
System Management	Maintain current ISO- accredited systems	Maintain current ISO- accredited systems	Maintain current ISO- accredited systems
Community	• Collaborate with community stakeholders to deliver the safe coordination of >15,000 volunteer hours	• Collaborate with community stakeholders to deliver the safe coordination of >15,000 volunteer hours	• Collaborate with community stakeholders to deliver the safe coordination of >15,000 volunteer hours

Table 6 – Performance Targets (Apex Environmental Ltd)

Target	Performance Measure short term (2020/21)	Performance Measure mid term (2021/22)	Performance Measure long term (2022/23)
Client Satisfaction	Positive Net Promotor Score (NPS)	Positive Net Promotor Score (NPS)	Positive Net Promotor Score (NPS)
Innovation	 Identify two new products or technologies to bring to market 	 Identify two new products or technologies to bring to market 	 Identify two new products or technologies to bring to market

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Statement of Intent

For the year ended 30 June 2022





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1. Introduction

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

The SOI specifies for EcoCentral Limited (ECL), 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 company may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between the company and its Shareholder, Christchurch City Holdings Limited (CCHL) & its ultimate owner, being the Christchurch City Council (CCC).

ECL is made up of three divisions:

- EcoSort The materials recovery facility (MRF) that the Company owns and operates at Parkhouse Road. It processes recyclable materials collected from the wider Canterbury Region such as paper, glass, plastics, metals and sells the output product commercially to external parties. Ownership of the facility passes back to CCC in 2024.
- EcoDrops ECL is contracted to operate on behalf of CCC the three solid waste transfer stations at Parkhouse Road, Metro Place, and Styx Mill Road. The facilities are open to the public along with commercial customers for the disposal of most household waste and commercial general waste.
- 3. EcoShop This provides a reuse retail warehouse which runs in conjunction with the EcoDrops. All types of previously-owned goods are collected from EcoDrops, carefully sorted, priced and then sold to the Christchurch public at our location on Blenheim Road.

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



2. Contact Details

Address and Registered office Level 1, 9 Baigent Way Middleton Christchurch 8442

Board

Mark Jordan (Chair) Sinead Horgan Ben Reed Mark Christensen

Chief Executive

Craig Downie

Telephone 03 336 0080

Web www.ecocentral.co.nz

Email

admin@ecocentral.co.nz



3. Mission

EcoCentral's mission is to take a leadership role in the South Island for waste minimisation and recycling. We are centrally located with supportive connections to local councils and have a strong asset base to grow from. We make use of commercial relationships through our business connections working with like-minded partners. We will build collaboration between industry, community, national and local governments to develop and implement solutions to current and future challenges.

4. Objectives

EcoCentral Limited is responsible for the operation of the EcoSort (Materials Recovery Facility) and the refuse and recycling EcoDrops which includes drop-off centres that assist in the handling, separating and disposal of all waste types. These facilities receive refuse and provide recycling collection options throughout the city for both households and commercial premises.

Additionally, ECL operates the EcoShop on 191 Blenheim Road. This facility receives resalable material from the EcoDrops, prepares that material for sale and retails it to the public. This thereby diverts that material from landfill supporting the circular economy.

The objectives of ECL are:

Facility Objectives

- To receive and process a high proportion of controlled waste (within the Canterbury region) into usable resources, with a target of minimising the residual waste to landfill.
- To ensure that the EcoSort, EcoShop and EcoDrops are available and fully operational throughout the entire year to achieve this objective.

Environmental Objectives

- To encourage sustainable resource use and provide facilities to divert waste from the landfill that can be economically converted into resources and products that can be reused with minimal environmental impact.
- To support the CCHL Group's carbon reduction goals by reducing the Company's carbon footprint.
- To operate all facilities in compliance with consents governing their operation.

Economic Objectives

- Ensure that the operation is run in a cost effective manner, returning an annual profit that translates into a dividend being paid back to the shareholder.
- To provide sound strategic and financial planning to ensure that capacity is available to meet the recycling processing needs of Christchurch City and the wider Canterbury region in a commercially viable manner.

Social Objectives

- To protect and ensure the safety and wellbeing of all staff, customers and contractors visiting our sites by driving a safety focused culture, adopting best-practice processes and equipment available to the industry
- To provide safe and clean facilities for staff, contractors and customers at all times.



- To train and upskill our staff, providing meaningful career pathway opportunities.
 - To educate, empower and encourage the community in their recycling activities.

5. Key Initiatives and Innovation

A resilient EcoCentral is a key part of a waste and resource recovery system that minimises waste generation, maximises resource recovery, and works towards zero waste going to landfill. EcoCentral's resilience is inherent in its commitment to continuous improvement through innovation and the introduction of new processes and technologies that improve the efficiency of the waste stream. EcoCentral is aware of the essential service it provides Christchurch City and the need to ensure a stable, future focused waste minimisation business.

Waste and recycling continues to undergo global change and EcoCentral recognises that it must respond by continually looking to identify and adopt or partner in new technologies that will benefit EcoCentral, CCHL and the wider Canterbury region.

EcoCentral key initiatives and innovation strategy will include the following:

Major Investment in New Sorting Technology for Recyclables

In August 2020, EcoCentral received confirmation of \$16.8m in government funding to enhance the EcoSort 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 plastics into individual resin types and significantly improving sorted fibre purity. The project is expected to commence during 2021/22 and will take up to two years to complete. It will ensure Canterbury recycling meets international 'best practice' and is equipped to meet current and future global quality standards.

Sustainability Targets and Carbon Footprint Reduction

EcoCentral acknowledges its obligations to assessing and managing climate risk. As part of this it will commit to the following:

- Support the CCHL Group to develop Group wide sustainability targets.
- Implement changes to reduce Its carbon footprint.
- Seek to identify other sustainability targets that it can report against.
- Focus on continuous improvement of the Company's activities to ensure efficient and economic utilization of available resources.

Public Education / Reducing Contamination in Recycling

Contamination in the recycling streams poses a significant risk for EcoCentral's continued ability to sell it recyclable commodities in the global markets. EcoCentral will continue to respond to this risk by:

- Supporting CCC in Its monitoring of kerbside bins through roadside auditing.
- Identifying and rejecting contaminated loads being delivered to the MRF.
- Engaging the public through various education initiatives, including advertising campaigns, social media participation, and strategic partnerships.
- Providing unbiased expert adviceto Central and Local Government regarding innovation, future opportunities and risks to the recycling industry.



During 2020/21 EcoCentral's new website went live. This represented a significant investment by the Company in Its marketing and public education strategy. As part of this initiative the Company also established its presence on the LinkedIn and Twitter Platforms. During the current year EcoCentral will attempt to leverage these online facilities to deploy Its marketing and public education strategies.

As part of It's public education strategy, EcoCentral will continue to seek opportunities to engage local schools, and present it's recycling message to various community groups. It will also continue to assist other business's by advising recycling best practice and assisting with key information.

EcoCentral will also continue to build on Its strategic partnership with public transport providers to remove financial barriers to schools participating in the CCC Learning Through Action, "A Waste of Time", education programme. Schools that meet qualifying criteria will have the transport to the recycling programme provided to them at no cost by EcoCentral. This support to schools assists in promoting key waste reduction messages and improving recycling knowledge throughout the community.

Participation of National Advisory Boards

EcoCentral will maintain it's involvement in a number of key advisory roles, with the key aims of seeking to improve recycling behaviours and enhancing the circular economy at a national level. These involvements include:

- Participation in the WasteMINZ advisory panel to the Ministry for the Environment to assist in the standardisation of recycling practices throughout New Zealand.
- Participation in the stewardship advisory group to WasteMINZ 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.
- Involvement with a collective of New Zealand based recyclers providing guidance to the Ministry for the Environment on the proposed container return scheme.

Electric / Hybrid Vehicles

EcoCentral will continue to follow its policy of prioritising viable electric/hybrid alternatives when purchasing new vehicles.

6. Nature and Scope of Activities

ECL is a Council-Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002 and the Companies Act 1993.

ECL holds a contract with CCC to:

- 1. Operate the EcoSort. The ownership of this facility transfers back to council at the end of the contract term in 2024; and
- 2. Run the CCC owned three EcoDrops at Styx Mill Road, Metro Place and Parkhouse Road.

ECL also operates the EcoShop at 191 Blenheim Road which receives material from the recycling centres based at the EcoDrop sites. The EcoShop site is leased long term from a commercial third party.





ECL is regarded as a 'for profit' CCTO.

7. Governance

EcoCentral's Board of Directors is responsible for the corporate governance of the company. The Board and management are committed to ensuring the company operates to the recognised principles of best practice governance and adheres to high ethical standards.

This Statement presents an overview of the main corporate governance policies of the company.

Role of the Board of Directors

The Board is responsible for the proper direction and control of the company's activities. The Board guides and monitors the business and affairs of the company on behalf of the shareholder, CCHL, to whom it is accountable. CCHL is in turn responsible to its shareholder, CCC.

The primary function of the Board is to ensure that the company 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.

All Directors endorse and are required to comply with the New Zealand Institute of Directors' Code of Proper Practice for Directors.

Conflict of Interest

The Board is conscious of its obligations to ensure that Directors avoid conflicts of interest (both real and apparent) between the company and their interests. Where conflicts do exist, then the Directors concerned must disclose their interest, excuse themselves from any Board discussions and not receive any Board papers in respect of those interests.

Board Composition

The directors of ECL are appointed by the shareholder CCHL for terms of up to three years. Board membership currently consists of four non-executive directors.

The Board has delegated to the Chief Executive the day-to-day leadership and management of the company. The Chief Executive has formally delegated certain authorities to direct reports and has established a formal delegated authority framework for those direct reports to sub-delegate as appropriate.

The company may also make use of external advisors from time to time.

The Board is responsible for reviewing the company's accounting policies, reporting practices and resultant financial statements. It also considers external audit reports; audit relationship matters and fees as well as delegated authorities.



Audit & Risk Committee

Membership of the committee consists of at least two members of the Board, the committee is regulated by approved terms of reference that address membership, functions, responsibilities, authorities and reporting procedures. The committee is chaired by a director who is not the Board Chairman. The ECL Audit and Risk Committee monitors risk management processes, oversees the findings of external auditors and monitors legislative compliance.

Remuneration Committee

The Remuneration Committee is conducted by the full board. The committee convenes at least annually to review the performance of the Chief Executive and the recommended pay reviews of the Chief Executive's direct reports. The committee then makes recommendations to the board on the Chief Executive's remuneration package. In considering the remuneration policy, the Company is especially conscious of its public responsibilities in the setting of remuneration for senior executives, which is closely managed by the Board and made publicly available via the annual report.

ECL ensures remuneration levels are set at responsible limits to enable the Company to attract and retain the people it needs to manage and operate its business.

Health and Safety

The issue of health & safety is deemed the responsibility of the full Board on a continuing basis.

Controlling and Managing Risk

The Board has a formal risk assessment framework identifying potential risks to the company and adopting appropriate mitigating measures to minimize or eliminate the risk.

8. Performance Targets

Financial Performance Targets

The financial performance targets for the company are as follows:

	2022 \$'000	2023 \$'000	2024 \$'000
Total Revenue	37,101	37,478	37,853
Net Profit After Tax	753	720	686
Return on Equity	7.4%	6.7%	6.1%



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

	2022	2023	2024
Shareholders Equity%	53.9%	55.1%	56.1%

This is calculated as the equity of ECL divided by the total assets of ECL expressed as a percentage as at the end of the financial year.

The forecast capital structure for the next three years is:

	2022 \$'000	2023 \$'000	2024 \$'000
Equity	10,471	10,942	11,377
Debt to CCHL	-	-	-
Total Assets	19,413	19,871	20,293



Operational Performance Targets

In addition to the above financial performance measures, ECL will use the following measures to assess its performance of the 2021/22 financial year:

Performance Targets	Performance Measure 2021 / 22
EcoDrop	
Waste Minimisation	Divert at least 75,000 tonnes from landfill
EcoSort	
MRF plant improvement	Deliver on completion of MFEand Plastic 2 year capital improvement projects within
	agreed schedule.
Waste %	<11%
EcoShop / Resource Recovery	
Loshop / Resource Recovery	
Number of Customer sales	120,000 per annum
Total Resource Recovery tonnes diverted from landfill	At least 8,000 tonnes
landini	
Health & Safety	
C. C. market and the	. 100
Safe work observations	>100
Corrective Actions	Remedy and close out corrective actions: >90%
	within 8 weeks of initiation
Critical Risk Management	Complete Bowtie investigation and mitigation analysis of Critical Risks in conjunction with
	HSR's.
Sustainable Business Practices	
Improve operational efficiency of machinery	Reduced kilowatt hours per tonne
and plant to reduce greenhouse gas emissions	
	Reduction in ECL Carbon Footprint from
	FY2018/19
Community Recycling Education	Provide >80 recycling education sessions to
	schools, community groups and businesses

Attachment C Item 14



9. Distributions

ECL will consider a dividend to the shareholder CCHL from residual cash after operating cash flow is applied to necessary capital expenditure, finance costs and maintaining reserves sufficient to meet the company's future obligations. ECL recognises that a significant portion of its revenues are susceptible to commodity and foreign exchange price fluctuations. For this reason, the directors consider it prudent for the company to maintain cash reserves and/or borrowing capacity to ensure the company can withstand unfavourable short-term commodity and foreign exchange movements. The dividends payable to the shareholder CCHL will be determined by the ECL Board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

The normal dividend policy is to forecast payments of one instalment in October of each financial year.

	2022	2023	2024	
	\$'000	\$'000	\$'000	
Dividend Paid	250	250	250	

10. Information to be provided to the Shareholder

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

EcoCentral will provide regular updates to our shareholder on the ongoing performance of the entity which may include financial, strategic, risk and operational updates for any given period.

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

Annual reports will be produced and will provide

- a comparison of the performance of ECL with the statement of intent; and
- an explanation of any material variances between that performance and the statement of intent.

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 it is appropriate, revised forecasts will be submitted to the Shareholder.

The company 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.



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

11. Acquisition and Divestment Policy

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

When the subscription, acquisition or divestment is considered by Directors to be significant to the company's business operations, it will be subject to consultation with the Shareholder. Any significant investment or acquisition is subject to a post investment review.

12. Compensation Sought from Local Authority

At the request of the Shareholder, the Company 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 or envisaged.

13. Community Focus

Through its stewardship of Council resources, ECL plans to deliver the following to the local community:

- Working to maximise resource recovery and reuse.
- Management of infrastructure, assets and resources in a way that supports economic growth of the city providing employment for local staff, supporting local waste minimisation initiatives and seeking additional waste diversion opportunities.
- Ensuring infrastructure, assets and financial resources are well-managed and used efficiently.
- Identifying partnering opportunities to enhance educational outcomes to increase recycling in the community.
- Demonstrate environmental leadership by using infrastructure, assets and resources in a sustainable manner which values natural resources and aims to reduce waste to landfill.



14. Sustainable Business Practices

ECL will continue to pursue opportunities to innovate and improve efficiency within the EcoSort plant as equipment upgrades occur considering better energy consumption and efficiency. The pursuit of sustainable, reliable alternative mobile plant including electric and other fuel options will be part of the capital review programme for the Company in 2022, supporting the extensive changes already achieved in this area to date.

15. Innovative/Disruptive and New Technologies

ECL will continue to seek further opportunities to utilise technology and engineering improvements to enhance the efficiency and productivity of the EcoSort and to provide a better customer experience at the EcoDrops. It will also consider the opportunity to incorporate emerging technologies that expand recycling solutions and improve output quality.

16. Estimate of Commercial Value

The Board estimates the commercial value of ECL to be at least that which is stated as shareholders' equity in the Company's audited financial statements.

17. Accounting Policies

ECL has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, and generally accepted accounting practice. The detailed accounting policies are available in our most recent annual report as published on Christchurch City Holdings' website. Refer https://www.cchl.co.nz/annual-reports



RBL Property Ltd



For the year ended 30 June 2022



February 2021

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Introduction

This Statement of Intent (SoI) is prepared by RBL Property Ltd (RBLPL) in accordance with Section 64(1) of the Local Government Act 2002. The SoI specifies for RBLPL 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 company may be judged in relation to its objectives.

The Sol is a public and legally required document, reviewed and agreed annually with its shareholder Christchurch City Holdings Ltd (CCHL) and covers a three-year period.

This Sol is covers the period from 1 July 2021 to 30 June 2024.

Contact details for both the Executive Chair at RBLPL's registered office are:

Address:	C/- CCHL, level 1, 151 Cambridge Terrace, Christchurch
Telephone No:	+64 3 941 8475

Email: tony.king@rblproperty.co.nz

RBLPL Ltd is a council-controlled trading organisation (CCTO) for the purposes of the Local Government Act 2002.

RBLPL Partners

- Christchurch City Council
- Christchurch City Holdings Ltd and subsidiaries
- •
- Ngāi Tahu and local hapu

February 2021



Important Note for reading of this Sol

This Sol relates to the company RBL Property Ltd (formerly named Red Bus Ltd). In December 2020, Red Bus sold its operating business to Ritchies Transport Holdings Ltd. This sale followed the loss of contracts in the recent Environment Canterbury tender and consequent reduction in size and scale of the business. Due to the material nature of the transaction, the sale was approved in principle in advance by Christchurch City Council, and the actual sale by Christchurch City Holdings Ltd, the shareholder of Red Bus Ltd.

On the completion of the sale, the company was renamed to RBL Property Ltd reflecting that the primary asset remaining was the property on Ferry Rd that was the main depot and office. The other remaining assets were surplus buses not required for ongoing operations by the new owners. These were being sold during the 2020/21 year.

Nature and scope of activities

For the purposes of this Sol, it is assumed that the only commercial activities undertaken by RBLPL are the leasing and management of the property that comprises the company's main asset. This holding is a block of approximately 27,000m² bounded by Ferry Road, Fitzgerald Avenue and Morehouse Avenue.

A decision on the long term ownership of the site, will be made by CCHL and the Christchurch City Council. Due to the nature of the transitional process described above, the Sol period relates only to the financial year ended 30 June 2022, and this Sol maybe updated during this period if remaining functions of RBLPL as an land owner change.

Our objectives

RBLPL is committed to being a responsible landowner and landlord until the final ownership of the site is determined and implemented. We will maintain community, environment, people and financial initiatives commensurate with the size and scale of the business.

Kaitiakitanga

RBLPL is 100% owned by the people of Christchurch.

The council's strategic priorities are "to meet our community's aspirations of a liveable city, with strong connected communities, a healthy environment and a prosperous economy".

Our key objective is to work with CCHL and CCC to establish the preferred long term ownership of the site.

Mana

RBLPL will be a responsible land owner in the city, and professional and constructive landlord for our tenants.

Sustainability

We will ensure that site environmental management is maintained to a high standard.

February 2021



People

RBLPL has no employees. Activities are undertaken by part time contractors and supported by CCHL.

Financial

RBLPL is a council-controlled trading organisation (CCTO), operating for the purpose of making a profit.

Key objectives for our Financial focus:

- maximise the return from leasing the land consistent with not encumbering the land to the extent that options for the owners are constrained.
- return all surplus cash to our shareholder

Performance targets

Key assumptions

- All surplus assets except for the land have been sold in the 2020/21 financial year
- RBLPL is purely a holding company and landlord for the Ferry road site
- There is a reduction in lease income as a consequence of demand, and restricting the tenure available to provide flexibility to owners.

Financial Forecasts

The financial forecasts for the year ended 30 June 2022 have been based on the following assumptions:

- All surplus assets except for the land have been sold in the 2020/21 financial year
- RBLPL is purely a holding company and landlord for the Ferry road site
- There is a reduction in lease income as a consequence of demand, and restricting the tenure available to provide flexibility to owners.

	2022 Forecast
	\$M
Revenue	\$0.3
NPAT	\$0.05

	2022 Forecast
Shareholder Funds to total assets	96%

February 2021

Non-Financial Targets

	Performance targets	Performance Measures
Our Mana Relationships and partnerships with the people who power us.	Constructive relationship with owners regarding future of land holding	RBLPL will work with CCHL and in turn with CCC to establish the future for the Ferry Roard site, and to then implement whatever is required to give effect to the desired outcome.
Our Kaitiakitanga Kaitiakitanga – how we will manage the impact on our environment	Site environmental management maintained to acceptable standard	Site maintained in compliance with consents and lease arrangements

Governance

Role of the Board of Directors

The board is responsible for approving RBLPL's strategic direction, for overseeing the management of the company and for delivering its business strategy. The board's ultimate aim is to increase shareholder value, while ensuring the obligations of the company are met.

RBLPL directors comply with a formal code of ethics, which is consistent with the New Zealand Institute of Directors' Four Pillars of Governance to ensure best practice governance.

Responsibility to the Shareholder

In accordance with section 64 of the Local Government Act 2002, the company submits a Sol for the coming financial year to the shareholder. The Sol sets out the company's overall objectives, intentions and financial and performance targets.

Board Composition

The directors of RBLPL Ltd are appointed by the shareholder Christchurch City Holdings Limited (CCHL). Board membership currently consists of one contracted executive director and one non-executive director.

Board Committees

There are currently no Board committees. The board can establish committees on an asneeded basis, to deal with issues as they arise.

February 2021



Accounting policies

RBLPL Ltd has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the CCHL group. The detailed accounting policies are available in RBLPL's most recent annual report, as published on the CCHL website:

Remuneration policy

RBLPL contractor remuneration is:

- Based on market rates for the role performed
- Determined by the characteristics of the position without gender or other discrimination
- Subject to an annual review.

Distributions

RBLPL Ltd will pay dividends to the shareholder after taking into account the company's financial position, profitability, working capital requirements and future investment requirements. The dividends payable to the shareholder will be determined by the board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

Information to be provided to shareholder

Information Flows

The Board aims to ensure that CCHL is informed of all major developments affecting the Company's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

Statutory Information Requirements:

Statement of Intent:

Under the Local Government Act 2002, the Company submits a draft Statement of Intent (Sol) for the coming financial year for consideration by CCHL and the Council. This Sol sets out the Company's overall objectives, intentions and financial and performance targets. Having considered any comments on the Sol by CCHL and Council, the Company issues the Sol in final form.

Annual Report:

RBLPL will submit an annual report to its shareholder which will be available for Council and the public. The annual report will include audited financial statements and such other details as are necessary to permit an informed assessment of the Company's performance and financial position during the reporting period and to comply with the requirements of the Companies Act and Financial Reporting Act.

February 2021



Acquisition/divestment procedures

The subscription or acquisition of securities in any company or organisation, or a divestment of remaining parts of the existing business, will only be considered where it is requested by CCHL or Council.

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

Compensation sought from local authority

This Statement of Intent contains no specific requirements for compensation by CCHL or Council. It is noted that there may be a need to obtain funding from CCHL for the delivery of specific additional work or reinvestment that is identified. This will be formally agreed and contracted between CCHL and DCL.

Estimate of commercial value of shareholder's investment

The board estimate that the commercial value of our shareholder's investment is at least that which is stated as shareholders' equity, in the audited financial statements.

The major assets of RBLPL are the the property at 120 Ferry Road.

February 2021



DCĽ

DCL STATEMENT OF INTENT FY-2022

Directory	
	Development Christchurch Limited
Postal Address:	Level 1, 151 Cambridge Terrace
	Christchurch 8140
	New Zealand
	Development Christchurch Limited
Registered office:	Level 1, 151 Cambridge Terrace
	Christchurch 8140
	New Zealand
DCL Board:	Greg Campbell (Chair)
	Paul Munro



Introduction

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

The Sol specifies for Development Christchurch Limited (DCL or Company), the purpose statement, strategic objectives, nature and scope of the activities to be undertaken and the measures by which the performance of DCL may be judged against its objectives and the achievement of Community Outcomes outlined by the Christchurch City Council's Long Term Plan (LTP).

The process of negotiation and determination of an acceptable Sol is a public and legally required expression of the accountability relationship between the Company and its shareholder, Christchurch City Holdings Ltd (CCHL).

The SoI is reviewed annually with Christchurch City Council (the Council) and covers the period through to 30th June 2022.

DCL is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002.

Nature and Scope of Activities

DCL was established by Council in 2015, with its purpose being to accelerate development activities in Christchurch's built environment to achieve positive social outcomes that lead to a prosperous local economy.

In mid-2020 Council requested DCL to prepare a plan to transition all its ongoing projects and functions to local agencies given the changing economic drivers in the city both post COVID-19 lockdown and as it nears a decade since the first Canterbury earthquake.

DCL will retain ownership of its assets, but Christchurch City Council has determined that the operations and functions of DCL will be transitioned to CNZ with CNZ then providing services in relation to the assets that remain in DCL ownership. It is intended that the Services be provided by CNZ to DCL in the interim while Council, CNZ and other stakeholders consider the establishment of a new urban development function within CNZ.

This transfer happened in October 2020 with DCL and CNZ entering into a services level agreement. DCL continues to hold land assets, and holds the equity investment in Christchurch Adventure Park on behalf of the Council.

Due to the nature of the transitional process described above, the SoI period relates only to the financial year ended 30 June 2022, and this SoI maybe updated during this period if remaining functions of DCL as an asset owner change.



Performance Targets and Measures

The DCL Board will use the following measures to assess its performance over the 2021/22 financial year:

	Objective	Performance Targets for 2021-2022
1.	DCL's will work closely with CNZ to continue to dispose of land held for resale on commercial terms.	Confirmed sale and purchase agreements on all property held for resale which achieve appropriate outcomes for the city
2.	Monitor the investment of Christchurch Adventure Park	Monitor investment and establish appropriate ownership model for Council's stake in the Christchurch Adventure Park

Financial Forecasts

Financial forecasts for the year ended 30 June 2022 will be included prior to completion of the final SOI in June 2021. This will take into account any ongoing direction regarding urban development work within CNZ following finalisation and adoption of the Council 2022/32 LTP.

Distributions

DCL consider the payment of dividends to the shareholder after taking into account the company's financial position, profitability, working capital requirements and future investment requirements. The dividends payable to the shareholder will be determined by the board after consideration of the company's funding requirements and the requirement to meet the solvency test under the provisions of the Companies Act 1993.

Accounting Policies

DCL will adopt accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practices and the policies adopted by the CCHL/Christchurch City Council group.

Corporate Governance

DCL's constitution allows the DCL Board to make decisions that are in the best interests of the shareholder, notwithstanding that they may not necessarily be in the best interest of the company. Accordingly, the DCL Board has agreed with the CCHL Board that any significant decisions impacting on DCL will be referred to the CCHL Board for final approval. Accordingly, the DCL corporate governance practices and processes adopted or followed by the DCL Board will be aligned with those adopted by CCHL.

Board Composition

The directors of DCL are appointed by the shareholder (CCHL). DCL Board membership currently consists of a current CCHL Independent Director and the CCHL CEO.

Role of the Board of Directors

The Board is responsible for the proper direction and control of the Company's activities. The Board guides and monitors the business and affairs of DCL on behalf of the shareholder. All directors are required to comply with a formal Code of Conduct, which is based on the New Zealand Institute of Directors' Principles of Best Practice.



The Board of DCL have been appointed by CCHL to undertake the management and monitoring of the service level agreement with CNZ. Any material decision making including the disposal of land and assets will be made by the CCHL Board following recommendation and input by DCL Directors.

Responsibility to Shareholder

Information Flows

The Board aims to ensure that CCHL is informed of all major developments affecting the Company's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public.

Statutory Information Requirements:

Statement of Intent:

Under the Local Government Act 2002, the Company submits a draft Statement of Intent (Sol) for the coming financial year for consideration by CCHL and the Council. This Sol sets out the Company's overall objectives, intentions and financial and performance targets. Having considered any comments on the Sol by CCHL and Council, the Company issues the Sol in final form.

Annual Report:

DCL will submit an annual report to its shareholder which will be available for Council and the public. The annual report will include audited financial statements and such other details as are necessary to permit an informed assessment of the Company's performance and financial position during the reporting period and to comply with the requirements of the Companies Act and Financial Reporting Act.

Health and Safety

DCL take a risk-based approach to health and safety. DCL maintains a fit-for-purpose health and safety management process encompassing the following:

- Board and management reporting;
- Incident investigation, applying any lessons learnt;
- Proactive identification and management of hazards and risks;
- A culture of continuous improvement;
- Compliance with legislation.

Sustainability and Our Environment

DCL will operate in a way that is supportive of the Council's aim of becoming carbon neutral by 2030.

Activities for which Compensation is sought from Any Local Authority

This Statement of Intent contains no specific requirements for compensation by CCHL or Council. It is noted that there may be a need to obtain funding from CCHL for the delivery of specific additional work or reinvestment that is identified. This will be formally agreed and contracted between CCHL and DCL.

Acquisition/Divestment Policy

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business (other than land held as inventory), will only be considered where it is requested by CCHL or Council.

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



Estimate of commercial value of shareholder's investment

The board estimate that the commercial value of our shareholder's investment is at least that which is stated as shareholders' equity, in the audited financial statements.



11 February 2021

Mr Jeremy Smith Chair Christchurch City Holdings Ltd P O Box 1151 **Christchurch**

Email: jeremy@seamountnz.com

Dear Jeremy

Letter of Expectations 2021/22

This letter sets out the Council's expectations of Christchurch City Holdings Ltd (CCHL) and its subsidiaries for the 2021/22 financial year.

This letter includes expectations articulated in prior year letters of expectations and reflect their ongoing importance to the Council.

The Council asks that you incorporate these expectations into CCHL's 2021/22 Statement of Intent (SOI) and that you request the CCHL subsidiaries to do the same.

Prosperous economy

In view of the ongoing economic challenges posed by COVID-19, the Council asks that CCHL focus its subsidiaries on their own recovery as well as to consider what contribution they may be able to make to the city's economic and social recovery.

The Council requests that the Group's SOIs present a road map to recovery, with measurable targets and identified risks taking into account prioritisation of those activities that will make the biggest contribution to Christchurch's ongoing recovery from the COVID-19 impacts including meeting any obligations acquired through the Ōtautahi Christchurch Economic Recovery Plan. They should also focus on value for money and efficiency including whether investment in, any of the group's assets could provide a meaningful contribution to the Council's strategic priorities and community outcomes.

The Council requests that CCHL maximises dividend distributions. However, we acknowledge that the CCHL group may, from time to time be presented with, or may identify opportunities that could create longer term social, environmental, cultural and/or economic value for Christchurch. CCHL should make such trade-offs as it considers appropriate from a whole-of-Christchurch perspective.

Meeting the challenge of climate change and other risks

The Council is strongly committed to addressing climate change and the impact of the Council group's activities on the environment, the need to build resilience and understand and manage risk. A target for the district has been set of zero greenhouse emissions (excluding methane) by 2045.



The Council is taking a leadership role on this matter and is asking all members of its wider group to target carbon neutrality by 2030.

We note the progress that the CCHL group has made in the development of planning and reporting frameworks for identifying and addressing climate change impacts and look forward to the Group's SOIs demonstrating ongoing progress and would welcome the opportunity to work closer with yourself and your subsidiaries to ensure an effective and aligned approach.

The Council requests that CCHL provide a briefing on its internal Resource Efficiency and Greenhouse Gas Emission work programme, the internal structures it has or will put in place to deliver this work programme, targets, risks and risk management strategies towards building long term resilience and its monitoring plan to identify progress in reducing emissions.

Governance

Diversity of board membership is very important to the Council. We ask that a report and briefing be presented from you on the process you conduct to appoint members to boards, including the way in which you approach the issue of diversity and the mechanism used to source candidates.

For appointments to the CCHL group's boards, we ask that you include discussion about diversity of the board to which the appointee is proposed, and how they complement the balance of the board.

As always, we expect the CCHL group to exercise restraint in the level of senior executive total remuneration, this could be best demonstrated by narrowing the gap between the highest and lowest remuneration. Also develop and show leadership in innovative practices, and remunerate directors on a fair and reasonable basis taking into account the public service nature of the positions.

We acknowledge your advice that CCHL will always give priority to senior executive ability over salary and request that you stress the importance to the CCHL subsidiary boards of holding their senior executives to account. Remuneration packages should reflect that the companies are public sector organisations and have a risk-based component that is linked to performance.

Engagement

Open and effective communication with the Council's elected members and staff, and between CCHL and other Council entities is sought. In particular, the Council seeks to be fully apprised of the ongoing impacts of COVID-19 on an ongoing basis. We would like you to continue to work closely with ChristchurchNZ Holdings Ltd to ensure strong strategic alignment between the two agencies.

Reporting

Over the course of the 2021/22 financial year we ask that you brief us on specific issues including those mentioned in this letter, as well as progress of achieving remuneration expectations across the group, implementing the living wage, benchmarking performance against other similar organisations and the group's recovery plans and financial strategy. Council staff will arrange workshops for these briefings.

The timetable for completing the 2021/22 Statement of Intent (SOI) is as follows:

Item	Due Date
Draft SOIs	1 March 2021
Workshop on draft SOIs	By end March 2021
Comments from Council on draft SOIs	By 1 May 2021
Final SOIs	By 30 June 2021
SOIs to be published on CCO websites	By 31 July 2021

We acknowledge the LOE is later than usual. The LGA allows the Council to approve a time extension for delivery of the draft SOI by one month. If CCHL requires an extension to the due date, we are able to provide that. This will mean the draft SOI would be due by 1 April. Please advise Council staff if you wish to take up this extension.

We appreciate the work that CCHL undertook in 2019 to complete the strategic review of Development Christchurch Ltd in response to the Council's request in its 12 December 2019 LOE. We also acknowledge the input CCHL has provided to transition DCL's current functions and priority projects for the remainder of the 2020/21 financial year.

We ask that you to publish this LOE on your website as soon as possible after receiving it. Should you wish to withhold any of the content, please ensure it is permitted by the Local Government Official Information and Meetings Act 1987 and please request the same of your subsidiary companies.

In closing, we ask that CCHL continues to engage with Council staff as the Long Term Plan (LTP) for 2021-31 is developed between January and June 2021. We expect the Group's SOIs to reflect the strategic directions that the LTP underpins.

Please contact Dawn Baxendale if you wish to discuss the content of this letter.

Yours sincerely

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Lianne Dalziel Mayor

c.c. Paul Munro, Chief Executive, CCHL – email paul.munro@cchl.co.nz



Item No.: 14



15. ChristchurchNZ Holdings Ltd - Half year performance report for the period 1 July-31 December 2020 and Draft Statement of Intent for 2021/22

Reference / Te Tohutoro: 20/1554606

Report of / Te Pou Matua:	Linda Gibb, Performance Advisor, External Reporting and Governance, Resources. linda.gibb@ccc.govt.nz
General Manager /	Diane Brandish, Acting General Manager Resources.
Pouwhakarae:	diane.brandish@ccc.govt.nz

1. Brief Summary

- 1.1 The purpose of this report is to present ChristchurchNZ Holdings Ltd's (CNZ's) half year performance report for the period 1 July to 31 December 2020 (at **Attachment A**) and draft Statement of Intent (SOI) for 2021/22 (at **Attachment B**).
- 1.2 CNZ has complied with the following legislative requirements as set out in the Local Government Act 2002:
 - section 66 which requires a Council-controlled organisation (CCO) to report on the organisation's operations to its shareholders within two months after the end of the first half of each financial year. Its half year performance report was received on 25 February;
 - clause 1, part 1 of schedule 8 which requires the board of a CCO to deliver a draft SOI to its shareholders on or before 1 March. CNZ's draft SOI was received on 1 March; and
 - parts 2 and 4 of part 5, schedule 8 which define the content required for SOIs for non-trading CCOs.

Draft Long Term Plan funding

- 1.3 The Council has two discrete interests in CNZ the first is a purchaser of activities and services which is underpinned by an Activity Management Plan (AMP). The AMP is a proxy for a contract. It includes the 'purchase' dimensions known as Levels of Service (LOS) that the Council monitors to ensure it is receiving what it is paying for. Those dimensions include quantity, quality, timeliness and cost and they are given effect through performance targets specific to the activity or service delivered. The AMP was workshopped with councillors and supports the draft Long Term Plan (LTP) funding allocated to CNZ.
- 1.4 This report does not seek to review any of the Council's draft LTP decisions.

Impact of COVID-19

- 1.5 COVID-19 touches all of CNZ's business that is reliant on domestic and international visitors, and events. Impacts are noted in CNZ's reporting against its levels of service targets which is included in its performance report. In particular, it has impacted Christchurch as a destination for international tourists, events, visitor spend, business growth, business confidence and urban development.
- 1.6 CNZ's performance report was completed prior to the level 2 restrictions that commenced on 28 February 2021. It provides up to date information about economic outcomes in Christchurch in the post-lockdown environment, progress on delivering the urban development projects being delivered under contract for Development Christchurch Ltd (DCL) and events in the pipeline for the January to March 2021 quarter.



2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Notes ChristchurchNZ Holdings Ltd Half year report for the period 1 July-31 December 2020; and
- 2. Notes ChristchurchNZ Holdings Ltd's draft Statement of Intent for 2021/22.

3. Half year performance report – 1 July-31 December 2020

3.1 The following table presents CNZ's half year performance:

	Actual \$000	Budget \$000	Prior year \$000
CCC funding	5,943	5,905	6,100
3 rd party funding	2,616	945	1,418
Expenditure	(8,440)	(7,547)	(6,982)
Total surplus/(loss)	118	(697)	536

3.2 CNZ's half year performance report shows its financial progress against budget, and in particular notes that it has successfully acquired additional unbudgeted service and contract revenue of \$1.6 million from a number of third parties including West Coast, Hurunui, Kaikoura, Mid Canterbury and Mackenzie councils, Canterbury Regional Business Partner COVID Funding (Crown), Regenerate Christchurch residual functions (Crown/CCC) and urban development functions (Council/DCL). The attraction of third party revenue amplifies the impact and effectiveness of the Council's investment in CNZ.

Performance targets

3.3 Non-financial performance targets are mostly on track to be met by the end of the full year with the exception of two that are heavily impacted by the loss of tourism due to COVID-19 (impressions to the CNZ website and city bids to attract business events to Christchurch). The other (business event bids) is behind target because third party decisions have yet to be made.

4. Draft Statement of Intent 2021/22

- 4.1 The draft SOI (at **Attachment B)** is accompanied by a letter from the CNZ Board at **Attachment C**. The draft SOI was workshopped with councillors on 13 April 2021.
- 4.2 The draft SOI represents the Council's ownership interest in CNZ. It is consistent with the Local Government Act 2002's SOI provisions (at parts 2 and 4 of schedule 8) which include the objectives of the CNZHL group, the board's approach to governance, the nature and scope of activities to be undertaken, non-financial performance targets and other measures sufficient to enable its performance to be judged in relation to its objectives and forecast financial statements for the SOI period.
- 4.3 The draft SOI discusses goals and activities that are specific to both the organisation and to the city. These goals are underpinned by the Ōtautahi Christchurch Recovery Plan and the former Prosperity Framework, the latter of which will be replaced by Christchurch 2050 in short course. As discussed above, the AMP is the contract with the Council that delivers against these goals.



- 4.4 The AMP and the draft SOI are also underpinned by the Council's Community Outcomes, primarily a prosperous economy which includes a resilient economic base and an inclusive and equitable economy with broad-based prosperity for all.
- 4.5 Of its performance targets, the key ones, from an ownership perspective are that it:
 - meets its 'contractual' obligations under its AMP (ie that it meets its LOS targets in that document) all of which are fundamentally designed to deliver economic development in Christchurch over the short, medium and long runs;
 - leverages the Council's investment in economic development through third party contracts that further its economic growth objectives;
 - meets its commitment to reduce its organisation-specific carbon emissions by 2045 and to the extent possible encouraging its contractors to minimise and/or offset the emissions when delivering services and activities for CNZ;
 - delivers value for money from all that it does;
 - exercises good practice governance;
 - meets its legal obligations including under the LGA and Companies Act 1993; and
 - manages its balance sheet to ensure it has adequate financial flexibility to meet its short-term expenditure obligations.
- 4.6 CNZ has had an annual increase in its budget of around \$5.5 million over 2020/21 levels (\$4.5 million over 2019/20 levels) recorded in the draft Long Term Plan (LTP) 2021-31. The increased budget is for economic development activity, including urban development. The Council contracts with CNZ for delivery of particular activities and services through an AMP and associated LOS. Performance against the notional contract for activities and services is assessed by the Council's performance management group, as well as being included in CNZ's quarterly reporting against its SOI targets to the Finance and Performance Committee.

CCC Funding / CNZ expenditure	2021/22 \$000	2022/23 \$000	2023/24 \$000
Draft SOI for 2021/22	15,950	15,950	15,950
Final SOI for 2020/21	10,389	10,389	-

- 4.7 The following table sets out the changes from CNZ's final SOI last year:
- 4.8 Just prior to finalising the draft LTP the Council reduced funding levels for major events and the Antarctic Office, by a total of \$49,000. CNZ was not advised of this change until after the draft SOI had been submitted. CNZ and Council staff have reconciled the Council funding for particular outputs that the Council provides to CNZ. This has led to agreement that the funding available is as provided in the LTP. CNZ will update its funding to reflect the LTP numbers in its final SOI.

Total Funding	2021/22 \$000	2022/23 \$000	2023/24 \$000
CCC draft LTP 2021-31	15,901	15,901	15,901
Projected 3rd party	2,359	2,763	3,014
Total Draft SOI	18,260	18,664	18,915

4.9 At the workshop on 13 April, CNZ advised that its third party funding projection has increased to \$5.2 million for 2021/22 as a result of receiving additional central government funding support to assist with the economic recovery from COVID-19 impacts throughout the Canterbury region. This in some part makes up for the loss of third party collaboration

funding that CNZ used to receive but no longer expects as a result of COVID-19 expenditure cuts.

4.10 The following table sets out the allocation of funding across activity groups (this will be revised in the final SOI to reflect the increases and decreases in funding as discussed above):

•	Activity Group	 Funding allocation 2021/22 (incl CCC and 3rd party funding) \$000
•	Innovation and Business Growth	• 4,588
•	Destination and Attraction	• 5,360
•	City Positioning	• 1,648
•	Economic Strategy and Insights	• 900
•	Urban Development	• 2,928
• Gove	Shared Services, Overheads, ernance	• 4,433
•	Total AMP funding	• 19,857
•	TOTAL LTP funding	• 15,901
•	Difference	• 3,956

4.11 The funding difference of \$3.9 million is made up of expected third party funding (at the time the AMP and draft SOI were developed) of \$2.359 million, around \$0.049 million reduced funding for events and the Antarctic Office and approximately \$1.5 million of retained earnings that will be drawn down to fund the remainder of CNZ's activities in 2021/22.

Letter of Expectations

- 4.12 On 16 December 2020 the Council issued a Letter of Expectations (LOE) to the CNZ board (refer Attachment D). The LOE's major focus is on the potential contribution that CNZ could make to the city's recovery from COVID-19. This includes embracing close working relationships with the Council and its other entities, particularly CCHL and Venues Ōtautahi.
- 4.13 CNZ's draft SOI depicts its engagement in delivering activities and services against the Prosperity Framework developed in 2019, the Ōtautahi Christchurch Recovery Plan and the eventual Greater Christchurch 2050 objectives which will replace them.
- 4.14 The LOE expressed expectations that CNZ would do the following:
 - maintain investment in the Antarctic Office there is a specific line item in the draft LTP with funding of \$237,500 per annum from 2021/22 and associated LOS which have been appended to the draft SOI for information;
 - continue to develop planning, decision-making and reporting frameworks for addressing climate change impacts this is subject to a performance target in the draft SOI which provides for reductions in emissions of 12 tonnes in 2020/21 and reductions in 2021/22 and 2022/23 (from the 2018/19 benchmark). Specific targets are yet to be developed due to the complexity of planning for further reductions at a time when travel is likely to be increased (assuming borders are re-opened by then); and
 - develop a future pipeline of urban development work this is in the early stage of development, with further intensive work underway in consultation with Council staff. The importance of both CNZ and Council staff working collaboratively on this work



cannot be understated. The SOI will be updated to reflect the programme of work as appropriate in time for the final document due by 30 June.

4.15 Council staff note that councillors would like CNZ to work towards being net carbon neutral by 2030 and for this to be reflected in next year's LOE to the board.

Auckland Council CCO review

- 4.16 The independent reviewers of the Auckland Council's substantive CCOs undertaken in 2020 made a number of observations relating to the SOIs that it reviewed. Not all observations and recommendations in that report are applicable to the Christchurch City Council's CCOs, but there are nonetheless several that are worthy of contemplation as follows:
 - the SOIs 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 the draft SOI in this report contains financial performance measures); and
 - key performance measures should include meeting strategic priorities and goals.
- 4.17 CNZ's draft SOI is a little longer than necessary, largely due to the inclusion of past performance information which CNZ considers a crucial requirement to place the future work programme in context as well as the addition of the LOS as an appendix. This notwithstanding, staff consider the CNZ draft SOI stacks up reasonably well on the above dimensions.

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Attachments / Ngā Tāpirihanga

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	Diane Brandish - Acting General Manager Resources



ChristchurchNZ Holdings Ltd Quarterly Report 31 December 2020

ChristchurchNZ



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- 2. Notable Activity in the Quarter
- 3. Coming up
- 4. Health and Safety Practices
- 5. Risks
- 6. Financial Report

APPENDICES

1. Performance Measures

1. EXECUTIVE SUMMARY

It has been a strong start to 2021, after closing out a challenging 2020.

Many of the initiatives planned in the first half of the FY are now bearing fruit, with strong delivery from the first week in January.

Initiatives launched or announced in January include:

- StartMe Up Incubator: Job Creation partnership with MSD, UC and Ara/Te Ohaka, to help Covidunemployed start or grow their own businesses.
- SailGP event win
- Black Clash sold out, and 1.1 million domestic prime-time broadcast audience reach
- Bread and Circus, strong tickets sales and large attendances at central city busker pitches, heavy media coverage
- Completion and publication of the Ōtautahi Covid Recovery Plan.
- The transfer of urban development functions is now complete and the team are integrating well.
- Latest staff engagement results show high engagement and YoY gains

During the quarter, the Christchurch and Canterbury economies outperformed forecasts despite the pressures caused by being amid a global pandemic and associated economic shock. Summer retail spend was above the same period last year, the unemployment rate dropped slightly in the December 2020 quarter and house values are seeing significant upward pressure.

The hot housing market combined with a structural shortage of listings appears to be incentivising property developers with YOY increases in residential consents lodged (up 7% in Chch, up 11% in Canterbury), however still lagging behind consents issued across NZ, which are up 18% in response to greater housing shortages in other main centres. Commercial consents in Chch are stagnant at 0% growth and -5% for Canterbury.

Spending throughout 2020 was down by only 2% compared with 2019, which is a pleasing result given the challenges of trading due to COVID and closure of retail and hospitality outlets during the higher alert level periods.

Spending by locals in the central city was up significantly. December spending was up 9% in the central city and 4% citywide compared with December 2019.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020

The local economy is continuing to show resilience. Business confidence and investment remains cautious, while residential property values are seeing significant gains after several flat years.

The development of the Canterbury COVID Activity Index tool by our economics team has enabled rapid and timely reporting the lead indicators to help us understand the performance of the economy during this dynamic period. This has been augmented by the socio-economic wellbeing monitoring dashboard developed with partner agencies as monitoring support for the Ōtautahi Christchurch Socio-Economic Recovery Plan.

Border Re-entry

ChristchurchNZ has been working with Auckland Unlimited (previously Ateed), Wreda and BusinessNZ and special adviser to the Prime Minister, Rob Fyfe, to advocate for a more sophisticated approach to border entry and managed isolation management. The position of the steering group is that maintaining strong and safe border management is essential, but for the benefit of all New Zealanders, now is the time for the Government and private sector to work together and prioritise getting skilled, high value workers, investors, and students across the border safely. In the first instance business is asking for the 10% of managed isolation capacity promised in the lead up to the election to be allocated to high value workers and students able to contribute to skills gaps. Advocacy work is continuing and the Steering Group has commissioned research to continue to test public perceptions.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



2. NOTABLE ACTIVITY IN THE QUARTER

Innovation and Business Growth

The final allotments of the **Covid-19 Advisory Fund** are being allocated to local businesses via our Regional Business Partners team, signalling the end of a meaningful piece of work assisting businesses to successfully navigate the impacts of the pandemic. The team are looking forward to applying their efforts to a more strategic business growth work programme that seeks to grow competitiveness and resilience among strategically selected local businesses in collaboration with our cluster managers. More than 2200 Canterbury businesses have been supported by our team since COVID started with an associated \$4.5m of Government funding.

ChristchurchNZ's investment into the city's **innovation and entreprenuership ecosystem** via Te Ōhaka and ThincLab began to bear fruit with 13 new businesses with high-growth potential onboarded and receiving incubation and scale-up support.

The **Start Me Up** unemployment to self employment accelerator was launched in partnership with MSD and delivered by ThincLab and Ministry of Awesome. The goal of delivering entreprenuerial capability building to 250 covid impacted workers looks set to be surpassed with early registrations nearing 200. Notable are a disproportionately high number of registrations from Māori, testament to high levels of engagement from our colleagues at Te Puni Kōkiri, heartening media interest and strong buy-in from partners.

The first cohort of 80 mentees from Linwood College and Haeata Campus completed, or are nearing completion of, their cycle in our **Pupil Pathways** programme. Detailed reporting is still being collated but initial findings and international case studies support our enthusiasm to expand this worthy programme signifcantly in the coming year. The programme aims to inspire high school students from deprived backgrounds to be "first in family" to move into a STEM study and career pathway.

The Canterbury **Regional Skills and Workforce Report** collated by ChristchurchNZ was released to core stakeholders prior to a wider release in 2021 alongside companion report produced by mana whenua.

The **Food Fibre and AgriTech Challenge** was launched with an initial flurry of 75 registrations and 6 confirmed entries. Further marketing and direct contact with innovators should see this flagship clusteractivation emulate the success of the recent Health Tech challenge. The finale of the challenge will be held at E Tipu Agri Summit in May 2021.

Other notable outputs in the **Food, Fibre and Agritech Supernode** and **Innovation Ecosystem** are the contracting of FoodSouth to provide specialised incubation and mentoring to fledgling food manufacturers with high-growth potential in export markets and a strong local provenance story. Additonally ChristchurchNZ has partnered with Foodstuffs and Ministry of Awesome on the FoodStarter challenge, again targeting early stage food manufacturers but with higher potential for domestic markets.

ScreenCanterburyNZ published the Ōtautahi Screen Protocols in partnership with Christchurch City Council. These guidelines and permitting conditions are a critical tool to enable producers to film here and an important signal that the city is open for screen business. Facilitation of production enquiries continued with 27 engagements in the quarter in addition to 35 direct marketing contacts.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



The **Health Tech Challenge** attracted 128 entries that were whittled to 22 accelerator participants and then finally down to 8 finalists. This event was very well attended with high-quality university-based entries and a high-level of investor interest through Callaghan and NZTE, and opportunities to scale-up through local manufacturing.

The pipeline of businesses we worked with on potential expansion or relocation to Christchurch sits at 47 entities with an estimated year 1 GDP impact of \$49m.

Also prominent was the **Days of Ice festival** celebrating the city's Antarctic Gateway Status which attracted over 4000 attendees including many international diplomats and officals across a range of events.

Economic Leadership

Ōtautahi Recovery Plan

The recovery plan has been finalised in December and published on the Councils website along with a monitoring portal. The relevant local and national government agency parties are committed to delivering recovery activities under the plan in a coordinated and collaborative portfolio approach.

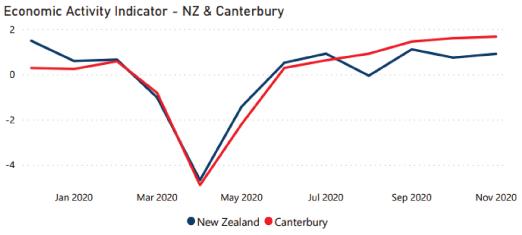
The Canterbury Activity Index is being used effectively as a monthly benchmark of progress and has now been incorporated into a suite of recovery monitoring data hosted by Council to support continual analysis of recovery progress and identification of emerging issues and needs over time.

Ongoing leadership and strategic direction will be provided by CCC's Monitoring and Research Team for the Socio-Economic Data Portal. Interagency representatives have been confirmed to continue to review each of the socio-economic datasets in the Data Portal and determine which are key indicators and contribute to commentary to explain what has occurred or is occurring.

Economic Summary

The Canterbury Economic Activity Indicator shows regional economic activity as being 1.3% higher in December 2020 than in December 2019. Job seeker support recipients in Canterbury have increased 56% from 13,256 in the first week of January 2020 to 20,700 in the week ending 15 January 2021.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



Retail spend in Canterbury reached \$853m in December 2020, up 2% on the same month last year. Total retail spending in 2020 was only 2% down on 2019 spending despite closed borders, retail closures through higher COVID alert level periods and logistics challenges affecting global supply chains.

Consent issuance in residential buildings in the city and region continues to see positive growth. Total building consents for the year to November 2020 compared with the year to November 2019 increased by 8% in Christchurch and 4% in Canterbury. This is being driven by residential activity which grew by 10% in Christchurch and 9% in Canterbury but is offset by reductions in consent for non-residential developments of -18% in Christchurch and -21% in Canterbury.

Exports of primary and manufactured goods continued to underpin the resilience of the regional economy and impressive balance-of-trade performance. Spend by domestic visitors was also ahead of the same period last year.

Destination and Attraction

The **Major Events season** has begun with incredible results and attendance, showing residents and visitors alike have strong confidence in spending and embracing the unique opportunity in New Zealand to attend events without Covid-19 restrictions.

The Hagley Oval Lights have already proven their value with the first international test match hosted under lights, between **New Zealand and Pakistan**, selling 5000 tickets on the first day – the strongest test match performance at the Oval since it opened.

In addition, the **Australia v BLACKCAPS T20** match to be hosted on the 22nd February has already sold out with 10,000 attendees, and the **BlackClash Christchurch T20** on 22nd January also sold out, along with being viewed live on TVNZ by 1.1 million viewers – the most watched live sporting event in New Zealand in the past year, surpassing even coverage of the Prada Cup in Auckland.

Our marketing partnership with **Electric Avenue** has also resulted in a sell-out audience of 25,000, and **Bread and Circus: Backyard Buskers Festival** has surpassed it's 2020 public attendance figures a mere one week into the event and has had an average attendance of 78% at ticketed events.

The first instalment of the **\$7 million Regional Events Fund** a multi-year funding contract with MBIE has been paid. This funding is to be drawn down between 2021 and 2024. Agreement has been reached with Selwyn, Waimakariri and Ashburton districts within Greater Christchurch, for their inclusion in the plan and an allocation of the funding. The fund is also to be distributed to Mackenzie, West Coast,

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



Timaru and Kaikoura. A major and business events funding round is due to be opened in February and March 2021.

The launch of SailGP 2022 at Rapaki Marae was a huge success with local and global media coverage being very positive. The media coverage reached 35.3 million readers globally, resulting in an advertising value estimate of \$3.27m USD. In addition, the consultation and partnership with Ngāti Wheke was a positive step forwards in ChristchurchNZ's partnerships with mana whenua.

FIFA Women's World Cup 2023: A coordinated city presentation was provided to FIFA officials to present the final bid from Christchurch as a host city. Negotiations to secure this event continue.

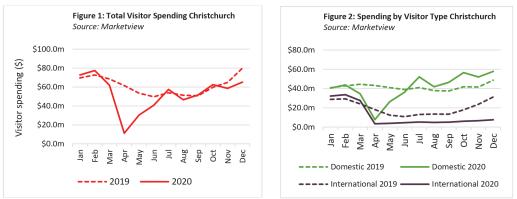
Business Events continue to be a challenge to secure for the city, as the global conference industry has almost come to a complete standstill due to Covid-19. The Convention Bureau have ramped up their activity in bidding for domestic events, and have recruited a **Business Events Advocate Programme** Manager to develop a medium-long term pipeline of Supernode aligned events to be hosted in the city once Covid-19 border restrictions allow this event content to proceed.

No format has yet been decided for **TRENZ 2021**, which is scheduled to be hosted at the Town Hall in May 2021. As attendance will be free for all delegates it is expected to drive high visitation to the city.

MEETINGS 2021 and TE PAE: Due to the delay in the opening of Te Pae MEETINGS will not be able to be hosted at the venue as planned in July 2021. CNZ have agreed to defer MEETINGS in Christchurch from 2021 to 2022, with the event to be hosted in Auckland in 2021.

Visitor Spending:

Total visitor spending in Christchurch was 13% or \$99.6m lower in the 2020 calendar year than the 2019 calendar year, with international visitor spending down 41% and domestic visitor spending down 1% from the previous year. The reduction in visitor spending due to COVID-19 peaked in April at 82% below that of April 2019. Aside from dips in August and November, month-on-month visitor spend then grew for the rest of 2020. This was largely driven by a strong upswing in domestic visitor spending that occurred in the second half of 2020, with domestic tourism spending up 24% or \$55.59m higher than that of July-December in 2019. This was strongest in October, with domestic visitor spending 35% higher than that of October 2019 (*Marketview*).



Electronic transaction data for the year ended

November 2020 shows total visitor spending in the Christchurch RTO area to have fallen by -10% from

the same period the year before. This compares with reductions of -26% for Auckland, -15% for Dunedin, -19% for Wellington, and -25% for Queenstown. The average change in visitor spending for New Zealand was -14% for this period, compared to the year ended November 2019 (*MBIE*).

The **Tourism** team continue to focus on supporting the industry in recovering from Covid-19 through capability workshops and incubators, including the Domestic Marketing Masterclass hosted in December 2020. Over 600 tourism businesses have now been supported through ChristchurchNZ programmes. The **tourism famil programme** also continues to deliver positive outcomes for the industry, with media stories featured regularly in all major domestic outlets.

URBAN DEVELOPMENT

NEW BRIGHTON REGENERATION PROJECT

We are now four years into a 10-year programme of work to regenerate New Brighton which includes the new foreshore attractions, the revitalisation of the commercial centre, improvements to public space and associated housing (Seaview and Beresford) development projects. Momentum is building in the suburb, with good progress on public projects leading to more interest and activity from private developers and landowners.

The hugely popular He Puna Taimoana has been a real boost for New Brighton. We are continuing to see a marked increase in consumer spend in the suburb of around \$300,000 a month and a 20% increase in spend at cafés, restaurants, bars and takeaways.

There has been good progress made in working with the private sector on the residential development projects in New Brighton, which are seen as key to bringing more activity and life to the shops and cafes in New Brighton's commercial heart. This includes the residential Seaview Development (1.679 ha on the former New Brighton school site) and the Beresford Street properties (comprising three blocks of vacant residential land – approximately 6,825 square metres – located on the fringe of New Brighton's commercial development of these sites is anticipated to commence mid to late 2021.

Reflecting community consultation, the Roy Stokes Hall will be retained separately from the Seaview Development. Work is underway to create a community-led multi-use art and community hub in the hall. An expression of interest process is planned in early 2021 to establish a representative advisory group to guide the direction of the project and the development of the business and activation plan.

As well as the major housing projects, and in addition to the significant public attractions now completed, funding has been set aside to carry out some specific revitalisation projects and upgrades to public spaces. This includes plans to extend Oram Avenue, creating a dedicated retail and hospitality precinct inside Brighton Mall. Discussions are well-progressed with landowners and we are working with the Council to push ahead with planning in the new year.

MILTON STREET - CITY CARE SITE AND SURROUNDS

Discussions are well underway with different parties interested in different parts of the site about options for the Milton Street site when the City Care lease expires in 2022. The site is close to the central city and near the busy Sydenham and Colombo Street retail and hospitality precincts, so there are plenty of opportunities for development.

PETERBOROUGH CENTRAL – FORMER CONVENTION CENTRE SITE

This prominent central city property (circa 7,000 square metres of vacant land fronting Kilmore and

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020

Peterborough streets), is the site of the former Convention Centre and neighbours the Christchurch Town Hall. It is a prime development location, close to other new and emerging central city developments. We are working with interested parties who would like to invest in the site. While all have slightly different intentions, a successful development on this key city centre site will likely have a mix of uses – from residential and accommodation to retail, business and hospitality.

Marketing, Brand and Communications

ExploreCHC

Launch campaign results have now been reported to invested stakeholders around the region. The highlevel summary illustrates very strong results in core reach metrics, including a total of 18.9 million impressions and \$1million in land and flight sales via a joint activity with House of Travel.

From our consumer research, we know that those that saw our ExploreCHC campaign have an increased "intent to travel to Canterbury" rising to 21% (up from 19% pre-campaign) and, more broadly, a 14 percentage point increase in resident NPS of "CHC as a place to visit" (from 17% in July '19 to 31% in Sept '20).

Perceptions Research

Our latest results from the perceptions tracker indicate a significant increase in people outside of Canterbury open to relocating to Christchurch, rising from 15 percent in May/July 2020 to 20% in November 2020. This research also highlighted that Christchurch outperforms Wellington and Auckland in terms of the most important factors people consider when relocating - cost of living, housing affordability, housing quality and ease of getting around.

Christchurch scored slightly lower than the other main centres on availability of relevant employment, another key factor in relocation.

In early March we will receive the next round of results for data from December to mid-February 2021.

BLOOM

Our annual Spring campaign of events wrapped up at the end of November and was a success with strong digital engagements from our key audiences and in-person events well attended. The three key events in the calendar; City Farmyard (by Canterbury Agricultural Show), Riccarton Race Week and Addington Race Week went extremely well and had sell-out or near sell-out attendance.

These key stakeholders saw the 2020 BLOOM campaign as a success and a significant improvement on the year prior.

CNZs core KPI for this year's campaign was to exceed the previous year's impressions result. This was achieved – hitting **5,320,000 impressions**, an increase of 600,000 impressions YOY.

Innovation and Entrepreneurship Ecosystem

Introductory campaign aimed at raising awareness of Te Ōhaka and ThincLab in the Christchurch community was launched on Dec 1st. The objective of the campaign was to illustrate ChristchurchNZ's role in supporting the start-up community as well as develop lead generation for the ecosystem partners.

Phase 1 of the campaign ran until Dec 18th and profiled 2 businesses each from Te Ōhaka and ThincLab. Topline results from Part 1 of the campaign include **1,280,000 impressions** to the ChristchurchNZ landing page.

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Phase 2 of the campaign commenced 11 January and will run until the end of February – serving a good reminder about the start-up support options in the city during the new year which is a key decision-making period.

Overall Digital Performance

Social media engagement on CNZ owned channels is up across the board with a **53% YOY growth in our English facing channels**. The highest growth area has been across the Facebook-owned public platforms (Facebook & Instagram) where December 2020 had a 192% increase in engagement volume vs. 2019. Preliminary numbers show that January 2021 activity produced the highest ever number of social media engagements in a month for ChristchurchNZ.

The Digital & Content team are also working towards our Level of Service metric for website visitation volume, following the YOY decline of roughly 40-50% of users due to COVID-19 and lack of international visitation (it is noted that domestic website visitation is up in this period).

To mitigate this loss of international internet visitation, our digital content strategy was re-scoped and implemented in mid-December, utilising our strong seasonal portfolio. It has seen very high performance with **website sessions increasing 43% YOY** over January 2021. Therefore, we are now trending towards the 25% YOY Level of Service target to be surpassed by the end of this FY.

Christchurch Business Stories (Confident City, Reposition)

With Q1 providing the foundation of a clear articulation of the Christchurch business story, Q2 then focused on amplifying this story to our key audiences – centred on attracting businesses and positioning the city on unique USPs.

Across November and December strong results were seen on digital channels for the always on business content with over 45,000 website pageviews and just under 10 million impressions achieved on social media content. A particularly heartening result was the high levels of engagement seen on social media content with just under 200,000 engagements and 100,000 link clinks to the website.

City Brand Narrative (Confident City)

In Q2 several city narrative initiatives were progressed which positively contribute to the identity of the city. These include a public private partnership with Riverside Market for a place-making initiative, the launch of a creative project centred on 10 local photographers capturing the new Christchurch 10 years on and a partnership with Matapopere to amplify their story in our city-centre via the creation of an engaging audio tour.

These initiatives will all be completed in Q3 alongside new activity focused on enhancing christchurchstory.com and the asset toolkit stored there. This activity will improve the usability and usage of the website.

Shared Services

Regenerate Christchurch

Residual Regenerate Christchurch functions are now complete with the final audit and the annual report provided to the Minister. Fixed term staff contracts have now ended, and residual funding has been returned to Council.

Transfer of Urban Development Functions

Transfer of the urban development functions from DCL were completed on 1 November. A significant amount of work has gone into integrating the staff from DCL into CNZ and resourcing the team for the work required.

Item .



3. COMING UP

Key deliverables in the next quarter:

Innovation and Business Growth

- Delivery of Start Me Up! unemployment to self-employment accelerator
- Release of Canterbury Regional Skills and Workforce Report
- Delivery of Food Fibre and Agritech Challenge
- Partnership with Ngāi Tūāhuriri Whitiora skills hub
- Next phase of cluster activation in Health Tech
- Release of Canterbury Screen Sector Action Plan
- Develop recommendation for city scale roll-out of sustainability and impact tools for businesses.
- Contract management and pipeline monitoring of businesses within the Innovation Eco-system: FoodSouth, Te Ōhaka and ThincLab.

Destination and Attraction

- Christchurch MEET Business Events mega famil and trade event for domestic business event organisers
- Sustainable Tourism Incubator launched
- Food and Beverage Tourism Incubator delivered
- "March Madness" discounted tourism activities and attractions promotions to local Christchurch residents
- Launch of new Partnership Programme
- Crusaders partnership

Major Events portfolio:

Events Supported by CNZ	1 Jan - 31 March	Notes
TEST BLACKCAPS v Pakistan	3-7 January	
Bread & Circus	15-31 January	
Backyard Buskers Festival		
T20 Black Clash	22 January	Sold out event, record breaking TV audience
Van Gogh Alive	19 Feb - 11 March	
Urban Polo	20 February	(One off support through Regional Events Fund, not traditionally a Major Event)
Electric Avenue	27 February	Marketing in kind support only. Sold out event.
T20 BLACKCAPS v Australia	22 February	Sold out event
ODI White Ferns V England	23 February	
Constellation Cup	2-3 March	
Crowded House	10 March	Value in kind support
Synthony (Arena Show)	20 March	
ODI BLACKCAPS v Bangladesh	23 March	



4. HEALTH AND SAFETY PRACTICES

Towards the end of the calendar year we were noticing increased levels of stress across the team characteristic of the time of year but also likely increased due to the additional pressures of 2020 relating to COVID-19. We have taken a number of actions to mitigate these issues including mental health support training for all managers, work prioritisation, and daily wellbeing initiatives throughout December.

Precautionary measures, Government Tracer App and visitor management are still in place whilst we continue to operate at pandemic alert level 1.

Leave liability has significantly reduced over the Christmas period with the office being closed for a period of two weeks and staff being encouraged to take additional leave over this period.

In December we ran our 6 monthly staff engagement survey for the 4th time. Summary of Survey:

- Participation: 75%
- OEI (Organisational Engagement Index) 3.97 (3.91 Dec 19) out of 5
- Health and Safety rating 4.73 (4.60 Dec 2019) out of 5

Questions are categorised into Leadership, Communication, the way we work and Connection to the CNZ mission and purpose.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020

5. ORGANISATIONAL RISK FOCUS

	Risk	Impact	Mitigation
1.	Work programme significantly disrupted by global pandemic	Levels of Service and SOI outcomes not met. Success measures significantly undermined, leading to economic impact and reputational risk	Development of Christchurch Economic Recovery Plan to reshape activity required and target outcomes
2.	Cyber Security/ Ransomware exposure resulting in system penetration	Reduced use of ICT systems and/or website, reputational impact, financial impact, loss of data.	Reminders to staff regarding resource use policies. Technology prevention measures in place, ICT security review undertaken.
3.	Expectation to deliver Ōtautahi Recovery Plan without sufficient funding	Reputational, Financial, Operational	Maintaining close and open communication with funders, continual stakeholder management,
4.	Inappropriate accessing of confidential information, breach of the privacy act	Reputational, Financial, Operational	Secure ICT systems and policies in place and regularly reviewed/audited. IEA's and Code of Conduct clear on responsibilities for accessing and use of company information. Ongoing training
5.	Increased spending required by CNZ to offset the economic impact of the Corona Virus on the Christchurch economy	Funding, reputational, resourcing	Development of Christchurch Economic Recovery Plan to reshape activity required and target outcomes. Utilisation of cash reserves and strict cost control and cost reduction programme
6.	Expectation of the delivery of urban development functions in out years without sufficient and timely mandate or funding.	Financial, impact on existing operational priorities, Reputational	Request for clear mandate and funding from Shareholder through the LTP planning for out years.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



6. FINANCIAL REPORT

The CNZH financial result for the six months ended 31st December is a surplus of \$118k, \$815k ahead of the budgeted loss for the period (-\$697k). The result reflects the receipt of unbudgeted external funding (including COVID Recovery funding) and timing differences in the delivery of activity contributing to under spend on some project costs in the year to date.

CNZH Financial Summary \$000's	Actual Six Months to December 2020	Budget Six Months to December 2020	Actual Six Months to December 2019
	Unaudited, per		Unaudited, per
	Management		Management
	Accounts		Accounts
CCC Funding	5,943	5,905	6,100
Other Operating Revenue (including interest and other gains/losses)	2,616	945	1,418
Operating Expenditure	(8,440)	(7,547)	(6,982)
Loss on Investments	-	-	0
Total Surplus/(Deficit) before tax	118	(697)	536
Total Assets	11,784	9,268	8,158
Shareholder Equity	7,445	6,634	6,026
Shareholder funds/total assets	63%	72%	74%

Against Target: The positive variance of \$815k reflects the recognition of a greater amount of external revenue in the period (+\$1.6m), including Government initiatives to reduce the economic impact of COVID19; coupled with delayed project expenditure in some areas.

Against Prior Year: Underspend in the prior year (due to the impact of COVID19) was reserved to enable delivery in the current financial year.

		Actual	Budget	% Sp	end
Project & Service Delivery YTD *	Project & Service Delivery YTD	\$000	's	Actual	Budget
Project + Personnel	Urban Development 156		0	2.2%	0.0%
	Destination & Attraction	2,096	1,850	29.4%	30.3%
	Marketing & Promotion	1,996	1,467	28.0%	24.0%
	Business Innovation & Growth	1,321 1,621		18.5%	26.5%
	Strategic Planning & Policy Research	406	311	5.7%	5.1%
	Shared Services	1,165	857	16.3%	14.0%
	Total Project & Service Delivery	7,140 6,106		100.0%	100.0%

* Overhead costs eg.occupancy, depreciation, are excluded from this breakdown

The Urban Development function was added to deliverables during the year and after the budget was completed. The costs associated with this function are offset by unbudgeted revenues.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



	Level of Service	Level of Service Measure	Target 2020 – 2021	Status	YTD Actuals	Commentary
1	High Value Decent work	Actively work with businesses to attract them to the city to support economic recovery and repositioning	50 businesses	On Track		
1.1		Deliver initiatives to support industry cluster development, including Supernodes, to support job creation and work opportunities	6 Initiatives	On Track	3	Health Challenge 2 Food and Fibre Hackathons Food & Health Clusters being developed. Aerospace cluster being developed.
1.2		Support start-up/SME companies to grow innovation and entrepreneurship capability aligned with priority focus areas	40 start-ups / SMEs	On Track	33	33 start-ups entering the ecosystem in the first intake
1.3		Lead or play key role in the Regional Skills Leadership Group focused on transitioning more people into decent jobs and training	Key role in Regional Skills Leadership Group	On Track		iRSLG now changing to RSLG. Secretariat appointed and temporarily based at ChristchurchNZ (2 people). Regional Skills and Employment Advisory Report completed and released
1.4	•	Build a business network which secures higher revenues from the National Antarctic Programmes	100 businesses	On Track		
1.5		Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Actions delivered	On Track		Inaugural "Days of Ice" held in October with over 30 events on the programme. Over 3,000 people estimated to have been in attendance across all events. Gateway City Audio Trail launched. Successful DV programme run, with 15 Ambassadors and High Commissioners attending.
2	Improve perception of Christchurch among key audiences	Ensure people and organisations are using city narrative assets and content to tell the Christchurch story integrated with their own organisation or business story	5 organisations 500 people accessing narrative assets per month	On Track	July 766 Aug 784 Sept 1,344 Oct 1,571 Nov 1,347 Dec 1,305	https://toolkit.christchurc hnz.com/pages/the- christchurch-story

APPENDIX 1: CHRISTCHURCHNZ PERFORMANCE MEASURES TO 31 DECEMBER 2020

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



	Level of Service	Level of Service Measure	Target 2020 – 2021	Status	YTD Actuals	Commentary
2.1		Increase in social engagement year on year	30% increase	On Track		Platforms that we are measuring: Facebook (CNZ, Pockets of Awesome, BLOOM, Christchurch Educated) Instagram (CNZ) LinkedIn (CNZ Weibo (CNZ) WeChat (CNZ)
2.2		Increase impressions to ChristchurchNZ website year on year	25% Increase	Not on Track	-6.9%	https://www.christchurch nz.com/ Reduction in international visitor interest due to travel restrictions (COVID)
2.3		Significant engagements with trade agents and investors in priority markets and sectors. Sectors - business, leisure visitor, convention, screen, education, Antarctic and media	40 engagements	On Track	25 Famils Completed	
2.4		Attract and support enquiries to film in Christchurch and Canterbury, with a view to growing Canterbury's market share of screen GDP	100 enquiries	On Track	62 Enquires	
2.5		Support a portfolio of Major Events that delivers increased spending and city repositioning	Portfolio of Major Events	On Track		31 October - LAB concert; 13 Nov - New Zealand Agricultural Show - City Farmyard; 10-13 Nov - Addington Race Week; 7- 14 Nov - Riccarton Race Week; 20 Dec - Anika Moa Concert
2.6		Deliver major event seed funding round in line with the Major Events Strategy and Economic Recovery Plan to support increased spending and city repositioning	One funding round	On Track		Funding Round to be held in March 2021
2.7		Destination product offerings developed and supported which embed the city narrative	5 products	On Track	3	Interest in developing new tourism product continues despite Covid- 19
2.8		Prepare city bids to attract business events to Christchurch in line with the economic recovery plan and position Christchurch as an innovative and knowledge city	Prepare 30 city bids	Not on track	8	Bid activity has been impacted by COVID on the business events sector.
2.9		Success rate for business event bids	35% success rate	Not on track	25%	Still awaiting several pending decisions from previous financial year, as well as two decisions pending from this year's bids.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



	Level of Service	Level of Service Measure	Target 2020 – 2021	Status	YTD Actuals	Commentary
3	Improve resilience & competitiveness of Christchurch businesses	Christchurch and Canterbury businesses accessing support, mentors and advice provided in partnership with central Government and industry and peak bodies, including the Chamber	500 Businesses	Achieved	1408	Additional work delivered due to COVID
3.1		Satisfaction of businesses accessing support or advice services	Net promotor score of >+50	On Track		
4	Lead Partnerships to the benefit of the city, utilising economic and sustainable	Develop a strategic partnership with mana whenua and Te Runanga o Ngāi Tahu entities to grow the value of the Maori economy and deliver intergenerational prosperity and create decent work. Implement joint activity	At least 1 partnership	On Track		
4.1	development insights	Develop and implement joint activity Develop and implement strategic partnerships with: •Key innovation and entrepreneurial partners to grow the rates of entrepreneurship, innovation and commercialisation in Christchurch •Tertiaries to grow regional skills and opportunities and research commercialisation •Central government agencies (NZTE and Callaghan Innovation) and the Chamber to provide a 'combined voice' to drive competitiveness, resilience and sustainability of Christchurch and Canterbury businesses •A view to developing and promoting Christchurch as a high-value visitor destination	5 partnerships	On Track	3	Partnership entered with MBIE – Strategic Tourism Assets Protection Programme Destination marketing partnership entered with Canterbury Regional Tourism Organisations and CIAL for ExploreCHC Ministry of Awesome – Start Me Up
4.2		Secure third-party investment into destination and product development and promotion	1 Million	Achieved		Strategic Tourism Asset Protection funding
4.3		Secure central government funding into: •Innovation and entrepreneurship •Labour market transition •Regional business support	1 Million	On Track		
4.4		Complete economic research and insights reports and effectively disseminate to provide city partners with robust evidence base on which to base strategies and investment decisions	12 Reports	Achieved	19	Workforce paper (complete) Quarter 1 & 2 economic update Marketview July, Aug, Sept, Oct, Nov, Dec Covid dashboard (incl Canterbury Economic Activity Index - CEAI) Aug, Sept,Oct, Nov, Dec Cluster identification work (complete) Screen report (complete) Council report Economic case for commercial centres (complete) Skills paper (initial one) reviewed and completed.

ChristchurchNZ Holdings Ltd Quarterly Report to December 2020



	Level of Service	Level of Service Measure	Target 2020 – 2021	Status	YTD Actuals	Commentary
4.5		Measure number of people actively engaging with ChristchurchNZ economic and strategic insights to ensure utility	1000 people	On Track		Active engagement on website and face to face events/meetings
4.6		Support development of the (Covid-19) Recovery Plan for the city.	Implement plan	Achieved		Support development of the (Covid-19) Recovery Plan for the city. Dashboard completed and handed to CCC Achieve,
		Implement initiatives within mandate	-	On track		
4.7		Update city economic strategies in context of Covid-19 economic recovery	CEDS (within GC2050)	On Track		Measured at the end of the year
4.8		Update city economic strategies in context of Covid-19 economic recovery	Major Events	On Track		Measured at the end of the year
4.9		Update city economic strategies in context of Covid-19 economic recovery	Antarctic Gateway	On Track		Measured at the end of the year
5	Improve CNZ financial, social and	Assess and report social, environmental and financial performance aligned with UN Sustainable Development Goals	Report completed.	On Track		Measured at the end of the year
5.1	environmental performance	Maintain high employee engagement	3.75 or above	On Track		Measured at the end of the year
5.2	P	Keep our people safe	4.5 or above	On Track		Measured at the end of the year
5.3		Zero Serious Harm	Zero	On Track		Measured at the end of the year
5.4	1	Reduce carbon footprint (Benchmark in 2018/19 is 120 tonnes)	By 12 Tonnes	On Track		Measured at the end of the year

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Author:	Laura Dawson
Approved by:	Joanna Norris
Status	Final



ChristchurchNZ Holdings Limited

Statement of Intent <u>1 July 202</u>1 – 30 June 2024

V5 – Final draft

ChristchurchNZ



Directory

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Auditors:	Grant Thornton Audit Partnership (NZ) Limited
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Document Purpose

This Statement of Intent (SOI) is approved by the ChristchurchNZ Holdings Limited Board and then approved by the shareholder, Christchurch City Council (CCC), in accordance with Section 64(1) of the Local Government Act 2002.

ChristchurchNZ Holdings Ltd (CNZ Holdings) is wholly owned by the Christchurch City Council and, as such, we are a Council Controlled Organisation (CCO).

This Statement of Intent defines the objectives, nature and scope of activity, the performance targets and other measures by which ChristchurchNZ Holdings and its subsidiary CCO, ChristchurchNZ Ltd, may be judged in relation to their objectives over the next three years. The SOI provides an opportunity for CCC to ensure the focus of CNZ Holdings and its subsidiary is consistent with the objectives of Council's Long-Term Plan.

Introduction: Igniting bold ambition

(To be included in final SOI)

Purpose

The Mission of ChristchurchNZ Holdings and its operating subsidiary is to:

Ignite bold ambition for Ōtautahi Christchurch

Whakangiha te mura-hiango mō Ōtautahi

ChristchurchNZ Holdings Ltd is a council-controlled public-benefit entity, wholly owned by the Christchurch City Council, with an independent board. The operational entity is ChristchurchNZ Ltd.

The purpose of **ChristchurchNZ Ltd** is:

To stimulate sustainable economic growth for a prosperous Ōtautahi Christchurch.

How We Work

ChristchurchNZ Holdings Ltd is a public benefit entity. We are motivated by public good.

In everything we do, we ensure we use our resources most effectively and efficiently to make a difference for the Christchurch community by stimulating sustainable economic growth with a long-term focus in line with the UN Sustainable Development Goals.

We have bold ambition for Christchurch.

We champion Ōtautahi Christchurch. Our role is to inspire and activate transformation and exploration of new opportunities in partnership with others. We operate with bravery, boldness and a strong commitment and belief in a better sustainable economic future for our city.

We are committed to a resilient and sustainable future.

We are committed to ensuring growth is sustainable and delivers multi-generational benefit.

Our strategic priorities and actions aim to deliver improved and sustained prosperity, which can only come from a resilient economy, healthy environment, sustainable business and strong community.

We are actively responding to the COVID-19 shock and contributing to Council's climate change policy targets and long-term strategic priorities through our Strategic Outcomes measures to reduce our organisational carbon footprint and to support businesses to consider and address their environmental and social impact to improve their long-term resilience, sustainability and competitiveness. ChristchurchNZ has undertaken an independent greenhouse gas emissions inventory and has an action plan in place to reduce emissions.



Attachment B Item 15

We seek a deep partnership with mana whenua.

We have recognised the principle of intergenerational impact is critical to ChristchurchNZ's success and is informed by the stated intent of Te Rūnanga o Ngāi Tahu: Mō tātou, ā, mō kā uri ā muri ake nei – for us and our children after us.

We are committed to continuing to build and foster an understanding of Te Ao Māori and cement enduring relationships with: Ngāi Tūāhuriri, as mana whenua for Ōtautahi; Te Rūnanga o Ngāi Tahu, as supporting governance entity for all South Island Papatipu Rūnanga; all Canterbury papatipu rūnanga; and specialist iwi entities.

We seek partnership with industry in all we do.

We recognise we can only succeed in delivering on the city's sustainable development goals through partnership with business. Sustainable industry is core to the creation of high-value decent work and therefore public-private partnerships are fundamental to our success and enable us to amplify the value of ratepayer investment. We are significantly growing the breadth and depth of our strategic, industry and business partnerships. In many cases those partnerships will be industry-led to ensure we can amplify success, affect significant change and deliver powerful economy-wide impact.

We take intelligent risks.

We recognise risk-taking is inherent to our role in the city. We use and develop evidence and insights to ensure we make informed decisions; to inform others to achieve prosperity for the people of Christchurch and New Zealand; and, to learn from our successes and failures.

We are a committed partner within the Christchurch City Council Group.

We recognise the importance of working in partnership with the Christchurch City Council and the Christchurch City Holdings Ltd (CCHL) Group to deliver on the Council's Community Outcomes.

ChristchurchNZ works closely with Vbase, the Council's event venue management function, to deliver major events and business conventions in Christchurch.

The CCHL infrastructure subsidiaries (Christchurch International Airport Limited, Lyttelton Port Company, Enable and Orion) underpin the competitiveness of the Christchurch economy and directly benefit from improved economic performance of Christchurch and wider regional economies. ChristchurchNZ Holdings Ltd is committed to identifying opportunities to align strategies, priorities and investment with CCHL and its subsidiaries to deliver sustainable economic and urban development, greater prosperity and improved community outcomes to our mutual shareholder, Christchurch City Council.



We enable and empower our people to do great things.

ChristchurchNZ seeks to attract, retain and develop great people. We are committed to being an exemplar workplace, where staff are enabled and empowered to realise their full potential and make the largest possible contribution to Christchurch.

Our processes, systems and tools enable our people, partners and customers to operate effectively and appropriately with low bureaucracy while ensuring we can demonstrate value for investment through transparent and robust prioritisation and reporting. Our remuneration and people and culture policies seek to ensure a fair, equitable approach that enables the organisation to attract the best talent.

We acknowledge and act in accordance with the shareholder request to exercise restraint in respect of executive remuneration and pay our people a fair wage, with a commitment to at least the Living Wage for all staff, including fixed-term staff.

Part 1: Delivery - The Nature and Scope of Our Activity

ChristchurchNZ Ltd

ChristchurchNZ – Our Strategic Outcomes

ChristchurchNZ's strategic outcomes are as follows:

External Strategic Outcomes

ChristchurchNZ contributes measured improvement to Christchurch City's:

- 1. High-value decent work
- 2. Economic competitiveness and GDP output
- 3. Resilience and sustainability of enterprise and businesses
- 4. Perception of Christchurch by key audiences

Internal Strategic Outcomes

We will also:

- 1. Develop partnerships that increase impact of CNZ in achieving our external strategic outcomes
- 2. Optimise CNZ's organisational performance in line with the UN Sustainable Development Goals

ChristchurchNZ – How our success will be measured

Our performance will be measured through KPIs delivering directly to our Strategic Outcomes.

ChristchurchNZ will meet the following targets:

Note: All targets are subject to confirmation of long-term funding levels:

Key Performance Indicator	2020/21 Expected	2021/22 Target	2022/23 Target	2023/24 Target
Job creation supported by ChristchurchNZ through:	TBD # Jobs	TBD # Jobs	TBD # Jobs	TBD # Jobs
 Innovation and Business Growth, Urban Development and Tourism Services 				



2. Events activity ¹				
Number of enterprises and businesses benefiting directly from a ChristchurchNZ programme or intervention.	TBD # businesses	TBD # businesses	TBD # businesses	TBD # businesses
Number of rangatahi, hapu or Māori businesses benefiting from CNZ programme or partnership in line with mana whenua aspiration.	TBD #	TBD #	TBD #	TBD #
Value of investment into economic development (including tourism and events) and urban development supported by ChristchurchNZ from: 1. Central Government 2. Private Sector	TBD \$#m	TBD \$#m	TBD \$#m	TBD \$#m
Estimated value of GDP contribution attributable to CNZ activity.	TBD \$#m	TBD \$#m	TBD \$#m	TBD \$#m
Contribution to visitor spend from major and business events attracted or supported by ChristchurchNZ ²	TBD \$#m	TBD \$#m	TBD \$#m	TBD \$#m
Urban development project pipeline established in partnership with the Christchurch City Council and private sector and/or iwi and public sector partners	Four projects	Ongoing development pipeline scoped and agreed, delivery underway		
Indicator measure: Perception shift ² 1. Grow the proportion of the non- Canterbury New Zealand population who intend to visit Christchurch in the next 12 months.	 2% 3% 3-points 	TBD % growth	TBD % growth	TBD % growth
2. Grow the proportion of the New Zealand target population open to consider relocating to Christchurch.				
 Improvement in NPS by Christchurch residents aged below 40 years of Christchurch as a place to visit. 				

 ¹ Estimated using industry standard model
 ² Whilst perception shift is derived from activity beyond CNZ, perception is an important indicator measure not sufficiently captured elsewhere

EXEMPLAR WORKPLACE MEASURES	2020/21 Expected	2020/21 Target	2021/22 Target	2022/23 Target
Key Performance Indicator				
Assess and report organisational performance against the relevant UN Sustainable Development Goals *	Report Completed	Improved performance*	Improved performance*	Improved performance*
Maintain high employee engagement (rating out of 5 in staff engagement survey)	3.75 or above	3.75 or above	3.75 or above	3.75 or above
Our people feel safe (rating out of 5 in staff engagement survey)	4.5 or above	4.5 or above	4.5 or above	4.5 or above
Zero serious harm	Zero	Zero	Zero	Zero
Reduce our carbon footprint (Benchmark in 2018/19 was 120 tonnes)	Reduce by 12 tonnes	Reduce by 12 tonnes	Reduce **	Reduce **

*Tool selection and benchmarking will be completed in 2020/21 and then more specific targets will be developed based on benchmark.

**Work will be completed on further areas for carbon reduction balanced against business requirements (travel) and more specific targets set.

Our performance is also measured through delivery against Nine Levels of Service, which form our contract with the Christchurch City Council. These measures are included as Appendix One.

ChristchurchNZ – How we deliver

ChristchurchNZ delivers to its strategic outcomes through partnerships with local and national entities, delivering a range of services within its functions:

Innovation and Business Growth

The Innovation and Business Growth team (IBG) works with industry and other partners to reposition the economy through the development of industry clusters with high-growth potential and the capacity to sustain high value decent jobs and grow regional GDP. These "Supernode" sectors include Future Transport and Aerospace, Health Technology and Resilient Communities, Food, Fibre and Agritech.

Innovation and entrepreneurship are catalysed by the IBG team through their coordination of and investment into the city's Innovation Eco-System, a network of incubators and programmes that seek to improve commercialisation and indicators such as frontier firms, patents and attraction of venture capital.

The team also supports businesses to improve their resilience, sustainability and ultimately competitiveness through the delivery of the Regional Business Partners Programme and other

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support initiatives. This business-level capability-building also seeks to sustain and grow jobs and contribute to strength in regional GDP through increased productivity.

The attraction of investment, businesses and skilled migrants to Christchurch is also a key function of the IBG team and this activity leveraging the city narrative seeks to fuel prosperity through providing access to capital and skilled workers to key local industries.

A key focus, in the context of economic recovery, is the IBG team's work with local partners and central government to support businesses to survive and retain jobs, and to transition local people into decent jobs and training.

Urban Development

Finance and Performance Committee

29 April 2021

The Urban Development team leads development programmes and projects, with a focus on the sustainable development of city-owned land on behalf of Christchurch City Holdings Limited (CCHL) and Christchurch City Council.

The team is responsible for pursuing development, regeneration and placemaking opportunities in priority locations. It also works closely with the private sector to create value from land assets, whether publicly owned or through acquired property, to deliver economic and social benefits for the people of Christchurch.

Destination and Attraction

The Destination and Attraction team supports the development of major events, including some of the city's highest profile major events and business events to contribute to economic growth, city profile, visitation and community cohesion.

The team also ensures Christchurch is an attractive and exciting city for residents and visitors.

The team liaises with the tourism industry locally and internationally to ensure a sustainable visitor sector, and to develop experiences, tourism product and itineraries which drive visitation. Visitation is often the foundation for a vibrant city, becoming a platform on which decisions to live, invest or work are made.

Destination and Attraction also take a lead in supporting the Canterbury region in thriving as a destination, with a focus on managing the Regional and District Tourism Organisations for Mackenzie District Council and Ashburton District Council.

The Convention Bureau is responsible for attracting major conventions to Christchurch supporting Te Pae convention centre, Town Hall, Christchurch Stadium, Ōtautahi Arena and other city venues. The Bureau also leads the Business Events Advocate Programme, designed to attract global conferences aligned to the Supernodes to the city.

Economic Strategy and Insight

The Economic Strategy and Insight team produces bespoke research into economic issues impacting Christchurch and Canterbury and provides detailed strategy and policy advice to the private and public sector based on these insights. The team develops and reviews the city strategies which ChristchurchNZ is responsible for. The insights are designed to be actionable and to stimulate



private sector activity and public-private partnerships that lead to improved resilience and competitiveness.

The team have contributed heavily to the development of the Greater Christchurch 2050 Strategic Framework and will continue to support this work as it is led by the Greater Christchurch Partnership.

The Christchurch Antarctic Office

The Antarctic Office ensures Christchurch's status as a gateway to the Antarctic is celebrated and the associated economic value is sustained. The office supports the international Antarctic programmes based in the city and leads the implementation of the Christchurch Antarctic Gateway Strategy, working closely with the Council's Civic and International Relations group.

The office is also responsible for engaging the public with Christchurch's enduring connection with the Antarctic and sub-Antarctic region.

Screen CanterburyNZ

Screen CanterburyNZ is the front door for screen production enquiries in the region supporting the screen industry and attracting productions through promotion and development of regional talent and locations, provision of advice and support to producers plus the administration of screen grants.

These teams are supported by our **Shared Services** team, which focuses on ensuring that we operate efficiently and as an exemplar employer contributing positively to the city as an organisation committed to social, environmental and economic benefit.

Marketing and City Profile

This team is responsible for shifting the perception of Christchurch locally, nationally and internationally, through brand-led placemaking and city-positioning.

The team leads the development and embedding of the Christchurch City Narrative for the city with a view to creating a confident city which attracts talent, economic activity and innovation aligned with the city's sustainable development ambitions.

The Christchurch Narrative describes Christchurch as a city open to new ideas and people where we explore opportunity. A place where exploration is part of who we are, it is part of what has shaped us. A fuller outline of the Christchurch City Narrative can be found in Appendix Two of this document.

The marketing team also promotes key ChristchurchNZ activity in Innovation and Business Growth, Urban Development, Destination and Attraction, The Antarctic Office and Screen CanterburyNZ.

Shared Services

Our Shared Services team drives strong performance across our organisation supporting us to reach our ambition of being an exemplar workplace, driving financial performance, strong transparency, accountability, strategic partnerships delivering tangible measurable benefit and a cultural commitment to performance aligned to the UN Sustainable Development Goals.



Part 2: Our place in the world

Measuring Success at a City Level

In addition to our KPI measures, ChristchurchNZ monitors and supports a range of indicators which measure the health of the city (www.christchurchnz.com/about-us/economic-insights). These indicators reflect outcomes at the macro-economic level. As an economic development agency, ChristchurchNZ aligns its activity with the city's goals and aspirations.

Long-term city goals

INSERT DETAIL AND TABLE HERE OUTLINING TARGETS OF GC2050 WHEN AVAILABLE

Post Covid Recovery Goals

The overarching goal for Ōtautahi Christchurch is that through deliberate actions our contribution to national, regional and local recovery from the impacts of Covid-19 is **above the national performance** average against a range of chosen key indicators.

Key indicators include:

- 1. Canterbury Economic Activity Index ³
- 2. Unemployment rate
- 3. Workforce participation rate
- 4. Rate of people aged 15 to 25 years who are not in employment, education or training
- 5. Unemployment rate for Cantabrians, particularly Māori and Pasifika.

These indicators tell us how we are recovering economically and in relation to the associated impacts on our social wellbeing. These indicators are all reported regularly, so we can stay alert and compare our recovery progress against elsewhere in New Zealand and adjust our action plans when required.

In the 2021-22 financial year, ChristchurchNZ will deliver these strategic outcomes through implementation of the Ōtautahi Christchurch Recovery Plan.

³ The CEAI is a composite index comprised of Exports, Heavy Traffic Flows, Jobs Online, Performance Manufacturing Index and Retail Spend.



Christchurch's Economic Progress

The 2019/20 Statement of Intent sets out performance measures against ten year city goals of the Prosperity Framework that was driving the work of ChristchurchNZ pre-COVID. These have been replaced by Greater Christchurch 2050 vision and goals to ensure coordinated cross agency citywide sustainable economic development within an integrated development framework across all wellbeings.

An assessment of progress against the Prosperity Framework goals as set out in 2019 are provided in the table below.

Goal	10 Year Goal	YE June 2018	Three-Year Target	10 Year Target	Latest Figures
Grow economic relevance	Grow Christchurch GDP as % of national	8.5%	8.7% (2.6% GDP growth p.a.)	9%	8.4% (YE Sep 2020)
Grow population	Grow Greater Christchurch population	511,300	542,600 (5,100 net migration p.a.)	615,800	529,100 (YE June 2020)

Christchurch City Council	Л
City Council	

Grow value	Grow Christchurch GDP per capita	\$53,400 (2020 estimate of 2018 GDP per capita is \$65,776)	\$54,900 (1.0% growth p.a.)	\$62,500	\$62,045 (2020) (Based on 2020 assessment is 2.67% fall, would equate to \$50,371 when compared to SOI 2019 baseline figure of \$53,400)
Enhance perception & confidence	Improve Christchurch residents' perception of their quality of life so that it is above the national average	0% points above the national average	2% points above the national average	5% points above the national average	No new data
	Grow visitor spend in Christchurch % of national visitor spend	10.3% of national visitor spend	11.0% of national visitor spend (2.2% points growth p.a. above national growth rate)	12.6% of national visitor spend	10.5% of national visitor spend
Inclusive & sustainable	A higher % of Christchurch residents have enough money to meet daily needs than national average	4% points above national average	4% points above national average	4% points above national average	No new data
	Unemployment rate below national average	0.3% points above national average	Below national average	Below national average	0.1% points above national average (Dec 2020)
	Support Christchurch's aspiration – carbon net neutral by 2050	Christchurch residents produced 7.8 tonnes of carbon per person (2017)		Christchurch residents produce net zero tonnes of carbon per person (2050)	No new data

The 2019/20 Statement of Intent also set out performance measures for the organisation linked to the 10-year goals above. The targets and results for the 2019/20 performance measures are outlined below. It should be noted that the ability for the organisation to operate several services and functions that contribute to these outcomes was disrupted by the COVID outbreak through the third and fourth quarters of the financial year. Resources during this time were reallocated from supporting long-term outcomes to supporting short-term emergency response and business survival needs.

Prosperity Outcome Dese Framework Goals Measure		Description	2019/20 – best estimates	2019/20 Result	
Grow economic relevance	Contribution to GDP	Additional GDP generated from all \$50m ChristchurchNZ activity		\$41.5m*	
	Attribution &/or customer satisfaction with ChristchurchNZ	Customers and partners recognise the contribution ChristchurchNZ makes to improving economic outcomes	Net Promoter Score: ≥50	+68	
Grow value	Additional high value jobs	High value jobs attracted or created via business or investment attraction activity, supporting new business creation, business expansion	80	98	
	Improved performance of existing business	Improve productivity or exporting scale of business via business services to individual businesses	Benchmark during 2019/20	Not measured – survey delayed due to COVID	
Grow population	Perception of Christchurch by key audiences	Growth in the proportion of the non-Canterbury New Zealand population who intend to visit Christchurch in the next 12 months	2% points 3% points	5% points (14.4% -> 19.4%)	
perception and confidence		Growth in the proportion of New Zealand target population open to consider relocating to Christchurch	3 points	-7% points (21% -> 14%)	
		Growth in Net Promoter Score by Christchurch residents aged below 40 years of Christchurch as a place to visit	5 points	23.3 points (-18 -> 5.3)	
	Additional visitor spend	Additional visitor spend generated from major events, business events & campaigns	\$38m	\$13.85m*	
Grow revenue and enhance organisational effectiveness	Contribution to reducing carbon footprint	Contribution to reducing the city's carbon footprint through the implementation of our sustainability strategy	120 Tonnes (2018/19 Benchmark)	108 Tonnes	
	Third-party revenue	Revenue generated from sources other than CCC – to amplify and maximise return on ratepayer investment	25%	22%*	
People & Culture	Employee Engagement	Organisational Engagement Index	3.75 or above	3.91	
Health & safety		Safety and Wellbeing Index	4.5 or above	4.6	
		Incidents of serious harm	Zero	Zero	

*Visitor spending, GDP output and third-party revenue were significantly impacted by COVID-19 in the FY19/20 and FY20/21 years. This impact is expected to endure in FY21/22.



Our strategy and policy context

The work of ChristchurchNZ Holdings Ltd sits within a cascading set of sustainable development frameworks, which guide development work globally and locally – from the United Nations Sustainable Development Goals and Treasury's Living Standards framework through to the Greater Christchurch Strategic Framework and the Christchurch City Council's Community Outcomes framework.



Our work delivers directly to a sub-set of each of these frameworks. However, our priorities and activity take account of other areas of the local and international frameworks and ensure we are consistent with these frameworks.

The Covid-19 economic recovery context impacts on the focus of effort within these frameworks and the pathway and speed with which we achieve our goals but does not change our commitment to intergenerational wellbeing and economic prosperity.

Global Sustainable Development Context

Our priorities are also consistent with approaches to sustainable economic development globally. We seek to ensure our work contributes to global goals and that we use language that is understood globally to describe our work.

The Sustainable Development Goals are a call for action by all countries to promote prosperity.



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They recognise that ending poverty must go together with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection⁴. New Zealand is one of the 193 nations to have committed to the goals.

These goals provide a global context for sustainable economic development work carried out at a city level. The work of ChristchurchNZ Holdings Ltd delivers to targets within:

Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all

Goal 9: Build resilient infrastructure, promote sustainable industrialisation and foster innovation

Goal 17: Revitalise the global partnership for sustainable development

Our work is consistent with targets within other goals in areas relating to equity, fairness, transparency, education, poverty reduction, city and community building and environmental impact. While we do not directly deliver to all the goals, we seek to ensure our work is consistent with these and does not undermine progress towards targets in these areas.

Greater Christchurch 2050

The draft Greater Christchurch Strategic Framework sets a Vision and Wellbeing Outcomes areas for the urban area known as Greater Christchurch with the aim of improving intergenerational wellbeing with a 30-year time horizon.

Geographically Greater Christchurch spans parts of the urban areas of three local authority districts: Christchurch City, Selwyn District and Waimakariri District. This area forms part of the takiwa of Te Rūnanga o Ngāi Tahu.

ChristchurchNZ's work is consistent with the Vision and Wellbeing Outcomes of the Greater Christchurch Strategic Framework (outlined in the diagram below).

The work of ChristchurchNZ aligns most strongly with the following GC2050 Wellbeing Outcomes:

A sustainable & competitive economic hub

- o Protect economic role in South Island and NZ
- Address incomplete central city
- Transition to a low carbon, sustainable economy which has higher productivity and provides decent work

Ngāi Tahu and mana whenua aspirations realised

o Give effect to the Ngāi Tahu Settlement Act

A liveable, vibrant place

- Protect quality of life, ease of living, lifestyle choice & access to green spaces
- Create a place designed for & loved by people

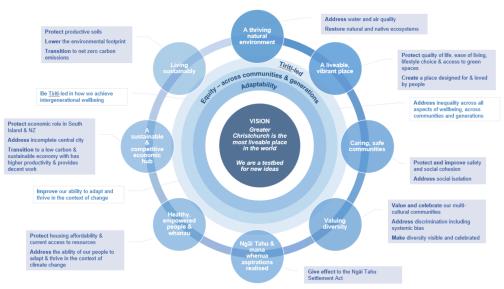
Living sustainably

- o Lower environmental footprint
- Transition to net zero carbon emissions

⁴ https: www.un.org/sustainabledevelopment

Valuing diversity

- \circ ~ Value and celebrate our multi-cultural communities
- Addressing discrimination including systemic bias
- Make diversity visible and celebrated



Christchurch City Community Outcomes

The Christchurch City Council's strategic framework seeks to deliver community benefit to Christchurch and the wider region socially, environmentally and economically. The work of CNZHL is designed to deliver directly to this in partnership with the Christchurch City Council and the CCHL Group. Our work is most strongly aligned with the following CCC Community Outcomes:

Prosperous Economy	Great place for people business and investment A productive, adaptive and resilient economic base An inclusive and equitable economy with broad based prosperity for all
Resilient communities	Celebration of our identity through arts, culture, heritage, sport and recreation Strong sense of community
Liveable city	Vibrant and thriving city centre Sustainable suburban and rural centres
Healthy environment	Sustainable use of resources and minimising waste Unique landscapes and indigenous biodiversity are valued and stewardship exercised

Economic and Wellbeing Context

(Re-write closer to June 2021, continue to reflect GC2050)

Current State Wellbeing Assessment

Greater Christchurch's population has grown by 15.1% over the last 13 years to around half-million people, making it the second fastest growing urban centre in New Zealand outside of Auckland. The median age of all residents in Christchurch, Selwyn and Waimakariri districts in 2018 was 38.5 years compared to 36 years for Auckland and 35 years for Greater Wellington. The proportion of residents across the three Council areas which identifies as non-European has increased from 18% to 25% in just 5 years from 2013 to 2018.

Economic wellbeing

Overall, Christchurch provides a relatively good level of economic wellbeing – most people have jobs and can meet their daily financial needs; our scale and economic diversity provides resilience against shocks; our housing affordability means disposable incomes are relatively healthy; and, we have access to good schools and tertiaries to support knowledge and skills development.

However, there is significant divergence in economic wellbeing among our population, in terms of employment, incomes and skill levels, with people who identify as Māori or Pasifika and people with disabilities having lower rates of employment and average levels of education and incomes.

Compared to Auckland and Greater Wellington, our average incomes and the education levels of our working age population is lower. There is a perception that people "trade-off" career for lifestyle by living in Christchurch.

COVID-19 has reduced economic wellbeing, with a fall in GDP output in 2020 and an associated increase in Cantabrians receiving job seeker allowance of 7,444 or 56% between January 2020 and January 2021. More vulnerable communities have been most significantly affected by the loss of employment as well as increased housing costs – those people who were already in insecure or low-paid employment, young people and those people with lower skills levels.

Social wellbeing

Overall, people in Christchurch have relatively high levels of social wellbeing. Most people rate their quality of life and their health as good or better (at levels similar to or higher than the national average) and people generally feel safer than people in Auckland or Wellington. Most people generally have housing suitable to their needs.

The Christchurch population has shown great social cohesion and resilience in dealing with earthquakes, the mosque attack and COVID-19 pandemic lockdown. COVID-19 has had an impact on the immediate social wellbeing of the local population but has also encouraged people to reimagine ways of community building / managing wellbeing together.



Environmental wellbeing

Christchurch sits within the wider Canterbury region which is blessed with diverse landscapes, abundant water and large areas of flat land suitable for agriculture. Canterbury has 21% of New Zealand's highest quality soils and 64% of New Zealand's total irrigated land area. Canterbury has significant aquifers that provide an important source of drinking water for Christchurch residents.

The Canterbury region's natural capital supports a wide range of recreational and economic activities which positively impact the wellbeing of Christchurch residents. Canterbury has the most accessible recreational open spaces out of every region in New Zealand, with 73% of Canterbury residents believing it is very easy to access their nearest green space. Canterbury's agricultural production and tourism offerings contribute directly to Greater Christchurch's economy.

Capacity to support future growth and wellbeing

Christchurch is blessed with a significant asset base to support future wellbeing – the city sits within a rich regional natural environment, has quality built infrastructure and amenity, high quality health and education services and a diverse economy. The city has relatively greater capacity for growth than other major urban centres in New Zealand.



Part 3: Group Governance & Financial Performance Targets

Financial Objectives						
Obje	ective	Performance				
1.	Financial performance of	Group meets or exceeds budgeted key performance measures.				
	CNZ Holdings Ltd and its subsidiary meets shareholder expectations (budget).		2021/22 \$000	2022/23 \$000	2023/24 \$000	
		CCC Funding	15,950*	15,950*	15,950*	
		Third Party Revenue **	2,359	2,763	3,014	
		Note: as a Public Benefit Entity with an agreed purpose of econor growth and city economic regeneration, there is no expectation of dividend distribution to the shareholder. *Funding requested in Long Term Plan **Includes all other sources of revenue				
2.	The capital structure and funding model of CNZ Holdings Ltd and its subsidiary is appropriate for the nature of its business.	CNZ Holdings Ltd utilises CCC funding for the objectives as set out in CCC's Long Term Plan and secures additional funding from appropriate sources to complete specific projects as required. The CNZ Holdings Group has a reserves policy that is reviewed annually.				
3.	CNZ Holdings Ltd ensure best practice governance	 The CNZ Holdings Board maintains and adheres to a best practice governance manual that includes a focus on: Determining purpose An effective governance culture Holding to account Effective compliance 				

Fina	Financial Objectives				
Objective		Performance			
4.	CNZ Holdings Ltd will meet shareholder expectations regarding reporting, no surprises and strategic input.	CNZ Holdings and its subsidiary meet all shareholder reporting expectations. CNZ Holdings and its subsidiary engage with CCC staff and elected members as required on relevant topics.			
5.	Treasury management policies and practices are consistent with best practice.	Treasury Policy is reviewed biennially.			
6.	The Accounting Policies of CNZ Holdings Ltd and its subsidiary are consistent with shareholder requirements and comply with IPSAS.	Annual external audit reviews do not highlight any material issues.			

CNZ Holdings Ltd Group Corporate Governance

The CNZ Holdings Ltd Board of Directors is an independent board appointed by the shareholder on advice from Christchurch City Holdings Limited (CCHL) in accordance with the CCC Director appointments and remuneration policy and a memorandum of understanding (MOU) between the three entities.

CNZ Holdings Ltd is monitored by the Finance & Performance Committee of the Whole. Measures monitored are those outlined in the CNZ Holdings Ltd Statement of Intent and agreed Levels of Service within the Long-Term Plan.

Our Group Structure

CNZ Holdings Ltd manages its governance of subsidiary and related entities against the stated purpose of each entity. The CNZ Holdings Board monitors the operational delivery of its subsidiary through the annual business plans.

ChristchurchNZ Ltd is a wholly owned subsidiary of CNZ Holdings Ltd. ChristchurchNZ Ltd has a common Board with CNZ Holdings Ltd. ChristchurchNZ Ltd is contracted by CCC to deliver economic development services as set out in the Levels of Service in CCC's Long Term Plan, the details of which are included in this document.

Canterbury Regional Business Partners Limited is a joint venture between ChristchurchNZ Ltd and the Canterbury Employers Chamber of Commerce. This Joint Venture initiative is awaiting confirmation of a likely one year rollover of the funding agreement with Callaghan Innovation and New Zealand Trade and Enterprise to co-ordinate business capability building and research and development related activities across the Canterbury region.



Role of the Board of Directors

The group's Board: CNZ Holdings Ltd (common board with CNZ Ltd) is responsible for setting the strategic direction, oversight of the management of the company and direction of its business strategy, consistent with the stated purpose. The Board is accountable to the shareholder for the performance of the company and will act in accordance with any letter of shareholder expectation received.

The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of CNZ Holdings and act in accordance with the guidelines and policies set out in in the organisation's Governance Manual.

All Directors are required to comply with a formal Code of Conduct which is based on the New Zealand Institute of Directors' Code of Proper Practice for Directors. The Board meets at regular intervals throughout the year and as determined by an agreed annual work programme.

Board Committees

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee the Board adopts a formal charter that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee.

A Health, Safety and Audit and Risk Committee and a People and Culture Committee have been established by CNZ Holdings Ltd.

The CNZ Holdings Board is responsible for the oversight of its committees. This oversight includes, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter.

Delegation of Responsibilities to Management

The Board has delegated management of the day-to-day affairs and management responsibilities for Christchurch NZ to ChristchurchNZ Ltd's Chief Executive to deliver the strategic direction and goals determined by the Board.

The CNZ Holdings Board has also developed a statement of their 'Reserved Powers'.

Directors and Board committees have the right, regarding their duties and responsibilities, to seek independent, professional advice at ChristchurchNZ Ltd's expense, subject to Board approval.

Board Composition and Fees

The composition of the Board of Directors is determined by the shareholder. For CNZ Holdings, this is determined by CCHL under the CCC policy on Council Controlled Organisations (CCO) board appointments. Directors' fees are reviewed periodically as part of the CCHL process. The Board comprises independent and council directors with an Independent Chair.



Established practice is for a donation to be paid to the Mayoral Welfare Fund (or other charity as instructed by Council) in lieu of payment of Directors fees to Councillor Directors.

Reporting and Monitoring

CNZ Holdings reports quarterly to CCC against its Statement of Intent as well as ChristchurchNZ Ltd's Levels of Service contract with Council, the details of which are included in this document. CNZ Holdings expects to meet with and report quarterly to the CCC Finance & Performance Committee of the Whole. CNZ also has regular reporting requirements arising from service level and funding agreements with a range of entities including DCL, NZTE and MBIE and University of Canterbury.

CNZ Holdings Ltd Group Accounting Policies

CNZ Holdings Ltd and its subsidiary are Public Benefit Entities (PBE) for the purposes of financial reporting. The financial statements are prepared in accordance with the PBE Standards Reduced Disclosure Regime for a Tier 2 entity.

The group's current accounting policies are consistent with New Zealand International Public-Sector Accounting Standards, generally accepted accounting practice (NZ GAAP) and in accordance with the Companies Act 1993 and the Financial Reporting Act 1993 and any amendments thereto.

Reserves

The CNZHL Reserves policy is approved annually by the CNZHL Board.

The policy provides a framework for the creation and utilisation of reserved funds in ChristchurchNZ. It requires CNZHL to hold in reserve funding received to deliver projects and not spent in the year in which it is received. The policy ensures sufficient provision for forward scheduled activity due to the long lead times for operational activity.

In addition, CNZHL is holding a small cash reserve vested in the Canterbury Development Corporation and in turn ChristchurchNZ Holdings Ltd, through now defunct subsidiary CRIS Ltd. The utilisation of a portion of this reserve is budgeted annually for activity consistent with vesting deeds. The purpose of this reserve is to 'provide stimulus funding and investment to enhance long-term economic transformation and sustainable economic benefit for Christchurch and Canterbury'. This reserve should not be utilised to offset a reduction of funding elsewhere other than for activity consistent with this stated purpose.

It is expected untagged operational reserves will be fully expended across the period, FY21/22 and FY22/23.

CNZHL does not hold sufficient reserves to cover full liability in the event of an unforeseen wind-up of the entity. In this circumstance, this liability would transfer to the shareholder.



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Distributions

Organisational activity is not for Private Pecuniary Profit.

None of the capital or income of the group shall be paid or transferred directly or indirectly by way of dividend, distribution or otherwise for the private pecuniary profit of any individual. This does not prevent the payment in good faith of reasonable remuneration to any directors or employees of the group, to any other person for services rendered to group in the furtherance of the objectives of the group.

Acquisition/Divestment Procedures

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

When the subscription, acquisition or divestment is considered by directors to be significant to the group's business operations, it will be subject to consultation with the shareholder (CCC). Major transactions as defined in the Companies Act 1993, s 129(2) will be subject to shareholders' approval by special resolution.

Any residual investments from the amalgamated subsidiary entity CRIS Ltd, which was an investment vehicle, will be divested consistent with the direction of the Board.

Information to be provided to Shareholders

CNZ Holdings and its subsidiary will provide information requested by the shareholder in accordance with the requirements of the Local Government Act 2002. CNZ Holdings will disclose as much information on its operations as is practical and consistent with commercial and confidentiality considerations under the covenants of its Statement of Intent with CCC and third-party contractual obligations.

CNZ Holdings and its subsidiary 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.

As a minimum, shareholder reporting will involve:

- 1. Annual report and audited financial statements within 90 days of balance date
- 2. Annual Report against outcome and performance measures
- 3. Contribution to CCC Annual and Long-Term Plan preparation and reporting processes
- 4. A quarterly report including a financial and activity update and information on the health and safety practices, current operational risks that may impact the shareholder and performance of the organisation
- 5. Half year financial position by the 28 February each year



Compensation from Local Authority

CNZ Holdings expects to receive funding from CCC of \$15.95m for the financial year beginning 1 July 2021.

The activity undertaken in exchange for the compensation is set out in the CCC three-year Long-Term Plan, as per the Levels of Service in Appendix 1 of this SOI.

ChristchurchNZ Ltd expects to receive additional income from some other local authorities for the delivery of some services relating to District Tourism Offices. These are handled by way of contracts for service.

Role in the CCC Group and Regional Economy

Commercial relationships within the CCC Group

Wherever possible, CNZ Holdings and its subsidiary will work with other group companies to benefit the CCC Group, Greater Christchurch and the Canterbury region.

Role in the regional economy

As part of its role for the city and region, CNZ Holdings and its subsidiary will work proactively with other organisations including regional EDAs and RTOs, the Canterbury Mayoral Forum, the Greater Christchurch Partnership and the CCC Group to drive regional economic growth. CNZ Holdings recognises the close interdependency between the region's rural economy and the economic strength of Christchurch.

Whilst the primary focus of ChristchurchNZ is the boundary of Christchurch City Council - our sole shareholder and primary funder - the interdependency of the South Island, Canterbury, Greater Christchurch and Christchurch economies is such that a regional focus is important. As the South Island's largest economic development agency, ChristchurchNZ is well-placed to offer services and expertise where the activity aligns with our mission, purpose and strategic priorities.



Other Matters Requiring the Approval of the Shareholder

CNZ Holdings and its subsidiary will bring to the attention of the shareholders: Any matters of critical concern, or significant public interest; major transactions as defined in the Companies Act.

Attestation

Chairperson (Dr Therese Arseneau)

Signed for and on behalf of the ChristchurchNZ Holdings Board of Directors

(common Board ChristchurchNZ Ltd)



Appendix One: Levels of Service

The Levels of Service below have been recommended to Council for inclusion in the Draft Christchurch City Council Long Term Plan 2021-2031 (LTP) supported by a Council funding line of \$15.95m per annum. These are subject to amendment by Council until the LTP has been through public consultation and a final LTP adopted in June 2021.

Performance Measures	Fut	Community		
Levels of Service (LOS)	Year 1 2021/22 Year 2 2022/23 Year 3 2023/24		Outcome	
Innovation and Business Growth	1			
Build innovation and entreprene	urial strength			
Number of Initiatives to support industry cluster development, including Supernodes, to support job creation and work opportunities	6 initiatives	6 initiatives	6 initiatives	A productive, adaptive and resilient economic base
Number of start-up/scale-up companies supported to grow innovation and entrepreneurship capability aligned with priority focus areas	40 companies	40 companies	40 companies	Great place for people, business and investment
Number of employers that have been actively worked with to attract them to the city to support economic recovery and repositioning	50 employers	60 employers	70 employers	Great place for people, business and investment
Value of central government investment secured into innovation and entrepreneurship; labour market transition and job creation	\$550,000	\$550,000	\$550,000	Great place for people, business and investment
Build a productive knowledge ci	ty to grow decent w	ork		
Number of initiatives that deliver better education outcomes and skills development to meet industry need and lead to high-value decent work	4 initiatives	4 initiatives	4 initiatives	Great place for people, business and investment
Partner with mana whenua to su	upport growth in Mā	ori prosperity and se	lf determination	
Number of initiatives delivered in partnership with mana	1 initiative	2 initiatives	2 initiatives	Inclusive, equitable



Performance Measures	Future	S	Community Outcome		
Levels of Service (LOS)	Year 1 2021/22	Year 2 2022/23	2022/23 Year 3 2023/24		
whenua and Te Runanga o Ngāi Tahu entities to grow the value of the Maori economy and deliver intergenerational prosperity and create decent work				economy with broad-based prosperity	
Ensure Christchurch businesses resilience and sustainability	have access to compret	nensive advice and s	upport to grow com	ipetitiveness,	
Number of initiatives delivered with local and central government agencies to drive and advocate for competitiveness, resilience and sustainability (including carbon footprint reduction) of Christchurch and Canterbury organisations	4 initiatives	4 initiatives	4 initiatives	A productive, adaptive and resilient economic base	
Number of Christchurch and Canterbury businesses accessing support, mentors and advice provided in partnership with central Government and industry and peak bodies, including the Chamber	500 businesses access business support or advice (Dependant on funding secured from central government)	500 businesses access business support or advice (Dependant on funding secured from central government)	500 businesses access business support or advice (Dependant on funding secured from central government)	A productive, adaptive and resilient economic base	
Satisfaction of businesses accessing support or advice services	Net promotor score fo business support services is +50 or greater (Dependant on funding secured from central government)	score for business support services is +50 or greater	Net promotor score for business support services is +50 or greater (Dependant on funding secured from central government)	A productive, adaptive and resilient economic base	
Value of Central government investment secured into regional business support	\$450,000	\$450,000	\$450,000	A productive, adaptive and resilient economic base	

Performance Measures	Futu	Community					
Levels of Service (LOS)	Year 1 2021/22 Year 2 2022/23 Year 3 2023/2		Year 3 2023/24	Outcome			
Realise greater value from Christchurch's Antarctic Gateway							
Antarctic Gateway Strategy progress report is produced annually and is available on the CCC website Deliver actions as set out in the Antarctic Gateway Strategy implementation plan		Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	A productive, adaptive and resilient economic base			
		100 businesses in the network	125 businesses in the network	Great place for people, business and investment			
Destination and Attraction	I			1			
Develop Christchurch as an attra	ctive destination						
Number of initiatives delivered that focus on developing Christchurch and Canterbury as a more attractive and sustainable visitor destination in partnership with third parties where joint outcomes can be amplified	4 initiatives	4 initiatives	4 initiatives	Great place for people, business and investment			
City bids prepared to attract 30 bids business events to Christchurch in line with the business event strategy and economic recovery plan		30 bids	30 bids	Great place for people, business and investment			
Success rate of bids for business At least 35% events success rate		At least 35% success rate	At least 35% success rate	Great place for people, business and investment			
Assess portfolio of events supported against the Major Events Strategy Annual report on performance of the major event portfolio against the Major Events Strategy		Annual report on performance of the major event portfolio against the Major Events Strategy	Annual report on performance of the major event portfolio against the Major Events Strategy	Great place for people, business and investment			
Major events seeding round delivered using criteria that support strategic goals of the Major Events Strategy	One Major Events Seed Funding round	One Major Events Seed Funding round	One Major Events Seed Funding round	Great place for people, business and investment			

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Performance Measures	Futi	Community			
Levels of Service (LOS)	Year1 2021/22	Year 2 2022/23	Year 3 2023/24	Outcome	
Number of destination product offerings, experiences or itineraries developed and supported which embed the city narrative	5 destination products	5 destination products	5 destination products	Great place for people, business and investment	
Number of screen enquiries attracted and supported, with a view to growing Canterbury's market share of screen GDP	100 screen enquiries	100 screen enquiries	100 screen enquiries	Great place for people, business and investment	
Number of screen productions attracted to Christchurch through a grant fund	At least 1 production	At least 1 production	At least 1 production	Great place for people, business and investment	
Value of investment secured into destination promotion and product development	\$500,000	\$500,000	\$750,000	Great place for people, business and investment	
City Positioning					
Ensure Christchurch is well posit students and potential migrants	ioned as a Confident	City that is attractiv	e to businesses, res	idents, visitors,	
Number of people using city narrative assets and content to tell the Christchurch story integrated with their own organisation or business story	Monitor month on month narrative assets and content to ensure consistently increasing engagement and usage	Monitor month on month narrative assets and content to ensure consistently increasing engagement and usage	Monitor month on month narrative assets and content to ensure consistent engagement and usage	Great place for people, business and investment	
Number of engagements on ChristchurchNZ owned digital channels and platforms	5.2 Million	5.2 Million	5.2 Million	Great place for people, business and investment	
Number of engagements with trade agents and investors in priority markets and sectors. Sectors - business, leisure visitor, convention, screen, education, Antarctic and media	50 engagements with trade agents or investors	60 engagements with trade agents or investors	60 engagements with trade agents or investors	Great place for people, business and investment	



Performance Measures	Futi	Community		
Levels of Service (LOS)	Year1 2021/22	Year 2 2022/23	Year 3 2023/24	Outcome
Economic Strategy and Insights				
Provide leadership in inclusive a	nd sustainable econc	omic development fo	or Christchurch	
City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals			Christchurch Major Events Strategy is reviewed and approved	Inclusive, equitable economy with broad-based prosperity
City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals			Antarctic Gateway Strategy is reviewed and approved	Inclusive, equitable economy with broad-based prosperity
City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals		Christchurch Visitor Strategy is reviewed and approved		Inclusive, equitable economy with broad-based prosperity
Report on implementation of initiatives within mandate set out in the (Covid-19) Christchurch Economic Recovery Plan and when appropriate, Greater Christchurch 2050	Delivery of actions set out in the economic recovery plan and Greater Christchurch 2050	Delivery of actions set out in the economic recovery plan and Greater Christchurch 2050	Delivery of actions set out in the economic recovery plan and Greater Christchurch 2050	A productive, adaptive and resilient economic base
Number of economic research and insights reports delivered to provide city partners with robust evidence base on which to base strategies and investment decisions	12 economic reports are produced	12 economic reports are produced	12 economic reports are produced	A productive, adaptive and resilient economic base
Number of people actively engaging with ChristchurchNZ economic and strategic insights	Deliver economic information to at least 1,000 people through presentations and online information	Deliver economic information to at least 1,000 people through presentations and online information	Deliver economic information to at least 1,000 people through presentations and online information	A productive, adaptive and resilient economic base
Number of reports on the feasibility of urban development proposals and projects	At least three opportunities for urban development are identified and	At least three opportunities for urban development are identified and	At least three opportunities for urban development are identified and	Great place for people, business and investment



Performance Measures	Futu	Community		
Levels of Service (LOS)	Year1 2021/22	Year 2 2022/23	Year 3 2023/24	Outcome
	assessed for feasibility	assessed for feasibility	assessed for feasibility	
Deliver existing urban development programme (New Brighton) and develop pipeline of urban development projects utilising Council family-owned property or other acquired property	Prepare a property development strategy and framework	New urban development projects added to the pipeline in line with the strategy	New urban development projects added to the pipeline in line with the strategy	Great place for people, business and investment



Appendix Two: Christchurch City Narrative

Christchurch City of Opportunity

Exploration is part of who we are; it is part of what has shaped us.

We are hardwired to challenge the status quo, to imagine, explore and discover what's next.

Christchurch is a city founded on that spirit; our history was built on it.

And our future will be created by it.

For the people of our city the opportunity is to:

Explore new ways of living, connected communities, work life balance and a city of new and old surrounded by nature.

For our visitors the opportunity is to:

Explore new horizons, a vibrant city of contrast, ancient landscapes, our amazing backyard from the mountains to the sea.

For investors the opportunity is to:

Explore fresh thinking, the not yet known, the intersection of creativity and commerce.

Prototype and explore ideas at a civic scale in our test-bed city.

For all of us Christchurch is about exploring new opportunities:

Between people and people, between people and place, between people and new ideas, which will shape what's next, between our past, present and future.

Narrative by Audience

Residents: "The spirit of exploration has shaped who we are as a people."

Life is good here. We have a lively culture and we're surrounded by nature, both within our active city and in the rugged landscapes beyond the city centre. Our spirit of exploration helps us connect to our ancestral past, find balance in how we get the most from life in the present and grow our future through new ways and ideas that benefit our people and place.

Visitors: "Explore New Zealand, start in Christchurch. A vibrant place of contrast."

I'm drawn to the creativity of this progressive city. There are opportunities to explore the rich cultural history and new ideas developing alongside Christchurch's peaceful green spaces, as it both rediscovers its past and invents its future at the same time. Beyond, the breath-taking landscapes of the Port Hills and Banks Peninsula beckon to exploring more experiences further afield.

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Business: "Doing business in Christchurch is an opportunity to grow by exploring ideas that have future impact."

Christchurch has an environment which supports and grows innovation for the benefit of the region and country. The city is home to a highly collaborative business community and a critical mass of innovation assets that support and enable innovation and commercialisation to benefit the region and country. A strong education sector that connects like minds and adds to a future focused workforce.

It's a city where I can explore new ideas, develop new solutions and ways of working. Christchurch provides opportunities for meaningful work, while enjoying a balanced life.

International Education: "Studying in Christchurch is an opportunity to explore new thinking and new horizons."

Christchurch is inventing its own future, as I explore mine. There is a strong education and research community that connects like minds and adds to a future focused workforce. It's an energetic and vibrant city where I can explore new ideas and ways of working, find opportunities for meaningful work, while enjoying a balanced life. Beyond, the breath-taking landscapes of the Port Hills and Banks Peninsula beckon to exploring more experiences further afield.

Investors: "The opportunity Christchurch gives us is to explore our ideas at a city scale."

Christchurch is a city on the cusp of a new era. There's an existing culture of collaboration and openmindedness at governance level, as well as an established support structure for innovation and growth. The city's population of people are grounded in optimism and practicality. There is an opportunity to test out ground-breaking ideas at a city-wide scale, in one of the most open, safe and accessible countries in the world.





1 March 2021

Dawn Baxendale Chief Executive Christchurch City Council PO Box 73016 Christchurch 8154

Tēnā koe Dawn,

ChristchurchNZ Holdings Ltd Draft Statement of Intent 2021 – 2024

Please find attached the ChristchurchNZ Holdings Ltd draft Statement of Intent, 2021 to 2024. It has been written for ChristchurchNZ Holdings Ltd and its subsidiary ChristchurchNZ Ltd, and was approved by the ChristchurchNZ Holdings Ltd and ChristchurchNZ Ltd Board on 26 February 2021.

Over the past 12 months we have evaluated our strategic priorities and activity to ensure they deliver to local, national and global priorities.

ChristchurchNZ's key priorities for the next three years are consistent with the objectives of the Council's draft Long-Term Plan including the Christchurch City Council Community Outcomes, the UN Sustainable Development Goals and the Ōtautahi Christchurch Recovery Plan. We have also been working closely with the Greater Christchurch 2050 project to ensure strong alignment.

We look forward to your feedback on the draft Statement of Intent.

Ngā mihi nui

Dr Therese Arseneau Chair

ChristchurchNZ^{**}

BNZ Centre, Level 3 (West), 101 Cashel St PO Box 2962, Christchurch 8140 Christchurch 8011, New Zealand enquiries@christchurchnz.com Phone: +64 3 379 5575 www.christchurchnz.org.nz



16 December 2020

Dr Therese Arseneau Chair ChristchurchNZ Holdings Ltd P O Box 2962 Christchurch 8140

Email: therese.arseneau@canterbury.ac.nz

Dear Therese

Letter of Expectations 2021/22

In view of the ongoing economic challenges posed by COVID-19, the Council's expectations of ChristchurchNZ Holdings Ltd (CNZHL) in 2021/22 are heavily focussed on the group's potential contribution to the city's recovery. The Council asks that you incorporate these expectations into CNZHL's 2021/22 Statement of Intent (SOI) and that you ask CNZHL's subsidiaries to do the same.

The CNZHL Group should always consider what is best for Christchurch when delivering its services and activities. Vibrancy of the city and increasing momentum towards achieving that is a top priority for the Council and should be clearly reflected throughout all CNZHL's accountability documentation and reporting. In particular, the Council expects that CNZHL will prioritise the following:

- working closely with members of the Council family of entities (including Christchurch City Holdings Ltd (CCHL), Vbase and Council staff and elected members) to ensure strong strategic alignment across the group in terms of managing the ongoing impacts of COVID-19, avoiding duplication, leveraging current levels of investment and problem solving; and
- working with the Council's Urban Regeneration, Urban Design & Heritage team with a view to prioritising target areas for urban development, reducing duplication (if any) and leveraging funding for urban development.

The Council's expectations of CNZHL with respect to cost management and efficiency are as follows:

- focus on value for money and efficiency, by prioritising those activities and services that will underpin an optimal recovery from the COVID-19 impacts over the short, medium and longer terms, including meeting any obligations acquired through the Ōtautahi Christchurch Economic Recovery Plan;
- continue to identify opportunities for generating efficiencies especially if and when new functions and funding are provided for economic and urban development activities that have linkages and/or synergies with the activities delivered by other members of the Council family;



- maintain investment in the Antarctic Office in accordance with the Council's annual tagged funding and maintain strong relationships with the Council's Civic and International Relations group, recognising the significance of the civic/diplomatic role played by the Council. The intention is to maximise the Council's total investment in achieving the Antarctic Gateway Strategy goals in the most effective way.
- return any Council funding that may be available as a result of higher levels of third party revenue that is not tagged to specific expenditure.

CNZHL's regular reporting should include progress in achieving measurable targets set in the Ōtautahi Christchurch Economic Recovery Plan, which in turn will be included in the Group's SOIs. It is important to the Council that levels of service targets are outcome oriented, aligned with the Prosperity Framework and have been endorsed by the Council.

The Council would like to receive briefings from CNZHL identifying how it intends to achieve the expected outcomes. Where CNZHL is uncertain as to the outcomes the Council seeks, it should seek further advice from the Council.

The Council is fully committed to achieving its climate change objectives, and in this regard CNZHL should continue to develop planning, decision-making and reporting frameworks for identifying and addressing climate change impacts and to manage risks and build long term resilience with clear targets set.

Benchmarking Christchurch's economic development needs against other examples of successful implementation of specific programmes of economic development could be a useful way for CNZHL to demonstrate the expected value of its investment propositions. This could help to demonstrate the value of current investments intended to deliver longer term outcomes.

In last year's LOE the Council requested that CNZHL considers disaster risk reduction in its planning and reporting especially where it aims to reduce the socio-economic vulnerabilities to potential disaster as well as dealing with the environmental and other hazards that trigger them. The experience of COVID-19 in 2020 has highlighted the importance of this request.

As always, we expect the CNZHL group to:

- be transparent about the returns on the Group's investment in activities and services that are undertaken to build the economic performance of Christchurch;
- show how it intends to deliver against the Council's strategic framework that will underpin the 2021-31 Long Term Plan where possible, and where it is in the best interests of the Group;
- support implementation of Christchurch 2050;
- exercise restraint in the level of senior executive total remuneration; and
- develop and show leadership in innovative practices, and remunerate directors on a fair and reasonable basis which takes into account the public service nature of the positions.

Subject to finalisation through the LTP, the Council expects CNZHL to establish an urban development function. This function should seek the best development and commercialisation options for Council family-owned property in New Brighton, Milton Street and Peterborough Street. Substantial progress on these three developments is expected in the short term. A pipeline of urban development projects utilising Council family-owned property or other acquired property should be collaboratively developed (using a consistent evidence base such as the regeneration heat map) with



final approval by the Council for any committed projects. Developing the future pipeline of urban development work

should be treated as high priority by CNZHL. The Council would like regular and ongoing engagement on this work. Close co-ordination on land options with the Council and CCHL will also be required.

The timetable for completing the 2021/22 Statement of Intent (SOI) is as follows:

Item	Due Date		
Draft SOIs	1 March 2021		
Workshop on draft SOIs	By end March 2021		
Comments from Council on draft SOIs	By 1 May 2021		
Final SOIs	By 30 June 2021		
SOIs to be published on CCO websites	By 31 July 2021		

We appreciate both the work that CNZHL has undertaken to transition Development Christchurch Ltd's current functions and priority projects for the remainder of the 2020/21 financial year and the significant contribution CNZHL has made to the COVID-19 recovery planning for Christchurch and to the Greater Christchurch 2050 work.

This LOE should be published on your website as soon as possible. Should you wish to withhold any of the content, please ensure it is permitted by the Local Government Official Information and Meetings Act, 1987.

Please contact Dawn Baxendale if you wish to discuss the content of this letter.

Yours sincerely

handebiel

Lianne Dalziel Mayor

c.c. Joanna Norris, Chief Executive - email Joanna.norris@christchurchNZ.com

16. 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:

Finance and Performance Committee 29 April 2021



ltem 16

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
17.	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 25 MARCH 2021			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
18.	OVERDUE GENERAL AND RATES DEBTORS (GREATER THAN \$20,000 AND 90 DAYS)	S7(2)(A), S7(2)(B)(II), S7(2)(I)	PROTECTION OF PRIVACY OF NATURAL PERSONS, PREJUDICE COMMERCIAL POSITION, CONDUCT NEGOTIATIONS	TO PROTECT THE PRIVACY AND THE COMMERCIAL POSITION OF THE DEBTORS; ENABLE THE COUNCIL TO CARRY OUT NEGOTIATIONS WHEN NEEDED.	A REDACTED COPY OF THE REPORT CAN BE RELEASED AFTER THE COMMITTEE HAS RECEIVED THE REPORT BUT THE NAMES OF THE INDIVIDUALS AND ORGANISATIONS WILL REMAIN CONFIDENTIAL.