Christchurch City Council

Finance and Performance Committee
AGENDA

Notice of Meeting:

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

Date:	**Thursday 24 March 2022**
Time:	**9.30am**
Venue:	**Held by Audio/Visual Link** Under the current provisions of the Covid-19 Protection Framework (traffic lights) the meeting is open to the public through access to the live broadcasting of the meeting: http://councillive.ccc.govt.nz/live-stream

Membership

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

18 March 2022

Principal Advisor
Leah Scales
Acting General Manager - Resources / CFO
Tel: 941 8999

Principal Advisor
Dawn Baxendale
Chief Executive
Tel: 941 6996

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

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Developing Resilience in the 21st Century

Strategic Framework

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

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

Ōtautahi–Christchurch is a city of opportunity for all

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

Principles

- Being open, transparent and democratically accountable
- Promoting equity, valuing diversity and fostering inclusion
- Taking an inter-generational approach to sustainable development, prioritising the social, economic and cultural wellbeing of people and communities and the quality of the environment, now and into the future
- Building on the relationship with Te Rūnanga o Ngāi Tahu and the Te Hononga–Council Papatipu Rūnanga partnership, reflecting mutual understanding and respect
- Ensuring the diversity and interests of our communities across the city and the district are reflected in decision-making
- Actively collaborating and co-operating with other local, regional and national organisations

Community Outcomes

Resilient communities

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

Liveable city

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

Healthy environment

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

Prosperous economy

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

Strategic Priorities

- **Enabling active and connected communities to own their future**
- **Meeting the challenge of climate change through every means available**
- **Ensuring a high quality drinking water supply that is safe and sustainable**
- **Accelerating the momentum the city needs**
- **Ensuring rates are affordable and sustainable**

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

- Engagement with the community and partners
- Strategies, Plans and Partnerships
- Long Term Plan and Annual Plan
- Our service delivery approach
- Monitoring and reporting on our progress

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

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

Delegations

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

Capital Programme and operational expenditure

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

Non-financial performance

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

Council Controlled Organisations

- Monitoring the financial and non-financial performance of the Council and Council Controlled Organisations.
- Making governance decisions related to Council Controlled Organisations under sections 65 to 72 of the Local Government Act 2002.
- Exercising the Council's powers directly as the shareholder, or through CCHL, or in respect of an entity (within the meaning of section 6(1) of the Local Government Act 2002) in relation to –
    - (without limitation) the modification of constitutions and/or trust deeds, and other governance arrangements, granting shareholder approval of major transactions, appointing directors or trustees, and approving policies related to Council Controlled Organisations; and

- o in relation to the approval of Statements of Intent and their modification (if any).

<u>Development Contributions</u>

- 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.

<u>Loans and debt write-offs</u>

- 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)

<u>Annual Plan and Long Term Plan</u>

- 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.

The following matters are prohibited from being subdelegated in accordance with LGA 2002 Schedule 7 Clause 32(1) :

- the power to make a rate; or
- the power to make a bylaw; or
- the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
- the power to adopt a long-term plan, annual plan, or annual report; or
- the power to appoint a chief executive; or
- the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or
- the power to adopt a remuneration and employment policy.

Chairperson may refer urgent matters to the Council

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

- The Committee Advisor must inform the Chairperson in writing the reasons why the referral is necessary
- The Chairperson must then respond to the Committee Advisor in writing with their decision.
- If the Chairperson agrees to refer the report to the Council, the Council may then assume decision making authority for that specific report.

Urgent matters referred from the Council

As may be necessary from time to time, the Mayor is authorised to refer urgent matters to this Committee for decision, where the Council would ordinarily have considered the matter, except for those matters listed in the limitations above.

In order to exercise this authority:

- The Council Secretary must inform the Mayor and Chief Executive in writing the reasons why the referral is necessary
- The Mayor and Chief Executive must then respond to the Council Secretary in writing with their decision.

If the Mayor and Chief Executive agrees to refer the report to the Committee, the Committee may then assume decision-making authority for that specific report.

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

TABLE OF CONTENTS

Karakia Tīmatanga

1. Apologies Ngā Whakapāha

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

2. Declarations of Interest Ngā Whakapuaki Aronga

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

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

That the minutes of the Finance and Performance Committee meeting held on Thursday, 24 February 2022 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.

There were no public forum requests received at the time the agenda was prepared

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

6.1 Dr Tracey McLellan - MP for Banks Peninsula will present a petition of 316 signatures from the Bromley community calling on the Christchurch City Council to move the Living Earth compost plant.

Petition request:

> *The Bromley community calls on the Christchurch City Council to move the Living Earth compost plant.*

Reason:

> *The plant has been emitting offensive odours for a long time, significantly and negatively impacting the lives of nearby residents. The local community has expressed concern that proposals to redevelop the facility would not succeed in eliminating the odours. Relocating the plant to a non-residential area is the only solution that would ensure the odour problem is resolved for long suffering Bromley residents.*

Finance and Performance Committee
OPEN MINUTES

Date: Thursday 24 February 2022
Time: 9.02am
Venue: Council Chambers, Civic Offices, 53 Hereford Street, Christchurch

Present

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

Principal Advisor
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Acting General Manager - Resources / CFO
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Part A **Matters Requiring a Council Decision**

Part B **Reports for Information**

Part C **Decisions Under Delegation**

Karakia Tīmatanga: Deputy Mayor Turner

The agenda was dealt with in the following order.

1. Apologies Ngā Whakapāha

Part C

Committee Resolved FPCO/2022/00001

That the apologies received from Mayor Lianne Dalziel for lateness be accepted.

Deputy Mayor/Councillor MacDonald **Carried**

2. Declarations of Interest Ngā Whakapuaki Aronga

Part B

Councillor Scandrett declared an interest in Item 16 relating to Venues Ōtautahi.

The Mayor and Deputy Mayor Turner noted they are Trustees on the Board of the Christchurch Foundation (Item 18).

The Mayor, Deputy Mayor Turner and Councillors Gough and Templeton are directors on the Board of Christchurch City Holdings Limited (Item15 and Public Excluded Items 21 and 22)

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

Part C

Committee Resolved FPCO/2022/00002

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 15 December 2021 be confirmed.

Deputy Mayor/Councillor MacDonald **Carried**

4. Public Forum Te Huinga Whānui

Part B

There were no public forum presentations.

5. Deputations by Appointment Ngā Huinga Whakaritenga

5.1 Presentation from Helen Broughton

Part B

Helen Broughton spoke in relation to Item 14 Resource Management Reform – Draft Submission on MfE Consultation.

Attachments

A Presentation Helen Broughton

6. Presentation of Petitions Ngā Pākikitanga

Part B

There was no presentation of petitions.

Councillor Keown joined the meeting at 9.08am during Item 7.
Councillor Chu joined the meeting at 9.08am (via audio visual link) during Item 7.

7. Vertical Capital Delivery Elected Member Updates

Committee Resolved FPCO/2022/00003 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee: Officer Recommendation

1. Receives the information within the Elected Members Updates of the Vertical Capital Delivery:
   a. Parakiore Metro Sports Facility.
   b. Performing Arts Precinct.
   c. Hornby Library, Service Centre and South West Leisure Centre.
   d. The Square and Surrounds.
   e. Old Municipal Chambers (OMC).

Deputy Mayor/Councillor Cotter **Carried**

Councillor McLellan joined the meeting (via audio/visual link) at 9.30am during Item 8.

8. Parakiore - Accessibility Design Features

After staff presented on this item, and subsequent discussion by the Committee, this item was adjourned to allow staff to prepare wording for an alternative recommendation. Discussion on this item resumed at the end of the meeting (see below).

Mayor Lianne Dalziel joined the meeting at 9.48am during Item 9.

9. Parakiore Hydroslide Accessibility

Committee Resolved FPCO/2022/00004 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee note that:

1. Ōtākaro have advised that a project delay caused by design changes at this stage of the project would result in significant financial penalties. It is recommended that any design change to include a lift should be implemented after practical completion of the project.

2. Council staff will work in partnership with the disability sector to complete an independent risk assessment that informs operational practices and determines the demand for an accessible hydroslide to inform funding in the 2024-34 Long Term Plan.
3. The hydroslides at Parakiore will be operated in accordance with manufacture and supplier guidelines unless an independent risk assessment determines it is safe to operate outside these guidelines.

*The division was declared **carried** by 14 votes to 3 votes the voting being as follows:*

For: *Deputy Mayor Turner, Councillor MacDonald, Mayor Dalziel, Councillor Chen, Councillor Chu, Councillor Coker, Councillor Cotter, Councillor Davidson, Councillor Donovan, Councillor Galloway, Councillor Gough, Councillor McLellan, Councillor Scandrett and Councillor Templeton*

Against: *Councillor Johanson, Councillor Keown and Councillor Mauger*

Councillor Cotter/Councillor Chen **Carried**

10. Key Performance Results January 2022

Committee Comment

1. Staff are to meet with the Chair and Deputy Chair to discuss the presentation of material.
2. Staff to bring back information on those LGOIMA requests that could not be met.

Committee Resolved FPCO/2022/00005 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the information provided in the Key Performance Results for January 2022.

Deputy Mayor/Councillor MacDonald **Carried**

11. Capital Project Performance Report - December 2021

Committee Comment

1. Staff to provide information on how the Council is tracking on the external funding spend, and funding for the provision of information to the Transition Team.
2. Staff to provide updated information on Rapanui –Shag Rock (Section 3) Cycleway.
3. Staff to provide information on the process for communicating with residents on projects such as those on page 332 of the staff report (56181- Mains Renewal).
4. Staff to provide information on charging of residents who may not have visibility of their water meter readings.

Committee Resolved FPCO/2022/00006 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Receive the information in the Capital Project Performance Report, 3 Waters Delivery Enhancements, Covid-19 Impacts on Delivery, Watchlist Report, External Funded Report, and the Delivery Complete FY22 report to 31 December 2021 report

Deputy Mayor/Councillor Chen **Carried**

12. Corporate Finance Report - December 2021

Committee Resolved FPCO/2022/00007 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the information in the Corporate Finance Report for December 2021.

Deputy Mayor/Councillor Templeton **Carried**

Councillor Cotter left the meeting at 10.42am and returned at 10.45am during Item 13.

13. Te Kaha CMUA Elected Member Update

Committee Resolved FPCO/2022/00008 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Receive the information in the Te Kaha CMUA Elected Member Update report

Deputy Mayor/Councillor MacDonald **Carried**

14. Resource Management Reform - Draft submission on MfE consultation document

Committee Comment

1. Staff provided an updated draft
2. An updated draft submission was tabled by staff (attached below)
3. Staff to remove reference to non-complying uses.

Committee Recommendation Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. **Approve** the draft Council submission to the Ministry for the Environment, on their *Our Future Resource Management System* discussion document. (**Attachment A**)

Deputy Mayor/Councillor Davidson **Carried/Lost**

Attachments

A Draft Submission

An adjournment was taken from 11am to 11.15am during the consideration of Item 14.
The following members returned to the meeting during Item 14:
Mayor Lianne Dalziel at 11.17am
Councillor Galloway at 11.18am

Councillor McDonald took the Chair for at 11.23am for Items 15 and 19.
Councillor Donovan returned to the meeting at 11.26am.

15. Christchurch City Holdings Ltd - Quarter 2 2021/22 Traffic Lights Report

Committee Resolved FPCO/2022/00009 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Receives Christchurch City Holdings Ltd's Quarter 2, 2021/22 Traffic Lights report.

Councillor MacDonald/Councillor Chen **Carried**

19. Resolution to Exclude the Public

Committee Resolved FPCO/2022/00010

Part C

That Jeremy Smith, Paul Munro and Toni Rowell of Christchurch City Holdings Ltd remain after the public have been excluded for Item 21, and that Jeremy Smith also remains for Item 22 of the public excluded agenda, as they have knowledge that is relevant to those items and will assist the Council.

AND

That at 11.30am the resolution to exclude the public set out on pages 485 and 486 of the agenda be adopted.

Councillor MacDonald/Councillor Scandrett **Carried**

The open meeting resumed with Deputy Mayor Turner in the Chair for Items 16 and 17 at 12.02pm.

16. Venues Ōtautahi - Draft Letter of Expectations for 2022/23

Committee Resolved FPCO/2022/00011 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Approves the draft Letter of Expectations for Venues Ōtautahi for 2022/23.

Councillor Chen/Councillor Coker **Carried**

17. Civic Financial Services - Statement of Intent 2022

Committee Resolved FPCO/2022/00012 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Notes Civic Financial Services' Statement of Intent for 2022;
2. Requests that Council staff contact the Chief Executive of Civic Financial Services to seek an early timeslot in his schedule of in-person visits to shareholders in early 2022.

Deputy Mayor/Councillor Davidson **Carried**

Councillor McDonald took the Chair for Item 18 at 12.06pm.

18. Christchurch Foundation - Annual Report for year ended 30 June 2021 and Half Year Report for six months ended 31 December 2021

Committee Resolved FPCO/2022/00013 Officer Recommendation accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the Christchurch Foundation's Annual Report 2020/21 and Half Year Report for the period 1 July to 31 December 2021.

Councillor Davidson/Councillor Mauger **Carried**

Deputy Mayor Turner took the Chair for the resumption of Item 8 at 12.08pm.

8. Parakiore - Accessibility Design Features

Committee Comment

1. The Committee noted that the Accessibility Regulatory Working Group should hold a meeting to look at the accessibility features contained in the staff report.
2. The Committee also advised that the Council should receive a briefing on Changing Places to help inform decisions making.

Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Parakiore- Accessibility Design Features Report

Committee Resolved FPCO/2022/00014

Part C

That the Finance and Performance Committee:

1. Receive the information in the Parakiore- Accessibility Design Features Report
2. Refer the report to the Accessibility Regulatory Working Group for a workshop to which all Councillors will be invited.
3. Request an urgent briefing to the full Council by Changing Places and Council staff to inform the decision to implement or not implement Changing Places at Parakiore.

Councillor Keown/Councillor MacDonald **Carried**

Karakia Whakamutunga: Deputy Mayor Turner

Meeting concluded at 12.10pm.

CONFIRMED THIS 24th DAY OF MARCH 2022

DEPUTY MAYOR ANDREW TURNER
CHAIRPERSON

7. Key Performance Results February 2022

Reference Te Tohutoro:	22/175113
Report of Te Pou Matua:	Peter Ryan, Head of Performance Management, peter.ryan@ccc.govt.nz
General Manager Pouwhakarae:	Lynn McClelland, Assistant Chief Executive lynn.mcclelland@ccc.govt.nz

1. Brief Summary

1.1 The purpose of this report is to track delivery of organisational performance priorities set out in the 2021-31 Long Term Plan, to target and within budget. The key organisational performance measures include:

- Service delivery
- Capital projects (planning and delivery)
- Finance

1.2 Organisational performance forecasts for February 2022 are trending positively, showing month-on-month improvement for Level of Service and Watchlist project delivery, and both capital funding planning targets (FY2023 target has been met), while remaining stable for operational budget.

1.3 Overall three performance targets are either met or on track to be met for year-end. The other targets require small improvement to meet target.

1.4 This is a positive forecast, given the restrictions of response levels and COVID-19 impacting level of service delivery. There are also supply chain delays and construction price escalations impacting Council's capital programme delivery. These effects are also being felt nationwide.

1.5 The (relatively) minor variations from previous years in these results shows that Council's mitigation strategies to deal with Covid have been successful to date.

Organisational Performance Summary	Target	Forecast Actual / change	Forecast Result against Target
Service Delivery			
Deliver Community Levels of Service to target	≥ 85%	83.6% ▲	✗
Capital projects (planning and delivery)			
Delivery complete milestones (whole of life)			
Deliver Watchlist projects	≥ 90%	90.9% ▲	✓
Deliver Non-Watchlist projects	≥ 85%	77.6% ▼	✗
Capital programme planning			
FY2023 funding budgets allocated by 1st March 2022	≥ 90%	91.3% ▲	✓
FY2024/2025 funding budgets drawn down by 1st May 2022	≥ 90%	61.1% ▲	✗
Finance			
All operational budgets actively managed within approved budget	100%	100% =	✓
Deliver overall capital programme to approved budget	=/-10%	-13.9% ▼	✗

2. Officer Recommendations Ngā Tūtohu

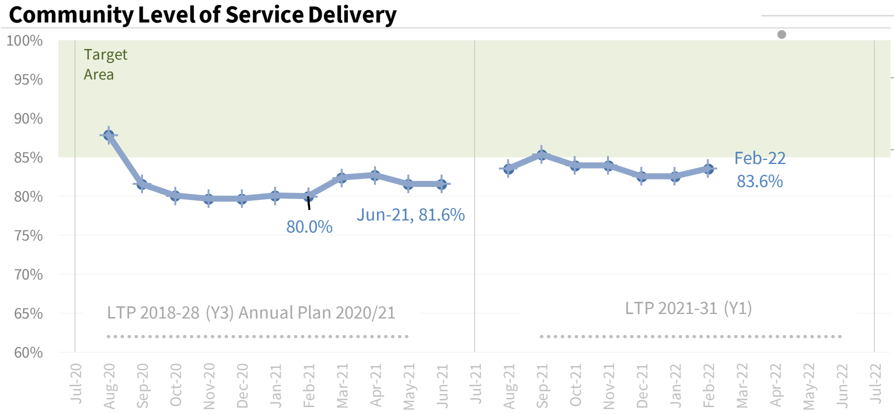
That the Finance and Performance Committee:

1. Receives the information provided in the Key Performance Results for February 2022.

3. Service delivery

ELT Goal: Deliver 85% Community Levels of Service to target

Community Level of Service Delivery



	2021/22	# LOS	R/A/G
✗	83.6%	213	11/24/178
▲	1.0%		

R - RED	Will fail to meet target
A - AMBER	Intervention is required to meet target
G - GREEN	Will meet target

3.1 Community levels of service (LOS) year-end forecast as at February is **83.6%** against the performance target of **85%**. This is an improvement of 1.0% from January 2022.

3.2 This February forecast is 3.6% above the result from this time last year and higher than last year's final result (81.6%).

3.3 The restrictions of COVID-19 response levels (currently Phase 3, Red traffic light) continue to impact the number of people using the Council's facilities, services and programmes, such as Art Gallery, Akaroa Museum, Libraries, Recreation and Community Centres. Some facility closures are anticipated.

3.4 Impacts are also noticeable in some regulatory services, such as increases in consent volumes leading to delays in consent processing. Extensive effort around recruitment and contracting has been underway for some time to provide the additional capacity needed. Improvements are beginning to be seen.

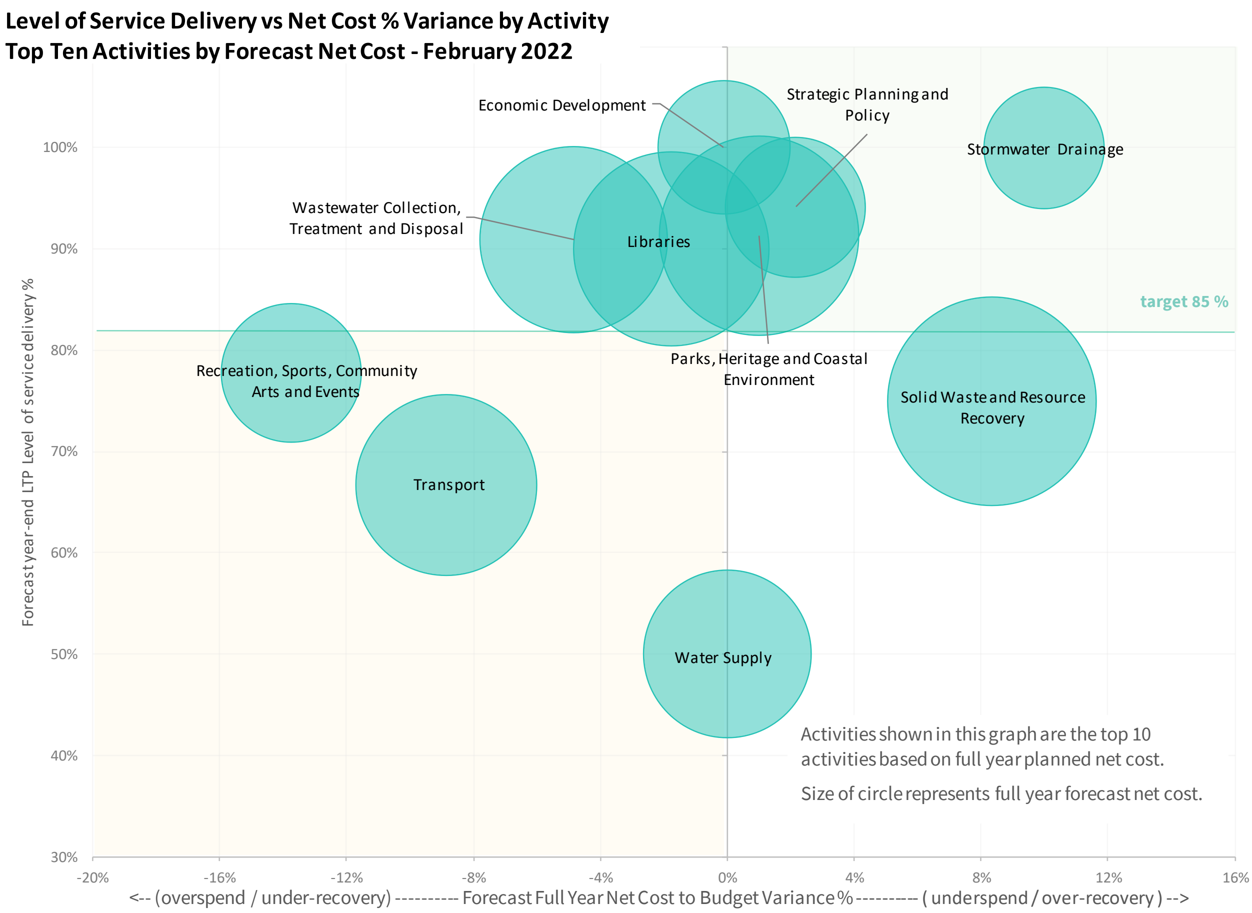
3.5 A number of LOS exceptions are cautiously forecast as they await results from this year's resident satisfaction surveys.

3.6 For further details regarding LOS exceptions, refer to managers' comments in Attachment A.

3.7 The scatter diagram below is an overview of the performance of the top ten activities as at February 2022.

3.7.1 The vertical y-axis shows service delivery (LOS) performance.

3.7.2 The horizontal x-axis shows budget over/underspend.



3.8 Since the beginning of this financial year, the majority of activities continue to cluster around the ‘sweet spot’ – delivering their LOS to target and on budget.

3.9 Similar to January reporting, the activities requiring focus are Transport, Water Supply, Recreation, Sports, Community Arts and Events, and Solid Waste and Resource Recovery.

3.10 As mentioned above, a number of LOS exceptions are cautiously forecast as they await results from this year’s resident satisfaction surveys.

Item 7

Performance by Activity Table - Forecast February 2022

Activities	Net Cost * (Opex) Full Year Forecast $000	Full Year Plan $000	Carry Fwd $000	**Variance after C/Fwd	% Variance after C/Fwd	Community Levels of Service % Delivery	Total #
Water Supply	26,231	26,231	0	0	0%	50%	16
Wastewater Collection, Treatment and Disposal	0	0	0	0	0%	91%	11
Stormwater Drainage	13,524	15,024	0	1,500	10%	100%	10
Flood Protection and Control Works	0	0	0	0	0%	100%	5
Strategic Planning and Policy	0	0	0	0	0%	94%	17
Economic Development	15,310	15,287	0	-23	-0%	100%	15
Transport	0	0	0	0	0%	67%	18
Solid Waste and Resource Recovery	0	0	0	0	0%	75%	8
Regulatory and Compliance	-589	3,450	0	4,039	117%	86%	28
Parks, Heritage and Coastal Environment	36,754	37,128	50	324	1%	91%	23
Housing	-6,785	-6,785	0	0	0%	100%	5
Governance	0	0	0	0	0%	80%	5
Citizens and Customer Services	0	0	0	0	0%	88%	8
Civil Defence Emergency Management	1,423	1,403	0	-20	-1%	75%	4
Community Development and Facilities	14,941	15,023	270	-188	-1%	100%	5
Christchurch Art Gallery	7,166	6,935	0	-231	-3%	33%	6
Canterbury and Akaroa Museums	0	0	0	0	0%	80%	5
Libraries	35,438	34,827	0	-611	-2%	90%	10
Recreation, Sports, Community Arts and Events	0	0	0	0	0%	78%	9
Performance Management and Reporting	0	0	0	0	0%	100%	5
Net Cost	**143,413**	**148,523**	320	**4,790**	**3%**	**0.0%**	**213**

*Net Cost - excludes depreciation, corporate overheads and interest.
** Negative variance means overspend or under-recovery

4. Capital projects, planning and delivery

ELT Goal: Deliver 90% watchlist capital projects to ‘delivery complete’ milestones

ELT Goal: Deliver 85% non-watchlist capital projects to ‘delivery complete’ milestones

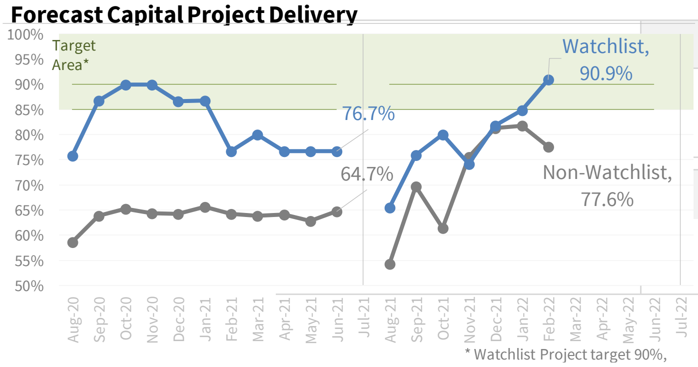
4.1 Watchlist project performance is forecast at **90.9%** (target **90%**), ahead of the organisations performance target for the first time since January 2021. This is an improvement of 6.1% from the previous month, with two additional projects now reporting on track (within tolerances).

4.2 Forecast Non-Watchlist project delivery has declined since January, to **77.6%** (target **85%**) from a two-year forecast high (81.8%). Overall the programme is delivering more strongly to plan than the previous year.

4.3 Supply chain delays and construction price escalation remain a concern nationwide and are risks to the delivery of the Council’s capital programme.

4.4 For further information and underlying detail, refer to the detailed Capital Project Performance Report February 2022.

Forecast Capital Project Delivery



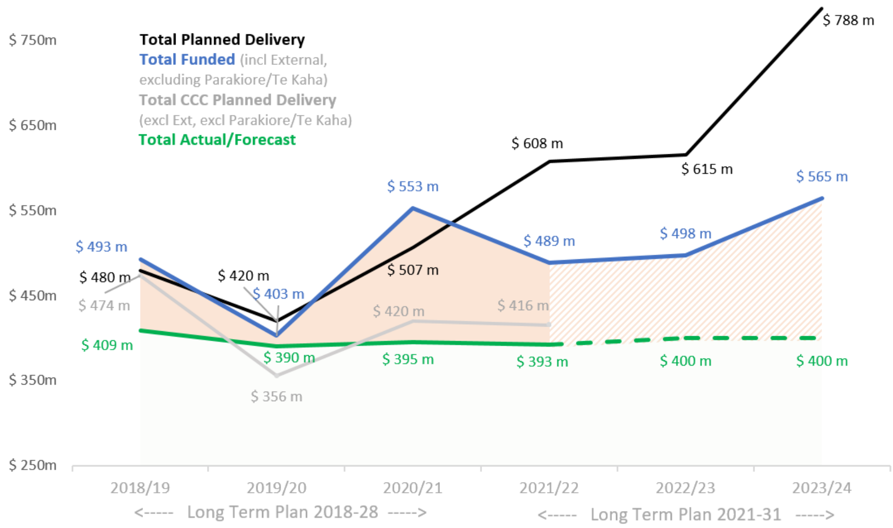
	2021/22	RED/AMBER/GREEN/BLACK
Watchlist Capital projects	✓ **90.9%** ▲ 6.1%	2/1/30/0
	2021/22	Red/Amber/Green/Black
Non-Watchlist Capital projects	✗ **77.6%** ▼ -4.2%	87/12/546/59

Red	>61 days delay
Amber	31-60 days delay
Green	<30 days delay
Black	No baseline date set

Forward view of capital delivery performance for the LTP

4.5 This is an overview of capital delivery in the last three years against plan, plus capital delivery planned for the first three years of the LTP 2021-31.

4.6 Figures are updated for 2022/23 and 2023/24, per the adopted Draft Annual Plan (24 February 2022).



4.7 There has been stability of delivery year-on-year for projects CCC is responsible for delivering (green line – total spend), ranging consistently between $390m to $409m spend per annum over the last 4 years.

4.8 For this year (year 1 of the LTP 2021) the total programme amount set for CCC to deliver was $489m (excluding spend for projects CCC is not responsible for – Parakiore and Te Kaha/ CMUA). The February 2022 forecast for capital delivery is $393m, which equates to 80.4% delivery. This spend also excludes Parakiore and Te Kaha, but includes spend for externally funded projects.

4.9 Under the Draft Annual Plan 2022/23, future year's CCC delivery programmes for 2022/23 and 2023/24 are set at $498m and $565m (blue line - excluding Te Kaha). There remain clear risks around deliverability for these future years, given the consistency of spend these last 4 years (approx. $400m pa), plus the challenges of supply of materials and cost escalation that will impact both 2021/22 and 2022/23, and potentially the years beyond.

4.10 For more detail refer to the Corporate Finance Report February 2022.

Total Planned Delivery:	The amount finalised in each Long-term Plan or Annual Plan.
Total Planned Delivery:	Total CCC Planned Delivery, excluding Parakiore and Te Kaha/CMUA, excl External.
	*The gap between the grey line and black line consists of the actual/planned spend for Te Kaha/CMUA and Parakiore.
Total Actual/Forecast:	The amount that was spent, or is forecast to be spent, in a given year.
Total Funded:	Consists of Planned CCC Delivery plus any subsequent capital injection from the Crown, such as for Water Reform, CRAF and Shovel Ready projects.

ELT Goal: Ensure capital planning for FY23 funding programme budgets allocated, 90% by 1 March 2022.

ELT Goal: Ensure capital planning for F24 & FY25 funding programme budgets drawn down, 90% by 1 May 2022.

4.11 Capital planning targets are intended to monitor the draw-down of capital funding programme budgets in years 2, and 3 and 4 of 2021-31 LTP. This helps the business plan and prepare for future capital project delivery, in order to effectively implement the LTP.

4.12 **91.3%** of FY 2022/23 funding programme budgets have been allocated to date, meeting the target for **90%** projects initiated to be allocated by **1st March 2022**. Citizens and Community has achieved (95.8%) and makes up 30% of capital programme budgets for FY 22/23, Transport and Waste Management (93.8%), Three Waters (93.7%), Facilities, Property and Planning (100%) and Digital (36.9%).

4.13 **61.1%** of FY2024/FY2025 funding programme budgets has been drawn down in CPMS (Capital Programme Management System). The target is for **90%** funding programme budgets drawn down by **1st May 2022**. Citizens and Community has achieved 72.5% draw down, and makes up 15% of Council total. All other delivery groups will need to increase their efforts to meet the target. Technical Services & Design (100%), Three Waters (58.1%), Transport & Waste Management (69.7%), Digital (6.3%), Facilities, Property & Planning (49.5%)

5. Finance

ELT Goal: Demonstrate value for money and actively manage our operational budgets.

ELT Goal: Deliver overall capital programme to approved budget, =/ -10%.

5.1 There is currently an $11.4 million (post COVID impact) surplus forecast for the year. This is a small deterioration of $0.3 million from that reported in December.

5.2 Capital programme is forecast to underspend, outside the organisations performance target of between 0% to -10%.

5.3 More detail is available in the Corporate Finance Report.

Attachments Ngā Tāpirihanga

No.	Title	Page
A ⇩	LOS Exceptions Commentary February 2022	24

Additional background information may be noted in the below table:

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	Boyd Kedzlie - Senior Business Analyst Johan Jacobs - Senior Business Analyst
Approved By	Peter Ryan - Head of Performance Management Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

Level of Service Exceptions
Forecast Period Ending: 28 February 2022
Deliver 'Community' Levels of Service to target

Levels of service which will fail to meet target.

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

GOA Communities and Citizens

Christchurch Art Gallery

Measure:	LTP21: 3.0.1 The Art Gallery attracts residents and visitors into the city, contributing to the identity, wellbeing and activation of the city.
Target:	Maintain visitation at 95% of the average of the last 5 years, or higher
Actual:	74% of 8 month target. 8 month target 196,862 - actual 141,489
Comments:	Due to Covid closure Aug-Sep 21, the ongoing lack of international visitors and no visitors from the North Island during current Covid levels the Gallery is tracking at less visitor numbers than required to meet this annual target. The effect of Omicron now in the community is also having a large impact on visitor numbers.
Remedial Action:	

Measure:	LTP21: 3.0.6 Residents and visitors have access to a nationally significant art gallery
Target:	Maintain: Hours of opening: No fewer than 2,749 hours pa
Actual:	Due to Covid closures 18/8-8/9 inclusive, the Gallery will be open 2710 hours in the 21_22FY. Target is 2749
Comments:	Will not meet target due to Covid closures
Remedial Action:	

Measure:	LTP21: 3.0.9.2 Deliver a diverse range of Public and school-specific programmes to promote and educate the importance of the visual arts
Target:	Average of at least 22,000 people attend advertised public programmes per annum
Actual:	236 attended public programmes. YTD = 6,595.
Comments:	With Covid spread in the community, there is an unwillingness from potential contributors to commit to programmes in the near future.
Remedial Action:	

Measure:	LTP21: 3.0.9.1 Deliver a diverse range of Public and school-specific programmes to promote and educate the importance of the visual arts
Target:	Average of at least 11,000 attend school specific programmes per annum
Actual:	758 attended school programmes. YTD = 4,181

Community LOS Exceptions, January 2022

Comments:	A relatively full month with only a few school cancellations due to Covid.
Remedial Action:	

Canterbury and Akaroa Museums

Measure:	LTP21: 3.3.2 Visitors per annum to Akaroa Museum
Target:	Maintain visitation of at least 95% of the average of previous 3 years.
Actual:	total visitors year to date - 10,553
Comments:	February visitor total was 1288, 60% of last February's total. Per January comments; Fewer travelling due to COVID effect.

Libraries

Measure:	LTP21: 3.1.4 Provide public programmes and events to meet customers' cultural, creative, learning and recreational needs.
Target:	Maintain participation of 310-380 per 1000 of population
Actual:	The Annualised Actual Participation has increased from 218 to 236 per 1000 of population. KPI Maintain participation of 310-380 per 1000 of population
Comments:	In February all pre-school programming was postponed.
Remedial Action:	With cases of Omicron rising steadily in our community, the majority of business as usual programming is postponed for March. This will be monitored and reviewed weekly. Digital programming options including the Plains FM sessions and Live streaming of Wā korero Storytimes, are offered. Data from these session are unavailable for this month's reporting but will be included next month.

Recreation, Sports, Community Arts and Events

Measure:	LTP21: 2.8.5.1 Produce and deliver engaging programme of community events.
Target:	A minimum of 11 events delivered annually of which three are marquee events. (Outdoor events subject to weather)
Actual:	Planning to deliver 11 events. The impact of the Covid19 and any changes to alert levels will need to understood for events to go ahead.

Measure:	LTP21: 7.0.2.2 Provide well utilised facility based recreational and sporting programmes and activities.
Target:	The number of participants using multipurpose recreation and sport centres, outdoor pools and stadia at least 4.4 million
Actual:	Actual YTD participations are 981,987 vs plan of 1,458,289
Comments:	The impact of Covid19 is ongoing while we remain in alert level 2, 3 or 4. Awaiting the detailed requirements for the Covid19 Vaccine Certificate and how this can be implemented under the recently announced traffic light system.
Remedial Action:	Will reforecast participations taking into account the impact of Covid19 and implementation of the traffic light system.

Community LOS Exceptions, January 2022

Civil Defence Emergency Management

Measure:	LTP21: 2.5.1.1 Christchurch CDEM plans covering local response arrangements are in place
Target:	CDEM Plans are reviewed annually
Actual:	Reviews scheduled for February - April 2022
Comments:	Initial reviews indicate that a number of plans need attention. The Manager CDEM will contract the resources needed to achieve this
Remedial Action:	Plan and secure resources to update at least three CEDM plans

Citizens And Customer Services

Measure:	LTP21: 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 120 seconds
Actual:	Year-to-date:133 seconds Full year forecast to June 2022 - 127 seconds
Comments:	Some higher wait times were observed intermittently throughout the month, with higher call volumes, increased interaction times and recruitment to appropriate staffing levels ongoing challenges. Calls answered in less then 2 minutes = 66.5% (15817 calls) Calls answered in 2 - 5 minutes = 18.4% (4373) Calls answered above 5 minutes = 15.1% (3593) 698 Post call survey feedback from customers achieved a 96.4% satisfaction rating.
Remedial Action:	Recruitment underway. Courtesy call back available Agency staff engaged while recruitment is completed.

GOA Parks, Heritage and Coastal Environment

Parks and Foreshore

Measure:	LTP21: 6.0.3 Overall customer satisfaction with the presentation of the City's Community Parks
Target:	Community Parks presentation: resident satisfaction >=60 %
Actual:	Score from Previous year was 57%, measure point of contact resident satisfaction survey (currently underway)
Remedial Action:	Covid and a very wet, protracted growth season has added difficulty to spring/summer maintenance. Increased monitoring and management of main maintenance contract along with additional resources have been put into the ongoing maintenance regime to assure LOS

Measure:	LTP21: 6.8.5 Satisfaction with the overall availability of recreation facilities within the city's parks and foreshore network.
Target:	Resident satisfaction with the availability of recreation facilities across the parks and foreshore network: >= 70%.

Actual:	Results not yet received, typically reported on in April
Comments:	Results not yet received, typically reported on in April
Remedial Action:	Results not yet received, typically reported on in April

GOA Regulatory and Compliance

Resource Consenting

Measure:	LTP21: 9.2.1 % of non-notified resource management applications processed within statutory timeframes.
Target:	99% within statutory timeframes.
Actual:	70% of non-notified applications were processed within the statutory timeframe for February. Year-to-date 82% have been processed within the statutory timeframe.
Comments:	We continue to outsource as many applications as we can to consultants. Recruiting is also continuing. Exploring and implementing efficiencies is continuing.
Remedial Action:	We are proposing to continue with current initiatives. It is likely that timeframes won't improve until next financial year, simply because of the high application numbers and backlog.

Measure:	LTP21: 9.2.18 % of notified resource management applications processed within statutory timeframes.
Target:	99% within statutory timeframes.
Actual:	67% of non-notified applications were processed within the statutory timeframe for February. Year-to-date 87% have been processed within the statutory timeframe. (Note: notified applications are small in number with 15 for the year and 2 going over the statutory timeframe)
Comments:	We continue to outsource as many applications as we can to consultants. Recruiting is also continuing. Exploring and implementing efficiencies is continuing.
Remedial Action:	We are proposing to continue with current initiatives. It is likely that timeframes won't improve until next financial year, simply because of the high application numbers and backlog.

Building Regulation

Measure:	LTP21: 9.1.1 Grant Building Consents within 20 days working days
Target:	The minimum is to issue 95% of building consents within 19 working days from the date of acceptance
Actual:	February Actuals 38.9% of consents have been issued within 19 working days for the month of February Year-to-date 37.0% of consents have been issued within 19 working days (financial YTD).

Community LOS Exceptions, January 2022

	Comments:	There is an ongoing workload issue which is putting a lot of pressure on resources, however we are beginning to see an improvement.
	Remedial Action:	Recruiting new BCO's is continuing with four new staff recruited during the period due to commence in March (although 2 experienced BCO's departed during Jan/Feb. Further capacity request are being made to various other BCA's and appropriate contractors.

Regulatory Compliance and Licensing

	Measure:	LTP21: 9.0.8 The community is not subjected to inappropriate noise levels
●	Target:	90% of complaints in relation to excessive noise are responded to within one hour.
	Actual:	Of the 1357 calls that have been made about excessive noise, 1187 were responded to within one hour for the month. KPI for the month was 84.1%.
	Comments:	The YTD result is currently 85.4% which is 4.6% below the 90% target
	Remedial Action:	Continue work with the afterhours contractor to Provide feedback on a weekly basis against KPI performance and identify shortfall areas regarding either time of day or particular area of city. Provide instruction on how priority complaints to be dealt with, report on performance during the month and identify areas of non-performance, train and warrant all officers made available by the contractor.

GOA Water Supply

Water Supply

	Measure:	LTP21: 12.0.7 Average consumption of drinking water in litres per resident per day
⊗	Target:	<= 220
	Actual:	YTD =285 February Actual = 285 January Actual= 349 December Actual = 298 November Actual = 319 October Actual = 274 September Actual = 261 August Actual = 241 July Actual = 247
	Comments:	February saw a lower than average water consumption than 5 year average due to high rainfall. Leakage rates continue to track at 23%. Metrics are calculated in the network operations KPI report 2022. Leakage rates are calculated in a separate network operations KPI report 2022.
	Remedial Action:	Continue capital renewals as per approved Asset Management Plans, to manage network leakage rates. Newsline article: Christchurch households that regularly use large amounts of water will begin paying an extra charge from July next year to cover the cost of supplying it.

Measure:	LTP21: 12.0.6 Percentage of real water loss from Council's water supply reticulated network
Target:	<= 24%
Actual:	24.7%
Comments:	As at EO January 2022, there are 13,557,853 m3 water lost to leakage, based on a 5-yr rolling data. Total annual pump station flow ending January 2022 is 54,821,233 m3 extracted from WaterOutlook report. This comes to a percent leakage of 24.8%
Remedial Action:	The leakage rate is based on a 5-year rolling data. There is a reactive repair programme via third party provider that fixes identified leaks. To significantly reduce the leakage rate, a proactive leak repair programme must be done. This can be accomplished by installing meters in each of the 200 zones so that there is accurate measurement of water supply and consumption, and zones with the highest leakage rate can be prioritised for repairs. There is currently a test zone for this set up.

Measure:	LTP21: 12.0.2.9 Proportion of residents (with supplies of > 100 customers) supplied water compliant with the DWSNZ bacterial compliance criteria
Target:	100%
Actual:	
Comments:	Drinking Water Assessor stated on its Quarterly Compliance report: "Section 4 “Criteria 6A (DWSNZ S4.3.1(2)), “non-compliances relating to maximum intervals exceeded” for the following zone, “Northwest (CHR001NO). This relates to missed samples occurring on the 19th September 2021. A decision has been made to issue a ‘non-compliance’ however given the DWSNZ compliance period is ‘One year’ (DWSNZ 4.3 page 31) this effect on the whole year is unable to be officially qualified at this point in time."
Remedial Action:	Final compliance statement will need to be assessed once the financial year is finished.

Measure:	LTP21: 12.0.1.13 Proportion of residents satisfied with reliability of water supplies.
Target:	>= 75%
Actual:	Waiting on year end results
Remedial Action:	Resident’s survey results from last year 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 (Drinking Water Assessor).

Community LOS Exceptions, January 2022

Measure:	LTP21: 12.0.1.14 The proportion of residents satisfied with Council responsiveness to water supply problems
Target:	>= 55%
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 last year 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. There is general dissatisfaction across Christchurch regarding water supply.

Measure:	LTP21: 12.0.2.19 Proportion of residents satisfied with quality of Council water supplies
Target:	>= 50%
Remedial Action:	Residents survey results from last year 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 (Drinking Water Assessor).

Measure:	LTP21: 12.0.2.2 Proportion of High Hazard commercial connections with compliant backflow prevention device tested within the last year
Target:	>=100%
Actual:	95%* of High Hazard commercial connections with compliant backflow prevention device tested within the last year*
Comments:	This level of service relates to all high hazard backflow prevention devices throughout the water supply network, Council owned and private. Private devices are required to be tested under the New Zealand Building Code through a building warrant of fitness process and provide a high level of confidence that these are tested (we are not currently able to identify if the device is high or medium hazard in Pathways at the moment) as it’s a legislative requirement. Council devices that have been installed and managed by Council are programmed to be tested on a yearly basis. * is to advise this is not an actual but a plan, actual figures will be available once the backflow project is completed in early 2022.
Remedial Action:	Continue with backflow project that includes reporting, integration and a register to improve reporting figures and confidence.

Community LOS Exceptions, January 2022

	Measure:	LTP21: 12.0.2.20 Proportion of Medium Hazard commercial connections >38mm diameter with compliant backflow prevention device tested within the last year
●	Target:	>=95%
	Actual:	Comments per January 2022; 95% of Medium Hazard commercial connections >38mm diameter with compliant backflow prevention device tested within the last year (Note, this is not an actual but a plan, actual figures will be available once the backflow project is completed in early 2022.)
	Comments:	Comments per January 2022; This level of service relates to all medium hazard backflow prevention devices throughout the water supply network, Council owned and private. Private devices are required to be tested under the New Zealand Building Code through a building warrant of fitness process and provide a high level of confidence that these are tested (we are not currently able to identify if the device is high or medium hazard in Pathways at the moment) as it's a legislative requirement. Council devices that have been installed and managed by Council are programmed to be tested on a yearly basis.
	Remedial Action:	Comments per January 2022; Continue with backflow project that includes reporting, integration and a register to improve reporting figures and confidence.

GOA Wastewater Collection, Treatment and Disposal

Wastewater Collection, Treatment and Disposal

	Measure:	LTP21: 11.0.1.16 Proportion of residents satisfied with the reliability and responsiveness of wastewater services
●	Target:	>= 67%
	Actual:	Comments per January 2022; Waiting on year end results.
	Remedial Action:	Comments per January 2022; 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.

GOA Solid Waste and Resource Recovery

Solid Waste and Resource Recovery

	Measure:	LTP21: 8.0.1 Recyclable materials collected by Council services and received for processing at the Materials Recovery Facility (MRF)
●	Target:	80kg (+40%/-10%) recyclable materials / person / year collected and received by Council services
	Actual:	78.64 kg per person
	Comments:	Post COVID lockdown in April 2020 40% of all truckloads of recycling were being sent to landfill due to containing contamination over 10%. By February 2022 this has been reduced to 11 % being sent to landfill.
	Remedial Action:	Council are continuing to address the excessive contamination issue with ongoing education, bin auditing and bin removals

	Measure:	LTP21: 8.0.3 Customer satisfaction with kerbside collection service
●	Target:	At least 80% customers satisfied with Council's kerbside collection service for each year
	Actual:	continue to work closely with contractor to improve this

Community LOS Exceptions, January 2022

GOA Transport

Transport

Measure:	LTP21: 10.5.41 Increase access within 15 minutes to key destination types by walking
Target:	>=53% of residential land holdings with a 15-minute walking access
Actual:	43%

Comments:

No change since September 2021 due to reporting cycle (once a year).

Actual shows a 9% decline from last financial year result and is 10% less than the 53% target of this FY.

9% decline from last year is distributed as below:
5.5 %: Process refinement, where walking speed input is changed from 5km/hr to 4km/hr, resulting in a reduction in walkable catchment size. This refinement makes the speed assumptions more demographically inclusive and aligned to those used for the Spatial Plan.

Note: A request for a 5.5% target reduction will be included in proposals from staff for the Draft Annual Plan 2022-2023. This is to allow the target to be refined and adjusted to account for the change in walking speed in calculation method which has changed from 5km/hr to 4km/hr in order to reflect a broader demographic which the goal intends to benefit.

3 %: Actual changes to the network with residential growth in inaccessible settings (i.e new subdivisions)

0.5 % : Closure of a key destination (Redcliffs supermarket closure).

When 5.5% decline attributed to method change is taken out of consideration, the remaining 3.5% decline (i.e 48.5% against 53% target) suggests that we are unlikely to meet the target as we are unlikely to influence key services (food, health, employment, education) to open in the unconnected residential areas within the financial year.

Remedial Action:

Within its direct area of influence:

- Staff continue to contribute to the Christchurch Spatial Plan (The Ōtautahi Plan). Strategic policy, planning and delivery staff support and work towards greater integration between land use and transport which is required to increase walkability access to key destinations.

- Staff continue to provide regulatory advice to private developments to ensure effective walking connectivity is provided for proposed commercial and residential developments.

Within its indirect areas of influence, Transport Unit can:
Initiate focused communications and education. Whilst unlikely to change the results for the FY, it can improve public awareness in the medium and long term. For example the mapping used in calculating the walkable catchments can be made public to assist the public in their decision making for where they choose to live. This would need to be prioritised amongst other education and advocacy programmes.

In early November 2021, Transport staff presented at Christchurch Conversations, on the topic of 15 minute neighbourhoods and shared the concepts and maps with the public. The maps have since been referred to by local politicians and urban design professionals.

Measure:	LTP21: 10.0.2 Increase the share of non-car modes in daily trips
Target:	>=17% of trips undertaken by non-car modes
Actual:	Last available data as per FY2018: 17% Unknown if the target will be met by end of year.
Comments:	Set in amber: 1. We do not have updated data and no indication for the timeframe for the survey by Waka Kotahi. 2. A method and target change for this goal is included in the proposals from staff for the Draft Annual Plan 2022-2023. 3. If the method and corresponding target change is adopted as part of the Annual Plan 2022-2023 process, then the performance for the financial year does NOT meet the target as it is 32.5% against a target of 35%. 2022-2023 Annual Plan staff proposal is to change the method of measurement and target FROM Ministry of Transport Household Travel Survey & >17% TO Annual Life in Christchurch Residents Survey & >35% . New target is proposed based on the trend alignment with the previously agreed LTP target (see Transport unit meeting agenda paper 20.9.2021). 2021 Christchurch Residents' Survey results are published. These show a decline in non-car modes. According to the survey, the non-car mode share is 32.5% against the proposed new target of 35%. The main decline is in Public Transport by 23% (1.3% decline in overall mode share) and in cycling by 10% (1.8% decline in overall mode share) since last year 2020 results. The decline is attributed to lower trips overall in the pandemic environment, particularly with the increased number of office workers having worked from home and a large decrease in public transport use due to concern regarding close proximity travel with strangers. Public Transport share is down across the board for all trip purposes. Cycling is the roughly the same for education and work purposes but considerably lower for other trip purposes. Walking is slightly higher for other trip purposes (excl. work and education) leading to slightly higher overall mode share.
Remedial Action:	New method and target are proposed as part of the Annual Plan process which, if approved, will ensure continuity of surveys and provide higher reliability on accessing the data. If the new method and target is adopted, remedial actions are required. The proposed target is not met according to the finalised Annual life in Christchurch survey results. Remedial actions to increase non-car mode share are - focus on public transport which has recently benefited from central government's CRAF funding to bring forward some of the broader PT Futures business case projects. - continued construction and completion of bus lane projects (such as Lincoln Road peak hour bus lanes project currently at hearing panel stage) - continued construction and completion of major cycle ways as well as local cycle way connections projects. - continued work on increasing the walkability level of service.

Community LOS Exceptions, January 2022

	Measure:	LTP21: 16.0.9 Improve resident satisfaction with footpath condition
●	Target:	>=40% resident satisfaction
	Remedial Action:	We are continuing with the footpath resurfacing programme and addressing customer service requests in a timely manner.

	Measure:	LTP21: 10.3.3 Maintain customer perception of the ease of use of Council on-street parking facilities
●	Target:	>=50% resident satisfaction
	Actual:	This goal is determined by the Council's annual residents' survey.
	Comments:	Council staff undertook a small survey of 100 parking meter uses and 85% found that the meters were easy to use.
	Remedial Action:	To consider the additional feedback provided in the survey.

	Measure:	LTP21: 10.3.7 Maintain customer perception of vehicle and personal security at Council off-street parking facilities
●	Target:	>=50% resident satisfaction
	Actual:	This goal is determined by the Council's annual residents' survey.
	Comments:	The 2021 goal was not achieved with a result of 50%, the target being 53%.
	Remedial Action:	Staff intend to undertake a targeted survey of off-street parking users to gather more specific feedback so consideration can be given to improve satisfaction levels.

	Measure:	LTP21: 16.0.10 Maintain the perception that Christchurch is a walking friendly city
●	Target:	>=85% resident satisfaction
	Actual:	Annual Residents' Survey Result 74% for FY21
	Comments:	FY21 Annual Residents' Survey 74%, FY20 was 83%. The target of 85% looked achievable.
	Remedial Action:	There is a programme of work in the LTP #60377 to improve walking at key priority locations identified in the Network Operating Framework. This work will identify the interventions to improve the experience for pedestrians. Initial delivery package planning underway with prioritisation of programme planned for early 2022. The footpath renewal programme LTP #164 has $12 million for years FY22 to FY25 recognising the fact that we are still catching up from the earthquakes' legacy.

GOA Strategic Planning and Policy

Public Information and Participation

Measure:	LTP21: 4.1.9 We provide advice and support in community engagement, and consultation planning and delivery, to teams across the organisation and to Elected Members

Target: Percentage of residents who feel they can participate in and contribute to Council decision-making. 41%

Actual: This is determined by the Annual Residents' Survey. Last year the result was 26 per cent.

Comments: The target is 41 per cent and last year's result was 26 per cent. This is an area of focus for the Unit. However last year's result was well below the target. We are looking at innovative was of engaging the public to try to meet this level of service.
Our next big consultation is the Annual Plan.

GOA Governance

Governance and Decision-making

Measure: LTP21: 4.1.29.2 Respond to requests for information held by Council in a manner that complies with the legislative processes and timelines set out in the LGOIMA

Target: Provision of information is in accordance with LGOIMA principles and requirements - 100%

Actual: The Council received 65 LGOIMA requests. Current YTD - 598 requests.

YTD the Council has met its obligations - 99% of the time (592 out of 598 requests)

Comments: 1 request was not responded to on time. Staff did not provide the information within the timeframe.

Remedial Action: Staff apologised to the requestor. Demand on staff time has been particularly high during this period.

8. Corporate Finance Report - Feburary 2022

Reference Te Tohutoro: 22/146528

Report of Te Pou Matua: Bruce Moher, Head of Finance, bruce.moher@ccc.govt.nz

General Manager Pouwhakarae: Leah Scales, Acting General Manager Resources/CFO, leah.scales@ccc.govt.nz

1. Brief Summary

1.1 The purpose of this report is for the Finance and Performance Committee to receive a brief update on financial performance to 28 February 2022, including the current full year forecast, and to receive information relating to the Council's treasury and debtors risks, and insurance notifications.

1.2 Financial results to date and forecast are positive.

1.3 All treasury risk positions are within policy limits.

1.4 There were decreases in rates and general debt during the month.

1.5 There were no material insurance issues for the month.

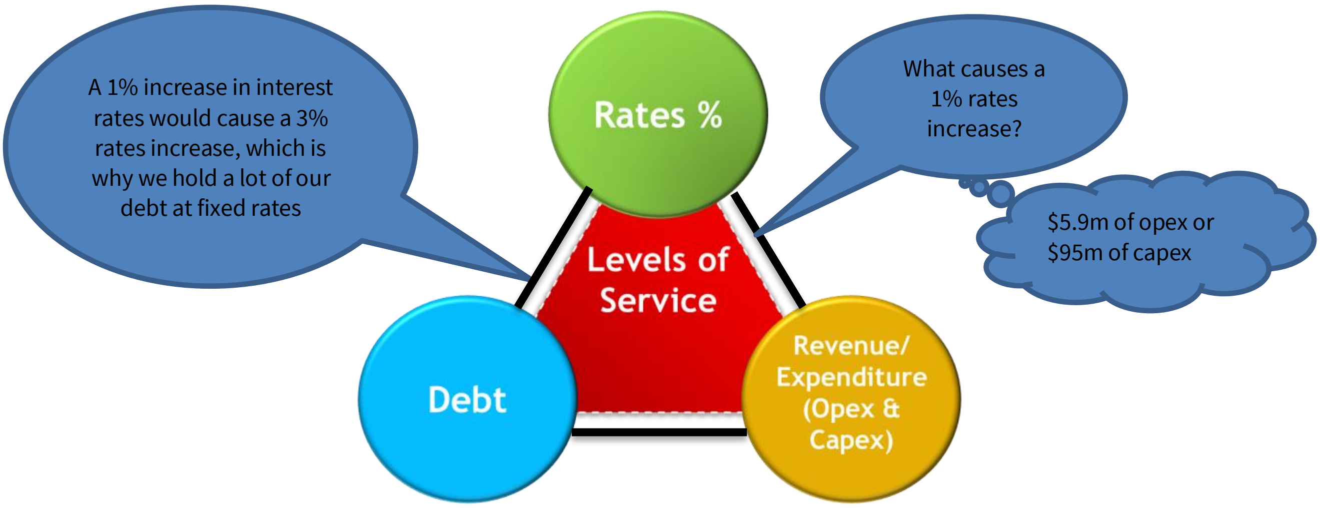
2. Officer Recommendations Ngā Tūtohu

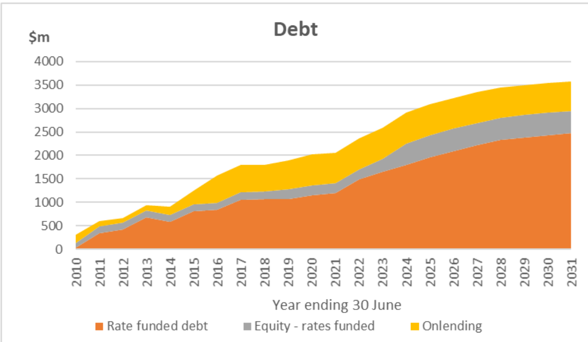
That the Finance and Performance Committee:

1. Receives the information in the Corporate Finance Report for February 2022.

3. Key Financial Statistics

	2020/21	Current Year	Draft 2022/23
Rating Units	175,617	177,350 (+1.0%)	178,830 (+0.8%)
Rating Base (CV)	$114.0b	$116.7b (+2.4%)	$117.6b (+0.8%)
Total Rates	$557.2m	$594.7m (+6.7%)	$634.1m (+6.6%)
Increase to existing payers	3.80%	4.97%	4.96%
Residential CV $400k	$2,312	$2,417 (+4.54%)	$2,531 (+4.74%)
CV $509k (avg)	$2,842	$2,975 (+4.68%)	$3,119 (+4.86%)
CV $1m	$5,239	$5,500 (+4.98%)	$5,780 (+5.10%)





Funding and Spending for 2021/22 ($m)

Expenditure		Revenue	
Capex	634	Rates	595
Opex	501	Capital revenues	152
- interest	85	Fees and charges	145
Debt repayment	54	Dividends	20
Reserves	2	Interest	18
	1,276		929
The balancing factor is borrowing			347

Historic and projected gross debt level

Scale of Business		$m
Fixed assets and Infrastructure		12,673
Investments		3,211
Cash and other		309
Total assets		16,193
Less Debt	15%	2,366
Less other liabilities	3%	517
= Equity	82%	13,310

4. Financial Performance Overview

4.1 Financial information reported to Council covers two key areas.

4.1.1 Operational (expenditure and revenue) covers the day to day spend on staffing, operations and maintenance, and revenues.

4.1.2 Capital covers the capital programme spend and funding relating to it.

4.1.3 Operational revenue exceeds expenditure as it includes rates revenue for capital renewals and debt repayment. This revenue is referred to below as 'Funds not available for Opex' and removed from the Operational result.

4.2 There is currently an $11.4 million (post COVID impact – ref. 4.4) surplus forecast for the year. This is a small deterioration of $0.3 million from that reported in December, driven by;

4.2.1 The forecast COVID impact has increased $1.9 million to $6.5 million, due to extending traffic light restrictions and additional security assumptions out until the end of the financial year (previously end of March),

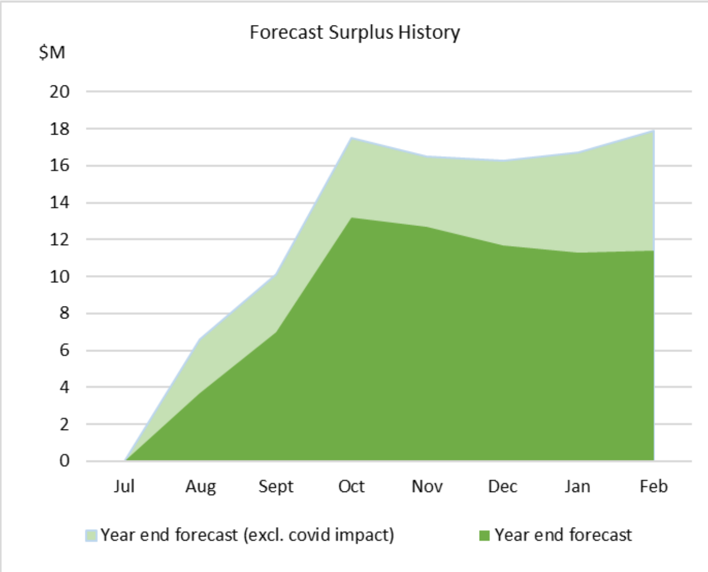
4.2.2 Le Bons Bay Landfill Remediation project forecast cost increase ($0.7 million), due to additional material found, and,

4.2.3 Emergency road repairs following the December rain event ($0.3 million).

4.2.4 Partially offsetting these impacts are higher than budgeted Transwaste dividends received in February ($1.4 million),

4.2.5 Further improvement in net interest costs ($0.5 million) and rates revenue ($0.3 million),

4.2.6 Building/Resource consenting ($0.3 million) due to higher volumes, and,



4.3 The above graph shows the change in forecast surplus over time and the impact Covid is having. The intention remains to utilise $7.25 million of the forecast surplus to avoid current year planned COVID borrowing.

$m	Year to Date Results			Forecast Year End Results			After Carry Forwards	
	Actual	Plan	Var	Forecast	Plan	Var	Carry Fwd	Var
Operational								
Revenues	(574.5)	(561.2)	13.3	(807.9)	(791.1)	16.8	-	16.8
Expenditure	397.5	408.2	10.7	619.7	619.6	(0.1)	4.8	(4.9)
Funds not available for Opex	127.4	127.7	0.3	172.0	171.5	(0.5)	-	(0.5)
Operating Surplus	**(49.6)**	**(25.3)**	**24.3**	**(16.2)**	**-**	**16.2**	**4.8**	**11.4**
Capital								
Core/External Funded Programme	201.0	265.8	64.8	423.9	488.9	65.0	65.0	-
Te Kaha/Parakiore	43.5	59.7	16.2	94.3	119.4	25.1	25.1	-
Less unidentified Carry Forwards	-	-	-	(31.1)	-	31.1	31.1	-
Capital Programme Expenditure	**244.5**	**325.5**	**81.0**	**487.1**	**608.3**	**121.2**	**121.2**	**-**
Revenues and Funding	(187.8)	(213.8)	(26.0)	(304.8)	(303.3)	1.5	(9.7)	11.2
Borrowing required	**56.7**	**111.7**	**55.0**	**182.3**	**305.0**	**122.7**	**111.5**	**11.2**

4.4 Covid-19 Restrictions Impact - based on restrictions experienced to date and the assumption that orange/red traffic light restrictions will continue until the end of the financial year, the following are the material expected forecast impacts:

Activity	Reason	($m)
Recreation & Sport	Lower revenues, additional security costs	2.7
Libraries	Lower fees/charges, facility hire, term rental relief, additional security	1.1
Parks	Term rental relief, lower shop sales	0.2
Art Gallery	Lower shop sales, donations & facility hire	0.2
Citizen & Customer Service	NZ post revenues decrease	0.1
Community Development	Community Facilities hire revenues	0.1
Transport	Parking/Enforcement Revenue decrease, term rental relief	1.9
Corporate/Internal services	Petrol Tax / masks / rapid tests / temp staff	0.2
Total		**6.5**

Favourable forecasts across other areas of the organisation cover the above impact.

The Omicron outbreak could affect the financials significantly should further restrictions be required, public behaviour changes, or closure of facilities is required due to staff shortages.

Operating Surplus	Full year forecast	**$11.4m** (after carry forwards)
	Budget	$0m

Key drivers: Recycling processing fee savings and prior year rebate ($6.4 million), higher Building/Resource Consent volumes ($4.2 million – net of resourcing costs), favourable net interest/dividend revenues ($3.9 million), higher rates revenue ($2.6 million), personnel savings ($2 million – excl. Consenting/capitalised IT), Burwood Landfill continued operations ($1.5 million), and insurance savings ($1.1 million).

Partially offset by COVID-19 restrictions impacts ($6.5 million), higher refuse disposal fees ($1.4 million), Procurement savings not likely to be achieved ($0.7 million), additional remediation costs for Le Bons Bay Landfill ($0.7 million), costs associated with the new Resource Management Act (Housing Bill) ($0.5 million).

Operating Revenue

Year to date **$574.5m** ⇧ Full year forecast **$807.9m** ⇧
Budget $561.2m Budget $791.1m

Key drivers: Higher Resource and Building consent revenues, Burwood Landfill, Recycling processing fee rebate, increased dividends, interest and rates revenues.

Operating Expenditure

Year to date **$397.5m** ⇩ Full year forecast **$624.5m** ⇧ (after carry forwards)
Budget $408.2m Budget $619.6m

Key drivers: YTD - recycling processing fee savings, timing of grants, water reform spend timing, Parks/Rec & Sport expenditure timing, and lower insurance costs.

Forecast after carry forwards is higher than budget due to additional costs required to service the high volumes of Resource/Building consents (offset by higher revenue), Burwood Landfill costs (offset by higher revenue), refuse disposal costs, higher debt servicing costs (offset by higher interest revenues), and additional Le Bons Bay Landfill remediation costs.

Capital Expenditure

Year to date **$244.5m** Forecast delivery **$487.1m** Budget **$608.3m**
Budget $325.5m Forecast carry forwards $121.2m 20% of gross budget

Comment: Project managers have identified $90.1 million relating to specific projects forecast to be carried forward. The forecast includes an additional $31.1 million of expected carry forwards yet to be specifically identified (forecast based on actuals to date and historical trend analysis). The Draft 2022/23 Annual Plan includes an assumed total $50 million carryforward. This will be revisited for the Final.

Category	Forecast ($m)	Budget ($m)	Under Delivery ($m)
Core Programme	365.7	415.5	49.8
External Funded Programme	58.2	73.4	15.2
Unidentified carry forwards	(31.1)	-	31.1
Subtotal Council delivered	**392.8**	**488.9**	**96.1**
Te Kaha/Parakiore	94.3	119.4	25.1
Finance forecast projection	**487.1**	**608.3**	**121.2**

Capital Revenues and Funding

Year to date **$187.8m** Full year forecast **$314.5m** ⇧ (after carry forwards)
Budget $213.8m Budget $303.3m

Comment: YTD – slower Crown revenues for contributions towards Te Kaha, Shovel Ready, and Water Reform projects due to slower project spends.

Forecast – largely due to additional utilisation of development contributions due to higher contributions received ($6.4 million), higher water connection fees ($1.8 million), and NZTA subsidies ($1.4 million).

5. Treasury

Borrowing, Advances to Related Parties, and Bank Deposits

5.1 Council's borrowing and treasury-related Advances are shown below:

	Current	*YTD Change*
Gross Borrowing	2,159,115,000	*118,750,000*
Advances to Related Parties	686,981,062	*12,987,250*
Rates-Funded Borrowing	**1,472,133,938**	***105,762,750***

5.2 There has been no change since the Dec-21 quarter-end Report.

5.3 Rates-funded borrowing is expected to remain unchanged this financial year – net outflows from operations and capital investment will be funded by existing cash holdings.

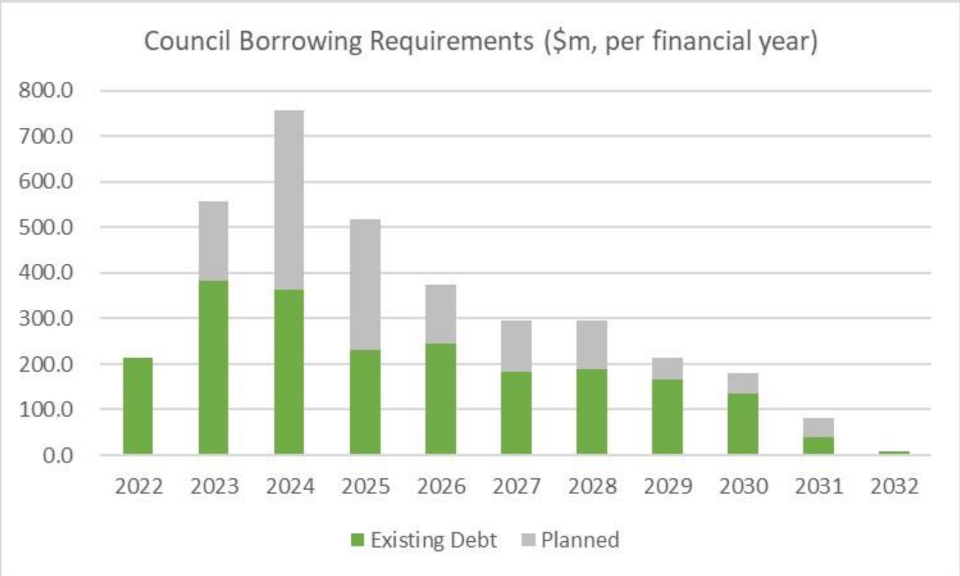
Policy Compliance

5.1 All Treasury risks are within Policy limits:

Risk Area	Compliance
Liquidity Risk	Yes
Funding Risk	Yes
Interest Rate Risk	Yes
Counterparty Credit Risk	Yes

Funding & Interest Rates

5.2 Council's projected **funding** needs per financial year are shown in the chart below, split between the maturity of existing gross borrowing (green) and expected new borrowing requirements (grey). There is a significant concentration risk in the 2024 year, which is subject to on-going management.



5.3 Council's **interest rate risk** is managed, to reduce the volatility of interest costs from year to year. Most existing debt has been fixed for at least the next three years, which will limit the impact of recent market interest rate increases on Council's future borrowing costs. The table below will be reviewed again prior to the final Annual Plan, but significant changes are not expected.

Estimated average cost of funding, by financial year			
	FY22	**FY23**	**FY24**
Rates-Funded Debt	4.4%	4.3%	4.1%

6. Rates and General Debt

6.1 Rates debt decreased $1.9 million this month and Non-rates debt decreased $10.1 million as shown in the table below.

$m	December	Current	Change	Comment
Rates Debt	24.2	22.3	(1.9)	Per below
Overdue rates for current year	18.7	19.2	0.5	Instalment 3 for one area became due during February
Arrears from previous years	5.5	3.1	(2.4)	Mortgagees paying formal demands
General Debt	19.0	8.9	(10.1)	$11.2m Crown contribution for Te Kaha paid in January
(less than 30 days)	17.5	7.8	(9.7)	As above
(between 30 – 90 days)	1.1	0.6	(0.5)	-
(greater than 90 days)	0.4	0.5	0.1	-

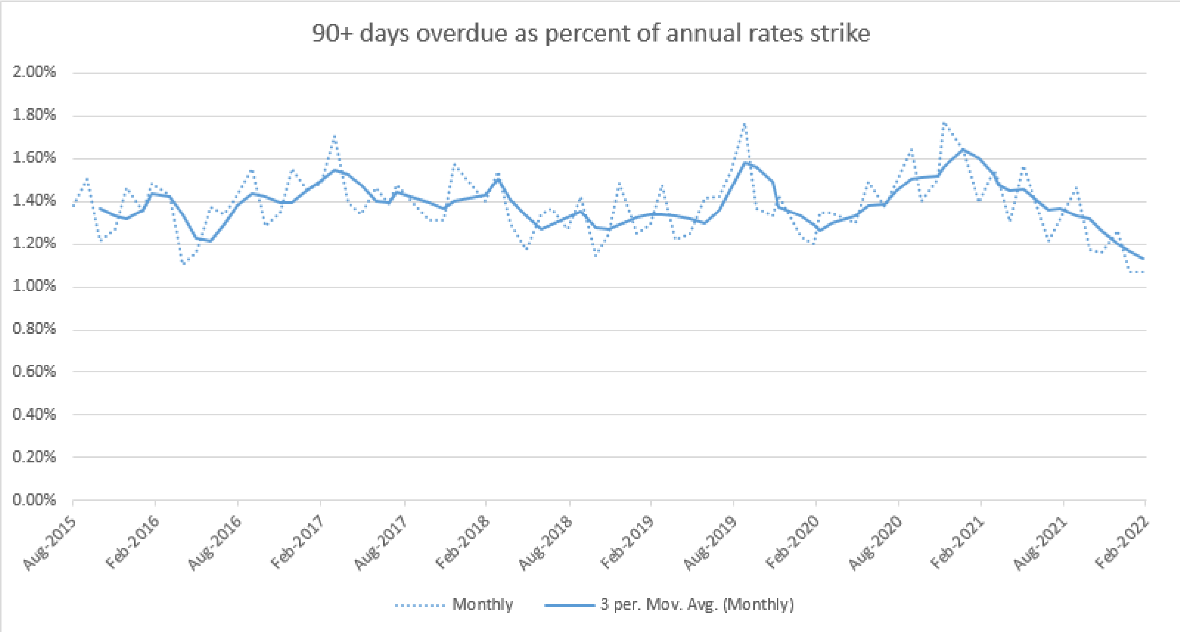
6.2 As rates instalments are invoiced quarterly, rates debt that is 90+ days old is at least one instalment in arrears. Looking at rates debt in the 90+ day category is useful because it prevents the debt trends from being obscured by the short-term volatility of properties that miss one payment but catch it up with the next instalment.

Christchurch is split into three areas for rates instalments. To spread the load of enquiries and counter payments, the due dates for the areas are off-set by two weeks. For each quarterly instalment, the three due dates are the 15th and the end of the second month and the 15th of the third month. This tends to translate into a three month cycle for rates arrears: generally lower in the first two months of the quarter and higher in the third month.

As the quantum of rates tends to increase over the years, to see any trend in rates debt, it is useful to look at rates debt as a proportion of the annual rates strike.

The graph below shows the 90+ days old rates debt each month as a percentage of the annual rates strike that year, with a three month moving average to smooth the quarterly cycle.

Over the past six years, the 90+ days rates debt has remained relatively stable, fluctuating around 1.4% (±0.2%) of the annual rates strike. There was an extended rise in late 2020, due at least in part to payment extensions for instalments where the ratepayer was experiencing financial hardship due to the COVID-19 pandemic. This has trended back down during 2021 and 2022 to a current lowest point, giving comfort that rate arrears are currently well in hand.



7. Insurance Claims

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 during January and February 2022.

	Policy	Claims / Notifications		Estimated Cost
		Above excess	Below excess	
Claims by Council	Motor Vehicle	0	1	$TBC
	Material damage	0	0	$0
Claims against Council	PI / PL	0	0	$0

7.1 CWTP fire claim - damage assessments of the trickling filters and reconfiguration of the treatment plant process continued during this period. Once this work is completed the quantum of the claim will become clearer. Updates on this claim will be reported to the Insurance Subcommittee, in accordance with the updated Terms of Reference for this Subcommittee.

Attachments Ngā Tāpirihanga

There are no attachments for this report.

Additional background information may be noted in the below table:

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	Ryan McLachlan - Reporting Accountant Andrew Jefferies - Manager Rates Revenue Steve Ballard - Group Treasurer Brett Hales - Manager Transactions Adrian Seagar - Senior Insurance Specialist Martin Zelas - Team Leader Rates
Approved By	Bruce Moher - Acting Head of Finance Leah Scales - Acting General Manager Resources/Chief Financial Officer

9. Capital Project Performance Report - February 2022

Reference / Te Tohutoro: 22/95426

Report of / Te Pou Matua: Richard Wesley, Head of Programme Management Office, richard.wesley@ccc.govt.nz

General Manager / Pouwhakarae: Lynn McClelland, Assistant Chief Executive Strategic Policy and Performance, lynn.mcclelland@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 28 February 2022 and the outlook for coming months.

1.2 At the end of February the forecast for capital delivery has dropped from the 90% figure reported at the end of December, and now sits at 86% for the whole capital programme. While the core programme continues to forecast a year end result of 89%, the effects of the current wave of Covid effects sweeping the country will significantly affect this forecast position.

	CCC Core	External Funded	CMUA / Parakiore	TOTAL
Budget:	$415.4m	$73.4m	$119.4m	**$608.2m**
Forecast to 30 June 2022:	$371.0m	$58.2m	$94.3m	**$523.5m**
Spend to date:	$164.8m	$27.4m	$40.9m	**$233.1m**
FY22 Forecast Delivery (as of Feb 2022)	**89%**	**79%**	**79%**	**86%**

1.3 As flagged for 6-8 months we are experiencing Covid impacts across Council and contractors, and this will continue to impact our capital programme for some months. We reported in September 2021 that we expected the overall impact to last around 24 months.

1.4 The impacts are variable across programmes and contractors. The situation is dynamic and quite volatile with a large number of unknowns. It is becoming clear that we will not be delivering capex to target and we will not be able to make this up in the short term. This is frustrating but a reality we are addressing systematically. We are undertaking reviews with service delivery managers and will continue to update councillors with the best and most up-to-date information.

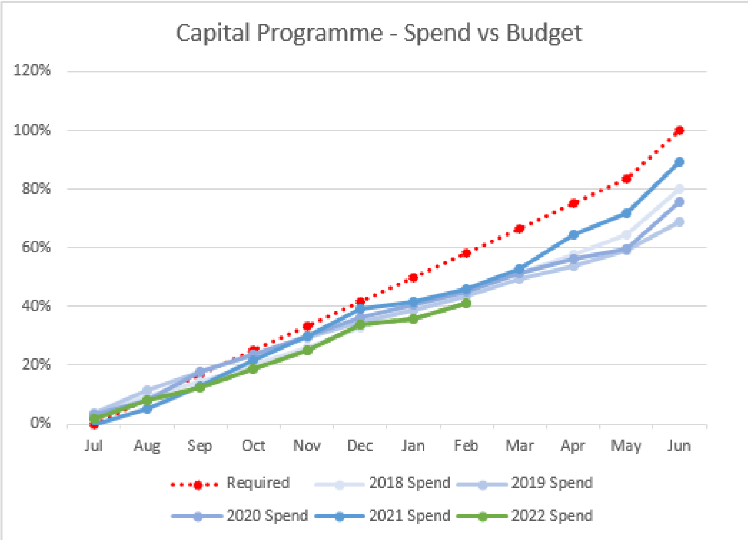
1.5 The effects of Covid will be seen with current work underway being delayed due to staff being required to self-isolate. International procurement of materials has been an identified issue and is not expected to resolve in the short term. In addition to the actual impact of Covid, the opening up of borders may also impact the flow of staffing for Council and contractors.

1.6 The situation in Ukraine and higher oil prices also contribute to higher material costs for items such as bitumen for road re sealing works. These new effects are compounding the current Covid issues.

1.7 We are supporting our staff to manage through the current Covid outbreak and self-isolating requirements. We are working closely with contractors to understand and mitigate impacts;

identifying short and medium term impacts; prioritising maintenance to keep the city running; while identifying and planning our recovery pathway.

1.8 The spend to date graph below shows the percentage capital spend per month in comparison to previous years. It is clear that a strong finish to the year as per the original planned expenditure profile was required to meet targets. The ability to achieve the forecast delivery expected is now not possible. However, we will continue to apply effort and practical solutions wherever possible to achieve the best possible result and will provide revised forecasts to Council reflecting the best information at the time available.



1.9 For further details on the remaining capital programme see the deliverability commentary in the attached Capital Project Performance Report.

1.10 Work has also been progressing this month in the Programme Management Office (PMO) to streamline and simplify the capital reporting provided to the committee so as to ensure that the key messages are clearly communicated and not duplicated. The reports currently provided on a monthly basis to the committee have grown significantly over the last two years in detail and complexity, and a review is timely in ensuring the best possible use of time and resources. We would hope to build improvements into reporting starting at the next meeting in April.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Capital Project Performance Report, Three Waters Delivery Enhancements, Watchlist Report, External Funded Report, Major Cycleways Report and the Project Delivery Complete FY22, to 28 February 2022.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	2022-02-28 Capital Project Performance Report - February 2022	50
B	2022-02 Three Waters - Delivery Enhancements - February 2022 ELT	75
C	2022-02 Capex Watchlist Report - February 2022	78
D	2022-02 External Funded Report - February 2022	80
E	2022-02 Major Cycleways Report - February 2022	86
F	2022-02 Project Delivery Completes - FY22 COW	88

Additional background information may be noted in the below table:

Document Name	Location / File Link
Nil	Nil

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(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	Richard Wesley - Head of Programme Management Office
Approved By	Mary Richardson - General Manager Citizens & Community Jane Davis - General Manager Infrastructure, Planning & Regulatory Services Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

Christchurch City Council

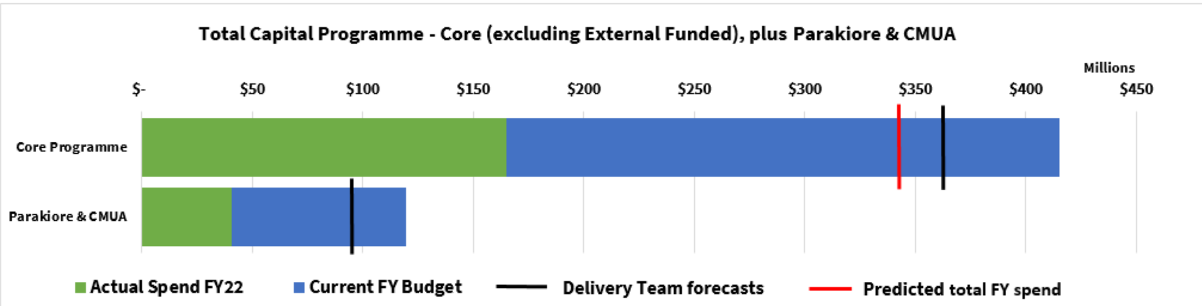
Finance and Performance Committee of the Whole

Capital Performance Overview - status as of end February 2022

Financial Year 2022 Position

Number of Inflight Projects: **966**

	CCC Core	External Funded	CMUA / Parakiore	TOTAL
Budget:	$415.4m	$73.4m	$119.4m	**$608.2m**
Forecast to 30 June 2022:	$371.0m	$58.2m	$94.3m	**$523.5m**
Spend to date:	$164.8m	$27.4m	$40.9m	**$233.1m**
FY22 Forecast Delivery (as of Feb 2022)	**89%**	**79%**	**79%**	**86%**



Deliverability against Current FY22 Forecast

Commentary on deliverability to current financial year forecast against the Council Core and External Funded Programme (excludes CMUA and Parakiore) is noted in the following table by delivery unit.

Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
Transport and Waste Management	$147.2m	$137.2m	40%	There is expected to be a jump in output in the second half of the year compared to the first half, driven by ongoing Surfacing Renewals; plus a number of larger projects which are just starting such as: South Express & Rapanui-Shag Rock MCRs; and Coastal Pathway; and future works expected to start this FY such as Lincoln Road & Dyers Pass.

Christchurch City Council

Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				However, this jump up in output is now expected to be smaller than previously forecast. Project forecasts continue to be reviewed, which has driven the large reduction in Financial Year Forecast in the month. Around a third of the Financial Year forecast reduction comes from two Northern Line MCR projects, where the improved communication with Kiwirail is giving us a more realistic view of the likely project timeframes. Kiwirail and CCC managers are now meeting monthly to manage the risks against project slippage and cost increases. Supply Chain risks are also being managed at a programme level, for example, by trying to involve contractors early in planning renewals works so they can guarantee bitumen supply. Budgets in this Financial Year are proactively being managed: where projects are not in a position to spend this year substitutions are being sought. This is evidenced by the large number of Change Requests and projects being Initiated, including the CRAF projects, CMUA Support and Street Renewals. However, these actions are unlikely to make a significant impact on FY22, and the substitutions are now more likely to impact on early FY23 forecasts. For projects in Construction the forecast remains above the budget for the year, due to: - **Early delivery of projects -** notably High Street, Lower Styx/Marshland, and sections of Halswell Junction Road. - **External Dependencies** - Developers are building at a much greater rate than previously expected, resulting in related growth projects being brought forward in response. - **External Funded requirements** - Delivery of MCRs in line with External Funder requirements: tender award for most of the biggest spending Shovel Ready MCR projects is complete and a number are just starting on site. - **Current Asset Condition -** - Forecast additional spend against Structures-related Delivery Packages due to current asset condition. **The biggest risks to delivery of this in FY22 are:** - **Kiwirail interface:** A number of our larger spend projects – most notably parts of Halswell Junction Road & parts of the MCR programme – are at risk due to issues resulting from Kiwirail resource problems. Regular meetings are ongoing to

Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				understand and mitigate this risk, but this is likely to impact FY23 spend too. - **COVID shutdown impact:** Changes to levels and/or outbreaks will affect access to resources. Isolation requirements have already caused delays to some projects. - **Supply Chain issues:** exposure to imported goods such as bitumen and LED lights could impact overall spend and/or scope, and cost inflation is preventing projects from progressing to tender as expected. - **Risks against Reseals programme:** about 20% of the programme has only recently been confirmed, so clash risks are not fully investigated and contractors have not yet fully programmed the works. Level of risk has dropped in the month Spend relies on key projects with remaining spend of forecast as follows: - **Carriageway Reseals – Chipseal and Carriageway Smoothing ($13.9m)** – 80% of the FY22 scope is locked down and is underway. The remaining 20% is now agreed, and with Maintenance Contractors - **Major Cycleway – Rapanui Shag Rock ($4.7m)** – Project is on track, with the final works tender closed and submissions being assessed ahead of starting on site in February. - **Northern Arterial Extension including Cranford Street ($3.9m)** – Forecast is based on Alliancing agreement led by NZTA. Final surfacing still to be completed and has been delayed by Supply Chain issues. - **Coastal Pathway & Moncks Bay ($2.4m)** – Contract awarded and work has started on site. - **Road Pavement Renewals ($2.2m) –** Work is extremely weather dependant. Forecast to be re-evaluated in March as autumn progresses. COVID isolation of team members to be considered. - **Road Lighting Renewals ($2.0m) -** Issues with supply has delayed progress in February, however project on track to spend FY22 forecast. - **Halswell Junction Road Extension ($2.0m)** – Current stages underway. Final stage relies on integration with Kiwirail infrastructure and we are working to progress as soon as practicable. Additional funding will be required before this can be tendered.

Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				The teams are working to drawdown from programmes, initiate projects, and substitute projects that are slipping to ensure that a steady flow of work is available.
Three Waters	$183.3m	$165.5m	44%	In FY21, Three Waters spent $153m (88.6% of their Core and External Funded budgets, 92.3% of their Core Programme budget). The following commentary relates primarily to deliverability of FY22 capital programme – current activities underway to increase delivery for future LTP years, including the proposed Annual Plan budget of $190m are detailed on a separate attachment to this report, including their current status. As per previously reported, the full FY22 budget of $183.3m for Three Waters activities will not be delivered given the current environment and resourcing constraints. However, the gap has been closed and we are currently forecasting a spend of $165.5m, 90.3% and working hard to increase our resource and effectiveness. Looking ahead to the remainder of the 10 year long term plan (LTP) following the proposed Annual Plan changes, we have a number of increases that will need to be appropriately resourced to ensure deliverability. Work in progress as follows to increase delivery for future LTP years: **Resourcing** - Three Waters have reviewed resource to meet the demands of an increased programme in FY22 and future LTP years. - Filling existing vacancies in critical planning teams is challenging due to the current buoyant labour market. - In addition to filling existing vacancies, approvals for new roles to support the current and future pipeline of work are been sought with Tranche#2 (14) requiring recruitment between March-June 2023 this year and the remainder (Tranches 3 and 4) phased over the 2022 and 2023 to meet the forward work programme that increases to $251m by FY2024/25 - Existing resources are spread thinly supporting improvement works, while also completing Asset Management Unit tasks and reactive requests from across the Council/unit. - There are increasing risks to Three Waters maintenance contract, accuracy of valuations and delivery of the Asset management improvement plan / maturity targets as a result of under

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Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				resourcing in the Three Waters Asset Management and the Asset Management Unit. **Project Pipeline** - Packaging up renewals to; provide economic benefits, reduce delays tendering for individual projects, provide certainty of work to consultants/contractors (also secures external resources). - Assessing projects in relation to design complexity and accelerating delivery of lower complexity projects. - Review of current delivery mechanisms to enable speed to market, and increased programme. - New HDM panel with a an eye to including improvements over existing panels that support delivery. - Planning to generate more candidates with project briefs completed so that when projects are delayed or we receive good tender rates we have projects ready to commence immediately. Project briefs for delivery in FY23 are tracking well toward the organisational target. **Current Risks to Delivery** - There is a risk in relation to the delivery of the full FY22 programme and an increased risk to FY23 and future delivery if there are delays in the approvals, recruitment and on-boarding of internal resources. - Bottlenecks in the Planning and Design phase (resource availability) - while we backfill planning roles we are continuing to employ external consultants to provide some cover. - Heightened risk that Covid-19 could impact labour and material supply chains. **An update on activities required to increase Three Waters delivery is provided as an attachment to this report.**
Vertical Capital Delivery	$71.7m	$43.5m	22%	Key projects forecasting significant remaining spend in FY22 are as follows: • **Hornby Library, Customer Services & South West Leisure Centre ($10.3m) –** Construction has commenced - there has been further delays since piling commenced while determining and then implementing a solution to the pile capacity issue – awaiting updated programme which will inform forecast. Once piling is complete, significant foundation risks will be

Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				eliminated. Risks relating to supply durations, Covid-19 unknowns and resource competition. • **Multicultural Recreation and Community Centre ($2.9m)** – In conformance with the agreement for the purchase of the Netball Centre, the first payment of $2.5M is due to be released imminently. • **Ōtākaro Avon River Corridor ($2.2m)** – The steel structures for both the Avondale and Medway bridges have been completed and lifted into place on site. Works on the platforms and entrance ramps are progressing. Piling works at Snell are well progressed. Dallington Landing is substantially complete and contractor is currently disestablishing. • **Performing Arts Precinct, including Site Decontamination ($2.4m) -** the Detailed Design is in its final stages. Decontamination and civil works started on site in November 2021 and is progressing well. • **Old Municipal Chambers ($1.3m)** – payment based project, phasing as per the agreement with Box 112 • **Naval Point Development Plan ($1.2m)** – Stage One works forecasting completion in April 2022, 100% of the current year forecast to be spent. • **Diamond Harbour Wharf Renewal ($0.6m)** – reflects current delivery schedule, supply chain risks around pontoon purchase from North island Supplier. Engineered deck grip procured early. Main contract in final negotiation now. $14.9m of current FY22 budget relates to Organics Processing Plant which is subject to Council decision on options in March 2022. This is forecasting a spend of $286k in FY22 presently.
Parks	$24.2m	$24.1m	40%	The Parks unit now includes the Parks Project Management team (historically part of Community Capital Delivery Team). Deliverability commentary now reflects the combined Parks unit. In FY21, Parks spent 69% of their core programme budget. To date, in FY22 Parks have spent 40% of budget. Additional effort and focus will continue to be required in FY22 to deliver the additional budget. Activities to improve delivery are as follows: • A revised approach to the Parks programme is continuing to be implemented to enable delivery to a larger capital budget in FY22 and beyond including reviewing the capacity and capability of the current teams.

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Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				• Dedicated resources have been assigned to scope projects, assess deliverability and define the delivery mechanism (through Community, Rangers, Parks project managers etc.). Priority is on completing this activity for FY22, with a wider focus on the next three years to enable a rolling programme of work in construction for future years. • Fortnightly meetings with sponsors to review progress on current year's programme including accuracy of forecast and commitments (purchase orders raised). The step up in forecast over Feb 22 – Mar 22 is being driven by five projects with remaining spend as follows, four of which are currently in construction • **Lancaster Park redevelopment ($1.5m)** – currently in construction and tracking well to programme and forecast • **Takapūneke Reserve Planned Renewals ($707k)** – construction well under way, forecast may need to be increased based on current work programme and available budget • **Chokebore Lodge ($600k)** - works are scheduled to complete by September 2022, delivery tracking to current forecast • **Lancaster Park War Memorial Gates ($497k)** – there are some supply chain and resource consent processing risk, but still scheduled to deliver this financial year • **Ōtākaro-Avon River Corridor Ecological Restoration (OARC) – ($385k) –** Scope for current year expected to be largely complete by end of FY22.
Digital	$23.0 M	$22.4 M	51%	Increased effort is required in FY22 to deliver an additional $8.5m from delivery in FY21. Current status as follows: • **Quarterly review** of progress was completed in February for FY22 at the Executive Governance meeting. An update on the Modern Workplace and SAP Improvement Programmes were provided as well as.an update on the progress of standing up the Digital Citizen Experience Programme • **Current portfolio level risks and issues** are in relation to resource availability and scheduling conflicts – recruitment is underway and contractor resourcing sought to mitigate impacts to the programme. Recruitment continues and at last assessment

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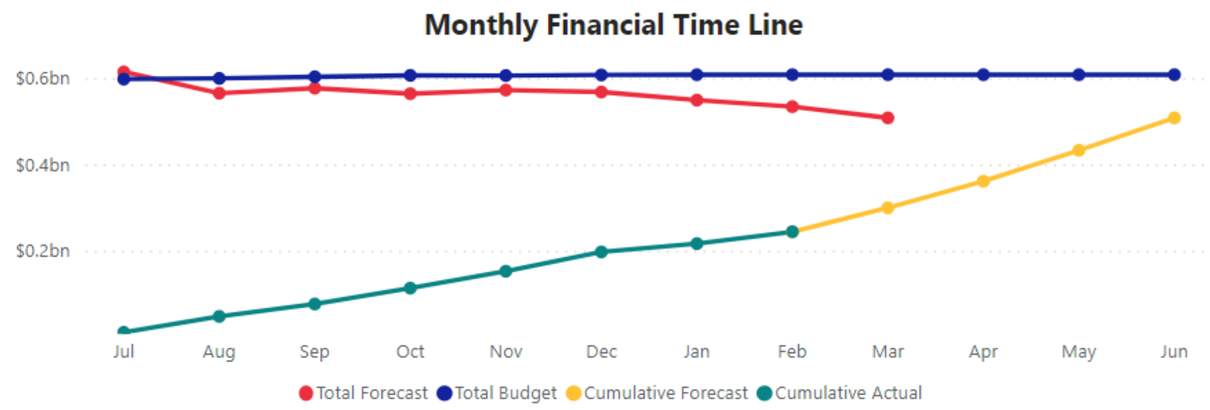
Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				vacancies had decreased. Contractors continue to be used to mitigate impacts to the Digital Portfolio. • **A Portfolio Delivery Risk Management Working Group** has been established to address management of dependencies, risks and issues across the Portfolio, this group meets monthly or as required to respond to the current risk/issue level. Areas of concern were identified around interdependencies between various projects and programmes relating to Identity Platform Service, it has been decided to set-up a special Risk Management Working Group to look closely at this developing situation to ensure any portfolio level risks and issues are managed and if there are conflicting priorities across the portfolio that decisions are escalated to the right level of governance. • **Pipeline** will need to be slowed while resource constraints are addressed. Additional initiatives will only proceed if delivery resource is not constrained or where necessary it is an organisational priority in which case portfolio priorities will be re-set and teams informed of a change in priorities, we are in the process of addressing items identified in this report. • **Risks** to delivering against current forecast due to continued constraints around resourcing and IT system environments to support current projects in-flight. Remaining spend (in brackets below) relies on the following key initiatives • **23 projects in early phases – Plan and Initiate ($8.6m)** - 13 of these projects are currently flagging resource related risks. • **Excess Water Use (IT Project) ($1.6m) -** reasonable certainty in delivering against current forecast, as detailed planning has now completed including cost and resources being confirmed. ELT have just approved the additional $3.5m budget to complete delivery. • **IT Equipment Infra & Device R&R ($922k)** - high certainty in delivering against current forecast. Renewals of computers, network equipment and mobile phones are planned. • **Data Network upgrade New Design Future Phases ($844k)** – high certainty in delivering against current forecast. Detailed planning (Elaboration) has just been completed. • **SAP Back Office Improvement Programme – Assets ($833k)** – high certainty in delivering against current forecast due to PM being assigned. Initial indications that original estimates against the project were low. • **Get off GEMS ($522k)** – high certainty to spend due to on boarding contractors to increase output. Note;

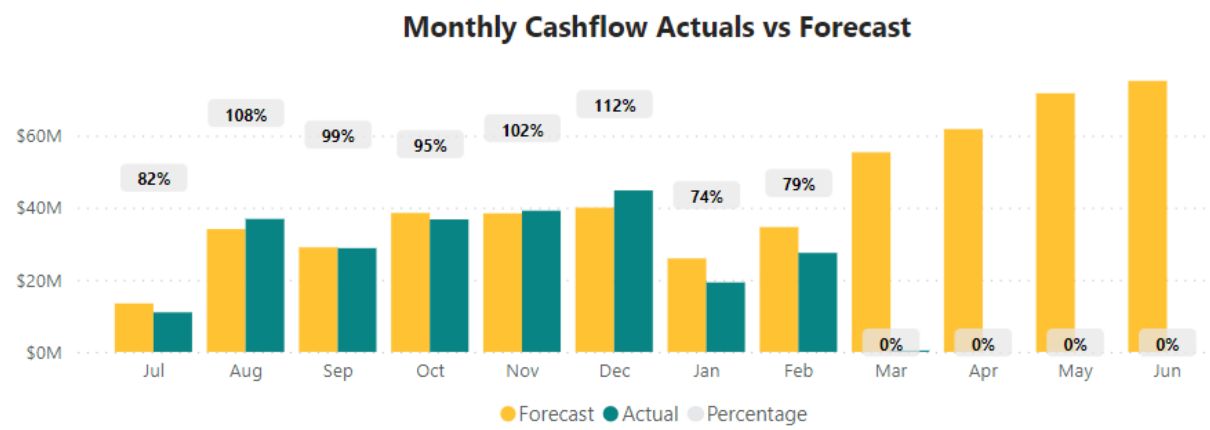
Delivery Unit	Budget (FY22)*	Forecast (FY22)	% Spend YTD (of budget)	Commentary
				contractors are on-board, and Council pay the Invoices the following month. • **Digital Citizen Experience Identity Platform Service ($480k)** – high certainty to spend due to project moving towards execution phase. Once planning is completed the budget, scope and timeline to complete delivery will be confirmed, and a project change request raised. Currently the project has available resources and a high priority due to other initiatives being dependent on its implementation.
Other	$22.7 M	$17.6 M	31%	Remaining spend relies on key initiatives: • Property Purchase – 213 Lichfield Street for the Christchurch Community House Te Whakaruruhau ki Ōtautahi Trust ($3.0m) – sale and purchase agreement signed. • Delivery Package - Housing Reactive Renewals ($1.9m) • Delivery Package – Community Centres Renewals & Replacements ($1.4m)
Totals	**$472.3 M**	**$410.4 M**	**40%**	

*$16.5m of budget FY22 relates to Art Gallery, Sports and Rec, Libraries and Information not included in this table.

FY22 Forecast by Month

Visibility of spend against forecast is provided in the following graph.





Monthly Forecast Commentary

Monthly forecasts that are significantly greater than previous performance are provided in the following tables – March, April and May 2022. This breakdown provides visibility of what makes up the high monthly forecasts.

Forecast spend per month is provided in the following tables by Delivery Unit.

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Month:	Mar
Forecast:	$61.5m +5m from last month
Last FY:	$39m

	Last Mar Actuals ($m)	
$8.4m (13.7%) Parakiore / CMUA		**Parakiore Recreation and Sports Centre: $4.6m** – based on contractor cash-flow **CMUA: $3.8m** – based on current cash-flow forecasts (includes CMUA Site Decontamination)
$19.9m (32.4%) Transport & Waste	$15.5m	**Projects forecasting >$1m** Carriageway Reseals – Chipseal and Smoothing - $4.5m Northern Arterial Extension including Cranford Street Upgrade - $3m **$7.9m** forecast for 57 projects currently in construction. Key spend relies on: • Road Pavement Renewals - $700k • Halswell Junction Road Extension - $500k • Marshs & Springs Intersection Improvements - $485k **Major Cycleways: $2m** • Rapanui - Shag Rock Route (Section 3) - $600k • Northern Line Route (Section 2a) - $375k • South Express Route (Section 3) - $350k 23 projects currently progressing through detailed design and procurement phases.
$18m (29.3%) 3 Waters	$9.6m	**Projects forecasting >$1m** SW Eastman Sutherland and Hoon Hay Wetlands - $1.1m 48 projects currently progressing through detailed design and procurement phases. **$11.6m** forecast for 90 projects currently in Construction. Key spend relies on the following: • WW Lyttelton Harbour Wastewater Scheme - $750k • SW Quaifes Rd Infrastructure Provision Agreement - $600k • WS Ben Rarere Pump Station Bexley Earthquake Replacement - $505k • SW Mairehau Drain Timber Lining Renewal (Westminister to Crosby) - $492k • SW Rossendale Infrastructure Provision Agreement (IPA) - $400k
$15m (24.4%) Other		**Projects forecasting >$1m** Hornby Library, Customer Services & South West Leisure Centre: $2m Performing Arts Precinct (Incl Decontamination) - $1m **IT: $2.5m** relies on key spend as follows; • Excess Water Use $261k • Infrastructure Device Replacements - $227k • Digital Citizen Experience Identity Platform Service - $193k Other key spend relies on: • Ōtākaro-Avon River Corridor (OARC) - $750k • Old Municipal Chambers - $439k

Attachment A Item 9

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Month:	Apr
Forecast:	**$68.9m** +$5.3m from last month
Last FY:	**$52.4m**

	Last Apr Actuals ($m)	
$13.7.m (20%) Parakiore / CMUA		**Parakiore Recreation and Sports Centre: $6m** – based on contractor cash-flow **CMUA: $7.7m** – based on current cash-flow forecasts (includes CMUA Site Decontamination)
$19.2m (28%) Transport and Waste	**$13.2m**	**Projects forecasting >$1m** Carriageway Reseals – Chipseal and Smoothing - $4.2m **$5.3m** forecast for 46 projects currently in construction. Key spend relies on the following • Road Lighting Renewals - $806k • Road Pavement Renewals - $700k • Halswell Junction Road Extension - $500k • Footpath Renewals - $400k **Major Cycleways: $3.7m** • Rapanui - Shag Rock Route (Section 3) - $950k • Coastal Pathway & Moncks Bay - $505k • South Express Section 2 - $500k • South Express Section 3 - $405k 19 projects currently progressing through detailed design and procurement phases.
$21.6m (31%) 3 Waters	**$19.3m**	**Projects forecasting >$1m** WS Eastern Terrace Trunk Main Renewal - $1.6m SW Eastman Sutherland and Hoon Hay Wetlands - $1.1m 47 projects currently progressing through detailed design and procurement phases. **$10.7m** forecast for 80 projects currently in Construction. Key spend relies on • WS Ben Rarere Pump Station Bexley Earthquake Replacement - $809k • WW Lyttelton Harbour Wastewater Scheme - $750k • SW Mairehau Drain Timber Lining Renewal (Westminister to Crosby) - $656k • Hoon Hay Basin Outlet and Cashmere Stream Control Structure (Eastman Sutherlands) - $528k • WW Akaroa Inflow and Infiltration Renewals - $450k
$14.4m (21%) Other		**Projects forecasting >$1m** Hornby Library, Customer Services & South West Leisure Centre - $2m **IT: $2m** relies on key spend as follows; • Excess Water Use - $259k • SAP Back Office Improvement Programme – Assets - $238k Other key spend relies on: • Lancaster Park Redevelopment - $645k • Naval Point Development Plan - $534k • Ōtākaro-Avon River Corridor (OARC) - $450k • Old Municipal Chambers - $340k

Month:	**May**
Forecast:	**$72.3m** +$9m from last month
Last FY:	**$39m**

	Last May Actuals ($m)	
$14.6m (20%) Parakiore / CMUA		**Parakiore Recreation and Sports Centre: $5.7m** – based on contractor cash-flow **CMUA including Decontamination: $8.9m** – based on current cash-flow forecasts (includes CMUA Site Decontamination)
$16.9m (23%) Transport and Waste	**$12.3m**	**Projects forecasting >$1m** Major Cycleway Rapanui - Shag Rock Route (Section 3) - $1.4m Other key spend relies on the following: • Traffic Signal Renewals - $740k • Core Public Transport Route & Facilities - $550k • Halswell Road Junction Extension - $500k • Condell Ave, Aorangi Road & Matsons Ave Kerbing and Street Renewals - $500k **Major Cycleways: $3.8m** (plus Rapanui) • South Express Section 2 - $800k • South Express Section 3 - $7250k • Coastal Pathway & Moncks Bay - $485k • Annex, Birmingham & Wrights Corridor Improvement - $400k • Northern Line Route (Section 2a) - $375k **$5.2m** forecast for 47 projects currently in construction. 19 projects currently progressing through detailed design and procurement phases.
$23.6m (33%) 3 Waters	**$13.4m**	**Projects forecasting >$1m** SW Christchurch Multi-Use Arena Stormwater System Upgrades - $3m WS Eastern Terrace Trunk Main Renewal - $1.9m WW Lyttelton Harbour Wastewater Scheme - $1.5m 43 projects currently progressing through detailed design and procurement phases. **$8.6m** forecast for 77 projects currently in Construction. Key spend relies on the following: • SW Eastman Sutherland and Hoon Hay Wetlands - $950k • SW Flood Management LDRP 521 Stage 1 Waitaki Street (OARC) - $721k • WS Ben Rarere Pump Station Bexley Earthquake Replacement - $603k • WW Avonhead Road Main Renewal - $450k • SW Tennyson Street Reticulation Renewal (Brick Barrel) - $450k
$17.3m (24%) Other		**Projects forecasting >$1m** Property Purchase - 213 Lichfield Street - $3m Hornby Library, Customer Services & South West Leisure Centre: $2m **IT: $2.3m** relies on key spend as follows; • Excess Water Use - $289k • Data Network Upgrade New Design Future Phases - $269k • Modern Workplace Programme – Council Meeting Rooms Audio Visual Upgrade - $220k Other key spend relies on: • Old Municipal Chambers - $436k • Diamond Harbour Wharf Renewal - $420k • Naval Point Development Plan - $400k

Key Council Delivered Projects

Delivery budget for this financial year where Council manages delivery is $488.8m. Current forecast against this budget is $423.7m.

Project	Whole of Life Budget	FY22 Budget	FY22 Forecast	Forecast Delivery Date
Hornby Library, Customer Services & South West Leisure Centre	$35.9 M	$18.0 M	$12.3 M	Mar-23
Organics Processing Plant Development	$21.6 M	$14.9 M	$0.3 M	Jun-23
Carriageway Reseals - Chipseal	$135.7 M	$13.7 M	$14.5 M	Jun-26
SW Eastman Sutherland and Hoon Hay Wetlands	$29.9 M	$9.8 M	$7.2 M	Dec-24
Major Cycleway South Express Route (Section 2) Craven to Buchanans	$15.5 M	$8.0 M	$5.0 M	Dec-22
WW Lyttelton Harbour Wastewater Scheme	$60.8 M	$7.8 M	$4.7 M	Jun-22
Performing Arts Precinct	$36.0 M	$6.8 M	$2.6 M	Apr-24
Ōtākaro-Avon River Corridor (OARC)	$53.8 M	$6.5 M	$6.5 M	Jun-30
Coastal Pathway & Moncks Bay	$16.2 M	$6.2 M	$3.2 M	Nov-23
WS Eastern Terrace Trunk Main Renewal	$17.9 M	$5.1 M	$5.1 M	Nov-22

Major Projects

Major Projects (by this financial year budget value) are:

Project	Whole of Life Budget	FY22 Budget	FY22 Forecast	Forecast Delivery Date
Te Kaha Canterbury Multi Use Arena (CMUA)	$521.8 M	$55.5 M	$41.6 M	Jul-25
Te Kaha Canterbury Multi Use Arena Site Decontamination (CMUA)	$10.0 M	$3.8 M	$7.0 M	Jul-22
Parakiore Recreation and Sports Centre (Metro Sport Facility)	$151.3 M	$56.9 M	$45.5 M	Apr-23
Parakiore Recreation and Sports Centre Equipment (Metro)	$4.2 M	$3.2 M	$0.2 M	Jun-23
TOTAL	**$687.3M**	**$119.4 M**	**$94.3 M**	

Further detail on the current performance of major projects and Key Council delivered 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 against a $608.2m budget based on current Project Manager forecast as of February 2022 is $90.3m (+$90.3m carry forward, -$14k bring back).

Breakdown by Delivery Department for the Core Programme (including External Funding projects) is as follows:

Delivery Unit	THIS MONTH Forecast Variance Current FY
Art Gallery	($13,966)
Building Consenting	$10,250
Comm Supp, Governance & Partnerships	$327,917
Digital	$579,807
Facilities, Property & Planning	$404,800
Financial Management	$4,007,000
Libraries & Information	$303,779
Parks	$116,448
Planning and Consents	$2,676
Recreation Sports & Events	$2,997,075
Regulatory Compliance	$100,000
Smart Christchurch	$174,401
Strategic Policy & Resilience	$19,471
Technical Services & Design	$59,184
Three Waters	$17,771,774
Transport and Waste Management	$9,979,887
Vertical Capital Delivery	$28,280,108
TOTAL	**$65,120,610**

*Table is focussed on delivery to our core programme including External Funded, and excludes Parakiore Recreation and Sports Centre and Te Kaha Canterbury Multi Use Arena (CMUA). Currently, these Projects are forecasting a carry forward of $25.1m against a financial year budget of $119.4m.

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	FY22 Budget	FY22 Forecast Carry Forward	Project Manager Comment
Organics Processing Plant Development	Execute (Investigate)	$14.9 M	$14.6 M	The 9 September 2021 Council resolution means that this project moves back into the Plan phase and will not be spending any Capital until a further Council resolution is made (at the earliest). Consequently the project will now have a significant carry forward of the FY22 capital budget, with the overall budget to be reconfirmed following the March 2022 Council meeting.
Canterbury Multi Use Arena (CMUA) (figures include CRAF funded CMUA Decontamination)	(Execute) Investigate	$59.3 M	$10.7 M	The current programme for completion of the CMUA is June 2025. This will be confirmed during the PCSA phase.
Parakiore Recreation and Sports Centre Equipment (Metro Sport Facility)	Execute (Construction)	$56.9 M	$11.5 M	Reflects current contractor schedule and cashflow forecast. This is a third party delivered project by Ōtākaro.
Hornby Library, Customer Services & South West Leisure Centre	(Execute) Construction	$18.0 M	$5.7M	Carry Forward is based on the revised QS phasing and the revised contractor programme given shipping delays of steel. Refer watchlist for current project status.
Performing Arts Precinct	Execute (Design)	$6.8 M	$4.1 M	Reflects current programme indicating a building completion in early 2024.
Corporate Investments	Execute (Construction)	$4.9 M	$4.0 M	Reflects predicted spend profile of Housing Initiative.
Water Supply Scruttons Road Pump Station to Lyttelton Road Tunnel & St Andrews Hill Road Mains Renewal	Execute (Construction)	$3.7 M	$3.6 M	Works were delayed due to shipment and manufacturing delays plus the overlap of the Transport Shovel Ready Cycle Way Project. WS Tender now awarded. CF reflects expected project delivery.
Storm Water Knights Drain Ponds (LDRP 509)	Execute (Design)	$3.6 M	$3.1 M	Tender documents currently being prepared. Current forecast reflects anticipated construction programme which will continue into FY23.
Waste Water Lyttelton Harbour Wastewater Scheme	Execute (Construction)	$7.8 M	$3.1 M	Additional $6.5m funding approved by Finance & Performance Committee in September 2021. Carry Forward to FY23 based on predicted cashflow (and includes current contingency). Still forecasting completion June-2022.

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Project Title	Project Phase	FY22 Budget	FY22 Forecast Carry Forward	Project Manager Comment
Coastal Pathway & Moncks Bay	Execute (Construction)	$6.2 M	$3.0 M	The forecast spend has been refined to reflect the contractors programme which is based around consenting requirements. Options to reduce this are being investigated.
TOTAL (for the TOP TEN Carry Forward)		**$182.1 M**	**$63.2 M**	

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	FY22 Budget	FY22 Forecast Bring Back	Project Manager Comment
Major Cycleway - Rapanui - Shag Rock Route (Section 3) Dyers to Ferry Road Bridge	Execute (Construction)	$1.6 M	($4.8 M)	Reflects accelerated delivery programme to meet Shovel Ready requirements.
Halswell Junction Road Extension	Execute (Construction)	$0.2 M	($4.3 M)	Bring back required to allow construction which is anticipated to commence in the first half of 2022.
Central City Projects - High Street (Cashel to Tuam)	Execute (Construction)	$1.0 M	($3.9 M)	Bring back required to meet construction commitments, works are underway with construction completion anticipated to be in early 2022.
Storm Water Spreydon Lodge Infrastructure Provision Agreement (IPA)	Contract & Purchase Project	$0.5k	($3.8 M)	Bring back for payment of land. $3.8M payment is forecast for payment in May 2022.
Waste Water Reactive Lateral Renewals	Execute (Construction)	$0.5 M	($3.4 M)	Reflects the expected reactive works that will be required in FY22. Given the reactive nature of the works, forecast spend is difficult to predict.
Multicultural Recreation and Community Centre	Execute (Construction)	$0.0 M	($2.9 M)	Bring Back to FY22 required for sale and purchase agreement for the Hagley Netball Centre.
Northern Arterial Extension including Cranford Street Upgrade	Close	$1.4 M	($2.7 M)	Reflects payment schedule from third party as per agreement.

Project Title	Project Phase	FY22 Budget	FY22 Forecast Bring Back	Project Manager Comment
Core Public Transport Route & Facilities - South-West Lincoln Road (Phase 1)	Execute (Procure)	$0.4 M	($2.3 M)	Bring back required to meet project schedule. This project is to be delivered in conjunction with 3W's Lincoln Road upgrade for delivery efficiency and reduced disruption to the community.
Waste Water Avonhead Road Main Renewal	Execute (Procure)	$0.08 M	($2.0 M)	Reflects current delivery timeframe – forecasting earlier delivery than baseline in FY22.
Storm Water Pump Station Earthquake Repairs (LDRP 513) (PS205)	Execute (Construction)	$1.9 M	($1.8 M)	Delivery ahead of budget phasing and is based on the revised cashflow from the contractor.
TOTAL (for the TOP TEN Bring Back)		**$7.0 M**	**($31.8 M)**	

All Financial Years (Project Whole of Life)

Current Capital Works Map

Visibility of current projects in-flight is available on the Council External website here.

Information provided includes project type, project description, estimated construction start and end date, and approximate value of the projects.

This map provides current and future planned projects across the city, and by community ward including:

- Facilities: community centres, social housing and heritage buildings.
- Transport: new and upgraded transport infrastructure
- Water supply: pumping stations, well heads, reservoirs, mains and sub mains.
- Wastewater: collection and treatment including pump stations and pipe network.
- Stormwater: stop banks, drainage, flood control and runoff water quality.
- Parks and Recreation: gardens, swimming pools and playgrounds.

Current Project Status

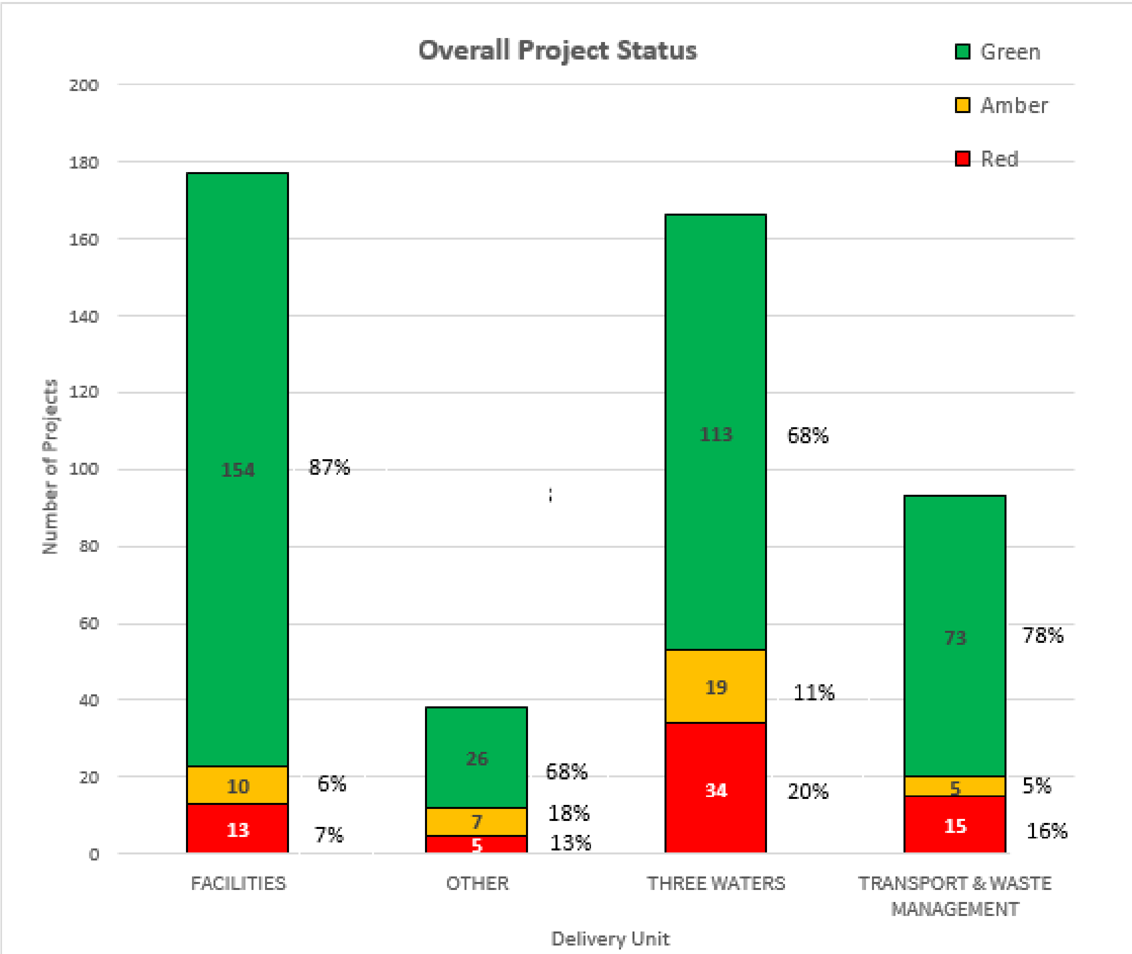
Current Overall Project Status is provided by Delivery Unit for all projects from Execute (Design) through to Project Delivery Complete. This status is set by Project Managers using objective criteria, and considers Cost, Time, Scope, Risks and Issues.

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

All of Capital - Summary

from Execute (Design) to Project Delivery Complete

Green	Amber	Red	Total Projects
366	41	67	474



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

Covid-19

Current risks and issues in relation to Covid 19 lockdown are in a separate attachment to this report.

Supply Chain

Contractors continue to review supply chain risks and issues, including identification of alternative (lower risk) sourcing locally. Projects are identifying alternative supply wherever possible, or re-phasing work to reduce impact of supply delays. Further information in relation to supply chain risks and issues are in a separate attachment to this report.

Port Delays

Risk relating to supply of imported materials being constrained by delays at both international and local ports. This is additional to any Covid related impacts. Projects are identifying alternative supply wherever possible, or re-phasing work to reduce impact of supply delays.

Cost Escalation

Heads of Service responsibility to assess the commercial viability of continuing projects that are experiencing these issues. This needs to be assessed against risk, e.g. asset condition.

Where deferring is the preferred option, Units will look to substitute, i.e. deliver future approved projects in the programme earlier ensuring minimal impact on the overall budget commitment. Further information of any projects at risk or currently impacted is in a separate attachment to this report.

Exchange Rate

Any hike in the US dollar may impact project costs – at present, this is not impacting projects however has potential to do so. Any change in project costs are subject to contractual conditions with the contractor.

Human Resources

Current buoyant job market, and the retention / attraction of staff in technical roles –within Council and external Professional Services companies.

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"

Current active projects in Execution: **469**
Forecasting greater than $1m whole of life: **218**
Overall Status of Red for Period: **42**

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). Project Status Indicators are based on Whole of Life parameters. For Watchlist, External Funded or MCR projects, refer separate reports.

Trend	Trend Description
↑	Project Status Improved
→	No change in Project Status
↓	Project Status Reduced
New	Project new to Exception Report

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

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

Project	Trend	Cost	Time	Scope	Risks	Issues	Current Forecast Delivery	Commentary
Waste Water Reactive Lateral Renewals	→	RED	GREEN	GREEN	GREEN	GREEN	**Ongoing**	Spend rate can vary as the works are reactive in nature and directed by the operations team. The works are carried out by a panel of drain layers as faults are reported and as a result of planned inspection programs. Forecasting an over-spend of $3.4m, this will be covered by surplus in the WW renewal program, a change request will be actioned to source the funds.

Project	Trend	Cost	Time	Scope	Risks	Issues	Current Forecast Delivery	Commentary
Waste Water Treatment Plant Asset Reactive Renewals	→	RED	GREEN	GREEN	GREEN	GREEN	**Ongoing**	Spend rate can vary as the works are reactive in nature and directed by the operations team. Additional funding is being sort through the FY23 Annual Plan process to ensure budget is reflective of the current maintenance requirements of WW Treatment Plants on Banks Peninsula.
Storm Water Pump Station Earthquake Repairs (LDRP 513) (PS205)	NEW	RED	GREEN	GREEN	GREEN	GREEN	**Sep-22**	A draft re-forecast cost to complete has been completed. Included is an estimate of contingency costs to cover any remaining project risks. This forecast will be reviewed and updated following conclusion of variations associated with as-found condition repairs done for pump 1. A change request will be submitted for approval to fund upgrade completion. A revised cashflow from the contractor has also been included in this forecast.
Storm Water Lyttelton Reticulation Renewals (Brick Barrel)	→	GREEN	GREEN	AMBER	AMBER	AMBER	**Jun-24**	Scope and risks flag relate to heritage requirement to retain brick barrels, which may alter design and construction methods across the network. Issues relating to archaeological authority requirements from Heritage NZ.
Get Off GEMS	↑	GREEN	RED	GREEN	AMBER	GREEN	**Nov-22**	There was a 13 week delay with no build environment that has put the Animal Management registrations delivery at risk (back-up plan in place if team does not deliver a new solution in mid-May). Risk for availability of resources has reduced as most resources now booked .Risk that the GEMS platform may fail has reduced as the host has been upgraded. Monitoring other project dependencies that could impact. A PCR is in progress to extend the delivery until 30/11/2022, then time status will return back to Green.

Project	Trend	Cost	Time	Scope	Risks	Issues	Current Forecast Delivery	Commentary
Sparks Road Improvements	→	RED	GREEN	AMBER	GREEN	GREEN	Jun-24	Development has progressed faster than previously expected, with additional developments starting (increased scope). This is putting more pressure on the network and hence this budget. The bulk of the work is funded by the developers, this project funds CCC share to ensure consistency and connectivity. Additional funding is being sought through the FY23 Annual Plan.
Water Supply Backflow Prevention for Water Safety Plan	↓	GREEN	RED	AMBER	AMBER	AMBER	Aug-23	Current forecast date is later than baseline due to additional scope having been added to this project. This includes approximately 5000 low risk industrial installations - timeframe for installations to be confirmed. This scope has been added to ensure that we are meeting the Drinking Water Standards and minimising any risk to the Water Supply network. Budget is sufficient. Regular supply of components is delayed due to shipping. We are looking to secure a bulk lot of backflow devices to meet the demand for 2022 industrial zone installations.
Digital Citizen Experience - Service Request & Related Enhancements	New	GREEN	RED	GREEN	AMBER	RED	Aug-22	Delivery date for current scope is more than 60 days of baseline, however co-ordination with other projects (e.g. Animal management), additional time needed for surveys and with Council delivery units and external contractors makes it unlikely that Release 4 will be completed before the end of August. This has been exacerbated by previous delays, shortage of integration resource, the S4 Hana upgrade, C4 Hana upgrade will delay Architectural Changes due to not being able to use technical environments and unavailability of team members working on these upgrades and refreshes. The Risks are internal resources, access to environments, cost of IT contractors, co-operation of delivery units and contractors in the project activities. A large issue with the time and effort needed to update surveys being much higher than expected has arisen. Previous issues still current are: previous delays, multiple B2B projects, co-ordination with other projects (Animal Management), Variations in business processes and ways of dealing with customers across delivery units. Delay to DCE Notifications Release 3. Getting contractors to change systems to be able to send additional information through.

Project	Trend	Cost	Time	Scope	Risks	Issues	Current Forecast Delivery	Commentary
Takapūneke Reserve Planned Renewals	→	RED	GREEN	GREEN	AMBER	AMBER	Jun-22	Tender price received is in excess of available budget. Sponsor working to identify additional funding sources to complete these works. Also looking at options to reduce costs with the contractor. Risks relating to budget, and short timeframe to complete the project for Waitangi Day celebrations. Potential delays if there is poor weather conditions.

3 Waters – Delivery Enhancement Programme

The 3 Waters programme is budgeted to increase over the period of the Long Term Plan (see table below), with a current budget proposed for FY23 of $190m. This document provides a view of current progress toward an increased delivery programme.

Key Activities to Increase Delivery

Item	Requirement	Action	To be complete by (ensuring no impact to FY23)	Current Status
Planning and Delivery Governance	Improve Governance	New 3 Tier Governance structures are being implemented to ensure greater monitoring and control of the 3 Waters delivery. (PGG, PSG, PCG)	Completed	Ongoing
Panels	Review Panel arrangements	Review current HDM Panel contracts performance to inform new future HDM panel contracts and start work to establishment of new HDM Panel contracts. Note: changes don't benefit FY23 but do benefit FY24 onwards. Risk: national procurement guidelines and provisioning for 3 waters services identified as part of the scope for transition to new entities. A lighter touch update to existing HDM panel may be the best approach.	Jan 2023	Work is ongoing on HDM Panel Rev 2. Note: All HDM Panels currently expire i.e. 31-Jan-2023.

Item	Requirement	Action	To be complete by (ensuring no impact to FY23)	Current Status
Resourcing	Planning and Technical	Recruitment of Engineers and Planners underway – internal preferable to retain IP Risk: Current HR market. Time to get staff up to speed.	Tranche#1 End Feb 2022 Tranche#2 End Jun 2022 Tranche#3 End Oct 2022	3 of 4 resources have been recruited to date but challenging due to the buoyant labour market and availability of qualified resource. Currently unapproved (8) Currently unapproved (2) Piecemeal nature of recruitment not optimal. Currently unapproved
Resourcing	Project Managers	Recruitment of Engineers and Planners to meet programme. Additional project managers required in Water Supply & Wastewater. Prefer in-house due to sustained future need in 3 Waters programme. Risk: Resources to be approved. Current HR and contracting market.	Tranche#1 End Feb 2022 Tranche#2 Phased from Mar-June 2022 Tranche#2 Phased from Sept-Oct 2022 Tranche#3 Phased from March-April 2023	Completed Currently unapproved (6) Note: Includes dedicated Cost Manager Currently unapproved (2) Currently unapproved (2)

Item	Requirement	Action	To be complete by (ensuring no impact to FY23)	Current Status
Project Pipeline	Initiation of Projects	90% projects to be initiated by 1 March 2022 each year, enabling pipeline of projects for delivery. This provides current status of the project pipeline for FY23 and beyond. Subject to successful recruitment and prioritisation of work.	Mar 2022	See further detail under "Project Pipeline" below.
Delivery Mechanisms	Multi-Year Renewals	Bundling of renewal projects into multi-year programmes for tendering. Risk: Not all candidates suitable for bundling. Longer time to brief – relies on increase in planning resource. Requires flexibility to over deliver within 10yr programme.	Mar 2022	Ongoing. Subject to successful recruitment and prioritisation of work within teams.
Delivery Mechanisms	Runway system for project design	Implement a process enabling customised design approach based on complexity per projects, e.g. light approach to design for less complex projects. Note: changes don't benefit FY23 but do benefit FY24 onwards.	Feb 2023	This and other initiatives will form the basis of the new Panel agreements. HDM Rev2.0 that must be up and running 31/01/23.

CHRISTCHURCH CITY COUNCIL - CAPITAL PROGRAMME WATCHLIST
February 2022

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

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

			TIME					BUDGET					RISK (BUDGET , SCOPE 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.*
Parks	Lancaster Park Enabling Works *(pre-requisite to Lancaster Park Redevelopment)*	(Execute) - Construction	Green (<30 days)	Jun-19	Mar-22	Mar-22		Green - On Track	$3.0 M	$3.0 M	$2.9 M		Green	
	Lancaster Park Redevelopment	(Execute) - Construction	Green (<30 days)	Jun-26	Jun-26	Jun-26		Green - On Track	$8.7 M	$8.6 M	$0.9 M		Green	
	Citizens War Memorial Earthquake Repair	(Execute) - Construction	Green (<30 days)	Jun-19	Oct-22	Oct-22		Red (>5%)	$0.36 M	$0.4 M	$0.4 M	Tender price exceeds available budget. Reduced scope Separable Portion (SP1) foundation and concrete contract awarded. Further clarification and negotiation required for SP2 stonework/masonry. Negotiation underway in accordance with Partnership and Gifting Agreement between Council & Church Property Trustees.	Red	The Portland stone order has been delivered however the travertine stone has not yet been shipped. Ongoing Covid related supply chain delays and price escalations have caused the start of construction to push out. Additional budget will need to be sourced to ensure the project continues efficiently. The impact from Omicron in the community and the Governments move to the Red Traffic Light setting is not yet known.
Vertical Capital Delivery	Hornby Library, Customer Services and South West Leisure Centre	(Execute) - Construction	Red (>61 days)	Apr-20	Dec-22	Mar-23	The piling has been slow to date, and we have undertaken modifications to improve the pile capacities at a shallower depth. We expect this to delay completion, although the piling rate should speed up as piling progresses. The piling is 50% complete but while ongoing, it remains a key risk. We will re-baseline the programme once the impacts of the piling delay and hydrotherapy pool addition are known.	Green - On Track	$35.9 M	$35.9 M	$6.3 M		Amber	The remaining piling, shipping of overseas supplied items, Covid-19, resource competition and scope variations remain the main project risks. Supply problems are not a significant risk to the work that is occurring over the remainder of this FY. While piling is underway, it remains a key risk. Once piling is complete in early March, significant foundation risk will be eliminated. Naylor Love have engaged all main subcontractors, and we are facilitating payments for early materials procurement.
	Naval Point Development Plan	(Execute) - Investigate & Scheme Design	Green (<30 days)	Jun-15	Aug-31	Aug-31		Green - On Track	$29.7 M	$29.7 M	$7.7 M		Green	
	Akaroa Wharf Renewal	(Execute) - Investigate & Scheme Design	Green (<30 days)	Feb-23	Aug-25	Aug-25		Green - On Track	$20.2 M	$20.2 M	$1.1 M		Amber	The project includes a number of risks including project budget (particularly at this early stage), currently escalating material and shipping costs, availability of specialist materials, the needs of the community, 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 has been actively reviewing and addressing these risks throughout the project by working closely with stakeholders and Heritage NZ as a part of the project planning and delivery. The current project budget has been forecast based on the current delivery and stakeholder consultation process. As the project is currently in the planning stage, the project team will continue to manage costs and inform Council of cost increases in advance of the anticipated start of construction works in 2024.Consultation for the project closed on 31 January 2022 and staff are currently reviewing the feedback received.
	Red Zone Regeneration-Southshore and South New Brighton Estuary Edge Erosion Management	(Execute) - Investigate & Scheme Design	Green (<30 days)	Jun-25	Jun-25	Jun-25		Green (<30 days)	$5.7 M	$5.7 M	$0.0 M		Green	
	Performing Arts Precinct *(Includes Site Decontamination)*	(Execute) Design	Red (>61 days)	Jun-18	Nov-23	Apr-24	We have previously completed a review of the likely construction programme, including reviews by the shortlisted contractors. We have a separate targeted programme for the remaining design and procurements, and are confirming the consultants are resourced to meet this. The Court Theatre's establishment programme, when available, will determine how the construction and establishment processes will integrate and the opening date.	Green - On Track	$39.0 M	$39.0 M	$3.6 M		Amber	A draft estimate based on the 60% complete detailed design documents is suggesting significant cost escalations, both over the last three months and projected over the next two years. This indicates significant risk to the project completing within budget. Other key risks are shipping of overseas supplied items, Covid-19, resource competition, and scope variations.
Transport and Waste Management	High Street Tram Extension	(Execute) - Construction	Green (<30 days)	Jun-21	Mar-22	Mar-22		Green - On Track	$3.7 M	$3.4 M	$2.5 M		Amber	Power study results underway to determine power operating requirements for the TRAM which could have cost impacts
	Barrington, Lincoln & Whiteleigh Intersection Improvement	(Execute) Procure	Green (<30 days)	Jun-17	Oct-23	Oct-23		Green - On Track	$1.5 M	$1.5 M	$0.1 M		Green	
	Core Public Transport Route & Facilities - South-West Lincoln Road (Phase 1)	(Execute) Procure	Green (<30 days)	Jun-20	Oct-23	Oct-23		Green - On Track	$5.1 M	$5.1 M	$1.3 M		Green	
	Wigram & Hayton Intersection Improvement	(Execute) Design	Amber (31-60 days)	Jun-21	May-22	Jul-22	The pre tender estimate exceeds the budget, funding options are being considered and once resolved the works will be tendered. Construction complete will be further informed by the successful contractors programme. Interface with Netsal access is being investigated in liaison with Parks.	Red (>5%)	$0.56 M	$0.98 M	$0.2 M	The pre-tender estimate indicates a budget shortfall. A design review and further site investigations have been undertaken and additional funds are being sought as part of the Annual Plan review and from within the wider Transport Programme.	Amber	Flag reflects need for additional funding which if not obtained will mean safety benefits of the intersection will not be realised.
	Downstream Intersection Improvements: Cranford Street *(Includes Downstream of Christchurch Northern Corridor (Project 1 and 2) in Handover*	Execute (Investigate & Scheme Design)	Green (<30 days)	Jun-20	Jun-26	Jun-26		Green - On Track	$40.7 M	$40.5 M	$28.2 M		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	$9.6 M		Green	

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			TIME					BUDGET					RISK (BUDGET , SCOPE 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.*
Transport and Waste Management	Evans Pass Road and Reserve Terrace Remedial Works	(Execute) - Design	Green (<30 days)	Jun-19	Jun-28	Jun-28		Green - On Track	$24.3 M	$24.3 M	$1.7 M		Green	
Transport and Waste Management	Halswell Junction Road Extension	(Execute) - Construction	Green (<30 days)	Jun-16	Jul-24	Jun-23		Red (>5%)	$12.5 M	$14.0 M	$6.6 M	The current forecast is based on updated design costs and the best information to hand at this time and taking into account the changing risk profile in the current market. This is still to be further refined prior to tender of the works and a change request will be raised when detailed information is received from Kiwrail which is expected to be in January.	Red	There is a high risk of costs exceeding budget, all costs and contingencies are currently being reviewed. Kiwirail programme of works is still to be confirmed, however staff and Kiwirail are working together to minimise risk of delays. Potential land contamination is also a risk.
Transport and Waste Management	Road Lighting LED Installation	(Execute) - Construction	Green (<30 days)	Jun-18	Aug-22	Aug-22		Amber (<5%)	$27.5 M	$27.8 M	$26.0 M	Funding is available from within the wider lighting programme, a change request will be submitted for the extra funding in April when there is more certainty around the amount required.	Green	The main risk to the project remains the supply chain which is unpredictable as a result of Covid. Longer lead times are being used when forecasting to take account of this.
Three Waters	SW Cashmere Worsleys Flood Storage (LDRP 500)	(Execute) - Construction	Green (<30 days)	Apr-17	Jun-23	Jun-23		Green - On Track	$27.2 M	$27.2 M	$23.5 M		Green	
Three Waters	SW South New Brighton & Southshore Estuary Edge Flood Mitigation	(Execute) Investigate and Scheme Design	Green (<30 days)	Jun-26	Jun-26	Jun-26		Green - On Track	$6.5 M	$6.5 M	$0.0 M		Green	
Three Waters	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	$24.3 M		Green	
Three Waters	WW Akaroa Reclaimed Water Treatment & Reuse Scheme	(Execute) Investigate and Scheme Design	Green (<30 days)	Jun-16	Jul-29	Jul-29		Green - On Track	$74.5 M	$74.5 M	$12.1 M		Green	
Three Waters	WW Lyttelton Harbour Wastewater Scheme	(Execute) - Construction	Green (<30 days)	Feb-19	Jun-22	Jun-22		Green - On Track	$60.8 M	$60.8 M	$53.0 M		Amber	A risk workshop scheduled for 11 February 2022 to review outstanding risks: Commissioning of the wastewater system as a whole and demolition of the treatment plants. Project will define a commissioning plan to manage the commissioning process with commissioning in stages - Commission each Pump station individually - Commission the "system" as whole - Handover Workshop delayed until 01 March 2022, due to Covid restrictions for the project design consultant to present the design and transfer knowledge to CCC 3-Waters Operations, Asset Management and maintenance contractor. Operations, asset management and the maintenance contractor have been proactively consulted in the lead up to handover. Other risks relate to contractor extension of time claims and resolution of the final accounts. Potential for future Covid 19 lockdowns. Supply chains delay risks for materials being delivered from overseas. Majority of equipment is now in New Zealand, but local sourcing demands may trigger delays. Revised approved budget by Finance and Performance Committee includes an allowance of contingency based on the current risk profile.
	Third Party Delivery / Funding													
Third Party Delivery / Funding	Parakiore Recreation and Sports Centre (Metro Sport Facility)	(Execute) - Construction	Green (<30 days)	Jan-20	Jun-23	Apr-23		Green - On Track	$151.3 M	$151.3 M	$114.6 M	Current approved budget and forecast reflects Council contribution to Parakiore only. Current performance against overall Parakiore budget is monitored by Ōtākaro .	Amber	Construction programme and completion date being reviewed monthly by Contractor and Ōtākaro. The programme has been impacted by COVID-19, including the availability of specialist overseas and Auckland subcontractors due to the border/COVID restrictions. The completion date for the main construction work by CPB Contractors is still to be confirmed.
Third Party Delivery / Funding	Te Kaha Canterbury Multi Use Arena (CMUA)	(Execute) - Investigate & Scheme Design)	Green (<30 days)	Jun-25	Jun-25	Jul-25		Green - On Track	$521.8 M	$521.8 M	$30.4 M	As per Council resolution 12 August 2021 to retain 30,000 seat arena (in sports mode), Council approved an additional $50m budget. Commitment to spend against the construction budget is subject to a further Council decision in relation to the Design & Construct contract, after Developed Design phase.	Red	On 9 December 2021, the CMUA Project Delivery Board presented to Council an update on the status of the Preliminary Design work and a recommendation, which was adopted by Council, to carry out an Early Works package in response to supply chain cost escalation and delivery delays (the Early Works package includes the procurement of detailed design consultants, materials & sub-contractors, and onsite construction works). Kōtui (BESIX Watpac and their consultant team) have worked with Client representatives including Council and Venues Ōtautahi staff and have now completed the Preliminary Design for the arena. The Preliminary Design has updated the impacts on programme, risk contingency, escalation and total estimated cost for the arena. A briefing with Councillors on the Preliminary Design was held on 25 January 2022 and the Preliminary Design was approved at the 27 January 2022 Council meeting. Kōtui are now progressing the Developed Design phase of the project. Commitment to spend against the construction budget is subject to a further Council decision in relation to the Design & Construct contract, after the Developed Design phase. Value Management will be required throughout the Developed Design phase. Additional budget to fund the potential costs of up to $57.8m (for escalation up to 6% and other un-allowed for or anticipated risks), which were advised to Council on 12 August 2021, is likely to be required.
Third Party Delivery / Funding	Multicultural Recreation and Community Centre	(Execute) - Construction	Green (<30 days)	Jun-21	Jan-23	Jan-23	Forecast delivery date is dependent on sale and purchase agreement (and transfer of funds) subject to Canterbury Netball (Netsal) progressing with their new build project at Ngā Puna Wai.	Green - On Track	$3.0 M	$3.0 M	$0.0 M		Green	

Time (Deviation from Baseline)

Green	<30 days delay
Amber	31-60 days delay
Red	>61 days delay

Budget (Deviation from Baseline)

Green	On Track
Amber	<5% overspend forecast
Red	>5% overspend forecast

2

EXTERNAL FUNDED PROJECTS

Feb-22

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

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

INDUSTRY REFERENCE GROUP: SHOVEL READY ($133.2M)

	Project Title	Current Phase	TIME: Time Status	Status Trend (from last month)	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	BUDGET: Budget Status	Status Trend (from last month)	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	RISKS (BUDGET AND TIME): Risk Status	Risk Commentary (By Exception)
Heathcote Expressway	Section 2 - Tannery to Martindales	Procurement	Green (<30 days)	→	Jun-25	Sep-23		Red (>5%)	→	$8.7 M	$14.4 M	$0.9 M	Tenders have closed and confirmed a budget shortfall. Options are being investigated for additional funding and a CR will be raised in the near future.	Red	Kiwirail crossing works are still in design phase and risks exist until design, costs, and supply of materials are confirmed
Heathcote Expressway	Programme Contingency - Major Cycleway - Heathcote Expressway									$3.0 M	$0.0 M	$0.0 M			
									Total	$11.7 M	$14.4 M	$0.9 M			
Northern Line Cycleway	Section 1 - Major Cycleway - Northern Line Route (Section 1) Blenheim to Kilmarnock, and Harewood Crossing and Restell	Detailed Design	Red (>61 days)	→	Jun-23	Aug-23	Delivery reflects the dependencies with Kiwirail on the design and implementation of the crossings. Work is progressing with Kiwirail to consider options that will allow a faster delivery schedule. Construction programmes are still to be confirmed by Kiwirail which will further inform the completion milestone.	Green - On Track	→	$8.1 M	$8.1 M	$4.5 M	Costs are high level based on 2017 estimates and are being updated as projects progress through the design process. Design of the signals is currently being procured which will inform updated cost estimates.	Red	External resource for Kiwirail signal design has being procured through Kiwirail to speed up delivery. Deed of Grant and lease agreement are being finalised. Kiwirail to carry out internal civil design and commence procurement of long lead items. Potential for Lizards to be at some locations which will require relocation.
Northern Line Cycleway	Section 2a - Major Cycleway - Northern Line Route Tuckers to Sturrocks including crossings	Detailed Design	Red (>61 days)	→	Jun-21	Apr-23		Green - On Track	→	$3.2 M	$3.2 M	$0.2 M			
Northern Line Cycleway	Section 2b - Major Cycleway Northern Line Route (Section 2b) Sturrocks to Barnes & Main North Road	Detailed Design	Red (>61 days)	↓	Oct-22	May-23	Programme creep continues as the design review of civils design by Kiwirail continues.	Green - On Track	→	$2.2 M	$2.2 M	$0.5 M		Red	Final design approval from Kiwirail required.
Northern Line Cycleway	Section 3a - Major Cycleway Northern Line (Section 3a) Styx Mill Overbridge to Northwood Boulevard	Construction	Green (<30 days)	→	Dec-22	May-22		Green - On Track	→	$1.5 M	$1.5 M	$0.5 M		Green	
Northern Line Cycleway	Major Cycleway - Northern Line Route (Section 1) Railway Crossings	Detailed Design	Green (<30 days)	→	Dec-23	Aug-23		Green - On Track	→	$5.4 M	$5.4 M	$0.0 M		Red	Construction programmes still to be confirmed by Kiwirail which will further inform the completion milestone. External resource for Kiwirail signal design has being procured. For efficiency of delivery, rail crossings may be procured with other Northern Line sections. To be confirmed with Kiwirail.
Northern Line Cycleway	Programme Contingency - Major Cycleway Northern Line Cycleway									$1.5 M	$0.0 M	$0.0 M			
									Total	$21.8 M	$20.2 M	$5.7 M			
Nor'West Arc	Section 1a - Major Cycleway Nor'West Arc Route (Section 1a) Cashmere To Sparks	Defects Liability	Green (<30 days)	→	Dec-20	Dec-20	Construction is now complete.	Green - On Track	→	$4.8 M	$4.7 M	$4.7 M		Green	
Nor'West Arc	Section 1b - Major Cycleway Nor'West Arc Route (Section 1b) Sparks to Lincoln & Halswell intersection	Defects Liability	Red (>61 days)	→	Oct-20	Mar-21	Construction is now complete. The completion date moved due to property purchase and contractor availability for traffic light connection.	Green - On Track	→	$4.0 M	$4.0 M	$4.0 M			
Nor'West Arc	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	Construction is now complete.	Green - On Track	→	$2.2 M	$2.1 M	$2.1 M			
Nor'West Arc	Annex, Birmingham & Wrights Corridor Improvement	Construction	Red (>61 days)	→	Mar-24	Jul-25	Works will be primarily complete by July 2022. The forecast milestone date reflects the work that is required at the Annex Road Rail Crossing, options for treatment at this crossing are currently under investigation.	Red (>61 days)	→	$7.1 M	$7.6 M	$1.4 M	Sufficient funding for completion of works currently in construction. The second stage that involves KiwiRail integration is still in the design phase and is based on high level estimates. Costs will be monitored closely as work progresses.	Red	Risk status reflect the time and risk costs associated with the Annex Road rail crossing which is still under investigation.
Nor'West Arc	Ilam, Middleton & Riccarton Intersection Improvement	Defects Liability	Green (<30 days)	→	Dec-21	Dec-21	Construction is now complete.	Green - On Track	→	$1.3 M	$1.2 M	$1.2 M		Green	
Nor'West Arc	Section 2 - Major Cycleway - Nor' West Arc Route (Section 2) Annex & Wigram Road to University	Construction	Green (<30 days)	→	Jul-22	Jul-22	This section is primarily complete and the MCR operational. The completion date reflects the delivery of the remaining works in Suva Street.	Green - On Track	→	$13.2 M	$8.0 M	$6.8 M		Green	
Nor West Arc	Section 3 - Major Cycleway - Nor' West Arc Route (Section 3) University to Harewood	Investigation and Scheme Design	Green (<30 days)	→	May-25	Jun-23		Green - On Track	→	$10.8 M	$10.8 M	$0.9 M		Green	
Nor West Arc	Programme Contingency - Nor' West Arc									$2.0 M	$0.0 M	$0.0 M			
									Total	$45.4 M	$38.5 M	$21.3 M			

EXTERNAL FUNDED PROJECTS

Feb-22

Time (Deviation from Baseline)

Green	<30 days delay
Amber	31-60 days delay
Red	>61 days delay

Budget (Deviation from Baseline)

Green	On Track
Amber	Forecast Overspend <5%
Red	Forecast Overspend >5%

			TIME					BUDGET						RISKS (BUDGET AND TIME)	
	Project Title	Current Phase	Time Status	Status Trend (from last month)	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Status Trend (from last month)	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	Risk Status	Risk Commentary (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	Jun-22		Green - On Track	→	$9.0 M	$9.0 M	$4.1 M		Green	
Rapanui - Shag Rock	Programme Contingency - Major Cycleway Rapanui Shag Rock									$1.0 M	$0.0 M	$0.0 M			
									Total	$10.0 M	$9.0 M	$4.1 M			
South Express	Section 1 - Major Cycleway - South Express Route (Section 1) Hei Hei to Jones	Construction	Red (>61 days)	→	Dec-22	Dec-23	The majority of the works are forecast for completion in March 2023, however the work at Gilberthorpes Road has KiwiRail dependency and will not be completed until later. The forecast completion will be updated as more certainty is available.	Green - On Track	→	$9.2 M	$9.2 M	$3.1 M		Red	Status reflects the dependency on KiwiRail and the risk to both time and budget beyond what is forecast. Work can continue on delivery of some of the route and construction is anticipated to start in FY23.
South Express	Section 2 - Major Cycleway - South Express Route (Section 2) Craven to Buchanans	Construction	Green (<30 days)	→	Dec-22	Dec-22		Green - On Track	→	$15.5 M	$15.5 M	$0.7 M		Green	
South Express	Section 3 - Major Cycleway - South Express Route (Section 3) Curletts to Old Blenheim	Construction	Green (<30 days)	↑	Dec-21	Dec-21		Red (>5%)	→	$15.9 M	$17.4 M	$15.0 M	Forecast reflects anticipated extension of time claim due to service clashes and additional drainage works required once the contractor was on site. Contingency at Programme level is expected to be required.	Green	
South Express	Programme Contingency - Major Cycleway - South Express									$2.0 M	$0.0 M	$0.0 M			
									Total	$42.6 M	$42.0 M	$18.8 M			
Coastal Pathway	Coastal Pathway & Moncks Bay	Construction	Green (<30 days)	→	Nov-23	Nov-23		Green - On Track	→	$16.2 M	$15.8 M	$1.5 M		Red	A recent Risk Workshop involving contractors, designers, project managers, planners, and asset owners has further informed the risk to the project and resulted in the change to a red status. Significant constraints to be worked through - minimal space in road corridor, clashes with existing services, traffic management, property issues, geotech, coastal marine environment (sensitive ecology, consenting, and complex engineering), stormwater/ flooding issues, archaeology.
Coastal Pathway	Programme Contingency - Coastal Pathway									$1.5 M	$0.0 M	$0.0 M			
									Total	$17.7 M	$15.8 M	$1.5 M			
TOTAL SHOVEL READY										$149.1 M	$140.0 M	$52.3 M			

Total Budget of $149.1M is Shovel Ready funding plus historic costs

EXTERNAL FUNDED PROJECTS

Feb-22

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

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

CROWN REGENERATION ACCELERATION FUND - CRAF ($40M)

Across all CRAF Transport Improvement projects listed below, further projects will be drawn down once scope has been defined to provide visibility of the confirmed initiatives.

		TIME					BUDGET						RISKS (BUDGET AND TIME)	
Project Title	Current Phase	Time Status	Status Trend (from last month)	Current Approved Delivery Date	Current Forecast Delivery Date	Time Comment (By Exception)	Budget Status	Status Trend (from last month)	Current Approved Budget	Current Forecast	Actuals to Date	Budget Comment (By Exception)	Risk Status	Risk Commentary (By Exception)
Linwood & Woolston Roading & Transport Improvements	Investigation and Scheme Design	Green (<30 days)	→	Jun-26	Jun-26		Green - On Track	→	$2.1 M	$2.1 M	$0.2 M		Green	
New Brighton Roading & Transport Improvements	Investigation and Scheme Design	Green (<30 days)	→	Jun-26	Jun-26		Green - On Track	→	$2.1 M	$2.1 M	$0.1 M		Green	
Riccarton Roading & Transport Improvements	Investigation and Scheme Design	Green (<30 days)	→	Jun-26	Jun-26		Green - On Track	→	$2.1 M	$2.1 M	$0.1 M		Green	
Richmond Roading & Transport Improvements	Investigation and Scheme Design	Green (<30 days)	→	Jun-26	Jun-26		Green - On Track	→	$2.1 M	$2.1 M	$0.2 M		Green	
Spreydon, Somerfield, Waltham & Beckenham Roading & Transport Improvements	Investigation and Scheme Design	Green (<30 days)	→	Jun-26	Jun-26		Green - On Track	→	$2.1 M	$2.1 M	$0.1 M		Green	
Road Safety Priorities Delivery Package (CRAF)	Construction	Green (<30 days)	→	Jun-24	Jun-24		Green - On Track	→	$5.0 M	$5.0 M	$1.8 M		Green	
Public Transport - Bus Priority, Riccarton Rd, Matipo to Waimairi (CRAF)	Investigation and Scheme Design	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$1.3 M	$1.3 M	$0.0 M		Green	
Public Transport - Advance Bus Detection (CRAF)	Plan	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$0.5 M	$0.5 M	$0.0 M		Green	
Public Transport - Intersection Improvements, Bus Transfers (CRAF)	Plan	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$0.1 M	$0.1 M	$0.0 M		Green	
Public Transport - Bus Priority, Gloucester St (CRAF)	Plan	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$0.4 M	$0.4 M	$0.0 M		Green	
Public Transport - Bus Priority, Shirley Rd (CRAF)	Plan	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$0.2 M	$0.2 M	$0.0 M		Green	
Public Transport - Bus Priority, Lincoln Rd from Whiteleigh to Wrights (CRAF)	Investigation and Scheme Design	Green (<30 days)	→		Sep-24		Green - On Track	→	$2.1 M	$2.0 M	$0.0 M		Green	
Public Transport - Bus Priority, Cashmere Rd (CRAF)	Plan	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$0.1 M	$0.1 M	$0.0 M		Green	
Public Transport - Bus Priority, Ferry Rd (CRAF)	Initiate	Green (<30 days)	→			Project in early planning phase	Green - On Track	→	$0.2 M	$0.2 M	$0.0 M		Green	
TOTAL CRAF ($19.6m still to be allocated - refer progress update)									$20.4 M	$20.3 M	$2.5 M			

CHRISTCHURCH EARTHQUAKE APPEAL TRUST ($13.8M) and CROWN REGENERATION ACCELERATION FUND ($40M)

		TIME					BUDGET						RISKS (BUDGET AND TIME)	
Project Title	Current Phase	Time Status	Status Trend (from last month)	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)	Risk Status	Risk Commentary (By Exception)
Ōtākaro Avon River Corridor - 3x Footbridges & Landing (CEAT)	Construction (Bridges) Construction (Landing)	Green (<30 days)	→	Mar-22	Mar-22	Public openings scheduled for Avondale Bridge (4 March) and Dallington Landing (12 March).	Green - On Track	→	$13.8 M	$13.8 M	$5.7 M		Green	
Ōtākaro Avon River Corridor - City to Sea Pathway, Ecological Restoration, Landings (CRAF)	Plan	Green (<30 days)	→	Jun-30	Jun-30		Green - On Track	→	$40.0 M	$40.0 M			Amber	Key programme risks relate to expectations around Third Party infrastructure, particularly Orion assets (escalated to CE level to be addressed initially with Orion counterpart, and consenting interpretations, particularly ECan positions on contamination and passive groundwater take. Specific representative of ECan has been appointed and is now a member of the Project Steering group to provide advice and support. Other key risks captured in a programme wide register, actively managed and reviewed by PM, PCG and PSG meetings.
TOTAL CEAT AND CRAF									$53.8 M	$53.8 M	$5.7 M			

EXTERNAL FUNDED PROJECTS

Feb-22

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

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

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

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

			TIME				BUDGET							RISKS (BUDGET AND TIME)	
	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)	Status	Risk Commentary (By Exception)
Capital Expenditure	WS Riccarton Rd Mains Renewal (Hansons to Matipo)	Construction	Green (<30 days)	Jun-22	Apr-22		Red (>5%)	$2.1 M	$1.6 M	$3.7 M	$4.2 M	$3.6 M	We have a change request submitted for additional scope and associated funds - currently going through internal approvals.	Green	
	WS Libeau and Chemin Du Nache Mains Renewal	Construction	Red (>61 days)	May-22	Aug-22	Construction work commenced in January 2022 with June 2022 forecast as the construction completion date which aligns with the DIA timeframe. QA to be handed in by Aug-2022 Initial delays were due to re-alignment of the mains due to one property not agreeing to easement conditions. Further delays were COVID-19 impacts.	Green - On Track	$0.1 M	$1.2 M	$1.3 M	$1.3 M	$0.1 M		Green	
	WW Upper Totara, Puriri, Balgay, Milnebank, Karamu, Field, Wharenui, Weka, Tui, Leinster & Bristol Mains Renewal	Construction	Green (<30 days)	Nov-22	Nov-22		Green - On Track	$3.7 M	$2.1 M	$5.8 M	$5.8 M	$2.8 M		Green	
	WW Trafalgar, Dover, Cornwall, Lindsay, Caledonian and Ranfurly Mains Renewal	Construction	Green (<30 days)	May-23	Aug-22		Green - On Track	$1.4 M	$2.0 M	$3.4 M	$3.3 M	$3.2 M		Green	
	WW Philomel, Inverell, Pegasus, Endeavour, Royalist, Effingham, Monowai, Nile Mains Renewal	Construction	Green (<30 days)	May-23	May-22		Green - On Track	$1.2 M	$2.6 M	$3.8 M	$3.8 M	$3.1 M		Green	
	WW Nalder, Ruru, McLean, Wyon, Rudds, Griffiths, Digby, Rasen and Tilford Mains Renewal	Construction	Green (<30 days)	May-23	Aug-22		Green - On Track	$1.0 M	$1.4 M	$2.4 M	$2.0 M	$1.9 M		Green	
	WW Sails, Langdons, Hoani, Wilmot, Cone, Perry, Gambia, Frank, Sturrocks, Grassmere Mains Renewal	Construction	Green (<30 days)	May-23	Aug-22		Red (>5%)	$1.1 M	$2.6 M	$3.7 M	$4.0 M	$3.9 M	Budget shortfall of $299k is due to Covid Claims, variations to the contract and defect liability costs. A change request to transfer budget within the DIA programme to this project is currently in progress.	Green	
	WW Akaroa Inflow and Infiltration Renewals	Construction	Green (<30 days)	Mar-22	Mar-22		Red (>5%)	$0.0 M	$2.7 M	$2.7 M	$3.5 M	$1.5 M	Due to a number of approved variations, additions to the scope and COVID costs there is a forecast variance of $842k, a change request will be submitted shortly	Green	
	WW Duvauchelle Inflow and Infiltration Renewals	Investigation and Scheme Design	Green (<30 days)	Jun-22	May-22		Red (>5%)	-0.0 M	$1.1 M	$1.1 M	$1.5 M	$0.3 M	According to the recent engineer's estimate (during the design), the current budget needs to be increased to meet the total cost. Expect the budget coming from the DIA funding.	Amber	Timeframe is a risk. The detailed design is being finalised, looking contractors to do the physical work. The time frame is tight given the contractors are all so busy.
	WW Lift Station SCADA Renewals	Construction	Green (<30 days)	Mar-22	Mar-22		Amber (<5%)	$0.0 M	$0.45 M	$0.45 M	$0.46 M	$0.4 M	We have a change request submitted for additional scope and associated funds - currently going through internal approvals.	Green	
	WS Rawhiti Smart Water Network	Construction	Green (<30 days)	May-22	Mar-22		Green - On Track	-0.0 M	$2.6 M	$2.6 M	$2.6 M	$1.8 M		Green	
	WS L'Aube Hill Reservoir Bypass	Construction	Green (<30 days)	Apr-24	Apr-22		Red (>5%)	$0.0 M	$0.9 M	$0.9 M	$1.1 M	$0.8 M	Project budget was removed in the last programme change request. An additional tranche of funding will be returned in the next round to cover the project shortfall.	Green	

EXTERNAL FUNDED PROJECTS

Feb-22

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

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

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

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

Capital Expenditure

		TIME				BUDGET							RISKS (BUDGET AND TIME)	
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)	Status	Risk Commentary (By Exception)
WS Sydenham Suction Tank Replacment	Procurement	Red (>61 days)	Mar-23	May-23	Delivery date is planned to be 1st May 2023 (baseline is 1st March 2023). This is because we went to market a few weeks later than planned (ensuring design was ready to tender) and the contractors have asked for an extension to the procurement timeframe due to current resource constraints for pricing.	Red (>5%)	$4.9 M	$0.4 M	$5.3 M	$6.0 M	$0.8 M	The detailed design cost estimate forecasts a $0.7million budget overrun. A change request will be needed if this materializes after tender submissions.	Amber	Risks associated with finance - Detailed design estimate forecasts a $0.7million budget overrun. A change request will be needed if this materializes after tender submissions.
WS - PS1026 Mays WS-Suction Tank 01 Water Security Renewals & Upgrades	Procurement	Red (>61 days)	Mar-22	Oct-22	Due to potential challenges with meeting the DIA timeline and the opportunity for delivery through internal funding, the next internal change request will remove this project from the programme.	Green - On Track	$0.0 M	$0.15 M	$0.15 M	$0.15 M	$0.0 M		Green	
WS - PS1108 Halswell 2 Reservoir Water Security Renewals & Upgrades	Procurement	Red (>61 days)	Mar-22	Oct-22		Green - On Track	$0.00 M	$0.04 M	$0.04 M	$0.04 M	$0.00 M		Green	
WW Mains Renewal - Tomes, Rutland, Scotston, Norfolk, Bennet, Mays, Tevendale, Chapter, Lingard, Mathias, Paparoa and Claremont	Construction	Green (<30 days)	Jun-23	May-23		Green - On Track	$4.1 M	$2.0 M	$6.1 M	$6.1 M	$2.1 M		Green	
WW - Heathcote Valley Pipeline	Construction	Green (<30 days)	Apr-22	Apr-22		Green - On Track	$0.15 M	$1.2 M	$1.3 M	$1.1 M	$0.6 M		Green	
WW Treatment Reactive Renewals	Concept	Green (<30 days)			This project is currently in the Initiate phase (Drawdowns). However; it will be removed as part of the next change request as it cannot be delivered within the DIA timeframe due to the unforeseen circumstances at the Bromley Wastewater treatment plant.	Green - On Track	$0.00 M	$1.5 M	$1.5 M	$0.00 M	$0.0 M	This project will be removed as part of the next change request. It cannot be delivered within the DIA timeframe due to the unforeseen circumstances at the Bromley Wastewater treatment plant.	Green	
WW Sewer Lateral Renwals	Concept	Green (<30 days)			This project is currently in the Initiate phase (Drawdowns). The Project Delivery Complete date will be entered once in Plan phase.	Green - On Track	$0.00 M	$1.4 M	$1.4 M	$0.00 M	$0.00 M	Project in Initiate Phase	Green	
WS Sample Points	Detailed Design	Green (<30 days)		Jun-22		Green - On Track	$0.00 M	$0.5 M	$0.5 M	$0.19 M	$0.00 M		Amber	Final review of the costs for the supply of materials and manufacture from Citycare is underway. Will approach other contractors for an installation price. Timeframes for manufacturing and installation to be confirmed in February when bollard casings arrive in the country. If there are delays procuring the componentry this could delay the installation.
WW Control Upgrades Computer Information Card	Concept	Green (<30 days)			This project is currently in the Initiate phase (Drawdowns). However; it will be removed as part of the next change request as it cannot be delivered within the DIA timeframe due to the unforeseen circumstances at the Bromley Wastewater treatment plant.	Green - On Track	$0.00 M	$0.3 M	$0.3 M	$0.00 M	$0.00 M	This project will be removed as part of the next change request. It cannot be delivered within the DIA timeframe due to the unforeseen circumstances at the Bromley Wastewater treatment plant.	Green	
WW Odour Bed Renewals	Concept	Green (<30 days)			This project is currently in the Initiate phase (Drawdowns). However; it will be removed as part of the next change request as it cannot be delivered within the DIA timeframe due to the unforeseen circumstances at the Bromley Wastewater treatment plant.	Green - On Track	$0.00 M	$0.3 M	$0.3 M	$0.00 M	$0.00 M	This project will be removed as part of the next change request. It cannot be delivered within the DIA timeframe due to the unforeseen circumstances at the Bromley Wastewater treatment plant.	Green	
Sub-Total Capital							$19.8 M	$28.8 M	$48.5 M	$47.1 M	$27.0 M			

EXTERNAL FUNDED PROJECTS

Feb-22

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

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

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

			TIME				BUDGET							RISKS (BUDGET AND TIME)	
	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)	Status	Risk Commentary (By Exception)
Operational Expenditure	WS Reservoirs & Suction Tanks (Condition assessments of high priority tanks)	Construction	Green (<30 days)		Ongoing	The DIA funded works will be completed by 31 March 2022. No baseline as this is an ongoing Opex project. Will continue in FY23 and beyond.	Green - On Track	$0.00 M	$0.70 M	$0.70 M	$0.52 M	$0.50 M		Green	
	Small Community Private Water & Wastewater Scheme Needs Assessment	Construction	Green (<30 days)		Mar-22		Green - On Track	$0.00 M	$0.30 M	$0.30 M	$0.29 M	$0.26 M		Green	
	WS Water Pump Station Deferred Maintenance	Construction	Green (<30 days)	Jun-22	Jun-22		Red (>5%)	$0.00 M	$3.5 M	$3.5 M	$4.1 M	$3.3 M	Additional scope has been added to this project increasing the budget, enabling delivery of maximum benefit with DIA funding. A change request is currently being formally processed internally. The full allocated budget will be spent by the end of June 2022 (the DIA timeframe).	Amber	The risk is that Council won't go-live on time. Close collaboration with Citycare Water on the timeline to go-live and the work required in mobilisation and transition.
	WW Pump Station Deferred Maintenance	Construction	Green (<30 days)	Jun-22	Jun-22		Red (>5%)	$0.00 M	$2.27 M	$2.3 M	$2.5 M	$1.7 M	Additional scope has been added to this project increasing the budget, enabling delivery of maximum benefit with DIA funding. A change request is currently being formally processed internally. The full allocated budget will be spent by the end of June 2022 (the DIA timeframe).	Green	
	WW CCTV Inspections	Construction	Green (<30 days)		May-22		Green - On Track	$0.00 M	$1.8 M	$1.8 M	$1.8 M	$0.7 M		Green	
	Business Case for Regional Water Services Entity (CCC contribution)	Defects Liability	Green (<30 days)	Jun-21	Jun-21		Green - On Track	$0.00 M	$0.22 M	$0.22 M	$0.22 M	$0.22 M		Green	
	WS Pressure Management and Water Supply Rezoning	Investigation and Scheme Design	Red (>61 days)	Feb-22	Dec-22	The original delivery date was Feb-22 which aligned with the DIA funding timeline. This timeline has now been extended to December 2022 enabling coordination with other priority works which does not impact on the broader delivery of work for this project. DIA portion will be complete by March 2022.	Green - On Track	$0.00 M	$0.25 M	$0.25 M	$0.25 M	$0.20 M		Green	
	WW Duvauchelle Wastewater Treatment Plant Deferred Maintenance	Defects Liability	Green (<30 days)		Feb'21		Green - On Track	$0.00 M	$0.09 M	$0.09 M	$0.09 M	$0.09 M		Green	
	Asset Lifecycle Maintenance Optimisation	Investigation and Scheme Design	Red (>61 days)	Dec-21	Jul-22	The DIA funding timeframe has been extended since the original delivery date was set. A time extension has been provided by ELT for enabling additional scope to be completed.	Red (>5%)	$0.00 M	$1.20 M	$1.2 M	$2.6 M	$1.6 M	Additional scope has been added to this project increasing the budget, enabling delivery of maximum benefit with DIA funding. A change request is currently being formally processed internally. The full allocated budget will be spent by the end of June 2022 (the DIA timeframe).	Green	
	Chlorination System Remedial Work	Construction	Green (<30 days)		Jun-22		Green - On Track	$0.00 M	$1.0 M	$1.0 M	$1.0 M	$0.1 M		Green	
	Sub-Total Operational							$0.0 M	$11.4 M	$11.4 M	$13.3 M	$8.7 M			
	TOTAL DIA							$19.8 M	$40.1 M	$59.9 M	$60.4 M	$35.7 M			

CHRISTCHURCH CITY COUNCIL MAJOR CYCLEWAYS PROGRAMME

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

Feb-22

Time (Deviation from Baseline)

Green	<30 days delay
Amber	31-60 days delay
Red	>61 days delay

Budget (Deviation from Baseline)

Green	On Track
Amber	Forecast Overspend <5%
Red	Forecast Overspend >5%

			TIME				BUDGET					RISK (BUDGET AND TIME)	
	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)	Status	Risks *All risks are monitored with mitigations actively managed by delivery units.*
Avon-Ōtākaro	Section 1 - Major Cycleway Ōtākaro-Avon Route (Section 1) Fitzgerald Avenue to Swanns Road Bridge	Investigation and Scheme Design		Jun-28	Green (<30 days)		Green - On Track	$8.1 M	$8.0 M	$0.2 M		Green	
Avon-Ōtākaro	Section 2 - Major Cycleway Ōtākaro-Avon Route (Section 2) Swanns Road Bridge to ANZAC Drive Bridge	Concept		Jun-28	Green (<30 days)		Green - On Track	$11.1 M	$11.1 M	$0.0 M		Green	
Avon-Ōtākaro	Section 3 - Major Cycleway Ōtākaro-Avon Route (Section 3) ANZAC Drive Bridge to New Brighton	Concept		Jun-28	Green (<30 days)		Green - On Track	$11.1 M	$11.1 M	$0.0 M		Green	
						Totals		$30.4 M	$30.3 M	$0.2 M			
Ōpāwaho River Route	Section 1 - Major Cycleway - Ōpāwaho River Route (Section 1) Princess Margaret Hospital to Corson Avenue	Concept	Jun-29	Jun-29	Green (<30 days)		Green - On Track	$11.6 M	$11.6 M	$0.1 M		Green	
Ōpāwaho River Route	Section 2 - Major Cycleway - Ōpāwaho River Route (Section 2) Corson Avenue to Waltham Road	Concept		Jun-28	Green (<30 days)		Green - On Track	$6.1 M	$6.1 M	$0.0 M		Green	
Ōpāwaho River Route	Section 3 - Major Cycleway - Ōpāwaho River Route (Section 3) Waltham Road To Ferrymead Bridge	Concept		Jun-29	Green (<30 days)		Green - On Track	$37.9 M	$37.9 M	$0.0 M		Green	
						Totals		$55.5 M	$55.5 M	$0.1 M			
Southern Lights	Section 1 - Major Cycleway - Southern Lights Route (Section 1) Strickland Street to Tennyson St	Investigation and Scheme Design	Jun-27	Jun-27	Green (<30 days)		Green - On Track	$4.4 M	$4.4 M	$0.4 M		Green	
						Totals		$4.4 M	$4.4 M	$0.4 M			
Wheels to Wings	Section 1 - Major Cycleway - Wheels to Wings Route (Section 1) Harewood Road to Greers Road	Investigation and Scheme Design	Jun-27	Jun-27	Green (<30 days)		Green - On Track	$8.2 M	$8.2 M	$2.2 M		Amber	Flag status reflects the high level of consultation, community interest, and complexity of design to try and meet the needs as best possible for all stakeholders. A preferred option will be presented to a Hearings Panel in February/March
Wheels to Wings	Section 2 - Major Cycleway - Wheels to Wings Route (Section 2) Greers Road to Wooldridge Road	Investigation and Scheme Design		Jun-27	Green (<30 days)		Green - On Track	$9.5 M	$9.5 M	$0.0 M		Amber	
Wheels to Wings	Section 3 - Major Cycleway - Wheels to Wings Route (Section 3) Wooldridge Road to Johns Rd Underpass	Investigation and Scheme Design		Jun-28	Green (<30 days)		Green - On Track	$5.0 M	$5.0 M	$0.0 M		Amber	
						Totals		$22.7 M	$22.7 M	$2.2 M			
Little River	Major Cycleway – Little River Link Route Rail Crossing	Concept	Jun-25	Dec-23	Green (<30 days)		Green - On Track	$0.4 M	$0.4 M	$0.0 M		Green	
						Totals		$0.4 M	$0.4 M	$0.0 M			

MAJOR CYCLEWAYS - SECTIONS COMPLETE													
			TIME				BUDGET					RISK (BUDGET AND TIME)	
	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)	Status	Risk Commentary
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		Green	
Papanui Parallel	Section 2 - Bealey Ave to Trafalgar	Closed	Aug-17	Aug-17	Green (<30 days)		Green - On Track	$11.1 M	$11.1 M	$11.1 M		Green	
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		Green	
Papanui Parallel	Section 4 - Grassmere to Sawyers Arms Road	Closed	Aug-17	Aug-17	Green (<30 days)		Green - On Track	$3.4 M	$3.4 M	$3.4 M		Green	
						Totals		$16.2 M	$16.2 M	$16.2 M			
Quarrymans Trail	Section 1a - Hoon Hay Road to Roker/Strickland Street	Closed	Jun-18	Jun-18	Green (<30 days)		Green - On Track	$17.5 M	$17.5 M	$17.5 M		Green	
Quarrymans Trail	Section 1b - Victors Rd to Hoon Hay Road	Closed			Green (<30 days)		Green - On Track	$0.0 M	$0.0 M	$0.0 M		Green	
Quarrymans Trail	Section 2 - Halswell to Victors Road	Closed	Jun-19	Oct-19	Green (<30 days)		Green - On Track	$6.2 M	$6.2 M	$6.2 M		Green	
						Totals		$23.7 M	$23.7 M	$23.7 M			
Uni-Cycle	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		Green	
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 M		Green	
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		Green	
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 M		Green	
						Totals		$10.8 M	$10.8 M	$10.8 M			
Heathcote Express	Section 1 A- Ferry Rd	Closed	Oct-19	Oct-19	Green (<30 days)		Green - On Track	$6.2 M	$6.2 M	$6.2 M		Green	
Heathcote Express	Section 1 B- Charles St to Tannery	Closed	Oct-19	Oct-19	Green (<30 days)		Green - On Track	$11.2 M	$11.2 M	$11.2 M		Green	
						Totals		$17.4 M	$17.4 M	$17.4 M			
Little River Link	Section 1 - Moorhouse Avenue to Edinburgh Street	Closed	Sep-18	Sep-18	Green (<30 days)		Green - On Track	$6.6 M	$6.6 M	$6.6 M		Green	
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		Green	
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		Green	
						Totals		$7.5 M	$7.5 M	$7.5 M			
Northern 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		Green	
						Totals		$0.0 M	$0.0 M	$0.0 M			
Rapanui Shag Rock	MCR Rapanui - Shag Rock Cycleway - Section 1 - Worcester Street to Linwood Ave	Closed	Oct-18	Jan-18	Green (<30 days)		Green - On Track	$9.2 M	$9.2 M	$9.2 M		Green	
Rapanui Shag Rock	MCR Rapanui - Shag Rock Cycleway - Section 2 - Aldwins Road to Dyers Road	Closed	Jul-18	Jul-18	Green (<30 days)		Green - On Track	$7.1 M	$7.1 M	$7.1 M		Green	
						Totals		$16.3 M	$16.3 M	$16.3 M			
TOTAL MCR PROGRAMME (EXCLUDING EXTERNAL FUNDED SHOVEL READY)								$205.3 M	$205.1 M	$94.9 M			

Christchurch City Council

Projects Delivered - Financial Year 2022

Budget (Deviation from Baseline)	
Green	Delivered on / Under Budget
Amber	Actual Overspend <5%
Red	Actual Overspend >5%

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

					BUDGET	TIME		
Delivery Unit	Project ID	Project Title	Project Manager	Delivery Team	Spend against budget	Project Delivery Date	Delivery against Baseline	Working days to complete
Parks	358	Westmoreland Re-vegetation	Steve Gray	Parks Project Management	●	16-Jul-21	●	2542
	56897	QEII Park Master Plan Delivery	Marcy McCallum	Parks Project Management	●	13-Dec-21	●	619
	56895	QEII Park Master Plan Fitness Station & Track Development	Marcy McCallum	Parks Project Management	●	29-Nov-21	●	544
	43670	Bexley Park Development	Steve Gray	Unknown	●	28-Sep-21	●	798
Vertical Capital Delivery	21129	Te Pou Toetoe Linwood Pool	Kent Summerfield	Anchor Projects & Major Facilities	●	1-Oct-21	●	902
Digital	64546	IT Asset Management Tool	Jason Diaper	Digital Service Operations	●	30-Jul-21	●	87
	60232	Alemba Platform Enhancement 2020	Andi Cossar	Digital Service Operations	●	15-Sep-21	●	359
	62022	C4HANA CCv2 Upgrade	Barrie Nunn	Digital Platform	●	18-Jul-21	●	81
	34955	Digital Office Microsoft 365	Nick Rayner	Digital Service Operations	●	13-Jul-21	●	291
	62013	Holidays Act Corrections	Deborah Murfin	Digital Platform	●	17-Dec-21	●	238
	66639	Vault Migration	Amanda Townsend	Digital Platform	●	19-Nov-21	●	56
	62018	Procurement Audit Actions and Continuous Improvement	Andi Cossar	Digital Platform	●	2-Nov-21	●	199
	61943	Migration of Contact Centre Solution to the cloud - Pure Connect to Pure Cloud	Andi Cossar	Digital Service Operations	●	30-Nov-21	●	319
Transport and Waste Management	32017	The Palms Public Transport Facilities	Luke Thomas	Project Management Transport	●	21-Dec-21	●	1473
	17147	Manchester, Moorhouse & Pilgrim Intersection Improvement	Sandra Novais	Project Management Transport	●	21-Dec-21	●	1517
	57717	Oxford Terrace Bollards at Hereford Street	Lindsay White	Project Management Transport	●	30-Nov-21	●	582
	1346	Cashmere, Hoon Hay & Worsleys Intersection Improvements	Pana Togiaso	Project Management Transport	●	26-Oct-21	●	1279
	52498	Eastgate Public Transport Hub Passenger Facilities Upgrade	Jenny Rankin	Project Management Transport	●	30-Sep-21	●	761
	17136	Gasson, Madras & Moorhouse Intersection Improvement	Sandra Novais	Project Management Transport	●	21-Dec-21	●	1656
	17144	Ilam, Middleton & Riccarton Intersection Improvement	Jannie Greeff	Major Cycleways	●	15-Dec-21	●	1513
Three Waters	28742	SW Temporary Stop Bank Management (LDRP 507)	Kamal Narang	SW LDRP	●	31-Dec-21	●	1535
	66208	WW Fitzgerald Avenue Brick Barrel Manhole	Marie Holland	WW Renewal Reticulation	●	15-Dec-21	●	83
	55802	WS North New Brighton Area & Bossu Road Submains Renewal	Peter McConnell	WS Renewal Reticulation	●	25-Nov-21	●	329
	58146	WS Port Hills Road Mains Renewals	Patrick Cantillon	WS Renewal Reticulation	●	29-Oct-21	●	522
	46181	SW Heathcote Dredging (LDRP 527)	Matt Jackson	SW LDRP	●	24-Sep-21	●	989
	51495	WS Addington Well Head Conversion (Package 5)	Grant Deeney	Water Supply Improvement	●	25-Aug-21	●	764
	49232	WW Flockton Street Mains Renewal	Peter McConnell	WW Renewal Reticulation	●	10-Aug-21	●	768
	33392	WW Settlers Crescent Odour Treatment (PM0052 Discharge)	Rohan Meissenheimer	WW New Reticulation	●	30-Jul-21	●	1282
	56950	SW South New Brighton Set-Back Bund (Bridge Street to Jetty)	Joanne Golden	SW New	●	16-Jul-21	●	469
	55065	SW Jacksons Creek Reticulation Renewal (Brick Barrel) (Brougham to Barrie) (SWPipe ID 17624)	Midhun Joseph	SW Renewal	●	14-Jul-21	●	232
	49282	SW Wilkins Drain Concrete Lining Renewal (Holmwood Road) (80m)	Martin Densham	SW Renewal	●	9-Jul-21	●	482
	49868	SW Okeover Stream Grill Renewal (Newbridge Place)	Stephen Holder	SW Renewal	●	20-Dec-21	●	906
Facilities, Property & Planning	59843	Social Housing Warm & Dry (Insulation)	Lisa Washington	Social Housing	●	31-Aug-21	●	31742

10. Close Out Report - Victoria Street (An Accessible City)

Reference Te Tohutoro: 21/1823023

Report of Te Pou Matua: Adrian Thein, Project Manager, Adrian Thein@ccc.govt.nz
Richard Wesley, Principal Advisor PMO,

General Manager Pouwhakarae: Jane Davis, GM Infrastructure, Planning & Regulatory Services

1. Brief Summary

1.1 The purpose of this report is to present the close out report for the Victoria Street (An Accessible City) capital project as requested by the committee.

1.2 The report has been written to provide an overview of the performance of the capital project now that it is complete.

1.3 The objectives and benefits of the project are summarised in the report by this table.

Objective	Achieved	Comments
Slow speed zone, 30 km/h	Yes	Combination of signage, vertical elements (i.e. trees), raised platforms
Safer for pedestrians	Yes	Courtesy pedestrian crossings, improved footpaths
Safer for cyclists	Yes	Marked on road cycle lanes with cycle priority crossings
Improved public amenity	Yes	Improved footpath surfaces, improved footpath and street lighting, additional landscaping and street furniture
Public transport	Yes	Improved and prioritised bus stop facilities

1.4 The lessons learnt from this project include the following main points.

Description	+ or -	Lesson Learned	Comments
Stakeholder consultation and engagement, design	-	Conduct more public 'workshop' to show options considered, the pros and cons of each option	Taking stakeholders on the journey
Stakeholder consultation and engagement, prior to construction	+	Three separate workshop outlining several construction methodologies with varying timeframes and traffic impacts.	Achieve greater buy in from the affected stakeholder and business owners.
Construction risk mitigation	+	The design and construction team conducted a series of information sessions to outline construction methodologies with the subsequent traffic impacts etc.	This was seen as positive as affected stakeholders had some degree of influence in the impacts
Separate Contract management	+	Programme focused management reduces the interfacing risks between main and separate contracts	Weekly liaison meetings help open the communication channels with a no surprises policy.
Project culture	+	Transparency, positive and professional conduct. PM needs to lead by example	Openness and no blame culture enable the project to be completed 6 months ahead of the contractual programme.
Construction during Level 4 lockdown	+	Use the level 3 conditions to accelerate the construction process	Taking advantage of the quieter streets to increase productivity on site.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Victoria Street Project Close Out Report

Attachments Ngā Tāpirihanga

No.	Title	Page
A ⇩	AAC Victoria Street - Closeout Report	92

Additional background information may be noted in the below table:

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	Richard Wesley - Head of Programme Management Office
Approved By	Lynette Ellis - Head of Transport & Waste Management Jane Davis - General Manager Infrastructure, Planning & Regulatory Services

Transport

Capital Project Closeout Report

An Accessible City, Central City Projects, Victoria Street Redevelopment

Date: 30 July 2021

Author: Adrian Thein, Project Manager, Planning and Delivery Transport

Status: Final

The purpose of this document is to summarise the relevant project information relating to the performance and close out of this project.

Capital Project Details	
Project Title	An Accessible City, Central City Projects, Victoria Street Redevelopment
Project Location	Victoria Street
CPMS Number	18324
TRIM Number	CP 502207/07
WBS Number	732/00113
Project Sponsor	Steffan Thomas
Project Manager	Adrian Thein

Report Details	Name	Position	Date
Prepared By	Adrian Thein	Project Manager	30 July 2021
Reviewed By	Lindsay White	Project Manager	
Approved By	Oscar Larson	Team Leader Project Manager Transport	

Project Purpose and Background

The objectives of this project was to provide the network transformation of the central city road network in the northern sector, consistent with the multi-modal road user hierarchy and public realm network improvements required by the agreed An Accessible City chapter of the Christchurch Central Recovery Plan.

The purpose of Victoria Street is to function as a local distributor for traffic and a key cycle route and public transport bus route north to south from the north side of the central city.

Victoria Street now has a 30 km/hr speed limit and provides a gateway to the inner 30km/h slow speed zone as well as the inner zone for parking, as identified in An Accessible City.

Project Outcomes and Benefits

Reduction in vehicle speed along Victoria Street, support and enhance local buiness and enable easier access to use alternative travel plans, i.e bus, walking and cycling.

Objective	Achieved	Comments
Slow speed zone, 30 km/h	Yes	Combination of signage, vertical elements (i.e. trees), raised platforms
Safer for pedestrians	Yes	Courtesy pedestrian crossings, improved footpaths
Safer for cyclists	Yes	Marked on road cycle lanes with cycle priority crossings
Improved public amenity	Yes	Improved footpath surfaces, improved footpath and street lighting, additional landscaping and street furniture
Public transport	Yes	Improved and prioritised bus stop facilities

Community Outcomes

Community Outcome	Comments
A liveable city A well-connected and accessible city	*Christchurch needs an efficient, integrated transport system that offers a range of choices for everyone. A well connected and accessible city will offer an excellent quality of life and help Christchurch compete internationally with other cities.* The project brief was to improve public transport reliability and travel times to ensure a competitive advantage with the private vehicle, coordinated with improved passenger facilities, supporting the recovery process for the City and supporting active transport. In this regard the project met these community outcomes by: • Delivering bus priority measures that allows bus services to travel along Victoria Street at higher or more consistent speeds at peak times, providing a more reliable journey time overall. A benefit of improved public transport reliability provides an attractive alternative option for people to use and therefore encouraging modal shift. • The project has delivered infrastructure to support a pedestrian-focused Victoria Street area with more crossing points to help improve cohesion between bus stops and destinations on both sides of the road. • On-road cycle lanes are now clearly marked dedicated lanes, thus safer for cyclist and other users.
Prosperous Economy Modern and Robust City Infrastructure	Modern, reliable and effective city infrastructure is important for sustainable economic activity. The ability for the district's infrastructure to bounce back after extreme events will prevent major disruption and make the district a safer place to be. The project met this community outcome by: • Replacing old storm water infrastructure with new. • The use of modern materials for this infrastructure which provides greater resilience to extreme events moving forward. • Reduced risk of end of life failure of the asset. New kerb and channels together with new footpath pavers provided a quality finish and reduced pedestrian trip hazards.
Healthy Environment	Storm water infrastructure improvements and amenity. The project met this community outcome by: • Replacing old and damaged leaking storm water pipes with new, • Provided greater allowance for bicycle parking facilities. • Improved landscape features.
Minimising construction works on site	The project was delivered utilising a stakeholder-focused construction methodology where the local community had input into build timing and

Community Outcome	Comments
	staging. The project could support them as much as possible through the difficult construction period. Extensive stakeholder consultation was undertaken prior to construction work occurring on site. Several workshops were completed which determined the construction methodology and associated sequencing timing of the construction works on site.

Project Financial Summary

Project Budget Summary

ID	Project	Original Budget (LTP)	Final Budget
18324	AAC Central City Projects, Victoria Street	$10,342,200	$ 11,192,402
	NZTA funding received (against $8,964,786 applied for)	$4,404,413	$4,404,413

Change Summary

Change Request	Approved Budget Baseline	Approved Budget Change	Commentary on Reason for Change
19847	$10,342,200	-$600,003	A sum of $600k was reallocated to AAC Hereford Street (Manchester – Cambridge) in FY21 to address the funding shortfall on that central city project.
Increased budget to cover tendered costs – Dec 2019	$9,742,197	+$1,595,170	This project was tendered as part of a package with AAC Hereford Street. When the tender closed and the preferred tender price was over the allocated budget. The increases from estimates prior to tender were a result of overall increases throughout the tender and covered areas such as • compliance costs, • communications and stakeholder management requirements, and • Traffic management.

Change Request	Approved Budget Baseline	Approved Budget Change	Commentary on Reason for Change
19847	$10,342,200	-$600,003	A sum of $600k was reallocated to AAC Hereford Street (Manchester – Cambridge) in FY21 to address the funding shortfall on that central city project.
			The importance of the location of this project and the central city businesses adjacent has driven a quality based procurement methodology that weights quality of delivery and management of construction and stakeholder requirements highly.

Spend against the project budget was as follows:

Year	Budget	Actuals	Variance	Commentary
FY16	216,936	216,936	0	
FY17	1,551,856	1,551,856	0	Early enabling works
FY18	772,606	772,606	0	
FY19	203,317	203,317	0	
FY20	3,964,217	3,964,217	0	Construction phase
FY21	4,349,986	4,349,986	0	Construction phase
FY22	134,484	11,089	117,395	Defect liability period & minor ongoing cost, i.e. landscaping maintenance costs.
Total	11,192,402	11,075,007	117,395	

Project Timeline Summary

The original proposed design was consulted in 2017.

The second design reiteration was in response to public consultation feedback around the quantum loss of on-street car parking along Victoria Street.

The second design saw a re-introduction of more on street car parking with on road bicycle lanes, this design addressed business and most stakeholders concerns. This design was subsequently approved by IT&E.

During the COVID 19 lockdown period the construction team worked remotely to conclude the stakeholder negotiations as to how best to complete the project under level 3 conditions. The unanimous decision among stakeholders was to go ‘hard and fast’ to complete the upgrade, thus enable the business to re build once the COVID 19 restrictions lifted.

CCC project team together with Fulton Hogan took the time during level 4 restrictions to plan ahead and matching resources required to accelerate the construction programme. Liaison with the (then) CTOC to allow one way street closure, this allowed great construction efficiencies where the both sides of the street could be worked on at once.

Several business also took the opportunity to complete their own refurbishment during the construction period.

Weekly progress updates were circulated over 1800 stakeholders proved to be successful in keeping everyone informed, including any changes to temporary traffic restrictions along Victoria Street, what was left to complete and issues we encountered. The newsletter provided ‘real’ information rather than unsubstantiated sources, the project team controlled the project narrative. Also by sharing what went well but also the challenges we encountered on site provided empathy if we were delayed slightly.

Phase	Baseline Completion	Actual Completion	Comments
Project Initiation	17 December 2015	17 December 2015	
Investigation	26 April 2016	26 April 2016	
Design no 1	29 September 2017	16 September 2017	Project was paused due to strong public feedback.
Design no 2	14 February 2020	14 February 2020	Redesign required due to extensive consultation feedback
Procurement	14 October 2020	14 October 2020	
Construction Start	02 March 2020	04 May 2020	COVID 19, level 4 lockdown
Project Delivery Complete	19 April 2021	23 October 2020	Construction Programme accelerated, with multiple crews in tandem

Health, Safety and Environmental

There were no significant health and safety or environmental incidents that occurred on this project. All environmental requirements were managed through the Environmental Management Plan.

During the six month construction period Fulton Hogan conducted 205 separate inductions on site. The high number of inductions on site were primary due to the various sub-contractors employed on this project. The accelerated nature of the construction in the need for multiple crews per trade working concurrently.

In total there were 28,145 hours worked with only 1 Medical Treatment Injury (MTI) which was a subcontractor and 0 Lost Time Injuries (LTI). There were no Worksafe notifications. There were 7 near misses recorded throughout the project and the project team encouraged near miss recording throughout the project as a way of fostering a positive health and safety culture.

Health and safety and environmental audits were carried out throughout construction. The audits was completed internally by Fulton Hogan with input from CCC's Contract Management team.

There were minimal remedial works, as both contractor and CCC Contract Management team were working collaboratively with a high level of trust. Daily walk overs captured any QA and H&S issues in a timely manner.

Procurement

Contract Documentation

Contract Number	Name	Value
CN4600003099	AAC Victoria Street Upgrade	$7,098,171.49

Sustainability

Sustainable-Outcomes-Supplier-Guide

Economic

The construction methodology required a number of subcontractors on this project. A total of 8 External subcontractors were used with an approx. construction value of $4.5m. Subcontract work consisted of:

- Pipework (both sewer and water pipe), ducting, gravel, asphalt, traffic light poles, concrete and rubbish bins which were all procured locally.
- Street furniture was procured nationally (Whanganui).
- Traffic Light aspects only procured from Australia.
- Fulton Hogan has 3 offices in Canterbury (including head office)

Benefit- High value procurement items sourced within New Zealand supporting the local and national economy.

Environmental

Fulton Hogan fleet run on biofuel as a blend of recycled vegetable oil and diesel and these were utilised by the workforce of Victoria Street project.

The majority of the road reconstruction works were mill and mix where existing road asphalt was crushed and mixed as part of the new seal. This reduced resources of importing and sourcing new materials, reduced waste to landfill and also reduced carbon emissions.

The temporary site offices are located nearby at Deans Avenue, which serves as the contract management offices, decant and storage area, thus increasing productivity and reduces carbon emissions by travelling less.

Social

All Fulton Hogan staff onsite were Canterbury based staff and 97.3% are permanent employees.

Fulton Hogan have a proven track record of supporting local communities and local sub-contractors with secure and sustainable employment prospects.

They state they are also committed to creating a resilient workforce for the changing needs of their contracts and to support ongoing careers.

Benefit- The contractor has a diverse and supported workforce celebrating development and success.

Lessons Learned

Description	+ or -	Lesson Learned	Comments
Stakeholder consultation and engagement, design	-	Conduct more public 'workshop' to show options considered, the pros and cons of each option	Taking stakeholders on the journey
Stakeholder consultation and engagement, prior to construction	+	Three separate workshop outlining several construction methodologies with varying timeframes and traffic impacts.	Achieve greater buy in from the affected stakeholder and business owners.
Construction risk mitigation	+	The design and construction team conducted a series of information sessions to outline construction methodologies with the subsequent traffic impacts etc.	This was seen as positive as affected stakeholders had some degree of influence in the impacts
Separate Contract management	+	Programme focused management reduces the interfacing risks between main and separate contracts	Weekly liaison meetings help open the communication channels with a no surprises policy.
Project culture	+	Transparency, positive and professional conduct. PM needs to lead by example	Openness and no blame culture enable the project to be completed 6 months ahead of the contractual programme.
Construction during Level 4 lockdown	+	Use the level 3 conditions to accelerate the construction process	Taking advantage of the quieter streets to increase productivity on site.

Project Final Status Summary

Title	Status Flag	Comments
Overall Status	Green	
Finance	Green	Small surplus noted
Risks	Amber	Slightly delay in the initial public consultation, which lead to a small redesign
Issues	Amber	Minor / Typical construction issues , i.e. services clashes etc
Resources	Green	No issues noted
Time	Green	Construction completed 7 months ahead of schedule.
Scope	Green	Completed as per project brief

Project Documentation

General Project Documentation

Document	Date Completed	Comments
Transport Project Plan	21 December 2015	
Transport Concept Design	25 April 2016	For Council approval plans
Transport Detailed Design	20/03/2020	Ready for tender release
Procurement Plan	15/01/2020	

Practical Completion Certification

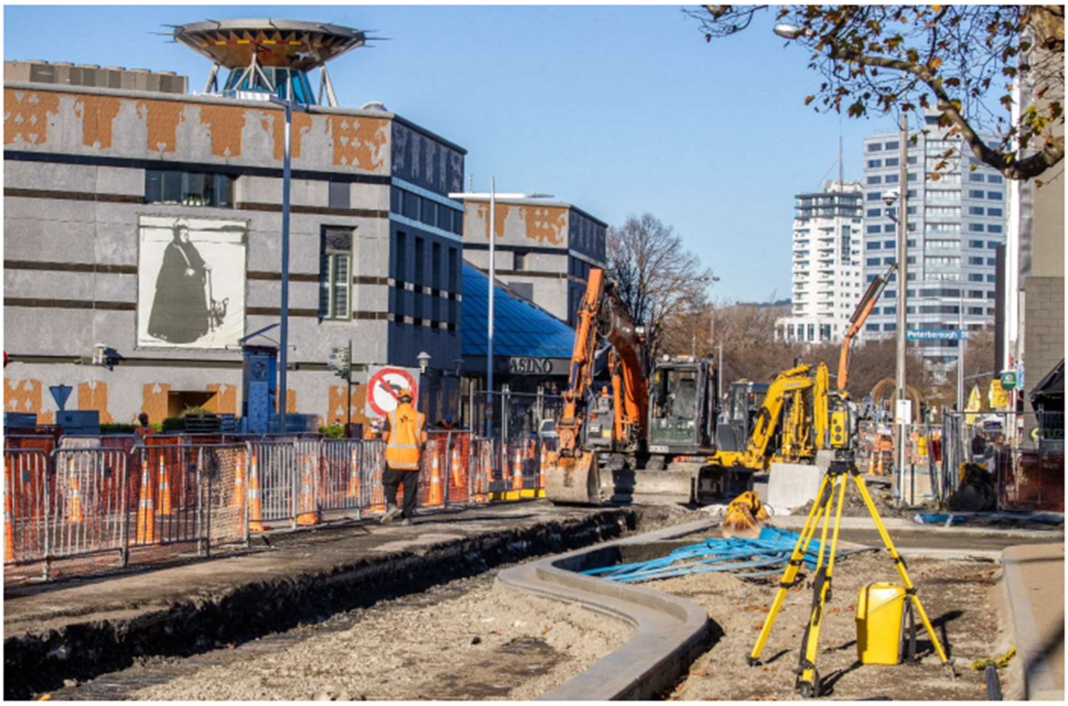
Contract, Work Package or Deliverable	Practical Completion Date	Final Completion Date (end of Defects Period)
CN4600003099	14/10/2020	14/10/2021

Site Photos

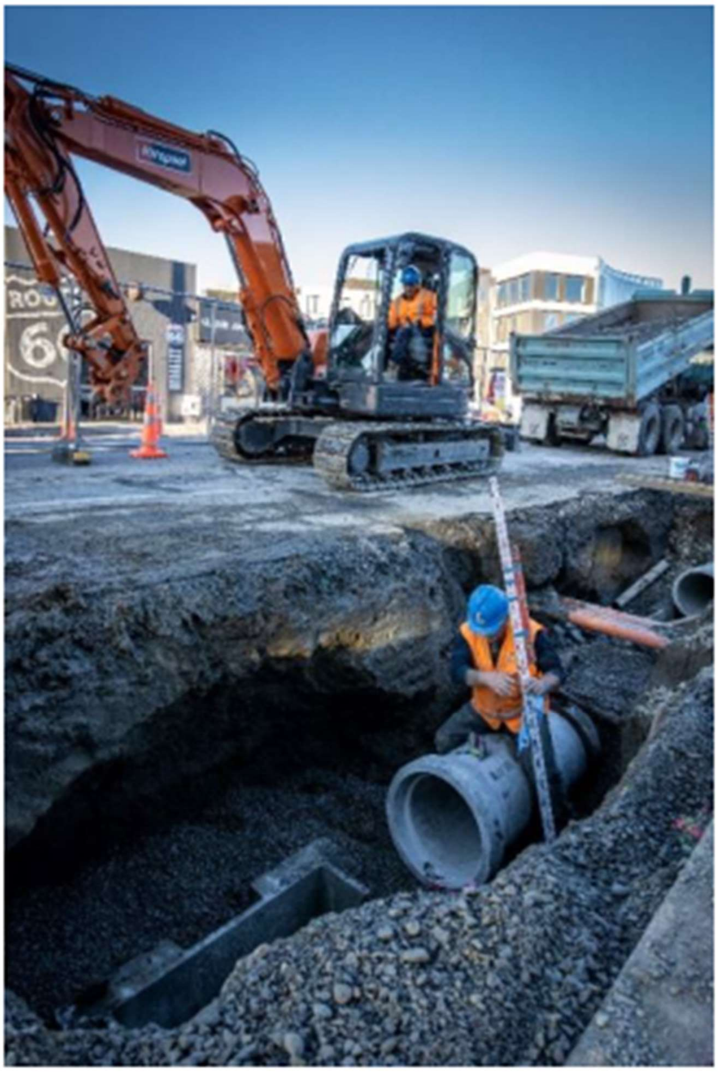
Before photos from street view 2018

Before photos from street view 2018

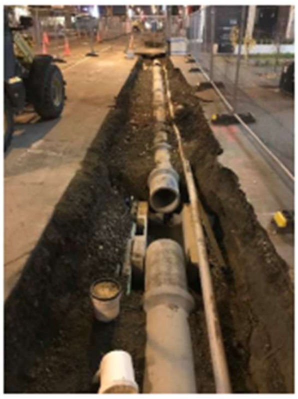
Before photos from street view 2018



May 2020, new kerb laid outside Casino



New stormwater infrastructure



New pavers along Victoria Street

New raised platform completed

Working around existing services, very complex and slow

New seal

Completed

AAC Victoria Street, Closeout Report.DOCX

11. Electricity Procurement

Reference Te Tohutoro:	22/239709
Report of Te Pou Matua:	Steven Nichols, Energy Analyst, steven.nichols@ccc.govt.nz Paul Bakker, Procurement & Contracts Category Lead, paul.bakker@ccc.govt.nz Bruce Rendall, Head of Facilities, Property and Planning, bruce.rendall@ccc.govt.nz
General Manager Pouwhakarae:	Leah Scales, Acting General Manager Resources/Chief Financial Officer, leah.scales@ccc.govt.nz

1. Purpose of the Report Te Pūtake Pūrongo

1.1 The purpose of this report is to gain approval of the procurement plan for the Council's electricity supply. This report is staff generated in response to the Council's current electricity supply contracts end date, which is 30 September 2022. Tranche 19 of MBIE's All of Government electricity procurement will commence on 25 March 2022.

1.2 The decisions in this report low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by evaluation according to each significance criteria relating to impacts on the community and Council function.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Approve the procurement plan for electricity supply to engage with MBIE's All of Government procurement process to evaluate proposals from electricity retailers for 18 and 36 month terms.

3. Reason for Report Recommendations Ngā Take mō te Whakatau

3.1 External advice and modelling has recommended that the Council continue to procure electricity via MBIE's All of Government process in conjunction with behind the meter solar photovoltaic (PV) power purchase agreements. This approach provides the most feasible way of meeting all of Council's objectives at the current time.

3.2 Procurement of behind the meter solar PV PPAs will be addressed in a separate procurement plan, which can be approved under delegation.

3.3 Council officers have identified a product that may better meet the Council's objectives, however, based on external advice and some market sounding, it appears that only one company offers this product. This product involves power purchase agreements with future independent renewable power producers (e.g. potential generators at CIAL's Kōwhai Park), and financial mechanism to ensure supply and reduce pricing volatility.

3.4 Pursuing renewable power purchase agreements has a number of broader impacts for Christchurch which include:

3.4.1 Investment in new renewable electricity generation assets, which shows climate leadership.

3.4.2 Investment in local employment, as the generation assets would be located in Canterbury.

3.5 To ensure that we can demonstrate value for money, officers are exploring ways to allow this product to be included in a procurement process along those from other retailers on the All of Government panel.

4. Alternative Options Considered Ētahi atu Kōwhiringa

4.1 Alternative options considered were:

4.1.1 A "financial" approach, which would involve the Council purchasing electricity on the wholesale spot market whilst securing contract for difference hedges to mitigate spot pricing volatility. The advantages of this option included the historical price advantage of hedge contracts over fixed price contracts (usually 7% on average), however in recent years, this price advantage has been significantly reduced. This approach is more complex and would require both internal and external resource and expertise to make regular decisions regarding which hedge to purchase and when. External consultants would provide advice on hedging purchases and conduct RFPs for hedge contracts on behalf of Council.

4.1.2 A "financial" approach with renewable power purchase agreements. The advantages of this option include the ability to purchase and accommodate renewable power purchase agreements alongside hedge contracts. However, the disadvantages included significant monthly volatility in pricing, particularly when larger renewable power purchase agreements are added. The success of this approach would require the power purchase agreement have a very competitive price in order to achieve better value for money over fixed price contracts.

4.1.3 A hybrid option where Council enters into an agreement with a retailer which allows a customer to purchase electricity on mostly fixed prices which a predetermined level of spot pricing (e.g. 30%). Council could then enter into renewable power purchase agreements with generators and nominate the level of spot pricing to match the output of the renewable generator. The advantages of this option include the ability to mitigate the exposure to spot pricing. However, the disadvantage of this option are that the level of spot pricing can only be set once per month which would not be frequent enough to change with the output of the renewable generator to avoid significant volatility in monthly electricity costs.

5. Detail Te Whakamahuki

5.1 Council is a significant consumer of electricity in Christchurch with an approximate annual total consumption of over 83 GWh (Gigawatt hours) across street lighting, time-of-use and non-half-hourly metering types. This usage profile has shifted from 69GWh in 2017, to 100GWh in 2019, and back to the current figures. The reasons for the decrease are related to permanent changes associated with the street light LED roll out and temporary change associated with Covid 19 shutdowns.

5.2 Council has over 1300 separate electricity connections/accounts (installation control points – ICPs) to the electricity network.

5.3 Council's total electrical expenditure for the term of the next contract is estimated to be in the range of $15 to $17 million pa, requiring Finance and Performance Committee approval of the procurement plan. The range is based on both variable volumes, and forecast unit prices. If Council continued to use the current FPVV model under the All of Government contract, we anticipate a significant unit price rise, based on the future's market.

5.4 Council has in recent years purchased its electricity through All of Government procurement. The 2017 procurement process initiated public discussion about climate leadership and greenhouse gas emission intensity, while the increased rates obtained in 2019 started internal discussions about price volatility.

5.5 The current contracts expire in September 2022.

5.1 Staff have considered different purchasing options for electricity beyond 1 October 2022. These different options aim to achieve the objectives of:

5.1.1 security of supply,

5.1.2 reducing price volatility,

5.1.3 lowering greenhouse gas emission intensity,

5.1.4 showing climate leadership, and

5.1.5 improve value for money.

5.2 A consideration is also providing certainty to investors wishing to develop utility scale renewable energy generation in Christchurch. Such investment is likely to result in construction and operational jobs.

5.3 Options considered have included the current All of Government approach (fixed pricing variable volumes), behind the meter (BTM) solar PV, corporate power purchase agreements (PPAs) and a financial approach, involving spot prices and hedge contracts.

5.4 Staff, based on analysis of the options and external advice, recommends pursuing behind the meter solar PV on Council rooftops whilst continuing to participate in MBIE's All of Government procurement process for electricity in the short term.

5.5 This approach meets the security of supply and lowering greenhouse gas emission intensity objectives and partially meets the climate leadership objective. It does not reduce price volatility objective and the value for money is uncertain at this stage.

5.6 Other mixes of options have been considered but are not considered feasible when considering the current regulatory environment, state of the market and Council capacity.

5.7 There are emerging products that could meet all of Council's needs. The secondary recommendation from the external consultant was for Council to investigate a new product that would allow Council to enter into power purchase agreements with renewable generators (and take advantage of the improved value these may provide) whilst purchasing the remainder of electricity not covered by the renewable power purchase agreements in such a way that mitigates pricing volatility.

5.8 Council must consider the views and preferences of its community when making decisions.

5.8.1 Specific community feedback tells us that electricity related greenhouse gas emissions are an important matter to some members of the community. For some in this group there is a justification in paying a premium if this resulted in a net reduction in emissions.

5.8.2 For others it is likely that they perceive that electricity is an essential commodity for which Council should strive to pay the lowest possible price.

5.8.3 Overall it is probable that the community wishes Council to try to minimise both emission and costs of the electricity it uses.

5.9 The decision affects the following wards/Community Board areas:

5.9.1 All wards/Community Board areas.

6. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

Strategic Alignment Te Rautaki Tīaroaro

6.1 Electricity is essential for the operation of Council facilities for the community.

6.2 Council has set itself a target of becoming net carbon neutral by 2030. Electricity represents a significant component of the Council's own greenhouse gas emissions, through grid emission factors. This has been taken into consideration during the procurement process as one of the strategic objectives.

6.3 This report supports the Council's Long Term Plan (2021 - 2031):

6.3.1 Activity: Facilities, Property and Planning

- Level of Service: 13.4.29.2 We provide advice and projects that reduce the energy used in Council facilities - At least 3.3% reduction year on year greenhouse gas emissions, excluding methane (Based on Greenhouse Gas Emissions Target for Christchurch, Option 1)

Policy Consistency Te Whai Kaupapa here

6.4 The decision is consistent with Council's Plans and Policies.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

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

6.6 Electricity supply does not affect land or a body of water in this regard.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

6.7 Electricity related greenhouse gas emissions represent a significant portion of Council's overall emissions profile. Staff have considered this as one of the stated strategic objectives for electricity procurement. This objective is to reduce the emissions factor from the electricity that council purchases and to show climate leadership. Emissions factor is calculated as the mass of carbon dioxide equivalent emitted whenever a unit (kWh) of electricity is generated, either from the grid as an average or from a specific generation source (e.g. solar PV).

6.8 Currently electricity supplying Council facilities is sourced from the grid and, for the purposes of Council's greenhouse gas inventory, the associated greenhouse gas emissions are calculated using the grid average emissions factor published by the Ministry for the Environment. Despite the fact that the majority of electricity supply in the South Island is from hydro and wind generation, the only accepted emissions factor used for greenhouse gas inventories is the national grid average emissions factor which includes the fossil fuelled generators in the North Island.

6.9 In order to reduce the emissions intensity for electricity purchases, electricity purchases either need to be offset using renewable energy certificates or carbon credits, or directly sourced from generation that has a lower emissions factor than the grid average emissions factor.

6.10 Electricity sourced from behind the meter solar PV generation would achieve this through sourcing a portion of the electricity from a solar array attached to a rooftop (for example) that would otherwise purchase from the grid.

6.11 While behind the meter solar PV will reduce Council's greenhouse gas emissions, there is a practical limit to the amount of solar PV panels that can be deployed on Council facilities. Staff have therefore also considered power purchase agreements with renewable energy generators. While the electricity generated from these sources is considered low carbon, the electricity delivered to council would still use the grid average emissions factor. However, this can potentially be mitigated through the purchase of renewable energy certificates, however these need to be certified for the purposed of calculating Council's greenhouse gas inventory.

6.12 There is also consideration that, while a renewable PPA may not affect the emissions intensity of the electricity supplied to Council facilities, it would contribute to increasing the availability of low carbon electricity for the wider Christchurch community, as this power would be available in the electrical grid, incrementally reducing the grid average electricity factor by avoiding greenhouse gas emissions that would otherwise be emitted by generators elsewhere.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

6.13 Not applicable as the procurement process to purchase electricity does not affect accessibility.

7. Resource Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

7.1 Cost to implement – Council will spend between $20,000 and $50,000 on specialist advice to help assess price submissions and provide other market advice.

7.2 Maintenance/Ongoing costs – Council's electricity budget for FY2023 is $17,678,865.

7.3 Funding Source – Electricity is funded from a range of operational budgets at the business unit level.

Other He mea anō

7.4 NA

8. Legal Implications Ngā Hīraunga ā-Ture

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

8.1 Council has the authority to purchase electricity.

Other Legal Implications Ētahi atu Hīraunga-ā-Ture

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

9. Risk Management Implications Ngā Hīraunga Tūraru

9.1 The main risks of the proposed decisions are mainly financial. Due to market conditions at this time, there is likely to be an increase in electricity prices, irrespective of the chosen strategy.

Attachments Ngā Tāpirihanga

No.	Title	Page
A ⇩	Electricity Procurement Plan 2022	115

Additional background information may be noted in the below table:

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	Steven Nichols - Energy Analyst Paul Bakker - Procurement & Contracts Category Lead
Approved By	Bruce Rendall - Head of Facilities, Property & Planning Leah Scales - Acting General Manager Resources/Chief Financial Officer

Electricity Supply

PROCUREMENT PLAN

OVERVIEW

TENDER NUMBER	RFP25006208
OPEX BUDGET AND CONTRACT ESTIMATE	$53,568,650 (FY2023 – FY2025)
CAPEX BUDGET	Nil
CONTRACT WORKS PERIOD	01/10/22 – 30/09/25
PROCUREMENT LEAD	Paul Bakker, Procurement and Contracts Category Lead, Procurement
CONTRACT / PROJECT MANAGER	Steven Nichols, Energy Analyst, Facilities, Property & Planning

PLAN SYNOPSIS

- CCC owned facilities use approximately 84 GWh pa of electricity.
- The current electricity suppliers are Meridian Energy and Contact Energy. Council spent a total of $14,524,233 in FY 2021; $9,839,874 with Meridian and $4,684,359 with Contact. This spend includes network charges which are passed on at cost.
- Average (unweighted) retailer only pricing during the contract period was 9.15 c/kWh for TOU (Time of Use) ICPs, 8.83 c/kWh for NHH (Non-Half Hourly) and 10.60 c/kWh for DUML (Distributed Unmetered Load) ICPs (streetlights and traffic signals).
- Current ASX (Australian Stock Exchange) electricity futures pricing indicates that there will be an increase in electricity prices. This is a result of constrained electricity supply and increasing demand for electricity, with little expected new generation to meet this increased demand in the short term.
- The current contracts commenced on 1 October 2019 and expires on 30 September 2022.
- The proposed procurement plan is to purchase electricity using fixed price variable volume (FPVV) contracts with electricity retailers.
- Approximately 4% of electricity consumption will be purchased on a long term Power Purchase Agreement from rooftop solar PV systems installed on Council buildings.
- It is expected that council will be able to purchase solar electricity from council rooftops at a lower price than would be otherwise purchased through FPVV agreements. This will provide a cost saving to council whilst ensuring council can purchase a portion of electricity at a fixed rate, which should reduce pricing volatility.
- The remaining portion will be purchased using FPVV contracts with retailers via MBIE's All-Of-Government (AOG) contract.
- In addition, to AOG FPVV pricing, Council will request that AOG invite proposals from Panel members for electricity supply agreements that will enable the Council to achieve its strategic objectives (see later in report for stated strategic objectives) for electricity purchasing. These could take the form of Power Purchase Agreements (PPA) products, which will enable Council to purchase off site PPAs with renewable generators whilst securing the balance of electricity supply from retailers or long term (5+ years) fixed price supply agreements. These proposals would be evaluated alongside the standard AOG FPVV proposals on a value for money basis.
- If, for whatever reason, it is not possible to obtain alternative proposals via the AOG process, Council will also continue to engage with retailers to understand and evaluate alternative electricity supply agreements that would allow Council to, for example, enter into power purchase

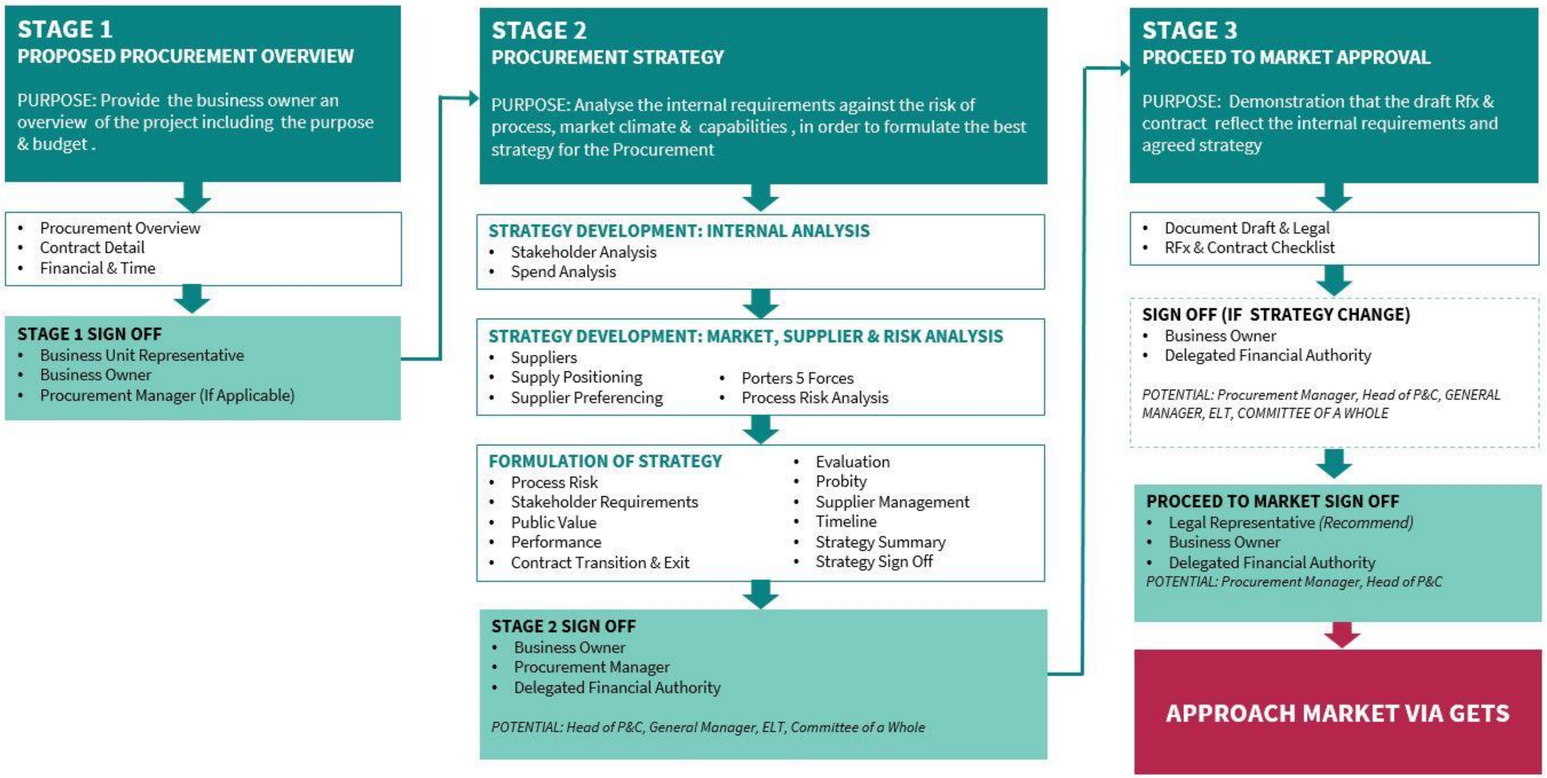
agreements with renewable utility-scale generators alongside purchases of grid electricity. Proposals for these supply agreements would be evaluated alongside AOG options on a value for money basis (for example, investment in local employment, clean renewable energy and lower Christchurch's carbon emissions).

DOCUMENT DEVELOPMENT CONTROL			
PCAT1	Operations		
PCAT2	Facilities		
PCAT3	Facilities Maintenance / Management		
BUSINESS UNIT	Facilities, Property & Planning		
PROCUREMENT STRATEGY	N/A		
DOCUMENT VERSION	1		
DATE OF LAST REVISION	16/02/22		
APP #	159	**CPMS #**	N/A
PROCUREMENT STRATEGY	In Progress	**APPROVED BY**	
PROCEED TO MARKET APPROVAL	Not Started	**APPROVED BY**	

Item 11

Attachment A

PROCUREMENT PLAN



PROPOSED PROCUREMENT OVERVIEW

PURPOSE: *Provide the business owner an overview of the project including the purpose & budget.*

OVERVIEW

BUSINESS OWNER	Bruce Rendall
CONTRACT / PROJECT MANAGER	Steven Nichols
WHAT IS THE PURPOSE OF THE PROCUREMENT	
The current electricity supply agreements under the AOG Electricity supply contracts with Meridian and Contact Energy, expire on 30 September 2022. This procurement is for the renewal of the electricity supply agreements by sourcing electricity via the AOG process to provide the most cost effective, energy efficient and environmental friendly electricity supply arrangement for the next three years and beyond. On a broader level, staff have identified strategic objective for electricity procurement which are: (1) maintaining security of supply, (2) reducing pricing volatility, (3) reducing the greenhouse gas emissions factor of electricity used by Council / showing climate leadership, and (4) improving value for money. This procurement will seek to achieve these objectives in the medium to long term.	
WHAT IS THE SCOPE OF THE PROCUREMENT	
The scope of this procurement is for electricity supply to all council facilities and equipment. This includes all Time of Use (TOU), Non Half Hourly (NHH) and Distributed Unmetered Load (DUML) Installation Control Point (ICP's). The current agreement is a fixed price variable volume contract, which commenced on 1 October 2019 and will expire on 30 September 2022. Electricity consumption at Council is expected to grow in the next three to five years, with the addition of significant energy consuming facilities, including Parakiore Metro Sports Facility, Hornby Library, Service Centre and Pool, and with Linwood Pool still in its first year of operation (opened in November 2021). These facilities are expected to use an additional 14,000 MWh (Megawatt Hours) per year in addition to existing Council electricity use of 84,000 MWh. Council will go to market via MBIE's All-of-Government process, which will conduct an RFP for the five panel members to respond to (Meridian Energy, Simply Energy (Formerly Contact Energy), Genesis Energy, Mercury Energy and Trustpower). Standard (Fixed Price Variable Volume (FPVV) agreement timeframes of 18 and 36 months will be tendered for and evaluated. In addition to requesting standard FPVV pricing proposals, Council will also ask suppliers (via AOG) for alternative proposals for electricity supply agreements which will achieve the Council's strategic objectives for electricity procurement. These alternative proposals could include power purchase agreement "sleeving" products. Sleeving products allow Council to enter into PPAs with renewable utility scale generators (e.g. utility scale solar farms/Kōwhai Park) whilst providing the balance of electricity supply not covered by the PPA or long term FPVV contracts (5+ years). All AOG proposals from Panel members will be evaluated together (FPVV and alternative proposals) on a value for money basis. Opportunities to enter into power purchase agreements with renewable generators have been presented to Council, notably Christchurch International Airport Ltd's Kōwhai Park, which will incorporate a utility scale solar farm with potential forms of battery storage. In order to take advantage of these opportunities, it is important that Council positions itself and investigates options to be able enter into power purchase agreements and other alternative purchasing products. If, for whatever reason, it is not possible to obtain alternative proposals via the AOG process, Council will also continue to engage with retailers to understand and evaluate alternative electricity supply agreements that would allow Council to enter into, for example, power purchase agreements with renewable utility-scale generators (such as at Kōwhai Park) alongside purchases of grid electricity or long term (5+ year) fixed	

price agreements. Proposals for these supply agreements would be evaluated alongside AOG options on a value for money basis (for example, investment in local employment, clean renewable energy and lower Christchurch's carbon emissions).

In parallel, a separate procurement process will be conducted for power purchase agreements for behind the meter rooftop solar PV on a number of Council's high electricity using buildings. These include Te Hononga Civic Offices, Christchurch Art Gallery, Turanga Library, Jellie Park, Pioneer Pool, Taiora QEII and Te Hapua Halswell among others. Future buildings that could be included are Te Kaha, Hornby Pool and Parakiore Metro Sports Facility. Electricity generated from these buildings is expected to provide approximately 4% of Council's current electricity needs, with the balance provided by the successful electricity retailer. A separate procurement plan is being prepared and this main electricity procurement should not be affected by this project. A power purchase agreement model has been selected (over a direct purchase option) as it avoids increasing council borrowing and utilises existing Council Opex (electricity budget) to procure low carbon electricity which will directly reduce Council Scope 2 emissions by avoiding the purchase of grid supplied electricity. Early indications suggest the market can provide electricity prices from rooftop solar PPAs at below market prices, which would be a requirement for the project to proceed. The value add to Council (and to ratepayers) is through purchasing electricity at lower prices than Council would otherwise purchase from the grid electricity supplier.

Data requirements from the supplier include requesting the supplier provide electricity consumption data for the purposes of collating CCC's carbon inventory. This will take the form of a spreadsheet in a predefined format which will need to be submitted either via email or to a dedicated upload platform. The supplier must also have a user friendly portal to enable downloads of electricity use and cost data on an as needed basis.

IS THIS BUDGETED FOR IN LTP & AP	Yes
IS NZTA FUNDING THE PROJECT	No
NZTA % FUNDING	N/A
RISK TEMPLATE LINK	21/1817913
PROBITY REQUIREMENT	External Probity Advisor
H&S CLASSIFICATION	2
LEX REQUEST	LEX # 23947
FINANCE BUSINESS PARTNER	Nick Dean
EXISTING COUNCIL RESOLUTIONS	No
DOES PROCUREMENT INVOLVE ASSETS	No
DOES PROCUREMENT HAVE IT REQUIREMENT	No

EXISTING CONTRACT DETAILS

PURPOSE: *To provide a link to the existing/expiring contract that this procurement project is replacing (Leave blank if NEW)*

CONTRACT #	4600002966 Meridian	**CONTRACT EXPIRY**	30/09/2022
CONTRACT #	4600002967 Contact Energy	**CONTRACT EXPIRY**	30/09/2022

FINANCIAL & TIME

PURPOSE: *To create a link from the proposed procurement to the budget*

OPEX BUDGET	$53,568,650 (FY 2023 – FY 2025)	CONTRACT REQUIRED BY	15/09/2022
CAPEX BUDGET	$0	WBS	Multiple WBS

PROCUREMENT STRATEGY

STRATEGY DEVELOPMENT: INTERNAL ANALYSIS

PURPOSE: *Analyse the internal requirements (stakeholders & spend) against the risk of process, to formulate the strategy reflective of our needs)*

STAKEHOLDER ANALYSIS

STAKEHOLDER TYPE	MEANING
Customer	Who the procurement is being delivered for (e.g. paying for the procurement or affected by it)
Deliverer	Who is delivering or has an interest in the delivery of the product / service operationally (e.g. who is accountable for the day to day delivery service or product)
Approver	Any individual (in the hierarchy) who has financial delegation for the procurement
Governance	Any Steering group, Executive or Council interest

STAKEHOLDER	ROLE	STAKEHOLDER TYPE	REQUIREMENT
Finance & Performance Committee of the Whole	Governance	Approver	In May 2019, Council resolved to delegate approval of Procurement Plans and preferred suppliers for OPEX contracts $10m+ to the Finance and Performance Committee of the Whole.
ELT	Governance	Governance	The Executive Leadership Team must have sight and be in agreement with the strategy of the Procurement Plan before it goes to the Finance & Performance Committee of the Whole.
Leah Scales	GM Resources Group	Governance	Uninterrupted electricity supply to all Council facilities and equipment that will support delivery of agreed service levels to the rate payers
Bruce Rendall	Head of Facilities, Property and Planning	Deliverer	As Head of Unit, ultimately responsible for the delivery of electricity to all Council facilities and equipment.
Rebecca Smith	Head of Procurement & Contracts	Approver	Ultimately responsible for sourcing electricity within the Council's Procurement Policy and Framework to ensure best value for money
Steven Nichols	Energy Analyst, FPP	Deliverer	Operationally responsible for the uninterrupted supply of electricity to all Council facilities and equipment

Nick Dean	Finance Business Partner	Governance	Finance business partner for Infrastructure and has oversight of budgets.
Emma Perry	Legal	Governance	Legal review of all RFP and Contract documentation to ensure that robust supply agreements are established.
Citizens	Ratepayers	Customer	Uninterrupted electricity supply to all Council facilities and equipment that will support delivery of agreed service levels to the rate payers

SPEND ANALYSIS

PURPOSE: *Complete a spend analysis of current Council suppliers, including CCC market percentage and, where known, the factors that make up the price / cost*

TOTAL SUPPLIERS	2	TOTAL CONTRACTS	2

CONTRACT	SUPPLIER	CCC MARKET %
CN4600002966	Meridian Energy	68% [FY2021]
CN4600002967	Contact Energy (now Simply Energy)	32% [FY2021]

ARE COST FACTORS KNOWN	Yes [Are the factors that make up Cost / Price known]
IF YES SET OUT COST FACTORS	Supply and Demand
FULL SPEND ANALYSIS LINK	TRIM link to full spend analysis : 22/175646

ELECTRICITY CONSUMPTION:

Past

Electricity costs at council have increased year on year between FY2017 to FY 2020 at an average of 6.2% per year; from $12.1 million in FY2017 to $14.5 million in FY 2020. In FY 2021 saw a drop in electricity cost ($14.1 million), mostly due to street light conversions to LEDs. In the FYs 2017 to 2020, increases in electricity cost were a due to a combination of factors, including pool upgrades and new libraries coming online.

The largest electricity consuming facilities at Council are street lighting, water supply and wastewater assets, swimming pool facilities and larger buildings (libraries, art gallery and civic offices). Combined these facilities represent 91% of Council's electricity spend.

Future

Electricity consumption and cost is expected to continue to increase due to new facilities being added to Council's portfolio (Q3 FY2023), most notably Hornby Pool and Parakiore Metro Sports Facility (approx. increase of 15% on Council's current consumption). There is likely to be a drop in street lighting consumption and cost, due to the adoption of new electricity metering for these assets by the retailer for billing. Electricity metering of street lights is a new functionality included with the LED upgrades. This is expected capture electricity savings from the dimming of street lights, which is not accounted for in the current electricity billing process. However, this reduction will be smaller than the expected increases in load.

Due to stressed market conditions, the price of electricity is expected to increase. Recent and projected future increases in electricity prices are the result of a combination of factors including a reduction in gas supply availability, low hydro lake inflows, and increased demand from the electrification of transport and process heat, and a lack of new generation coming online in the near term.

Depending on the outcome of the Three Waters Reforms, the electricity accounts supplying water supply and wastewater assets may be transferred away from Council's portfolio, which would reduce electricity costs by approximately 40%.

STRATEGY DEVELOPMENT: MARKET, SUPPLIER & RISK ANALYSIS

PURPOSE: *Analyse the market climate, capabilities and process risk to formulate the strategy reflective of our needs*

MARKET ANALYSIS

*The Market Analysis template can be found **here**.*

PURPOSE: *Use the market analysis tools to consider both suppliers and the industry; to understand the market climate and capabilities*

MARKET SUMMARY

PURPOSE: *To provide an overview of the market from the information gathered in the market analysis*

MARKET DEMAND	Growth
COUNCIL DEMAND	Growth
MARKET OVERVIEW	The electricity market is strongly influenced by supply and demand. Pricing in recent years has increased due to low hydro lake inflows, reduced natural gas availability and increasing demand. This is expected to be maintained in the medium to long term due to little change in the pipeline of new generation assets.
COUNCIL POSITION & INFLUENCE	CCC is at risk of having to pay increased prices in the short to medium term (next contract period). This can potentially be mitigated by entering into long term (10+ years) power purchase agreements with renewable generation or entering into long term supply contracts with a retailer. Purchasing electricity from the grid still comes with associated grid average greenhouse gas (GHG) emissions factor due to presence of fossil fuel generation in the North Island. This can potentially be mitigated by installing solar PV arrays on roofs (behind the meter) on council buildings and/or purchasing reputable renewable energy certificates from renewable energy generation or carbon credits.

PROCUREMENT PROCESS RISK ANALYSIS

PURPOSE: *Determine the inherent risks associated with the procurement process*

Using the table below indicate Likelihood, impact and risk rating (using the drop down boxes) to the procurement process

	Insignificant	Minor	Moderate	Major	Extreme
Almost Certain	Medium	High	High	Very High	Very High
Likely	Medium	Medium	High	Very High	Very High
Possible	Low	Medium	High	High	Very High
Unlikely	Low	Low	Medium	High	High
Very Unlikely	Low	Low	Medium	Medium	High

RISK TO PROCUREMENT PROCESS	LIKELIHOOD	IMPACT	RATING
Understatement / Overstatement of need	Unlikely	Minor	Low
Misinterpretation of need	Very Unlikely	Minor	Low
Accuracy of Spend Data	Very Unlikely	Minor	Low
Accuracy of Asset Data	Very Unlikely	Minor	Low
Timeframe is not sufficient	Very Unlikely	Minor	Low
Likelihood of Probity Issues	Unlikely	Minor	Low
Specification Undefined	Unlikely	Minor	Low
Specification Bias	Unlikely	Minor	Low
Limited Capable Suppliers in Market	Unlikely	Minor	Low
Potential for Challenge	Possible	Minor	Medium
Legislative	Unlikely	Minor	Low
Political Climate	Unlikely	Minor	Low

PROCESS RISK SCORE	Medium
DOES RISK SCORE REQUIRE CHANGE IN PROBITY	Yes External Probity Required

PROCESS RISK

PURPOSE: *To set out the details as to how each of the identified process risks will be mitigated.*

MITIGATION	RESIDUAL RATING
Potential for Challenge: Review of supplier's plans for decarbonising electricity generation during sustainability evaluation of proposals. Electricity supply from the grid takes on the overall grid average emissions factor when calculating Council's overall GHG profile.	Low
RESIDUAL SCORE	Low

FORMULATION OF STRATEGY

SOURCING STRATEGY	The Council will source an electricity supplier by using the All-of-Government (AoG) electricity contract. • Council will register for a Tranche by signing a Letter of Accession and acceptance of the Memorandum of Understanding. • MBIE will run a Secondary Procurement Process asking suppliers to submit pricing for pre-determined load and number of ICPs of participating agencies. • Proposals will be evaluated by MBIE with the support of an external specialist. • MBIE will provide a recommendation and pricing report for the Council to sign off. The report will include all pricing offered, term of the offers, expected charges and budget implications, and preferred offer(s) based on best value for money. • Council will have two weeks to accept the recommended offer.

	• Upon acceptance of the recommended offer, the Council will sign, and the supplier(s) counter sign a Pricing Supplement with the selected supplier(s). • Council have asked MBIE's All-Of-Government procurement team to also tender, alongside the above, alternative proposals for electricity supply agreements which will achieve the Council's strategic objectives for electricity procurement (see stated objectives in previous section) These proposals may include power purchase agreement "sleeving" products. Sleeving products allow Council to enter into PPAs with independent power producers (e.g. generators at Kōwhai Park) whilst providing the balance of electricity supply not covered by the PPA or long term (5+ years) FPVV electricity supply agreements. The standard FPVV proposals and the alternative proposals from each supplier would be compared and evaluated together on a value for money basis. • If, for whatever reason, it is not possible to obtain alternative proposals via the AOG process, Council will also continue to engage with retailers to understand and evaluate alternative electricity supply agreements that, for example, would allow Council to enter into power purchase agreements with renewable utility-scale generators (such as at Kōwhai Park) alongside purchases of grid electricity or long term fixed price agreements. Proposals for these supply agreements would be evaluated alongside AOG options on a value for money basis (for example, investment in local employment, clean renewable energy and lower Christchurch's carbon emissions).

ACHIEVING PUBLIC VALUE

PURPOSE: *Determine how public value will be achieved through consideration of sustainable procurement (environmental, social and economic) and value for money (financial and non-financial opportunities)*

BENEFIT OPPORTUNITY	Market competition within the secondary procurement process of the AoG Electricity Supply Agreements
VALUE ADD OPPORTUNITY	Overall, current ASX electricity futures pricing indicates that there will be an increase in electricity prices. This is a result of constrained electricity supply and increasing demand for electricity, with little expected new generation to meet this increased demand in the short term. However, and opportunity that may deliver slightly improved pricing on street lighting due to the use of new metering technology.
PRICE ADJUSTMENT	Fixed
ADJUSTMENT DETAIL	N/A
INCENTIVES	No

PERFORMANCE

PURPOSE: *To set out the proposed details of how performance will be measured throughout the life of the contract i.e. Key Performance Indicators (KPIs).*

HOW WILL PERFORMANCE BE MEASURED	Electricity supply agreements offered by electricity suppliers do not provide for performance measurement.

CONTRACT TRANSITION, DEMOBILISATION & EXIT

PURPOSE: *To note the need for a Contract Transition plan and provide a link to the draft plan.*

WILL CONTRACT REQUIRE CONTRACT TRANSITION PLAN	No

WILL THE CONTRACT HAVE AN EXIT PLAN	No

KEY MILESTONES	PERSON RESP.	DUE DATE
Sign off	ELT	16/03/2022
Approval of Strategy	Finance & Performance Committee	28/04/2022
AoG Secondary procurement process	MBIE	30/06/2022
Negotiations Completed	Steven Nichols and Paul Bakker	30/07/2022
Contract Endorsement (DFA / ELT / Council)	Leah Scales	15/08/2022
Contract Commencement	Paul Bakker	01/10/2022

STRATEGY SIGN OFF

PURPOSE*: To set out an executive summary (e.g. What, Why, How) of the proposed market approach strategy and tender evaluation to achieve the desired outcomes.*

STRATEGY SUMMARY	• Council will procure electricity using the All of Government process. This will invite panel members to provide FPVV pricing for all of Council's ICPs for a term options of 18 months and 36 months. • We have asked the All of Government procurement team to also tender, alongside the above, for alternative proposals for electricity supply agreements which will achieve the Council's strategic objectives for electricity procurement (see stated objectives in previous section) These proposals may include power purchase agreement "sleeving" products. Sleeving products allow Council to enter into PPAs with independent power producers (e.g. Kōwhai Park) whilst providing the balance of electricity supply not covered by the PPA, or long term (5+ years) FPVV electricity supply agreements. The standard FPVV proposals and the alternative proposals from each supplier will be compared and evaluated together on a value for money basis. • If, for whatever reason, it is not possible to obtain alternative proposals via the AOG process, Council will also continue to engage with retailers to understand and evaluate alternative electricity supply agreements that would allow Council to enter into, for

	example, power purchase agreements with renewable utility-scale generators alongside purchases of grid electricity or long term fixed price agreements. Proposals for these supply agreements would be evaluated alongside AOG options on a value for money basis.

The sign off confirms that internal and external market analysis has been: (a) completed (b) attached to the plan. It also confirms that the procurement strategy is reflective of the analysis and is approved for creation of the RFx and draft Contract

BUSINESS OWNER	**Bruce Rendall** **Head of Facilities, Property and Planning**
DATE	
PROCUREMENT MANAGER	**Nick Rosewarne**
DATE	**17/03/2022**
BUSINESS OWNER / PROCUREMENT MANAGER COMMENTS	

HEAD OF PROCUREMENT & CONTRACTS	**Rebecca Smith**
DATE	**17/03/2022**
HEAD OF PROCUREMENT & CONTRACTS COMMENTS	
[Enter any Comments or agreed exclusion / Inclusions and justification]	

GENERAL MANAGER	**Leah Scales**
DATE	
GM COMMENTS	
[Enter any Comments or agreed exclusion / Inclusions and justification]	

CHIEF EXECUTIVE	
DATE	
MAYOR	

DATE	

Item 12

12. Council-controlled organisations - Half year reports for the six months ending 31 December 2021

Reference / Te Tohutoro: 20/1612057

Report of / Te Pou Matua: Linda Gibb, Performance Advisor, External Reporting and Governance, Resources (linda.gibb@ccc.govt.nz).

General Manager / Pouwhakarae: Leah Scales, Acting General Manager/CFO, Resources (leah.scales@ccc.govt.nz).

1. Brief Summary

1.1 The purpose of this report is to provide the half year reports for the six months ending 31 December 2021 for the following Council-controlled organisations (CCOs):

- Civic Building Ltd (**Attachment A**)
- Local Government Funding Agency (LGFA) (**Attachments B** and **C**); and
- Rod Donald Banks Peninsula Trust (**Attachment D**).
- Christchurch City Holdings Ltd (**Attachments E & F**)
- Christchurch International Airport Ltd (**Attachments G & H**)

1.2 The report has been written following receipt of the reports from the CCOs within two months after the end of the first half of the financial year, as required by section 66 of the Local Government Act 2002 (LGA).

1.3 Section 66(4) of the LGA requires each report to include the information required to be included by the CCO's Statement of Intent (SOI). The reports meet this requirement.

1.4 The Christchurch City Holdings Ltd (CCHL) and Christchurch International Airport Ltd (CIAL) Interim Reports for the six months ending 31 December 2021 were released to the financial markets on 28 February 2022 in accordance with the NZX Listing Rules. The Quarter 2 year to date results for both companies were reported to the Finance and Performance Committee meeting on the 24th February. A short summary of key points is provide in this report.

2. Officer Recommendations / Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the half year reports for the six months ending 31 December 2021 for Civic Building Ltd, Local Government Funding Agency and Rod Donald Banks Peninsula Trust; and

2. Receive the Interim Reports for Christchurch City Holdings Ltd and Christchurch International Airport Ltd for the six months ending 31 December 2021.

3. Analysis

3.1 The half year performance results for each of the CCOs follows. The half year performance for the period 1 July-31 December 2021 is compared against SOI targets and against the same period in the prior year.

Civic Building Ltd (Attachment A)

3.2 The company's income is generated from the Council's finance lease payments for occupancy of Civic Building, less the costs of servicing the loan advanced by the Council for purchasing the building.

	Actual $000	SOI target $000	Last year $000
Revenue	2,218	2,186	2,248
Expenses	2,256	2,133	2,269
Net profit before tax	**(38)**	**53**	**(21)**
Total assets	56,493	59,064	56,543

3.3 **Against SOI targets**, net profit before tax is lower by $91,000, mostly due to increased costs of $123,000 from higher interest costs on the loan to the Council, higher property rates and more repairs and maintenance required in the half year (which will be recovered from the Council in a future period). These increases were offset by increases in interest revenue from the lease paid by the Council for occupancy and one-off insurance proceeds. The variance between the current half year and the same period last year is minor.

3.4 Non-financial performance targets have been met. In particular the Council's Facilities' Management Team considers that Civic Building is operating in a manner consistent with a Green star 6 facility. An independent assessment of the building in line with the New Zealand Green Building Council was completed during the period and work is being undertaken to implement the recommendations.

3.5 Work is continuing on the development of appropriate performance measures in line with the sustainability goals for the company and the Resource Efficiency and Greenhouse Gas Emissions (REGGE) reporting framework.

Local Government Funding Agency (Attachments B and C)

3.6 The LGFA is owned by the New Zealand Government (11.1%) and 30 councils (88.9%). Christchurch City Council, and eight other councils all have equal shareholdings of 8.3% each and the remaining 14.2% is held by 21 other local authorities. **Attachment B** is the LGFA's half year accounts and **Attachment C** the Chief Executive's letter explaining performance.

3.7 Its financial performance targets and half-year outcomes are as follows:

Target	Actual $m	Target $m	Last year $m
Net operating income	9.7	9.4	9.8
Issuance, on-lending and operating expenses	3.8	-	3.9
Net profit	**5.9**	**-**	**5.9**

3.8 The following table shows the change in LGFA lending:

Target	Actual $m	Target $m	Last year $m
Total lending to participating councils	13,513	13,200	12,066

3.9 Total lending to participating councils is slightly ahead of target and in excess of last year's lending by $1.45 billion. The increased borrowing reflects councils' refinancing debt maturing in April 2022 and financing infrastructure projects to soften the economic impact of COVID-19. Rising interest rates have also contributed to the increase in revenue over target.

3.10 The LGFA report includes an update on its increasing focus on sustainability (page 5). This approach includes having appointed a Head of Sustainability, achievement of CarbonZero certification from Toitū Envirocare and launch of 'Green Social and Sustainable' lending to councils.

3.11 LGFA advises that there have been no breaches of its Treasury Policy or any regulatory or legislative requirements including health and safety.

3.12 There are two non-financial targets that LGFA advises it is not on target to meet by year end. Its target "to achieve 85% market share of all council borrowing in New Zealand" cannot be achieved while Auckland Council continues to hold a large amount of private debt. The LGFA has not been able to meet its target to "review each participating local authority's financial position, headroom under LGFA policies and arrange to meet each at least annually" due to COVID-19 travel difficulties.

3.13 The Chief Executive of the LGFA will attend the April Finance and Performance meeting to give a presentation to the Council on the LGFA's activities.

Rod Donald Banks Peninsula Trust (Attachment D)

3.14 The Rod Donald Banks Peninsula Trust supports sustainable management, conservation and recreation on Banks Peninsula. The Trust took possession of Te Ahu Pātiki, 500 hectares of land including the two highest peaks in Christchurch on 1 July after a public crowd funding in conjunction with the Christchurch Foundation and The Press. Its major activity over the first half of the year has been setting up a park working to protect biodiversity with a conservation covenant, public access with easements, and to create a new charitable trust to own and manage the Park long term in conjunction with its partners Te Hapū o Ngati Wheke and Orton Bradly Park. The Trust expects to donate the land and any remaining donations to this new charitable trust by the end of the financial year or early in the following year.

	Actual $000	SOI target $000	Last year $000
Revenue	111	201	234
Expenses	91	97	76
Operating surplus/(deficit)	**19**	**104**	**158**
Trust Fund Balance	1,524	1,767	2,210

3.15 **Against target**, the operating surplus is lower by $85,000, largely as a result of lower revenue of $90,000. The SOI target is half of the full year target, but the revenue does not generally fall so neatly. The variance is expected to correct by year end with more donations committed from third parties for Te Ahu Pātiki due when the land is ready for transfer.

3.16 **Against the prior year**, the operating surplus is lower by $139,000 reflecting a reduction in revenue of $123,000 and lower expenditure of $41,000. Revenue impacts were lower for Te Ahu Pātiki funding by $110,000 as most of the fundraising was done in the 2020/21 financial year and lower interest income by $15,000 as the Trust's capital has reduced. Expenditure was higher on the Trust's management contract by $16,000 due to the significantly higher volume of work required relating to the Te Ahu Pātiki project.

3.17 Strategic grants and project expenditure are lower by $57,000 of which $37,000 related to the Te Ahu Pātiki project and a one-off $20,000 was a grant to the Geopark Trust in 2020.

3.18 Non-financial performance targets have all either been met, are in progress or will be undertaken in the second half of this financial year.

3.19 The Trust has advised that its Chair, Ms Maureen McCloy has stepped down as Chair of the Trust following her leadership role in the acquisition of Te Ahu Pātiki. She will remain a trustee. The Trust has appointed trustees Mr Brian Suggate and Ms Jenn Chowaniec as co-

Chairs of the Trust. The long-serving Trust manager, Ms Suky Thompson is also retiring shortly.

Christchurch City Holdings Ltd and Christchurch International Airport Ltd

3.20 CCHL and CIAL are each required to make interim financial disclosures to the NZX as the issuers of listed debt securities. The performance of both companies for the half year was reported to the Finance and Performance Committee's meeting on 24 February.

3.21 The Interim Report to 31 December 2021 for CCHL is at **Attachment E**, and announcement to the NZX explaining the group's results is at **Attachment F**.

3.22 The following is the headline information for the CCHL Group's performance:

- revenue $522.7 million (Dec 2020: $496.9 million);
- net profit $36.3 million (Dec 2020: $26.3 million);
- total assets $4.9 billion (Dec 2020: $4.6 billion).

3.23 At the request of Council, CCHL have reintroduced CCHL Parent numbers into the interim report. The CCHL Parent recorded a net profit after tax (NPAT) for the six months ended 31 December 2021 of $29.1 million, compared with $40.8 million in the equivalent period last year. Total operating revenue for the Parent for the six month period was $41.4 million compared to $53.6 million for the same period last year.

3.24 The lower revenue and profit was largely due to the $17 million special dividend received from RBL Property in the prior comparative period, partially offset by a $6 million dividend received from Enable in the current reporting period. Note the Interim Parent profit is impacted directly on the timing of dividends received by subsidiaries.

3.25 Parent assets increased to $3.8 billion from $3.4 billion, mainly due to:

- revaluation of the investment in CIAL and Enable at last year end, and
- $85 million on-lending to LPC.

Parent net assets have increased to $2.5 billion from $2.2 billion, a lower increase than for total assets due to the issue of a $150 million sustainability bond.

3.26 CIAL's Interim Report to 31 December 2021 is at Attachment G, and announcement to the NZX explaining the half year results is at **Attachment H**. Key information is that CIAL returned a small tax paid profit of $41,000, compared to $1.2 million in the half year to December 2020. Total passenger numbers were down 11% against the December 2020 half year, and 56% against pre-COVID-19 levels. Property revenue has held up well, up 5.6% on the same period last year despite CIAL's continuing levels of support to many tenants.

Attachments / Ngā Tāpirihanga

No.	Title	Page
A	Civic Building Ltd - Interim Report to 31 December 2021	134
B	Local Government Funding Agency - Interim Report to 31 December 2021	144
C	Local Government Funding Agency letter from Chief Executive with Interim Report to December 2021	176
D	Rod Donald Banks Peninsula Trust - Interim Report to 31 December 2021	179
E	Christchurch City Holdings Ltd Interim Report for the six months ended 31 December 2021	196
F	Christchurch City Holdings Ltd Notice to the NZX of interim results for the six months ended 31 December 2021	223
G	Christchurch International Airport Ltd - Interim Report to 31 December 2021	226
H	Christchurch International Airport Ltd Notice to the NZX of interim results for the six months ended 31 December 2021	245

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	Leah Scales - Acting General Manager Resources/Chief Financial Officer

Item 12

Attachment A

CBL Civic Building Limited

Civic Building Limited

Unaudited Half Year Financial Statements

For the six months to 31 December 2021

Civic Building Limited

Background

These are the unaudited interim financial statements of Civic Building Limited ("the Company").

The Company is a Council Controlled Trading Organisation as defined by Section 6 of the Local Government Act 2002. Accordingly, the Company has designated itself as a profit oriented entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) reporting as a Tier 2 for-profit entity.

The Company is a party along with Ngai Tahu Property (CCC-JV) Limited to the Christchurch Civic Building Joint Venture (CCBJV), an unincorporated joint venture which has developed and now maintains the Christchurch City Council's Civic Building on Hereford Street.

The financial statements of the Company are for the six months ended 31 December 2021. The financial statements were authorised for issue by the Board of Directors on 4 February 2021.

Directors

The persons holding office as Directors of the Company for the six months to date and at 31 December 2021 were:

James Gough (Chairperson)
Sam MacDonald
Philip Mauger

Civic Building Limited

Commentary

Financial Performance

Revenue decreased slightly for the six months to December 2021 compared to December 2020 due to lower finance lease interest revenue, caused by more finance lease principal being repaid, reducing interest every year. The lower revenue figure was partially offset by increased interest income and insurance proceeds income.

The reduced in finance costs between December 2021 and December 2020, was the lower interest rate charged by CCC. Other expenses were lower than last year, mainly caused by lower insurance expenses and consultancy fees, partially offset by increased the rates expense and the repair and maintenance cost.

Financial Position

Total assets had a decrease of $50,000 compared with last year due to the decrease in the non-current finance lease receivable. Which was partially offset by increase in holding cash that was because of the $2.4 million principle repayment had been postponed.

The increase in total liabilities in December 2021, was mainly because of increasing trade payable, such as audit fee has been accrued but not yet paid and an increased tax payable. Partially offset by decreased deferred tax liabilities.

Statement of Intent Variance Commentary

Total actual income is higher than plan due to higher finance lease interest revenue and other income that include one off insurance proceeds, partially offset by other interest income.

Expenses are higher than plan mainly due to higher CCC interest charge rates, increased rates payment and repairs and maintenance cost, partially offset by slightly lower insurance expenses.

The finance lease asset has differences that are expected to gradually reduce to nil at the end of the financial year.

The total asset balance at 31 December 2021 was $56.5 million which was less than planned. The variance in total assets to budget is mainly due to tax subvention receipts budgeted for. Subvention receipts/tax loss offsets are agreed upon in February/March 2022 for the 2021 year. Due to the timing when the budget is made these are only estimates.

Operational Performance Targets

Objective and Strategy	Performance Measure 2021/22	Performance to date
Meet the financial targets contained within this SOI.	Budgeted key performance indicators are met or exceeded.	Financial targets are generally in line with the SOI targets.
Manage the investment in a commercially astute and prudent manner.	Ensure the Civic building is managed in accordance with the management agreement.	The building has been managed in accordance with the management agreement.

Civic Building Limited

Environmental Performance Targets

Objective and Strategy	Performance Measure 2021/22	Performance to date
The Civic building was designed to achieve a high standard in terms of environmental and energy sustainability.	New benchmarks for reporting water use, energy efficiencies and waste output for Civic Building will be determined in 2021/22 in line with the sustainability goals for the company and the REGGE reporting framework.	The Facility Management Team work to manage the building consistent the building is operating in a manner consistent with a star 6 facility.

Social Performance Target

Performance Target	Performance Measure 2021/22	Performance to date
Maintain Te Hononga to meet or exceed New Zealand Standard NZS 4121:2001 Design for access and mobility – buildings and associated facilities and Christchurch City Council's Equity and Access for People with Disabilities Policy.	Commission an access audit in 2021/22 pursuant to NZS 4121. Develop an improvement plan to address material issued raised in the access audit.	The accessibility audit was completed in September 2021. A pricing exercise was carried out to achieve each recommendation. CCC are now engaging suppliers to implement stage 1 of the projects to achieve some of the Recommendations identified by the audit. The first stage of the work is being carried out this financial year with the following items being selected initially: Tactile cues on stairs Barrier at the top of the water fountain – being designed in conjunction with Ngai Tahu to ensure in keeping with the building and the cultural significance of the fountain Once stage 1 is finished CCC will continue to invest in the recommendations until all that are feasible are complete – this will be followed by an updated report created internally.

Civic Building Limited

Statement of comprehensive income
for the six months ended 31 December 2021

	Six months ended 31 December	
	2021	**2020**
	$000	**$000**
Revenue	*2,218*	2,248
Finance costs	*1,912*	1,924
Other expenses	*344*	345
	2,256	2,269
Profit / (Loss) before income tax	*(38)*	(21)
Income tax expense/(income)	*(11)*	(44)
Profit / (Loss) for the period	***(27)***	**23**
Total comprehensive profit / (loss) for the period	***(27)***	**23**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Civic Building Limited

Statement of changes in equity

for the six months ended 31 December 2021

	Share Capital $000	Retained Earnings $000	Other Reserves $000	Total $000
Balance at 1 July 2020	**6,188**	**(10,404)**	**417**	**(3,799)**
Profit/(loss) for the 6 months to 31 December 2020	-	23	-	23
	-	-	26	26
Balance at 31 December 2020	**6,188**	**(10,381)**	**443**	**(3,750)**
Profit/(loss) for the 6 months to 30 June 2021	-	(121)	-	(121)
Other comprehensive income	-		28	28
Balance at 30 June 2021	**6,188**	**(10,502)**	**471**	**(3,843)**
Profit/(loss) for the 6 months to 31 December 2021	-	*(27)*	-	(27)
Other comprehensive income	-	-	28	28
Balance at 31 December 2021	**6,188**	**(10,529)**	**499**	**(3,842)**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Civic Building Limited

Statement of financial position

as at 31 December 2021

	31 December 2021 $000	31 December 2020 $000
Current assets		
Cash and cash equivalents	4,656	3,386
Trade and other receivables	151	152
Finance lease receivable	4,538	4,538
Current tax assets	-	-
Total current assets	**9,345**	**8,076**
Non-current assets		
Other financial assets	400	250
Investment property	6,400	6,400
Finance lease receivable	40,348	41,817
Total non-current assets	**47,148**	**48,467**
Total assets	**56,493**	**56,543**
Current liabilities		
Trade and other payables	304	266
Current tax liabilities	70	15
Borrowings	-	-
Total current liabilities	**374**	**281**
Non-current liabilities		
Deferred tax liabilities	6,073	6,124
Borrowings	53,888	53,888
Total non-current liabilities	**59,961**	**60,012**
Total liabilities	**60,335**	**60,293**
Net liabilities	**(3,842)**	**(3,750)**
Equity		
Capital and other equity instruments	6,188	6,188
Retained earnings	(10,529)	(10,381)
Reserves	499	443
Total equity	**(3,842)**	**(3,750)**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

For and on behalf of the Board of Directors which authorised the issue of the financial statements:

Chair

Director

Date

Date

Civic Building Limited

Statement of cash flows

for the 6 months ended 31 December 2021

	Six months ended 31 December	
	2021	**2020**
	$000	**$000**
Cashflows from operating activities		
Operating revenue	2,932	2,937
Insurance proceeds received	25	-
Payments to suppliers and employees	(396)	(411)
Net GST movement	-	-
Net cash flow from operating activities	2,561	2,526
Cashflows from investing activities		
Interest received	17	15
Term deposits matured	-	2,480
Term deposit investments	(400)	(2,730)
Net cash flow from investing activities	(383)	(235)
Cashflows from financing activities		
Interest paid	(1,908)	(1,925)
Net cash flow from financing activities	(1,908)	(1,925)
Net increase/(decrease) in cash and cash equivalents	270	367
Cash and cash equivalents at beginning of period	4,387	3,019
Cash and cash equivalents at end of period	**4,657**	**3,386**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Civic Building Limited

Notes to the interim financial statements
for the six months ended 31 December 2021

Statement of Compliance

These are the unaudited interim financial statements of the Company for the six months ended 31 December 2021.

The interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice as appropriate for Tier 2 for-profit entities. They comply with the Tier 2 for-profit accounting standards.

As the Company has elected to report under Tier 2 for-profit accounting standards, it has applied disclosure concessions, where available. The criteria under which the Company is eligible to report under Tier 2 for-profit accounting standards are as follows:

(a) the Company is not publicly accountable; and
(b) the Company's total expenses for the period being reported are below the $30 million threshold for Tier 1 reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Company's annual financial statements as at 30 June 2021.

Accounting policies

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements as at 30 June 2021.

Contingencies

The Company had no contingent liabilities on 31 December 2021 or 30 June 2021.

Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.

Civic Building Limited

Statement of Service Performance

The following lists the financial and operating performance targets set by the Company in its Statement of Intent for the year to 30 June 2022 and reports on progress to date against these targets.

	Six months ended 31 December 2021			Full year
	Target	Actual	Variance	Target
	$000	$000	$000	$000
Financial Performance Targets:				
Income				
Interest - finance lease	1,596	*1,609*	13	3,192
Interest - other	60	*17*	(43)	119
Other income	530	*592*	62	1,059
Expenses				
Finance costs	1,837	*1,912*	(75)	3,674
Other expenses	296	*344*	(48)	591
(Loss)/profit before income tax	**53**	***(38)***	**(91)**	**105**
Taxation	111	*(11)*	(122)	221
(Loss)/profit after income tax	**(58)**	***(27)***	**31**	**(116)**
Ratio of Shareholders Funds to Total Assets	-9.8%	-6.8%	3.0%	-9.8%

	Six months ended 31 December 2021			Full year
	Target	Actual	Variance	Target
	$000	$000	$000	$000
Capital Structure				
Uncalled capital	10,000	*10,000*	-	10,000
RPS shares	6,188	*6,188*	-	6,188
Borrowings from Council	53,888	*53,888*	-	53,888
Finance lease asset	39,574	*40,348*	774	39,574
Total assets	59,064	*56,493*	(2,571)	59,064

HALF YEAR REPORT

31 December 2021

Benefiting communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.

LGFA

New Zealand Local Government Funding Agency

Te Pūtea Kāwanatanga ā-rohe

Planting day at Tōtara Reserve with Awahou school.
Horizons Regional Council

02 LGFA Half Year Report 2021

Contents

Ngā kaupapa

LGFA acknowledge the assistance of the Department of Internal Affairs translation service for our Te Reo translations.

Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

For the six-months ended 31 December 2021

The six-month period to December was another strong period for LGFA in delivering value to council members and our investor base while meeting our financial targets. A key highlight was our first Green, Social and Sustainable loans to councils as part of our focus on fostering sustainability across the local government sector.

We are pleased to record another period of positive performance by the company for the six-month period to 31 December 2021 and to highlight the following developments.

Strong Financial and Operational Performance

LGFA's total interest income for the six-month period of $185.89 million was a 2.4% decrease over the 2019-20 comparable period result of $190.38 million, while net operating profit of $5.94 million for the six-month period was a 0.3% increase on the 2019-20 comparable period result of $5.92 million.

Both net interest income and operating profit were slightly ahead of the Statement of Intent (SOI) forecast. We are adopting a prudent approach to our funding by borrowing a greater amount than we are lending to councils and for a longer term. This is having a modest drag on profitability despite the growth in the balance sheet but is a more conservative approach to balance sheet management.

Expenses have been managed below the SOI budget over the past six months. Lower fees paid due to a reduced limit of the New Zealand Debt Management committed credit facility and lower travel and accommodation costs relative to forecast were positive contributions. These savings were offset by higher legal and NZX costs associated with increased council lending and LGFA bond issuance.

LGFA bonds are an attractive investment for investors while delivering savings in borrowing costs for members. Over the last six months, we have launched Green, Social and Sustainable (GSS) lending to councils and approved our first Council-Controlled Organisation (CCO) borrower.

The financial strength of LGFA was reaffirmed by Fitch Ratings who maintained our domestic currency credit rating at 'AA+' in October 2021 while our 'AAA' rating from S&P Global Ratings remains the same as the New Zealand Government.

Borrowing activity

LGFA is the largest issuer of New Zealand dollar (NZD) securities after the New Zealand Government and our bonds are amongst the largest and most liquid NZD debt instruments available for investors. It is pleasing to note increased activity in the secondary market in our bonds.

LGFA issued $2.06 billion of bonds over the past six months and outstandings now total $15.94 billion (including $1.20 billion of treasury stock) across 12 maturities from 2022 to 2037. The average term of our bond issuance during the six-month period at 7.7 years was longer than the prior year period. The debut of new May 2028 and May 2035 bond maturities by syndication helped fill in the gaps between our existing bonds and provided investors with more investment opportunities. It also reduced our mismatch exposure between bond issuance and council lending.

It is also pleasing to observe the increased participation by offshore investors over the past six months as NZD-denominated investments have become relatively more attractive for investors as the Reserve Bank commenced monetary policy tightening. We estimate that offshore investors hold 29.7% of LGFA bonds on issue compared to 21.6% a year ago. Domestic institutional and retail investors hold 32.4%, domestic banks hold 26.7% and the Reserve Bank holds 11.3%.

The performance of LGFA bonds over the past six months has been mixed with LGFA bond spreads to New Zealand Government Bonds moving wider while LGFA bond spreads to swap have tightened slightly, except in the very long end of the curve. Outright yields rose between 53 basis points (bps) (2037 maturity) and 127 bps (2024 maturity) over the six-month period.

Lending to the sector

LGFA was established in December 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past six months, we added two councils and our first CCO as members, with Southland District and Otago Regional Councils joining as guarantors and Invercargill City Holdings Ltd joining as our first CCO. Total membership is now 74 out of the 78 councils in New Zealand.

Long-dated lending to council and CCO members over the six-month period was $1.64 billion provided to 46 councils as they refinanced their April 2022 loans and increased their borrowing to finance infrastructure projects. Our estimated market share of total council borrowing of 79% was slightly lower than forecast but remained high on an historical basis. The average tenor of long-dated borrowing by councils of 5.8 years over the six-month period was in line with prior periods.

Short-dated lending for terms less than 12 months continues to be supported by councils and as at 31 December 2021, LGFA had $382 million of short-term loans outstanding to 31 council and CCO members.

The impact from COVID-19 and Three Waters Reform Program on the sector and LGFA

The local government sector continues to face unprecedented and uncertain change having to deal with climate-related events, COVID-19, the Central Government-led initiatives relating to the Three Waters Reform Programme and Future for Local Government Review.

LGFA is assisting on an as required basis, both Central Government and our council members as they work through the Three Waters Reform Programme as required. The Government's proposed Three Water Reform Programme would be the largest change to the local authority sector in 30 years.

LGFA is also assisting the local government sector led initiative in developing a Ratepayer Financing Scheme that may provide some financial relief to ratepayers.

New products and initiatives

We undertook our first loan to a CCO in July 2021 and are looking to approve our second CCO member in the next six months.

We launched our GSS lending product in October 2021 and are pleased to have made our first GSS loans to Wellington City and Greater Wellington Regional Councils in December 2021.

Increasing focus on sustainability

Sustainability plays an important part within the local government sector and at LGFA. We have undertaken several initiatives over the past year, including:

- Appointment of a Head of Sustainability.
- Establishment of a Sustainability Committee that advises the LGFA Board and management team on sustainability issues.
- Achievement of CarbonZero certification from Toitū Envirocare and we have committed to reducing our carbon emissions.
- Launched our GSS lending product that offers a lower borrowing margin for councils with eligible

projects. We have pre-approved borrowing for eligible projects of $407 million and have made loans to date of $43 million.

Acknowledgments

LGFA's work cannot be implemented without the support of our staff, directors, shareholders and members, New Zealand Debt Management (NZDM), the Reserve Bank and central and local government, all whose efforts should be acknowledged. We also would like to acknowledge the support of financial institutions, intermediaries and investors. We believe LGFA's future remains positive and look forward to working with all stakeholders in the next six months.

Craig Stobo
Chair

Mark Butcher
Chief Executive

Wetlands in Queen Elizabeth Park, Kāpiti Coast.
Greater Wellington Regional Council

Performance against objectives

Ko ngāwhakatutukitanga ki ngā whāinga

The statement of service performance details LGFA's performance for the first half of the year against the objectives and targets set out in the LGFA Statement of Intent 2021-22 (SOI)

2021-22 Performance objectives

The SOI sets out two primary performance objectives and eight additional objectives for the year ended 30 June 2022.

Primary objectives

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

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

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

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

Additional objectives

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

LGFA will:

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

Performance against primary objectives

This section sets out LGFA's performance for the six months ended 31 December 2021 against the two primary objectives set out in the SOI.

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

Providing interest cost savings relative to alternative sources of financing

LGFA continues to borrow at very competitive spreads compared to the AAA rated Sovereign, Supranational and Agencies (SSA) issuers who borrow in the New Zealand debt capital markets, the domestic banks and Kainga Ora, our closest peer issuer.

Secondary market spread to swap (basis points)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2033	2035	2037
LGFA (AAA)	(4)	(1)	(1)	3	10	13	23	25	28	31	42	51	59
Kainga Ora (AAA)		5		11	16		25		33			47	
Asian Development Bank (AAA)		1	2	7	13		23			33			
IADB (AAA)		0	1	10	15		27						
International Finance Corp		1	5	10	14	18							
KBN (AAA)		3	8	14					39				
Rentenbank (AAA)	0	1	6	12									
World Bank (AAA)	2	1	1	8	12	18	23		33				
Nordic Investment Bank (AAA)		1		10									
ANZ (AA-)		25	31										
BNZ (AA-)		17		39	55								
Westpac Bank (AA-)	11	23	40	43	53								
SSA Average	1	1	4	10	14	18	24	31	36	33			
Bank Average	11	22	36	41	54								

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

In the 2021 stakeholder survey, our members responded with a 99% satisfaction rating for LGFA in adding value to their borrowing requirements.

Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;

Both short and long-term borrowing have been well supported by member councils and CCOs:

- Over the six months ended 31 December 2021, 46 members (45 councils, 1 CCO) borrowed $1.64 million in 125 new long-term loans, across 46 maturity dates ranging between 2022 and 2036.
- As at 31 December 2021 there were $382 million of short-term loans outstanding to 31 members (30 councils, 1 CCO) with loan terms ranging between one month and 12 months.
- As at 31 December 2021, nine councils had entered into Standby facilities with LGFA totalling $522 million.

Delivering operational best practice and efficiency for its lending services;

Over the six months, LGFA operations successfully settled 833 new trades and 5,600 cash flows totalling in excess of $31 billion.

In the 2021 stakeholder survey, our members responded with a 96% satisfaction rating for the LGFA settlement process.

Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

For LGFA to provide certainty of access to markets for our borrowers, we need to have a vibrant primary and secondary market in LGFA bonds. The primary market is the new issuance market, and we measure strength through participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. The secondary market is the trading of LGFA bonds following issuance and a high turnover implies a healthy market.

Activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors) during the six month period remained at high levels, with primary issuance totalling $2.055 billion and secondary market turnover of $4.45 billion. In addition, we successfully launched two new bond maturities, May 2028 and May 2035, by syndication, reducing the gap between existing LGFA bond maturities.

LGFA maintains an Australian Medium-Term Notes Programme which, to date, has not been used but which provides LGFA with additional flexibility if there is a market disrupting event in the future.

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

Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;

LGFA reviews all councils' financial statements on an annual basis and the agendas and management reports on an ongoing basis for councils on the LGFA borrower watch-list. This year, we reviewed councils 2021-2031 Long-Term Plans and liaised directly with councils' where we had issues or queries arising from these.

We have received compliance certificates from all Participating Borrowers, and all remain compliant as at 30 June 2021. There are 14 councils who, due to COVID-19 delays in finalising the audit process, have provided outcomes based on unaudited financial statements. LGFA has reviewed these financial statements and there were no issues of concern.

Analyse finances at the Council group level where appropriate and report to shareholders;

No council has yet requested to be measured on a group basis.

Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested;

Over the six months, LGFA met with 15 councils which is lower than planned due to COVID-19 travel restrictions over the period. Travel permitting, we aim to increase visits in the first half of 2022, with virtual meetings replacing in-person meetings as required.

Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Over the six months, LGFA met with representatives from Central Government on the proposed Three Waters reforms and provided feedback regarding financing of the proposed entities.

LGFA sponsored the Taituarā Funding and Rating Forum and presented on 'Financial Risks in the Local Government Environment' to a forum of Council Audit and Risk Committee Chairs organised by OAG.

LGFA continues to assist the sector and their advisers in offering to provide support for solutions to off-balance sheet financing for councils. LGFA continues to provide technical expertise to the proposed Ratepayer Financing Scheme (RFS).

Additional objectives

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

Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.

On an annual basis, S&P Global Ratings and Fitch Ratings meet with LGFA and review our credit ratings.

- **S&P Global Ratings** upgraded our long-term local currency credit rating to AAA and our long-term foreign currency credit rating to AA+ on 22 February 2021. Both ratings are the same as the New Zealand Government.
- **Fitch Ratings** affirmed both our local currency credit rating of AA+ (stable) and foreign currency credit rating of AA, positive outlook. 1 November 2021.

Provide at least 80% of aggregate long-term debt funding to the local government sector[2].

LGFA's estimated market share for the rolling twelve-month period to 31 December 2021 was 79%[3]. Adjusted for Auckland Council borrowing, this increases to 84%. This market share compares to a historical average of 75% and remains high compared to our global peers.

Achieve the financial forecasts for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with the approved dividend policy.

The following table summaries income, expenses and operating result for the six months ended 31 December 2021 against the financial forecasts outlined in our 2021-2022 Statement of Intent.

$000s	Unaudited result to 31 December 2021	Variance to SOI budget
Net interest income	9,178	+267
Other operating income	526	+26
Total operating income	9,704	+293
Operating expenses	3,769	+88
Net operating profit	5,935	+381

The Net interest income (NII) includes the unrealised mark-to-market movement for fixed rate swaps that are not designated effective for hedge accounting purposes. These swaps reduce exposure to fixed rate loans transacted outside of the normal tender process and reduce mismatches between borrowing and on-lending terms on our balance sheet. The unrealised loss increases as interest rates fall but turns to a profit if interest rates rise. Due to a rise in interest rates since June 2021, the year-to-date unrealised gain was $1.03 million.

Operating expenses for the six-month period were $88k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at $1.308 million were $46k below budget. A lower NZDM Liquidity Facility fee was offset by higher legal expenses and NZX fees due to the additional amount of bond issuance.
- Operating costs at $2.135 million were $48k below budget due to lower operating overhead, travel and IT costs offset by higher personnel costs relative to budget.
- Approved Issuer Levy (AIL) payments of $325k were in line with budget. We pay AIL on behalf of offshore investors at the time of semi-annual coupon payment for a small number of LGFA bond maturities.

Meet or exceed the Performance Targets.

As at 31 December 2021, we forecast we are on track to achieve eight out of the 10 performance targets by 30 June 2022.

Comply with the Health and Safety at Work Act 2015.

LGFA has a Health and Safety Staff Committee which is chaired by the Risk and Compliance Manager and reports to the LGFA Board on a regular basis. There were no Health and Safety incidents during the six months.

Over the Covid lockdown period, Auckland and Wellington based staff worked from home as required and we have adopted safety protocols to minimise risks to staff on returning to our offices. All staff, directors and visitors are required to hold a valid vaccine passport before entering LGFA offices.

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

3. Source: PwC Local Government Debt Report

Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.

There were no compliance breaches during the six month period.

Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.

Over the six months, LGFA:

- Contributed expertise to the Ratepayer Financing Scheme project that, if successful, could offer temporary financial relief to ratepayers via rates postponement.
- Provided a Standby Facility product that will provide greater certainty of access to emergency funding for councils at a lower cost than going to traditional bank providers. This has been well supported by councils with $522 million of standbys written with nine councils.
- Outlined its views on the proposed Three Waters Reform for the Shareholders Council and this was distributed to all council members.

Improve sustainability outcomes within LGFA and assist the local government sector in achieving their sustainability and climate change objectives.

LGFA has:

- Appointed a Head of Sustainability.
- Achieved Carbon zero certification from Toitū Envirocare.
- Established a Sustainability Committee, comprising:
  - Three LGFA staff members and
  - Four external members - Alison Howard, Chris Thurston, David Woods and Erica Miles.
- Launched a GSS lending programme for council and CCO members. Projects that meet one of 16 green or social lending categories are now eligible for a discounted loan margin. As at December 2021, Wellington City (WCC) and Greater Wellington Regional (GWRC) Councils have borrowed under this programme
  - WCC financed the construction of 'Takina', the Wellington Convention and Exhibition Centre.
  - GWRC financed the flood protection work on the RiverLink project in the Hutt Valley.


The Waimakariri River has been the site of many recent biodiversity projects and planting days.
Environment Canterbury

Performance Targets

Performance measure	Result for the six month period to 31 December 2021	Outcome
LGFA net interest income for the period to June 2022 will be greater than $19.1 million	$9.7m	✓
Annual issuance and operating expenses (excluding AIL) will be less than $7.2 million	$3.4m	✓
Total nominal lending (short and long term) to participating councils to be at least $13,294 million	$13.513 million	✓
Conduct an annual survey of councils and achieve 85% satisfaction score as to the value added by LGFA to council borrowing activities	August 2021 survey outcome of 99.2%	✓
Meet all lending requests from PLAs	100%	✓
Achieve 80% market share of all council borrowing in New Zealand	79%	✗
Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually	Council meetings to total 74 over year. Financial position and headroom review completed.	✗
No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015	No breaches	✓
Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due	100%	✓
Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating entity	AA+/AAA	✓

Financial statements

Nga taukī pūtea

Statement of comprehensive income

For the six months ended 31 December 2021 in $000s

	Note	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Interest income		185,886	190,375
Interest expense		176,709	180,523
Net interest income	4	**9,178**	**9,852**
Other operating income	5	526	5
Total operating income		**9,704**	**9,857**
Operating expenses	6	3,769	3,938
Net operating profit		**5,935**	**5,918**
Total comprehensive income		**5,935**	**5,918**

Statement of changes in equity

For the six months ended 31 December 2021 in $000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2020		**25,000**	**58,616**	**83,616**
Net operating profit			12,007	12,007
Total comprehensive income for the year			12,007	12,007
Transactions with owners			-	-
Dividend paid on 4 September 2020			(879)	(879)
Equity as at 1 July 2021		**25,000**	**69,744**	**94,744**
Net operating profit			5,935	5,935
Total comprehensive income for the half year			5,935	5,935
Transactions with owners			-	-
Dividend paid on 3 September 2021			(857)	(857)
Unaudited closing balance as at 31 December 2021	17	**25,000**	**74,822**	**99,822**

These statements are to be read in conjunction with the notes to the financial statements.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements for issue on 28 February 2022.

Craig Stobo, Director
Board Chair

Linda Robertson, Director
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2021 in $000s

	Note	Unaudited as at 31 December 2021	Audited as at 30 June 2021
Assets			
Financial assets			
Receivables		42	43,587
Cash and bank balances		374,236	391,835
Marketable securities		1,385,022	768,453
Deposits		841,628	654,961
Derivatives in gain		246,072	559,635
Loans	8	13,513,127	12,065,668
Non-financial assets			
Prepayments		1,002	683
Other assets	9	218	345
Total assets		**16,361,346**	**14,485,167**
Equity			
Share capital	16	25,000	25,000
Retained earnings		68,887	69,744
Total comprehensive income for the period		5,935	-
Total equity		**99,822**	**94,744**
Liabilities			
Financial liabilities			
Payables and provisions	10	93,014	40,900
Bills	11	534,258	609,624
Bond repurchases	12	225,850	110,220
Derivatives in loss		415,046	187,098
Bonds	13	14,732,861	13,217,759
Borrower notes	14	259,934	224,281
Non-financial liabilities			
Other liabilities	15	561	539
Total liabilities		**16,261,524**	**14,390,422**
Total equity and liabilities		**16,361,346**	**14,485,167**

Statement of cash flows

For the six months ended 31 December 2021 in $000s

	Note	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Cash Flow from Operating Activities			
Cash applied to loans	8	(1,427,636)	(1,420,594)
Interest paid on bonds issued		(215,363)	(212,221)
Interest paid on bills issued		(1,591)	(1,149)
Interest paid on borrower notes		(212)	(137)
Interest paid on bond repurchases		(254)	(599)
Interest received from loans		76,952	77,156
Interest received from cash & cash equivalents		1,031	377
Interest received from marketable securities		5,624	5,376
Interest received from deposits		2,206	2,978
Net interest on derivatives		136,753	139,963
Cash proceeds from provision of standby facilities		526	-
Payments to suppliers and employees		(3,927)	(4,172)
Net cash flow from operating activities	18	**(1,425,888)**	**(1,413,023)**
Cash flow from investing activities			
Purchase of marketable securities		(594,958)	(27,701)
Purchase of deposits		(185,743)	(140,161)
Purchase of plant and equipment		-	-
Net cash flow from investing activities		**(780,701)**	**(167,862)**
Cash flow from financing activities			
Cash proceeds from bonds issued	13	2,096,802	2,026,534
Cash proceeds from bills issued		(75,367)	(34,910)
Cash proceeds from bond repurchases		158,143	(165,546)
Cash proceeds from borrower notes		35,509	37,876
Dividends paid		(857)	(878)
Cash applied to derivatives		(25,240)	(124,161)
Net cash flow from financing activities		**2,188,991**	**1,738,914**
Net (decrease) / increase in cash		**(17,599)**	**158,029**
Cash, Cash Equivalents and at beginning of year		391,835	165,826
Cash and cash equivalents at end of half year		**374,236**	**323,854**

Notes to the financial statements

1. Reporting entity

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

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

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

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

These financial statements were authorised for issue by the Directors on 28 February 2022.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2021 and are to be read in conjunction with the annual report for the year ended 30 June 2021.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

Measurement base

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

The financial statements are prepared on an accrual basis.

Functional and presentation currency

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

Foreign currency conversions

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

Changes in accounting policies

There have been no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

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

Financial instruments

Financial assets

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

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

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

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

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

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

Financial liabilities

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

Derivatives

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

Fair value hedge

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

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

Other assets

Property, plant and equipment

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

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

Intangible assets

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

Other liabilities

Employee entitlements

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

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

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

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

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

Income tax

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

Goods and services tax

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

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

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

The financial statements as at 31 December 2021 include estimates and judgements of the potential impact of COVID-19 and the Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as well as the outcome of Three Waters Reform Programme on the local government sector.

Revenue and expenditure

4. Net interest income

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Interest income		
Cash and cash equivalents	1,036	385
Marketable securities	4,259	1,911
Deposits	3,129	3,493
Derivatives	90,015	107,810
Loans	87,447	76,776
Fair value hedge ineffectiveness	-	-
Total interest income	**185,886**	**190,375**
Interest expense		
Bills	1,591	1,149
Bond repurchase transactions	319	325
Lease liability	5	9
Bonds	173,439	177,963
Borrower notes	1,355	1,077
Total interest expense	**176,709**	**180,523**
Net interest income	**9,178**	**9,852**

5. Other operating income

As at 31 December 2021, LGFA had provided credit standby facilities totalling $522 million to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Standby facilities fee income	526	5
Total other operating income	**526**	**5**

6. Operating expenses

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Issuance and on-lending expenses		
Approved issuer levy	325	593
Rating agency fees	324	311
NZDMO facility fee	250	308
Legal fees - issuance	225	294
NZX	390	340
Trustee fees	51	50
Regulatory, registry, other fees	68	97
	1,633	**1,993**
Other operating expenses		
Information technology	399	367
Consultants	95	16
Directors fees	212	200
Insurance	43	42
Legal fees	51	95
Other expenses	136	159
Auditors' remuneration		
Statutory audit	55	54
Advisory services	-	-
Personnel	1,145	1,012
	2,135	**1,945**
Total operating expenses	**3,769**	**3,938**

7. Hedge accounting

LGFA is exposed to interest rate risk from its borrowing, lending and investment activities and uses interest rate swaps to manage this risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings, loans and investments.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

in $000s	Unaudited gain/(loss) for the six months ended 31 December 2021	Unaudited gain/(loss) for the six months ended 31 December 2020
Hedging instruments – interest rate swaps	520,010	635,001
Hedged items attributable to the hedged risk	(520,010)	(635,001)
Ineffectiveness recognised in profit or loss from fair value hedges	**-**	**-**

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds, loans and investments) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

8. Loans

in $000s	Unaudited as at 31 December 2021		Audited as at 30 June 2021	
	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	10,021	60,757	10,011	60,723
Auckland Council	-	3,381,550	-	3,303,915
Bay of Plenty Regional Council	25,477	161,153	25,428	155,995
Buller District Council	-	20,007	-	20,005
Canterbury Regional Council	4,008	62,189	4,003	59,133
Carterton District Council	4,013	12,752	-	-
Central Hawkes Bay District Council	2,011	20,108	-	20,107
Christchurch City Council	2,003	2,083,566	14,533	1,951,017
Clutha District Council	2,005	20,061	2,004	16,042
Far North District Council	-	71,810	-	51,702
Gisborne District Council	-	80,946	-	68,774
Gore District Council	6,016	26,585	6,011	26,563
Greater Wellington Regional Council	-	540,335	-	450,945
Grey District Council	3,993	21,670	3,995	21,642
Hamilton City Council	-	591,533	-	481,019
Hastings District Council	-	228,619	-	205,357
Hauraki District Council	-	48,139	-	44,101
Hawkes Bay Regional Council	-	29,939	-	18,868
Horizons Regional Council	11,992	42,228	11,991	37,194
Horowhenua District Council	16,014	118,260	16,000	92,178
Hurunui District Council	8,018	30,081	8,002	30,062
Hutt City Council	-	261,416	-	201,225
Invercargill City Council	-	68,677	-	68,666
Invercargill City Holdings Ltd	29,937	60,054	-	-
Kaikoura District Council	-	5,016	-	5,014
Kaipara District Council	-	44,132	-	44,088
Kapiti Coast District Council	-	250,572	-	230,366
Manawatu District Council	11,546	74,153	11,522	72,681
Marlborough District Council	30,243	87,179	30,226	73,136
Masterton District Council	-	56,650	-	48,609
Matamata-Piako District Council	-	30,097	-	26,567
Nelson City Council	-	105,255	-	90,146
New Plymouth District Council	-	181,117	-	169,999
Northland Regional Council	-	14,148	-	14,147
Opotiki District Council	-	8,590	-	8,600
Otorohanga District Council	-	-	-	-

in $000s	Unaudited as at 31 December 2021		Audited as at 30 June 2021	
	Short-term loans[1]	Loans	Short-term loans	Loans
Palmerston North City Council	-	177,476	-	152,314
Porirua City Council	-	156,927	-	141,794
Queenstown Lakes District Council	50,113	210,612	25,030	130,333
Rangitikei District Council	-	3,020	-	3,020
Rotorua District Council	12,850	245,204	12,823	215,034
Ruapehu District Council	8,010	21,497	8,005	21,474
Selwyn District Council	-	65,180	-	60,129
South Taranaki District Council	-	95,284	-	95,210
South Waikato District Council	13,975	20,046	8,987	15,030
Southland District Council	19,996	16,819	-	-
South Wairarapa District Council	-	24,526	-	24,520
Stratford District Council	-	22,273	-	22,271
Taranaki Regional Council	1,993	8,528	4,999	-
Tararua District Council	-	46,135	-	44,100
Tasman District Council	24,065	176,151	27,037	152,035
Taupo District Council	-	135,302	-	125,177
Tauranga City Council	-	657,330	-	516,688
Thames-Coromandel District Council	-	73,216	-	61,145
Timaru District Council	22,571	117,402	22,529	117,181
Upper Hutt City Council	2,999	74,225	-	65,153
Waikato District Council	4,983	90,277	-	80,189
Waikato Regional Council	-	32,098	-	32,082
Waimakariri District Council	-	170,642	-	170,506
Waipa District Council	24,533	105,282	8,000	90,123
Wairoa District Council	-	8,042	-	8,041
Waitaki District Council (WD)	2,497	17,542	2,498	12,523
Waitomo District Council	7,011	24,052	4,003	30,045
Wellington City Council	-	1,009,389	-	792,505
West Coast Regional Council	2,003	6,611	2,001	6,610
Western Bay Of Plenty District Council	-	70,209	-	70,154
Westland District Council	-	24,880	-	21,858
Whakatane District Council	-	82,265	-	77,203
Whanganui District Council	7,513	100,362	7,507	94,289
Whangarei District Council	9,986	162,416	9,993	162,296
Fair value hedge adjustment	-	(19,835)	-	(1,091)
	382,396	**13,130,731**	**287,140**	**11,778,528**

1. As at 31 December 2021, $1,751 million of loans are due to mature within 12 months. This comprises all short-term loans and $1,369 million of loans.

9. Other assets

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2021
Intangible assets[1]	79	154
Right-of-use lease asset	139	190
Total other assets	**218**	**345**

1. Intangible assets comprise acquired and internally developed software costs incurred on the implementation of LGFA's treasury management system.

10. Payables and provisions

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2021
Loans to be advanced	68,000	40,000
Unsettled investments	24,000	-
Trade creditors	576	658
Credit provision	265	193
Other provisions	172	49
Total receivables	**93,014**	**40,900**

11. Bills

Unaudited as at 31 December 2021 in $000's	Face value	Unamortised premium	Accrued interest	Total
12 January 2022	70,000	-	(10)	69,990
18 January 2022	55,000	-	(17)	54,983
3 February 2022	25,000	-	(18)	24,982
9 February 2022	80,000	-	(70)	79,930
1 March 2022	50,000	-	(72)	49,928
11 March 2022	70,000	-	(107)	69,893
15 March 2022	50,000	-	(88)	49,912
21 March 2022	27,000	-	(54)	26,946
7 April 2022	65,000	-	(142)	64,858
13 May 2022	43,000	-	(164)	42,836
	535,000	**-**	**(742)**	**534,258**

Audited as at 30 June 2021 in $000's	Face value	Unamortised premium	Accrued interest	Total
7 July 2021	20,000	-	(1)	19,999
15 July 2021	110,000	-	(13)	109,987
5 August 2021	25,000	-	(8)	24,992
11 August 2021	80,000	-	(29)	79,971
10 September 2021	75,000	-	(46)	74,954
17 September 2021	150,000	-	(95)	149,905
6 October 2021	20,000	-	(20)	19,980
14 October 2021	55,000	-	(57)	54,943
10 November 2021	50,000	-	(73)	49,927
8 December 2021	25,000	-	(34)	24,966
	610,000	**-**	**(376)**	**609,624**

12. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2021, $1,200 million of LFGA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

As at 31 December 2021, bond repurchase transactions comprised:

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2021
14 April 2022	15,163	-
15 April 2023	84,569	32,887
15 April 2024	10,033	-
15 April 2025	20,244	-
15 April 2026	3,826	-
15 April 2027	60,371	-
15 May 2028	4,852	-
20 April 2029	10,963	33,810
15 May 2031	9,505	-
14 April 2033	6,324	38,957
15 May 2035	-	-
15 April 2037	-	4,566
	225,850	**110,220**

13. Bonds

Bonds on issue do not include $1,200 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 12: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2021 in $000's	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
14 April 2022	1,605,000	5,592	9,579		
15 April 2023	1,750,000	38,281	20,625		
15 April 2024	1,648,000	14,928	7,946		
15 April 2025	1,619,000	(13,109)	9,541		
15 April 2026	1,390,000	3,296	4,468		
15 April 2027	1,631,000	90,026	15,728		
15 May 2028	700,000	(5,440)	2,045		
20 April 2029	1,272,000	(13,369)	3,826		
15 May 2031	730,000	(4,336)	2,133		
14 April 2033	1,260,000	46,048	9,571		
15 May 2035	400,000	2,234	1,558		
15 April 2037	730,000	(13,169)	3,129		
Total fixed interest	**14,735,000**	**150,984**	**90,148**	**(373,638)**	**14,602,493**
Floating rate notes					
14 October 2022	130,000	(20)	388	-	130,368
Total	**14,865,000**	**150,964**	**90,536**	**(373,638)**	**14,732,861**

Audited as at 30 June 2021 in $000's	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
14 April 2022	1,605,000	15,527	9,406		
15 April 2023	1,660,000	46,296	19,208		
15 April 2024	1,528,000	17,466	7,233		
15 April 2025	1,469,000	(20,190)	8,499		
15 April 2026	1,240,000	6,911	3,913		
15 April 2027	1,486,000	82,140	14,068		
20 April 2029	1,172,000	(10,512)	3,458		
15 May 2031	650,000	(4,966)	1,868		
14 April 2033	1,170,000	37,817	8,727		
15 April 2037	700,000	(8,443)	2,945		
Total fixed interest	**12,680,000**	**162,045**	**79,326**	**166,138**	**13,087,509**
Floating rate notes					
14 October 2022	130,000	(33)	283	-	130,250
Total	**12,810,000**	**162,012**	**79,610**	**166,138**	**13,217,759**

14. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

15. Other liabilities

in $000s	Unaudited as at 31 December 2021	Audited as at 30 June 2020
Lease liability	139	190
Accruals	422	349
Total receivables	**561**	**539**

Capital and dividends

16. Share capital

As at 31 December 2021, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of $1 per share.

17. Shareholder information

Registered holders of equity securities	As at 31 December 2021		As at 30 June 2021	
New Zealand Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North City Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames - Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
	45,000,000	**100%**	**45,000,000**	**100%**

Other Notes

18. Reconciliation of net profit to net cash flow from operating activities

in $000s	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Net profit/(loss) for the period	5,935	5,918
Cash applied to loans	(1,427,636)	(1,420,594)
Non-cash adjustments		
Amortisation and depreciation	(3,955)	1,937
Working capital movements		
Net change in trade debtors and receivables	13	149
Net change in prepayments	(319)	(321)
Net change in accruals	73	(113)
Net Cash From Operating Activities	**(1,425,888)**	**(1,413,023)**

19. Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 16.

LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers.

Shareholding local authorities, and non-shareholder local authorities who borrow more than $20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 8, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 14.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Directory

Rārangi tauwaea

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09.00-17.00 hrs
Except Public Holidays

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Staff E-Mail Addresses

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Wellington

Registered office

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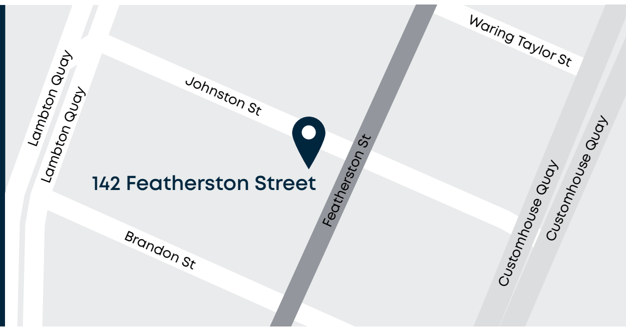

Auckland

Level 5
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53 Fort Street
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LGFA
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

lgfa.co.nz

LGFA
New Zealand Local
Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

28 February 2022

Dear LGFA Stakeholder

LGFA 2021-22 Half Year Report

Please find attached a copy of the Half Year Report for the six-month period to December 2021. A copy is also available for download on our website www.lgfa.co.nz.

We are pleased to highlight another positive six-month period for LGFA including the following

1. **Increased lending to council and CCO borrowers**
   By 31 December 2021, LGFA had a market value of loans outstanding of $13.51 billion. We lent $1.64 billion over the six-month period, and we added two new council members to bring the number of member councils to seventy-four. Councils and CCOs can borrow for terms out to fifteen years (2037).

2. **New products**
   As well as providing long dated lending at the lowest possible cost, we continue to innovate with new products. We have undertaken our first loan to a CCO with Invercargill City Holdings borrowing from LGFA in July 2021 and we entered into our first Green, Social and Sustainable (GSS) loans.

3. **A focus on sustainability**
   During the six-month period we launched GSS loans to councils where councils receive a discounted borrowing margin for eligible projects. In December 2021 both Wellington City and Greater Wellington Regional Councils were the first councils to borrow under the GSS loan programme.

   Sustainability is becoming increasingly important at LGFA as we look to assist the sector in managing climate change and encouraging sustainable outcomes. We have appointed a Sustainability Committee to advise the board and management as part of this initiative and we will look to actively engage with councils and CCOs in the coming months.

4. **A strong financial position**
   The financial strength of LGFA has been enhanced with a Net Operating Profit for the six-month period of $5.94 million. LGFA has $16.36 billion of assets and Shareholder Equity of $99.82 million as at 31 December 2021.

New Zealand Local Government Funding Agency Limited
Auckland Level 5, Walker Wayland Centre, 53 Fort Street
Wellington Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | Phone +64 4 974 6530
lgfa.co.nz

Finally, we appreciate the support of all our stakeholders during these difficult times for the sector so thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

Mark Butcher
Chief Executive

Rod Donald banks peninsula trust
te pātaka o rākaihautū

Unaudited Half Year Report

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

Prepared by Sidekick CA Ltd

Rod Donald banks peninsula trust
te pātaka o rākaihautū

Contents

Directory

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

Address

c/o Sidekick Christchurch Limited
Level 3
50 Victoria Street
Christchurch 8013

P.O. Box 5
Little River
Banks Peninsula 7546

Trustees

Bankers

Bank of New Zealand

Auditors

Audit New Zealand on behalf of the Auditor General

Email

manager@roddonaldtrust.co.nz

Website

www.roddonaldtrust.co.nz

Compilation Report

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

Compilation Report to Rod Donald Banks Peninsula Trust

Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Rod Donald Banks Peninsula Trust for the year ended 31 December 2021.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

Responsibilities

Rod Donald Banks Peninsula Trust is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

Independence

We have no involvement with Rod Donald Banks Peninsula Trust other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.

Sidekick CA Limited

Dated:

Rod Donald banks peninsula trust te pātaka o rākaihautū

Non-Financial Performance Targets

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

Introduction

The purchase of the500 hectare Te Ahu Pātiki conservation park including Mount Bradley and MountHerbert is a multi-faceted project that spans across all of the Trust's Key Indicators.It secures public access for walking, recreation and learning, enables native plantregeneration, protects and enhances bio-diversity while building partnership relationshipsthrough a special purpose trust including Te Hapūo Ngāti Wheke and Te Rūnanga o Koukourarata.

Te Ahu Pātiki critically adds the missing piece to link together existingreserves and privatecovenants in an ecological corridoralong the summit ridgeline and summit to sea protection forthe Te Wharau catchment.

Achievement Target	Achievement
Indicator 1. The Trust has determined four key pillars on which its projects will be based: Access, Biodiversity, Knowledge, and Partnership.	
Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project and action those that are deemed a priority	New projects brought to the Trust's attention this year were: • Invitation to join the Te Kākahu Kahukura project to restore native biodiversity to the Southern Port Hills. • Inclusion of the Te Ahu Pātiki property in the Te Wharau catchment pest free project. • Feral pig control in conjunction with other partners.
Make submissions to relevant policy documents in support of the pillars.	ACHIEVED • Drafted BPNFCC Group submission to the Emissions Reduction Consultation
Indicator 2. Provide leadership and tangible support for the projects achieving Access through implementing the CCC Public Open Space Strategy.	
A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities.	ACHIEVED • Purchase of Te Ahu Pātiki to protect public access across its walking tracks • Rod Donald Hut regularly serviced and annual maintenance conducted IN PROGRESS • Creating easements for Te Ara Pātaka tracks through the Te Ahu Pātiki land. • Working with Little River Rail Trail Trust and landowners to identify ways to extend the Rail Trail and connect with the Te Ara Pātaka walkway via the former railway embankment and the High Bare Peak property.
Te Ara Pātaka is nationally recognised as a walking route from Christchurch to Akaroa with a network of track connections	IN PROGRESS • Ongoing promotion of Te Ara Pātaka in conjunction with the Te Ahu Pātiki project.
The Head to Head Walkway connecting Godley Head to Adderley Head is completed as a continuous and principally coastal pathway around Lyttelton Harbour.	IN PROGRESS • Attendance at Head to Head Working Party meetings.

Unformed legal roads are valued and effective as a delivery tool for walking and biking.	NOT YET ACHIEVED • Workshop on unformed legal roads may take place in second half of financial year.

Indicator 3. Provide tangible support for biodiversity	
Increase protection for areas with high biodiversity value in conjunction with public walking/cycling access; purchasing land if necessary.	ACHIEVED • Purchase of Te Ahu Pātiki - 500ha of land including two highest peaks on Banks Peninsula to form a conservation park protecting biodiversity in tandem with securing public access. IN PROGRESS • Creating a QEII National Trust covenant on Te Ahu Pātiki.
Active support for Banks Peninsula's Ecological Vision goals to protect all old-growth forest remnants of more than 1ha, examples of all rare ecosystems and four indigenous forest areas of more than 1000ha each	ACHIEVED • Purchase of Te Ahu Pātiki park creates a new protected area of 500ha for reforestation similar to Hinewai. • Increased funding allocated to Banks Peninsula Conservation Trust (BPCT) to enable their Volunteer Co-ordinator to support private covenants and Habitat Protection Programmes.
Support the Pest Free Banks Peninsula group in its work toward Banks Peninsula being effectively free of pest animals.	ACHIEVED • Participating in Pest Free Banks Peninsula project management group. IN PROGRESS • Membership of the Feral Pig Committee monitoring feral pig issue in Kaituna Valley and Te Wharau catchment and working to find solutions.
Address the Climate and Ecological Emergency through encouraging native biodiversity to regenerate on a landscape scale, assisted by its income from carbon sequestration where possible.	ACHIEVED • Convening the Banks Peninsula Native Forest/Climate Change multi-agency group. • Advocacy through submissions for improvements to the Emissions Trading Scheme to support natural regeneration and development of methods on how this could be done efficiently IN PROGRESS • Te Ahu Pātikiconservation park and native forest regeneration expected to sequester carbon and generate and associated income stream.

Indicator 4. Provide tangible support and leadership for projects building the Knowledge pillar, and leadership around walking access knowledge.	
Trails are used to educate people and connect them to the natural environment and Mātauranga Māori with the aim of building environmental guardians of the future	IN PROGRESS • Working with Te Hapū o Ngāti Wheke to incorporate Mātauranga Māori into the management of Te Ahu Pātiki park. • Te Hapū o Ngāti Wheke have been invited to name several of the tracks.
Regularly publish and update material on the walking and biking trails and work with other agencies to enhance their publications	ACHIEVED • Website www.roddonaldtrust.co.nz kept updated. • Facebook page www.facebook.com/RodDonaldBPTrust/ also updated. • Storehouse Stories newsletter published annually. IN PROGRESS • Working with DOC to update the Te Ara Pātaka brochure
Develop methods to transfer knowledge through events, on-line information channels and support for a Banks Peninsula Geopark.	ACHIEVED • Two Te Ahu Pātiki Donor Appreciation Events in July 2024. • Successful Banks Peninsula Walking Festival in November 2021 • Speaking engagements – Rangiora Tramping Club • Website www.roddonaldtrust.co.nz kept updated • Facebook page www.facebook.com/RodDonaldBPTrust/ regularly updated and boosted to increase the Trust's reach • Instagram account created and relevant content regularly uploaded https://www.instagram.com/roddonaldbptrust/ • Mailchimp updates mailed out to increasing list of Rod Donald Trust supporters.
Promote information about the biodiversity, culture, heritage and geology of Banks Peninsula and its potential for carbon sequestration.	ACHIEVED • Website www.roddonaldtrust.co.nz kept updated • Facebook and Instagram accounts regularly updated • Annual Walking Festival featuring interpretative walks lead by local expert guides • Storehouse Stories newsletter published and circulated includes articles on these topics • Presentations to Tramping Club regarding the work of the Trust and Te Ahu Pātiki • Presentation at the Environmental Defence Society conference workshop on Forestry and the future of Banks Peninsula • Banks Peninsula Native Forest Climate Change Group advocacy

Rod Donald banks peninsula trust te pātaka o rākaihautū

Indicator 5. ***Provide tangible support for and work with a range of partners***	
Working in partnership with others to achieve greater outcomes than we could individually.	ACHIEVED • CCC Grant support of Banks Peninsula Walking Festival. • Continuing media campaign promoting Access and Biodiversity with The Press and Stuff • Supporting Youthtown's youth programme through the Walking Festival • Participation in the Native Forest Coalition – a nationwide group lead by the Environmental Defence Society
Relationships with key stakeholders are formalised with appropriate agreements and delivering as agreed.	ACHIEVED • MOU with The Press and Stuff on the Buy the Hill campaign and ongoing media promotions • MOU with Te Hapū o Ngāti Wheke and Orton Bradley Park setting out the future direction and shared values for Te Ahu Pātiki park and establish Trust board. • Te Ahu Pātiki interim Trust board set up with representatives from the Trust, Te Hapū o Ngāti Wheke and Orton Bradley Park ensuring project decision making is shared between partners. • Extended relationships with QEII Trust, Walking Access Commission and ECAN developed around Te Ahu Pātiki project. • Extended grant to BPCT leverages the Trust's input. • Participation and leverage of Pest Free Banks Peninsula • Ongoing relationship with Department of Conservation, Christchurch City Council and Walking Access Commission around Te Ara Pātaka and other projects of joint interest. IN PROGRESS • Discussion with Orton Bradley Park about continued grant funding for access related projects
Ngāi Tahu's role as kaitiaki is acknowledged and supported through productive partnerships with Papatipu Rūnanga on Te Pātaka o Rākaihautū	ACHIEVED • Relationship with Te Hapū o Ngāti Wheke developed and strengthened via the Te Ahu Pātiki partnership. IN PROGRESS • New relationship with Te Rūnanga o Koukourarata developing via the Te Ahu Pātiki Trust project.
A mutually supportive partnership with Christchurch City Council recognising the Trust as an effective delivery vessel.	ACHIEVED • CCC Council approved a long term funding package to support the Trust's proposal to continue its cost effective development activities. IN PROGRESS • Consideration of Enduring Statement of Expectations received from CCC

Rod Donald banks peninsula trust te pātaka o rākaihautū

Financial Performance Targets

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

	TARGET NOTES	DEC-21 TARGET	DEC-21 ACTUAL	DEC-21 VARIANCE	JUN-22 TARGET
Financial Performance Targets					
Operating Surplus/(deficit)					
Revenue	1	200,848	110,870	(89,978)	401,696
Trust Management	2	(48,222)	(55,385)	(7,163)	(96,445)
Operating Costs	3	(48,957)	(36,454)	12,503	(97,915)
Operating Surplus/(deficit)		**103,669**	**19,032**	**(84,637)**	**207,336**
Opening Funds	4	2,538,096	2,863,750	(1,276,361)	2,538,096
Operating Surplus/(deficit)		103,669	19,032	(84,637)	207,336
Strategic grants and project expenditure	5	(875,250)	(1,359,002)	(483,752)	(1,750,500)
Closing balance		1,766,515	1,523,779	(242,736)	994,932

Rod Donald banks peninsula trust
te pātaka o rākaihautū

Financial Performance Targets Notes

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

1. Revenue

Actual figures include - include interest on Trusts Term Deposits, Sales, and donations to the Te Ahu Pātiki land purchase project. The Trust launched a fundraising campaign to support the purchase on October 29, 2020 and public donations are still being made.

Explanation of Variance - Forecast included $300k donation to Te Ahu Pātiki from Orton Bradley Park. This will be invoiced after the land has been protected by a covenant and access secured by way of easements and the Te Ahu Pātiki Trust being set up to own the land is ready to accept it.

2. Trust Management

Actual figures include - include the cost of the current management contract with Peninsula Projects, providing the Trust's operational management service.

Explanation of Variance - the costs in the first half of the year have been higher than expected due to the large amount of work generated by the Te Ahu Pātiki project.

3. Operating Costs

Actual figures include - accountancy, insurance, audit fees, meeting costs, web hosting, strategic planning, minor projects (such as advocacy or web development), professional fees not separately budgeted, and the costs of goods and services sold. (Walking Products, Walking Festival and Rod Donald Hut) and operational grants to Orton Bradley Park and Banks Peninsula Conservation Trust.

Explanation of Variance - lower forecast for the half year period because the forecast included grants to Orton Bradley Park and Banks Peninsula Conservation Trust. The grant to Orton Bradley Park had not yet been renewed during this half year, and the grant to Banks Peninsula Conservation Trust has been included in the Strategic grants and project expenditure.

4. Opening Funds

Actual figures include - reflects the Trust's available cash Includes cash on hand, term deposits, accounts receivables less accounts payable. Excludes inventory, property, plant, equipment, land held for sale & intangibles.

Explanation of Variance - Opening balance was higher than expected because of the substantial donations received after the forecast date, and because the forecast did not include land deposits as work in progress.

5. Strategic grants and project expenditure

Actual figures include - all other project grants and direct project spending. The actual figures include expenditure on the Te Ahu Pātiki project and a grant of $22,500 to the Banks Peninsula Conservation Trust.

Explanation of Variance - The Half Year target figure is half of the target in the Statement of Intent which was -$1,750,500. The cost of completing the Te Ahu Patiki purchase has fallen in the first half of the year. Expenditure in the second half of the year will be much lower and therefore much closer to the overall year target.

Christchurch City Council

Rod Donald banks peninsula trust te pātaka o rākaihautū

Statement of Comprehensive Revenue and Expenses

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

	NOTES	JUL-DEC 2021	JUL-DEC 2020
Exchange Revenue			
Interest Income		6,381	20,772
Banks Peninsula Walking Festival 2020 Income		-	7,520
Banks Peninsula Walking Festival 2021 Income		8,550	-
Hut Fee Revenue		8,155	6,715
Te Ara Pātaka Lease Income		3,500	3,500
Walking Products		1,289	1,870
Te Ahu Pātiki Grants		50,000	-
Total Exchange Revenue		**77,876**	**40,376**
Total Exchange Revenue		**77,876**	**40,376**
Non-exchange revenue			
Donations		791	1,995
Te Ahu Pātiki Donations		32,204	191,765
Total Non-exchange revenue		**32,995**	**193,760**
Total Revenue		**110,870**	**234,136**
Expenses			
Operating Expenditure			
Trust Management Operational Contract			
Trust Management Operational Contract		43,808	28,323
Te Ahu Pātiki - Management Expenses		11,577	10,112
Total Trust Management Operational Contract		**55,385**	**38,435**
Operating Costs			
Administration Costs		11,622	12,191
Banks Peninsula Walking Festival		9,276	10,042
BP Walks Website Development		-	165
Credit Card & Service Fees on Donations		642	87
Depreciation		3,446	3,446
Hut Operating and Maintenance Costs		10,158	8,504
Minor Administrative Projects		2,447	2,091
Strategic Planning		-	886
Walking product Minor Update and Production Costs		866	1,551
Website Hosting and Minor Updates		1,445	1,440
Total Operating Costs		**39,900**	**40,402**
Total Operating Expenditure		**95,285**	**78,837**

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Statement of Comprehensive Revenue and Expenses

Rod Donald banks peninsula trust
te pātaka o rākaihautū

	NOTES	JUL-DEC 2021	JUL-DEC 2020
Strategic Grants and Project Expenditure			
Grants (Commitments to Partners)		22,500	22,500
Grants - Geopark Trust		-	20,000
Te Ahu Pātiki		105,040	142,501
Total Strategic Grants and Project Expenditure		**127,540**	**185,001**
Total Expenses		**222,824**	**263,838**
Surplus (Deficit)		**(111,954)**	**(29,702)**
Total Comprehensive revenue and expense		**(111,954)**	**(29,702)**

Taxation and Adjustments

Non-Deductible Expenses			
IRD Penalties		-	50
Total Non-Deductible Expenses		-	**50**
Total Taxation and Adjustments		-	**50**

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Rod Donald banks peninsula trust
te pātaka o rākaihautū

Statement of Financial Position

Rod Donald Banks Peninsula Trust
As at 31 December 2021

	NOTES	31 DEC 2021	30 JUN 2021
Assets			
Current Assets			
Cash and Cash Equivalent	3	345,460	376,023
Receivables		67,453	118,891
Current Investments		901,252	808,259
Inventories		2,872	3,251
Total Current Assets		**1,317,036**	**1,306,424**
Non-Current Assets			
Intangible Assets		18,506	20,664
Property, Plant and Equipment		317,849	319,138
Long Term Deposit		200,000	351,252
Loan Investment		9,295	9,295
Work in Progress	4	1,231,463	1,231,463
Total Non-Current Assets		**1,777,113**	**1,931,811**
Total Assets		**3,094,149**	**3,238,235**
Liabilities			
Current Liabilities			
Trade and Other Payables		9,306	41,438
Total Current Liabilities		**9,306**	**41,438**
Total Liabilities		**9,306**	**41,438**
Net Assets		**3,084,843**	**3,196,797**
Equity			
Retained Earnings		3,084,843	3,196,797
Total Equity		**3,084,843**	**3,196,797**

23/2/2022 23/2/20

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Rod Donald banks peninsula trust
te pātaka o rākaihautū

Statement of Changes in Equity

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

	JUL-DEC 2021	JAN-JUN 2021	JUL-DEC 2020
Trust Capital			
Opening Balance	3,196,797	2,422,214	2,451,966
Comprehensive Revenue (Deficit) for the Period	(111,954)	774,583	(29,752)
Total Trust Capital	**3,084,843**	**3,196,797**	**2,422,214**

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Rod Donald banks peninsula trust te pātaka o rākaihautū

Statement of Cashflows

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

	DEC-2021	DEC-2020
Cashflows for the Period		
Cash Flows from Operating Activities		
Receipts from Customers and Other Sources	157,781	209,560
Interest Received	4,496	28,353
Payments to Suppliers and Employees	(251,131)	(269,216)
Net GST Movements	32	(1,985)
Total Cash Flows from Operating Activities	**(88,822)**	**(33,288)**
Cash Flows from Investing Activities		
Payment for Intangibles & Assets	-	-
Payments for Investments	(500,000)	(371,147)
Proceeds from the Sale of Assets	-	-
Proceeds from the Sale of Assets	558,259	350,053
Total Cash Flows from Investing Activities	**58,259**	**(21,094)**
Cash Movement		
Net Inflow / (Outflow) of Cash	(30,563)	(12,194)
Opening Cash and Cash Equivalents	376,023	280,368
Closing cash and cash equivalents	**345,460**	**268,174**
Represented by		
Bank Deposits	345,460	268,174

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Rod Donald banks peninsula trust te pātaka o rākaihautū

Notes on the Interim Financial Statements

Rod Donald Banks Peninsula Trust
For the 6 months ended 31 December 2021

1. Statement of Compliance

These are the unaudited interim financial statements of the Rod Donald Banks Peninsula Trust ("the Trust"). The Trust was settled by the Christchurch City Council on 12 July 2010.

The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region.

The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pātaka O Rākaihautū – the storehouse that nourishes. In pursuit of this vision, the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula. On this basis, the Trust is classified as a not-for-profit public benefit entity for financial reporting purposes.

The interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice. They comply with the Tier 2 Not-for-profit PBE standards for periods beginning on or after 1 July 2014.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- the Trust is not publicly accountable; and
- the Trust's total expenses for the period being reported are below the $30 million threshold for Tier 1.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements as at 30 June 2021.

2. Significant Accounting Policies

Changes in accounting policies and disclosures

There have been no significant changes in accounting policy since 1 July 2017 besides reclassifying the layout of the Statement of Comprehensive Revenue and Expense to align with the Annual report.

Contingencies

The Trust has no contingent liabilities as at 31 December 2021.

Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure up to the date of authorisation of these financial statements.

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

	JUL-DEC 2021	1 JUL-31 DEC 2020
3. Cash and Cash Equivalents		
Bank of New Zealand		
00 BNZ Account	5,008	9,644
26 BNZ account - BP Walking Fest	6,215	2,421
23 BNZ Account	57,282	55,207
25 BNZ Account	12,012	8,401
Total Bank of New Zealand	**80,517**	**75,673**
Heartland		
Heartland 000 Savings Account	5	-
Heartland 002 On call account	2,998	12
Heartland 001 Account Te Ahu Pātiki Donations	261,939	192,485
Total Heartland	**264,942**	**192,497**
Total Cash and Cash Equivalents	**345,460**	**268,170**

	JUL-DEC 2021	1 JUL-31 DEC 2020
4. Work in Progress		
Te Ahu Pātiki - Land Purchase Held in Trust Account	1,075,500	-
Te Ahu Pātiki - Land Purchase Deposits	122,860	-
Te Ahu Pātiki - Capitalised Expenses	33,103	-
Total Work in Progress	**1,231,463**	-

The Trust has signed two unconditional Sale and Purchase agreements to purchase the land to be known as Te Ahu Pātiki park in the Whakaraupō/Lyttelton area of Banks Peninsula. The first agreement is to purchase the title Lot 1, DP4572 an area of 494ha. This purchase settles on 1 July 2021, and the Trust has transferred $600,000 raised through crowd funding, and $595,500 of its own funds to complete the purchase. The second agreement is to purchase a further 8ha to rationalise the title boundary to the match the existing fenceline on the western boundary. At balance date the land is in the process of subdividing which is expected to be completed in December 2021.

It is not the intention of the Trust to retain ownership of the Te Ahu Pātiki park land. The Trust has entered into a Memorandum of Understanding with Orton Bradley Park and Te Hapū o Ngāti Wheke to set up a new Charitable Trust for the purpose of owning and governing this land. After both components of the purchase have settled, the Trust intends to transfer the land at a nominal value to this new Charitable Trust. The donated funds are being used to set up the park and cover its costs, and any remaining when the land transfers will also be transferred to the new Charitable Trust. This is expected to happen during FY22.

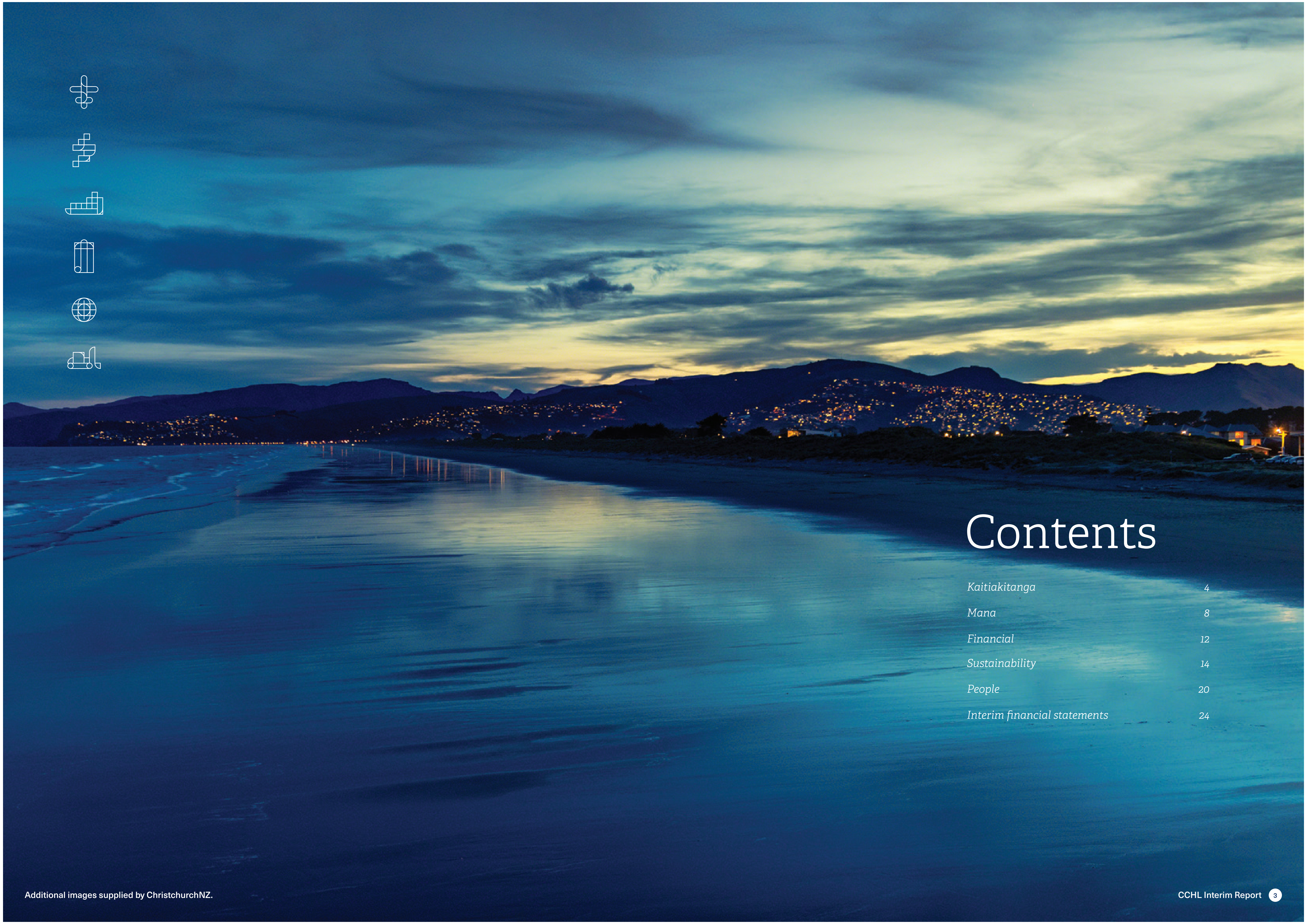
These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

Christchurch City Holdings Limited

Interim report 2022

July 2021-December 2021

A WHOLLY OWNED SUBSIDIARY *of* CHRISTCHURCH CITY COUNCIL



Contents

Additional images supplied by ChristchurchNZ.

Kaitiakitanga

The outcomes we can achieve for local people are at the centre of our focus on intergenerational growth, development and investment. By making prudent, responsible investments now, while also providing the platform for others to improve local capability, build resilience or make the most of what we have for future generations, we are fulfilling our role as Kaitiaki for the assets we hold and the community we serve.

The LPC eastern development

In response to continued growth in freight demand for LPC, in June the Port signed off on its next major development, worth $85 million.

After seeing a 15% increase in container volumes in March and with demand on container capacity not set to slow down, the company decided to bring forward the next stage of planned expansion: the eastern development. The six-stage, three-year project will see the Port develop the most recently reclaimed 16 hectares of land into additional container terminal space. This will house four new reefer towers, with an additional 392 plugs for refrigerated containers as well as a new truck receipt and delivery grid.

By mid-2023, LPC will have lifted capacity to 620,000 TEU (twenty-foot equivalent unit – a standard international container measurement) annually, up from the current 500,000 TEU.

The eastern development also shows LPC's commitment to being a good neighbour, as it further expands operations to the east, away from the community, while providing more opportunity to open up the inner harbour.

Enable bringing Hyperfibre to the CBD

Enable is bringing the future of fibre broadband connectivity to Christchurch, with Hyperfibre launched in early August 2021.

This next generation of fibre technology is being made available across Christchurch's Central Business District, to support the ongoing growth of the city. The CBD launch marked the first stage in Enable's rollout of Hyperfibre across the community.

Hyperfibre is set to be the essential broadband service of the future, with its astronomical broadband speeds of up to eight gigabits per second (8Gbps) – 25 times the average broadband speed currently provided in New Zealand. Hyperfibre will meet the growing needs for high-speed connectivity, which is critically important in areas like telehealth, remote working and distance learning, as well as for technology and digital businesses looking to reach global markets.

Orion Energy Accelerator up to speed

Two energy companies focused on very different parts of the solar industry won the inaugural Orion Energy Accelerator competition, hosted virtually from Christchurch at the end of October.

Christchurch charity Empower Energy claimed the $15,000 'Impact Award' for its work targeting energy poverty through a new solar sharing scheme. Napier based RedPhase took the $15,000 'Most Innovative' prize for its ground-breaking work making New Zealand's solar panels more power efficient. Orion continues to work with both winners on developing their ideas.

The Orion Energy Accelerator was devised by Orion in conjunction with Ara Ake and The Ministry of Awesome to guide energy startups with innovative ideas through a programme to validate and commercialise their concept.

Learning through action

EcoCentral is sponsoring school buses to the EcoSort Recycling Facility to remove financial barriers to schools participating in the Christchurch City Council (CCC) Learning Through Action, 'A Waste of Time', education programme. Schools that apply will have buses to the recycling programme provided to them at zero cost, paid for by EcoCentral. This support to schools assists in promoting key waste reduction messages and improving recycling knowledge throughout the community.

Maintaining critical assets

Citycare's 2 in a Ute pilot project to maintain water sensitive stormwater assets has successfully established four mentoring teams working in local communities across Auckland. Auckland Council Healthy Waters has now confirmed extension of this pilot project for two years with the potential for a further two-year extension. While working, the teams have gained unique expertise through maintenance of more than seven different types of assets, ranging from riparian banks to urban and coastal environments. They have also increased community engagement by providing technical support and labour at community and environment focused events.

Mana

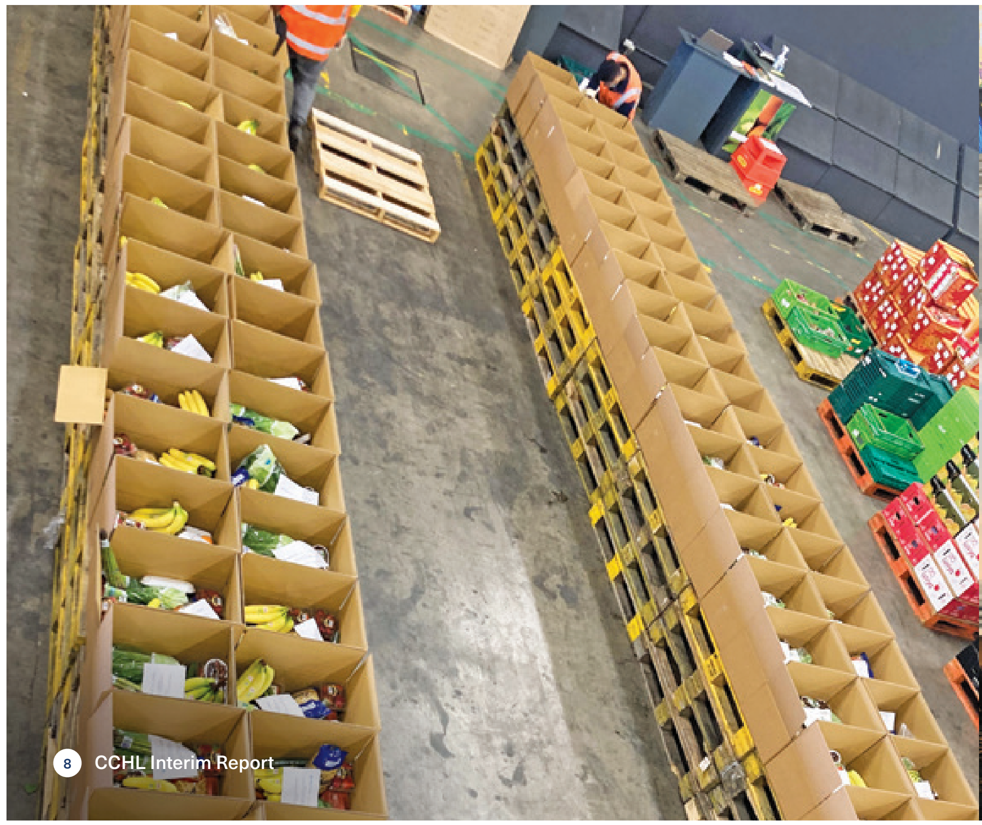
Our impact reaches every part of the Canterbury district and right across the country. So, we are very conscious that the way we operate, the work we do, and differences – small and large – we can make, play an important part in improving both social and economic outcomes for the whole region.

Welcome support during lockdown

During the most recent Auckland lockdown, Citycare Property was able to work in collaboration with Te Mahurehure Marae to support their food parcel programme by delivering food parcels to local families. With assistance from team members who were unable to be out working in the field, more than a thousand food parcels were delivered across Southern Tāmaki Makaurau.

Brighten Up Brighton

In Christchurch, the Citycare team also participated in the Brighten Up Brighton initiative. This event saw Citycare help over 100 volunteers from the community, as well as multiple community groups, take part in a range of clean-up activities, from painting, cleaning of shop frontages and graffiti removal to planting and mulching of gardens. Many Citycare Property employees contributed volunteer hours and technical or trade expertise on their weekend to make this clean up event a success.



Advocating for change

EcoCentral has continued to provide independent thought leadership in the waste and recycling sector.

The company has been active in helping to develop a number of local and national campaigns, such as the standardisation of recycling and local waste minimisation strategies across the country. Work is ongoing with Ministry for the Environment (MfE) on the design of the national Container Recycling Scheme (CRS). The organisation is also advocating for product stewardship, which aims to hold suppliers to account for those products that are not easily recycled in the current environment, such as batteries, tyres and e-waste.

Free upgrade for Enable users

Most users of Enable's home fibre broadband received a free performance upgrade, through a new initiative rolled out in December.

Enable increased the speed of around 90,000 home connections on either its 100 or 200 megabit per second (Mbps) fibre service. The new service also includes a 100Mbps upload speed – performance that is vitally important for online learning and working from home. The upgrade to the 300Mbps fibre service will mean the standard home fibre service in Christchurch is 10 times faster than it was a decade ago, when Enable launched residential fibre broadband.

Shared aims and outcomes

LPC, and the Maritime Union of New Zealand (MUNZ), Rail and Maritime Transport Union of New Zealand (RMTU) and Amalgamated Workers Union NZ (AWUNZ) have successfully negotiated and signed a charter introducing the High Performance High Engagement (HPHE) model to Lyttelton Port.

The charter jointly commits LPC and the unions representing the Port's employees to each other's success and the development and fostering of a safe, cooperative and inclusive culture. It lays out shared aims and outcomes for Lyttelton Port and its workers and specifies decision-making and engagement protocols for HPHE processes.

Orion powers up the Akaroa Health Centre

A new generator substantially donated in December by Orion will keep Akaroa Health Centre residents warm and services operating in the event of a power outage. The new 66kVA diesel-powered mobile generator is big enough to power three households.

The generator will ensure the Centre's heating and essential services continue to operate and will enable residents to re-charge mobile phones during any outage.

Item 12 Attachment E

Financial

The Group delivered a strong result in the six months to 31 December 2021 despite the ongoing pressures caused by COVID. As the challenges of a lack of tourism at the airport continue along with the impact of lockdown restrictions on contracting during the reporting period, the sea port, fibre and electricity businesses maintain strong support to the Group and the wider community.

The Group recorded a net profit after tax (NPAT) for the six months ended 31 December 2021 of $36.3 million, compared with $26.3 million in the equivalent period last year, an increase of $10 million or 38%. Total operating revenue for the Group for the six month period was $520 million compared to $496 million for the same period last year, an increase of $24 million or 5%.

The increased group operating revenue and profit were driven by increased container volumes and pricing at LPC and connection growth at Enable. LPC delivered a $16.9 million or 26% increase in operating revenue and a $6.8 million or 120% increase in profit, a very strong result given the continued impact of COVID on the cruise industry and supply chain volatility across the industry. Enable also delivered a strong result with a $6.4 million or 16% increase in operating revenue and a $4.2 million or 60% increase in profit. CIAL's operating revenue was relatively flat compared with the prior comparative period, but remains 30% lower than pre-COVID levels. Citycare also continued to be impacted by COVID, with a $9.1 million or 6% reduction in revenue compared to the prior comparative period.

Group assets increased to $4.9 billion from $4.6 billion, mainly due to:

- the continued investment property development programme at CIAL,
- the capital programmes at Orion, LPC and Enable, and
- revaluation of net assets of CIAL, Enable and Orion at last year end.

Consequently, overall Group net assets have increased to $2.1 billion from $1.8 billion.

The Parent recorded a net profit after tax (NPAT) for the six months ended 31 December 2021 of $29.1 million, compared with $40.8 million in the equivalent period last year. Total operating revenue for the Parent for the six month period was $41.4 million compared to $53.6 million for the same period last year.

The lower revenue and profit was largely due to the $17 million special dividend received from RBL Property in the prior comparative period, partially offset by a $6 million dividend received from Enable in the current reporting period.

Parent assets increased to $3.7 billion from $3.3 billion, mainly due to:

- revaluation of the investment in CIAL and Enable at last year end, and
- $85 million on-lending to LPC for its eastern development project.

Parent net assets have increased to $2.5 billion from $2.2 billion, a lower increase than for total assets due to the issue of a $150 million sustainability bond.

Dividends during the period have been received from Orion ($27.7m), LPC ($6.6m), Enable ($6.0m) and Citycare ($1.1m). Whilst no interim dividend has been paid to Christchurch City Council in line with the statement of intent, CCHL is on track to meet its full year commitment of $16.1m.

Strong interest in CCHL's first Sustainability Bond

Following a successful bookbuild process, CCHL closed its first sustainability bond offer in late October 2021, with $150 million allocated to participants (or their clients).

Having received significant interest – with firm offers representing more than double the initial bond offer ($100 million plus an allowance of $50 million for oversubscriptions) – the issue margin for the fixed rate sustainability bonds was set at 0.35% per annum. This was reduced from the initial indicative margin range of 0.37% to 0.42%, given the scale of interest in the offer. After completion of the bookbuild process, the interest rate for the bonds was set at 3.01%.

The successful launch of the bond – only the second sustainability bond issued in New Zealand – is a major milestone that reflects CCHL's approach to providing long-term economic, social and environmental returns to the city and region.

Recognising the integral role of sustainability in its business, CCHL has been working to establish a new framework that would enable it to increase its leadership and investment in sustainability, while providing the platform for future growth in this area.

CCHL's Sustainable Finance Framework was adopted by the Board in October 2021. The initial priority of the Framework was to support the refinancing of debt relating to the Enable fibre-optic network. The construction of the city's fibre network was funded in part by a loan from Crown Infrastructure Partners to CCHL.

However, the Framework has been designed to be broad enough to support the financing or refinancing of investment in any business, projects, assets, or activities that deliver positive environmental and social goals, particularly those that are consistent with the UN's Sustainable Development Goals (SDGs). The SDGs include a wide range of targets, from reducing poverty and hunger, to supporting climate action and providing affordable clean energy, as well as the development of sustainable cities and investment in innovation and infrastructure.

Sustainability

CCHL's focus on sustainability goes beyond the urgent and immediate needs of our environment. Our approach also includes creating the foundation for sustainable action across the organisation and the broader community for years to come by introducing new technology, supporting sustainable investment and providing the resources to assist in the shift to alternative energy.

Fibre the greenest broadband technology

Research released in December by Enable, Chorus, Tuatahi First Fibre and Northpower Fibre confirmed that fibre is the best broadband option for consumers concerned about carbon emissions.

The research, completed by Sapere Research Group, found fibre is the lowest-emission broadband technology, compared with copper-based VDSL, Hybrid Fibre Coaxial (HFC) and 4G and 5G fixed wireless. According to the research, a fibre broadband service outperforms other broadband technologies in terms of its sustainable carbon footprint. The research also highlighted that the emissions profile of fibre stays consistent as speeds increase, while the emissions for alternative technologies increase with speed.

Citycare Property trials world's first electric truck

Citycare Property is participating in a Fuso NZ project, together with five other Ōtautahi-based companies, to trial the world's first, series-produced, fully-electric light duty truck. During Citycare Property's trial period, the truck will operate as part of an all-electric unit – with an electric mower and small electric plant and equipment transported by the truck.

The project is being coordinated by CCC with funding from Energy Efficiency & Conservation Authority (EECA).

Investing in efficient technology

In 2020, EcoCentral carried out a study into improvement options for recycling of fibre and plastic. From the study an application for funding from the Government resulted in confirmation of a $16.8m grant to enhance recycling capability for mixed plastics and mixed fibre.

The project will see the installation of the latest optical and mechanical sorting technology, enabling separation of plastic into specific resin types and significantly improving sorted fibre purity. The project will take up to two years to complete, with site works beginning in March 2022 and scheduled completion at the end of the year.

New life for old materials

In addition to a brand-new hall and classroom, the Merrin School community in Christchurch will boast a new obstacle course and greenhouses, both of which will be built by Citycare from repurposed materials from the old school playgrounds.

To clear space for the new hall and classroom block, two playgrounds were dismantled, and a basketball court demolished. Sustainable practices are an important part of the new design. Soil and mulch from the foundation sites will be repurposed to create an obstacle course which frames the school field. Some of the disassembled jungle gyms will also be upcycled as greenhouses for the school garden.

Tackling marine pests

In November, three members of the LPC dive team, plus a dive attendant, began the arduous task of removing fanworm by hand at Te Ana Marina. The marina is one of six immediate high-risk locations under investigation throughout Lyttelton Harbour/ Whakaraupō over the next three months at least.

Fanworm has been present in low numbers in the inner harbour for over a decade and are a threat to native biodiversity, mahinga kai and commercial marine farming operations. Fanworm attaches to hard structures in sheltered marine environments including pontoons, piles and vessels. They are easily spread by vessel movements and reproduce rapidly.

Growing sustainable foods

Orion is assisting local business Meadow Mushrooms, which employs nearly 500 people, to make a big leap forward in its goal to reduce its carbon footprint and become a net zero carbon business. Mushrooms are, by nature, one of the world's most sustainable and renewable foods.

Orion is providing the electrical infrastructure to support replacing their current diesel fired boiler with a low carbon electric option – with Meadow Mushrooms accessing financial support from the Government Investment in Decarbonising Industry Fund (GIDI).

Orion Group achieves Toitū certification

On 30 August, the Orion Group met the requirements of Toitū Carbonreduce certification, having measured its greenhouse gas emissions in accordance with ISO 14064-1:2006 and in recognition of the organisation's commitment to managing and reducing operational emissions. This is a milestone in Orion's carbon journey, reflecting the considerable body of work the organisation has undertaken to establish its emissions profile and put in place systems and processes to monitor progress towards its target of achieving carbon neutrality for corporate emissions by June 2022.

Christchurch Airport announces 'innovative and world-leading' renewable energy park

Christchurch Airport is committing 400 hectares of its Harewood campus to Kōwhai Park – a new platform for generating renewable energy at scale to enable businesses to transition away from fossil fuels.

Kōwhai Park was launched at the beginning of December with Energy Minister Megan Woods, Climate Change Minister James Shaw and Christchurch Mayor Lianne Dalziel planting two kōwhai trees on the site, next to the century old kōwhai the park is named after.

The Park will scale up over the next 30 years, with Phase One delivering a 220-hectare solar array capable of generating 150 megawatts of electricity (enough to power 30,000 homes, or around 20% of Christchurch's current residential electricity use) on the airport campus. This will support future development of green fuel production for land and air transport, green data centres and green vertical farming.

Australian renewable energy fund, Solar Bay, is committing $100 million to the development of the first phase.

Kōwhai Park is part of the airport's plan to become climate positive over the coming decade and to maintain its world-leading position on sustainability.

Over the past decade, the Christchurch Airport team has been on a journey to systematically decarbonised its business. Christchurch Airport has reduced 85% of direct emissions and is on track to be carbon zero well ahead of 2030.

Kōwhai Park will deliver green energy so other businesses can transition to renewable sources.

As the region decarbonises, demand on renewable energy supply is expected to increase by 68%. Kōwhai Park will, over time, help meet that additional demand and provide a resilient supply of renewable energy Canterbury and New Zealand can rely on.

Kowhai Park will also assist aviation to decarbonise and decouple from fossil fuels. In New Zealand it is likely there will be both electric and hydrogen-fuelled planes on our domestic routes over the next few decades. Kōwhai Park can support this transition in Christchurch.

People

It is through our people that CCHL makes the greatest difference. From lending our expertise or volunteering to assist in community projects, targeting areas of need or opportunities to enhance the lives of local people, and showing leadership and professionalism in our work, we never lose sight of the fact that our organisation, and the assets we take care of, exist to help our community.

Citycare making a difference in the community

Citycare Property employees have contributed a significant number of volunteer hours to projects that address the needs and challenges of our local communities. A broad range of volunteer events the Citycare team have undertaken in the last six months included: site preparation for a community garden at St Albans Church; donations of planter boxes to community groups and gardens within the Christchurch area, many built by Citycare Property trades from recycled materials; preparing over 100 Christmas lunches for the homeless within the Otara, South Auckland region as well as delivering 230 meals and 22 food parcels to 186 different locations in the build up to Christmas – in conjunction with Meals on Wheels in South Auckland; a working bee for the Hornby Toy Library; and contributing to the establishment of pop-up community collaboration space, Understory, in Central Christchurch, curated by The Green Lab.

Supporting connection and creativity in the harbour basin

The Christchurch Symphony Orchestra's 'Karawhiua! Let's Play!' school residency programme visited Lyttelton Primary School as part of a programme sponsored by LPC.

Musicians from the orchestra – including oboe player Jenny Johnstone – embedded themselves in the school for five days. Over the course of the week, pupils got the chance to dive into a musical and creative experience, learning to play the drums, ukuleles and harps, as well as writing songs and raps.

The music centred on the school's current learning theme of Kaitiakitanga – being a guardian for Whakaraupō/ Lyttelton Harbour and the wider environment. The week culminated in a final concert at the Lyttelton Arts Factory.

Christchurch people depending on fibre

Enable's fibre broadband network is seeing a marked increase in usage, as video conferencing and other online services become firmly established as a vital way to connect friends and family, learn, be entertained, and run businesses.

The effect is obvious in data usage during New Zealand's recent COVID restrictions. On the first day of the last Alert Level 4 lockdown, people on Enable's fibre broadband network across greater Christchurch downloaded 47% and uploaded 32% more data. The increase in uploading is the equivalent of about 65,000 additional hour-long video conferences happening each day across Christchurch.

Enable's fibre broadband services are a vital lifeline service for most of the community, used by 138,000 customers across Christchurch and in the surrounding towns.

Keeping the power on under COVID

As a lifeline utility, Orion's vigilance in managing its operations during the COVID pandemic has been vital.

Under Alert Levels and the more recent traffic light system, Orion instituted extra layers of protection for its people and business operations to ensure the power remained on, and everyone in the community could go about their daily lives.

The company has extensive measures in place to protect its people in the field, in its Control Centre and Customer Support teams, and others at its operational headquarters.

Recognising the extra efforts of our people

With Auckland's extended lockdown, Citycare's Auckland team undertook some special measures to recognise the impact of the continued uncertainty associated with COVID. Mental health training sessions were run with Auckland-based supervisors and team leaders, with further support provided to staff through Mates in Construction. In November, Auckland employees also received a care package as a small token of the organisation's appreciation for their hard work during the pandemic.

Girls in Hi-vis

A very successful Girls in Hi-vis event was held at the Citycare Water Auckland depot to host enthusiastic young women from local high schools for a hands-on, practical experience insight into the water sector.

The event was a fantastic opportunity to share what the organisation does, while encouraging more women to work in the industry and contribute to keeping our communities safe, healthy and beautiful.

At the end of the day, 75% of the women who attended indicated that they would consider a career in the water sector.

Christchurch City Holdings Limited

Interim report

July 2021-December 2021

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Group structure

Christchurch City Holdings Ltd (CCHL) is the commercial and investment arm of Christchurch City Council (the Council). It was incorporated on 12 May 1993 to act as the holding company for the Council's commercial investments. As a result, it is a council controlled organisation under the Local Government Act 2002.

The company is responsible for managing the Council's investment in eight fully or partly-owned trading companies – Orion New Zealand Ltd, Christchurch International Airport Ltd, Lyttelton Port Company Ltd, Enable Services Ltd, City Care Ltd, RBL Property Ltd, EcoCentral Ltd and Development Christchurch Ltd. Six of these are 100% owned, the other two are majority owned by CCHL, being Orion (10.725% owned by Selwyn District Council) and Christchurch International Airport (25% owned by the Crown).

During the reporting period the urban transport business operations of Red Bus were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and some surplus buses. Also during the period the Council requested CCHL to transfer the urban development agency work of Development Christchurch Ltd (DCL) to council controlled entity ChristchurchNZ. DCL continues to hold land as inventory, and holds the investment in Christchurch Adventure Park on behalf of the Council.

Directors' responsibility statement

Unaudited interim condensed financial statements

These interim condensed financial statements are for Christchurch City Holdings Group (Group), a group made up of Christchurch City Holdings Ltd and the entities over which it has control or joint control.

Christchurch City Holdings Ltd is registered in New Zealand under the Companies Act 1993. The directors are responsible for ensuring that the Group interim condensed financial statements present fairly in all material respects:
- the financial position as at 31 December 2021, and
- the financial performance and cash flows for the six month period ended 31 December 2021

The directors consider that the interim condensed financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, and comply with New Zealand equivalent to International Accounting Standard NZ IAS 34 as appropriate for profit-oriented entities.

The directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the Group.

The directors have pleasure in presenting the interim condensed financial statements of the Christchurch City Holdings Group for the six months ended 31 December 2021.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 28 February 2022.

For and on behalf of the Board.

Jeremy Smith
Chair
Christchurch
1 March 2022

Alex Skinner
Director
Christchurch
1 March 2022

Condensed interim statement of financial position

As at 31 December 2021

	Note	Unaudited Group 31 Dec 21 $'000	Unaudited Group Restated 31 Dec 20 $'000	Audited Group 30 Jun 21 $'000	Unaudited Parent 31 Dec 21 $'000	Unaudited Parent 31 Dec 20 $'000	Audited Parent 30 Jun 21 $'000
Non-current assets							
Investment in subsidiaries		-	-	-	3,182,411	2,928,792	3,182,411
Property, plant and equipment		3,776,996	3,610,685	3,774,360	219	242	659
Investment property		671,977	602,672	656,642	-	-	-
Loans and other financial assets		38,114	30,435	28,630	481,789	391,253	475,754
Intangible assets		25,921	23,218	26,218	-	-	-
Debtors, inventory and other assets		21,840	28,733	22,830	-	-	-
Right of use assets		36,925	39,949	28,464	391	459	425
Finance lease receivable		38,012	41,640	41,750	-	-	-
Total non-current assets		**4,609,785**	**4,377,332**	**4,578,894**	**3,664,810**	**3,320,746**	**3,659,249**
Current assets							
Cash and cash equivalents		183,727	104,331	54,346	125,048	69,015	1,038
Debtors, inventory and other assets		121,155	98,050	119,715	1,333	787	844
Finance lease receivable		2,233	1,301	2,172	-	-	
Contract assets		26,412	22,728	18,896			
Loans and other financial assets		9,010	16,750	7,208	-	-	
Non-current assets held for sale		866	3,104	3,432	-	-	
Current tax asset		7,500	5,014	8,550			
Total current assets		**350,903**	**251,278**	**214,319**	**126,381**	**69,802**	**1,882**
Total assets	**3**	**4,960,688**	**4,628,610**	**4,793,213**	**3,791,191**	**3,390,548**	**3,661,131**
Non-current liabilities							
Borrowings	**9**	1,679,919	1,485,962	1,447,202	911,938	716,700	761,500
Net deferred tax liabilities		374,325	299,216	358,765	-	-	
Provisions and other liabilities		29,198	110,030	63,447	12,210	44,456	24,010
Lease liabilities		69,159	76,223	65,748	409	470	440
Total non-current liabilities		**2,152,601**	**1,971,431**	**1,935,162**	**924,557**	**761,626**	**785,950**
Current liabilities							
Borrowings	**9**	538,700	633,552	633,691	329,700	388,578	384,700
Creditors and other liabilities		129,080	130,171	113,495	4,532	3,741	4,076
Provisions and other liabilities		1,364	2,464	42,862	82	45	2,054
Contract liabilities		6,937	4,740	7,369	-	-	-
Lease liabilities		9,838	7,993	7,841	-	-	-
Total current liabilities		**685,919**	**778,920**	**805,258**	**334,314**	**392,364**	**390,830**
Total liabilities	**3**	**2,838,520**	**2,750,351**	**2,740,420**	**1,258,871**	**1,153,990**	**1,176,780**
Net assets		**2,122,168**	**1,878,259**	**2,052,793**	**2,532,320**	**2,236,558**	**2,484,351**
Equity							
Capital and other equity instruments		94,144	94,144	94,144	94,144	94,144	94,144
Reserves		817,186	660,793	786,080	2,410,283	2,119,677	2,391,502
Retained earnings		835,537	780,287	801,387	27,893	22,737	(1,295)
Parent entity interest		**1,746,867**	**1,535,224**	**1,681,611**	**2,532,320**	**2,236,558**	**2,484,351**
Non-controlling interests		375,301	343,035	371,182	-	-	
Total equity		**2,122,168**	**1,878,259**	**2,052,793**	**2,532,320**	**2,236,558**	**2,484,351**

Condensed interim statement of comprehensive income

For the six months ended 31 December 2021

	Note	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group 31 Dec 20 $'000	Audited 12 months Group 30 Jun 21 $'000	Unaudited 6 months Parent 31 Dec 21 $'000	Unaudited 6 months Parent 31 Dec 20 $'000	Audited 12 months Parent 30 Jun 21 $'000
Operating revenue		520,610	496,517	1,023,793	41,422	53,679	76,924
Other gains		2,067	408	49,833			
Total revenue and gains		**522,677**	**496,925**	**1,073,626**	**41,422**	**53,679**	**76,924**
Operating and other expenses		356,082	344,835	715,400	2,125	967	3,009
Earnings before interest, tax, depreciation, amortisation and impairment		**166,595**	**152,090**	**358,226**	**39,297**	**52,712**	**73,915**
Depreciation, amortisation and impairment		77,312	77,027	158,026	47	48	93
Earnings before interest and tax		**89,283**	**75,063**	**200,200**	**39,250**	**52,664**	**73,822**
Finance income		1,383	1,020	2,035	6,656	7,060	14,425
Finance costs		35,562	37,819	75,581	16,719	18,864	37,418
Net finance costs		34,179	36,799	73,546	10,063	11,804	22,993
Net profit before tax		**55,104**	**38,264**	**126,654**	**29,187**	**40,860**	**50,829**
Income tax expense		18,752	15,372	37,780	-	-	
Profit/(Loss) after tax from continuing operations		36,352	22,892	88,874	29,187	40,860	50,829
Profit/(Loss) after tax from discontinued operations	**4d**	-	3,410	4,068	-	-	
Net Profit/(Loss) after tax		**36,352**	**26,302**	**92,942**	**29,187**	**40,860**	**50,829**
Profit for the period attributable to:							
Owners of the parent		34,151	23,895	79,195	29,187	40,860	50,829
Non-controlling interests		2,201	2,407	13,747	-	-	-
		36,352	**26,302**	**92,942**	**29,187**	**40,860**	**50,829**
Other comprehensive income							
Items that will not be recycled to profit/loss:							
Revaluation of assets		741	-	149,998	-	-	
Items that may be recycled to profit/loss in future:							
Revaluation of investments in subsidiaries			-		-	-	253,619
Cash flow hedges		42,904	5,567	52,030	18,782	6,323	24,528
		43,645	5,567	202,028	18,782	6,323	278,147
Income tax (expense)/credit relating to other comprehensive income		(8,958)	(1,208)	(54,403)	-	-	
Other comprehensive income for the period, net of tax		**34,687**	**4,359**	**147,625**	**18,782**	**6,323**	**278,147**
Total comprehensive income for the period, net of tax		**71,039**	**30,661**	**240,567**	**47,969**	**47,183**	**328,976**
Total comprehensive income is attributable to:							
Owners of the parent		65,171	27,623	207,644	47,969	47,183	328,976
Non-controlling interests		5,868	3,038	32,923	-	-	-
		71,039	**30,661**	**240,567**	**47,969**	**47,183**	**328,976**

Condensed interim statement of changes in equity – Group

For the six months ended 31 December 2021

	Share capital $'000	Asset revaluation reserve $'000	Hedging reserve $'000	Retained earnings $'000	Attributable to equity holders of parent $'000	Non-controlling interests $'000	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group Restated 31 Dec 20 $'000	Audited 12 months Group 30 Jun 21 $'000
Opening Balance	**94,144**	**821,849**	**(35,769)**	**801,387**	**1,681,611**	**371,182**	**2,052,793**	**1,849,072**	**1,849,072**
NPAT	-	-	-	34,151	34,151	2,201	**36,352**	**26,302**	**92,942**
Other comprehensive income	-	741	30,365	-	31,106	3,581	**34,687**	**4,358**	**147,625**
Dividends paid/payable	-	-	-	-	-	(1,664)	**(1,664)**	**(1,609)**	**(37,218)**
Issue of shares/other	-	-	-	-	-	-	**-**	**136**	**372**
Closing Balance	**94,144**	**822,590**	**(5,404)**	**835,538**	**1,746,868**	**375,300**	**2,122,168**	**1,878,259**	**2,052,793**

Condensed interim statement of changes in equity – Parent

For the six months ended 31 December 2021

	Share capital $'000	Asset revaluation reserve $'000	Hedging reserve $'000	Retained earnings $'000	Attributable to equity holders of parent $'000	Non-controlling interests $'000	Unaudited 6 months Parent 31 Dec 21 $'000	Unaudited 6 months Parent 31 Dec 20 $'000	Audited 12 months Parent 30 Jun 21 $'000
Opening Balance	**94,144**	**2,417,206**	**(25,704)**	**(1,295)**	**2,484,351**	**-**	**2,484,351**	**2,189,375**	**2,189,376**
NPAT	-	-	-	29,187	29,187	-	**29,187**	**40,860**	**50,829**
Other comprehensive income	-	-	18,782	-	18,782	-	**18,782**	**6,323**	**278,146**
Dividends paid/payable	-	-	-	-	-	-	**-**	**-**	**(34,000)**
Issue of shares/other	-	-	-	-	-	-	**-**	**-**	**-**
Closing Balance	**94,144**	**2,417,206**	**(6,922)**	**27,892**	**2,532,320**	**-**	**2,532,320**	**2,236,558**	**2,484,351**

Condensed interim statement of cash flows

For the six months ended 31 December 2021

	Note	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group 31 Dec 20 $'000	Audited 12 months Group 30 Jun 21 $'000	Unaudited 6 months Parent 31 Dec 21 $'000	Unaudited 6 months Parent 31 Dec 20 $'000	Audited 12 months Parent 30 Jun 21 $'000
Cash flows from operating activities							
Receipts from customers and other sources		525,409	516,071	1,015,378	-	-	-
Interest received		708	223	782	6,656	6,953	14,425
Dividends received		-	-		41,422	53,679	76,833
Payments to suppliers and employees		(378,973)	(376,580)	(716,311)	(2,297)	(1,347)	(3,213)
Interest and other finance costs paid		(35,292)	(34,181)	(68,618)	(16,760)	(15,533)	(31,249)
Income tax paid		(14,945)	(9,903)	(24,303)	173	-	-
Subvention payments		-	-	(2,153)	-	-	-
Net cash from operating activities of discontinued operations		-	(334)	(334)			
Net cash provided by operating activities	5	96,907	95,296	204,441	29,194	43,752	56,796
Cash flows from investing activities							
Payment for investment securities		(2,000)	-	-			-
Proceeds from sale of investment securities		-	-		-	-	
Payment for equity investment in subsidiaries/associated companies		-	-	-	-	-	-
Proceeds from repayment of related party loans		-	-		-	-	-
Advances made to external parties		(181)	(182)	-	(181)	(182)	-
Amounts advanced to related parties		-	-	-	-	-	(85,000)
Payment for property, plant and equipment		(100,779)	(97,698)	(174,863)	(3)	(5)	(6)
Proceeds from sale of property, plant and equipment		10,770	1,687	3,884	-	-	
Payment for intangible assets		(285)	(1,338)	(4,206)	-	-	-
Payment for goodwill		-	-	-	-	-	-
Payment for investment properties		(10,653)	(19,279)	(31,246)	-	-	-
Proceeds from sale of investment properties		-	12,618	-	-	-	-
Payment for investment into bank deposits		-	-	(223,000)			(200,000)
Proceeds from bank deposits maturing		-	(4,000)	228,381	-	-	200,000
Other		(620)	(504)	11,188	-	-	(409)
Net cash used in investing activities		(103,748)	(108,696)	(189,862)	(184)	(187)	(85,415)
Cash flows from financing activities							
Proceeds from borrowings		815,388	74,471	390,150	530,000	20,000	255,000
Repayment of borrowings		(674,000)	(1,596)	(355,793)	(435,000)	-	(196,793)
Repayment of lease liabilities		(3,502)	(3,869)	(7,706)	-	-	
Proceeds from issue of shares		-	-	-			-
Dividends paid - equity holders		-	-	(34,000)	-	-	(34,000)
Dividends paid - non-controlling interests		(1,664)	(1,609)	(3,218)	-	-	
Net cash provided by financing activities		136,222	67,397	(10,567)	95,000	20,000	24,207
Net increase in cash and cash equivalents		129,381	53,997	4,012	124,010	63,565	(4,412)
Cash and cash equivalents at start of period		54,346	50,334	50,334	1,038	5,450	5,450
Cash and cash equivalents at end of period		**183,727**	**104,331**	**54,346**	**125,048**	**69,015**	**1,038**

1 Reporting entity

Christchurch City Holdings Ltd (CCHL) is a wholly-owned subsidiary of Christchurch City Council, formed for the purpose of holding investments in trading subsidiary organisations. The company was incorporated on 12 May 1993, and commenced operations on 14 May 1993.

CCHL is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act. The reporting currency used in the preparation of these financial statements is New Zealand dollars.

CCHL is an issuer for the purposes of the Financial Markets Conduct Act 2013 as its issued debt securities are listed on the New Zealand Debt Exchange (NZDX).

The unaudited condensed consolidated interim financial statements comprise CCHL, its subsidiaries and the group's interest in associates and joint ventures (Group).

The unaudited condensed consolidated interim financial statements are for the six months ended 31 December 2021. The financial statements were authorised for issue by the CCHL Board of directors on 28 February 2022. The Board of Directors has the power to amend the financial statements after issue.

Group Ownership			Shareholders		Balance date
Parent	**Business**				
Christchurch City Holdings Ltd	Holding Company	100%	Christchurch City Council		30 June
Subsidiaries		**CCHL %**	**NCI Holder**	**NCI %**	
Orion New Zealand Ltd	Electricity network	89.275%	Selwyn District Council	10.725%	31 March
Christchurch International Airport Ltd	Airport	75.0%	Minister of Finance	12.5%	30 June
			Minister for State-Owned Enterprises	12.5%	
Lyttelton Port Company Ltd	Port	100%			30 June
Enable Services Ltd	Broadband network	100%			30 June
City Care Ltd	Contracting	100%			30 June
RBL Property Ltd	Investment Property	100%			30 June
EcoCentral Ltd	Waste recycling	100%			30 June
Development Christchurch Ltd	Holds land assets	100%			30 June

Notes to the condensed interim financial statements
For the six months ended 31 December 2021

2 Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) as appropriate for profit-oriented entities. The report should be read in conjunction with the audited financial statements for the year ended 30 June 2021.

The balance date of all subsidiary companies, other than Orion New Zealand Ltd which has a balance date of 31 March, is 30 June. The interim report therefore includes the results of Orion New Zealand Ltd for the six months to 30 September 2021, and the results of all other subsidiaries for the six months to 31 December 2021.

Section 461(3) of the Financial Markets Conduct Act requires the reporting entity and all its subsidiaries to have the same balance date. As noted above, Orion New Zealand Ltd (Orion) and its subsidiary have a 31 March balance date. CCHL applied for and has received an exemption from this obligation from the Financial Markets Authority until 27 August 2023.

The accounting policies as published in the annual report for the year ended 30 June 2021 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2021, and the financial position as at that date.

Significant changes during the period:

The ongoing pressures caused by COVID continue to impact the Group, particularly CIAL and Citycare.

During the prior period the urban transport business operations of Red Bus Ltd were sold to Ritchies Transport. As such, the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and surplus buses. The buses are currently treated as assets held for sale, whilst the Land and Buildings have been classified as Investment Property. Due to the change in business operations, the net profit resulting from the urban transport operations is treated as discontinued operations in the statement of comprehensive income. Refer to note 4b.

During the prior period, the Council requested CCHL to transfer the urban development agency work of Development Christchurch Ltd (DCL) to council controlled entity ChristchurchNZ. DCL continues to hold land as inventory, and holds the investment in Christchurch Adventure Park on behalf of the Council. No accounting treatment change has been applied due to this change.

3 Segment information

The reportable segments of the CCHL Group have been identified in accordance with NZ IFRS 8, Operating Segments. The Group's operating segments are identified on the basis of the nine significantly different businesses whose individual operating results are received on a quarterly basis by the Group chief operating decision maker (CCHL Board) to assess and monitor performance.

The nine reportable segments are as follows:

i) **Orion New Zealand Ltd (Orion)** – owns and operates the electricity distribution network in Christchurch and central Canterbury.

ii) **Christchurch International Airport Ltd (CIAL)** – provides airport facilities and services to airline and airport users at Christchurch International Airport, holds investment property (land and buildings) from which it generates rental income.

iii) **Lyttelton Port Company Ltd (LPC)** – primarily involved in providing and managing port services and cargo handling facilities over three sites in the Canterbury region.

iv) **Enable Services Ltd (Enable)** – owns and operates the ultra-fast broadband fibre network across greater Christchurch and parts of Waimakariri and Selwyn Districts.

v) **City Care Ltd (Citycare)** – provides construction, maintenance and management services for water, property and civil infrastructure sectors throughout New Zealand.

vi) **RBL Property Ltd (RBL Property)** – previously provided transport services in the urban bus sector primarily in the Canterbury region, and since 7 December 2020 it holds investment property (land and buildings) from which it generates rental income.

vii) **EcoCentral Ltd (EcoCentral)** – manages the processing of refuse and sorting of recycling throughout Canterbury.

viii) **Development Christchurch Ltd (DCL)** – holds land assets to enable development projects and activities for Christchurch City.

ix) **Christchurch City Holdings Ltd (Parent)** – does not trade in its own right, its primary assets are its investments in and advances to its operating subsidiaries.

Major customers:

Revenue from Christchurch City Council amounted to $53 million (December 2020: $57 million) mainly from sales by Citycare, EcoCentral and Orion (refer to note 11). All group assets are domiciled and operated in New Zealand. The Group's revenue from external customers by geographical location are not allocated to operating segments as they are not reported at a Group level.

Segment reporting explanation:

1 Revenue from external customers reflects the revenue of each separate segment excluding revenue earned from other group entities.

2 Segment profit/(loss) represents the actual profit/(loss) of each segment.

3 The Parent Total non-current assets and Total assets includes advances to subsidiaries and the investments held in subsidiaries which have been measured at fair value as at 30 June 2021 per independent valuations completed by Deloitte. These have been eliminated on consolidation and recognised in 'Other'.

4 Capital expenditure and investments in the Parent relates to equity investments in subsidiaries. These have been eliminated on consolidation and recognised in 'Other'.

5 Intra-group transactions between segments have been eliminated on consolidation and recognised in 'Other'.

Notes to the condensed interim financial statements

For the six months ended 31 December 2021

3. Segment information (continued)

	Parent $'000	Orion $'000	CIAL $'000	LPC $'000	Enable $'000	Citycare $'000	RBL Property $'000	Eco Central $'000	DCL $'000	Other $'000	Total $'000
For the six months ended 31 December 2021 (unaudited)											
Segment revenue	41,422	158,219	66,512	82,963	46,963	143,321	344	22,364	5,197	(46,695)	520,610
Inter-segment revenue	(41,422)	(606)	(340)	-	(24)	(3,825)	-	(198)	(280)	46,695	-
Revenue from external customers	-	157,613	66,172	82,963	46,939	139,496	344	22,166	4,917	-	520,610
Interest income	6,656	-	14	653	75	99	4	17	22	(6,157)	1,383
Interest expense	16,719	5,894	11,688	1,737	5,461	220	-	-	-	(6,157)	35,562
Depreciation and amortisation	(47)	(27,226)	(21,139)	(7,789)	(13,335)	(5,412)	-	(2,197)	(167)	-	(77,312)
Net realisations, revaluations and impairments	-	2,050	-	-	5	-	-	12	-	-	2,067
Taxation expense	-	(7,711)	(16)	(4,796)	(4,439)	(616)	-	(629)	(556)	11	(18,752)
Profit from continuing operations	29,187	20,563	41	12,441	11,124	1,582	(366)	1,616	1,576	(41,412)	36,352
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss)	**29,187**	**20,563**	**41**	**12,441**	**11,124**	**1,582**	**(366)**	**1,616**	**1,576**	**(41,412)**	**36,352**
Total non-current assets (excluding derivatives and deferred tax)	3,659,219	1,265,601	1,951,581	527,663	726,996	51,374	16,210	12,221	17,017	(3,634,412)	4,593,470
Total assets	3,791,191	1,319,158	1,974,496	599,373	751,388	126,971	19,814	23,832	29,749	(3,675,284)	4,960,688
Total liabilities	1,258,871	629,172	762,097	226,850	388,860	65,357	1,861	10,818	1,664	(507,030)	2,838,520
Additions to non-current assets	-	43,294	11,972	18,094	14,954	7,946	-	2,932	-	-	99,192

	Parent $'000	Orion $'000	CIAL $'000	LPC $'000	Enable $'000	Citycare $'000	RBL Property $'000	Eco Central $'000	DCL $'000	Other $'000	Total $'000
For the six months ended 31 December 2020 (unaudited)											
Segment revenue	53,679	154,313	66,037	66,078	40,538	152,475	67	19,647	3,215	(59,532)	496,517
Inter-segment revenue	(53,679)	(285)	(417)	-	-	(4,512)	(1)	(200)	(438)	59,532	-
Revenue from external customers	-	154,028	65,620	66,078	40,538	147,963	66	19,447	2,777	-	496,517
Interest income	7,060	4	13	656	131	43	10	6	3	(6,906)	1,020
Interest expense	18,864	5,596	11,734	1,540	6,639	333	-	-	19	(6,906)	37,819
Depreciation and amortisation	(48)	(26,187)	(20,846)	(8,918)	(12,401)	(6,256)	-	(2,174)	(197)	-	(77,027)
Net realisations, revaluations and impairments	-	386	-	-	2	-	20	-	-	-	408
Taxation expense	-	(7,523)	(484)	(2,213)	(3,801)	(1,207)	(17)	(436)	311	(2)	(15,372)
Profit from continuing operations	40,860	18,308	1,245	5,656	6,962	3,099	43	1,121	(721)	(53,681)	22,892
Profit/(loss) from discontinued operations	-	-	-	-	-	-	3,410	-	-	-	3,410
Segment profit/(loss)	**40,860**	**18,308**	**1,245**	**5,656**	**6,962**	**3,099**	**3,453**	**1,121**	**(721)**	**(53,681)**	**26,302**
Total non-current assets (excluding derivatives and deferred tax)	3,320,746	1,226,937	1,845,940	512,005	646,759	54,636	16,196	13,124	28,201	(3,295,794)	4,368,750
Total assets	3,390,548	1,250,414	1,875,892	576,623	673,736	126,241	21,032	21,705	30,445	(3,338,026)	4,628,610
Total liabilities	1,153,990	580,018	783,915	220,873	355,454	66,786	2,320	11,796	4,725	(429,525)	2,750,351
Additions to non-current assets	5	37,028	24,708	29,710	16,687	3,969	-	304	-	-	112,411

3. Segment information (continued)

	Parent $'000	Orion $'000	CIAL $'000	LPC $'000	Enable $'000	Citycare $'000	RBL Property $'000	Eco Central $'000	DCL $'000	Other $'000	Total $'000
For the year ended 30 June 2021 (audited)											
Segment revenue	76,833	301,588	141,598	142,144	84,433	319,259	492	39,517	6,567	(88,638)	1,023,793
Inter-segment revenue	(76,833)	(1,098)	(1,102)	-	(5)	(8,416)	-	(443)	(741)	88,638	-
Revenue from external customers	-	300,490	140,496	142,144	84,428	310,843	492	39,074	5,826	-	1,023,793
Interest income	14,425	4	96	1,312	204	73	11	19	5	(14,114)	2,035
Interest expense	(37,418)	(11,345)	(23,530)	(3,322)	(13,270)	(647)	-	(288)	(28)	14,267	(75,581)
Depreciation and amortisation	(93)	(53,170)	(46,282)	(15,934)	(25,230)	(12,299)	(1,081)	(4,334)	(376)	773	(158,026)
Net realisations, revaluations and impairments	-	148	46,451	82	(251)	281	420	72	48	-	47,251
Taxation expense	-	(13,218)	(15,210)	(4,952)	(7,019)	(2,227)	(308)	(946)	337	5,763	(37,780)
Profit from continuing operations	50,829	33,193	37,281	15,972	15,821	5,625	(1,008)	2,427	(575)	(70,691)	88,874
Profit/(loss) from discontinued operations	-	-	-	-	-	-	4,068	-	-	-	4,068
Segment profit/(loss)	**50,829**	**33,193**	**37,281**	**15,972**	**15,821**	**5,625**	**3,060**	**2,427**	**(575)**	**(70,691)**	**92,942**
Total non-current assets (excluding derivatives and deferred tax)	3,659,249	1,248,884	1,963,143	516,645	722,872	49,031	16,190	11,474	24,823	(3,640,268)	4,572,043
Total assets	3,661,131	1,284,904	1,997,553	561,283	740,753	131,931	20,322	22,176	28,315	(3,655,155)	4,793,213
Total liabilities	1,176,780	606,730	796,970	197,099	383,343	70,799	2,003	10,960	1,893	(506,158)	2,740,419
Additions to non-current assets	8	86,732	37,675	44,627	63,774	5,683	-	308	154	(8)	238,953

Notes to the condensed interim financial statements

For the six months ended 31 December 2021

4 Revenue

4a Disaggregation of revenue

	Orion $'000	CIAL $'000	LPC $'000	Enable $'000	Citycare $'000	RBL Property $'000	Eco Central $'000	DCL $'000	Intragroup $'000	Total $'000
For the six months ended 31 December 2021 (unaudited)										
Revenue from contracts with customers										
Electricity Distribution	120,988	-	-	-	-	-	-	-	(606)	120,382
Airport Services	-	34,853	-	-	-	-	-	-	-	34,853
Port Services	-	-	81,563	-	-	-	-	-	-	81,563
Gross telecommunications revenue	-	-	-	43,881	-	-	-	-	(24)	43,857
Construction contract revenue	-	-	-	-	41,133	-	-	-		41,133
Contracting	26,048	-	-	-	98,203	-	-	-	(3,825)	120,426
Bus and Coach Services	-	-	-	-	-	-	-	-		-
Waste and recycling services	-	-	-	-	-	-	21,139	-	(198)	20,941
Sale of goods	6,827	-	-	1,429	3,985	-	944	2,343	(281)	15,247
Total revenue from contracts with customers	**153,863**	**34,853**	**81,563**	**45,310**	**143,321**	**-**	**22,083**	**2,343**	**(4,934)**	**478,402**
Other operating revenue										
Rent and Lease income	-	14,650	1,400	-	-	344	-	339	-	16,733
Rental Income from investment property	-	12,040	-	-	-	-	-	-	(339)	11,701
Other	4,356	4,969	-	1,653	-	-	281	2,515	-	13,774
Total other operating revenue	**4,356**	**31,659**	**1,400**	**1,653**	**-**	**344**	**281**	**2,854**	**(339)**	**42,208**
Segment revenue	**158,219**	**66,512**	**82,963**	**46,963**	**143,321**	**344**	**22,364**	**5,197**	**(5,273)**	**520,610**

CIAL granted $6.5 million in COVID related rent relief to its lessees during the period (December 2020: $6.2 million).

4. Revenue (continued)

	Orion $'000	CIAL $'000	LPC $'000	Enable $'000	Citycare $'000	RBL Property $'000	Eco Central $'000	DCL $'000	Intragroup $'000	Total $'000
For the six months ended 31 December 2020 (unaudited)										
Revenue from contracts with customers										
Electricity Distribution	118,473	-	-	-	-	-	-	-	(285)	118,188
Airport Services	-	35,898	-	-	-	-	-	-	(12)	35,886
Port Services	-	-	64,308	-	-	-	-	-	-	64,308
Gross telecommunications revenue	-	-	-	38,491	-	-	-	-	-	38,491
Construction contract revenue	-	-	-	-	39,382	-	-	-		39,382
Contracting	22,717	-	-	-	109,169	-	-	-	(4,512)	127,374
Bus and Coach Services	-	-	-	-	-	-	-	-		-
Waste and recycling services	-	-	-	-	-	-	18,329	-	(200)	18,129
Sale of goods	5,955	-	-	1,067	3,924	-	1,045	220	(439)	14,767
Total revenue from contracts with customers	**147,145**	**35,898**	**64,308**	**39,558**	**152,475**	**-**	**19,374**	**220**	**(5,448)**	**456,525**
Other operating revenue										-
Rent and Lease income	-	12,247	1,770	-	-	26	-	380	-	14,043
Rental Income from investment property	-	12,591	-	-	-	41	-	-	(405)	12,227
Other	7,168	5,301	-	980	-	-	273	2,615	-	13,722
Total other operating revenue	**7,168**	**30,139**	**1,770**	**980**	**-**	**67**	**273**	**2,995**	**(405)**	**39,992**
Segment revenue	**154,313**	**66,037**	**66,078**	**40,538**	**152,475**	**67**	**19,647**	**3,215**	**(5,853)**	**496,517**

Notes to the condensed interim financial statements

For the six months ended 31 December 2021

4. Revenue (continued)

	Orion $'000	CIAL $'000	LPC $'000	Enable $'000	Citycare $'000	RBL Property $'000	Eco Central $'000	DCL $'000	Intragroup $'000	Total $'000
For the year ended 30 June 2021 (audited)										
Revenue from contracts with customers										
Electricity Distribution	229,508	-	-	-	-	-	-	-	(1,098)	228,410
Airport Services	-	77,777	-	-	-	-	-	-	(419)	77,358
Port Services	-	-	142,144	-	-	-	-	-	-	142,144
Gross telecommunications revenue	-	-	-	79,968	-	-	-	-	(5)	79,963
Construction contract revenue	-	-	-	-	93,178	-	-	-	-	93,178
Contracting	47,254	-	-	-	218,523	-	-	-	(8,416)	257,361
Bus and Coach Services	-	-	-	-	-	-	-	-	-	-
Waste and recycling services	-	-	-	-	-	-	33,700	-	(443)	33,257
Sale of goods	10,900	-	-	2,138	7,556	-	5,331	5,230	-	31,155
Total revenue from contracts with customers	**287,662**	**77,777**	**142,144**	**82,106**	**319,257**	**-**	**39,031**	**5,230**	**(10,381)**	**942,826**
Other operating revenue										
Rent and Lease income	531	11,053	-	-	-	412	-	714	(1,424)	11,286
Rental income from investment property	-	41,699	-	-	-	-	-	-	-	41,699
Other	13,395	11,069	-	2,327	2	80	486	623	-	27,982
Total other operating revenue	**13,926**	**63,821**	**-**	**2,327**	**2**	**492**	**486**	**1,337**	**(1,424)**	**80,967**
Segment revenue	**301,588**	**141,598**	**142,144**	**84,433**	**319,259**	**492**	**39,517**	**6,567**	**(11,805)**	**1,023,793**

4b Discontinued operations

	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group 31 Dec 20 $'000	Audited 12 months Group 30 Jun 21 $'000
Revenue	-	8,078	12,581
Other Gains	-	4,718	9
Depreciation, amortisation and impairment expense	-	(1,460)	(913)
Employee benefits expense	-	(4,621)	(4,310)
Other expenses	-	(3,047)	(3,299)
Profit (loss) before income tax expense	**-**	**3,668**	**4,068**
Income tax credit/(expense)	-	(258)	-
Net surplus/ (loss) after tax from discontinued operations	**-**	**3,410**	**4,068**

5 Reconciliation of profit for the period with operating cash flows

	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group 31 Dec 20 $'000	Audited 12 months Group 30 Jun 21 $'000	Unaudited 6 months Parent 31 Dec 21 $'000	Unaudited 6 months Parent 31 Dec 20 $'000	Audited 12 months Parent 30 Jun 21 $'000
Profit for the period	36,352	26,302	92,942	29,187	40,860	50,829
Add/(less) non-cash items						
Depreciation, amortisation and impairment	77,312	77,027	158,028	47	14	93
(Gains)/losses in fair value of investment property	-	(20)	(46,451)	-	-	-
(Gains)/losses in fair value of biological assets	(12)	-	-	-	-	-
(Gains)/losses in fair value of derivative financial instruments	(2,050)	3,749	(1,783)	-	3,191	(91)
Share of associates' loss/(profit)	-	-	-	-	-	-
Net foreign exchange (gains)/losses	-	-	3	-	-	-
Realisation of fair value through equity reserve	-	-	-	-	-	-
Deferred tax charged/(credited) to income	2,094	3,109	13,167	-	-	-
Gain on disposal of investment	-	-	-	-	-	-
Discontinued Operations	-	1,460	-	-	-	-
Internal labour allocated to PPE & Intangibles			(4,227)	-	-	-
CIP loan fair value adjustment			6,024	-	-	6,024
Other	(2,532)	(1,236)	(3,463)	21	-	(22)
	74,812	84,089	121,298	68	3,205	6,004
Add/(less) items classified as investing or financial activities						
(Gain)/loss on disposal of non-current assets	(2,179)	(4,946)	(800)	-	-	-
Movement in capital creditors/(debtors)	10,640	9,515	2,659	-	-	-
Insurance proceeds	-	-	-	-	-	-
Other	131	50	10	-	-	-
	8,592	4,619	1,869	-	-	-
Add/(less) movement in working capital items						
Debtors, inventory and other current assets	(7,906)	4,192	(17,252)	(489)	(94)	(153)
Non-current receivables, prepayments and other	990	(785)	6,933	-	-	-
Creditors and other liabilities	(37,168)	(14,509)	408	459	(212)	123
Provisions and other liabilities	32,962	(1,585)	(4,729)	-	(7)	(7)
Current tax liabilities	-	(282)	-	-	-	-
Other current liabilities	(11,464)	(6,412)	-	(31)	-	-
Non-current provisions and other liabilities	(263)	(333)	2,972	-	-	-
Net changes in net assets and liabilities	(22,849)	(19,714)	(11,668)	(61)	(313)	(37)
Net cash from operating activities	96,907	95,296	204,441	29,194	43,752	56,796

Notes to the condensed interim financial statements

For the six months ended 31 December 2021

6 Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 Fair value is calculated using quoted prices in active markets. Quoted market price represents the fair value determined based on quoted market prices in active markets as at the reporting date without any deduction for transaction costs.

Level 2 Fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments that use valuation techniques with only observable market inputs include interest rate swaps and foreign exchange contracts not traded on a recognised exchange.

Level 3 Fair value is estimated using inputs for the asset or liability that are not based on observable market data. The fair values of unlisted investments that do not have an active market are based on market data that is not observable.

31 December 2021 (unaudited)

	Fair value Group $'000	Level 1 Group $'000	Level 2 Group $'000	Level 3 Group $'000	Fair value Parent $'000	Level 1 Parent $'000	Level 2 Parent $'000	Level 3 Parent $'000
Financial assets measured at fair value								
Investments in subsidiaries	-	-	-	-	3,182,411	-	-	3,182,411
Derivative financial instruments	16,316	-	16,316	-	5,591	-	5,591	-
USD loan	21,798	-	21,798	-	21,798	-	21,798	-
Investments	-	-	-	-	-	-	-	-
	38,114	**-**	**38,114**	**-**	**3,209,800**	**-**	**27,389**	**3,182,411**
Financial liabilities measured at fair value								
Fixed rate bonds	-	-	-	-	-	-	-	-
Derivative financial instruments	25,123	-	25,123	-	12,210	-	12,210	-
	25,123	**-**	**25,123**	**-**	**12,210**	**-**	**12,210**	**-**
Net assets/ (liabilities) at fair value	**12,991**	**-**	**12,991**	**-**	**3,197,590**	**-**	**15,179**	**3,182,411**

	Fair value Group $'000	Level 1 Group $'000	Level 2 Group $'000	Level 3 Group $'000	Carrying value Group $'000	Fair value Parent $'000	Level 1 Parent $'000	Level 2 Parent $'000	Level 3 Parent $'000	Carrying value Parent $'000
Financial liabilities not measured at fair value but for which fair values are disclosed										
Fixed Interest borrowings	613,521	457,430	156,091	-	601,819	457,430	457,430	-	-	450,438
Fixed Rate Loans from CCC, maturing < 1 year	9,988	-	9,988	-	10,000	9,988	-	9,988	-	10,000
Fixed Rate Loans from CCC, maturing 1-2 years	62,688	-	62,688	-	60,000	62,688	-	62,688	-	60,000
Fixed Rate Loans from CCC, maturing 2-5 years	57,132	-	57,132	-	54,500	57,132	-	57,132	-	54,500
Fixed Rate Loans from CCC, maturing > 5 years	44,795	-	44,795	-	45,500	44,795	-	44,795	-	45,500
	788,124	**457,430**	**330,694**	**-**	**771,819**	**632,033**	**457,430**	**174,603**	**-**	**620,438**

6. Financial instruments (continued)

31 December 2020 (unaudited)

	Fair value Group $'000	Level 1 Group $'000	Level 2 Group $'000	Level 3 Group $'000	Fair value Parent $'000	Level 1 Parent $'000	Level 2 Parent $'000	Level 3 Parent $'000
Financial assets measured at fair value								
Investments in subsidiarie	-	-	-	-	2,928,792	-	-	2,928,792
Derivative financial instruments	8,930	-	8,930	-	-	-	-	-
USD loan	21,853	-	21,853	-	21,853	-	21,853	-
Investments	-	-	-	-	-	-	-	-
	30,783	**-**	**30,783**	**-**	**2,950,645**	**-**	**21,853**	**2,928,792**
Financial liabilities measured at fair value								
Derivative financial instruments	64,471	-	64,471	-	44,456	-	44,456	-
Loans from External parties	157,078	-	-	157,078	157,078			157,078
	221,549	**-**	**64,471**	**157,078**	**201,534**	**-**	**44,456**	**157,078**
Net assets/ (liabilities) at fair value	**(190,766)**	**-**	**(33,688)**	**(157,078)**	**2,749,111**	**-**	**(22,603)**	**2,771,714**

	Fair value Group $'000	Level 1 Group $'000	Level 2 Group $'000	Level 3 Group $'000	Carrying value Group $'000	Fair value Parent $'000	Level 1 Parent $'000	Level 2 Parent $'000	Level 3 Parent $'000	Carrying value Parent $'000
Financial liabilities not measured at fair value but for which fair values are disclosed										
Fixed Interest borrowings	541,095	323,172	217,923	-	508,286	323,172	323,172	-	-	300,000
Fixed Rate Loans from CCC, maturing < 1 year	91,132	-	91,132	-	89,500	91,132	-	91,132	-	89,500
Fixed Rate Loans from CCC, maturing 2-5 years	129,601	-	129,601	-	114,500	129,601	-	129,601	-	114,500
Fixed Rate Loans from CCC, maturing > 5 years	51,326	-	51,326	-	45,500	51,326	-	51,326	-	45,500
	813,154	**323,172**	**489,982**	**-**	**757,786**	**595,231**	**323,172**	**272,059**	**-**	**549,500**

Notes to the condensed interim financial statements

For the six months ended 31 December 2021

6. Financial instruments (continued)

30 June 2021 (audited)

	Fair value Group $'000	Level 1 Group $'000	Level 2 Group $'000	Level 3 Group $'000	Fair value Parent $'000	Level 1 Parent $'000	Level 2 Parent $'000	Level 3 Parent $'000
Financial assets measured at fair value								
Investments in subsidiaries	-	-	-	-	3,182,411	-	-	3,182,411
Derivative financial instruments	6,912	-	6,912	-	-	-	-	-
USD loan	21,779	-	21,779	-	21,779	-	21,779	-
Investments	-	-	-	-	-	-	-	-
	28,691	**-**	**28,691**	**-**	**3,204,190**	**-**	**21,779**	**3,182,411**
Financial liabilities measured at fair value								
Derivative financial instruments	61,968	-	61,968	-	26,019	-	26,019	-
	61,968	**-**	**61,968**	**-**	**26,019**	**-**	**26,019**	**-**
Net assets/ (liabilities) at fair value	**(33,277)**	**-**	**(33,277)**	**-**	**3,178,171**	**-**	**(4,240)**	**3,182,411**

	Fair value Group $'000	Level 1 Group $'000	Level 2 Group $'000	Level 3 Group $'000	Carrying value Group $'000	Fair value Parent $'000	Level 1 Parent $'000	Level 2 Parent $'000	Level 3 Parent $'000	Carrying value Parent $'000
Financial liabilities not measured at fair value but for which fair values are disclosed										
Fixed Interest borrowings	421,170	315,818	105,352	-	400,000	315,818	315,818	-	-	300,000
Fixed Rate Loans from CCC, maturing < 1 year	10,012	-	10,012	-	10,000	10,012	-	10,012	-	10,000
Fixed Rate Loans from CCC, maturing 1-2 years	65,280	-	65,280	-	60,000	65,280	-	65,280	-	60,000
Fixed Rate Loans from CCC, maturing 2-5 years	165,618	-	165,618	-	159,852	60,266	-	60,266	-	54,500
Fixed Rate Loans from CCC, maturing > 5 years	47,711	-	47,711	-	45,500	47,711	-	47,711	-	45,500
	709,791	**315,818**	**393,973**	**-**	**675,352**	**499,087**	**315,818**	**183,269**	**-**	**470,000**

There were no transfers between fair value hierarchy levels during either the current or prior periods.

In June 2016, CCHL entered into a Loan Facility Agreement with Crown Infrastructure Partners Ltd (CIP) (previously known as Crown Fibre Holdings Ltd) as part of the reorganisation of Enable. The loan was drawn down as network stages/premises were completed, and used to subscribe in redeemable preference shares in ESL. The loan was secured by a charge over the assets of the Enable Group.

This interest free loan was held at fair value, where fair value was calculated using the current drawn balance and the loan's May 2021 maturity date, discounted by the CCHL parent company's current average cost of borrowing.

The loan was repaid in full in May 2021.

7 Dividends

	Unaudited 6 months Group & Parent 31 Dec 21 $'000	Unaudited 6 months Group & Parent 31 Dec 20 $'000	Audited 12 months Group & Parent 30 Jun 21 $'000
Fully paid ordinary shares	94,143	94,143	94,143
Partly paid redeemable preference shares	1	1	1
	94,144	94,144	94,144
Ordinary dividends	-	-	34,000
Total dividends declared on fully paid ordinary shares	-	-	34,000
Cents per share	-	-	71

There are no movements in shares during the reporting period. CCHL has on issue:

- 48,090,528 (December 2020: 48,090,528) fully paid ordinary shares to Christchurch City Council, carrying one vote per share and the right to dividends.
- $1,500,139,000 (December 2020: $1,500,139,000) of redeemable preference shares, paid up to $1,390, to Christchurch City Council. No further calls have been made on these shares. Dividends are only payable to the extent that the shares are paid up. CCHL may elect to redeem the whole or any part of the shares. The shares do not carry any right to conversion into ordinary shares in CCHL. The shares have no par value.

8 Impact of seasonality

There are no material cyclical impacts on the Group.

9 Group debt

	Unaudited Group 31 Dec 21 $'000	Unaudited Group 31 Dec 20 $'000	Audited Group 30 Jun 21 $'000
Unsecured:			
Commercial Paper	170,000	75,000	-
Bonds and floating rate notes	826,819	648,286	730,343
Loans from external parties	676,600	578,950	814,350
Loans from related entities	536,200	573,200	536,200
	2,209,619	1,875,436	2,080,893
Secured:			
Loan from external parties	9,000	244,078	-
	9,000	244,078	-
Total current group borrowings	538,700	633,552	633,691
Total non current group borrowings	1,679,919	1,485,962	1,447,202
Total group borrowings	**2,218,619**	**2,119,514**	**2,080,893**

Notes to the condensed interim financial statements

For the six months ended 31 December 2021

9. Group debt (continued)

		Unaudited 31 Dec 21 $'000	Unaudited 31 Dec 20 $'000	Audited 30 Jun 21 $'000
Christchurch City Holdings Ltd				
Nature of Debt	**Avg rate - Maturity**			
Bank facility		-	-	50,000
Commercial Paper	1.00%, Jan-22 to Apr-22	170,000	75,000	175,000
Fixed Rate Bond	3.33%, Dec-22 to Nov-26	450,438	300,000	300,000
Floating Rate Notes	1.13%, Apr-23 to Apr-24	85,000	-	85,000
Related Party Funding - Short Term	1.47%, Apr-22 to Aug-22	159,700	156,500	159,700
Related Party Funding - Long Term	2.62%, Apr-23 to Apr-29	376,500	416,700	376,500
Total Related Party Funding		536,200	573,200	536,200
Crown Infrastructure Partners Ltd	-	-	157,078	-
Undrawn Bank Facility	Expires Dec-23	100,000	100,000	100,000
Christchurch International Airport Ltd				
Nature of Debt	**Avg rate - Maturity**			
Bank Facility	3.40%, Apr-22 to Dec-24	433,000	397,000	384,000
Bond Funding	4.60%, May-24 to Apr-27	151,381	208,286	205,343
Undrawn Bank Facility	Expires Apr-22 to Jul-23	67,000	128,000	141,000
Orion New Zealand Ltd				
Nature of Debt	**Avg rate - Maturity**			
Bank Loans	1.12%, Nov-22 to Jul-23	243,600	181,950	205,350
USPP Facilities (fully drawn)	1.87%, Sept-28 to Sept-30	140,000	140,000	140,000
Undrawn Bank Facility	Expires Jul-23	41,400	28,050	79,650
Lyttelton Port Company Ltd				
Nature of Debt	**Avg rate - Maturity**			
Bank facility	1.63%, Jan-22 to Mar-22	9,000	87,000	-
Undrawn bank facility	Expires Nov-22 to Jul-25	117,000	78,000	165,000
City Care Limited				
Nature of Debt	**Avg rate - Maturity**			
Undrawn bank facility	Expires Jul-22	15,000	-	15,000

10 Significant events and transactions

10a Capital Commitments

	Unaudited Group 31 Dec 21 $'000	Unaudited Group 31 Dec 20 $'000	Audited Group 30 Jun 21 $'000
Property, plant & equipment	51,195	22,053	3,371
Electricity distribution network	27,068	22,218	22,365
UFB network	-	21,000	-
Investment Property	8,096	8,776	8,069
Intangible assets	244	60	143
	86,603	74,107	33,948

10b Additions of Non current assets

	Unaudited Group 31 Dec 21 $'000	Unaudited Group 31 Dec 20 $'000	Audited Group 30 Jun 21 $'000
Additions	99,192	112,411	238,953

The additions of property, plant and equipment reflect the capital programmes of Orion, LPC, CIAL and Citycare.

10c Contingent liabilites

The contingent liabilities of the Group as disclosed in Note 18 of the annual report for the year ended 30 June 2021 are materially the same as at 31 December 2021.

10d Discontinued operations

In December 2020 the urban transport business operations of Red Bus were sold to Ritchies Transport. As such the remaining assets of RBL Property Ltd (previously Red Bus Ltd), are the land and buildings situated at Ferry Road, and surplus buses that are currently held for sale. All remaining surplus buses were sold in January 2022 for $0.5 million.

Notes to the condensed interim financial statements
For the six months ended 31 December 2021

11 Related party disclosures

	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group 31 Dec 20 $'000	Audited 12 months Group 30 Jun 21 $'000	Unaudited 6 months Parent 31 Dec 21 $'000	Unaudited 6 months Parent 31 Dec 20 $'000	Audited 12 months Parent 30 Jun 21 $'000
Transactions between CCHL group entities and Christchurch City Council (CCC)						
Dividends paid/payable to CCC	-	-	34,000	-	-	34,000
Interest paid to CCC	5,762	7,206	13,938	5,762	7,206	13,938
Services provided to CCC	53,281	56,845	125,425	-	-	-
Services provided by CCC (including rent and rates)	10,286	8,126	11,409	36	35	242
Net Loan Advances repaid to CCC	-	-	-	-	-	37,000

12 Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure up to the date of authorisation of these financial statements.

13 Prior period adjustment

During the year ended 30 June 2021, the CIAL board reviewed the deferred tax calculation and determined that the apportionment of investment properties between land and buildings was historically inaccurate. The proportion relating to buildings was overstated which resulted in an overstatement of net deferred tax liabilities in 2019 by $7.8m. A prior period adjustment has been made as at 1 July 2019 in the statement of financial position, increasing retained earnings and decreasing net deferred tax liabilities by this amount.

The updated apportionment resulted in a decrease in retained earnings by $1.1m, and an increase in net deferred tax liabilities at 31 December 2020 by the same amount. The cumulative impact of that change and the 2019 restatement means that the previously reported 31 December 2020 figures have been adjusted such that net deferred tax liabilities has decreased by $6.7m and retained earnings has increased by $6.7m.

Investor relations

Investor Centre

CCHL's website, www.cchl.co.nz, enables Bondholders to view information about the Group, including SoIs, annual reports for CCHL and its subsidiaries and announcements.

Bondholder Interest Payments

Interest is paid semi-annually on each bond, based on its maturity date, until redemption.

Registrar

Computershare Investor Services Limited is the registrar with responsibility for administering and maintaining the Bond Register. Computershare can be contacted directly:

Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
Telephone **+64 9 488 8777**
Email **enquiry@computershare.co.nz**

Managing your Bondholding online

To view and update your bondholder details please visit www.investorcentre.com/nz.

Bondholder Distribution and Holdings

In line with clause 3.7.1 of the NZX listing rules, the following table details the spread of bondholders as at 31 December 2021 (total Bonds on issue):

Range	Holders	Units	% Units
1 to 9,999	32	185,000	0.04
10,000 to 49,999	228	4,613,000	1.03
50,000 to 99,999	51	3,215,000	0.71
100,000 to 499,999	27	5,873,000	1.31
500,000 to 999,999	4	2,699,000	0.60
1,000,000 and over	31	433,415,000	96.31
Total	**373**	**450,000,000**	**100.00**

Total Bonds on issue

Rank	Name	Units	% Units
1	BNP PARIBAS NOMINEES (NZ) LIMITED 1	58,550,000	13.01
2	NATIONAL NOMINEES LIMITED	45,140,000	10.03
3	CITIBANK NOMINEES (NEW ZEALAND) LIMITED	41,697,000	9.27
4	TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT	35,122,000	7.80
5	ANZ BANK NEW ZEALAND LIMITED	31,808,000	7.07
6	BNP PARIBAS NOMINEES (NZ) LIMITED 2	26,843,000	5.97
7	WESTPAC NEW ZEALAND LIMITED	25,000,000	5.56
8	HSBC NOMINEES (NEW ZEALAND) LIMITED	23,523,000	5.23
9	FORSYTH BARR CUSTODIANS LIMITED 1	21,747,000	4.83
10	ANZ FIXED INTEREST FUND	17,450,000	3.88
11	JPMORGAN CHASE BANK NA NZ BRANCH	15,161,000	3.37
12	FNZ CUSTODIANS LIMITED	14,733,000	3.27
13	CUSTODIAL SERVICES LIMITED	13,442,000	2.99
14	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET	12,050,000	2.68
15	BNP PARIBAS NOMINEES (NZ) LIMITED 3	8,530,000	1.90
16	ANZ WHOLESALE NZ FIXED INTEREST FUND	7,150,000	1.59
17	NZPT CUSTODIANS (GROSVENOR) LIMITED	6,900,000	1.53
18	PIN TWENTY LIMITED	5,000,000	1.11
19	SOUTHERN CROSS MEDICAL CARE SOCIETY	3,000,000	0.67
20	FORSYTH BARR CUSTODIANS LIMITED 2	2,785,000	0.62
Total Top 20 Holders of Bonds		**415,631,000**	**92.36**
Total Remaining Holders Balance		**34,369,000**	**7.64**

Directory

Registered Office
Level 1, 151 Cambridge Terrace
Christchurch

Directors
J B Smith (Chair)
C A Evans
G S Campbell
L A Dalziel
S L Templeton
J T Gough
A D Turner
A M G Skinner

Management
P Munro - Chief Executive
T Rowell - Chief Financial Officer
S Ballard - Treasurer

Bankers
Westpac Institutional Bank, Auckland
Bank of New Zealand, Christchurch
ANZ New Zealand Ltd, Wellington

Auditor
Audit New Zealand on behalf of the Auditor-General
Christchurch

Contact Details
Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace
P O Box 1151 Christchurch 8140
Telephone: (03) 941 8475
Email: info@cchl.co.nz
Website: www.cchl.co.nz

Supervisor
Public Trust
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Auckland 1010
Telephone: 0800 371 471
Email: cts.enquiry@publictrust.co.nz

Group contact details

Orion New Zealand Limited
565 Wairakei Rd
PO Box 13896 Christchurch 8141
Telephone: (03) 363 9898
Email: info@oriongroup.co.nz
Website: www.oriongroup.co.nz

Christchurch International Airport Limited
Top floor, Car Park Building, 30 Durey Road
PO Box 14001 Christchurch 8544
Telephone: (03) 358 5029
Website: www.christchurch-airport.co.nz

Lyttelton Port Company Limited
41 Chapmans Rd, Woolston
Private Bag 501, Lyttelton 8841
Telephone: (03) 328 8198
Website: www.lpc.co.nz

Enable Services Limited
Level 3, 93 Cambridge Terrace
Christchurch 8013
PO Box 9228, Tower Junction, Christchurch
Telephone: (03) 363 2962
Email: support@enable.net.nz
Website: www.enablenetworks.co.nz

City Care Limited
110c Orchard Road
P O Box 7669 Christchurch
Telephone: (03) 941 7200
Website: www.citycare.co.nz

EcoCentral Ltd
Level 1, Baigent Way, Middleton
PO Box 6320, Christchurch
Telephone: (03) 336 0080
Email: admin@ecocentral.co.nz
Website: www.ecocentral.co.nz

RBL Property Ltd
C/- Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace
P O Box 1151 Christchurch 8140
Telephone: (03) 941 8475
Email: info@cchl.co.nz
Website: www.cchl.co.nz

Development Christchurch Ltd
C/- Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace
P O Box 1151 Christchurch 8140
Telephone: (03) 941 8475
Email: info@cchl.co.nz
Website: www.cchl.co.nz

Item 12

Attachment E

Christchurch
City Holdings
Limited

Christchurch City Holdings Ltd
Level 1, 151 Cambridge Terrace,
PO Box 1151,
Christchurch 8140,
New Zealand

Item 12

Attachment F

Christchurch City Holdings Limited

Half year results for announcement to the market

This report is based on unaudited financial statements

Reporting period: Six months to 31 December 2021
Previous reporting period: Six months to 31 December 2020

	Unaudited 6 months Group 31 Dec 21 $'000	Unaudited 6 months Group 31 Dec 20 $'000	Percentage Change Group %	Audited 12 months Group 30 Jun 21 $'000	Unaudited 6 months Parent 31 Dec 21 $'000	Unaudited 6 months Parent 31 Dec 20 $'000	Percentage Change Parent %	Unaudited 12 months Parent 30 Jun 21 $'000
Revenue from ordinary activities	520,610	496,517	5%	1,023,793	41,422	53,679	-23%	76,924
Total Revenue	522,677	496,925	5%	1,073,626	41,422	53,679	-23%	76,924
Net profit/(loss) from continuing operations	36,352	22,892	59%	88,874	29,187	40,860	-29%	50,829
Total net profit/(loss)	36,352	26,302	38%	92,942	29,187	40,860	-29%	50,829

Christchurch City Holdings Ltd (CCHL) is an NZDX issuer and has three listed bonds on the NZDX, totalling $450m.
CCHL does not have equity securities listed on the NZX.

The information in this announcement is extracted from the Christchurch City Holdings Ltd Group (Group) unaudited interim financial statements for the six months ended 31 December 2021. CCHL Group is a group comprising Christchurch City Holdings Ltd (Parent) and the entities over which it has control or joint control. Refer to the commentary and financial statements included in the Interim Report for further details.

Authority for this announcement

Name of person authorised to make this announcement	Toni Rowell
Contact person for this announcement	Toni Rowell
Contact phone number	021 896 486
Contact email address	toni.rowell@cchl.co.nz
Date of release through MAP	1 March 2022

The half year results announcement reports on results for the six months ended 31 December 2021 in accordance with Listing Rule 3.5.

The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP), comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and with International Financial Reporting Standards (IFRS). For the purposes of complying with NZ GAAP, the entity is a Tier 1 for-profit entity, and is reporting in accordance with Tier 1 for-profit accounting standards. All Group accounting policies are consistently applied to the previous reporting period.

The interim financial statements, in New Zealand dollars, are prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments.

The interim financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.

Group Ownership			Shareholders		Balance date
Parent	**Business**				
Christchurch City Holdings Ltd	Holding Company	100%	Christchurch City Council		30 June
Subsidiaries		**CCHL %**	**NCI Holder**	**NCI %**	
Orion New Zealand Ltd	Electricity network	89.275%	Selwyn District Council	10.725%	31 March
Christchurch International Airport Ltd	Airport	75.0%	Minister of Finance	12.5%	30 June
			Minister for State-Owned Enterprises	12.5%	
Lyttelton Port Company Ltd	Port	100%			30 June
Enable Services Ltd	Broadband network	100%			30 June
City Care Ltd	Contracting	100%			30 June
RBL Property Ltd	Investment Property	100%			30 June
EcoCentral Ltd	Waste recycling	100%			30 June
Development Christchurch Ltd	Holds land assets	100%			30 June

Section 461(3) of the Financial Markets Conduct Act requires the reporting entity and all its subsidiaries to have the same balance date. Orion New Zealand Ltd (Orion) and its subsidiary have a 31 March balance date. CCHL applied for and have received an exemption from this obligation from the Financial Markets Authority until 27 August 2023.

Group Commentary

The Group delivered a strong result in the six months to 31 December 2021 despite the ongoing pressures caused by COVID. As the challenges of a lack of tourism at the airport continues along with the impact of lockdown restrictions on contracting during the reporting period, the sea port, fibre and electricity businesses maintain strong support to the Group and the wider community.

The Group recorded a net profit after tax (NPAT) for the six months ended 31 December 2021 of $36.3 million, compared with $26.3 million in the equivalent period last year, an increase of $10 million or 38%. Total operating revenue for the Group for the six month period was $520 million compared to $496 million for the same period last year, an increase of $24 million or 5%.

The increased group operating revenue and profit were driven by increased container volumes and pricing at LPC and connection growth at Enable. LPC delivered a $16.9 million or 26% increase in operating revenue and a $6.8 million or 120% increase in profit, a very strong result given the continued impact of COVID on the cruise industry and supply chain volatility across the industry. Enable also delivered a strong result with a $6.4 million or 16% increase in operating revenue and a $4.2 million or 60% increase in profit. CIAL's operating revenue was relatively flat compared with the prior comparative period, but remains 30% lower than pre-COVID levels. Citycare also continued to be impacted by COVID, with a $9.1 million or 6% reduction in revenue compared to the prior comparative period.

Group assets increased to $4.9 billion from $4.6 billion, mainly due to:

- the continued investment property development programme at CIAL,
- the capital programmes at Orion, LPC and Enable, and
- revaluation of net assets of CIAL, Enable and Orion at last year end.

Consequently, overall Group net assets have increased to $2.1 billion from $1.8 billion.

Parent Commentary

The Parent recorded a net profit after tax (NPAT) for the six months ended 31 December 2021 of $29.1 million, compared with $40.8 million in the equivalent period last year. Total operating revenue for the Parent for the six month period was $41.4 million compared to $53.6 million for the same period last year.

The lower revenue and profit was largely due to the $17 million special dividend received from RBL Property in the prior comparative period, partially offset by a $6 million dividend received from Enable in the current reporting period.

Parent assets increased to $3.8 billion from $3.4 billion, mainly due to:

• revaluation of the investment in CIAL and Enable at last year end, and
• $85 million on-lending to LPC.

Parent net assets have increased to $2.5 billion from $2.2 billion, a lower increase than for total assets due to the issue of a $150 million sustainability bond.

Dividends

Dividends during the period have been received from Orion ($27.7m), LPC ($6.6m), Enable ($6.0m) and Citycare ($1.1m). Whilst no interim dividend has been paid to Christchurch City Council in line with the statement of intent, CCHL is on track to meet its full year commitment of $16.1m.

Christchurch City Holdings Limited

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CHRISTCHURCH INTERNATIONAL AIRPORT LTD

INTERIM REPORT & FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

CHRISTCHURCH AIRPORT

INTERIM REPORT

INTERIM FINANCIAL STATEMENTS

Statement of financial performance for the six months ended 31 December 2021

	Note	**Unaudited 6 months to 31 Dec 2021 $000**	Unaudited 6 months to 31 Dec 2020 $000
INCOME			
Operating revenue	3	66,512	66,034
Interest income		14	13
Total Income		66,526	66,047
EXPENSES			
Operating costs	4	33,642	31,738
Financing and interest costs		11,688	11,734
Depreciation, amortisation and impairment		21,139	20,846
Total Expenses		66,469	64,318
Surplus before tax		57	1,729
Total taxation expense		16	484
Net Operating Surplus after income tax		41	1,245

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2021 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of comprehensive income for the six months ended 31 December 2021

	Note	Unaudited 6 months to 31 Dec 2021 $000	Unaudited 6 months to 31 Dec 2020 $000
Surplus after income tax		41	1,245
Other comprehensive income			
Items that may be reclassified subsequently to the statement of financial performance			
Changes in fair value of cash flow hedges (net of deferred tax)	11	11,772	4,412
Other comprehensive income for period, net of tax		11,772	4,412
Total comprehensive income for the period		11,813	5,657

Statement of changes in equity for the six months ended 31 December 2020

	Note	Share Capital $000	Reserves $000	Retained Earnings $000	Total Equity $000
Balance at 1 July 2020		57,600	639,683	382,338	1,079,621
Total comprehensive income for the period		-	4,412	1,245	5,657
Balance at 31 December 2020		57,600	644,095	383,583	1,085,278
Balance at 1 July 2021		57,600	715,290	427,696	1,200,586
Total comprehensive income for the period		-	11,772	41	11,813
Balance at 31 December 2021		57,600	727,062	427,737	1,212,399

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2021 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of financial position as at 31 December 2021

	Note	**Unaudited As at 31 Dec 2021 $000**	Audited As at 30 June 2021 $000
EQUITY			
Share capital		57,600	57,600
Reserves		727,062	715,290
Retained earnings		427,737	427,696
TOTAL EQUITY		1,212,399	1,200,586
NON-CURRENT LIABILITIES			
Term Borrowings	5	375,381	350,352
Derivative financial instruments	11	10,213	25,890
Deferred taxation		154,455	149,877
Trade and other payables		530	581
TOTAL NON-CURRENT LIABILITIES		540,579	526,700
CURRENT LIABILITIES			
Current Portion of Borrowings	5	209,000	238,991
Trade and other payables		12,072	21,927
Taxation payable		(729)	(744)
Derivative financial instruments	11	1,175	1,780
TOTAL CURRENT LIABILITIES		221,518	261,954
TOTAL EQUITY AND LIABILITIES		1,974,496	1,989,240
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,291,109	1,307,628
Investment Properties	10	655,787	647,840
Intangible Assets		1,589	2,184
Trade and other receivables		3,096	5,491
Derivative financial instruments	11	1,590	5,613
TOTAL NON-CURRENT ASSETS		1,953,171	1,968,756

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2021 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of financial position as at 31 December 2021 (continued)

	Note	**Unaudited As at 31 Dec 2021**	Audited As at 30 June 2021
		$000	$000
CURRENT ASSETS			
Cash and cash equivalents		3,891	4,112
Trade and other receivables		16,915	15,863
Inventories		519	509
TOTAL CURRENT ASSETS		21,325	20,484
TOTAL ASSETS		1,974,496	1,989,240

For and on behalf of the Board

Catherine Drayton
Chair

Kathryn Mitchell
Director

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2021 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of cash flows for the six months ended 31 December 2021

	Note	**Unaudited 6 months to 31 Dec 2021 $000**	Unaudited 6 months to 31 Dec 2020 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		69,338	76,523
Interest received		14	13
Net Goods and Services Tax received		-	14
		69,352	76,550
Cash was applied to:			
Payments to suppliers and employees		(38,704)	(52,105)
Financing and interest costs		(12,178)	(11,649)
Net Goods and Services Tax paid		(1,566)	-
		(52,448)	(63,754)
Net Cash Flows from Operating Activities		16,904	12,796
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets		(5,472)	(10,598)
Purchase of investment properties		(10,653)	(19,279)
Net Cash Flows from Investing Activities		(16,125)	(29,877)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Borrowings		238,000	17,000
Cash was applied to:			
Borrowings		(239,000)	-
Dividends paid	8	-	-
Net Cash Flows from Financing Activities		(1,000)	17,000

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2021 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Statement of cash flows for the six months ended 31 December 2021 (continued)

	Unaudited 6 months to 31 Dec 2021	Unaudited 6 months to 31 Dec 2020
	$000	$000
Net (Decrease)/Increase in Cash Held	(221)	(81)
Add cash and cash equivalents at beginning of the period	4,112	4,164
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,891	4,083
Cash	7	9
Bank and deposits	3,884	4,074
CASH AT END OF THE PERIOD	3,891	4,083
RECONCILIATION WITH NET OPERATING SURPLUS AFTER TAX		
Net operating surplus after income tax	41	1,245
Non-cash items		
Amortisation of capitalised borrowing costs and fair value hedge ineffectiveness	3	2
Amortisation of lease surrender and incentives	376	295
Accrued interest within derivatives	128	26
Depreciation, amortisation and impairment	21,139	20,846
	21,687	22,414
Items Not Classified as Operating Activities		
Capital items included in trade payables and accruals	4,152	5,173
	4,152	5,173
Movements in Working Capital		
Increase/(decrease) in trade and other payables	(9,904)	(12,832)
(Increase)/decrease in trade and other receivables	963	(2,445)
(Increase)/decrease in inventories	(10)	(22)
Increase/(decrease) in taxation payable	16	508
	(8,935)	(14,791)
Net Cash Flows from Operating Activities	16,904	12,796

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2021 have been audited. The accompanying notes form part of these financial statements.

INTERIM REPORT

Notes to the interim financial statements for the six months ended 31 December 2021

1. Basis of preparation and accounting policies

Christchurch International Airport Limited (CIAL) is a company registered under the Companies Act 1993. The company is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

The interim financial statements presented are for Christchurch International Airport Limited and its wholly owned subsidiaries. As the wholly owned subsidiaries were not trading and held no assets and liabilities during and at the end of the period of review, the financial statements for the group are the same as that of the parent.

The interim financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Local Government Act 2002, the Financial Reporting Act 2013, the Companies Act 1993 and the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Debt Market Listing Rules. These unaudited interim financial statements comply with New Zealand equivalents to International Financial Reporting Standards NZ IAS 34. Christchurch International Airport Limited is designated as a profit-oriented entity for financial reporting purposes.

These interim financial statements are not required to and do not make disclosure of all the information required to be included in an annual financial report. Accordingly, this report should be read in conjunction with the financial statements and related notes included in Christchurch Airport's Annual Report for the year ended 30 June 2021 ("2021 Annual Report").

The accounting policies set out in the 2021 Annual Report have been applied consistently to all periods presented in these interim financial statements, except for the adoption of new standards effective for periods commencing on or after 1 January 2021. Christchurch Airport has not early adopted any other standard that has been issued but is not yet effective.

Key Estimates and Judgements

Covid-19 is now a structural reality for the world, New Zealand and for Christchurch International Airport Limited ('CIAL'). While the ongoing impacts of the response to the pandemic continue to evolve, following an initial period of reset, CIAL has subsequently moved into a period of transition, adjusting operational and commercial structures to align to the ongoing uncertainty but also opportunities presented by the pandemic.

The financial position and performance of the company continued to be affected by the pandemic during the period. During the preparation of the financial statements at 30 June 2021, the company was required to make several estimates and judgements arising from Covid-19. Based on the company's performance in the most recent six months to 31 December 2021, these estimates and judgements have been reassessed and no material adjustments have been deemed necessary for this six-month period, specifically in respect to fair value assessments of property, plant and equipment, asset impairments and provisions for expected credit losses.

CIAL has continued to see a reduction in passenger numbers for the six months ended 31 December 2021 and will impact trading in the second half of the year to 30 June 2022. However opening borders and the financial position of the company means it is well placed to thrive again from FY23 onward.

Whilst domestic travel has proven to rebound strongly once lockdowns and internal settings allow, there remains some uncertainty around the timing of the rebound trajectory for international air travel, given that the health management pathway remains the primary determinant when it comes to re-establishing the aviation and tourism sector.

CIAL uses underlying forecast cash flows when making some of its estimates and judgements based on forecasts of passenger and visitor rebound trajectories using information available at the time of preparing these financial statements. As with all reasonable assumptions made at a point in time it is likely that the actual outcome will differ over time.

INTERIM REPORT

2. Segment Reporting

Reportable segments

The company's reportable operating segments have been based on the monthly internal reporting that is received by the Chief Executive, as the chief operating decision maker. This information is used to assess performance and determine the allocation of resources.

The operating segments are based on the type of services rendered. Discrete financial information is presented to the Chief Executive to a Net Profit Before Tax level, which is used to assess segment performance. An allocation of all corporate revenues and expenses (except tax), is included within each operating segment.

Operating segments – Services provided

Planes

This area of the business offers services that facilitate the movement of aircraft, cargo and passengers on the airfield.

Passengers

The passenger operating segment provides services to the terminal retailers, provides ground transport solutions to staff and the public and includes the terminal portion of the aeronautical charge.

Property

The property operating segment earns revenues from the provision of investment properties to landside airport campus tenants and operating the Novotel Christchurch Airport.

	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2021	$000	$000	$000	$000
Total segment income	10,862	21,673	33,991	66,526*
Total segment expenses	11,009	34,225	21,235	66,469*
Segment Net Profit before Tax	(147)	(12,552)	12,756	57*

	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2020	$000	$000	$000	$000
Total segment income	11,166	24,127	30,754	66,047*
Total segment expenses	11,989	32,115	20,214	64,318*
Segment Net Profit before Tax	(823)	(7,988)	10,540	1,729*

*Agrees to total income, total expenses and surplus before tax on the Statement of Financial Performance.

Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2020: nil).

INTERIM REPORT

3. Operating Revenue

	Unaudited 6 months to 31 Dec 2021	Unaudited 6 months to 31 Dec 2020
	$000	$000
Revenue from contracts with customers		
Landing and Terminal charges	20,005	21,432
Ground transport and other trading activities	14,848	14,463
Total Revenue from contracts with customers	34,853	35,895
Other Income		
Rent and Lease income	26,690	24,838
Other revenue	4,969	5,301
Total Other Income	31,659	30,139
Total Operating Revenue	66,512	66,034

4. Operating Costs

	Unaudited 6 months to 31 Dec 2021	Unaudited 6 months to 31 Dec 2020
	$000	$000
Staff	12,345	11,486
Asset management, maintenance and airport operations	6,573	6,101
Rates and insurance	7,069	6,472
Marketing and promotions	552	758
Professional services and levies	1,464	758
Commercial entity running costs	3,373	3,786
Other	2,266 [1]	2,377 [1]
	33,642	31,738

[1] balance includes bad debt provision of $57,000 (2020: $484,000) associated with rent and lease income.

INTERIM REPORT

5. Borrowings

As at 31 December 2021, the Company has committed bank funding facilities for an aggregate $500,000,000 (2020: $525,000,000) with six banks. In addition, the Company has an overdraft facility of $1,000,000 (2020: $1,000,000).

Total bond funding at 31 December 2021 is $150,000,000 (2020: $200,000,000). $100,000,000 (2020: $100,000,000) of the bond funding is held at amortised cost, adjusted by the fair value of the designated hedge instrument. Additionally, the Company has a $50,000,000 bond, maturing in April 2027.

During the period, a maturing $50,000,000 bond was repaid through bank funding. Additionally, several maturing facilities were extended during the period all for terms of three years or longer. The extension of one of our existing maturing facilities was converted into CIAL's first Sustainability Linked Loan (SLL).

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. The negative pledge deed requires that no security interest is provided over any assets for borrowings, unless an equivalent security interest is created for the borrowing group and bond holders. Interest rates paid during the period, including offsetting interest rate swaps, ranged from 1.1% to 6.3%. (2020: 0.9% to 6.3%). The bonds constitute direct, unsecured, unsubordinated obligations and will rank equally with all other unsecured, unsubordinated indebtedness.

During the current and prior periods, there were no defaults or breaches on any of the borrowing facilities.

The Company obtained waivers of its financial covenants from both bank lenders and the bond supervisor. These waivers were granted in August 2020 and took the following form:

- waive compliance with the interest cover ratio for the Financial Periods ending 31 December 2020 and 30 June 2021 (which would otherwise be required to be at least 1.75:1); and
- waive compliance with the interest cover ratio for the Financial Period ending 31 December 2021, provided that the interest cover ratio for that Financial Period must be no less than 1.50:1.

CIAL was in compliance with all its current financial covenants during the current and prior periods. The waivers have now expired. Based on our current forecasts, no extension to these waivers has been sought.

CIAL has several bank facilities maturing over the next 12 months. The Board has an approved refinancing strategy in place and current loan facilities will be re-financed through the extension of existing facilities and debt capital market issuance. The company remains confident that refinancing will be secured given current market appetite for corporate debt, positive market engagement and discussions with existing facility providers.

	Unaudited As at 31 Dec 2021	Audited As at 30 June 2021
	$000	$000
Less than 1 year	209,000	238,991
1 > 3 Years	325,381	300,352
3 > 5 Years	-	-
Greater than 5 Years	50,000	50,000
	584,381	589,343
Total available funding	650,000	725,000

INTERIM REPORT

6. Related Party Transactions

Christchurch City Holdings Limited (CCHL), a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company.

Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. All transactions with related entities:

- are conducted on an arm's length basis;
- result from the normal dealings of the parties;
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

The New Zealand Government is the majority owner of Air New Zealand, a major customer of CIAL from both an aeronautical and rental and lease perspective. Pricing agreements are renegotiated for aeronautical charges with all airline customers of CIAL, including Air New Zealand, every five years. Air New Zealand also leases several properties within the terminal and the wider CIAL campus.

	Unaudited 6 months to 31 Dec 2021	Unaudited 6 months to 31 Dec 2020
	$000	$000
Transactions with owners during the period to 31 December		
Purchases from CCC and subsidiaries	3,410	3,755
Rates paid to CCC	3,579	3,237
Revenues from CCC and subsidiaries	340	365
Amounts payable to CCC and subsidiaries	516	413
Amounts receivable from CCC and subsidiaries	4	1

Non-Shareholder Related Party Transactions

Some directors of the company are, or have been during the period, directors of other companies or organisations with whom Christchurch International Airport Ltd may transact. Such transactions are all carried out on an arm's-length basis and are conducted on normal commercial terms.

No amounts were written off or forgiven during the reporting period and outstanding balances were settled under normal trading terms.

7. Commitments

	Unaudited As at 31 Dec 2021	Unaudited As at 31 Dec 2020
	$000	$000
Total capital expenditures committed to, but not recognised in, the financial statements		
Property, Plant and Equipment and Intangibles	2,121	5,057
Investment Properties	8,096	8,776

Cashflows associated with the purchase or construction of Property, Plant and Equipment, Intangibles and Investment Properties are included in the Statement of Cashflows.

INTERIM REPORT

8. Dividends

As part of obtaining financial covenant waivers with our bank funding providers and bond supervisors, CIAL agreed that it will not make or pay any distribution to shareholders until it is in compliance with all financial covenants and has delivered a certificate demonstrating that compliance.

Whilst these waivers were in place during the current period. CIAL was in compliance with all its financial covenants. The waivers have now expired.

No dividends have been paid during this current six-month period or the comparative period. While CIAL's dividend policy of 90% of distributable profit remains in place, decisions on any dividends to be paid during the current financial year will be made later in this financial year once there is greater certainty around the evolution of the latest Omicron outbreak and planned staged border re-opening.

9. Property, Plant & Equipment

The company carries land, buildings, terminal facilities, sealed surfaces, infrastructure and car parks at fair value. The company revalued all asset classes carried at fair value at 30 June 2021, as outlined in the 2021 Annual Report. No revaluation of these assets has been performed as at 31 December 2021.

Motor vehicles, plant & equipment, office & computers and work in progress are carried at cost.

Additions to property, plant & equipment were $4,200,000 for the six months ended 31 December 2021 (2020: $9,900,000).

10. Investment Property

The company carries investment property at fair value. The company last revalued investment property at 30 June 2021 as outlined in the 2021 Annual Report. No revaluation of investment property has been performed as at 31 December 2021.

Additions to investment property were $7,800,000 for the six months ended 31 December 2021. (2020: $14,800,000).

11. Fair Value of Financial Instruments

There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments in the six months to 31 December 2021.

The company's derivative financial instruments are all classified as level 2 and the fair values are determined using valuation techniques. The company has an outsourced treasury provider that has provided the fair values as at 31 December 2021. These valuation techniques are based on observable market data and the interest rate swaps calculation takes into account the present value of the estimated future cash flows.

12. Contingent Assets and Liabilities

As at 31 December 2021 there were no contingent assets (2020: nil) and there were no contingent liabilities (2020: nil).

13. Events Subsequent to Balance Date

There were no other events occurring after balance date that could significantly affect these interim financial statements.

On 23 January, the New Zealand Government imposed additional Covid-19 related health and safety restrictions across New Zealand, with a goal of slowing the spread of the Omicron variant. These additional restrictions will impact passenger numbers and further slow our financial outcomes in the short term.

INTERIM REPORT

COMPARISON OF FORECAST TO ACTUAL RESULTS

The company prepares an annual Statement of Intent which is approved by shareholders and incorporates financial and performance measures for the ensuing year.

A comparison of the company's actual performance for the six months ended 31 December 2021 with those measures are as follows:

TARGETS	FY 2022 FY Target $000	**HY 2022 Actual $000**	HY 2022 Target $000
a) FINANCIAL			
Total Revenue	166,567	66,512	82,004
EBITDAF (Earnings before interest, tax, depreciation, amortisation and fair value movements)	96,175	32,870	46,717
Net Profit (Loss) after tax	20,234	41	9,130
EBITDAF as a % of Revenue	57.1%	49.4%	43.0%
Return on Invested Capital (EBIT/(Equity+Debt))	3.1%	0.7%*	1.5%*

b) PASSENGER NUMBERS	FY 2022 FY Target	**HY 2022 Actual**	HY 2022 Target
Domestic	4,492,665	1,467,442	2,197,519
Tasman and Pacific Islands	615,202	13,724	264,418
International	14,528	7,894	2,144
Total	5,122,395	1,489,060	2,464,081

c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS	FY 2022 FY Target	**HY 2022 Actual**	HY 2022 Target
Shareholder Funds / Total Assets %	59.8%	61.4%	59.0%
Gearing (debt / (debt + equity)) %	33.6%	32.5%	34.9%
EBITDAF Interest Cover x	3.9	2.8	3.8
Free Funds Interest Cover x	3.7	1.8	3.6
Free Funds / Debt %	11.4%	3.6%*	7.6%*

* the half year actual and target amounts are based on performance for the six-month period to date, and hence will be proportionately lower than the full year target shown in the first column. It should also be noted that the performance in the second half of each financial year is forecast to include any uplift in investment property revaluations, and hence in a normal year will generate a higher return ratio than in the first half of the year.

INTERIM REPORT

d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures	
	2022	Progress to 31 December 2021
Health, Safety & Wellbeing		
1. Culture - continue to develop a positive culture that enables the health, safety and wellbeing of our people	▪ Maintain health, safety and wellbeing score above 85% in our annual culture and engagement survey. ▪ Incremental increase in safety leadership conversations.	▪ Activities to promote a positive culture of HSW have continued however the annual culture and engagement survey has been postponed until early 2022 so no metric is available at this time. ▪ Safety leadership conversations continue across the business, with ongoing focus on the implications of the changing COVID-19 landscape and health requirements.
2. Safety Management – continuous improvement in systems to manage safety and wellbeing	▪ CIAL Health, Safety & Wellbeing workplan delivered on schedule. ▪ Annual review of SMS and HSMS	▪ On track for delivery by end of financial year, with additional COVID-19 initiatives included to reflect the ongoing uncertainty and changing risk environment. ▪ External review scheduled for Mar 2022.
3. Wellbeing – activation of our Whare Tapa Wha	▪ Incremental improvement in the wellbeing and work/life blend scores in our annual culture and engagement survey. ▪ Deliver resilience workshops	▪ Activation of the Whare Tapa Wha has continued with a strong focus on mitigating the wellbeing challenges created by COVID-19. The annual culture and engagement survey has been postponed until early 2022 so no quantitative measure is available at this time. ▪ COVID-19 has impacted our ability to plan and deliver workshops however a number of webinars have been delivered with plans for more, early in 2022.
Sustainability		
Carbon 4. 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	▪ FY21 independently verified carbon footprint demonstrates 56.3% reduction in Scope 1 & 2 against FY15 baseline. On track to achieve 84% by 2035. ▪ Leadership demonstrated through mentoring airports, becoming founding member of Sustainable Aviation Aotearoa, and enacting Sustainability Linked Loan ▪ Kowhai Park launched to enable generation of zero emission energy to reduce scope 2 & 3 emissions

INTERIM REPORT

Waste 5. 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	▪ On-going terminal waste audits to inform waste stream diversion strategies, and best minimisation projects to undertake going. Expect to be completed by June 2022. ▪ As above ▪ As above
Energy 6. 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	▪ Kowhai Park launched 3 December 2021 – to be large scale renewable energy precinct, supporting the transition of the Airport and campus, aviation sector and wider Canterbury. ▪ As above ▪ On-going feasibility for LED upgrade to carpark lighting. On-going feasibility for Terminal rooftop solar
Water 7. Christchurch is unique in using 100% naturally filtered water. Our passion is to maintain its integrity, avoid accidental contamination and minimise use of this precious resource as it passes under the airport.	▪ Measure, understand, and undertake to conserve water around terminal and campus	▪ New telemetry meters established in Airport terminal to provide live water readings, allowing for greater conservation opportunities.
Noise 8. Historically, noise has been the environmental issue of greatest focus at airports around the world. Our responsibility and preference are to collaborate 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	▪ Met except for the month of Dec due to repeat complainant management are working with ▪ Met, management continue to work with ECan on the process within the regulatory framework ▪ Continue with ongoing work stream, first eligible property agreed to take up the offer ▪ On-going and significant volume of work in this space completed and coming up.
Land 9. Our Place is an area of unique natural beauty. We have a responsibility to protect it, to encourage biodiversity, 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 landscape 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	▪ Preparatory work underway to support future biodiversity audit ▪ On-going, implemented through development landscaping requirements ▪ Underway, scoping works commenced on avifauna surveys within the 13km bird strike radii ▪ On-going and underway

INTERIM REPORT

Community Engagement		
10. 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. ▪ Respectfully 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.	▪ We continue to work closely with agencies and initiatives to demonstrate support for the city and region. We promote the regions, events and activities throughout the terminal and plaza, and across our social media channels. ▪ The Chief Executive and GMs actively participate in local, regional, national and international gatherings, both in person where possible and online. ▪ Senior leaders widely share their expertise in their particular fields to inform, support and help develop ideas, functions and groups. ▪ We work with many local, national and international charities and community groups to promote their fund and awareness raising events and special dates. This includes 'lighting' our terminal walls in the relevant colour, featuring this on our social media channels and supplying the charity or event with imagery to use in their own promotion. ▪ We continue to develop and strengthen our relationships and engagement with local communities, iwi mana whenua and stakeholders on a variety of matters including major projects such as the Central Otago airport proposal.
Our People		
Retain and develop key talent 11. 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	▪ Strategic Retention programme developed and activated, including identification of key talent roles and attributes. Emerging Leaders programme to be designed and delivered FY23 ▪ Talent Management strategy created and progress underway focused upon enhancing all related systems and processes through the employee lifecycle. ▪ Initial succession planning completed across critical roles in conjunction with ELT with development pathways to be designed and delivered second half of FY22 with the support of external partner.
Develop, support and value leadership 12. All employees and people leaders understand the role and expectations of a 'CIAL Leader'	▪ Development of a CIAL Leadership Profile	▪ Review of performance management processes has been completed with assistance from employee working group. Changes will be made following

INTERIM REPORT

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	▪ Implementation of a leadership coaching model into performance development/management practices ▪ Incremental improvement in leadership performance and personal development and performance reviews ▪ Incremental improvement in leadership measures in culture and engagement survey	updates to organisational strategy (H30) and values. ▪ Refreshed Leadership Development Framework to be designed and delivered with support of external consultant. ▪ Annual culture and engagement survey postponed to after launch of refreshed purpose and values. This information will be available at the end of the financial year. ▪ As above
Build a workforce of the future 13. 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	▪ Future of Work working party yet to be established. ▪ As above ▪ Annual culture and engagement survey postponed to after launch of refreshed purpose and values. This information will be available at the end of the financial year.
Strengthen diversity, inclusion and engagement 14. 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	▪ Board/ELT workshop undertaken to define what diversity means for CIAL and the corresponding process for developing the strategy defined. External partner to undertake qualitative diversity audit across the business. ELT cultural competency training in Te Reo and Te Ao Maori completed. Value statements will be developed when values are finalized in second half of FY22. ▪ Support for flexi working has grown across the organisation with working from home arrangements relied upon during C:19 lockdowns. Promotion of CIAL's support of Flexi working and the type of arrangements available to employees will be further promoted to ensure needs are met. ▪ Annual culture and engagement survey postponed so improvements in participation and inclusion measures are unable to be determined. This information will be available at the end of the financial year.

INTERIM REPORT

OTHER INFORMATION

Nature of Business

CIAL owns and operates Christchurch International Airport. The company operates predominantly in the business of providing airport facilities and services to airline and airport users. The nature of the company's business has not changed during the period.

For the current and previous reporting period, the results are for Christchurch International Airport Limited and its five wholly owned subsidiaries. As the wholly owned subsidiaries do not trade and hold no assets or liabilities, the results and financial position for the CIAL group are the same as that for the CIAL parent company.

Credit Rating Status

On October 28, 2021 S&P Global Ratings ('S&P') reconfirmed a 'BBB+' issuer credit rating on Christchurch International Airport Ltd (CIAL) and issue credit rating on the airport's debt, with outlook 'Stable'. On 12 December 2021 the outlook was updated to 'Positive'.

Summary of Waivers

NZX has provided CIAL with a waiver in relation to Listing Rule 5.2.3 to enable CIAL to apply for quotation on the NZX Debt Market even though the Bonds may not have been initially held by at least 100 members of the public holding at least 25% of the Bonds issued. The waiver was granted for a period of 6 months from the quotation date of the bonds (being 25 May 2018)

The effect of the waiver from Listing Rule 5.2.3 was that initially the Bonds may not have been widely held and there may have been reduced liquidity in the Bonds.

NZX has also provided CIAL with approval under Listing Rule 11.1.5 to enable CIAL to decline to accept or register a transfer of the bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than $5,000 (if not zero) or if the transfer is not in multiples of $1,000.

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CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED ("CIAL")
RESULTS ANNOUNCEMENT (DEBT SECURITY ISSUER)

Results for Announcement to the Market – Half Year Results

(This report is based on unaudited accounts)

Name of Issuer	Christchurch International Airport Limited
Reporting Period	6 months to 31 December 2021
Previous Reporting Period	6 months to 31 December 2020

	Amount (000s)	Percentage Change
Revenue from continuing operations	66,526	+0.7%
Total Revenue	66,526	+0.7%
Net Profit/(Loss) from continuing operations	41	-96.7%
Total Net Profit/(Loss)	41	-96.7%
A brief explanation of any of the figures above necessary to enable the figures to be understood	▪ Refer to additional other information and commentary on the results which is noted below. ▪ Refer to CIAL FY22 Interim Report and unaudited interim financial statements and non-financial performance information for the six months ended 31 December 2021, which accompany this announcement.	

Additional Comments

- CIAL does not have any listed equity securities. CIAL's only listed security as at 31 December 2021 is one issue of fixed rate bonds that is listed on the NZX Debt Market. Details relating to CIAL's fixed rate bond can be found at www.nzx.com/companies/CHC.
- This announcement is extracted from the unaudited financial statements of CIAL. For more detailed analysis and explanation please refer to the commentary below and further documents accompanying this announcement.
- CIAL's unaudited financial statements and non-financial performance information for the 6 months to 31 December 2021 accompany this announcement and form part of this half year results announcement.
- All dollars are in New Zealand currency.

Authority for this Announcement	
Name of person authorised to make this announcement	Tim May
Contact person for this announcement	Tim May
Contact Phone Number	021 228 3505
Contact e-mail address	tim.may@cial.co.nz
Date of Release through MAP	1 March 2022

Results for Announcement to the Market – Half Year Results

Christchurch International Airport Limited

Six Months Ended 31 December 2021

Notes

- The reporting period is for the six months ended 31 December 2021 with the comparative period being for the six months ended 31 December 2020.
- For the current and previous reporting period, the results are for Christchurch International Airport Limited and its five wholly owned subsidiaries. As the wholly owned subsidiaries do not trade and hold no assets or liabilities, the results and financial position for the CIAL group are the same as that for the CIAL parent company.
- Note that profits from ordinary activities after tax are not attributable to the security holders (i.e. the bond holders of CIAL), but to the two shareholders of CIAL (these shares are not listed).

  No dividends have been paid during this current six-month period or the comparative period. Decisions on dividends to be paid during the current full financial year will be made once there is more certainty around the evolution of the latest Omicron outbreak and the planned staged border re-opening. Refer to Note 8 in the attached interim financial statements.
- Note that CIAL does not have any quoted equity securities.

  The net tangible assets per share was $21.02 as at 31 December 2021 and $20.81 as at 31 December 2020.
- The interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with New Zealand Equivalent to International Accounting Standard NZ IAS 34 and IAS 34 Interim Financial Reporting. The accounting policies set out in the 2021 Annual Report have been applied consistently to all periods presented in these interim financial statements.
- These interim financial statements have not been audited.

Commentary

The current financial year for the twelve months to 30 June 2022 (FY22) continues to be influenced by the impacts of the pandemic on the aviation operating environment. Key factors specific to this six-month period to 31 December 2021 were a country wide Alert Level 4/3 lockdowns, and the hard Auckland border remaining in place until late December, coupled with the ongoing border closures for the entire period.

As we now enter the transition period of Covid-19 (from elimination to living with the virus), Christchurch International Airport Limited’s (CIAL) focus will be firmly on our Christchurch home base and building that from our pre-pandemic baseline position. In addition, CIAL will be looking beyond Covid-19 to the new normal of the world we will operate and live in over the next decade or two.

The pandemic has provided a unique window of time for many key pieces of post-quake infrastructure to be completed in Christchurch city including the Te Pae convention centre, the Lyttleton cruise berth, the soon-to-open Metro Sports centre and a renewed and revitalised CBD.

Christchurch city is ready to re-launch itself nationally and globally into many visitor market segments it hasn't been able to since the earthquakes, and this is something CIAL is excited about and committed to being right behind.

Whilst it is expected that Omicron will impact trading in the second half of the year to 30 June 2022, it is too early to know exactly by how much. However opening borders and the fact CIAL has preserved its 2019 balance sheet position throughout the pandemic, means the company is well placed to thrive again from FY23 onward.

Financial

Total operating revenue for the six-month period ($66.5m) was up 0.7% compared to the same period last year (although down 31% compared to the last pre-Covid six-month period).

Total passenger numbers for the first six months of FY22 (1.49 million) were down 11% on the same period last year (and down 56% on pre-Covid levels), resulting in similar reductions in aeronautical and other passenger related revenue (terminal commercial revenue and ground transport).

Prior to the pandemic, CIAL had built its property rental income to around 25% of total operating income. Whilst significant levels of support continue to be provided to many tenants who have needed it through the last two years, this revenue stream has remained resilient reflecting the quality of the overall portfolio, particularly in the freight and logistics precinct. Property Lease revenue at $26.9m was up 5.6% on the same period last year.

The Novotel Christchurch Airport has remained under contract with MBIE as a Managed Isolation Facility during this six-month period.

Despite the continued impacts of the pandemic and related lockdowns and closed border settings, CIAL has achieved a small net surplus after tax of $41k as compared to $1.2m for the same period last year.

CIAL's balance sheet remains strong with debt as at 31 December 2021 having been managed to a level essentially unchanged from where it was 18 months ago. Gearing levels (debt / (debt + equity)) at 31 December 2021 were 32.5% - well within company treasury policy limits, and prudent by industry comparisons.

During the period, S&P Global re-affirmed CIAL's credit rating at BBB+/stable, with the outlook upgraded to 'Positive' in December 2021, reflecting the solid preparation for such an event and the strong management of commercial fundamentals during the first 18 months of the pandemic.

In 2020, the Company obtained waivers of its financial covenants from both bank lenders and the bond supervisor for a period until 31 December 2021. Despite these waivers in place, CIAL was in compliance with all its financial covenants during the current and prior periods. The waivers have now expired. Based on current forecasts, no extension to these waivers has been sought.

CIAL has several debt facilities maturing over the next 12 months. The Board has an approved refinancing strategy in place and current loan liabilities will be re-financed through the extension of existing facilities and debt capital market issuance.

CIAL has commenced consultation with substantial airline and freight customers, in respect to its Regulatory Price Setting Event 4 (PSE4) process for the reset of aeronautical prices for the five-year period from 1 July 2022-30 June 2027.

No dividends have been paid during this current six-month period or the comparative period. While CIAL's dividend policy of 90% of distributable profit remains in place, decisions on any dividends to be paid during the current financial year will be made later in this financial year once there is greater certainty around the evolution of the latest Omicron outbreak and planned staged border re-opening.

Operational

Throughout the period, as first Delta and then Omicron variants emerged in New Zealand, CIAL has focused on the requirements to ensure the health & safety of its staff and the wider campus community using our risk-based assessment framework together with other vaccination requirements.

More recently with the emergence of Omicron in our communities, CIAL has been engaging with key operational partners and the Ministry of Transport working through options for maintaining operational resilience in the face of isolation requirements for our essential workers across the whole airport eco-system. CIAL has also instigated several wellbeing initiatives as a means of supporting our workforce, their friends and family.

In respect to CIAL's property portfolio, the short-term focus remains on supporting existing tenants, whilst also focusing on further expansion of the portfolio with several developments completed or underway during the period. Further long-term development opportunities have emerged in the post Covid-19 period that will deliver outcomes that benefit the airport and the region and focus will be on converting these in the future.

The Ministry of Business, Innovation and Employment (MBIE) has contracted the Novotel Christchurch Airport as a government managed isolation facility until 30 June 2022 currently. Discussions have commenced with MBIE to ascertain their plans for their MIQ properties beyond that time.

Sustainability

Kōwhai Park was launched at the beginning of December on the airport campus. The Park will enable grid scale renewable energy production and storage as well as low carbon fuels. Scaling up over the next 30 years to as much as 800 hectares, Phase One is focused on delivering a 220-hectare solar array capable of generating and storage of up to 150 megawatts of electricity (enough to power 30,000 homes). This will support future development of green fuel production for land and air transport, as well as support adjacencies such as green data centres and green vertical farming.

Kōwhai Park is part of the airport's plan to become climate positive over the coming decade and to maintain its world-leading position on sustainability. Over the past decade, the Christchurch Airport team has been on a journey to systematically decarbonised its business. Christchurch Airport has reduced 85% of direct emissions and is on track to be carbon zero well ahead of 2030. Kōwhai Park will deliver green energy so other businesses can transition to renewable sources.

Central Otago

The public release of the Preliminary Aeronautical Assessment occurred in September. The priority for the current phase of the project is the further 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. CIAL will continue to engage with the Central Otago community as well as iwi and national and international stakeholders, as we look to shape a proposal for the next phase of regulatory approval.

For further information:
Tim May
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Email: tim.may@cial.co.nz

13. ChristchurchNZ Holdings Ltd - Interim Report for the six months to 31 December 2021

Reference Te Tohutoro:	22/192587
Report of Te Pou Matua:	Linda Gibb, Performance Advisor, Resources Group (linda.gibb@ccc.govt.nz).
General Manager Pouwhakarae:	Leah Scales, Acting General Manager/CFO, Resources Group (leah.scales@ccc.govt.nz).

Item 13

1. Brief Summary

1.1 The purpose of this report is to present ChristchurchNZ Holdings Ltd's (CNZHL's) performance report for Quarter 2 2021/22 which includes year to date (1 July 2021 to 31 December 2021) performance against its Statement of Intent (SOI) performance targets, and the same period in the prior year.

1.2 The report has been written following receiving CNZHL's report on 25 February 2022 **(Attachment A)**.

1.3 CNZHL has complied with section 66 of the Local Government Act 2002 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 the financial year, and for the report to include the information required to be included by the CCO's SOI.

1.4 The Chair of the CNZHL board and senior CNZ staff will provide a presentation to the Committee on the half year performance as well as provide an update on Antarctic Office activities.

1.5 Over the past two years of COVID-19 restrictions, CNZ has not been able to fully deliver its programme of major events, or its attraction, promotion and marketing activities for Christchurch. Council and Central Government funding has been reserved (based on contractual commitments) by CNZ to deliver events and campaigns when restrictions are permanently lifted.

1.6 Councillors may wish to probe CNZ staff's expectations of how its events, marketing and promotions' programmes will roll out over the remainder of the 2022 calendar year now that there is greater certainty about the timing of the lifting of border restrictions for both New Zealand citizens and foreign travellers.

1.7 Council staff will engage with CNZ to understand the value for money proposition for the programme identified above and deployed over the next two years.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives ChristchurchNZ Holdings Ltd's Quarter 2 Performance Report and half year performance for the period 1 July 2021 to 31 December 2021.

3. Details

3.1 The following table presents CNZHL's half year performance:

	Actual $000	Budget $000	Prior year $000
CCC funding	7,951	7,951	5,943
3rd party funding	3,221	3,715	2,616
Expenditure	(9,672)	(13,017)	(8,440)
Total surplus/(loss)	**1,554**	**(1,351)**	**119**

3.2 **Against SOI targets**, third party revenue is lower by almost $0.5 million which is a timing issue, and is expected to correct by year end. It reflects revenue from central government that while received, cannot be recognised in accounting terms until the conditions for its release are satisfied, or it is returned.

3.3 Expenditure is lower by $3.3 million. The majority of the underspend is a direct result of ongoing COVID-19 restrictions and in particular the mass cancellation or delay of events over the half year. Expenditure on destination and attraction, marketing and promotion activities was lower than expected by $2.5 million as a result of COVID-19 disruptions. In addition, delays in CNZ's urban development function becoming fully staffed following decisions taken in December 2021 has led to lower expenditure by $0.5 million. The urban development team is now fully staffed but is limited in its work until CNZ has agreed a pipeline of urban development work with the Council (due to be workshopped with councillors in early April).

3.4 Council and central government funding received for events and activities that could not proceed in the current period remains tagged to the delivery of these activities in future periods.

3.5 At the end of December CNZHL's cash balance was artificially high as it reflected $9 million of central government funding retained on the balance sheet pending delivery of the associated contracts.

3.6 **Against last year**, Council funding is higher by $2 million which is a reflection of approximately half the annual funding increase that CNZ received in the LTP 2021-31. Third party revenue is higher by $0.6 million from the ongoing receipt of central government economic stimulus packages, some of which is held by CNZ for distribution to other Canterbury councils when they have met the required terms and conditions.

3.7 Expenditure is higher by $1.2 million which also reflects the increased activity funded through the LTP (including the urban development function of circa $0.5 million) and increased activity associated with the delivery of the central government contracts.

3.8 **Performance targets -** several non-financial performance targets are identified as being 'off track' and will not recover by 30 June 2022. These relate to targets that COVID-19 restrictions have impeded, such as contribution to job creation and visitor spend from major events, completion of a major events seeding round and target investment value of $0.5 million secured into destination promotion and product development.

3.9 Several other targets are also 'off track' but only marginally, and are expected to catch up by the end of the year.

Attachments Ngā Tāpirihanga

No.	Title	Page
A ⇩	ChristchurchNZ Holdings Ltd - Interim Report for the half year ending 31 December 2021	252

Additional background information may be noted in the below table:

Document Name	Location / File Link
nIL	nIL

Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

(a) This report contains:

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

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

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Len Van Hout - Manager External Reporting & Governance Bruce Moher - Acting Head of Finance Leah Scales - Acting General Manager Resources/Chief Financial Officer

ChristchurchNZ Holdings Ltd
Quarterly Report
31 December 2021

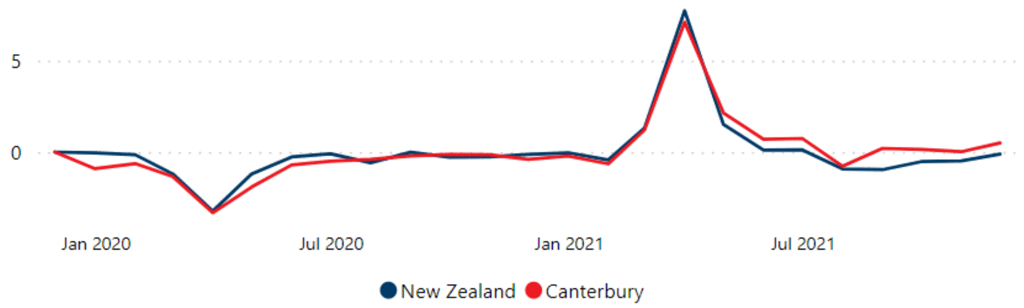
ChristchurchNZ

CONTENTS

APPENDICES

1. EXECUTIVE SUMMARY

Canterbury's weighted economic activity in December 2021 was up 0.5 percent compared to December 2020, national economic activity was down -0.1 percent compared to the same period. Canterbury outperformed New Zealand throughout the quarter continuing the trend from the previous quarter. Performance during the quarter reflected ongoing disruption from public health measures put in place (particularly in Auckland) to address the Covid Delta outbreak.



The cancellation of most major events during the period partnered with the Auckland lockdown, resulted in a significant reduction in visitor spend into the city compared to forecast. This is likely to impact CNZ's capacity to attain year-end KPI targets for visitor spend and employment associated with event attraction.

At the half year levels of service are largely on track with one achieved (central government investment into regional business support), 26 on track and one-off track (value of investment secured into destination promotion and product development)

ChristchurchNZ's new Chief Executive – Ali Adams was appointed during the quarter and started on 8 February 2022. Originally from the UK, Ali started her business career as a brand manager for Unilever after graduating from the University of Cambridge with a first-class honours degree in natural science. She then spent 15 years in Christchurch, including four years working for New Zealand Cricket, before she began significant roles with New Zealand Trade and Enterprise (NZTE), recently returning from Europe as the New Zealand Trade and Enterprise regional director.

2. NOTABLE ACTIVITY IN THE QUARTER

Economy Overview

Christchurch's unadjusted unemployment rate continued to fall, from 4.3 percent in Q3 2021 to 3.4 percent in Q4 2021. This reflected the largest annual change since 2006 (i.e. compared to Q4 2020) in the number of people employed in Christchurch.

Christchurch's net exports in December were at the highest level recorded in the last decade, and the third highest on record. This was driven by strong growth in export values, which hit a record high in December (world prices for dairy products during the Q4 2021 were the highest since 2014 and the world prices for 'meat, skins and wool' were the highest in more than 30 years) and registered a 49.9 percent increase in Q4 2021 from the same quarter in 2020. Exports from Christchurch made up 17.8 percent of the country's total export value in December, the highest share since 2013.

Despite the strong export and industry performance, confidence measures took a hit in Canterbury during the quarter, with both regional economic confidence and consumer confidence falling from Q3 2021. This growth in pessimism is likely to stem from uncertainty around emerging COVID variants, as well as expectations that rising costs of living and debt-servicing will continue to eat into disposable incomes.

This is understandable with Consumer Price Index (CPI) inflation rate hitting a thirty-year high of 5.9 percent in the December 2021 quarter. Rising costs are eroding purchasing power across the country.

House prices continued their upward climb, with the median house price in Christchurch up 28.1 percent or $152k in Q4 2021 from the same period in 2020. Uncertainty about whether and when a market correction may occur dominated discussions on housing during the December quarter, as rising interest rates, tighter lending restrictions and new supply seek to cool the market (consents for new buildings in Christchurch increased by 29.8 percent in Q4 2021 from the same quarter in 2020, although actual supply may be limited by labour and supply chain constraints).

Increases in living costs, alongside low unemployment and growing shortages in skilled workers, has equipped employees with greater bargaining power. Wages are starting to rise at a higher rate as employers compete to entice workers into the labour force or from other firms.

International visitor activity remained well below pre-COVID levels but showed small shoots of recovery as spending increased by 28 percent or $5.9 million compared with Q4 2020. Domestic visitor spending continued to offset some of the international visitor losses with spending in Q4 2021 up 14% ($22.28m) on Q4 2019 (pre pandemic). This was despite the Auckland market being unable to travel for most of the quarter.

Innovation and Business Growth

Innovation and entrepreneurship

Innovation challenges raise the profile of Christchurch (and ChristchurchNZ) among audiences of interest and provide commercialisation support for local researchers and knowledge-intensive entrepreneurs. In quarter two we launched the following Supernode aligned challenges for delivery in quarters three and four: Health Tech Challenge (Feb-May), Food Fibre Agritech Challenge (Feb-Jun). The two challenges will culminate in 28 finalists receiving intensive commercialisation support during an eight-week accelerator. Meanwhile, in Aerospace and Future Transport, the Space for Planet Earth (Feb) and Aerial Imagery (Jan) challenges are already in full swing with 4 teams selected for commercialisation support via a multi-week incubation program. The challenges deliver against our level of service to build innovation and entrepreneurial strength.

Continued positive results from our partnerships with business incubators Te Ōhaka and ThincLab with 52 new jobs created and $7.2m of new capital raised in the period July-Dec. 39 knowledge-intensive businesses were receiving support at year-end. Callaghan Innovation have called for expressions of interest for their founder incubator funding and ChristchurchNZ will support coordinated bids from Te

Ōhaka and ThincLab early in 2022.

63 budding entrepreneurs recently completed the two-week ChristchurchNZ funded Rebel Business School. The capability-building programme delivered to this mixed cohort of career-changers, job-seekers and those re-entering the workforce has resulted in 35 websites created or improved and 28 new businesses launched to date.

Additionally, Start Me Up, the unemployment to self-employment accelerator delivered in partnership with MSD was launched in December 2021 with over 400 registrations of interest. Ultimately, this program will grow entrepreneurial capability in approx. 50 potential business owners who are currently receiving a jobseeker benefit.

Skills

Recent government announcements regarding border settings provide a flicker of light at the end of the tunnel for the many businesses grappling with a shortage of skilled labour. This is evident in the record numbers of jobs advertised online and in the many case studies from local business of opportunity-cost and opportunity-lost.

Meanwhile our region still has 32% more jobseekers than it did pre-COVID. Addressing this mis-match of skills-available vs skills-required is the focus of our skills program.

The purpose of our Town Hall labour market hui on 9 December 2021 was to validate our skills work program and solicit further case studies from the private sector. With 150 approx. attendees, it gave rise to useful media coverage on TVNZ, Stuff and others.

A new joint initiative between CECC and CNZ arising from the hui is the development and distribution of a report which re-states the constraints, opportunity-costs and needs along with the required solutions – in a nutshell our economy needs a short-term boost of skilled migrants in selected industries to bridge the gap while skills providers slowly adapt the capability of graduates to suit industry need.

ChristchurchNZ continues to support several signifcant skills pathways programs. While Whitiora has not fully operationalised, the potential is clear with 46 whānau assisted into decent jobs (43) or training (3).

Negotiations continue for an expanded Hōpara program (pupil pathways to STEM study and careers) following the successful pilot with 63 mentees from low-decile high schools.

Business sustainability and growth

Fatigue and increasing reluctance to co-fund capability-building is evident among local SME’s. However, delivery of the existing Regional Business Partners (RBP) contract is on track with capability funding, business mentor matches and NPS all above target. ChristchurchNZ growth advisors have made 83 mentor matches and 177 capability engagements in the period July-December.

The deadline for submission of responses to MBIE’s RFP for delivery of the Regional Business Partners(RBP) program has been extended to February 2022.

ChristchurchNZ’s priority is to stay involved in RBP and we will be bidding alongside The Chamber under the Canterbury Regional Business Partners (CRBPL) banner. The Chamber are also bidding as part of a national conglomerate with BusinessNZ and have undertaken to subcontract ChristchurchNZ should that bid be successful. Aligned with the extended RFP deadline, MBIE have signalled that existing delivery contracts including CNZ/CRBPL will be extended to at least 30 June 2022.

Uptake of the Tourism Communities Support Recovery and Re-Set package, delivered by ChristchurchNZ in MacKenzie and Kaikoura on behalf of central Government, is slower than expected. This is mostly due to the uncertainty around the future of national/international visitor flows and MBIE's delaying of the third and most significant of the three initiatives, kickstart grants.

Business and investment attraction

The number of businesses seeking to expand into Christchurch continues to grow. This is reflected in a pipeline of 57 opportunities with potential GDP impact of $81m. Two-thirds of these are at qualifying stage but the remainder are seriously considering expansion into Ōtautahi. Additonally, our investment attraction pipeline is 26 opportunities totalling $51m. Again, two-thirds of these are at qualifing stage and the remainder are in negotiation.

Screen CanterburyNZ

Momentum continues to grow for ScreenCanterburyNZ with 41 production enquiries serviced in the quarter and 19 enquiries received for the regional production incentive. The assessment panel awarded grants to six productions, two of which will film before end of financial year. The six productions will employ dozens of local crew, provide training opportunities and spend significantly on local services.

The region's long-awaited showreel was launched at the well-attended ScreenCanterburyNZ 2nd birthday event and this key promotional video asset has been widely lauded. University of Canterbury's council approved nearly $100m in funding for a digital screen campus which will include a commercial stage on their 14ha Dovedale Ave site. ChristchurchNZ funded the proof of concept short-films for this game-changing project.

Antarctic Office

The Days of Ice season opening Festival, was rescheduled from October to February due to Covid requirements for events and gatherings.

There has also been a flurry of diplomatic activity with departures and arrivals of key USAF and Italian Air Force commanders and organizing the distinguished visitor program for Days of Ice. While MIQ for Antarctic program personnel is taken care of for this 21/22 season, MFAT and MBIE have explicitly stated that it does not guarantee a repeat process for 2022/23. Advocacy for 2022/23 season will begin sooner rather than later.

Urban Development

The Council voted on 15th December 2021 in favour of establishing an Expanded Economic Development Agency and work is underway on the development of the pipeline, a value sharing proposal and a detailed implementation plan. There are currently nine projects in the indicative pipeline under investigation.

New Brighton Regeneration Project

Momentum continues in the residential development phase of the regeneration project. The marketing of the Seaview Development at the former school site has seen phases one and two sell out and further stages are being bought forward. Work is also underway on selecting a developer for the three vacant development sites. Once completed the Seaview Development and Beresford Street development sites will add at least 200 new residents to the area.

During the summer months support has been provided to placemaking activities in the area including working with Watch This Space, New Brighton Outdoor Arts Foundation and Ngai Tahu to develop unique experiences that encourage locals and visitors to explore New Brighton and the regeneration projects done to date. Further community groups (4) and local businesses (3) have been offered advice and support with options considered for the next quarter.

The suburb continues to see positive growth with retail spend steadily increasing across hospitality and restaurant categories (up 23% for the last year, despite Covid). He Puna Taimoana saw over 10,000 visitors during the Christmas-New Year period and vacancies in the commercial core reduced.

Destination and Attraction

Destination Management Plan

The Destination Management Plan (DMP) is a required deliverable of the Tourism Support, Recovery and Re-Set (TSRR – previously STAPP) contract with MBIE and will be a progression on the Christchurch Visitor Strategy. Core stakeholders are being provided an early brief of what a DMP consists of, and a governance structure is being drafted involving mana whenua and local government. Central government has requested that the Destination Management Plan will cover the boundaries of Christchurch City Council (including a specific plan for Banks Peninsula), Selwyn District Council, Waimakariri District Council and Ashburton District Council.

Major Events:

The Major Events portfolio was heavily impacted in the period by alert level changes meaning events could not proceed. Event funding from cancelled events was redirected into a BLOOM destination marketing campaign to stimulate local tourism spend (details on campaign below).

Event	Status	Notes
South Island Moon Festival	Cancelled	Reviewing plans for 2022 event
Riccarton Races	Delivered with limited spectators in pods of 100 – primary broadcast focus	
Addington Races	Delivered with limited spectators in pods of 100 – primary broadcast focus	Hospitality activation supported in the central city saw race goers attend small events at bars and restaurants.
NZ A&P Show	Cancelled Online show created, showcased online and TV1	PR reach of 1 million 62,500 households watched the first screening on TV1 CNZ has commissioned a formal operational review of The Show (supported by CCC and CAPA)
Synthony	Postponed (subsequently cancelled)	Moved to Electric Avenue 2022 (subsequently cancelled)
Silver Ferns v England Roses Test Series (3 Tests)	Delivered with 100 spectators per game - primary broadcast focus	Total TVNZ viewership over the three Tests – 1.5M
Super Smash	Event proceeded as planned	2,000 attendance Kings (broadcast on Duke) - 150,200. Magicians (broadcast on TV1) - 191,300

ICC Woman's Cricket World Cup - 100 days to go

The '100 days to go' destination video that was filmed in the Port Hills and Hagley Oval reflecting the city's cultural and showcasing the unique destination was posted in November the video performed well on CNZ channels including 2.3k views. The ChristchurchNZ video was also featured prominently on ICC and World Cup channels achieving 5.2K engagements, 64 comments, 101 shares and 162k views.

Business Events:

Te Pae Christchurch Convention Centre
December 17 2021 was a significant day for Business Events with the much-anticipated opening of Te Pae Christchurch Convention Centre, New Zealand's first new generation Convention Centre.

This addition to existing business events infrastructure is enormously significant in re-establishing Christchurch as the leading Business Events destination in NZ. Te Pae is anticipated to drive $600 million into the local economy over the next 10 years.

Bid and Pipeline Activity
A total of 27 bids have been undertaken July – December 2021.

14 of these were international bids submitted, the remainder domestic bids.

Continued border closures have resulted in the following cancellations:

- An Australian corporate incentive group (100pax – EVS $300,00 lost) cancelled their March 2022 trip to New Zealand due to NZ border restrictions.
- A domestic corporate incentive group (100pax – EVS $150,000 lost) cancelled their April 2022 trip to Christchurch due to the availability of hotel infrastructure with rooms taken by MIQ.

Marketing Brand and Communications

Digital LOS Performance
The LOS target is 5.2 million engagements across all digital channels. We have achieved milestone eight on time, earning 4 million engagements across our channels before the end of December. We are on track to achieve this LoS.

Campaign highlights
BLOOM 2021
In 2021 Bloom was in the third year of delivery, BLOOM brings together fashion, racing, festivals, gigs and the beauty of spring under one campaign and brand that celebrates Christchurch and its unique vibrancy during the spring season.

Working alongside event deliverers, BLOOM aims to give residents and visitors the chance to engage with iconic events including the Riccarton and Addington Races and The NZ Agricultural Show, alongside a wide range of sporting, music and cultural events showcasing the best of the city.

Final media results 2021:

- 6.67 million impressions (25.35% increase YOY)
- 200k reach
- 68.5k link clicks
- 71,282 CNZ pageviews (178.7% increase YOY)

- The average time on page 1:50 (27% increase YOY)
- 40% organic traffic (25% increase in Organic YOY)

Merry Christchurch

Local attraction campaign showcasing central city to enjoy Christmas activities, festivities, hospitality, and retail. By creating engaging content as part of a digital advertising campaign the aim was to encourage our target local audiences to explore Ōtautahi Christchurch's central city, ideally increasing event attendance, retail and hospitality spend. We commissioned local content producer Jess Brien to create short video clips to create excitement and hype, promoting all the positive things in the central city. This was in support of, and in conjunction with, CCC and CCBA.

- 1.6m impressions
- 579k reach
- 293k engagements
- 61k video views
- 13.7k pages views

Summer visitation campaign

"Do more summer in Christchurch" (Live Dec, 21 – Feb, 22) is a social led campaign, with a local social influencer, showcasing Christchurch as a vibrant and fun summer destination with lots to see and do. The campaign targeted visitation from key fly and drive domestic markets. This campaign includes an Air New Zealand mini-campaign, amplifying Christchurch's trip-starter tool on airnewzealand.co.nz.
The campaign continues until the end of Feb, results will be shared in the next report.

3. COMING UP

Key deliverables in the next quarter:

Innovation Business and Growth

- Finalise and submit Regional Business Partners RFP.
- Continue delivery of regional business partners and business mentors programs.
- Launch sustainability and impact project.
- Deliver innovation challenges in Aerospace, Agritech, and HealthTech.
- Launch "gateway to growth" business and investment attraction collateral and follow with targeted business development activity.
- Deliver Start Me Up accelerator.
- Support Kaitōrete Ltd on activation of project Tāwhaki.
- Finalise and distribute skills and immigration advocacy report.
- Round three of screen incentive applications.

Marketing Brand and Communications:

- Launch commercial attraction white paper 'Your Gateway to Growth' to showcase Christchurch as an attractive city to do business in.
- Deliver skilled worker attraction campaign alongside a Women in the workforce campaign.

Destination and Attraction

- Complete the 'Do more Summer' destination campaign.
- Start Business Events Incubator support tourism attractions in developing their product for conferences and incentives, to leverage off the opening of Te Pae Christchurch Convention Centre.
- Women's Cricket World Cup 2021

4. HEALTH AND SAFETY PRACTICES

ChristchurchNZ has undertaken a risk assessment of all roles in individual consultation with employees to determine if the work undertaken can be safely performed by employees not vaccinated against COVID19. Based on this risk assessment process it has been determined that all work undertaken by ChristchurchNZ employees must be undertaken by a vaccinated employee to protect the health and safety of all employees. This has now been written into our COVID19 Vaccination Policy which the Board has approved.

5. ORGANISATIONAL RISK FOCUS

	Risk	Impact	Mitigation
1.	Global Pandemic and economic impact.	Work programme significantly disrupted by global pandemic. Resulting in economic volatility, financial losses, possible event partner liquidation, health and wellbeing impacts, reputational damage.	Christchurch Economic Recovery Plan to reshape activity required and target outcomes. Govt contracts in place to support recovery and repositioning activity. Continual monitoring of Programme and Project progress.
2.	Cyber Security/ICT Failure	Reduced use of ICT systems and/or website, reputational impact, financial impact, loss of data. Cyber Security/Ransomware exposure resulting in system penetration	Technology prevention measures in place, ICT security reviews regularly undertaken. Security policies and processes in place, regularly communicated and compliance monitored.
3.	Governance Clarity Urban Development functions	Lack of clear mandate for the Urban Development function and/or a lack of sufficient funding or other resource.	Funding and service level agreements in place. Council endorsement of capitalisation confirmed in December 2022. Expanded Economic Development Agency Implementation plan underway.
4.	Confidential information breach	Inappropriate access of confidential information, breach of the privacy act	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.	Event Fee Increases	Funding, reputational, resourcing	Discuss with city partners and shareholder value of targeted events and funding options. Partnerships and revenue strategy in place.

FINANCIAL REPORT

For the six months to December CNZH has reported a surplus of $1.5m, $2.8m ahead of the budgeted loss for the period (-$1.3m). The result reflects timing differences between budget and delivery, with some activity delayed due to COVID, coupled with the receipt of unbudgeted external funding (Government funding in response to the impact of COVID on local economies).

All external funding received is tagged to specific activity. Delays or deferment of this activity does not result in surplus funding, but rather a liability to repay funds and/or deferment of activity to future periods.

CNZH Financial Summary **$000's**	**Actual Six Months to December 2021**	**Budget Six Months to December 2021**	**Actual Six Months to December 2020**	**Budget Twelve Months to June 2022**
	Unaudited, per Management Accounts		*Unaudited, per Management Accounts*	*Board approved budget*
CCC Core Funding	7,951	7,951	5,943	15,901
Other Operating Revenue (including interest and other gains/losses)	3,221	3,715	2,616	7,282
Operating Expenditure	(9,672)	(13,017)	(8,440)	(25,290)
Gain/(Loss) on Investments	54	-		-
Total Surplus/(Deficit) before tax	**1,554**	**(1,351)**	**119**	**(2,107)**
Total Assets	18,214	9,491	11,784	6,311
Shareholder Equity	**6,657**	**4,481**	**7,445**	**3,075**

		Actual	**Budget**	**% Spend**	
Project & Service Delivery YTD *	**Project & Service Delivery YTD**	**$000's**		Actual	Budget
Project + Personnel	Urban Development	554	1,014	6.6%	8.9%
	Destination & Attraction	3,296	5,461	39.5%	47.8%
	Marketing & Promotion	1,051	1,351	12.6%	11.8%
	Business Innovation & Growth	1,883	1,977	22.6%	17.3%
	Strategic Planning & Policy Research	280	383	3.4%	3.3%
	Shared Services	1,275	1,248	15.3%	10.9%
	Total Project & Service Delivery	**8,339**	**11,434**	**100.0%**	**100.0%**

** Overhead costs eg.occupancy, depreciation, are excluded from this breakdown*

Against Target: The positive YTD budget variance reflects underspend across the organisation.The underspend in activity costs is most notable in Destination and Attraction, due to the postponement or cancellation of Major and Business Events eg. SailGP, which have 'rolled' to future periods. Business support activity (as a proportion of total spend) has increased, in line with MBIE funding to get grants and support out to local businesses. Variance in Urban Development relates to an underspend in personnel as the full team was not in place until the end of Q1 and scoping of the pipeline has been delayed by decisions on the EEDA.

The significant increase in assets reflects the receipt of central government funding, which is largely offset by a revenue in advance liability.

Against Prior Year: Core CCC funding in the current year reflects the agreed LTP funding, including funding for the for delivery of the urban development function.

APPENDIX 1: CHRISTCHURCHNZ PERFORMANCE MEASURES TO 31 DECEMBER 2021

KEY PERFORMANCE INDICATORS – STATEMENT OF INTENT

Key Performance Indicator	Annual Target	Half year results	Progress status
Job creation supported by ChristchurchNZ through Innovation and Business Growth and Urban Development and Tourism Services	250	264	Achieved
Job creation supported by ChristchurchNZ through Events	275	122	Off track
Number of enterprises and businesses benefiting directly from a ChristchurchNZ programme or intervention	1100	969	On track
Number of rangatahi, hapu or Māori businesses benefiting from a ChristchurchNZ programme or partnership in line with mana whenua aspiration	120	14	On track
Value of investment into economic development (including tourism and events) and urban development supported by ChristchurchNZ from Central Government and the private sector	$40m	$90.2M	Achieved
Estimated value of GDP contribution attributable to ChristchurchNZ activity	$45m	$35.4M	On track
Contribution to visitor spend from major and business events attracted or supported by ChristchurchNZ	$25m	$11.2m	Off track
Urban development project pipeline established in partnership with the Christchurch City Council and private sector and/or iwi and public sector partners	Eight projects in pipeline	Thirteen projects	Achieved
Number of people or businesses who benefit from a ChristchurchNZ skills and employment programme or partnership	300	231	On track
Indicator measure: perception shift 1. Grow the proportion of the non- Canterbury New Zealand population who intend to visit Christchurch in the next 12 months	26%	21%	Off track
Indicator measure: perception shift 2. Grow the proportion of the New Zealand target population open to consider relocating to Christchurch	23%	22%	Off track
Indicator measure: perception shift 3. Improvement in NPS by Christchurch residents aged below 40 years of Christchurch as a place to visit	10	3	Off track

Exemplar Workplace Measures			
Assess and report organisational performance against the relevant UN Sustainable Development Goals	Improve performance	Measured at year end	Measured at year end
Maintain high employee engagement (rating out of five in staff engagement survey)	3.75 or above	3.86	On track
Our people feel safe (rating out of five in staff engagement survey)	4.5 or above	Measured at year end	Measured at year end
Zero serious harm	Zero	Zero	On track
Reduce our carbon footprint (Benchmark in 2018/19 was 120 tonnes)	Reduce	Measured at year end	Measured at year end

LEVELS OF SERVICE

	Level of Service	Level of Service Measure	Target 2021 – 2022	Status	YTD Actuals	Commentary
1.0	Build innovation & entrepreneurial strength	Number of Initiatives to support industry cluster development, including Supernodes, to support job creation and work opportunities	6 initiatives	On Track		
1.1		Number of start-up/scale-up companies supported to grow innovation and entrepreneurship capability aligned with priority focus areas	40 companies	On Track		
1.2		Number of employers that have been actively worked with to attract them to the city to support economic recovery and repositioning	50 employers	On Track		
1.3		Value of central government investment secured into innovation and entrepreneurship; labour market transition and job creation	$550,000	On Track		
2.0	Build a productive knowledge city to grow decent work	Number of initiatives that deliver better education outcomes and skills development to meet industry need and lead to high-value decent work	4 Initiatives	On Track		
3.0	Partner with mana whenua to support growth in Māori prosperity and self determination	Number of initiatives delivered in 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	1 initiative	On Track	1	
4.0	Ensure Christchurch businesses have access to comprehensive advice & support to grow competitiveness, resilience & sustainability	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	On Track		

4.1		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	On Track	313	CNZ business assessments and business mentor matches.
4.2		Satisfaction of businesses accessing support or advice services	Net promotor score for business support services is +50 or greater	On Track		
4.3		Value of Central government investment secured into regional business support	$450,000	Achieved		
5.0	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	On Track	Activities planned and delivered against the 4 priority areas of the Antarctic Gateway Strategy. Welcome and Deliver Excellence, Connect & Excite, Advance Knowledge & Champion Sustainability Days of Ice postponed to February 2022 due to the change of Alert levels.	
5.1		Number of businesses in a business network which secures higher revenues from the National Antarctic Programmes	75 businesses in the network	On Track		
6.0	Develop Christchurch as an attractive 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	On Track		
6.1		City bids prepared to attract business events to Christchurch in line with the business event strategy and economic recovery plan	30 bids	On Track	28	
6.2		Success rate of bids for business events	At least 35% success rate	On Track	35% success	Currently on track but may be Covid impacted
6.3		Assess portfolio of events supported against the Major Events Strategy	Annual report on performance of the major event portfolio against the Major Events Strategy	On Track		Events Hosted between July 2021 - Dec 2021; Festival of Brass 14 - 18 July, Silver Ferns Vs English Roses Test 20, 22, 24 Sept. Addington Cup Week Races (COVID Impacted, restricted numbers and broadcast focus), Riccarton Races (COVID Impacted, restricted numbers and broadcast focus) and Boxing Day Super Smash
6.4		Major events seeding round delivered using criteria that support strategic goals of the Major Events Strategy	One Major Events Seed Funding round	Not on Track		Likely to be impacted by Covid

6.5		Number of destination product offerings, experiences or itineraries developed and supported which embed the city narrative	5 destination products	On Track		With International borders still closed and Auckland in lockdown for most of this quarter, the itinerary and programme activity has been hindered however the remainder of this FY we will upweight this work with domestic borders being open
6.6		Number of screen enquiries attracted and supported, with a view to growing Canterbury's market share of screen GDP.	100 screen enquiries	On Track	76	
6.7		Number of screen productions attracted to Christchurch through a grant fund	At least 1 production	On Track		
6.8		Value of investment secured into destination promotion and product development	$500,000	Not on Track	Covid-19 continues to challenge tourism with international border closures and NZ in lock down (Aug 2021) and Auckland and Waikato impacted by ongoing lockdowns. The uncertainty of market conditions, and loss of all international markets and Christchurch's largest domestic market, has negatively impacted business confidence for partners to invest in destination promotion and product development.	
7.0	Ensure Christchurch is well positioned as a Confident City that is attractive to businesses, residents, visitors, students and potential migrants	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	On Track		Website https://toolkit.christchurchnz.com/pages/the-christchurch-story
7.1		Number of engagements on ChristchurchNZ owned digital channels and platforms	5.2 million	On Track		
7.2		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	On Track		
8.0	Provide leadership in inclusive and sustainable economic development for Christchurch	City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals.	Major Events Strategy Due 2023/24			No LoS measure this financial year
8.1		City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals.	Antarctic Gateway Strategy Due 2023/24			No LoS measure this financial year
8.2		City economic strategies are reviewed and approved in context of Greater Christchurch 2050 Strategic Framework and Goals.	Visitor Strategy Due 2022/23			No LoS measure this financial year

8.3		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	On Track	ChristchurchNZ continues to deliver to all workstreams identified in the recovery plan, which recognises that delivery requires continual adaption to the changing situation. Response to the community outbreak of Covid and rise in alert levels in Quarter 1 meant that greater effort in business support marketing activities has been deployed to business survival and job retention activities (a respond horizon workstream). Activities in the city vibrancy and visitor economy workstream in the recover horizon have had to adapt due to the limitations of higher alert levels, notably the spring season of major events in 2021 was negatively affected as many were not able to proceed and visitor marketing activities have had to adapt. The productive infrastructure, labour market transition and confident city workstreams have been relatively unaffected and are continuing as planned.	
8.4		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	Achieved	14 Reports produced	
8.5		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	On Track	3631 people	Face to face 321 Online information 3310
8.6		Number of reports on the feasibility of urban development proposals and projects	At least three opportunities for urban development are identified and assessed for feasibility	On Track		
8.7		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	On Track		

Last Saved on:	25/02/2022
Author:	Kerri Jones/Laura Dawson
Approved by:	Ali Adams
Status	FINAL

14. Venues Ōtautahi - Interim Report for the six months to 31 December 2021

Reference Te Tohutoro:	22/192633
Report of Te Pou Matua:	Linda Gibb, Performance Advisor, Resources Group (linda.gibb@ccc.govt.nz).
General Manager Pouwhakarae:	Leah Scales, Acting General Manager/CFO, Resources Group (leah.scales@ccc.govt.nz).

1. Brief Summary

1.1 The purpose of this report is to present Venues Ōtautahi's (VŌ's) performance report for Quarter 2, 2021/22. The report also includes VŌ's financial statements for the six months 1 July 2021 to 31 December 2021 and the two reports compare the current period's financial performance against Statement of Intent (SOI) performance targets and the same period in the prior year.

1.2 The report has been written following receiving VŌ's report and unaudited financial statements on 24 February. A cover letter from the Chief Executive (CE) is at **Attachment A**, the performance report at **Attachment B** and the unaudited financial statements are at **Attachment C**. The letter from VŌ's CE provides a comprehensive update on the COVID-19 challenges VŌ is continuing to face, and the measures the company is taking to minimise the detriment from the large scale loss of events.

1.3 VŌ has complied with section 66 of the Local Government Act 2002 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.

COVID-19

1.4 When its SOI targets were set in March/April 2021, there was little official guidance as to when COVID-19 restrictions might be lifted. The restrictions of closed borders, minimal MIQ availability and numbers of people allowed to gather posed severe challenges to the VŌ business. Its SOI targets assumed an easing in COVID-19 restrictions during 2021/22 (note that the Omicron variant was not first identified globally until September 2021) but noted the high degree of uncertainty underpinning this assumption.

1.5 During the half year to 31 December 2021, the two week lockdown in August, followed by ongoing restrictions on travel from the Auckland area in particular through to the end of 2021 led to a number of cancellations, postponements or restrictions on the number of attendees for the events that could proceed across the venues.

1.6 In the VŌ's Chief Executive's letter **(Attachment A)** is an account of the immediate and likely ongoing impacts of COVID-19 restrictions on VŌ's event business. It also includes a number of initiatives that VŌ has undertaken, and is continuing to undertake to minimise losses.

1.7 Inevitably, VŌ is facing some serious challenges going into the latter half of the 2021/22 financial year. It has re-forecast its expected year end outturn based on restrictions in place in February carrying through to April and a lag through to the end of the financial year leading to an expected operating deficit (EBITDA) of circa $1 million (compared with its SOI target of a surplus of $0.4 million.

Performance

1.8 The following table draws together VŌ's operating performance (the performance report is at **Attachment B**) and its half year accounting outturn (financial statements are at **Attachment C**). The major items excluded from the operating performance line are depreciation on facilities (Town Hall and Arena) of $4.6 million and debt servicing costs of $0.5 million. The analysis that follows focuses on operating performance as the other costs are uncontrollable for VŌ.

	Actual $000	Budget $000	Variance $000	Prior year $000	Variance $000
Operating performance – EBITDA	**801**	**346**	**+455**	**(383)**	**1,184**
Other revenue and uncontrollable fixed costs	(4,647)	No SOI target	-	(4,694)	-
Deficit before tax	(3,846)	No SOI target	-	(4,265)	+419

1.9 Until the lockdown in quarter 2, VŌ had been making good progress on rebuilding an events schedule, only to see it reduce significantly when the August 2021 COVID-19 restrictions were put in place.

1.10 Against SOI target, VŌ has returned a higher EBITDA result by $0.5 million. Revenue was down by 17% over budget, and costs by 23% (excluding fixed costs). Although VŌ held a lower number of events than expected in the first six months (53 versus a target of 113), the loss in revenue has been partially offset by the Government's Covid-19 wage subsidy and resurgence support payments along with the company's response and recovery plan to reduce costs across the business.

1.11 The severe impact of COVID-19 on VŌ's business makes it difficult to compare outturn with the same period in the previous year.

1.12 VŌ's SOI for the current year aimed at a full year EBITDA outturn, based on a recovery of its events' business of $0.4 million (before overheads). As a result of the ongoing COVID-19 restrictions, VŌ has now revised its EBITDA forecast to a deficit of circa $1 million.

1.13 **Non-financial performance** - many of VŌ's non-financial performance targets are unable to be met due to COVID-19 restrictions.

Community discount

1.14 For the half year, 21 community groups were provided with access to VŌ's venues at the community rate, the value of which was circa $57,000 (measured as forgone revenue to VŌ). These outcomes were more than 50% of the full year SOI targets of respectively 36 community groups and value circa $50,000.

1.15 VŌ notes that it is seeing year on year increases in the number of groups accessing the venues at the community rate.

1.16 Groups securing the community rate expect that VŌ will not breach their privacy and therefore VŌ is not able to release information that would identify them.

Item 14

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes Venues Ōtautahi 's Quarter 2, 2021/22 performance report and financial statements for the period 1 July 2021 to 31 December 2021.

Attachments Ngā Tāpirihanga

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Additional background information may be noted in the below table:

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	Bruce Moher - Acting Head of Finance Leah Scales - Acting General Manager Resources/Chief Financial Officer

VENUES ŌTAUTAHI

Thursday 24 February 2022

Linda Gibb
Performance Advisor
External Reporting and Governance
Resources Group
Christchurch City Council

Re: Venues Ōtautahi draft 2021 Unaudited Financial Statements and Quarterly Performance Report to 31 December 2021

Dear Linda,

Please find attached the Venues Ōtautahi (VŌ) draft 2021 Unaudited Financial Statements and Quarterly Performance Report to 31 December 2021.

In support of both documents, we thought it was important to highlight the significant shift in the Company's forecast position since 31 December 2021 as a result of the severe and rapidly evolving impacts of the Covid-19 Omicron outbreak and subsequent traffic light settings put in place.

This is also an opportunity to assure Council of the Company's response to ensure its survival, recovery, and positioning for ultimate success through these challenging times.

Background

At 11:59pm 23 January 2022 New Zealand moved to the red traffic light setting under the Covid-19 Protection Framework introduced from 3 December 2021.

Red traffic light settings restrict gatherings to 100 based on 1-metre physical distancing in a single defined space at a venue at any time (noting if the venue is hired exclusively, social distancing and hospitality restrictions do not apply). There is no Government Employer Wage Subsidy available under the Covid-19 Protection Framework.

Events across the VŌ portfolio are generally much greater than 100, resulting in this change having a severe impact on the forecast event schedule.

With a sense of fear and subsequent self-imposed isolation with the onset of the Covid-19 Omicron variant in the community albeit some events can continue, businesses, individuals and groups are choosing not to, exacerbating the extent of the current challenge.

With the assumption restrictions on mass gatherings will be in place until at least the end of April 2022, in summary across February, March, and April of the 75 total events scheduled, what we have seen to date and the assumptions looking forward is 8 (11%) will proceed, 12 (16%) will proceed without crowds or in pods of 100, 38 (51%) will postpone, and 17 (23%) will cancel.

Prior to confirmation of the red traffic light setting, February, March, April, and May were forecast as the highest revenue months for FY21/22 with forecast event income of $1,036m, $1,382m, $1,033m and $1,422m respectively.

With immediate effect the following measures were put in place:

- Permanent staff have replaced all casual and part time flexible staff for the delivery of event activity able to proceed
- Permanent staff have replaced all casual and part time flexible staff for the delivery of the vaccination clinic at Christchurch Arena
- A rolling roster of working locations has been established to minimise risk of Covid-19 cross infection
- Assessment of traffic light settings to ensure compliance and public safety

VENUES
ŌTAUTAHI

- Planning assumptions to provide basis for reforecast and development of response and recovery strategy
- Assessment of Central Government Support options available
- Review of annual leave balances to assess where possible cost savings could be obtained
- Implementation of Easter close down period
- Termination, suspension, or reduction of services/overheads
- Assessment of alternative revenue streams available
- Assessment of where VŌ could support local businesses also challenged by the Omicron outbreak

Despite the inevitable impact of this change in settings, VŌ is prepared to respond and to recover albeit is faced with an immense challenge.

With the different settings under the Covid-19 Protection Framework, limited Government support, the change in approach to living with Covid-19 in the community and the risk of mass infection of staff, this response is and needs to be different.

At the outset of the pandemic in 2020, VŌ implemented significant changes. These included the 60% downsizing of permanent resourcing, the establishment of a variable resourcing model, review and amendment of all commercial arrangements and service level agreements, increased internal controls and streamlining of the operational delivery model.

These changes, in addition to developing and implementing Delta and now Omicron Response and Recovery Strategies to respond to changes in settings and protracted detriment to the business have, as detailed in the attached Unaudited Financial Statements and Quarterly Performance Report to 31 December 2021, served VŌ well and to date under various Covid-19 restrictions covering 12.5 of the last 23 months, the business has remained on track to achieving close to on budget results.

With the rapid onset of Covid-19 Omicron, extended red traffic light settings and lack of government support however, the business is faced with a different challenge and one with a quickly evolving and increasingly severe impact.

On this basis and without the support of the Government Employer Wage Subsidy, the VŌ response needs to be different than in the past. Severe restrictions on mass gatherings decimates venues and events businesses so we need to act quickly with sound planning assumptions to survive, recover and come out stronger on the other side.

Central Government Support

Throughout the pandemic VŌ has been eligible for the Government Employer Wage Subsidy and Resurgence payments. This support has been fundamental to the business's response and since mid-2020, despite the continued volatility of the Covid-19 environment, no further reductions in permanent resourcing have been required. With the retention of key talent fundamental to recovery this, as we can achieve it, remains a key priority as we move into another period of challenge and constraint.

The Covid-19 Protection Framework and Central Government support available to business under this framework however no longer includes the Wage Subsidy but as announced on 21 February 2021, the Covid Support Payment has become available.

The Covid Support Payment, available to businesses experiencing at least a 40% reduction in revenue, is similar to the Resurgence payment made available to businesses under the Alert Level system and covers around 15% of VŌ's permanent wage costs. With a reduction in revenue of around 90%, VŌ is eligible for this support payment.

With most businesses able to operate under red traffic light system Central Government support is now targeted to providing support for employers whose staff are required to isolate either if infected with the virus or a household contact of a positive case. This may be the case for VŌ at a point in time and will be utilised in the medium term, but given the far reduced level of event activity, this is not support that will make a genuine difference to our immediate response.

There are also two additional support schemes targeted to the events sector. The Event Transition Support Scheme and the Arts and Culture Support Scheme.

The Event Transition Support Scheme originally targeted major events (over 5000) and is a Government underwrite for unrecoverable costs associated with cancellations or postponements up to end April 2022. The criteria have recently been extended to include business events over 200 from April 2022 and the timeframe extended to end January 2023.

The Arts and Culture Event Support Scheme provides financial support for events impacted by restrictions imposed at the 'red' level of the COVID-19 Protection Framework, through localised lockdown, or because the lead performer(s) are unable to perform due to being in self-isolation or having contracted Covid-19. To be eligible, events must have attendee capacity of 100-5000 ticketed, or 100+ un-ticketed (i.e., free).

Across both support schemes however, it is the event organiser, venue hirer, promoter etc. that is eligible for support, not the venue and only one application is available per event.

On this basis, VŌ are working with clients to assure all unrecoverable costs are invoiced so these can be included in promoter, event organiser or venue hirer claims for events affected across the VŌ portfolio.

Financial Impact

The forecast financial impact based on the planning assumptions, including the assumption event activity will not return until at least May 2022, are detailed in the Quarterly Performance Report to 31 December 2021.

Alternative Revenue Streams and Community Support

VŌ have commercial kitchens, the ability to mass produce and deliver high quality food and have a large team of casual and part time flexible staff.

This provides an opportunity for VŌ to support local organisations currently planning for potential loss of staff or services in the Canterbury region because of mass infection and required Covid-19 Omicron isolation periods.

The Executive Leadership Team have approached around 30 local business to offer this support. These include the CDHB, Schools, Universities, Retirement Villages, Funeral Homes, and other Catering providers. CDHB have taken up this offer of support with VŌ commencing this activity, following a period of testing, from early March.

For the remainder of those businesses approached, VŌ are currently working through the range of potential support options available with all discussions to date positive.

Linda, we hope this provides some additional clarity and background not only to VŌ's revised forecast as detailed in the attached documents but also to the approach the Company is taking to the challenges of the current environment.

We continue to appreciate the honest, open, collaborative, and supportive relationship we have with Council and to working together to navigate our way through these challenging times.

Please do not hesitate to reach out if you have any queries.

Yours sincerely

Caroline Harvie-Teare
Chief Executive
Venues Ōtautahi

Item 14

Attachment B

`1

PERFORMANCE REPORT

FOR THE SIX MONTHS TO
31 DECEMBER 2021

VENUES
ŌTAUTAHI

Item 14 Attachment B

CONTENT

0.1 CHIEF EXECUTIVE REPORT

The first half of FY21/22 was full of challenge, opportunity and demonstrated the real value of transformational changes made to the Venues Ōtautahi (VŌ) business in the year prior.

These changes, along with a strong and ahead of budget first two months of the year, enabled the business to respond and be resilient to the impacts of the immediate decimation of all event revenue as New Zealand returned to Covid-19 Alert Level 4 on 18 August 2021.

Covid-19 Alert Level 4 was initially in place for three days however with the Delta strain of the virus spreading rapidly through predominantly the Auckland region and with cases spreading into surrounding regions New Zealand remained at various levels of restrictions between 18 August and 3 December, when the Covid-19 Protection Framework and traffic light settings came into place.

Mass gatherings restrictions changed over this period from 50 to 100 and from 6 October 2021 the number cap was removed (but with social distancing requirements remaining). The lifting of restrictions on gathering numbers at this time meant some events were able to be delivered however only a very small percentage of what would normally be the case.

With 13 weeks of the period under Covid-19 Alert Levels 4, 3 and 2, across the first six months of FY21/22, VŌ had around 30% of events cancel, around 44% of events postpone and the remaining 25% go ahead under restrictions.

As restrictions came into play, VŌ immediately developed a Covid-19 Delta Response and Recovery Strategy to look to protect the business and to position it in the best way possible for a strong return.

The purpose of the Strategy was to, with urgency, develop a range of initiatives to seek to reduce costs, generate alternative revenue streams, access Central Government support, protect valuable client relationships and future business and to develop a business acceleration programme of projects to take advantage of downtime in the venues and set the business up for a strong return in event activity when able.

The assumptions underpinning the Strategy were developed in consultation with the VŌ Board of Directors and were based on an assessment of the Covid-19 environment, messaging from Central Government and on what VŌ had experienced during and post a sustained period of restrictions.

The Strategy was activated with immediate effect and this, coupled with the changes made in mid-2020 to ensure VŌ was lean and agile and able to advance in the face of adversity delivered. The business, despite these significant challenges, achieved a year-to-date EBITDA of $801k against a budget of $346k in the period to 31 December 2021.

In December 2021, with the implementation of the Covid-19 Protection Framework and traffic light settings VŌ commenced preparations for a return to business in the coming months.

The purpose of the Protection Framework is to allow more flexibility for business to operate with Covid-19 in the community and from a venues and events perspective under the orange traffic light setting meant venues could undertake event activity with no restrictions on attendee numbers if all guests were fully vaccinated against Covid-19.

The Covid-19 Public Health Response (Vaccinations) Order 2021, introduced in October also required all roles in hospitality, events, and venues to be carried out by employees fully vaccinated against Covid-19, a policy VŌ introduced for all members of the team in December 2021.

It was on this basis VŌ's expectation was event activity would return for fully vaccinated clients and guests without restriction and the business would gradually rebuild over December 2021 and January 2022 and from February 2022 being at pre Covid-19 levels of activity.

The strong start to the year, the impact of the significant changes made to the business in 2020 and subsequent variable cost model, the Government Employer Wage subsidy and Resurgence Support Payments, the immediate suspension of unrequired services, a focus on reduction in annual leave balances were all key factors contributing to a six-monthly quarterly performance not otherwise expected or able to be achieved under these circumstances.

Looking ahead however with the Covid-19 Omicron variant now in the community and the implementation of red traffic light settings restricting gatherings to 100, the remainder of FY21/22 will be challenging. With no Central Government support available to VŌ, red traffic light settings likely to remain in place for some time and businesses implementing their own cross infection risk mitigation strategies the challenge this time is different.

The business is however prepared and is well positioned to respond, recover, and come out stronger on the other side. VŌ is focused again on response and recovery and ultimately a strong return to business. The outlook for FY22/23 is positive with a strong event forecast and beyond the current challenge VŌ continues to focus on attracting those events that deliver the most significant and positive impact to the social, cultural and economic wellbeing of the region and to the business itself.

As always, we remain committed, in close collaboration with our shareholder, Christchurch City Council, to continuing to navigate our way through these inevitable challenges and to ensuring VŌ keeps getting better, stronger, and more resilient and the venues are the pride and delight of everyone, especially the people of Christchurch who own them.

--	23 February 2022 -----------------------------------
CHIEF EXECUTIVE	DATE
Caroline Harvie-Teare	

0.2 FINANCIAL PERFORMANCE

Income Statement for the six months ended 31 December 2021

	Dec-21 YTD Actual $000	Dec-21 YTD Budget $000	YTD Act vs Bud Variance $000	Dec-20 YTD Actual $000	Full Year Budget $000
Income					
Venue rental and event revenue	1,340	2,323	(983)	1,007	4,484
Food and beverage	1,642	3,728	(2,086)	2,148	6,798
Grant revenue received from Council	1,967	2,025	(58)	750	4,050
Covid-19 Wage Subsidy and Resurgence Support Payment (Extraordinary)	1,839	-	1,839	925	-
Other	1,231	1,606	(375)	946	2,991
	8,019	9,682	(1,664)	5,776	18,323
Less Expenditure					
Food and beverage	1,499	2,919	1,419	1,916	5,314
Events and hosting costs	1,679	1,477	(202)	876	2,829
Facilities	1,457	2,183	726	1,127	4,183
Administration and other	2,583	2,758	175	2,240	5,560
	7,218	9,337	2,119	6,160	17,886
EBITDA	**801**	**346**	**456**	**(383)**	**437**

Commentary on actual verses budget result

The year-to-date EBITDA is $801k against a budget of $346k for the six-month period to 31 December 2021.

Event income and contribution was strong in July and August 2021 with 56 events held across all venues prior to the return to Alert Level 4 from 18 August 2021. This allowed for a strong start to the financial year with a positive variance of $574k against budget for the first quarter to 30 September 2021.

VŌ held 53 events (Budget: 113) between 1 October and 31 December 2021 under alert level restrictions. The negative event income against budget for the second quarter, including food and beverage was $2.2 million (YTD $3 million).

The loss in revenue has been partially offset by the Covid-19 Wage Subsidy and Inland Revenue Resurgence Support Payment with $1.8 million received for the period to 31 December 2021.

Due to the ongoing impacts of Covid-19 and return to alert level restrictions the company has implemented a response and recovery plan which included placing recruitment on hold and reducing services across all venues where appropriate.

Non-event operating expenses are $901k lower than budget for the period to 31 December 2021 with savings across facilities, administration and other expenses.

Events and hosting costs are higher than budget with eligible casual employees receiving the Covid-19 Wage Subsidy during this period.

Full year forecast

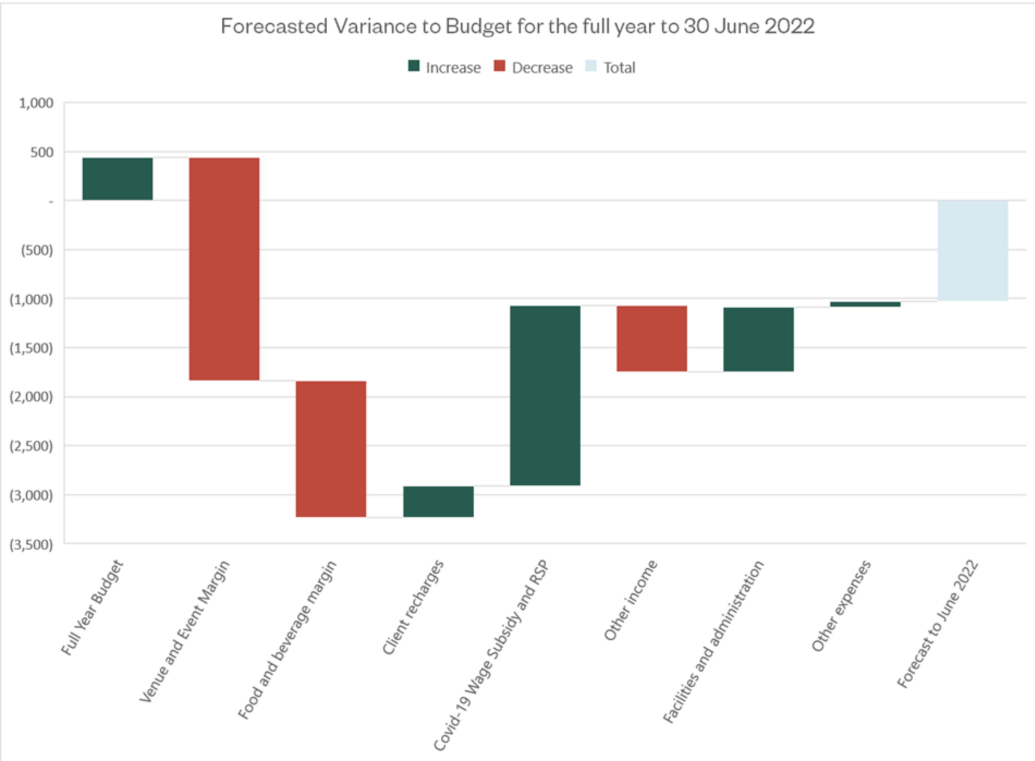
A reforecast through to 30 June 2022 has been completed with projected EBITDA deficit of $1 million versus a budget of $437k for the full year.

Direct operating income is forecasted at $7.2 million versus a target of $13.8 million, a negative variance of $6.6 million which is offset by direct operating, overhead and fixed cost reductions of $5.1 million for the full year to 30 June 2022.

VŌ are well placed to respond with events returning to the company's venues with an easing of alert level restrictions and are working closely with clients, promoters, and the events industry to deliver events safely under the current guidelines.

	30 Jun 2022 Forecast	30 June 2022 Target	Forecasted Variance
	$000	$000	$000
Direct operating income	7,225	13,863	(6,638)
Grant revenue received from Council	4,050	4,050	(0)
Direct operating expenses	8,202	11,160	2,958
Net operating overheads and fixed costs	4,102	6,316	2,214
EBITDA	(1,029)	437	(1,465)

Budget to actual EBITDA bridge



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0.3 OPERATIONAL PERFORMANCE TARGETS

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	
	2021/2022	PROGRESS AS AT 31 DECEMBER 2021
Economic Impact		
Attract and manage events that generate positive financial impact contributing to a Prosperous Economy, Liveable City and Strong Community as is defined under the Council strategic framework outcomes	Maximise visitor spending by holding at least 13 major ticketed events at Venues Ōtautahi venues[1]. 'Events Economics Tool' used to estimate visitor spending on a sample of major events	Due to the return to Alert Level 4 from 18 August 2021 Venues Ōtautahi has not held a major event in the first half of the 2022 financial year.
Contribute direct economic benefit to the region[2] through implementation of local procurement strategy where commercially viable	70% of food and beverage product lines procured from Canterbury	Venues Ōtautahi focus remains strongly on continuing to celebrate and source local with 81% of all food and beverage sourced from Canterbury suppliers for the period 1 July to 31 December 2021
Social and Cultural Impact		
Maximise attendance at Venues Ōtautahi venues which contributes to a Liveable City and Strong Community Council strategic framework outcomes	Guests to venues exceed 500,000	Attendance at Venues Ōtautahi venues prior to the Alert Level change on 18 August 2021 was 88,379. Total attendance to 31 December 2021 including the CDHB vaccination drive through at the Christchurch Arena was 150,531. Due to the continued restrictions under the current Covid-19 Framework (red setting) this target will not be met in the 2022 financial year
Develop and implement a prioritisation framework to reflect non-discretionary community benefit events.	Prioritisation framework developed	Development of the prioritisation framework will commence in early 2022 in conjunction with CCC officers.
Develop and implement a prioritisation framework to reflect syndicate community fund allocation	Prioritisation framework developed	The community fund and supporting prioritisation framework for allocating the community fund will be established when the Ōtautahi Collective syndicate is formally in place. Ōtautahi Collective discussions commenced in October with the expectation the syndicate will be formally established in mid-2022 once a normal level of event activity returns to the venues.
Make venues available to support local community groups/individuals	At least 35 events receive the community rate or $50,000 of syndicate community funds are allocated to community groups or individuals	Venues Ōtautahi focus remains strongly on community access and connection to their venues. With 11 groups or individuals having received the community rate in July and August 2021, this target is well on track.

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	
	2021/2022	PROGRESS AS AT 31 DECEMBER 2021
Client and Guest Experience		
Client Net Promoter Score (NPS3)	Achieve greater than 45 NPS3 during the year	Given the constraints on delivering events in the latter half of the quarter and the development of new supporting software, the first client surveys for FY21/22 will be distributed in mid-2022 once a normal level of event activity returns to the venues.
Guest NPS3	Achieve greater than 45 NPS3 during the year	Given the constraints on delivering events in the latter half of the quarter and the development of new supporting software, the first guest NPS surveys for FY21/22 will be distributed in mid-2022 once a normal level of event activity returns to the venues.
People and Relationships		
Employee NPS3	Implement an employee NPS3 target using baseline data	New supporting software for staff NPS surveys is being finalised and will align with staff and client measures with a staff baseline of greater than 45 NPS3 during the year is the target. The first survey for FY21/22 will be distributed, in Q3. This is delayed due to the focus of the business on Covid-19 response and recovery.
Make venues available to support local community groups/individuals	At least 35 events receive the community rate or $50,000 of syndicate community funds are allocated to community groups or individuals	Venues Ōtautahi focus remains strongly on community access and connection to their venues. With 11 groups or individuals having received the community rate in July and August 2021, this target is well on track.
Asset Care		
Ensure assets are maintained at a suitable level for general use at all venues.	The Asset Management Plan (AMP) is reviewed and updated annually, and asset maintenance is compliant with the AMP timetable.	Due to constraints of Covid-19 on supply of materials and services, the Asset Management Plan is slightly off track however is expected to return to on track by early 2022 with the reprioritisation of some aspects of the capital programme.
Health, Safety and Wellbeing		
Maintain a comprehensive health, safety, and wellbeing strategy	Continuously improve the health, safety, and wellbeing strategy	Venues Ōtautahi focus remains strongly on the continuous improvement of the health, safety and wellbeing of all key stakeholders. A review of the current software system, third party engagement, safe delivery of events where possible under Covid-19 restrictions and preparing for a return to events with Covid-19 vaccination certificates has been a focus of the quarter.
Digital Transformation		
Reimagine the Venues Ōtautahi business through digital transformation	Develop digital transformation strategy	Digital transformation strategy on track to be developed by Q4 FY21/22

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	
	2021/2022	PROGRESS AS AT 31 DECEMBER 2021
Te Kaha (formerly CMUA)		
Play our part in the design of Te Kaha and ensure the operational fundamentals are reflected in the design of the new venue	Operator engagement in the design and early construction phases of Te Kaha	As operator of Te Kaha Venues Ōtautahi has had intensive engagement in the preliminary design process during the quarter.
Maximise the social, cultural, and economic impact of Te Kaha for the people of Christchurch	Develop commercial and community engagement strategy for Te Kaha	Commercial strategy is in development and is on track to be developed by Q4 FY21/22. Brand development strategy is in development and is on track to be developed by end Q3 FY21/22. Community engagement strategy is on track to be developed by end Q3 FY21/22 and will dovetail into the Te Kaha Project Delivery Board Communications plan.
Sustainability		
Contribute to reducing the City's carbon footprint	Develop and implement a sustainability strategy that supports the reduction in the city's carbon footprint target	Sustainability strategy is on track to be developed by Q4 FY21/22 and will integrate with the Te kaha Sustainability Strategy also in development.
	Develop benchmark sustainability targets to contribute to reducing the city's carbon footprint.	Sustainability target developed with an ultimate carbon zero outcome by 2030 the goal.
Governance		
Report to Shareholder .	Meet all Local Government Act (LGA) and Council reporting deadlines.	All Local Government Act (LGA) and Council reporting deadlines met.

1 **Major Events are defined as follows:**

- Arena: Event attendance > 5000
- Stadium: Ticketed events other than Super Rugby and NPC games
- Hagley Oval: International cricket or large ticketed matches such as the Black Clash

2 **Region defined as:**

- Christchurch/Canterbury – can include National or International suppliers if their point of origin is Canterbury

3 **Net Promoter Score**

- Any Net Promoter Score above 0 is 'good' and means that your audience is more loyal than not.
- A score above 20 is considered 'favourable'.
- Anything above 50 is excellent and means your organisation has considerably more satisfied customers than dissatisfied ones.
- An NPS score above 80 is World Class and means customers love you and your company generates a lot of positive word-of-mouth referrals.

Christchurch City Council

Item 14

Attachment C

`1

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO
31 DECEMBER 2021

VENUES
ŌTAUTAHI

CONTENT

Christchurch City Council

0.1 BUSINESS AND FINANCIAL OVERVIEW

Venues Ōtautahi's mission is to attract, plan and deliver events and take care of the venues in a sustainable, commercially prudent manner with the aim that the economic, social and cultural benefits deliver a compelling return on investment relative to the whole of life costs of developing, maintaining and operating the venues.

The first half of FY21/22 was full of challenge, opportunity and demonstrated the real value of transformational changes made to the Venues Ōtautahi (VŌ) business in the year prior.

These changes, along with a strong and ahead of budget first two months of the year, enabled the business to respond and be resilient to the impacts of the immediate decimation of all event revenue as New Zealand returned to Covid-19 Alert Level 4 on 18 August 2021.

Covid-19 Alert Level 4 was initially in place for three days however with the Delta strain of the virus spreading rapidly through predominantly the Auckland region and with cases spreading into surrounding regions New Zealand remained at various levels of restrictions between 18 August and 3 December, when the Covid-19 Protection Framework and traffic light settings came into place.

Financial results summary as follows:

The Company recorded an interim operating surplus (before net interest, depreciation and tax) of $0.80 million for the six months to 31 December 2021 (December 2020: $0.43 million).

	Six months to 31 Dec (Unaudited) $000	Six months to 31 Dec (Unaudited) $000	Year ended 30 June (Audited) $000
Operating revenue	8,019	6,588	15,729
Operating expenses	7,218	6,160	14,616
Net operating surlpus/(deficit)	801	429	1,113
Other revenue and expenses	(4,647)	(4,694)	(9,524)
Operating surlpus/(deficit) before tax	(3,846)	(4,265)	(8,411)
Income tax income from operations	1,077	1,194	2,204
Net surplus/(deficit)	(2,769)	(3,071)	(6,207)

Directors

The persons holding office as Directors of the Company for the financial year to 31 December 2021 were:

Gill Cox (Chair)
Tim Scandrett
Brent Ford

For and on behalf of the Board

-- 23 February 2022
DIRECTOR DATE

-- 23 February 2022
DIRECTOR DATE

Attachment C Item 14

0.2 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2021

	Six months to 31 Dec 2021 (Unaudited) $000	Six months to 31 Dec 2020 (Unaudited) $000	Year ended 30 June 2021 (Audited) $000
Revenue	8,019	6,588	15,729
Expenses	3,824	3,570	8,725
Personnel costs	3,393	2,590	5,891
Surplus/(deficit) before other expenses and income tax expense	801	429	1,113
Other revenue and expenses			
Interest revenue	(13)	(7)	(17)
Depreciation and amortisation	4,089	4,119	8,233
Finance costs	582	582	1,154
Transition costs	-	20	21
(Gain)/Loss on disposal of assets	(12)	(20)	133
Total other expenses	4,647	4,694	9,524
Surplus/(deficit) before income tax expense from operations	(3,846)	(4,265)	(8,411)
Income tax income from operations	1,077	1,194	2,204
Surplus/(deficit) from operations for the year	(2,769)	(3,071)	(6,207)
Other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense	(2,769)	(3,071)	(6,207)

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

0.3 STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

	Capital	Asset revaluation Reserve	Accumulated surpluses / (deficits)	Total
	$000	$000	$000	$000
Balance at 1 July 2020	234,636	14,540	(68,184)	180,992
Total comprehensive revenue and expense for the period				
Surplus/(Deficit) for the year	-	-	(3,071)	(3,071)
Total comprehensive revenue and expense for the year	-	-	(3,071)	(3,071)
Transactions with owners, recorded directly in equity				
Share issue - ordinary shares	10,000	-	-	10,000
Total contributions by, and distributions to, owners	10,000	-	-	10,000
Balance at 31 December 2020 (Unaudited)	244,636	14,540	(71,255)	187,921
Balance at 1 July 2020	234,636	14,540	(68,184)	180,992
Total comprehensive revenue and expense for the period				
Surplus/(Deficit) for the year	-	-	(6,207)	(6,207)
Total comprehensive revenue and expense for the year	-	-	(6,207)	(6,207)
Transactions with owners, recorded directly in equity				
Share issue - ordinary shares	10,000	-	-	10,000
Total contributions by, and distributions to, owners	10,000	-	-	10,000
Balance at 30 June 2021 (Audited)	244,636	14,540	(74,391)	184,785
Balance at 1 July 2021	244,636	14,540	(74,391)	184,785
Total comprehensive revenue and expense for the period				
Surplus/(Deficit) for the year	-	-	(2,769)	(2,769)
Total comprehensive revenue and expense for the year	-	-	(2,769)	(2,769)
Transactions with owners, recorded directly in equity				
Share issue - ordinary shares	-	-	-	-
Total contributions by, and distributions to, owners	-	-	-	-
Balance at 31 December 2021 (Unaudited)	244,636	14,540	(77,159)	182,017

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

0.4 STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	31-Dec-21 (Unaudited) $000	31-Dec-20 (Unaudited) $000	30-Jun-21 (Audited) $000
Current assets			
Cash and cash equivalents	7,404	6,780	7,214
Trade and other receivables	6,666	459	720
Other financial assets	-	4,000	2,000
Inventories	298	291	324
Other current assets	771	621	87
Total current assets	15,139	12,151	10,345
Non-current assets			
Property, plant & equipment	210,200	216,309	213,675
Intangible assets	143	111	171
Deferred tax assets	11,799	10,095	11,799
Total non-current assets	222,142	226,515	225,645
Total assets	237,282	238,666	235,991
Current liabilities			
Trade and other payables	9,819	5,030	2,693
Employee entitlements	484	367	561
Current tax payables	(46)	(163)	1,031
Total current liabilities	10,257	5,234	4,285
Non-current liabilities			
Trade and other payables	1	3	1,914
Borrowings	15,885	15,885	15,885
Deferred tax liabilities	29,122	29,623	29,122
Total non-current liabilities	45,008	45,511	46,921
Total liabilities	55,265	50,745	51,206
Net assets	182,017	187,921	184,785
Equity			
Capital and other equity instruments	244,636	244,636	244,636
Asset revaluation reserve	14,540	14,540	14,540
Accumulated surpluses/(deficits)	(77,159)	(71,255)	(74,391)
Total equity	182,017	187,921	184,785

For and on behalf of the Board

Director	23 February 2022 Date	Director	23 February 2022 Date

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

0.5 STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

	Six months to 31 Dec 2021 (Unaudited) $000	Six months to 31 Dec 2020 (Unaudited) $000	Year ended 30 June 2021 (Audited) $000
Cash flows from operating activities			
Receipts from customers	4,186	4,136	12,031
Subvention received	-	-	-
Council operating grant	2,025	1,875	2,500
Government wage subsidy and resurgence support payment	1,839	1,617	907
Payments to suppliers and employees	(8,664)	(7,236)	(14,593)
Net GST movement	(91)	116	(26)
Net cash provided by (used in) operating activities	(705)	508	819
Cash flows from investing activities			
Purchase of investments	-	(4,000)	(10,000)
Pre-paid lease rental revenue	134	268	268
Payment for property, plant & equipment	(676)	(10,717)	(12,039)
Interest received	16	25	33
Sale of property, plant & equipment	-	-	13
Maturity of investments	2,000	2,000	10,000
Net cash provided by (used in) investing activities	1,474	(12,424)	(11,725)
Cash flows from financing activities			
Proceeds from issues of equity securities	-	10,000	10,000
Interest and other finance costs paid to related party	(579)	(579)	(1,154)
Net cash provided by (used in) financing activities	(579)	9,421	8,846
Net increase in cash and cash equivalents	190	(2,495)	(2,060)
Cash and cash equivalents at beginning of year	7,214	9,274	9,274
Cash and cash equivalents at end of year	7,404	6,779	7,214

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

0.6 NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2021

STATEMENT OF COMPLIANCE

The unaudited interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with NZ PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended 30 June 2021.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim financial statements are consistent with those in the annual financial statements for the year ended 30 June 2021.

Contingencies

The Company had no material contingent assets or liabilities as at 31 December 2021.

Events subsequent to balance date

In January 2022 the country entered the red traffic light setting of the Covid-19 Protection framework due to the Omicron variant of the virus spreading within the community. Red traffic light settings restrict gatherings to 100 people. As restrictions came into play, VŌ immediately developed a Covid-19 Omicron Response and Recovery Strategy to protect the business and to position it in the best way possible for a strong return.

The purpose of the Strategy was to, with urgency, develop a range of initiatives to seek to reduce costs, generate alternative revenue streams, protect valuable client relationships and future business.

There are no other material events known to the Directors occurring after balance date that would have a significant impact on the financial statements for the six months ended 31 December 2021.

Christchurch City Council

Item 14

Attachment C

0.7 STATEMENT OF SERVICE PERFORMANCE

OPERATIONAL PERFORMANCE TARGETS

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	
	2021/2022	PROGRESS AS AT 31 DECEMBER 2021
Economic Impact		
Attract and manage events that generate positive financial impact contributing to a Prosperous Economy, Liveable City and Strong Community as is defined under the Council strategic framework outcomes	Maximise visitor spending by holding at least 13 major ticketed events at Venues Ōtautahi venues[1] 'Events Economics Tool' used to estimate visitor spending on a sample of major events	Due to the return to Alert Level 4 from 18 August 2021 Venues Ōtautahi has not held a major event in the first half of the 2022 financial year.
Contribute direct economic benefit to the region[2] through implementation of local procurement strategy where commercially viable	70% of food and beverage product lines procured from Canterbury	Venues Ōtautahi focus remains strongly on continuing to celebrate and source local with 81% of all food and beverage sourced from Canterbury suppliers for the period 1 July to 31 December 2021
Social and Cultural Impact		
Maximise attendance at Venues Ōtautahi venues which contributes to a Liveable City and Strong Community Council strategic framework outcomes	Guests to venues exceed 500,000	Attendance at Venues Ōtautahi venues prior to the Alert Level change on 18 August 2021 was 88,379. Total attendance to 31 December 2021 including the CDHB vaccination drive through at the Christchurch Arena was 150,531. Due to the continued restrictions under the current Covid-19 Framework (red setting) this target will not be met in the 2022 financial year
Develop and implement a prioritisation framework to reflect non-discretionary community benefit events.	Prioritisation framework developed	Development of the prioritisation framework will commence in early 2022 in conjunction with CCC officers.
Develop and implement a prioritisation framework to reflect syndicate community fund allocation	Prioritisation framework developed	The community fund and supporting prioritisation framework for allocating the community fund will be established when the Ōtautahi Collective syndicate is formally in place. Ōtautahi Collective discussions commenced in October with the expectation the syndicate will be formally established in mid-2022 once a normal level of event activity returns to the venues.
Make venues available to support local community groups/individuals	At least 35 events receive the community rate or $50,000 of syndicate community funds are allocated to community groups or individuals	Venues Ōtautahi focus remains strongly on community access and connection to their venues. With 11 groups or individuals having received the community rate in July and August 2021, this target is well on track.

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	
	2021/2022	PROGRESS AS AT 31 DECEMBER 2021
Client and Guest Experience		
Client Net Promoter Score (NPS3)	Achieve greater than 45 NPS3 during the year	Given the constraints on delivering events in the latter half of the quarter and the development of new supporting software, the first client surveys for FY21/22 will be distributed in mid-2022 once a normal level of event activity returns to the venues.
Guest NPS3	Achieve greater than 45 NPS3 during the year	Given the constraints on delivering events in the latter half of the quarter and the development of new supporting software, the first guest NPS surveys for FY21/22 will be distributed in mid-2022 once a normal level of event activity returns to the venues.
People and Relationships		
Employee NPS3	Implement an employee NPS3 target using baseline data	New supporting software for staff NPS surveys is being finalised and will align with staff and client measures with a staff baseline of greater than 45 NPS3 during the year is the target. The first survey for FY21/22 will be distributed, in Q3. This is delayed due to the focus of the business on Covid-19 response and recovery.
Make venues available to support local community groups/individuals	At least 35 events receive the community rate or $50,000 of syndicate community funds are allocated to community groups or individuals	Venues Ōtautahi focus remains strongly on community access and connection to their venues. With 11 groups or individuals having received the community rate in July and August 2021, this target is well on track.
Asset Care		
Ensure assets are maintained at a suitable level for general use at all venues.	The Asset Management Plan (AMP) is reviewed and updated annually, and asset maintenance is compliant with the AMP timetable.	Due to constraints of Covid-19 on supply of materials and services, the Asset Management Plan is slightly off track however is expected to return to on track by early 2022 with the reprioritisation of some aspects of the capital programme.
Health, Safety and Wellbeing		
Maintain a comprehensive health, safety, and wellbeing strategy	Continuously improve the health, safety, and wellbeing strategy	Venues Ōtautahi focus remains strongly on the continuous improvement of the health, safety and wellbeing of all key stakeholders. A review of the current software system, third party engagement, safe delivery of events where possible under Covid-19 restrictions and preparing for a return to events with Covid-19 vaccination certificates has been a focus of the quarter.
Digital Transformation		
Reimagine the Venues Ōtautahi business through digital transformation	Develop digital transformation strategy	Digital transformation strategy on track to be developed by Q4 FY21/22

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	
	2021/2022	PROGRESS AS AT 31 DECEMBER 2021
Te Kaha (formerly CMUA)		
Play our part in the design of Te Kaha and ensure the operational fundamentals are reflected in the design of the new venue	Operator engagement in the design and early construction phases of Te Kaha	As operator of Te Kaha, Venues Ōtautahi has had intensive engagement in the preliminary design process during the quarter.
Maximise the social, cultural, and economic impact of Te Kaha for the people of Christchurch	Develop commercial and community engagement strategy for Te Kaha	Commercial strategy is in development and is on track to be developed by Q4 FY21/22. Brand development strategy is in development and is on track to be developed by end Q3 FY21/22. Community engagement strategy is on track to be developed by end Q3 FY21/22 and will dovetail into the Te Kaha Project Delivery Board Communications plan.
Sustainability		
Contribute to reducing the City's carbon footprint	Develop and implement a sustainability strategy that supports the reduction in the city's carbon footprint target	Sustainability strategy is on track to be developed by Q4 FY21/22 and will integrate with the Te Kaha Sustainability Strategy also in development.
	Develop benchmark sustainability targets to contribute to reducing the city's carbon footprint.	Sustainability target developed with an ultimate carbon zero outcome by 2030 the goal.
Governance		
Report to Shareholder .	Meet all Local Government Act (LGA) and Council reporting deadlines.	All Local Government Act (LGA) and Council reporting deadlines met.

1. Major Events are defined as follows:
- Arena: Event attendance > 5000
- Orangetheory Stadium: Ticketed events other than Super Rugby and NPC games
- Hagley Oval: International cricket or large ticketed matches such as the Black Clash
2. Regional is Christchurch and Canterbury. This can include National or International suppliers if their point of origin is Canterbury.
3. The visitor numbers include events such as concerts and sports (ticketed events), dinners, conferences, expo's and trade shows (unticketed events). Visitor numbers for expo's and trade shows are captured using a clicker system at the entry point to the venue.
4. Any Net Promoter Score above 0 is 'good' and means that your audience is more loyal than not. A score above 20 is considered 'favourable'. Anything above 50 is excellent and means your organisation has considerably more satisfied customers than dissatisfied ones. An NPS score above 80 is World Class and means customers love you and your company generates a lot of positive word-of-mouth referrals.

FINANCIAL PERFORMANCE TARGETS

The following lists the financial and operating performance targets set by the Company in its Statement of Intent for the year to 30 June 2021 and reports on progress to date against these targets.

	31-Dec-21	31-Dec-21	31-Dec-21	30-Jun-22
	Actual	Target	Variance	Target
	$000	$000	$000	$000
Direct operating income	4,111	7,455	(3,344)	13,863
Grant revenue received from Council	1,967	2,025	(58)	4,050
Government wage subsidy	1,839	-	1,839	-
Less: Direct operating expenses	4,295	5,893	1,598	11,160
Less: Net operating overheads and fixed costs	2,820	3,241	421	6,316
EBITDA	801	346	456	437

Commentary actual verses budget result

The year-to-date EBITDA is $801k against a budget of $346k for the six-month period to 31 December 2021.

Direct operating income was strong in July and August 2021 with 56 events held across all venues prior to the return to Alert Level 4 from 18 August 2021. This allowed for a strong start to the financial year with a positive variance of $574k against budget for the first quarter to 30 September 2021.

VŌ held 53 events (Budget: 113) between 1 October and 31 December 2021 under alert level restrictions. The negative direct operating income against budget for the second quarter, including food and beverage was $2.5 million (YTD $3.3 million).

The loss in revenue has been partially offset by the Covid-19 Wage Subsidy and Inland Revenue Resurgence Support Payment with $1.8 million received for the period to 31 December 2021.

Due to the ongoing impacts of Covid-19 and return to alert level restrictions the company has implemented a response and recovery plan which included placing recruitment on hold and reducing services across all venues where appropriate.

The forecast capital structure is:

	31-Dec-21	30-Jun-22
	Actual	Target
	$000	$000
Issued shares and other equity instruments	244,636	245,436
Debt	15,885	15,885
Total assets	237,282	231,419

Ratio of shareholders funds to total assets:

Actual	Target
77%	80%

Christchurch City Council

Major facilities repair/rebuild

	31-Dec-21	30-Jun-22
	Actual	Target
	$000	$000
Asset Management Plan	392	4,297
Operational Equipment	295	945
	687	5,242

Due to constraints of Covid-19 on supply of materials and services, the Asset Management Plan is slightly off track however is expected to return to on track by early 2022 with planned capex of $4.1 million in the second half of the 2022 financial year.

15. Transwaste Canterbury Ltd - Annual Report 2020/21

Reference Te Tohutoro:	22/62164
Report of Te Pou Matua:	Linda Gibb, Performance Advisor, Resources Group (linda.gibb@ccc.govt.nz).
General Manager Pouwhakarae:	Leah Scales, Acting General Manager/CFO, Resources Group (leah.scales@ccc.govt.nz).

1. Brief Summary

1.1 The purpose of this report is to present Transwaste Canterbury Ltd's Annual Report for the year ended 30 June 2021. The report has been written as a result of receiving the audited Annual Report on 17 January 2021.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Notes Transwaste Canterbury Ltd's Annual Report for the year ended 30 June 2021.

2.1 Section 67 of the Local Government Act 2002 (LGA) requires the board of a Council-controlled organisation (CCO) to deliver an annual report to shareholders within three months after the end of the financial year. The Annual Report was submitted well after this time due to resource constraints at AuditNZ as a result of border closures which has led to delayed audits.

2.2 The following table presents Transwaste's financial outturn for the 2020/21 year compared with its Statement of Intent (SOI) targets and the prior year's performance:

	Actual $000	SOI target $000	Last year $000
Revenue	54,280	43,647	47,374
Expenses	35,035	29,766	28,934
Earnings before interest and tax	**19,245**	**13,881**	**18,440**
Net profit after tax	13,773	Not forecast	13,527
Cash generated from operations	19,000	Not forecast	19,397
Total assets	72,487	Not forecast	86,942
Total dividends	22,100	21,997	16,900
• CCC 38.9% share	8,597	8,556	6,574

2.3 **Against SOI targets**, operating performance was better than expected largely due to the unexpectedly strong growth of the New Zealand economy following the COVID-19 restrictions of 2020. Waste to the Kate Valley landfill was 27% higher than expected, contributing to increased earnings before interest and tax (EBIT) of $5.3 million (+36%) and net profit after tax (NPAT) of $13.8 million.

2.4 **Against the prior year 2019/20**, EBIT, NPAT and cash generated have only minor variances - EBIT is $0.8 million higher (4.4%) and NPAT is $0.2 million higher (1.8%). The key difference in performance is with respect to the larger dividend distributed to shareholders of $5.2 million reflecting a progress payout of capital with around $5 million still held back for addressing any residual issues potentially associated with operations and closure of the Burwood Resource Recovery Park (BRRP).

The BRRP project which dealt with post-earthquake demolition and construction waste has now been completed and the land was handed back to the Council in May 2021.

2.5 **Balance sheet –** roughly one third of cash generated over the year of $19 million was reinvested in the business ($6.8 million) and two thirds was distributed to shareholders ($12 million). A further $10 million was paid to shareholders, drawn from cash held on the Balance Sheet, making a total distribution of $22 million. Total assets reduced accordingly by the $10 million release of cash and by a further $4.5 million due to an increase in the provision for restoration costs of the landfills at the end of their economic lives (in about 24 years' time) of $3.5 million.

Non-financial performance

2.6 There are two performance targets that were not met by 30 June 2021. Both were advised to the shareholding councils at the half-year report, as follows:

- there was an incident of minor damage to a third party vehicle by a contractor which has led to the performance target 'no traffic incidents where Transwaste's main contractor Canterbury Waste Services' drivers are at fault' not being met; and
- employees of Canterbury Materials Recovery Facility, the Transwaste subsidiary company that was providing waste management services at the BRRP were unable to access the targeted 10 hours per FTE annually of staff training. This was due to the run down and cessation of activities at the BRRP.

2.7 There are a number of other targets that are identified as being 'on track' or 'in progress'. These targets are long range and relate to the three year period of the current SOI. They are mostly targets for sustainable environment performance, and within that category measuring and reducing greenhouse gas emissions.

Attachments Ngā Tāpirihanga

No.	Title	Page
A ⇩	Transwaste Canterbury Ltd Annual Report 2020/21	302

Additional background information may be noted in the below table:

Document Name	Location / File Link
Nil	Nil

Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

(a) This report contains:

(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

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

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Len Van Hout - Manager External Reporting & Governance Leah Scales - Acting General Manager Resources/Chief Financial Officer

Transwaste Canterbury Limited

Annual Report

For the year ended 30 June 2021

The Board of Directors is pleased to present the Annual Report of Transwaste Canterbury Limited for the year ended 30 June 2021

For and on behalf of the board

W G Cox
Chairman

G S James
Director

26 November 2021

Contents

Directory

Company Number	951024
Registered Office and Address for Service	PricewaterhouseCoopers Level 4, 60 Cashel Street Christchurch 8013
Directors	Mr W G Cox (Chairperson) Mr G S James Mr I G Kennedy Mr R B McKenzie (finished 31 December 2020) Mr T H Nickels Mr R A Pickworth Mr P S Mauger Mr G S Miller Mrs M E Cadman (alternate director, finished 31 March 2021) Mr H E G Maehl (alternate director, commenced as director 31 December 2020)

Shareholders

	No of Shares (Ordinary)
Waste Management NZ Limited	10,000,000
Christchurch City Council	7,780,000
Waimakariri District Council	780,000
Selwyn District Council	600,000
Ashburton District Council	600,000
Hurunui District Council	240,000
	20,000,000

Company Secretary	PricewaterhouseCoopers Level 4, 60 Cashel Street Christchurch 8013	
Auditors	Audit New Zealand on behalf of the Auditor-General	
Solicitors	Buddle Findlay 83 Victoria Street Christchurch 8013	Chapman Tripp Level 5, 60 Cashel Street Christchurch 8013
Bankers	Westpac Banking Corporation 83 Cashel Street Christchurch 8011	
Principal Activity	To own, operate and continue development of a non-hazardous regional landfill in Canterbury.	

Directors' Report to the Shareholders
For the year ended 30 June 2021

Your directors take pleasure in presenting their Annual Report including the financial statements of the group for the year ended 30 June 2021.

Principal Activities

The company was incorporated on 31 March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury.

The company has one 100% owned operating subsidiary, Burwood Resource Recovery Park Limited (BRRP), which is a company set up to operate a Christchurch Earthquake demolition waste material management and recovery facility and to operate a landfill for disposal of residual demolition waste.

The subsidiary, Tiromoana Station Limited, was amalgamated into the parent company on 31 March 2020. Tiromoana owned the property within which the landfill site is located, with its principal purposes including holding land for landfill activities, forestry and conservation activities.

The group includes a further six wholly owned name protection subsidiaries, all of which are inactive and have no assets and liabilities.

State of Affairs

The nature of the group's business activities remained unchanged during the accounting period.

In relation to the subsidiary, Burwood Resource Recovery Park Limited, the company stopped receiving earthquake related demolition waste on 20 December 2019.

The BRRP financial statements continue to be prepared on a going concern basis as, whilst it has ceased the receipt of earthquake waste, the subsidiary has continued with the progressive closure, capping and landscaping of the landfill cells. The site has been handed back to Christchurch City Council and minor landscaping works remain to be completed. Burwood Resource Recovery Park Limited has sufficient cash resources to meet any known or potential future costs.

The results of operations during the period, financial position and state of affairs of the group are as detailed in the accompanying financial statements.

Directors' Remuneration

	Directors Fees $	Other Remuneration $
Mr W G Cox	74,213	-
Mr R B McKenzie	21,553*	-
Mr T H Nickels	37,107*	-
Mr G S James	40,106*	-
Mr I G Kennedy	37,107*	-
Mr P S Mauger	37,107	-
Mr R A Pickworth	40,106	-
Mr G S Miller	37,107	-

Directors' Report to the Shareholders

For the year ended 30 June 2021

Mrs M E Cadman (alternate)	-	-
Mr H E G Maehl*	18,554	-

*The directors fees for these directors are paid to the companies they represent.

All directors' fees are in respect of the parent company. Board members who are appointed by the parent to represent it on the board of a subsidiary do not receive additional directors' fees. The board of the subsidiary, BRRP, comprises all members of the Transwaste Board, except for the alternate directors.

No other remuneration or benefits have been paid to directors. The fees and remuneration have been entered in the interests register.

Directors' Interests

The company is required to maintain an interests register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests register for the company is available for inspection by shareholders at the registered office.

The directors have disclosed an interest in the following entities pursuant to section 140 of the Companies Act 1993:

MR W G COX

	Position Held
Burwood Resource Recovery Park Limited	Director
Elastomer Products Limited	Director
Independent Fisheries Limited	Director
Barlow Brothers NZ Limited	Director
Anderson Lloyd	Board Member
MOTUS Health Limited	Director
Hurunui Biodiversity Trust	Trustee
Waimakariri Irrigation Limited and subsidiary (commenced 1 July 2020)	Director
Venues Otautahi Limited (commenced 1 September 2021)	Director
CMUA Project Delivery Limited (commenced 9 September 2021)	Director
Committee for Canterbury	Trustee
Project Crimson	Trustee

MR R B MCKENZIE (finished 31 December 2020)

	Position Held
Burwood Resource Recovery Park Limited (finished 31 December 2020)	Director
Waste Management NZ Limited	Consultant
Waste Disposal Services	Executive Committee Member

MR I G KENNEDY

	Position Held
Burwood Resource Recovery Park Limited	Director
Waste Management NZ Limited	Employee

Directors' Report to the Shareholders

For the year ended 30 June 2021

MR T H NICKELS

	Position Held
Burwood Resource Recovery Park Limited	Director
Beijing Capital Group NZ Investment Holding Limited (finished 31 December 2020)	Director
Waste Management NZ Limited, plus various wholly owned subsidiaries (finished 31 December 2020)	Director
Waste Management NZ Limited (finished 31 December 2020)	Employee
Waste Disposal Services (finished 31 December 2020)	Executive Committee Member (alternate)
Midwest Disposals Limited (finished 31 December 2020)	Director
KT Advisory Limited (commenced 20 November 2020)	Director

MR G S JAMES

	Position Held
Burwood Resource Recovery Park Limited	Director
Canterbury Material Recovery Facilities Limited	Director
Waste Management NZ Limited	Employee

MR R A PICKWORTH

	Position Held
Burwood Resource Recovery Park Limited	Director
Westpower Limited, plus various wholly owned subsidiaries	Director
Westroads Limited	Director
Ashburton Contracting Limited	Director
Whitestone Contracting Limited	Director
Pipeline Group Limited, plus various wholly owned subsidiaries	Director
McLenaghan Contracting Limited (commenced 1 August 2020)	Director

Directors' Report to the Shareholders
For the year ended 30 June 2021

MRS M E CADMAN (Alternate Director, finished 31 March 2021)

	Position Held
Waste Management NZ Limited (finished 31 March 2021)	Employee

MR H E G MAEHL (Alternate Director, commenced as director 31 December 2020)

	Position Held
Burwood Resource Recovery Park Limited (commenced 31 December 2020)	Director
Beijing Capital Group NZ Investment Holding Limited (commenced 31 December 2020)	Director
Waste Management NZ Limited, plus various wholly owned subsidiaries	Director
Waste Management NZ Limited	Employee
Midwest Disposals Limited	Director
Waste Disposal Services (commenced 1 March 2021)	Executive Committee Member

MR P S MAUGER

	Position Held
Burwood Resource Recovery Park Limited	Director
Christchurch City Council	Councillor
Coastal-Burwood Community Ward	Board Member
Canterbury Regional Landfill Joint Committee	Committee Member
Otautahi Community Housing Trust	Trustee
Civic Building Limited	Director
TMC Trailers Limited	Shareholder
M&M Aggregates Limited	Shareholder and Director
Harewood Holdings Limited	Shareholder and Director
25 KBR Limited	Shareholder and Director
Rookwood Holdings Limited	Director
Rowwdy Limited	Shareholder
NZ Transport Engineering Limited	Shareholder
Maugers Contracting Limited	Shareholder and Director

MR G S MILLER

	Position Held
Burwood Resource Recovery Park Limited	Director
Selwyn District Council	Councillor
Canterbury Regional Landfill Joint Committee	Committee Member
Central Plains Water Limited	Director
Porahui Farms Limited	Shareholder

Directors' Report to the Shareholders
For the year ended 30 June 2021

All transactions the group has entered into with parties in which directors hold directorships have been entered into in the ordinary course of business.

Directors' Remuneration and Other Benefits
Details of the directors' remuneration are provided above.

Information used by Directors
No member of the board of Transwaste Canterbury Limited issued a notice requesting to use company information received in their capacity as directors which would not otherwise have been available to them.

Indemnification and Insurance of Officers and Directors
The group indemnifies all directors named in this report against all liabilities (other than to the company) that arise out of the performance of their normal duties as director, unless the liability relates to conduct involving lack of good faith. To manage this risk, the company has indemnity insurance. The annual cost of this insurance is $27,815 (2020: $27,275).

Dividend

The general policy for the company is to declare dividends calculated at 100% of the parent company net profit after tax after allowing for working capital requirements, as set out in the company's Statement of Intent. Dividends of $22,100,000 were paid during the year, including interim project dividends of $10,000,000 relating to the Burwood Recovery Park project.

A final dividend in relation to the 2021 year of $8,400,000, which was declared after balance date, is disclosed in note 7.

Donations

The parent company made donations of $86,304 to the Kate Valley Landfill Community Trust (2020: $81,676) during the year.

Auditor's Remuneration

The auditor of the group is Audit New Zealand, acting on behalf of the Auditor-General.

The annual remuneration for auditing services for the group provided by Audit New Zealand was $63,271 (2020: $65,144). No other services were provided by the auditor.

Chairman's Review
For the year ended 30 June 2021

REVIEW BY THE CHAIR

Year Ended 30 June 2021

Uncertainty, Challenge, but ultimately 'Pretty Darned Good'.

This line summarises Transwaste's 2020/21 year.

The year started in July 2020 with NZ having emerged from the national Covid-19 lockdown. The initial surge of activity, while anticipated post lockdown, was not expected to continue.

That expectation, over time, was proven wrong, with the country experiencing continuing strong, and in some sectors unprecedented levels of activity.

As the waste sector has always known, its own fortunes have closely followed general economic activity, especially as evidenced through the level of activity in the retail, commercial, and construction sectors.

Kate Valley Operations
While Transwaste is fully committed to supporting efforts to achieve waste minimisation and recycling, the performance of the Company's core operations at the Kate Valley landfill are driven by the number of residual tonnes sent to the facility for disposal.

These tonnes produce revenue from both landfilling operations and from the transport of a significant proportion of the waste from transfer stations to the landfill.

Budget quantities for the 2020/21 year were established at the time of the country entering lockdown, and while performance against these was expected to be uncertain, actual tonnage handled for the year was as follows-

	Actual Tonnes 2020/21	Budgeted Tonnes 2020/21
Waste to landfill	350,969	275,438
Waste transport	209,533	172,029

This resulted in waste derived revenue for Kate Valley being $50,465,000 against a budget of $40,047,000 (Last year actual $47,135,000).

This revenue has been earned while Transwaste has maintained its landfill disposal charge within the lower quartile range of all published landfill disposal charges in New Zealand.

The other major source of revenue at the landfill derives from the landfill essentially being a very large anaerobic digestor producing landfill gas which is used to feed internal combustion engines/generators to produce electricity supplied to the national grid. Management of landfill gas is highly technical to ensure the safety of the landfill and those working within its confines; and also to optimize the revenue from the energy produced.

During the 2020/21 year the revenue from energy produced from landfill gas was $1,853,000 against a budget of $1,958,000 (Last year actual $1,993,000). The energy generated and exported to the national grid was 20,386 MWh versus a planned level of exported energy of 22,320 MWh and 21,034 MWh last year.

Chairman's Review
For the year ended 30 June 2021

Reasons for this somewhat disappointing result were: constraints imposed by the electricity lines operator controlling the export of electricity from the Kate Valley generation site; the level of downtime experienced from the 4 generators on site; and the prices obtained for the energy exported. The issues that are able to be influenced by Transwaste are currently being addressed: one through the decision to upgrade the transmission line (although this is not expected to be completed for about a further two years); and the second through a revised preventative maintenance schedule for the generators.

Environmental performance of the Kate Valley landfill and its ancillary operations has seen no breaches of consent conditions, with good controls in respect of leachate, odour, and gas management.

During the year landfill cell and other site development continued in accordance with the long-term plan for the landfill as it approaches the halfway point in its life. In this regard it is pleasing to note that there remains a very close correlation with the initial whole of life plan for the landfill. The total expenditure on landfill development during the 2020/21 year was $3,546,000.

Transwaste has always committed resources to reviewing, and when considered appropriate, investigating the feasibility of emerging and potentially beneficial waste processing initiatives that will reduce the quantum of waste being disposed of in a landfill.

During the past year Transwaste spent $233,000 investigating emerging technologies and while none of these is yet considered sufficiently advanced to be used in NZ, the knowledge gained is considered to be valuable as the waste sector in NZ matures in future years.

Burwood Resource Recovery Park Operations

This operation, conducted through a wholly owned subsidiary of Transwaste Canterbury Ltd, was a project charged with receipt, processing, and disposal of earthquake related demolition and construction waste arising from the series of Canterbury earthquakes during the past decade.

Receipt and processing of this waste was completed in December 2019 – since that date the principal activity on the site has been the final placement of waste and the final shaping and capping of the site. This included the shifting and final placement of earthquake related material controlled by central government as part of its responsibilities post the earthquakes. This final placement was completed in January 2021, with final payment for this work being received from government in October 2021.

The Burwood site was handed back to the Christchurch City Council in May 2021, with subsequent landscaping details being finalised in November 2021.

All environmental conditions and contractual obligations required of Burwood Resource Recovery Park Limited relating to the Burwood site have, at the date of this Review, been met. The project commenced in 2011 and has now been completed.

Health, Safety, and Wellbeing

During the 2020/21 year, Transwaste, across all of its activities, has again had an exemplary record in respect of health and safety with no Lost Time Injuries, and no Medical Treatment Incidents.

This performance, following on similar performances in prior years is testament to the health and safety culture within the organisation and its significant contractors (of which Waste Management NZ Limited is by far the largest and most involved as the provider of landfilling and transport operating activities).

Chairman's Review

For the year ended 30 June 2021

As with all workforces, the issues of wellbeing in the workplace is receiving increased attention – and with the current and likely enduring uncertainties in our society – is likely to continue to receive focus. In particular the matter of mental health of all employees is receiving attention – and if neglected is arguably a significant health, safety, and performance risk. Transwaste is committed (through its principal contractor Waste Management NZ Limited) to ensure where practicable, it works with employees to protect and enhance their mental health and wellbeing.

Tiromoana Bush

During the 2020/21 year the development of this significant legacy asset commenced by Transwaste in 2005 has continued unabated.

There are two drivers for this continued development: firstly, mother nature who has now picked up the mantle and progressed significant natural regeneration of indigenous flora; secondly the intervention and husbandry lead by Professor David Norton with planting, predator, and weed control.

During the past year considerable effort has also been devoted to the review of the long, medium, and short-term management plans for Tiromoana Bush. It is pleasing to note in undertaking this work that has involved a careful review of what has been done to date, that the development of this most important asset for our region is already significantly ahead of where original planning predicted at this early stage of the Bush development.

Sustainability

The notion of sustainability, expressed in its most holistic form, is a key platform on which all decisions relating to the development and operation of the Kate Valley is based. During the past year considerable work has been going on relating to the identification of various critical elements of sustainability and the ways in which these can be measured and reported against in future periods.

A significant challenge for a landfill operator is in measuring and reporting potential and actual carbon emissions, and of course how the landfill operator can reduce these. The challenge arises as a landfill operator is the recipient of others' emissions and has little control over these, and little ability to influence the quantities of waste received – the waste a landfill operator receives is not generated by the operator, but by others. However, Transwaste does have significant control on how landfill emissions are managed. Currently Transwaste captures in excess of 98% of the gas emitted from the landfill. A significant portion of this gas is repurposed to generate electricity that is either used on site or sold into the National Grid.

Transwaste is making significant progress in the identification and reporting of emissions and the adoption of an assurance process that will enable robust future reporting of the Company's emissions profile and initiatives to reduce this.

Financial

The past year has seen Transwaste continue with its policy of paying its net earnings after tax as a dividend (after ensuring the Company has sufficient funding to continue operations and required development). In addition, with the winding down of the Burwood Resource Recovery Park operation, increased dividends from that operation have been paid during the past year.

Chairman's Review

For the year ended 30 June 2021

This has meant that in the year ended 30 June 2021 the following dividends have been paid –

	$ 000
Final Dividend for year ended 30 June 2020 (paid 28 August 2020)	7,100
Interim Dividend for year ended 30 June 2021 (paid 26 February 2021)	5,000
Interim Project Dividends in respect of BRRP Ltd	
(paid 26 March 2021)	5,000
(paid 30 June 2021)	5,000
Total Dividends Paid during the year ended 30 June 2021	$22,100

In addition, a final dividend for the year ended 30 June 2021 amounting to $8,400k was paid to shareholders on 27 August 2021.

Total dividends paid to shareholders from Transwaste and BRRP operations since the inception of each of the Companies amounts to 173,124,000. The amount of capital contributed by shareholders was $16m.

To allow the policy of each year paying essentially all tax paid profits as dividends, while having sufficient funding to continue to meet working capital and landfill development costs, has meant that Transwaste will again revert to managed debt funding. (This had been the policy of the Company until the advent of the Burwood Resource Recovery Park operations, which because of the business model used by Burwood Resource Recovery Park, provided the cash during the life of that project to replace the need for corporate borrowings during the 2012 – 2020 period.)

At 30 June 2021 Transwaste had concluded arrangements for a $15m bank lending facility – of which $nil had been drawn at 30 June 2021. Careful financial management will ensure that, based on existing projections for landfill operations, the facility provides the required financial capacity (including a prudent level of headroom).

Comment on financial position would not be complete for the 2020/21 year without reference to an item included in the Statement of Changes in Equity titled "Impact of Correction of errors - $1.15m".

During the 2020/21 financial year Transwaste conducted another review of its Whole of Life model. In the course of this review, it was noted that in the 2014 year the model contained an error which has resulted in the reporting of the profits after tax of that year and subsequent years to 2019 being in aggregate understated by $1.15m ($1.60m before tax). This was caused by the incorrect calculation of depreciation on landfill development expenditure.

The accumulated error for the 2014 – 2020 years has now been corrected. A summary of its impact on the company's financial statements can be found at Note 21 "Correction of Errors". The post-tax impact of the error for the 2020 year ($485k) has been included in the restatement of the financial statements for that year.

The error identification and correction has been subject to audit review and Audit NZ (the Company's auditors) have concurred with the treatment adopted. Any adjustment to dividend arising from this error correction will be addressed in subsequent dividend consideration by the Board.

Chairman's Review

For the year ended 30 June 2021

People

Organisations succeed through their people. Transwaste is no different – other than most of the people involved in management and operations are engaged via contract and are not "directly" employed. Transwaste is however dependent on these people, and through its contractual relationships takes an active interest in their welfare and performance. As has been the case for many years, in 2020/21 the people of Transwaste's principal contractor, Waste Management NZ Limited, and indeed all of its other contractors, have met the uncertainties and challenges of operating a complex business in difficult times. In fact, in 2020/21 our people have produced a result that, as stated in the heading for this Review, is "Pretty Darned Good".

Thank you to each and every person who has played their specific roles so well – and collectively have become a great team.

To the Directors of Transwaste – thank you for your support and efforts that have guided the business, and provided such a solid foundation for the years ahead.

Probably the only matters we can be certain of for the future are uncertainty and challenge. Transwaste is well placed to deal with these.

Gill Cox
Chair – Transwaste Canterbury Limited

Directors' Responsibility Statement
For the year ended 30 June 2021

The directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the company and the group as at 30 June 2021 and their financial performance and cash flows for the year ended on that date.

The directors consider that the financial statements of the company and the group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Companies Act 1993.

The directors consider they have taken adequate steps to safeguard the assets of the company and the group and to prevent and detect fraud and other irregularities.

The directors have pleasure in presenting the statement of objectives and performance, and the financial statements, set out on pages 15 to 69 of Transwaste Canterbury Limited and the group for the year ended 30 June 2021.

The board of directors of Transwaste Canterbury Limited authorised these financial statements for issue on 26 November 2021.

For and on behalf of the board

W G Cox
Chairman

G S James
Director

26 November 2021

Statement of Objectives and Performance
For the year ended 30 June 2021

Targets were set under the Statement of Intent for the three years ending 30 June 2023. A comparison of achievement against those targets is as follows:

Objective
Shareholder Interests: To operate a successful business, providing a fair rate of return to its shareholders.

Desired Outcomes	Performance Measures and Target	Achievement
(a) To effectively operate the consented regional landfill at Kate Valley to achieve specific commercial performance targets.	Total Revenue (inclusive of waste levy) of $42,073,000	$52,378,000. Overall tonnes of waste to landfill was 27% above budget, with the forecast downturn from Covid-19 not eventuating over the course of the year.
	EBIT of $13,748,000	$5,958,000 above budget at $19,706,000 (before $10,000,000 dividends received from its subsidiary, BRRP), as a result of the increased tonnes of waste to landfill compared to budget.
	Dividends of $10,300,000, plus a BRRP dividend of $11,697,000	Dividends totalling $12,100,000 were paid during the year for the Kate Valley operations, plus project dividends relating to BRRP activities of $10,000,000.
(b) To effectively manage the closure and related activities of the consented Burwood Resource Recovery Park (BRRP), following its closure in December 2019, through to handing the site back to Christchurch City Council.	Total BRRP Revenue of $1,574,000	$1,902,000 achieved.
	BRRP EBIT of $133,000	EBIT loss $(461,000), as a result of capping and landscaping costs being higher than budgeted.

Statement of Objectives and Performance (Continued)
For the year ended 30 June 2021

Objective
Healthy Environment: To ensure that the Transwaste Canterbury Group, as a minimum, meets present and future environmental standards in a manner which is consistent with the preservation of the natural environment and the careful and sustainable management of natural resources.

Desired Outcomes		Performance Measures and Target	Achievement
(a)	No proven breaches of Resource Management Act consents.	Nil established consent breaches.	Achieved. There are no known breaches and no notifications received from Environment Canterbury.
(b)	Review and update the strategic plan for Tiromoana Bush.	Strategic plan reviewed, updated with Board signoff and actioned.	The current year plan has been completed in accordance with the adopted 5 year plan to 2022.

Objective
Sustainable Environment: Support New Zealand's "Predator Free by 2050" goal, maintain and/or reduce net Green House Emissions and to use the gas captured in a socially and economically sustainable way.

Desired Outcomes		Performance Measures and Target	Progress Toward Achievement
(a)	Maintain large mammal pests (pigs and deer) to low levels in Tiromoana Bush.	No adverse impacts on restoration plantings from deer and pig rooting - evident in <5% of vegetation monitoring plots.	On track to achieve – deer and pig activity has been significantly reduced. Pig cull completed in June 2021 – 43 pigs and 1 deer.
(b)	Small mammal pests (mustelids, rodents, possums, cats, hedgehogs) reduced to levels that have minimal impact on native biodiversity in Tiromoana Bush.	The abundance of bird life (as indicated by remeasuring of the bird monitoring transects) is greater than the 2005-2009 baseline for bellbird and grey warbler.	On track to achieve – regular monthly trapping and monitoring being undertaken.
(c)	Maximise capture and destruction of landfill gas from Kate Valley landfill.	Ensure the capture and destruction of in excess of 90% of landfill gas produced by Kate Valley landfill (measured in accordance with the regulations to the Climate Change Response Act 2002).	Achieved for the year ended 31 December 2020.

Statement of Objectives and Performance (Continued)
For the year ended 30 June 2021

Objective
Sustainable Environment (Continued)

Desired Outcomes		Performance Measures and Target	Progress Toward Achievement
(d)	Identify and agree GHG emissions that are required to be reported on, and develop appropriate measures.	Measures developed for agreed GHG emissions along with data gathering and reporting requirements.	In progress.
(e)	Mitigation processes developed and in use to reduce GHG emissions.	Mitigation processes and initiatives developed and implemented.	In progress.
(f)	Determine target KPIs for reduction of GHG emissions.	Target KPIs established, with reporting of actual performance against target KPI's for subsequent years commencing 1 July 2021.	On schedule for 1 July 2021 commencement date.
(g)	To ensure the beneficial use of landfill gas to obtain the best economic value.	To increase the MWh of electricity exported from Kate Valley landfill by 50% over the three year SoI period 2021 to 2023.	In progress. Dependent on transmission line upgrades.

Objective
Legislative Compliance: To be a good Corporate Citizen by acting lawfully

Desired Outcomes		Performance Measures and Target	Achievement
(a)	To ensure compliance with all relevant legislation and statutory requirements.	Annual reporting to Board on areas of compliance and non-compliance.	Achieved. Monthly reporting is undertaken. Compliance reporting up to date at Kate Valley. No non-compliances noted.
		Nil known legislative and regulatory non-compliance.	Achieved. No notices of non-compliance received.

Statement of Objectives and Performance (Continued)
For the year ended 30 June 2021

Objective

Corporate Citizenship: To be a responsible Corporate Citizen by acting fairly and honestly and to be sensitive to local issues.

Desired Outcomes		Performance Measures and Target	Achievement
(a)	Finance the Kate Valley landfill trust fund (from the Disposal Charge) for the purpose of benefiting the local community immediately affected by the landfill operation.	Annual payment to Kate Valley Landfill Community Trust, to be determined on an annual basis.	Achieved. The company has made contributions to the trust for the 2020/21 year totalling $86,304.
(b)	Develop and maintain education material with regard to waste management and the environment.	Modules used in the National curriculum by schools.	Achieved. Revision of material is currently under development.
(c)	Plan for sites aftercare and closure – financially and revenue streams.	Adequate provisioning, which stands up to audit scrutiny, in financial statements for aftercare and closure costs.	Achieved. Methodologies comply with the applicable reporting standards.

Statement of Objectives and Performance (Continued)

For the year ended 30 June 2021

Objective

Service Quality: Meet the present and future needs of the people of Canterbury with high standards of value, quality and service and establish effective relations with customers.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Timely, high quality and reliable waste transport services.	No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers.	Achieved.
(b) Reliability of access to the Kate Valley landfill.	Landfill is available to waste transporters for more than 99% of normal annual transport access hours.	Achieved - no disruption to receipt of waste occurred, despite the landfill being closed due to high wind on 12 days for 50.5 hours in total.
(c) Successful closure of the BRRP facility in accordance with agreements reached with Christchurch City Council (CCC).	Successful closure of the BRRP facility and hand back the site to CCC in accordance with agreements reached with CCC.	Closure achieved and site handed back to Christchurch City Council.

Statement of Objectives and Performance (Continued)

For the year ended 30 June 2021

Objective

Good Employer: Be a Good Employer, through either direct employment or by way of management contracts with the Waste Management NZ Ltd divisions, Canterbury Waste Services (CWS – Kate Valley operations) and Canterbury Materials Recovery Facilities (CMRF – BRRP operations).

Desired Outcomes	Performance Measures and Target	Achievement
(a) Ensure CWS/CMRF have objectives and policies that detail the relationship with employees, their remuneration, safety and other issues such as equal opportunity in employment.	No more than 15% annually of combined CWS and CMRF landfill and transport staff annual FTE turnover (excluding disestablished positions arising from the closure of BRRP).	Achieved. Turnover of permanent employees at Kate Valley was 2 at landfill and 2 in transport (1 of which was retirement) out of 45 FTEs, resulting in 8.9% annual turnover. Turnover of permanent employees of CMRF staff (excluding planned disestablishment relating to closure) was 0 FTEs, resulting in 0% annual turnover.
(b) Ensuring that its employees have secure and rewarding employment which provides the means for personal development.	10 hours per FTE annually for CWS and CMRF staff training.	Achieved. Kate Valley staff have undertaken 10.1 hours per FTE. Not achieved during run down of activities for CMRF. Staff have undertaken 4 hours per FTE.

Objective

Consultation and Community Relations: Establish and maintain good relations with the local host community of the Kate Valley landfill and Burwood areas and consult with those groups and other interest groups (including Tangata Whenua) on issues that are likely to affect them.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Consult with the host community concerning landfill operations by way of direct communication and via the Community Liaison Group.	At least two Kate Valley Community Liaison group meetings held per year.	Achieved. Four Community Liaison Group meetings held in the period.
	At least two BRRP Community Liaison group meetings held per year.	Community Liaison Group meetings held when required – none were requested during the period.

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Statement of Objectives and Performance (Continued)

For the year ended 30 June 2021

Consultation and Community Relations (continued):

Desired Outcomes	Performance Measures and Target	Achievement
(b) Consult with interest groups including Tangata Whenua on an as-required basis and discuss all issues likely to affect them.	Three interactions with interest groups per year.	Achieved. At least five interactions with Kate Valley neighbours and community.

Objective

Health and Safety: Strive for zero injury accidents in all operations the Company and its main contractors, CWS and CMRF, will be responsible for, whilst maintaining a high level of service and production.

Desired Outcomes	Performance Measures and Target	Achievement
(a) Ensuring that in all activities the Company and its contractors have Health and Safety Management Plans in place.	Maintain or improve current total recordable injury frequency rate (TRIFR) for the last 12 months.	Achieved – nil LTIs in all operations. Actual TRIFR for the 12 months ended 30 June 2021 is zero.
(b) Maintain Kate Valley public walkways to an acceptable standard, (track maintenance, signage).	Annual operational plans objectives met, with no serious avoidable injuries.	Achieved. Good patronage on both walkways, particularly Tiromoana Bush.
(c) No traffic incidents where CWS drivers at fault.	No at-fault incidents.	Not achieved. There was one recorded traffic incident where a CWS driver was found to be partially at fault.

Statements of Comprehensive Income
For the year ended 30 June 2021

	Notes	Group 2021 $'000	Group 2020 Restated* $'000	Parent 2021 $'000	Parent 2020 Restated* $'000
Revenue					
Sales excluding waste levy		50,709	47,398	48,807	45,806
Waste levy		3,511	3,322	3,511	3,322
Sales including waste levy	3	54,220	50,720	52,318	49,128
Rental		60	60	60	16
Other revenue		-	4	-	-
Interest		45	214	-	-
Dividends		-	-	10,000	5,000
Changes in fair value of forestry	9	581	(373)	581	(373)
Gain on sales of property, plant and equipment		-	3	-	-
Total revenue		**54,906**	**50,628**	**62,959**	**53,771**
Expenses					
Audit fees	4	63	65	45	45
Depreciation and amortisation	4,8	5,725	5,739	5,661	5,324
Impairment of receivables	4	-	(17)	-	-
Employee benefits costs	4	343	346	343	346
Landfill and facilities operating costs		22,561	19,415	20,290	18,974
Loss on sale of property, plant and equipment		24	36	-	36
Waste levy	3	3,511	3,322	3,511	3,322
Other expenses		3,389	2,379	3,403	2,114
Total expenses		**35,616**	**31,285**	**33,253**	**30,161**
Profit before finance costs and tax		**19,290**	**19,343**	**29,706**	**23,610**
Finance costs	5	68	555	248	791
Profit before tax		**19,222**	**18,788**	**29,458**	**22,819**
Income tax expense	6	5,449	5,261	5,514	4,990
Profit for the year		**13,773**	**13,527**	**23,944**	**17,829**
Other comprehensive income	14	(112)	(144)	(112)	(144)
Total comprehensive income for the year		**13,661**	**13,383**	**23,832**	**17,685**

*See note 21.

The accompanying notes form part of these financial statements

Statements of Changes in Equity

For the year ended 30 June 2021

	Notes	Contributed equity $'000	Other reserves $'000	Retained earnings $'000	Total equity $'000
Group					
Balance 1 July 2019 as previously reported		16,000	625	32,913	49,538
Impact of correction of errors	21	-	-	1,155	1,155
Restated balance 1 July 2019		16,000	625	34,068	50,693
Profit for the year (restated)		-	-	13,527	13,527
Other comprehensive income	14	-	(144)	-	(144)
Total comprehensive income for the year ended 30 June 2020		-	(144)	13,527	13,383
Dividends	7	-	-	(16,900)	(16,900)
Restated balance 30 June 2020		**16,000**	**481**	**30,695**	**47,176**
Balance 1 July 2020		16,000	481	30,695	47,176
Profit for the year		-	-	13,773	13,773
Other comprehensive income	14	-	(112)	-	(112)
Total comprehensive income for the year ended 30 June 2021		-	(112)	13,773	13,661
Dividends	7	-	-	(22,100)	(22,100)
Balance 30 June 2021		**16,000**	**369**	**22,368**	**38,737**
Parent					
Balance 1 July 2019 as previously reported		16,000	-	9,789	25,789
Impact of correction of errors	21	-	-	1,155	1,155
Restated balance 1 July 2019		16,000	-	10,944	26,944
Profit for the year (restated)		-	-	17,829	17,829
Other comprehensive income	14	-	(144)	-	(144)
Balances on amalgamation		-	625	2,256	2,881
Total comprehensive income for the year ended 30 June 2020		-	481	20,085	20,566
Dividends	7	-	-	(16,900)	(16,900)
Restated balance 30 June 2020		**16,000**	**481**	**14,129**	**30,610**
Balance 1 July 2020		16,000	481	14,129	30,610
Profit for the year		-	-	23,944	23,944
Other comprehensive income	14	-	(112)	-	(112)
Total comprehensive income for the year ended 30 June 2021		-	(112)	23,944	23,832
Dividends	7	-	-	(22,100)	(22,100)
Balance 30 June 2021		**16,000**	**369**	**15,973**	**32,342**

Transwaste Canterbury Limited
Annual Report

Balance Sheets
As at 30 June 2021

	Notes	Group ($'000) 2021	Group ($'000) 2020 Restated*	Group ($'000) 1 July 2019 Restated*	Parent ($'000) 2021	Parent ($'000) 2020 Restated*	Parent ($'000) 1 July 2019 Restated*
Assets							
Non-current assets							
Property, plant & equipment	8	56,028	65,106	65,233	55,904	64,876	61,237
Forestry	9	2,585	2,004	2,377	2,585	2,004	-
Emission Units	10	3,328	1,609	1,041	3,328	1,609	1,041
Total non-current assets		**61,941**	**68,719**	**68,651**	**61,817**	**68,489**	**62,278**
Current assets							
Cash and cash equivalents	11	3,257	9,142	4,593	736	1,143	233
Term deposits	11	-	4,029	12,000	-	-	-
Trade and other receivables	12	7,289	5,052	4,505	6,429	5,002	4,136
Loans to related parties		-	-	-	-	-	2,220
Total current assets		**10,546**	**18,223**	**21,098**	**7,165**	**6,145**	**6,589**
Total assets		**72,487**	**86,942**	**89,749**	**68,982**	**74,634**	**68,867**
Equity							
Contributed equity	13	16,000	16,000	16,000	16,000	16,000	16,000
Reserves	14	369	481	625	369	481	-
Retained earnings	15	22,368	30,695	34,068	15,973	14,129	10,943
Total equity		**38,737**	**47,176**	**50,693**	**32,342**	**30,610**	**26,943**
Liabilities							
Non-current liabilities							
Provisions	17	21,630	30,280	28,767	21,630	30,280	28,341
Derivative financial instruments	25	-	6	-	-	6	-
Deferred income tax liability	6	2,684	2,956	3,840	2,810	3,064	3,212
Total non-current liabilities		**24,314**	**33,242**	**32,607**	**24,440**	**33,350**	**31,553**
Current liabilities							
Trade and other payables	19	5,593	3,715	3,715	5,397	3,483	3,474
Interest-bearing borrowings	16	-	-	-	3,275	4,800	5,200
Derivative financial instruments	25	357	195	-	357	195	-
Income tax payable	6	1,539	1,979	1,736	1,575	2,017	1,672
Provisions	17	1,928	613	973	1,577	157	-
Employee benefits	18	19	22	25	19	22	25
Total current liabilities		**9,436**	**6,524**	**6,449**	**12,200**	**10,674**	**10,371**
Total liabilities		**33,750**	**39,766**	**39,056**	**36,640**	**44,024**	**41,924**
Total equity and liabilities		**72,487**	**86,942**	**89,749**	**68,982**	**74,634**	**68,867**

*See Note 21.

For and on behalf of the board

W G Cox
Chairman 26 November 2021

G S James
Director 26 November 2021

The accompanying notes form part of these financial statements

(24)

The accompanying notes form part of these financial statements

Cash Flow Statements

For the year ended 30 June 2021

	Notes	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Cash flows from operating activities					
Receipts from customers		51,965	50,173	50,891	48,297
Interest received		45	214	-	-
Dividends received		-	-	10,000	5,000
Other revenue		60	58	60	-
Payments to suppliers and employees		(27,178)	(25,393)	(24,796)	(23,812)
Interest paid		(1)	-	(181)	(260)
Income tax paid	6	(6,118)	(5,845)	(5,990)	(5,392)
Goods and services tax (net)		179	190	193	239
Net cash from operating activities	20	18,952	19,397	30,178	24,072
Cash flows from investing activities					
Purchase of property, plant & equipment		(3,929)	(4,585)	(3,929)	(4,585)
Sale of property, plant & equipment		18	13	-	-
Monies withdrawn from term deposits		4,029	7,971	-	-
Cash on amalgamation		-	-	-	70
(Purchase)/sale of emission units		(2,855)	(1,347)	(2,855)	(1,347)
Net cash from investing activities		(2,737)	2,052	(6,784)	(5,862)
Cash flows from financing activities					
Advances from/(to) subsidiaries		-	-	(1,700)	(400)
Dividends paid		(22,100)	(16,900)	(22,100)	(16,900)
Net cash from financing activities		(22,100)	(16,900)	(23,800)	(17,300)
Net increase/(decrease) in cash and cash equivalents		**(5,885)**	**4,549**	**(407)**	**910**
Cash and cash equivalents at the beginning of the year		9,142	4,593	1,143	233
Cash and cash equivalents at the end of the year	11	**3,257**	**9,142**	**736**	**1,143**

The accompanying notes form part of these financial statements

(25)

Notes to the Financial Statements
For the year ended 30 June 2021

1. General Information

Reporting Entity

Transwaste Canterbury Limited is a company registered under the Companies Act 1993 and is a Council Controlled Trading Organisation as defined in Section 6 of the Local Government Act 2002.

The company represents a joint venture between Waste Management NZ Limited and five local authorities in Canterbury.

The group consists of Transwaste Canterbury Limited, its wholly owned operating subsidiary, Burwood Resource Recovery Park Limited and six non-trading subsidiaries. All companies are incorporated and domiciled in New Zealand. The primary objective of the parent company is to own, operate and continue development of a non-hazardous landfill for the Canterbury region. The company owns the landfill and surrounding land, which was held by its subsidiary, Tiromoana Station Limited until 31 March 2020 when the subsidiary was amalgamated with the company. Burwood Resource Recovery Park Limited operates a Christchurch Earthquake demolition waste material management and recovery facility and a landfill for disposal of residual demolition waste.

The six wholly owned non-trading subsidiaries, all of which have no assets and liabilities, are:

- Kate Valley Limited
- Tiromoana Bush Limited
- Tiromoana Station Limited
- Tiromoana Bush Walkway Limited
- Mt. Cass Limited
- Mt. Cass Walkway Limited

The financial statements of Transwaste Canterbury Limited and group are for the year ended 30 June 2021. The financial statements were authorised for issue by the Board on 26 November 2021.

The entity's owners do not have the power to amend these financial statements once issued.

Notes to the Financial Statements
For the year ended 30 June 2021

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company and group have been prepared on a going concern basis in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) for entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and its interpretations as appropriate to for-profit entities.

The group is designated as a for-profit entity for financial reporting purposes. The financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and the Local Government Act 2002.

For the purposes of complying with NZ GAAP, the group is required to apply Tier 1 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards). In complying with NZ IFRS the group also complies with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis, except where modified by the revaluation of financial instruments (including derivative instruments) and forestry.

The financial statements are presented in New Zealand dollars (NZD) and all values are rounded to the nearest thousand dollars ($'000). The functional currency of Transwaste Canterbury Limited and its subsidiary is New Zealand dollars.

There have been no changes in accounting policies, which have been consistently applied during the financial year.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements
For the year ended 30 June 2021

2.2 Subsidiaries

Transwaste Canterbury Limited consolidates, as subsidiaries in the group financial statements, all entities where Transwaste Canterbury Limited has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where Transwaste Canterbury Limited controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Transwaste Canterbury Limited or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The cost of a business combination is measured as the aggregate of:

- the consideration transferred, which is generally measured at acquisition date fair value;
- the amount of any non-controlling interest measured at either fair value or the non-controlling interest in the fair value of the net identifiable assets of the acquiree; and
- the acquisition date fair value of the previously held equity interest in the acquiree, if any.

Any excess of the cost of the business combination over Transwaste Canterbury Limited's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If Transwaste Canterbury Limited's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the difference will be recognised immediately in the profit or loss.

2.3 Basis of consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis. All significant intragroup balances, transactions, income and expenses are eliminated on consolidation.

Transwaste Canterbury Limited's investments in its subsidiaries are carried at cost in the company's own "parent entity" financial statements.

2.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of Goods and Services Tax, rebates and discounts and after eliminating sales within the group. Revenue is recognised as follows:

Notes to the Financial Statements
For the year ended 30 June 2021

a) *Sales of goods*

Sales of goods are recognised at a point in time when a group entity has delivered products to the customer and the customer has accepted the products, fulfilling the group's performance obligations.

b) *Sales of services*

Sales of services are recognised at a point in time in the accounting period in which the services are rendered, by reference to completion of the specific transaction.

c) *Government grants*

Government grants relating to the purchase of plant and equipment are recorded as a reduction in the cost of the plant and equipment.

d) *Interest income*

Interest income is recognised on an accrual basis using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables are recognised using the original effective interest rate.

e) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

2.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, other than borrowing costs directly attributable to the construction of any qualifying assets, including the initial construction of the landfill, which are capitalised as part of that asset. A qualifying asset is an asset that necessarily takes a substantial period of time (typically a minimum of twelve months) to get ready for its intended use or sale.

Notes to the Financial Statements
For the year ended 30 June 2021

2.6 Income tax

Income tax expense in relation to the profit or loss for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using rates that have been enacted or substantively enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

The subvention payments made are treated as an operating expense in the profit or loss.

Notes to the Financial Statements
For the year ended 30 June 2021

2.7 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Measurement basis

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.8 Cash, cash equivalents and bank overdrafts

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet where the bank has no right of setoff.

Notes to the Financial Statements
For the year ended 30 June 2021

2.9 Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the profit and loss component of the statement of comprehensive income.

The group applies the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and days past due.

2.10 Financial assets

Classification

The group classifies its financial assets as being measured at amortised cost.

Financial assets measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's financial assets measured at amortised cost comprise 'trade and other receivables', 'cash and cash equivalents', 'term deposits' and 'owing from related party' in the balance sheet.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on trade date - the date on which the group commits to purchase or sell the asset. All financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. The financial assets are subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the Financial Statements

For the year ended 30 June 2021

Impairment of financial assets

Assets carried at amortised cost

The group assesses at the end of each reporting period the estimated 12-month expected loss allowance for credit losses.

Credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract; and the cash flows that the entity expects to receive.

The group will measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If the asset's carrying amount is reduced, the amount of the loss is recognised in the profit and loss component of the statement of comprehensive income.

If, in a subsequent period, the amount of the expected credit loss decreases and the decrease can be related objectively to an event occurring after the loss was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised loss is recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

2.11 Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the profit or loss.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Notes to the Financial Statements

For the year ended 30 June 2021

2.12 Property, plant and equipment

Property, plant and equipment is shown at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable the future economic benefits or service potential associated with the item will flow to Transwaste Canterbury Limited and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the profit or loss.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Transwaste Canterbury Limited and the cost of the item can be measured reliably.

Borrowing costs incurred for the construction of any qualifying assets, including the initial construction of the landfill, are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time (typically a minimum of twelve months) to get ready for its intended use or sale.

Notes to the Financial Statements
For the year ended 30 June 2021

2.13 Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, landfill development costs and future landfill site restoration and aftercare costs, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Life
Landfill development	Expected physical life
Deferred site restoration and aftercare costs	Pattern of benefits from the landfill
Buildings and site improvements	15 – 25 years, or length of resource consent if shorter
Plant and machinery	5 – 15 years, or length of resource consent if shorter
Motor vehicles and related equipment	3 – 15 years
Office equipment, furniture and fittings	3 – 5 years

Assets under construction are not depreciated until commissioned.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

The depreciation of the total landfill development costs is based upon the total anticipated waste volume of the landfill over its economic life (being the physical capacity of the landfill). The annual depreciation amount is calculated based on the waste volumes consumed for the financial year as compared to the anticipated waste volume over the economic life of the landfill.

Future landfill site restoration and aftercare costs capitalised in the balance sheet are depreciated at rates that match the pattern of benefits expected to be derived from the landfill, including power generation using landfill gas.

Notes to the Financial Statements
For the year ended 30 June 2021

2.14 Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs using appropriate valuation methods and techniques, depending on the age and species of the trees.

Gains or losses arising on initial recognition of biological assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised in profit or loss.

The costs to maintain the forestry assets are recognised as an expense as incurred.

2.15 Emission units and emissions obligations

Emission units that have been allocated by the Government under the forestry scheme are recorded at nominal value (nil value). Purchased emission units are recorded at cost (purchase price). Emission units, whether allocated or purchased, are recorded as intangible assets. Emission units are not revalued subsequent to initial recognition.

Emission obligations are recognised as a current liability as the emission obligation is incurred. Up to the level of units held, the liability is recorded at the carrying value of those units. When emission obligations exceed the units held the liability is calculated either at contract prices under forward purchase agreements for the number of units contracted where these exist, or at fair value.

Forward contracts for the purchase of emission units are recognised when the contracts are settled on an accruals basis.

2.16 Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. The impairment loss is recognised in the profit or loss. For assets other than goodwill, the reversal of an impairment loss is recognised in the profit or loss.

Notes to the Financial Statements
For the year ended 30 June 2021

2.17 Employee benefits

Short-term benefits

Employee benefits that are expected to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date and retiring and long service leave entitlements expected to be settled within 12 months.

A liability for sick leave is recognised when the leave is taken and measured at the rates paid or payable.

Long-term benefits

Long service leave and retirement leave

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and

- the present value of the estimated future cash flows. The discount rate is based on the weighted average of Government interest rates for stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

Transwaste Canterbury Limited and its group has no employees other than directors and currently has no sick, annual, long service or retirement leave obligations.

2.18 Provisions - General

Transwaste Canterbury Limited recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and described in the profit or loss as a time value adjustment.

Notes to the Financial Statements
For the year ended 30 June 2021

2.19 Closure and Post-Closure Costs

A provision for future landfill site restoration and aftercare costs is recognised when the activities giving rise to the need for site restoration and aftercare have commenced. The provision is stated at the present value of the future cash outflows expected to be incurred, which increases each period due to the passage of time. Any increase in the provision due to the change in present value is recognised in profit or loss as a time value adjustment in interest expense.

Future landfill site restoration and aftercare costs provided for are initially capitalised in the balance sheet. Any change in the provision for future landfill site restoration and aftercare costs arising from a change in estimate of those costs (through discount rate or cost estimate updates) is also recognised in non current assets in the balance sheet.

2.20 Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

2.21 Goods and Services Tax (GST)

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

The net amount of GST recoverable from, or payable to, Inland Revenue (IR) is included as part of receivables or payables in the balance sheet.

2.22 Derivatives: Hedges Receivable and Payable

Transwaste Canterbury Limited enters into derivative financial instruments including power supply agreements to manage its exposure to price fluctuation risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The fair value of forward power supply agreements is their quoted market price at the Statement of Financial Position date, being the present value of the quoted forward price. The effective portion of the gain or loss on the hedging instrument is recognised in the Statement of Comprehensive Income as other comprehensive income, while any ineffective portion is recognised immediately in the Statement of Comprehensive Income as selling and administration expenses.

Notes to the Financial Statements
For the year ended 30 June 2021

2.22 Derivatives: Hedges Receivable and Payable (continued)

Initial recognition and measurement

Derivatives are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All derivatives are recognised initially at fair value.

2.23 Share capital

Ordinary shares are classified as equity.

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

2.24 Critical accounting estimates and assumptions

Landfill closure and post-closure provisions

In preparing these financial statements Transwaste Canterbury Limited has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. The key area in which estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are applied is detailed in Note 17 - landfill closure and post-closure provisions.

Notes to the Financial Statements
For the year ended 30 June 2021

3. Revenue

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Waste disposal (excluding waste levy)	41,458	38,567	39,569	37,025
Waste levy on-charged to customers	3,511	3,322	3,511	3,322
Waste disposal sales including waste levy	44,969	41,889	43,080	40,347
Waste transport	7,385	6,788	7,385	6,788
Recovered materials	13	26	-	-
Electricity generation	1,853	1,993	1,853	1,993
Forestry	-	24	-	-
Sales	**54,220**	**50,720**	**52,318**	**49,128**

Waste levy cost

Effective from 1 July 2009, a waste levy (currently levied at $10 per tonne of waste to landfill) is payable by the company to the Ministry for the Environment. The levy, totalling $3,511,000 for the year (2020: $3,322,000), is on-charged to customers and the on-charge is included in sales revenue. The waste levy cost is included in expenses.

Parent company – Transwaste Canterbury Limited

The company contracts with its customers to lawfully dispose of waste at the Kate Valley landfill. For shareholders, the Company contracts to deliver empty waste containers to refuse stations, and collect full containers and deliver them to the landfill.

Contractual payment terms are typically within one month after the month the contents are lawfully disposed into landfill.

The company has a contract to sell electricity generated at its Kate Valley landfill into the national grid.

The company, as lessor, has entered into contracts to lease land for farming activities, and has entered into a contract with a third party to harvest and sell forestry assets as required. These activities were conducted through the subsidiary Tiromoana Station Limited until amalgamation on 31 March 2020.

Consideration is fixed and there is no significant financing component in the contracts.

Subsidiary company

Burwood Resource Recovery Park Limited contracts with its customers to lawfully dispose of earthquake demolition waste delivered to the Burwood Resource Recovery Park in Christchurch. Materials recovered from the demolition waste are sold to third parties.

Contractual payment terms are typically within one month after the month the contents are lawfully disposed into landfill.

Consideration is fixed and there is no significant financing component in the contracts.

Notes to the Financial Statements
For the year ended 30 June 2021

4. Expenses

Profit before tax includes the following specific expenses:

Employee benefits costs

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Directors' fees	**343**	**346**	**343**	**346**

All employee benefit costs relate to fees paid to directors.

Depreciation and impairment

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Depreciation:				
Landfill development	3,699	3,527	3,699	3,499
Deferred closure costs	961	1,151	961	843
Buildings	10	12	10	3
Plant and machinery	1,000	988	991	979
Motor vehicles	55	61	-	-
	5,725	**5,739**	**5,661**	**5,324**
Impairment:				
Impairment of receivables (Note 12)	-	(17)	-	-
	-	**(17)**	**-**	**-**

Audit fees

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Audit services				
Audit New Zealand				
- Audit fees for financial statements audit	63	65	45	45
Total remuneration for audit services	**63**	**65**	**45**	**45**

Notes to the Financial Statements
For the year ended 30 June 2021

5. Finance costs

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Interest on intra-group advances	-	-	180	260
Provisions: Time value adjustment (Note 17)	68	555	68	531
Total finance costs	**68**	**555**	**248**	**791**

6. Tax

Components of tax expense

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Current tax expense	5,678	6,088	5,724	5,737
Deferred tax expense	(229)	(827)	(210)	(747)
Income tax expense	**5,449**	**5,261**	**5,514**	**4,990**

Relationship between tax expense and accounting profit

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Profit/(loss) before tax	19,222	18,788	29,458	22,819
Tax at 28% (2020: 28%)	5,382	5,261	8,249	6,390
Non-taxable income	-	-	(2,800)	(1,400)
Non-deductible expenses	67	-	65	-
Tax expense	**5,449**	**5,261**	**5,514**	**4,990**

Deferred tax assets/ (liabilities)	**Property, plant and equipment $'000**	**Cash flow hedges $'000**	**Other $'000**	**Tax losses recognised $'000**	**Total $'000**
Group					
Balance at 1 July 2019	(4,449)	-	609	-	(3,840)
Credited/(charged) to profit or loss	578	-	250	-	828
Charged to equity	-	-	56	-	56
Balance at 30 June 2020	(3,871)	-	915	-	(2,956)
Credited/(charged) to profit or loss	228	-	-	-	228
Charged to equity	-	-	44	-	44
Balance at 30 June 2021	(3,643)	-	959	-	(2,684)

Notes to the Financial Statements
For the year ended 30 June 2021

Deferred tax assets/ (liabilities)	**Property, plant and equipment $'000**	**Cash flow hedges $'000**	**Other $'000**	**Tax losses recognised $'000**	**Total $'000**
Company					
Balance at 1 July 2019	(4,410)	-	1,198	-	(3,212)
Credited/(charged) to profit or loss	493	-	254	-	747
Charged to equity	(28)	-	(571)	-	(599)
Balance at 30 June 2020	(3,945)	-	881	-	(3,064)
Credited/(charged) to profit or loss	350	-	(140)	-	210
Charged to equity	-	-	44	-	44
Balance at 30 June 2021	(3,595)	-	785	-	(2,810)

Income tax receivable/(payable)

	Group 2021 $'000	**Group 2020 $'000**	**Parent 2021 $'000**	**Parent 2020 $'000**
Opening tax receivable/(payable)	(1,979)	(1,736)	(2,017)	(1,672)
Current tax expense	(5,678)	(6,088)	(5,724)	(5,737)
Income tax paid	6,118	5,845	5,990	5,392
Income tax transferred	-	-	129	-
Loss offset	-	-	47	-
Closing tax receivable/(payable)	**(1,539)**	**(1,979)**	**(1,575)**	**(2,017)**

Additional disclosures - Imputation Credit Account

	Group 2021 $'000	**Group 2020 $'000**	**Parent 2021 $'000**	**Parent 2020 $'000**
Imputation credits available for subsequent reporting periods based on a tax rate of 28% (2020: 28%)	13,338	16,051	10,704	9,574

The above amounts represent the balance of the imputation account as at the end of the reporting period, adjusted for:

a) Imputation credits that will arise from the payment of the amount of the provision for income tax
b) Imputation debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
c) Imputation credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Notes to the Financial Statements
For the year ended 30 June 2021

7. Dividends

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Dividends paid during the year				
Interim dividends[1]	5,000	5,200	5,000	5,200
Final dividends[2]	7,100	6,700	7,100	6,700
Project dividends[3]	10,000	5,000	10,000	5,000
	22,100	16,900	22,100	16,900

[1] Fully imputed interim dividends of $5,000,000 declared and paid on 26 February 2021 (2020: $5,200,000 fully imputed on 28 February 2020).

[2] Fully imputed final dividend for 2020 of $7,100,000 declared and paid on 28 August 2020 (2020: $6,700,000 fully imputed on 30 August 2019).

[3] Fully imputed project dividends of $5,000,000 each, being dividends arising from the Burwood Resource Recovery Park project, were declared and paid on 26 March and 30 June 2021 (2020: $5,000,000 declared and paid on 20 December 2019).

A fully imputed final dividend of $8,400,000 in respect of 2021 was declared on 27 August 2021.

Notes to the Financial Statements

For the year ended 30 June 2021

8. Property, plant and equipment 2021

	Cost 1 July 2020	Accumulated depreciation and impairment charges 1 July 2020	Carrying amount 1 July 2020	Current year additions/ transfers & reassessments	Current year disposals/ reassessments	Current year depreciation	Cost 30 June 21	Accumulated depreciation and impairment charges 30 June 21	Carrying amount 30 June 21
Parent property, plant & equipment									
Landfill development	78,194	(44,227)	33,967	3,546	-	(3,699)	81,740	(47,926)	33,814
Land	3,190	-	3,190	-	-	-	3,190	-	3,190
Buildings	376	(229)	147	-	-	(10)	376	(239)	137
Assets under construction	1,046	-	1,046	232	-	-	1,278	-	1,278
Deferred site restoration costs (Note 17)	25,702	(4,329)	21,373	(7,123)	-	(961)	18,579	(5,290)	13,289
Plant and equipment	10,130	(4,977)	5,153	34	-	(991)	10,164	(5,968)	4,196
Total parent property, plant & equipment	**118,638**	**(53,762)**	**64,876**	**(3,311)**	**-**	**(5,661)**	**115,327**	**(59,423)**	**55,904**
Subsidiaries property, plant & equipment									
Landfill development	2,672	(2,672)	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Buildings	172	(172)	-	-	-	-	-	-	-
Deferred site restoration costs	3,844	(3,844)	-	-	-	-	-	-	-
Motor vehicles	716	(511)	205	-	(18)	(54)	624	(503)	121
Plant and equipment	121	(96)	25	-	-	(9)	24	(21)	3
Total subsidiaries property, plant and equipment	7,525	(7,295)	230	-	(18)	(63)	648	(524)	124
Group property, plant & equipment	**126,163**	**(61,057)**	**65,106**	**(3,311)**	**(18)**	**(5,725)**	**115,975**	**(59,947)**	**56,028**

Approximately 1,050 hectares of the land held by the parent, Transwaste Canterbury Limited, is designated as relating to its current landfill activities. The area directly utilised for landfill-related activities is approximately 140 ha, with the balance comprising 500 ha of farming and forestry land and 410 ha of the Tiromoana Bush conservation area.

Westpac holds a Registered First Debenture dated 7 July 2000 over assets, undertakings and uncalled capital of the company and a Registered First Mortgage dated 11 August 2000 and 21 October 2003 over the property located at Kate Valley, North Canterbury.

Notes to the Financial Statements

For the year ended 30 June 2021

8. Property, plant and equipment (continued) 2020

	Cost 1 July 2019	Accumulated depreciation and impairment charges 1 July 2019	Carrying amount 1 July 2019	Current year additions/ transfers & reassessments	Current year disposals/ reassessments	Current year depreciation	Cost 30 June 20	Accumulated depreciation and impairment charges 30 June 20	Carrying amount 30 June 20
Parent property, plant & equipment									
Landfill development	73,942	(40,730)	33,212	4,252	-	(3,499)	78,194	(44,227)	33,967
Land	-	-	-	3,190	-	-	3,190	-	3,190
Buildings	-	-	-	150	-	(3)	376	(229)	147
Assets under construction	4,356	-	4,356	(3,310)	-	-	1,046	-	1,046
Deferred site restoration costs (Note 17)	24,137	(3,486)	20,651	1,565	-	(843)	25,702	(4,329)	21,373
Plant and equipment	7,027	(4,008)	3,019	3,151	(36)	(979)	10,130	(4,977)	5,153
Total parent property, plant & equipment	**109,462**	**(48,224)**	**61,238**	**8,998**	**(36)**	**(5,324)**	**118,638**	**(53,762)**	**64,876**
Subsidiaries property, plant & equipment									
Landfill development	2,672	(2,644)	28	-	-	(28)	2,672	(2,672)	-
Land	3,190	-	3,190	(3,190)	-	-	-	-	-
Buildings	548	(389)	159	(150)	-	(9)	172	(172)	-
Deferred site restoration costs	3,844	(3,536)	308	-	-	(308)	3,844	(3,844)	-
Motor vehicles	762	(487)	275	-	(10)	(61)	716	(511)	205
Plant and equipment	125	(89)	36	(1)	-	(9)	121	(96)	25
Total subsidiaries property, plant and equipment	11,141	(7,145)	3,996	(3,341)	(10)	(415)	7,525	(7,295)	230
Group property, plant & equipment	**120,603**	**(55,369)**	**65,234**	**5,657**	**(46)**	**(5,739)**	**126,163**	**(61,057)**	**65,106**

Notes to the Financial Statements

For the year ended 30 June 2021

9. Forestry assets

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Balance at 1 July	2,004	2,377	2,004	-
Acquisition on amalgamation	-	-	-	2,377
Gains/(losses) arising from changes in fair value less estimated point of sale costs	581	(373)	581	(373)
Balance at 30 June	**2,585**	**2,004**	**2,585**	**2,004**

Transwaste Canterbury Limited owns 336 hectares of commercial standing trees, predominantly pinus radiata, which are at varying stages of maturity ranging from 8 to 40 years.

Independent registered valuer Allan Laurie of Laurie Forestry Limited has valued forestry assets as at 30 June 2021 using, depending on the age and species of the trees, the Net Harvest Value method, a blended Cost Compounded and NPV method or Nominal Value method.

The Net Harvest Value method is applied to mature standing trees. Net (stumpage) values are derived by deducting average current day marketing, harvesting and transportation costs from three year weighted average point of sale export log prices PPI adjusted to current prices using Statistics NZ AA21 – Forestry and Logging. Point of sale can include “at mill door” or “at wharf gate”. Three year weighted average log prices are used to eliminate the significant short term fluctuations of log export prices.

In the absence of reliable transaction evidence of recent forest sales, a blending of the Cost Compounded and Net Present Value (NPV) methods has been used for pinus radiata that is not mature.

For the Cost Compounded Method values are calculated as the sum of costs compounded from the time of occurrence to the present day. A compound rate of 5.5% (2020:5.5%) has been used in the valuation.

The NPV method calculates the Crop Expectation Value, which is the value of the tree crop calculated by discounting a net cash flow at a specified discount rate. A pre-tax discount rate of 8.0% (2020: 8.5%) has been used in discounting the present value of expected pre-tax cash flows.

Notes to the Financial Statements
For the year ended 30 June 2021

The Nominal Value Method, reflecting the direct costs of inputs to date, is used to value species where there is difficulty in applying standard growth modelling and crop performance assumptions.

Fair value hierarchy

Fair value for the forestry assets is based on valuation techniques with significant non-observable inputs (level 3), where one or more significant inputs are not observable.

Financial risk management strategies

Transwaste Canterbury Limited is exposed to financial risks arising from changes in timber prices. Transwaste Canterbury Limited is a long-term forestry investor and does not expect timber prices to decline significantly in the longer term and, therefore, has not taken any measures to manage the risks of a decline in timber prices. Transwaste Canterbury Limited reviews its outlook for timber prices regularly in considering the need for active financial risk management.

10. Emissions units

The New Zealand Emissions Trading Scheme (ETS) became law on 28 September 2008 with the passing of the Climate Change Response (Emissions Trading) Amendment Act 2009 (the Act).

The Transwaste group is a participant in the ETS as follows:

- Transwaste Canterbury Limited – as a landfill operator, Transwaste is liable to surrender carbon credits for tonnes of waste to landfill.
- Transwaste Canterbury Limited, through its holdings of 336 hectares of forestry, is a participant in the forestry scheme, with the effect that
    - NZ Carbon Credit allocations are granted for pre-1990 forest to compensate for lost value and, if harvested trees are not replanted within 4 years the company is liable to surrender carbon credits. Approximately 24.2 hectares of the forestry held at balance date is pre-1990 forest
    - For post-1989 forest, carbon credits accrue as the trees grow and credits must be surrendered on deforestation.

Notes to the Financial Statements
For the year ended 30 June 2021

- Burwood Resource Recovery Park Limited is not a participant in the ETS as the subsidiary's activities have been outside the definition of "waste".

	2021 Group Units	2021 Group $000	2021 Parent Units	2021 Parent $000
Balance at the beginning of the year	149,900	1,609	149,900	1,609
Purchased units	80,407	2,855	80,407	2,855
Surrendered to the Crown	(40,407)	(1,136)	(40,407)	(1,136)
Balance at the end of the year	189,900	3,328	189,900	3,328

	2020 Group Units	2020 Group $000	2020 Parent Units	2020 Parent $000
Balance at the beginning of the year	134,827	1,041	63,276	1,041
Purchased units	53,000	1,347	53,000	1,347
Acquisition on amalgamation	-	-	71,551	-
Surrendered to the Crown	(37,927)	(779)	(37,927)	(779)
Balance at the end of the year	149,900	1,609	149,900	1,609

The NZUs on hand comprise:

	Group 2021 Units	Group 2020 Units	Parent 2021 Units	Parent 2020 Units
Purchased units (landfill)	118,349	78,349	118,349	78,349
Allocated units (forestry)	71,551	71,551	71,551	71,551
Total units on hand	**189,900**	**149,900**	**189,900**	**149,900**

All units held are recorded at cost, which is nil for forestry units. The market value of all units held as at 30 June 2021 is approximately $8,255,000 (cost $3,328,000).

Landfill

The company has adopted policies to manage the pricing and risk issues arising from the commencement of ETS obligations from 1 January 2013 for the Kate Valley landfilling operations.

In addition to units purchased during the year, the group has entered into forward purchase agreements totalling $1,596,000 to acquire emissions units to be used to meet its ETS obligations. The costs of the acquisitions under these contracts are recognised when the units are acquired.

Notes to the Financial Statements
For the year ended 30 June 2021

Forestry

Transwaste Canterbury Limited is registered for both the pre-1990 forest and post-1989 forest.

With regard to pre-1990 forestry:

- Under the NZ Government's Allocation Plan, the company has received its allocation of 4,260 emissions units. The units are recorded at cost (nil).
- Additionally, under the ETS the company will have an obligation to account for any emission released as a consequence of deforestation of pre-1990 land by surrendering credits equal to the extent of that emission. There is no liability for deforestation as at 30 June 2021.

With regard to post-1989 forestry, the company has received its allocation entitlements to 31 December 2017 of 67,291 emissions units. The assessment of further forestry entitlements from 1 January 2018 will be completed by 31 December 2022.

11. Cash, cash equivalents and deposits

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Cash at bank - current account/short term deposits	3,257	9,142	736	1,143
Total cash and cash equivalents	**3,257**	**9,142**	**736**	**1,143**
Other term deposits	-	4,029	-	-
Total cash and deposits	**3,257**	**13,171**	**736**	**1,143**

12. Trade and other receivables

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Trade receivables	4,146	1,418	3,181	1,324
Related party receivables (Note 24)	3,143	3,634	3,248	3,678
Gross trade and other receivables	**7,289**	**5,052**	**6,429**	**5,002**
Less provision for impairment	-	-	-	-
Total trade and other receivables	**7,289**	**5,052**	**6,429**	**5,002**

Notes to the Financial Statements

For the year ended 30 June 2021

The carrying value of trade and other receivables approximates their fair value.

The ageing profile of receivables at year end is detailed below:

	2021 Gross $'000	2021 Impairment $'000	2021 Net $'000	2020 Gross $'000	2020 Impairment $'000	2020 Net $'000
Parent						
Not past due	6,184	-	6,184	4,998	-	4,998
Past due 1-60	245	-	245	4	-	4
Past due >90	-	-	-	-	-	-
Total	**6,429**	**-**	**6,429**	**5,002**	**-**	**5,002**
Group						
Not past due	6,137	-	6,137	5,039	-	5,039
Past due 1-60	245	-	245	13	-	13
Past due >90	907	-	907	-	-	-
Total	**7,289**	**-**	**7,289**	**5,052**	**-**	**5,052**

All receivables greater than 30 days in age are considered to be past due.

The group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Individual impairment	-	-	-	-
Collective impairment	-	-	-	-
Total provision for impairment	**-**	**-**	**-**	**-**

Movements in the provision for impairment of receivables are as follows:

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
At 1 July	-	27	-	-
Additional provisions made during the year	-	-	-	-
Provisions reversed during the year	-	(17)	-	-
Receivables written off during the year	-	(10)	-	-
At 30 June	**-**	**-**	**-**	**-**

Notes to the Financial Statements

For the year ended 30 June 2021

13. Contributed equity

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Issued and paid in capital				
20,000,000 ordinary shares	20,000	20,000	20,000	20,000
Less: Uncalled capital	(4,000)	(4,000)	(4,000)	(4,000)
Total paid in capital 30 June	16,000	16,000	16,000	16,000

None of the above shares are held by the group or its subsidiaries. All ordinary shares on issue have been paid to the proportion held by each shareholder.

Uncalled capital is payable at such times as the board may from time to time determine.

All ordinary shares rank equally with one vote attached to each share. Ordinary shares do not have a par value.

14. Reserves

Capital reserve

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Balance at the beginning of the year	625	625	625	-
Reserve arising on amalgamation	-	-	-	625
Balance at end of year	625	625	625	625

Capital reserves comprise capital gains realised on sales to third party purchasers of land and buildings.

Hedging reserve

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Balance at the beginning of the year	(144)	-	(144)	-
Total recognised comprehensive income	(112)	(144)	(112)	(144)
Transfer to Retained Earnings	-	-	-	-
Total retained surplus	(256)	(144)	(256)	(144)

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet impacted on Statement of Profit or Loss.

Notes to the Financial Statements

For the year ended 30 June 2021

15. Retained earnings

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
As at 1 July	30,695	34,068	14,129	10,944
Profit for the year	13,773	13,527	23,944	17,829
Retained earnings arising on amalgamation	-	-	-	2,256
Dividends paid	(22,100)	(16,900)	(22,100)	(16,900)
As at 30 June	22,368	30,695	15,973	14,129

16. Borrowings

Current borrowings – loans from related parties

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Unsecured loan – Burwood Resource Recovery Park Limited	-	-	3,275	4,800

The advance from the subsidiary, Burwood Resource Recovery Park Limited, to the parent is repayable on demand, with interest payable monthly in arrears at the estimated applicable group floating interest rate with Westpac. During the year $181,000 (2020: $260,000) interest was charged at a weighted average rate of 2.95% (2020: 3.45%). At balance date there was no outstanding interest (2020: nil).

Bank loans

The parent company has entered into a multi option credit facility with Westpac totalling $15,000,000 for ongoing funding of the Kate Valley landfill construction and operations. The facility is secured by way of a registered first general security agreement over all owned assets, undertakings and uncalled capital of the parent company and first ranking mortgage over the property owned by the company.

During the financial year, no drawdowns have occurred on the facility.

Fair value of non-current borrowings

Bank loans, where applicable, have been valued at fair value.
The carrying amounts of other non-current borrowings approximate their fair values.
The carrying amounts of borrowings repayable within one year approximate their fair value.

Notes to the Financial Statements
For the year ended 30 June 2021

17. Provisions

Provisions are represented by:

Closure and post-closure provisions

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Opening balance	30,893	29,740	30,437	28,341
Assessment of current value of landfill costs:				
- Cost assessment	3,269	1,565	2,369	1,565
- Discount rate update	(9,492)	-	(9,492)	-
Effect of time value adjustment	67	555	67	531
Amounts used during the period	(1,179)	(967)	(174)	-
Closing balance	23,558	30,893	23,207	30,437
Comprising:				
Current	1,928	613	1,577	157
Non-current	21,630	30,280	21,630	30,280
Total closure and post-closure provisions	23,558	30,893	23,207	30,437

Provision is made for the future costs of closing the company's landfills at the end of their economic lives and for the associated post-closure costs, being the aftercare of the landfill for the prescribed periods. Estimated costs, adjusted for inflation, are built up on an item by item basis. The provision held, at each balance date, represents the net present value of the estimated future costs. A detailed reassessment of these costs and the anticipated remaining life of the landfills is performed on a regular basis, usually three yearly. On an annual basis a high-level review of costs is performed, together with a reassessment of anticipated inflation and the discount rate applicable. The discount rates used are the Treasury's central table of risk-free discount rates as at 30 June 2021 as applicable to each forecast period (2020: Treasury's central table of risk-free discount rates).

The impact of changes to the provision arising from the reassessment of the life of the landfills and estimated future costs are capitalised to deferred closure and post-closure costs within property, plant and equipment in the balance sheet. The annual change in the net present value of the provision due to the passage of time is recorded as the time value adjustment of provisions in the profit or loss. The financial reporting standards require this to be disclosed as an interest cost in the profit or loss (see Note 5).

Notes to the Financial Statements

For the year ended 30 June 2021

Kate Valley Landfill

The remaining economic life of the Kate Valley landfill is estimated to be 24 years.

The cash outflows for landfill post-closure are expected to occur in twenty four to fifty four years time (or between 2045 and 2075). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred and as a result changes in estimates occur over time. The provision has been estimated taking into account existing technology and using discount rates applicable to the timing of estimated cash outflows, which range from 0.38% to 4.30% (2020: 0.22% to 3.91%). An average inflation rate of 1.94% (2020: 1.68%) has been applied. The combination of applying a multi-rate discount rate, the inflation rate, cost reassessments and the long term nature of the expected cash outflows has resulted in a decrease to the provision and the closure and post closure asset of $7,123,000, which will be reflected in increased time value adjustments to the provision and decreased amortisation of the asset in future years.

Burwood Resource Recovery Park Landfill

The remaining consented life of the Burwood Resource Recovery Park is 0.5 years, however the facility closed to the receipt of earthquake related demolition waste on 20 December 2019. Cash outflows for progressive closure, capping and landscaping continued during the year and are scheduled to be completed prior to the consent expiring. The site has been handed back to Christchurch City Council.

The provision has been estimated taking into account existing technology and using discount rates applicable to the timing of estimated cash outflows, of 0% (2020: 0.22%), as the remaining closure work is to be completed during the 2022 year.

18. Employee benefit liabilities

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Accrued pay (including directors fees)	19	22	19	22
Total employee benefit liabilities	19	22	19	22
Comprising:				
Current	19	22	19	22
Non-current	-	-	-	-
Total employee benefit liabilities	19	22	19	22

Notes to the Financial Statements
For the year ended 30 June 2021

19. Trade and other payables

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Trade payables	1,307	589	1,307	589
Accrued expenses	1,454	1,162	1,419	1,120
Related party payables (Note 24)	2,832	1,964	2,670	1,774
	5,593	3,715	5,396	3,483

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates to their fair value.

20. Cash flow information

Reconciliation of profit for the period to net cash flow from operating activities

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Total comprehensive income for the year	**13,661**	**13,383**	**23,832**	**17,685**
Add/(less) non-cash items:				
Depreciation, amortisation and impairment	5,725	5,739	5,661	5,324
Gain on changes in fair value of forestry	(581)	373	(581)	373
Electricity hedge swap	112	144	112	144
Time value adjustment (Note 5)	68	555	68	531
ETS surrendered (Note 10)	1,136	779	1,136	779
Loss / (gain) on sale of fixed assets	24	36	-	36
Deferred tax	(228)	(828)	(210)	(747)
	6,256	6,798	6,186	6,440
Add/(less) movements in working capital items:				
Receivables	(2,270)	(559)	(1,427)	(868)
Income tax	(440)	243	(266)	341
Trade payables - working capital	1,907	6	1,910	(19)
	(803)	(310)	217	(546)

Notes to the Financial Statements
For the year ended 30 June 2021

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Less items classified as investing activities:				
Trade payables – property, plant & equipment	118	493	118	493
Closure and post-closure provisions utilised	(279)	(967)	(174)	-
	(162)	(474)	(57)	493
Net cash inflow/(outflow) from operating activities	**18,952**	**19,397**	**30,178**	**24,072**

Non-cash investing and financing activities

There were no non-cash investing and financing transactions during the period (2020: nil).

Changes in liabilities arising from financing activities

	Non-current loans and borrowings $'000 (Note 16)	Current loans and borrowings $'000 (Note 16)	Total $'000
Group			
Balance at 1 July 2019	-	-	-
Cash flows	-	-	-
Balance at 30 June 2020	-	-	-
Cash flows	-	-	-
Balance at 30 June 2021	**-**	**-**	**-**
Parent			
Balance at 1 July 2019	-	5,200	5,200
Cash flows	-	(400)	(400)
Balance at 30 June 2020	-	4,800	4,800
Cash flows	-	(1,525)	(1,525)
Balance at 30 June 2021	-	3,275	3,275

Notes to the Financial Statements

For the year ended 30 June 2021

21. Correction of errors

During the past year, it was noted that there had been an error in the basis of the calculation for depreciation on landfill development. This error initially occurred in the 2014 financial year.

The errors have been corrected by restating each of the affected financial line items for prior periods. Minor classification differences within Property, Plant & Equipment were also identified and updated. The adjustments relate to the parent company so are identical for both the parent and group. The following tables summarise the impacts on the group and parent's financial statements.

Group Balance Sheet ($'000)

	Impact of correction of error		
1 July 2019	**As previously reported**	**Adjustments**	**As restated**
Property, plant & equipment	63,629	1,604	65,233
Other assets	24,516	-	24,516
Total assets	88,145	1,604	89,749
Deferred income tax liability	(3,391)	(449)	(3,840)
Other liabilities	(35,216)	-	(35,216)
Total liabilities	(38,607)	(449)	(39,056)
Retained earnings	(32,913)	(1,155)	(34,068)
Others	(16,625)	-	(16,625)
Total equity	(49,538)	(1,155)	(50,693)

30 June 2020	**As previously reported**	**Adjustments**	**As restated**
Property, plant & equipment	62,827	2,279	65,106
Other assets	21,836	-	21,836
Total assets	84,663	2,279	86,942
Deferred income tax liability	(2,317)	(639)	(2,956)
Other liabilities	(36,810)	-	(36,810)
Total liabilities	(39,127)	(639)	(39,766)
Retained earnings	(29,055)	(1,640)	(30,695)
Others	(16,481)	-	(16,481)
Total equity	(45,536)	(1,640)	(47,176)

Notes to the Financial Statements
For the year ended 30 June 2021

Group Statement of Comprehensive Income ($'000)

	Impact of correction of error		
For the year ended 30 June 2020	**As previously reported**	**Adjustments**	**As restated**
Depreciation and amortisation	(6,413)	674	(5,739)
Income tax expense	(5,072)	(189)	(5,261)
Others	24,527	-	24,527
Profit	13,042	485	13,527
Total comprehensive income	12,898	485	13,383

There is no impact on the group total operating, investing or financing cash flows.

Parent Balance Sheet ($'000)

	Impact of correction of error		
1 July 2019	**As previously reported**	**Adjustments**	**As restated**
Property, plant & equipment	59,633	1,604	61,237
Other assets	7,630	-	7,630
Total assets	67,263	1,604	68,867
Deferred income tax liability	(2,763)	(449)	(3.212)
Other liabilities	(38,712)	-	(38,712)
Total liabilities	(41,475)	(449)	(41,924)
Retained earnings	(9,788)	(1,155)	(10,943)
Others	(16,000)	-	(16,000)
Total equity	(25,788)	(1,155)	(26,943)

30 June 2020	**As previously reported**	**Adjustments**	**As restated**
Property, plant & equipment	62,597	2,279	64,876
Other assets	9,758	-	9,758
Total assets	72,355	2,279	74,634
Deferred income tax liability	(2,425)	(639)	(3,064)
Other liabilities	(40,960)	-	(40,960)
Total liabilities	(43,385)	(639)	(44,024)
Retained earnings	(12,489)	(1,640)	(14,129)
Others	(16,481)	-	(16,481)
Total equity	(28,970)	(1,640)	(30,610)

Notes to the Financial Statements
For the year ended 30 June 2021

Parent Statement of Comprehensive Income ($'000)

	Impact of correction of error		
For the year ended 30 June 2020	**As previously reported**	**Adjustments**	**As restated**
Depreciation and amortisation	(5,998)	674	(5,324)
Income tax expense	(4,801)	(189)	(4,990)
Others	28,143	-	28,143
Profit	17,344	485	17,829
Total comprehensive income	17,200	485	17,685

There is no impact on the parent total operating, investing or financing cash flows.

22. Capital commitments and operating leases as lessor

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Capital commitments contracted for at balance date but not yet incurred for property, plant and equipment	2	1,170	2	1,170

The company has entered into forward contracts totalling $1,596,000 (2020: $nil) for the purchase of emissions units.

There are no capital commitments in relation to forestry.

Operating leases as lessor

The group leases land not immediately required for its operations under operating leases. The leases are with one external party and have non-cancellable terms of 5 years from June 2018.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Not later than one year	55	55	55	55
Later than one year and not later than five years	55	110	55	110
Later than five years	-	-	-	-
Total non-cancellable operating leases	**110**	**165**	**110**	**165**

No contingent rents have been recognised during the period.

Notes to the Financial Statements
For the year ended 30 June 2021

23. Contingent assets and liabilities

Contingent assets

Under the New Zealand Emissions Trading Scheme (ETS) the group is eligible for carbon credits on sequestration of carbon in the group's post-1989 forests. Credits have been received for periods up to 31 December 2017.

The group will have an obligation to account for any emission released as a consequence of deforestation of pre-1990 land by surrendering credits equal to the extent of that emission. The group has no liability for deforestation as at 30 June 2021.

Contingent liabilities

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Bonds	15,912	15,912	15,912	15,912

Bonds of $15,912,500 (2020: $15,912,500) have been arranged with the parent company's bankers in terms of resource consents granted to the company. It is anticipated no material liabilities will arise.

The subsidiary, Burwood Resource Recovery Park Limited, is required under its operational agreement with Christchurch City Council to remediate the sites it operates in the Burwood Resource Recovery Park on expiry of the consenting period, to the extent agreed with Christchurch City Council. This excludes the landfill sites, for which closure provisions have been established. The site has been handed back to the Council and it has indicated that it is unlikely any remediation will be required, as the sites may be used for future activities. No material losses are anticipated in respect of the contingent liabilities.

24. Related party transactions

The company's shareholders are considered to be related parties of the company. This includes the five territorial local authorities with shareholdings in the company and Waste Management NZ Limited.

The company has negotiated arms-length waste disposal and transport contracts with the related parties. The company also contracts with Waste Management NZ Limited for costs relating to the on-going landfill construction, landfill disposal and transport services.

Notes to the Financial Statements

For the year ended 30 June 2021

The following transactions were carried out with related parties:

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
(a) Sales of services				
Entities with joint control or significant influence over the entity (landfilling and transport)	16,968	15,558	16,861	15,508
Entities with joint control or significant influence over the entity (rental)	5	5	5	5
Other related parties (landfilling and transport)	17,747	16,605	17,747	16,605
Subsidiaries (reimbursement of costs)	-	-	88	53
	34,715	32,168	34,701	32,171
(b) Purchases of services				
Entities with joint control or significant influence over the entity (waste disposal, transport and construction)	27,972	25,389	25,625	23,869
Entities with joint control or significant influence over the entity (rates)	15	15	15	9
	27,987	25,404	25,640	23,878
(c) Year end balances arising from sales/purchases of services				
Receivables from related parties (Note 12)				
Entities with joint control or significant influence over the entity	1,483	1,792	1,483	1,765
Other related parties	1,660	1,842	1,660	1,842
Subsidiaries	-	-	105	72
	3,143	3,634	3,248	3,678
Payables to related parties (Note 19)				
Entities with joint control or significant influence over the entity	2,832	1,964	2,670	1,774
Subsidiaries	-	-	-	-
	2,832	1,964	2,670	1,774

Notes to the Financial Statements
For the year ended 30 June 2021

(d) Advances from related parties (Note 16)	**Group 2021 $'000**	**Group 2020 $'000**	**Parent 2021 $'000**	**Parent 2020 $'000**
Advances from subsidiary				
Beginning of year	-	-	4,800	5,200
Advances/(repayments)	-	-	(1,525)	(400)
Interest expense	-	-	181	260
Interest paid	-	-	(181)	(260)
End of year	-	-	3,275	4,800

Key management personnel				
Directors' fees and other short term employee benefits	343	346	343	346

Directors' remuneration is detailed in the Directors' Report to Shareholders on page 4.

No provision has been required, nor any expense recognised for impairment of receivables for any loans or other receivables from related parties (2020: Nil).

25. Financial instruments

25A. Financial instrument categories
The accounting policies for financial instruments have been applied to the line items below:

	Group 2021 $'000	**Group 2020 $'000**	**Parent 2021 $'000**	**Parent 2020 $'000**
FINANCIAL ASSETS				
Financial assets at amortised cost				
Cash and cash equivalents	3,257	9,142	736	1,143
Debtors and other receivables	7,289	5,052	6,429	5,002
Other financial assets:				
-Term deposits	-	4,029	-	-
Total loans and receivables	10,546	18,223	7,165	6,145

Notes to the Financial Statements
For the year ended 30 June 2021

FINANCIAL LIABILITIES

Financial liabilities at amortised cost				
Creditors and other payables	5,593	3,715	5,397	3,483
Borrowings:				
- Secured loans	-	-	-	-
- Loans from related parties	-	-	3,275	4,800
Total financial liabilities at amortised cost	5,593	3,715	8,672	8,283
Financial liabilities at fair value				
Hedges payable – current	357	6	357	6
Hedges payable – non-current	-	195	-	195
	357	201	357	201

25B Fair value hierarchy disclosures

For those instruments recognised at fair value in the balance sheet, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

In the normal course of business, Transwaste Canterbury Limited is exposed to risk from debtors. There are no significant concentrations of credit risk other than the Joint Venture parties. The business does not require any collateral or security to support its financial instruments. The business is not exposed to any material foreign exchange or interest rate risk. At balance date, the carrying cost and estimated fair value of the business's financial assets and liabilities were not materially different.

Derivative financial instruments are used by Transwaste Canterbury Limited in the normal course of business in order to hedge exposure to fluctuation in the movements in electricity prices.

25C. Financial instrument risks

Transwaste Canterbury Limited has a series of policies to manage the risks associated with financial instruments. Transwaste Canterbury Limited is risk averse and seeks to minimise exposure from its treasury activities. The Treasury policies do not allow any transactions that are speculative in nature to be entered into.

Notes to the Financial Statements
For the year ended 30 June 2021

Market risk

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Transwaste Canterbury Limited manages its price risk on electricity prices under its policies by entering into contracts for difference agreements to hedge exposure to price fluctuations.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Transwaste Canterbury Limited is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

The interest rates on Transwaste Canterbury Limited's borrowings are disclosed in Note 16.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings issued at fixed interest rates expose Transwaste Canterbury Limited to fair value interest rate risk. Transwaste Canterbury Limited's Treasury policy outlines the level of borrowing that is to be secured using fixed interest rate instruments. Fixed to floating interest rate swaps may be entered into to hedge the fair value interest rate risk arising where Transwaste Canterbury Limited has borrowed at fixed rates. In addition, investments at fixed interest rates expose Transwaste Canterbury Limited to fair value interest rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Transwaste Canterbury Limited to cash flow interest rate risk.

Transwaste Canterbury Limited manages its cash flow interest rate risk on borrowings under the terms of its Treasury policy by, where appropriate, using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings at floating rates and swaps them into fixed rates that are generally lower than those available if Transwaste Canterbury Limited borrowed at fixed rates directly. Under the interest rate swaps, Transwaste Canterbury Limited agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Transwaste Canterbury Limited, causing Transwaste Canterbury Limited to incur a loss. The group has three to five significant customers, which are actively managed to minimise credit risk.

Notes to the Financial Statements

For the year ended 30 June 2021

Transwaste Canterbury Limited invests funds in deposits with registered banks. Accordingly, the group does not require any collateral or security to support these financial instruments.

Transwaste Canterbury Limited has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Maximum exposure to credit risk

Transwaste Canterbury Limited's maximum credit exposure for each class of financial instrument is as follows:

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Cash at bank and term deposits (Note 11)	3,257	13,171	736	1,143
Debtors and other receivables (Note 12)	7,289	5,052	6,429	5,002
Total credit risk	10,546	18,223	7,165	6,145

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Group 2021 $'000	Group 2020 $'000	Parent 2021 $'000	Parent 2020 $'000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	3,257	13,171	736	1,143
Counterparties without credit ratings				
Related party loans:				
Existing counterparty with no defaults in the past	-	-	-	-

Debtors and other receivables mainly arise from ongoing transactions with three to five significant customers for the parent, and a larger number of credit customers for the subsidiaries with no significant concentration of credit risk. There are procedures in place to monitor and report the credit quality of debtors and other receivables on a monthly basis, to minimise credit risk.

Notes to the Financial Statements

For the year ended 30 June 2021

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Transwaste Canterbury Limited will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Transwaste Canterbury Limited aims to maintain flexibility in funding by keeping committed credit lines available.

Transwaste Canterbury Limited manages its borrowings in accordance with its Treasury Policy.

The maturity profiles of Transwaste Canterbury Limited's interest bearing borrowings are disclosed in Note 16.

Contractual maturity analysis of financial liabilities

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

	Carrying amount $'000	Contract-ual cash flows $'000	Less than 1 year $'000	1 – 2 years $'000	2 – 5 years $'000
Group 2021					
Creditors and other payables	5,593	5,593	5,593	-	-
Total	5,593	5,593	5,593	-	-
Group 2020					
Creditors and other payables	3,715	3,715	3,715	-	-
Total	3,715	3,715	3,715	-	-
Parent 2021					
Creditors and other payables	5,396	5,396	5,396	-	-
Related party loans	3,275	3,275	3,275	-	-
Total	8,671	8,671	8,671	-	-
Parent 2020					
Creditors and other payables	3,483	3,483	3,483	-	-
Related party loans	4,800	4,800	4,800	-	-
Total	8,283	8,283	8,283	-	-

There are no secured loans at balance date.

Notes to the Financial Statements
For the year ended 30 June 2021

Contractual maturity analysis of financial assets

The table below analyses the company and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

	Carrying amount $'000	Contract-ual cash flows $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000
Group 2021						
Cash and cash equivalents	3,257	3,257	3,257	-	-	-
Trade and other receivables	7,289	7,289	7,289	-	-	-
Other financial assets						
-Term deposits	-	-	-	-	-	-
Total	**10,546**	**10,546**	**10,546**	**-**	**-**	**-**
Group 2020						
Cash and cash equivalents	9,142	9,142	9,142	-	-	-
Trade and other receivables	5,052	5,052	5,052	-	-	-
Other financial assets						
-Term deposits	4,029	4,099	4,099	-	-	-
Total	**18,223**	**18,293**	**18,293**	**-**	**-**	**-**
Parent 2021						
Cash and cash equivalents	736	736	736	-	-	-
Trade and other receivables	6,429	6,429	6,429	-	-	-
Other financial assets:						
- Related party loans	-	-	-	-	-	-
Total	**7,165**	**7,165**	**7,165**	**-**	**-**	**-**
Parent 2020						
Cash and cash equivalents	1,143	1,143	1,143	-	-	-
Trade and other receivables	5,002	5,002	5,002	-	-	-
Other financial assets:						
- Related party loans	-	-	-	-	-	-
Total	**6,145**	**6,145**	**6,145**	**-**	**-**	**-**

Notes to the Financial Statements
For the year ended 30 June 2021

26. Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the equity ratio. This ratio is calculated as total equity divided by total assets. The group's strategy, as set out in the Statement of Intent for the 2021 year, is to endeavour to operate with a consolidated shareholders' funds to total assets of 41.1% during the 2020/2021 financial year.

The equity ratio achieved at 30 June 2021 is 53.4% (2020: 54.3%). As disclosed in Note 17 (Provisions), the closure and post-closure provision is reassessed periodically and, due to the long-term nature of the liability relating to the Kate Valley landfill, movements in estimated costs and discount rates can have a significant impact from year to year on the reported value. In particular, the discount rate applied as at 30 June 2021 has increased from the then-current rate and costs applied when forecasting the 2021 year. The reassessment applicable to the 2021 year compared to forecast has resulted in a decrease in the provision and the related asset value, which was not anticipated when the gearing ratio was calculated for the Statement of Intent. The effect on the gearing ratio from the reassessment is an increase of 4.9%.

27. Events after balance date

There have been no significant events after the reporting date that are not otherwise disclosed in these financial statements.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the shareholders of Transwaste Canterbury Limited and Group's financial statements and performance information for the year ended 30 June 2021

The Auditor-General is the auditor of Transwaste Canterbury Limited and Group (the Group). The Auditor-General has appointed me, Dereck Ollsson, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information of the Group, on his behalf.

Opinion

We have audited:

- the financial statements of the Group on pages 22 to 69, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Group on pages 15 to 21.

In our opinion:

- the financial statements of the Group on pages 22 to 69:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2021; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with New Zealand Equivalents to International Financial Reporting Standards; and
- the performance information of the Group on pages 15 to 21 presents fairly, in all material respects, the Group's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Group's objectives for the year ended 30 June 2021.

Our audit was completed on 26 November 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors (the Board) and our responsibilities relating to the financial statements and the statement of objectives and performance, we comment on other information, and we explain our independence.

(70)

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board is also responsible for preparing the performance information for the Group.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The Board's responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of shareholders, taken on the basis of these financial statements and the performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We evaluate the appropriateness of the reported performance information within the Group's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

- We obtain sufficient appropriate audit evidence regarding the financial statements and the performance information of the entities or business activities within the Group to express an opinion on the consolidated financial statements and the consolidated performance information. We are responsible solely for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify in our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 3 to 14 but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.

Dereck Ollsson
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

(73)

Christchurch City Council

Item 16

16. Riccarton Bush Trust - Performance Report for the six months to 31 December 2021 and draft Statement of Intent for 2022/23

Reference Te Tohutoro:	22/246129
Report of Te Pou Matua:	Linda Gibb, Performance Advisor, Resources Group (linda.gibb@ccc.govt.nz).
General Manager Pouwhakarae:	Leah Scales, Acting General Manager/CFO, Resources Group (leah.scales@ccc.govt.nz).

1. Purpose of the Report Te Pūtake Pūrongo

1.1 The purpose of this report is to report Riccarton Bush Trust's (the Trust's) performance report for the half year ending 31 December 2021 and to seek Council's comments if any on the Trust's draft Statement of Intent (SOI) for 2022/23.

1.2 This report has been written following receipt of the documents from the Trust before the statutory dates set out in the Local Government Act 2002 (LGA). The Trust has requested to present its draft SOI to the Committee at the meeting. Attendees will be the Chair of the Trust, Mr Bob Shearing QSO, Trustee Mr Bob Lineham and Trust Manager, Ms Shona Willis.

1.3 The decisions in this report are of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by estimating the extent to which the decisions may impact the community.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives Riccarton Bush Trust's half year report for the period 1 July to 31 December 2021;
2. Approves an increase in the capital grant for Riccarton Bush Trust of $53,000 in 2022/23, $71,000 in 2023/24 and a reduction of $8,000 in 2024/25 for the bush enhancement project;
3. Notes Riccarton Bush Trust's draft Statement of Intent for 2022/23 and comments to the trustees that the Council would like them to consider including in the final Statement of Intent for 2022/23 the following:
    - identification of the contribution the Riccarton Bush Trust makes to the Council's community outcomes through the delivery of its activities and services;
    - a commitment to meeting the goal of becoming net carbon neutral by 2030, and to work with Council staff to identify what is required to enable this outcome; and
    - a commitment to provide information in its statutory reporting about numbers of participants across the variety of Riccarton Bush and House offerings and providing comparisons over time as that information is compiled.

3. Reason for Report Recommendations Ngā Take mō te Whakatau

3.1 To assist the Trust to meet the purpose of the SOI in section 64(2) of the LGA (described later in this report).

4. Alternative Options Considered Ētahi atu Kōwhiringa

4.1 The alternative options are to make no comment on the draft SOI, which would lead to it being finalised as it has been presented in draft form. This would be acceptable as the draft SOI is legally compliant.

5. Detail Te Whakamahuki

Background

5.1 The Trust is a charitable trust, incorporated under an Act of Parliament in 1914. The Riccarton Bush Amendment Act 2012 provides that the Trust must provide a financial plan to the Council annually for review and approval. The Trust administers 7.8 hectares of native bush and Riccarton (historic) House.

5.2 Total operating income and costs are around $0.6 million per annum, of which roughly half is from a Council grant and the remainder is a mixture of income from the on-site café (Local), the Saturday morning market, tours, third party grants, bequests and donations. Around half of the Trust's total expenditure is employee salaries and benefits. The Trust pays its staff the living wage.

5.3 The Council also provides a capital grant to the Trust which, as a rule funds around 50% of its capital works, with the other 50% coming from third parties. In recent times the Trust has upgraded the external public toilets, replaced carpet in the House, acquired antique furniture and installed sun-filters in the House.

5.4 The capital value of the Riccarton Bush and House is around $14.5 million.

5.5 The following table shows the changes in the Trust's financial outcomes over the past few years (excluding non-cash items such as depreciation):

	2018/19 Actual $000	2019/20 Actual $000	2020/21 Actual $000
Council funding	334	361	460
Other funding sources	193	239	166
Operating expenditure	(537)	(545)	(562)
Capital grant from Council	60	89	72

5.6 Council funding increased $100,000 in 2020/21 reflecting half the cost of re-painting Riccarton House, with the other half falling in 2021/22. Other funding includes donations, tour commissions, commission from the on-site café Quarters at Riccarton House (previously Local), commission from the Saturday market, rent from the Rangers' House, grants, bequests.

5.7 The largest stable contribution from other sources is from the café. It's business has held up reasonably well in the face of COVID-19 restrictions due to increased domestic visitation. The significant improvement in other funding in 2019/20 was from a one-off bequest of $33,000 and COVID-19 wage subsidy of $43,500.

Performance for half year 1 July to 31 December 2021

5.1 During the half year, COVID-19 lockdown at level 4 was in place for two weeks which contributed to the reduction in visitor numbers. The most significant detrimental impact on tour income was the border restrictions. Tour numbers decreased by 28% in the half year and bush walk visitors were down 33%. However, increased patronage from domestic visitors has allowed the concession income from the on-site café to be maintained.

5.2 The following table sets out the Trust's performance for the first six months of the 2021/22 financial year, and compares it with its SOI targets and with the same period in the prior year.

	Actual $000	**SOI target $000**	**Last year $000**
Revenue (incl gain on asset sale)	328	327	317
Expenses	422	327	371
Operating surplus/(deficit)	**(94)**	**0**	**(54)**
Total assets	14,865	Not forecast	14,962

5.3 The Trust's SOI projections are to break even *before* third party grants, bequests, and depreciation expenses (because these items are either non-cash or uncontrollable).

5.4 Against budget, the deficit is higher by $94,000, due to a depreciation charge of $142,000 which was not included in the SOI forecasts because it is non-cash, offset by lower expenditure of $50,000 reflecting a deferral of the house painting until the second half of the 2021/22 financial year.

5.5 Against the prior year, the operating deficit was higher by $40,000 of which $59,000 was attributable to a higher depreciation charge due to the combined impacts of an appreciation in the value of Riccarton House of $1.8 million and a reduction in its useful life from 99 to 45 years. Offsetting this was higher revenue of $10,000 from a capital grant and lower expenses by $11,000 largely as a result of a lag between the former bush ranger leaving and the new one starting as well as deferral of building maintenance.

5.6 The Trust has started measuring a variety of visitor data including numbers of visitors overall and by activity (i.e. bush walk, house tour, weddings) and by user type (e.g. schools, university, community, film, health). The data needs to be collected for another year to enable comparisons to be made year to year.

5.7 For the first half of 2021/22, 702 visitors participated in tours of the bush and house, 2,092 attended weddings, community events, and picnics, 5,780 coffees were sold by the café, and in total 50,000 participations were recorded against all bush and house offerings (some visitors may have participated in more than one offering, therefore this is not the total number of visitors). It should also be noted that the Trust's goal is to optimise the benefits of visitors with the costs of maintaining and conserving the historic property.

5.8 Non-financial performance targets have all been either achieved for the year to date, or are on target to be achieved by year end.

Draft Statement of Intent

5.9 Section 64(2) of the LGA identifies the purpose of a SOI is to-

(a) State publicly the activities and intentions of the CCO for the year and the objectives to which those activities will contribute; and

(b) Provide an opportunity for shareholders to influence the direction of the organisation; and

(c) Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

5.10 The draft SOI meets the content requirements of the LGA, as set out in parts 2 and 4 of schedule 8. Key content requirements are for SOIs to include:

- the objectives of the group,
- a statement of the board's approach to governance, and

- the nature and scope of activities to be undertaken, the non-financial performance targets and other measures by which performance is judged in relation to the objectives and forecast financial statements for the SOI's three year time horizon.

5.11 The table below compares the Trust's draft SOI financial forecasts with its prior year SOI's final forecasts.

Revenue/Expenses	2022/23 $000	2023/24 $000	2024/25 $000
Current draft SOI	567	580	593
Last year's final SOI	566	579	-

5.12 When the financial forecasts were developed for last year's SOI the Trust had not anticipated ongoing COVID-19 restrictions that would continue to adversely impact its visitor income. As the borders are expected to be open again, there has been no change in the Trust's expected visitor income. The operating grant sought from the Council is shown in the following table:

Operational revenue	2022/23 $000	2023/24 $000	2024/25 $000
CCC Operational Grant sought	365	373	382
Draft Annual Plan 2022/23 funding	365	375	379
Implied 3rd party funding	202	206	211

5.13 The operational levy for 2022/23 is consistent with the provisions made in the Council's Draft 2022/23 Annual Plan. Minor variance in outer year figures will be aligned in future Annual Plans.

Capital funding increase

5.14 The following table shows the Trust's projection of capital grants it is seeking from the Council:

Capital	2022/23 $000	2023/24 $000	2024/25 $000
Estimated capital expenditure	247	230	105
Draft Annual Plan 2022/23 funding	71	44	60
CCC capital grant sought	124	115	52
Increase/(decrease)	*53*	*71*	*(8)*

5.15 Over the past year the Trust has embarked on a project to upgrade the boardwalk and path system throughout the Bush. It is old and poses a health and safety risk, as well as being inaccessible for many as a result of uneven surfaces due to wear and tear.

5.16 In recent years the Trust has progressed projects to support the history of the House and the ecology and history of the bush. The project provides an opportunity for it to put the focus on the cultural heritage of the House and Bush. It will include measures to more formally recognise the Bush's cultural history and the strong partnership between Ngāi Tūāhuriri and the Deans' brothers.

5.17 A recent review of the Bush by the Fire Department returned a recommendation that the fire protection system should be upgraded and an alert system installed, which is also part of the project.

5.18 In total, the project is expected to cost $1 million over the next two years. The Trust has partnered with the Christchurch Foundation to undertake a crowd funding campaign as well as being in discussions with the Rata Foundation and Lotteries Commission for funding. The Trust is optimistic that its plans (which were funded by third party grants) will be well received and financially supported by the community. In the event it does not raise sufficient external funding, the Trust would prioritise and deliver those of highest net benefit.

5.19 Other capital costs in each year are for regular capital items such as acquiring antiques, furnishings and fittings, landscaping and planting.

Statement of Expectations

5.20 In December 2021, the Council issued a Statement of Expectations to all of its CCOs. The following sets out the Trust's responses to the expectations and how they have been incorporated into the Trust's draft SOI (note that not all expectations are relevant to a SOI):

Expectation	Draft SOI response
Clarity of strategic objectives	This is governed by both the Riccarton Bush Act 1914 and amendments as well as the 2015 Management Plan. It is recorded in the draft SOI at section 2 Vision, and supported by section 3 Value Statement and section 4 Management goals.
Linkages to Council's strategic directions	These are not included in the draft SOI. The Trust contributes to resilient communities (celebration of our identity through arts, culture, heritage, sport and recreation, strong sense of community and active participation in civic life), liveable city (21st century garden city we are proud to live in), healthy environment (unique landscapes and indigenous biodiversity are valued and stewardship exercised)

2030 target for net neutral carbon emissions	This is not explicitly addressed in the draft SOI. While it is unlikely that the Trust's activities are likely to give rise to major carbon emissions, the matter needs further consideration. Staff will work with the Trust to identify next steps.
Commitment to raising 3rd party funding	The Trust's reliance on, and work towards achieving 3rd party funding has been evident over the years. The Trust will consider reinstating targets in 2023/24 when the tourism sector is likely to be more stable.
Health and safety	Reported at each board meeting and included in draft SOI (performance target 1).
Meaningful performance targets and how they contribute to the four well-beings	The Trust contributes to all of the well-beings in the community: social (providing opportunities for the community to undertake leisure activities, meet with one another, benefit from offerings such as the Saturday market) economic (benefitting from commission from the on-site privately owned café), environmental (supporting and enhancing indigenous flora, fauna and ecology, and cultural wellbeing of the community (including protecting taonga and promoting the site's heritage).
Living Wage	All staff have been paid the living wage since 2020.
10 year asset management plan	This has been confirmed by the Trust.
Diversity on the board	To be considered as part of succession planning.
Succession planning	The Trust is to report on this at the Council's earlier request, the work for which is underway.
High levels of engagement with mana whenua in areas of mutual interest	There is currently a vacancy on the Trust Board for manua whenua representation. The Trust is awaiting the results of a review of representation being carried out by Ngai Tūāhuriri.
No surprises policy	The relationship with the Council is open and transparent and the Trust currently operates on a no-surprises basis. This is recorded in the draft SOI (refer section 6).

5.21 Clause 1(2), part 1 of schedule 8 provides that the board must consider any comments on the draft SOI that are made by the shareholders before 1 May in the year preceding the year to which the draft SOI relates.

5.22 In summary, the Trust's draft SOI is legally compliant. However, there are three comments on the Council may wish to formally make to the Trust for consideration and if agreed to include in the final SOI, as follows:

- clarification of the linkages between its activities and services with the Council's community outcomes;
- a commitment to become net carbon neutral by 2030, and to work with Council staff to identify what is required to achieve this outcome; and
- provision of information in its statutory reporting about numbers of participants across the variety of Riccarton Bush and House offerings and trend data when sufficient information is captured over time.

6. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

Strategic Alignment Te Rautaki Tīaroaro

6.1 SOIs are strongly aligned to the Council's strategic objectives and to its LTP 2021-31.

Policy Consistency Te Whai Kaupapa here

6.2 The decisions in this report are consistent with the Council's Plans and Policies – in particular promoting good governance. This report has linkages to the Council's Long Term Plan (2021 - 2031).

Impact on Mana Whenua Ngā Whai Take Mana Whenua

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

6.4 The decision is administrative in nature. However, capital projections are based on a project to enhance the Bush which includes more formally recognizing the Bush's cultural history and the strong partnership between Ngāi Tūāhuriri and the Deans' brothers.

Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

6.5 The decisions in this report do not themselves create any climate change impacts. However, a request for the Trust to include climate change commitments in its SOI is in line with the Council's climate change policies.

Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

6.6 The upgrade of the boardwalk and path system throughout the Bush is, in part to make it safer and more accessible.

7. Resource Implications Ngā Hīraunga Rauemi

Capex/Opex Ngā Utu Whakahaere

7.1 The operating costs provided for in the draft SOI are consistent with the LTP 2021-31 and Draft 2022/23 Annual Plan.

7.2 The capital costs are higher than in the LTP due to an oversight by Council staff. They will be updated and aligned in the Final 2022/23 Annual Plan.

8. Legal Implications Ngā Hīraunga ā-Ture

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

8.1 Section 64 of the LGA requires every CCO to prepare and adopt a SOI. The process and SOI content requirements and obligations of CCOs and local authority shareholders is set out in schedule 8 of the LGA.

Other Legal Implications Ētahi atu Hīraunga-ā-Ture

8.2 The Riccarton Bush Amendment Act 2012 provides obligations for both the Trust and the Council. The submissions from the Trust, and the proposed responses from the Council are consistent with the Act.

9. Risk Management Implications Ngā Hīraunga Tūraru

9.1 Not relevant.

Item 16

Attachments Ngā Tāpirihanga

No.	Title	Page
A ⇩	Riccarton Bush Trust - Half year report to 31 December 2021	383
B ⇩	Riccarton Bush Trust - Draft Statement of Intent 2022/23	393

Additional background information may be noted in the below table:

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	Bruce Moher - Acting Head of Finance Leah Scales - Acting General Manager Resources/Chief Financial Officer

Christchurch City Council

Item 16

Attachment A

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

Unaudited half year report to 31 December 2021

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Background

These are the unaudited interim financial statements of the Riccarton Bush Trust ("the Trust"). The financial statements of the Trust are for the six months ended 31 December 2021. The financial statements were authorised for issue by the Trust Board on 23 February 2022.

The Trust was formed by an Act of Parliament and operates and manages Riccarton House and grounds together with Riccarton Bush. The key objectives of the Trust are to:

- Protect and enhance the indigenous flora, fauna and ecology of Pūtaringamotu /Riccarton Bush, including mahinga kai and taonga species.
- Protect and conserve Riccarton House, Deans Cottage, and their grounds.
- Encourage public interest, use and participation and promote the natural and cultural heritage values of the site.

Trustees

The persons holding office as Trustees for the year to date and at 31 December 2021 were:

Bob Shearing (Chairman)
Mike Mora (Deputy Chairman)
David Norton
Tim Deans
Jimmy Chen
Bob Lineham
Shirish Paranjape
Pippa Ensor

State of Affairs

For the six months ended 31 December 2021 the Trust incurred a deficit of $93,848; compared to a deficit of $53,946 for the six months to 31 December 2020.

Total income (including interest revenue) was $326,717, close to the original budget of $327,000. It includes $228,717 received from Christchurch City Council as Operational Levy, rent from The Quarters Café (ex Local) of $25,000 and commission from the Café of $29,230 among others sources of revenue. Independent Tours continue to be very low, with a total revenue for the period of $772 against a budget of $5,000

Operating expenses were $277,037 almost $50,000 lower than the original budget of $327,000. This budget includes $50,000 for exterior painting of the house, which is scheduled for later in this financial year, so taking this into consideration the operating expenses were also very similar to the budget.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Operational highlights

- The Scout Den which has been located on the Western side of the property since the mid-1950s was removed in early July. This area has now been sown and a mix of exotic and native trees planted.
- The renovation of the outside public toilets was completed in October.
- A replacement People Counter for the Bush and two additional counters located at the entrance to Riccarton House and the entrance to Deans Cottage were installed. These counters are able to provide information on the time and day which will give us a better understanding of customer behaviour.
- We have improved our reporting to measure how well the performance target to *"Encourage public interest, use and participation and promote the natural and cultural heritage values of the site"* is being met. This report provides details on the visitors that come to Riccarton House & Bush and captures the number of visitors that take tours or attend events. It also records numbers of casual visitors that use the café or grounds and who walk around the Bush. The quarterly reports provide any findings for the report period, quarter comparisons and YTD figures and also include a marketing and social media summary.
- The Heritage Festival this year had the theme "People and Place our stories revealed" a perfect match for our House Tours. We offered special rates and 72 people participated despite Level 2 Covid-19 restrictions. One week of the school holidays was included in the festival so several family groups participated. Emails were sent to all for feedback and all those that responded enjoyed the guided experience:

    - *"I really enjoyed the tour and thought the guide did an excellent job of showing our group around and telling us about the history of the house. I only wish I'd done it sooner!"*
    - *"We thoroughly enjoyed the tour. It was great that so many of the family items and artefacts were available to be part of the house. It creates a realistic snapshot of how they must have lived at that time"*

- Canterbury Museum provided an online workshop on Raising your Profile. Two staff attended and this will be extremely useful for our future planning and fundraising. Canterbury Museum also provided funding for another staff member to enrol in the Level 4 Certificate in Museum Practice and this was completed at the end of the year.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Statement of comprehensive revenue and expense

For the six months ended 31 December 2021

	Six months ended 31 December 2021 $	31 December 2020 $
Revenue from operations	62,098	67,387
Other revenue	264,619	249,692
	326,717	317,079
Employee benefits expense	162,625	166,430
Depreciation and impairment	142,484	83,390
Projects cost	2,518	-
Other expenses	114,412	121,205
	422,039	371,025
Net deficit for the period	(95,322)	(53,946)
Gain on asset disposal	1,474	
Total comprehensive expense	(93,848)	(53,946)

The accompanying notes form part of and are to be read in conjunction with these financial statements.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Statement of changes in equity
For the six months ended 31 December 2021

	Trust Funds $	ACR&E* $	Total equity $
Balance as at 1 July 2020	15,074,400	1,198,883	16,273,283
Total comprehensive expense for the six months to 31 December 2020	-	(53,946)	(53,946)
Balance as at 31 December 2020	15,074,400	1,144,937	16,219,337
Total comprehensive expense for the six months to 30 June 2021	(1,372,384)	(56,164)	(1,428,548)
Balance as at 30 June 2021	13,702,016	1,088,773	14,790,789
Total comprehensive expense for the six months to 31 December 2021	-	(93,848)	(93,848)
Balance as at 31 December 2021	13,702,016	994,925	14,696,941

*Accumulated comprehensive revenue and expense.

The accompanying notes form part of and are to be read in conjunction with these financial statements.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Statement of financial position
As at 31 December 2021

	31 December 2021 $	30 June 2021 $
Current assets		
Cash and cash equivalents	311,830	359,607
Receivables from exchange transactions	34,406	20,622
Receivables from non-exchange transactions	-	84
Inventories	1,925	1,486
GST receivable	2,452	1,277
Total current assets	350,613	383,076
Non-current assets		
Property, plant and equipment	14,514,428	14,578,759
Total non-current assets	14,514,428	14,578,759
Total assets	14,865,041	14,961,835
Current liabilities		
Payables under exchange transactions	31,334	31,975
Provisions	26,365	29,073
Finance lease liability	1,101	2,175
Income in advance	100,129	104,924
Total current liabilities	158,929	168,147
Non-current liabilities		
Finance lease liability	9,171	2,899
Total long term liabilities	9,171	2,899
Total liabilities	168,100	171,046
Net assets	14,696,941	14,790,789
Equity		
Trust funds	13,702,016	13,702,016
Accumulated comprehensive revenue and expense	994,925	1,088,773
Total equity	14,696,941	14,790,789

The accompanying notes form part of and are to be read in conjunction with these financial statements.

For and on behalf of the Board of Trustees, which authorised the issue of the financial report on:

Date 23.02.22.

Chairman (Bob Shearing)

Manager (Shona Willis)

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Statement of cashflows

For the six months ended 31 December 2021

	Six months ended 31 December 2021 $	31 December 2020 $
Cash flows from operating activities		
Receipts from customers and donations	89,395	78,723
Contributions from Christchurch City Council	230,442	230,199
Interest income	686	371
Payments to employees and suppliers	(293,346)	(304,595)
Net GST movement	(4,119)	(7,333)
Net cash flow from operating activities	23,058	(2,635)
Cash flows from investing activities		
Purchase of property, plant and equipment	(76,033)	(89,572)
Net cash flow from investing activities	(76,033)	(89,572)
Cash flows from financing activities		
Establishment/(Payment) of finance lease	5,198	(847)
Net cash flow from financing activities	5,198	(847)
Net (decrease)/increase in cash and cash equivalents	(47,777)	(93,054)
Opening cash and cash equivalents	359,607	322,431
Represented by:		
Cash and cash equivalents	311,830	229,377

The accompanying notes form part of and are to be read in conjunction with these financial statements.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

Statement of Objectives and Performance

For the six months ended 31 December 2021

The following lists the financial and operating performance targets set by the Trust in its Statement of Intent for the year to 30 June 2022 and summarises the Trust's performance against the objectives for the period to date.

Financial Performance Targets

	Six months ended 31 December 2021 Actual $	2021 Target $	2021 Variance $	2021 FY Target $
Operating Revenue	326,717	327,000	(283)	654,000
Less Operating Expenses	277,037	327,000	49,963	654,000
Operating surplus (deficit) before depreciation	49,680	-	49,680	-

The above targets relate to operating revenue and operating expenses and do not include depreciation and project costs of $142,484.

Performance Targets

	Target	Performance Measure 2021/22	Actual 2021/22
1.	Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015	• Report to each Board meeting • Target results for all Trust activities, of: ○ Serious Harm incidents = 0 ○ Accident = 1 ○ Near Misses = 3	Health and Safety meetings are held each month and a report is submitted to each Board meeting. Serious Harm incidents = 0 Accident = 1 Near Misses = 0
2.	Monitoring and management of rodent activity in Riccarton Bush	Effective management resulting in observable decrease in activity	An additional 50 kill traps have been installed. The 6-monthly monitoring programme indicates a reduction in numbers
3.	Bush Enhancements - Replace Board Walk and Improved Interpretation	• Resource Consent Application by September 2021 • Preliminary work commenced February 2022 Fundraising completed by June 2022	Initial pre-planning meetings have been held with CCC. Resource Consent Application now likely in March 2022. Construction details underway. Fundraising has commenced with full launch programmed for April 2022

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

4.	Encourage public interest, use and participation and promote the natural and cultural heritage values of the site.	Inform the public and relevant interest groups about on-going activities of the Trust. Provide quarterly report to the Board that detail the number of visitors that come to Riccarton Bush and Grounds. The reports will include marketing and social media summaries.	Public Consultation on Bush Enhancements resulted in good feedback and comments. Bush Telegraph continues to be popular with residents. Quarterly reports have been submitted to the Board

Notes to the interim financial statements for the six months ended 31 December 2021

Basis for preparation and Statement of Compliance

These are the unaudited interim financial statements of the Trust. The Trust operates under the Riccarton Bush Act 1914 and is a Council Controlled Organisation under the Local Government Act 2002. The Trust manages property in Riccarton. The property consists of Riccarton historic house, cottage and grounds, a residential house and conservation bush.

The major source of income is from an operating levy and an additional grant received annually from the Council and from grants and donations and rents from use of the properties.

The primary purpose of the Trust is to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history; and
- encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice. They comply with the Tier 2 PBE standards.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

(a) the Trust is not publicly accountable; and
(b) the Trust's total expenses for the period being reported are below the $30 million threshold for Tier 1 reporting.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

RICCARTON BUSH TRUST

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements as at 30 June 2021.

Significant Accounting policies

Changes in Accounting Policies and Disclosures

There have been no significant changes in accounting policy since 30 June 2021.

Significant related party transactions

The Trust requires the Council to contribute a significant amount of funds towards its operating costs to deliver its objectives as specified in the Riccarton Bush Act.

During the six months to 31 December 2021, the Trust received $230,442 (2020: $230,199) in operational grants and levies from the Council.
The Trust owes Council $nil as at 31 December 2021 (2020: $nil).
The Council owes the Trust $nil as at 31 December 2021 (2020: $nil).

Contingencies

The Trust has no contingent assets or liabilities as at 31 December 2021.

Events subsequent to balance date

There were no significant events subsequent to balance date requiring disclosure or that would materially affect these financial statements.

RICCARTON HOUSE & BUSH
PŪTARINGAMOTU

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RICCARTON BUSH TRUST

Statement of Intent
for the year ending
30 June 2023

1. Introduction

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

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

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

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

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

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

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

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

2. Our Vision

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

3. Value Statement

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

4. Management Goals

Goal 1	Protect and enhance the indigenous flora, fauna and ecology of Pūtaringamotu /Riccarton Bush; including mahinga kai and taonga species.
Goal 2	Protect and conserve Riccarton House and Deans Cottage and their Grounds.
Goal 3	Encourage public interest, use and participation and promote the natural and cultural heritage values of the site.

1. Nature and Scope of Activities

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

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

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

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

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

2. Governance

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

The functions of the Board are to:

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

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

- Bush and Grounds
- House and Promotions
- Finance

3. Accounting Policies

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

4. Ratio of Shareholders' funds to total assets:

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

The forecast capital structure for the next three years is:

	2022/2023 $m	2023/2024 $m	2024/25 $m
Equity	14.214	13.929	13.646
Debt	Nil	Nil	Nil

5. Performance Targets

(a) Financial performance Targets

	2022/23 $ (000)	2023/24 $ (000)	2024/25 $ (000)
Revenue	567	580	593
Operating Expenses	567	580	593
Operating surplus/deficit before depreciation	0	0	0

(b) Non- Financial Performance Targets

Target		Performance Measure 2022/23
1.	Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015	• Report to each Board meeting • Target results for all Trust activities, of: o Serious Harm incidents = 0 o Accident = 1 o Near Misses = 3
2.	Monitoring and management of rodent activity in Riccarton Bush	Effective management resulting in observable decrease in activity 6-monthly assessment of rodent activity completed
3.	Bush Enhancements - Replace Board Walk and install improved Interpretation	Full Working drawings completed by October 2022 Complete fundraising by December 2022 Works Commence by June 2023

4.	Encourage public interest, use and participation and promote the natural and cultural heritage values of the site.	Inform the public and relevant interest groups about on-going activities of the Trust. Provide a quarterly report to the Board that detail the number of visitors that come to Riccarton Bush and Grounds. The reports will include marketing and social media summaries as well as year to date comparisons.

6. Information to be provided to the Council

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

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

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

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

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

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

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

7. **Compensation sought from local authority**

For the next three financial years the Trust is seeking funding from the Council in accordance with the Riccarton Bush Amendment Act 2012 to assist with the operation and management of the Riccarton Bush.

	2022/2023	**2023/2024**	**2024/2025**
CCC Operational Levy	$365,385	$373,514	$381,824

Capital grants are also sought from the Council in the sums shown below:

	2022/2023	**2023/2024**	**2024/2025**
CCC Capital grants	$123,500	$115,000	$52,500

For financial year 2022/2023 Capital grants are also sought from the Council to assist with the funding of the following projects:

- Bush Enhancements (New Boardwalk and path upgrade and improved interpretation)
- Ground Landscaping/Planting
- New Furniture and Fittings
- New antiques and furnishings

For the following two financial years the Trust is seeking funding for all the above projects in addition to new computers and technology, and kitchen and restaurant plant and equipment renewals.

8. **General Information**

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

Acquisition or Disposal of Shares or Assets:
The Riccarton Bush Trust has no intention to acquire shares or dispose of any of the core assets.

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

Item 17

17. Te Kaha Project - Elected Member Update

Reference Te Tohutoro:	22/205336
Report of Te Pou Matua:	David Kennedy, Chief Executive Te Kaha Project Delivery Limited, david.kennedy@ccc.govt.nz
General Manager Pouwhakarae:	Barry Bragg, Chair Te Kaha Project Delivery Limited, barry.bragg@ngaitahu.iwi.nz

1. Brief Summary

1.1 The purpose of this report is to update Elected Members on the progress of the Te Kaha Project Delivery Limited (previously known as Canterbury Multi-Use Arena).

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Te Kaha Project Elected Members Update Report.

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	David Kennedy - Chief Executive Te Kaha Project Delivery Limited
Approved By	Barry Bragg - Chair Te Kaha Project Delivery Limited

Attachments Ngā Tāpirihanga

No.	Title	Page
A	Te Kaha Elected Member Update (February 2022) for March Meeting 2022	400

Te Kaha CMUA Elected Member Update 28 February 2022
03 941 8999 ccc.govt.nz

PRELIMINARY DESIGN – VIEW FROM NORTHWEST CORNER

Elected Member Update

Te Kaha CMUA Budget

- $533M (CCC/Crown)

Current Phase: Planning (Developed Design)

28 FEBRUARY 2022

Te Kaha

SCOPE

Te Kaha CMUA will position Central Christchurch and the Canterbury region as a world class option for attracting and hosting events. Its main purpose will be to host major sporting and entertainment attractions up to an international level.

Te Kaha CMUA is to be located over three city blocks between Hereford and Tuam Streets, bounded by Madras and Barbadoes Streets. This location is well connected with main transport routes and within easy walking distance of the central city accommodation, hospitality and transport facilities. Te Kaha CMUA is a replacement for the previous stadium at Lancaster Park, destroyed in the 2010-2011 earthquakes, and the current temporary Orangetheory Stadium.

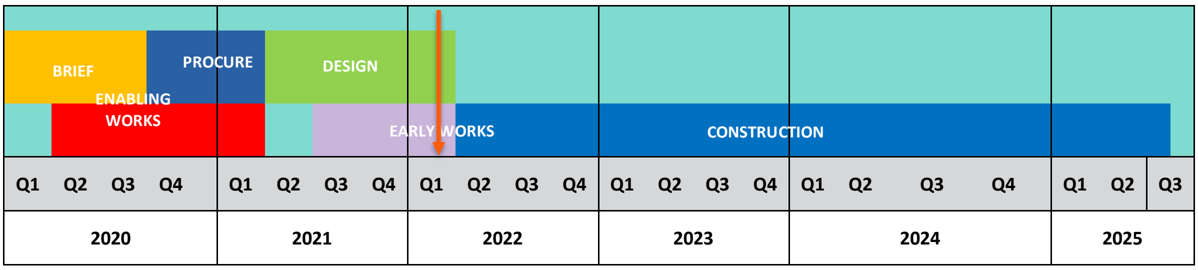
CURRENT UPDATES

Kōtui, a consortium led by BESIX Watpac NZ (CMUA) Limited, with Christchurch-based construction companies Southbase Construction and Fulton Hogan, have been appointed as the main contractor for the Pre Contract Services Agreement (PCSA) phase, with a particular focus on working with local consultants, subcontractors and suppliers.

Kōtui have worked with Client representatives, including Council and Venues Ōtautahi staff, to prepare the Preliminary Design and are currently working on the Developed Design. At its meeting on 27 January 2022, Council approved the Preliminary Design and the name Te Kaha for the arena.

Work is also underway on progressing the Early Works Strategy approved by Council on 09 December 2021. Tenders have closed on the ground improvement, site establishment/bulk earthworks and ETFE design, and these are currently being evaluated by BESIX Watpac. A presentation was made to the Accessibility Regulatory Working Group on 28 February 2022.

The current delivery programme, is as follows:



Delivery timetable as of 28 February 2022. Disclaimer – All timeframes are accurate at the time of publication and are dependent on public sector delivery mechanisms.

18. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.
Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

"(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

(a) Shall be available to any member of the public who is present; and
(b) Shall form part of the minutes of the local authority."

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
19.	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 24 FEBRUARY 2022			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
20.	TE KAHA PROJECT DELIVERY LTD - APPOINTMENT OF NEW DIRECTOR	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	TO PROTECT THE CANDIDATE'S REPUTATION IN THE EVENT THEY ARE NOT APPOINTED.	IMMEDIATELY FOLLOWING NOTIFICATION TO THE CANDIDATE OF THE COUNCIL'S DECISION.
21.	OVERDUE GENERAL AND RATES DEBTORS AT 31 JANUARY 2022 (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.
22.	MAJOR CYCLEWAY SECTION 2 FUNDING REQUIREMENTS	S7(2)(H), S7(2)(I)	COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	TENDERS FOR BOTH CONTRACTS HAVE CLOSED BUT NOT BEEN AWARDED. THE RELEASE OF THIS INFORMATION WOULD COMPROMISE THE NEGOTIATIONS OF THOSE TENDERS.	FOLLOWING THE AWARD OF BOTH CONSTRUCTION TENDERS.

23.	CITIZENS' WAR MEMORIAL AND LANCASTER PARK WAR MEMORIAL	S7(2)(C)(II), S7(2)(H), S7(2)(I)	PREVENT DAMAGE TO THE PUBLIC INTEREST, COMMERCIAL ACTIVITIES, CONDUCT NEGOTIATIONS	COULD PREJUDICE COMMERICAL OR FINANCIAL ACTIVITIES OF COUNCIL AND OTHER PARTIES	FULL OR REDACTED REPORT CAN BE RELEASED WHEN THE CE DETERMINES THERE ARE NO GROUNDS TO WITHHOLD INFORMATION