

# **Finance and Performance Committee AGENDA**

### **Notice of Meeting:**

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

Date: Wednesday 22 March 2023

Time: 9.30 am

Venue: Council Chambers, Civic Offices,

53 Hereford Street, Christchurch

### Membership

Councillor Sam MacDonald Chairperson **Deputy Chairperson** Councillor Melanie Coker

**Members** Mayor Phil Mauger Councillor Kelly Barber

Councillor Pauline Cotter Councillor Celeste Donovan Councillor Tyrone Fields Councillor James Gough Councillor Tyla Harrison-Hunt Councillor Victoria Henstock Councillor Yani Johanson

Councillor Jake McLellan Councillor Andrei Moore Councillor Mark Peters Councillor Tim Scandrett Councillor Sara Templeton

Councillor Aaron Keown

16 March 2023

**Principal Advisor** 

Dawn Baxendale **Chief Executive** Tel: 941 8999

**David Corlett** Committee and Hearings Advisor 941 5421 david.corlett@ccc.govt.nz www.ccc.govt.nz

**Principal Advisor** 

**Leah Scales** General Manager - Resources / CFO Tel: 941 8999

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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https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/







### 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 Papati and into the reflecting future

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

Actively co co-opera 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 ies and the ected in

### **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

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

#### **Delegations**

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

### Capital Programme and operational expenditure

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

### Non-financial performance

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

#### **Council Controlled Organisations**

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



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

### **Development Contributions**

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

### **Property**

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

### Loans and debt write-offs

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

### <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 (Subdelegated to the Insurance Subcommittee as per the Subcommittees Terms of Reference)

### Annual Plan and Long Term Plan

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

### **Submissions**

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

### Limitations

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

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**

Kara	акіа і	ımatanga	1
C	1.	Apologies Ngā Whakapāha	7
В	2.	Declarations of Interest Ngā Whakapuaki Aronga	7
C	3.	Confirmation of Previous Minutes Te Whakaāe o te hui o mua	7
В	4.	Public Forum Te Huinga Whānui	7
В	5.	Deputations by Appointment Ngā Huinga Whakaritenga	7
В	6.	Presentation of Petitions Ngā Pākikitanga	7
STA	FF RE	PORTS	
В	7.	Key Organisational Performance Results - February 2023	17
В	8.	Financial Performance Report - February 2023	33
В	9.	Capital Programme Performance Report February 2023	41
C	10.	Development Contributions Rebate Schemes	91
В	11.	Christchurch Foundation - Annual Report 2021/22 and Half Year Report for the six months ending 31 December 2022.	.103
В	12.	Council-controlled organisations - Half year performance reports for the six months ending 31 December 2022	.145
В	13.	Venues Ōtautahi - Half year performance report and interim financial statements for the six months ending 31 December 2022	.207
В	14.	Christchurch City Holdings Ltd - Half year report and financial statements for the Group for the period 1 July-31 December 2022	.231
С	15.	Appointment of elected members to the boards of ChristchurchNZ Holdings Ltd, Venues Ōtautahi and Civic Building Ltd	.329
C	16.	Resolution to Exclude the Public	.333
Kar:	akia W	/hakamutunga	



### Karakia Tīmatanga

Whakataka Te hau ki Te uru

Whakataka Te hau ki Te tonga

Kia makinakina ki uta

Kia mataratara ki Tai

E hi ake ana te atakura

He tio, he huka, he hau hu

Tihei Mauri Ora

### 1. Apologies Ngā Whakapāha

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

### 2. Declarations of Interest Ngā Whakapuaki Aronga

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

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

That the minutes of the Finance and Performance Committee meeting held on <u>Wednesday</u>, <u>22</u> <u>February 2023</u> be confirmed (refer page 8).

### 4. Public Forum Te Huinga Whānui

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

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

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





# Finance and Performance Committee OPEN MINUTES

Date: Wednesday 22 February 2023

Time: 9.31 am

**Venue:** Council Chambers, Civic Offices,

53 Hereford Street, Christchurch

#### **Present**

Chairperson Councillor Sam MacDonald
Deputy Chairperson Councillor Melanie Coker

Members Mayor Phil Mauger

Councillor Kelly Barber Councillor Pauline Cotter Councillor Celeste Donovan Councillor Tyrone Fields Councillor James Gough

Councillor Tyla Harrison-Hunt - via audio/visual link

Councillor Victoria Henstock

Councillor Yani Johanson - via audio/visual link

Councillor Aaron Keown Councillor Jake McLellan Councillor Andrei Moore Councillor Mark Peters Councillor Tim Scandrett Councillor Sara Templeton

**Principal Advisor** 

Leah Scales

General Manager - Resources / CFO Tel: 941 8999 **Principal Advisor** 

Dawn Baxendale Chief Executive Tel: 941 8999

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



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Part A Matters Requiring a Council Decision

Part B Reports for Information

Part C Decisions Under Delegation

### Karakia Timatanga: Given by all Councillors

Whakataka Te hau ki Te uru

Whakataka Te hau ki Te tonga

Kia makinakina ki uta

Kia mataratara ki Tai

E hi ake ana te atakura

He tio, he huka, he hau hu

Tihei Mauri Or

The agenda was dealt with in the following order.

### 1. Apologies Ngā Whakapāha

#### Part C

### Committee Resolved FPCO/2023/00001

That the apologies received from the Mayor for lateness, and Councillors MacDonald and Donovan for partial absence be accepted.

Councillor Coker/Councillor Fields

**Carried** 

The Mayor joined the meeting during the public excluded session.

### 2. Declarations of Interest Ngā Whakapuaki Aronga

It was noted that Councillor Gough is a Director on the Board of Transwaste. (item.13)

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

### Part C

### **Committee Resolved FPCO/2023/00002**

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 30 November 2022 be confirmed.

Councillor MacDonald/Councillor Barber

**Carried** 



### 4. Public Forum Te Huinga Whānui

### 4.1 Geoffrey King

Geoffrey King spoke regarding the Organics Processing Plant, street works, recycling and other matters.

Councillor Henstock left the meeting at 10.21am and returned at 10.24am during discussion on item 5. Councillor Gough left the meeting at 9.56am and returned at 9.59am during discussion on item 5. Councillor Moore left the meeting at 10.26am and returned at 10.29am during discussion on item 5.

### 5. Deputations by Appointment Ngā Huinga Whakaritenga

### 5.1 Fiona Bennetts

Fiona Bennetts spoke (via audio/visual link) to her presentation (attached) regarding item 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress

#### **Attachments**

A Cycle lanes presentation

#### 5.2 Allan Taunt

Allan Taunt spoke to his presentation (attached) regarding item 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress

### **Attachments**

A Cycle lane presentation

#### 5.3 Don Babe

Don Babe spoke on behalf of Spokes Canterbury (Inc.) regarding item 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress

### 5.4 Celia Hogan

Celia Hogan spoke to her presentation (attached) regarding item 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress.

### **Attachments**

A Cycle Lanes: Wheels to Wings

#### 5.5 David Duffy and Murray James

David Duffy and Murray James spoke on behalf of Richmond Residents & Business Association regarding item 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress



### 5.6 Francis Johnson and Faye Brorens

Francis Johnson and Faye Brorens spoke on behalf of Extinction Rebellion regarding item 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress

### 6. Presentation of Petitions Ngā Pākikitanga

#### Part B

There was no presentation of petitions.

### 7. Key Organisational Performance Results - January 2023

Committee Resolved FPCO/2023/00003 Officer recommendations accepted without change

### Part C

That the Finance and Performance Committee:

- 1. Receive the information in the Key Performance Results January 2023 report.
- Note the changes to level of service targets to be amended within the current financial year.
   Councillor MacDonald/Councillor Peters

  Carried

### 8. Financial Performance Report - January 2023

Committee Resolved FPCO/2023/00004 Officer recommendations accepted without change

### Part C

That the Finance and Performance Committee:

- 1. Receive the information in the Financial Performance Reports for January 2023, and December 2022 (Attachment B).
- 2. That staff report on steps undertaken to recover the forecast deficit at the next meeting.

Councillor Templeton/Councillor Scandrett

Carried

Councillor Donovan left the meeting at 10.52 and returned at 11.40am during discussion on item 13.

### 9. Capital Programme Performance Report for January 2023

Committee Resolved FPCO/2023/00005 Officer recommendations accepted without change

### Part C

That the Finance and Performance Committee:

1. Receive the information in the Capital Programme Performance Report for January 2023.

Councillor Coker/Councillor Peters

**Carried** 



# 10. Overdue General and Rates Debtors at 31 December 2022 (Greater than \$20,000 and 90 days)

Committee Resolved FPCO/2023/00006 Officer recommendations accepted without change

#### Part C

That the Finance and Performance Committee:

- 1. Receives the Overdue General and Rates Debtors (Greater than \$20,000 and 90 days) report.
- 2. Notes the action being taken to recover the overdue amounts.
- 3. Resolves that a redacted copy of the report can be released after the Council has received the report, but the names of the individuals and organisations will remain confidential.

Councillor MacDonald/Councillor Coker

**Carried** 

The meeting adjourned at 11.00am and reconvened at 11.23am

Councillor Coker assumed the Chair for items 12 and 13.

Councillors MacDonald, Gough, Donovan, and Mayor Mauger were not present after the adjournment.

# 12. ChristchurchNZ Holdings Ltd - Half year report for the six months ending 31 December 2022

### **Committee Comment**

1. Therese Arseneau (Chair) and Alison Adams (Chief Executive) spoke to their presentation (attached).

# Committee Resolved FPCO/2023/00007 Officer recommendations accepted without change

### Part C

That the Finance and Performance Committee:

1. Receives ChristchurchNZ Holdings Ltd's half year performance report for the period 1 July–31 December 2022.

Councillor Templeton/Councillor Cotter

**Carried** 

### **Attachments**

A ChristchurchNZ Half Year Report

Councillor Keown left the meeting at 11.53am and returned at 11.56am during discussion on item 13.



### 13. Transwaste Canterbury Ltd - Annual Report 2021/22

# Committee Resolved FPCO/2023/00008 Officer recommendations accepted without change

#### Part C

That the Finance and Performance Committee:

1. Notes the performance of Transwaste Canterbury Ltd for the year ended 30 June 2022.

Councillor Johanson/Councillor Peters

**Carried** 

The meeting adjourned at 12.02pm and reconvened at 2.03pm.

Councillor MacDonald returned to the Chair.

Mayor Mauger and Councillor Harrison-Hunt were not present after the adjournment.

### 11. Community Application to the Capital Endowment Fund

# Committee Resolved FPCO/2023/00009 Officer recommendations accepted without change

#### Part C

That the Finance and Performance Committee:

- 1. Approves a grant of up to \$50,000 from the 2022/2023 Capital Endowment Fund, to the Central City Business Association, for the provision of roving security guards in Central City Retail precinct, from February 1 to June 30 2023. Conditional upon:
  - a. All monies advanced to the Central City Business Association being repaid in full if the current Council application for "Better Off Funding" for this purpose is successful.
- 2. Notes that if the Council's application for "Better Off Funding" is unsuccessful the Council has the opportunity to consider funding the Central City Business Association through the 2023/24 Annual Plan process.
- 3. Delegates to the Head of Community Support and Partnerships the authority to make the necessary arrangements to fulfil resolution 1.

Councillor McLellan/Councillor Templeton

**Carried** 

Councillor Keown left the meeting at 2.40pm and returned at 2.43pm during discussion on item 14.

# 14. Climate Emergency Response Fund (Transport Choices) - Decision over how to Progress

**Secretarial note:** Staff advised that a revised Attachment A and Attachment B (attached) along with revised recommendations had been provided because staff have received more information from Waka Kotahi in relation to when they want the design work completed.

The Committee firstly voted on recommendations 1,5,6 and after these carried voted on recommendations 2,3,4 and 7 which were also carried.



### **Committee Resolved FPCO/2023/00010**

- 1. Acknowledge the positive response from Waka Kotahi to the Council application for CERF funded projects and notes the resourcing implications of adding additional projects to the Transport Capital Programme, especially given the tight delivery timelines of June 2024.
- 4. Notes that staff will start work on the CERF projects in advance of the final adoption of the 2023/24 Annual Plan.
- 5. Approves the CERF programme and the projects as defined in Attachment A revised, be determined as metropolitan significance.

Councillor Templeton/Councillor Cotter

**Carried** 

### Committee Resolved FPCO/2023/00011

That the Finance and Performance Committee:

- 2. Agree to accept eleven CERF projects (as defined in updated Attachment A **revised**) to the transport capital programme as part of the draft 2023/24 Annual Plan, with a total additional budget of \$25,685,419.
- Notes that three CERF projects will **not** be accepted #72757 Southeast Orbital Cycle Connection; #72761 Healthy Streets Linwood; #66291 PT-Bus Priority, Gloucester Street.
- 4. Delegates authority to sign the funding agreement between Council and Waka Kotahi for CERF projects, in accordance with the final resolutions, to the **Chief Executive Officer**.
- 7. Approves that the 24 projects, with a total budget of \$4,422,532 (as defined in Attachment B revised), be deferred by one year to mitigate the delivery impact of the increased CERF budget. This will be reflected and consulted on through the draft 2023/24 Annual Plan.

Councillor Templeton/Councillor Cotter

Carried

#### **Attachments**

- A Revised Attachment A
- B Revised Attachment B

Councillor Donovan requested that it be recorded that she does not support deferral of: 26601 – Major Cycleway – Otakaro-Avon Route (section 1) – Fitzgerald to Swans Road; and 45165 – New Brighton Public Realm Improvements.

Councillor Henstock requested that it be recorded that she supports the deferral of: 26611 and 2612 – Major Cycleway - Wheels to Wings Project.

Councillor Gough requested that it be recorded that he supports the deferral of: 26611 and 2612 – Major Cycleway -Wheels to Wings Project; and does not support deferral of 66406 - Glandovey-Idris Active Transport Improvements

Councillor Johanson abstained on the vote on 2,3,4 and 7 and requested that it be recorded that he did not support the deferral or rephrasing of any of the projects, and supports all the CERF projects being done.



Councillor Coker left the meeting at 3.47pm.

# 15. Resolution to Exclude the Public

**Committee Resolved FPCO/2023/00012** 

### Part C

That at 3.48pm the resolution to exclude the public set out on pages 211 to 212 of the agenda be adopted.

Councillor MacDonald/Councillor Cotter

**Carried** 

Councillor Johanson requested that his vote against the resolution be recorded.

The public were re-admitted to the meeting at 4.02pm.

### Karakia Whakamutunga: Given by all councillors.

Kia whakairia te tapu

Kia wātea ai te ara

Kia turuki whakataha ai

Kia turuki whakataha ai

Haumi e. Hui e. Tāiki e

Meeting concluded at 4.03pm

**CONFIRMED THIS 22nd DAY OF March 2023.** 

COUNCILLOR SAM MACDONALD CHAIRPERSON

Christchurch City Council



Reference / Te Tohutoro: 23/143658

**Report of / Te Pou** Peter Ryan, Head of Corporate Planning & Performance

Matua: Peter.Ryan@ccc.govt.nz

General Manager / Lynn McClelland, Assistant Chief Executive Strategic Policy and

**Pouwhakarae:** Performance (lynn.mcclelland@ccc.govt.nz)

### 1. Nature of Information Update and Report Origin

1.1 The purpose of this report is to provide Council with an overview of service, project and budget performance, as adopted through the 2021-31 Long Term Plan (and Annual Plan 2022/23), against organisational performance targets.

The key organisational performance targets include:

- 1.1.1 Service delivery
- 1.1.2 Capital projects (both planning and delivery)
- 1.1.3 Finance
- 1.2 Management-initiated performance goals.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Key Performance Results February 2023 report.

### 3. Brief Summary

3.1 Organisational performance forecasts are as at the end of February 2023, for the second year of the LTP 2021-31 (financial year to June 2023).

Organisational Performance Summary	Target	Forecast Actual / change	Forecast Result against Target
Service Delivery			
Deliver Community Levels of Service to target	≥ 85%	86.0% ▼	✓
Capital projects (planning and delivery)			
Delivery complete' milestones (whole of life)			
Deliver Key projects	≥ 85%	86.2% ↔	✓
Deliver Non-Key projects	≥ 85%	<b>74.9%</b> ▼	x
Capital programme planning			
FY24 funding budgets allocated by 1 <sup>st</sup> March 2023	≥ 90%	84.2% ↔	✓
FY25 & 26 funding budgets drawn down by 1 <sup>st</sup> May 2023	≥90%	69.9% ↔	✓
Finance			
Operational budgets are actively managed within approved opex budget	100%	100.0% ↔	✓
Deliver overall capital programme to approved budget	=/-10%	-16.9% ↔	x

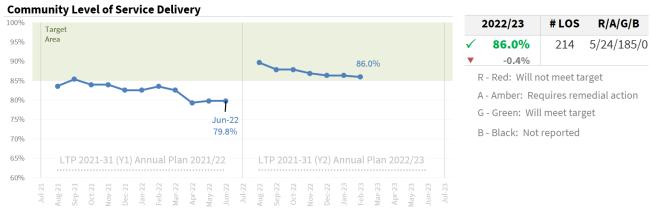
3.2 Level of service delivery is forecast at **86.0%**, against a target of 85%.



- 3.3 Key project delivery is forecast at **86.2%**, while Non-Key project delivery is forecast at **74.9%** (both against a target of 85%). For more information refer to the Capital Programme Performance Report.
- 3.4 **84.2%** of **FY2024** funding programme budgets have been allocated (projects initiated by 1<sup>st</sup> March 2023) against a **target of 90%**. The capital Programme Management Office (PMO) forecast is for this target to be met (noting that while this is an end-February forecast, at the time of writing there were some outstanding adjustments and finalisations to be made that PMO believe will move 84.2% to achieving target.)
- 3.5 **69.9%** of **FY2025/FY2026** funding programme budgets have been drawn down (by 1<sup>st</sup> May 2023) against a **target of 90%**. The capital PMO forecast is also for this target to be met.
- 3.6 The organisation is forecasting a year-end operational **surplus of \$0.2m**.
- 3.7 Forecast for capital expenditure is presently at **-16.9%**, outside ELT's target range. In line with the ELT target, this forecast includes core and externally funded work, but excludes Te Kaha and Parakiore.

### 4. Service delivery

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

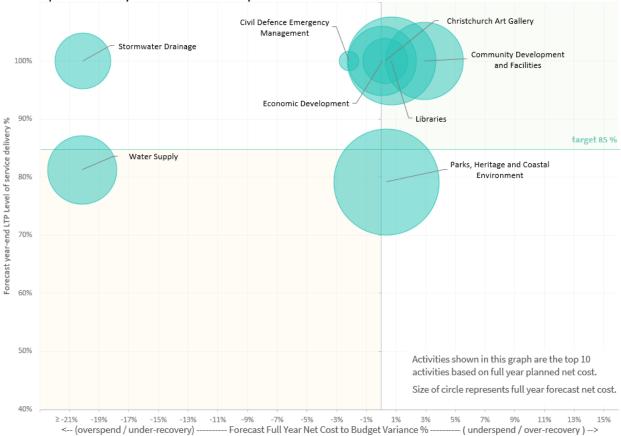


- 4.1 Community levels of service (LOS) is forecast **86.0**% delivery against the performance target of **85%**, declining marginally from January 2023 forecast (86.4%) reporting to Committee.
- 4.2 Comments and remedial actions from managers for LOS exceptions are available in **Attachment A**.
- 4.3 Amongst the LOS exceptions are a number relating to residents satisfaction. **Results from the Residents Survey 2021/22** were presented to Council at the meeting of 9 June 2022. Included with the results were responses from Heads of Service, providing an interpretation of the results and details of actions to be taken to improve or maintain resident service satisfaction. As part of the 9 June meeting Council asked for a 6-month update, which was compiled and presented to Council at the meeting of 30 November 2022.
- 4.4 Transport activity has a number of exceptions related to **road and footpath condition**, **resurfacing**, including resident satisfaction, transport mode-share and safety.
- 4.5 Water Supply activity is impacted by leakage rates and water quality issues.
- 4.6 Impacts are also noticeable in some regulatory services, from increases in consent volumes leading to delays in consent processing. Extensive effort around recruitment, contracting and



- process improvement initiatives have been underway for some time to provide the additional capacity needed.
- 4.7 Performance management and reporting activity exceptions relate to date and processing timeline adjustments potentially impacting quality and timeliness of reporting to management and to Committee.
- 4.8 The scatter diagram below is an overview of the performance of the top-ten activities.
  - The vertical y-axis shows service delivery (LOS) performance.
  - The horizontal x-axis shows budget over/underspend.







Performance by Activity Table - Forecast February 2023

		Community	•				
	Full Year	Net Full Year Plan (	Cost * (Ope	•	% Variance after	of Serv	/ice
Activities		S000	,			0/ Daliuani	Tatal #
	Actual \$000	<u>'</u>	\$000	after C/Fwd		% Delivery	Total #
Water Supply	15,257	12,700	0	-2,557	-20%	81%	16
Wastewater Collection, Treatment and Disposal	0	0	0	0	0%	91%	11
Stormwater Drainage	9,848	8,201	0	-1,647	-20%	100%	10
Flood Protection and Control Works	0	0	0	0	0%	100%	5
Strategic Planning and Policy	0	0	0	0	0%	88%	17
Economic Development	15,275	15,285	0	10	0%	100%	15
Transport	0	0	0	0	0%	44%	18
Solid Waste and Resource Recovery	0	0	0	0	0%	88%	8
Regulatory and Compliance	-4,273	-5,450	0	-1,177	-22%	86%	28
Parks, Heritage and Coastal Environment	36,595	36,726	130	1	0%	79%	24
Housing	-11,219	-10,915	0	304	3%	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	1,179	1,154	0	-25	-2%	100%	4
Community Development and Facilities	19,520	20,102	485	97	0%	100%	5
Christchurch Art Gallery	6,310	6,327	79	-62	-1%	100%	6
Canterbury and Akaroa Museums	0	0	0	0	0%	100%	5
Libraries	25,465	25,643	20	158	1%	100%	10
Recreation, Sports, Community Arts and Events	0	0	0	0	0%	100%	9
Performance Management and Reporting	0	0	0	0	0%	60%	5
Net Cost	113,957	109,773	714	-4,898	-4%	0.0%	214

<sup>\*</sup>Net Cost - excludes depreciation, corporate overheads and interest.

### 5. Capital projects - delivery and planning

### ELT Goal: Deliver 85% Key capital projects to 'delivery complete' milestones

# ELT Goal: Deliver 85% non-Key capital projects to 'delivery complete' milestones

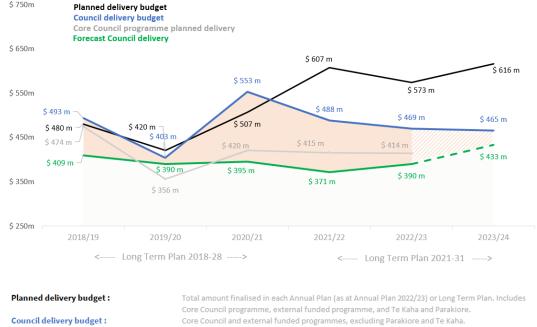
- 5.1 **Key project delivery** is forecast at **86.2**% delivery against the target of **85**%. 25 of the 29 identified key projects are forecast to meet milestone baseline target date at year-end.
- 5.2 **Non-Key project milestone delivery** is forecast at **74.9%** delivery against the target of **85%**.
- 5.3 Supply chain delays, construction price escalation remain a concern nationwide and remain risks to the delivery of the Council's capital programme.
- 5.4 For further information and underlying detail, refer to the detailed Capital Programme Performance Report for February 2023.



<sup>\*\*</sup> Negative variance means overspend or under-recovery



- Below is a forward view of capital delivery performance (financial), an overview of capital 5.5 delivery in recent years against plan, plus capital delivery planned for the first three years of the LTP 2021-31 (2021/22 to 2023/24).
- 5.6 Figures are updated for 2022/23, to align with the Capital Programme Performance report.



Forecast Council delivery:

Core Council programme planned delivery: Planned Council-only delivery (excluding externally funded programme, and Parakiore and Te Kaha).

\*The gap between the blue line and black line consists of the planned spend for Parakiore and Te Kaha. Amount spent or forecast to spend on Council delivery in a given year (Core and external funded

programmes, excluding Parakiore and Te Kaha). Dotted line represents forecast for 2023/24.

- 5.7 There has been stability of financial delivery year-on-year for projects CCC is responsible for delivering (green line – total spend/total forecast), ranging consistently in a band between **\$371m to \$409m** spend per annum over the previous four years (2018/19 to 2021/22).
- 5.8 The ELT performance target for capital financial delivery is based on all delivery CCC is accountable for, regardless of funding source.
- 5.9 For this year (year 2 of the LTP 2021) the total programme budget set for CCC to deliver is \$469m (blue line). The February 2023 Financial Report forecast for capital financial expenditure is \$390m, which equates to 83% delivery. As noted above, this forecast includes both core and externally funded works, but excludes Te Kaha and the remainder of Parakiore funding, in line with the ELT performance goal.
- 5.10 In adopting the Draft Annual Plan 2023/24, \$137m of capital has been rephased which has changes the future year CCC delivery programme for 2023/24 from \$753m (as at Annual Plan 2022/23) to **\$616m** (black line).
- 5.11 In reflection of this the Council delivery budget the 2023/24 value has moved from \$599m (as at Annual Plan 2022/23) to \$465m (blue-line, includes core and externally funded work, excluding Te Kaha and remainder of Parakiore build funding.)
- 5.12 For more detail refer to the Financial Performance and Capital Programme Performance reports.



ELT Goal: Ensure capital planning for FY24 funding programme budgets allocated, 90% by 1 March 2023.

# ELT Goal: Ensure capital planning for FY25 & FY26 funding programme budgets drawn down, 90% by 1 May 2023.

- 5.13 Capital planning targets are intended to monitor the draw-down and allocation of future capital funding programme budgets, in this case years 3, and 4 & 5 of 2021-31 LTP. This helps the business plan and prepare for future capital project delivery, in order to effectively implement the LTP.
- 5.14 **84.2%** of FY2024 funding programme budgets have been allocated (projects initiated) by 1st March 2023 against a **target of 90%**. The PMO is forecasting this target will be met (noting that while this is an end-February forecast, at the time of writing there were some adjustments and finalisations to be made that PMO believes will move the 84.2% to achieving target.) Reporting next month (March) will carry the full year-end value.
- 5.15 **69.9%** of FY2025/FY2026 funding programme budgets drawn down by 1st May 2023 against a **target of 90%**. The PMO is also forecasting this target will be met.

### 6. Finance

- The organisation is forecasting an operational **surplus of \$0.2m** (after carry forwards of \$4.1m). For more information refer to the Financial Performance Report.
- 6.2 Capital expenditure variance at year-end forecast is at **-16.9%**. More detail is available in the Capital Programme Performance Report.

### Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A 🕹 🛣	LOS Exception Commentary February 2023	23/329087	24

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

Document Name - Location / File Link	
Not applicable	

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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

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



# Signatories / Ngā Kaiwaitohu

Authors	Johan Jacobs - Senior Business Analyst
	Boyd Kedzlie - Senior Business Analyst
	Amber Tait - Performance 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 Feb 2023

### 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**

### **Citizens and Customer Services**

Measure: LTP/AP22: 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: February: 171 seconds YTD: 148 seconds

OV foresett 120 second

EOY forecast: 138 seconds.

Comments: Staffing constraints is the primary reason we did not meet our ASA service level this month. We are currently in

the process of onboarding new recruits.

Our latest group of new hires was split into two training groups, the first of which took their first phone calls on Monday 27th Feb. The second group is currently onboarding and due to complete their training on March 10th.

Attrition has presented an ongoing challenge for us this financial year, with a high turnover of staff opting to leave our unit for other opportunities. 26.4% of all permanent leavers in the last 12 months (up to Jan 23) had less than 12 months tenure. Total turnover over the past 12 months is now 22.7%

February Answer Times:

% Calls answered in less than 2 minutes = 58% % Calls answered between 2 -5 minutes = 21.4% % Calls answered above 5 minutes = 20.6%

Remedial Action: The following remedial actions were adopted throughout January and February in addition to aforementioned

actions from previous months:

Staffing on our face-to-face channel has been reduced to the minimum requirement at each site to enable customer demand in our phone channel to be more effectively resourced.

Noncritical off-phone activities have been removed as a temporary measure whilst we await our new induction

group.

A front-end message has been utilised on our phone channel during peak periods of volume, encouraging

customers to email their enquiries as an alternate method of contact.

### **GOA Governance**

### Governance and decision-making

Measure: LTP/AP22: 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 Local Government Official Information and Meetings Act 1987

(LGOIMA)

■ Target: Provision of information is in accordance with LGOIMA principles and requirements - 99%

Actual: January Actuals

YTD we have received 594 LGOIMA requests 92 received in January

Comments: All responses were on time for February

Compliance is currently 98.99% (6 late out of 594 requests YTD)

Average response time 9.9 days (10.8 days in December and 12.7 days in January)



### **GOA Regulatory and Compliance**

### **Building Regulation**

Measure: LTP/AP22: 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: 62.9% of consents have been issued within 19 working days for the month of February 2023

54.5% of consents have been issued within 19 days Financial YTD

Comments: A positive increase in the number of building consents being issued in February which is pleasing Remedial Action: We continue to support the following processes to assist with reducing the heavy workloads;

focus on recruitment and additional external contractor support overtime options for BCA staff

increased communication (advising applicants of processing delays, utilising call first principles and adding

information on public communications meeting with home build companies and developers

Measure:

Actual:

LTP/AP22: 9.1.9 Audit Building Warrant of Fitness to ensure public safety and confidence

Target:

15 Audits have been carried out for February (current percentage audited is approx 2.29% of the building stock)

124 Audits have been carried out YTD

Audit 20% of building stock

Remedial Action: We have initiated a monthly Territorial Authority (TA) QA Monitoring report to monitor our performance against

TA functions. A review of staff. We have initiated a monthly Territorial Authority (TA) QA Monitoring report to monitor our performance against TA functions. A review of staff resourcing and utilisation was undertaken and a business case drafted to increase resource in this area. The business case has been approved (4/8/2022) to increase the number of staff within the BWoF area and recruitment has been initiated. Initially, the following roles have been established:

2 x BWoF Administration Officer

2 x BWoF Building Officer

1 x Principle Building Official (with a focus on Building Compliance)

We are currently in the recruitment process and have filled the Principal Building Official role, with the remaining roles soon to be advertised. This doubles the size of the current team which will help increase the number of BWoF audits being undertaken.

The TA QA Monitoring report will continue to be the mechanism for monitoring progress on increasing the number of BWoF audits completed (as well as monitoring and reporting on performance of all other TA functions). resourcing and utilisation was undertaken and a business case drafted to increase resource in this area. The business case has been approved (4/8/2022) to increase the number of staff within the BWoF area and recruitment has been initiated. Initially, the following roles have been established.

### **Resource Consenting**

Measure: LTP/AP22: 9.2.18 % of notified resource management applications processed within statutory timeframes.

Target: 99% within statutory timeframes.

Actual: No applications were completed in February. The year-to-date result sits at 90% of applications processed

within the statutory timeframe (total of 10 application with one exceeding the timeframe).

Comments: At this stage, only one application has exceeded the timeframes. Due to the small number of applications, this

lowers the year-to-date result to 90%.

Remedial Action: No remedial action is required at this stage since only one application has exceeded the statutory timeframe.

Measure: LTP/AP22: 9.2.1 % of non-notified resource management applications processed within statutory timeframes.

▼ Target: 99% within statutory timeframes.

Actual: 80% of non-notified applications were processed within the statutory time frames. YTD 73% have been

processing within statutory time frames. 99% is the target.

Comments: While compliance with time frames is still below target, year to date results have improved (from 72% to 73%).

Significant improvements have been achieved in lowering the backlog of applications and allocation day. With

current application volumes we expect to see continued improvement in processing time frames.

Remedial Action: A number of process improvement have already been implemented.

Consultants will continue to be used where processing staff are over capacity.



### GOA Water Supply

### Water Supply

Measure:

LTP/AP22: 12.0.6 Percentage of real water loss from Council's water supply reticulated network

Target: Actual:

<= 25% 27.6%

Comments:

As at EO February 2023, there are 14,206,184 m3 water lost to leakage, based on a 5-yr rolling data.

Total annual pump station flow ending February 2023 is 51,501,762 m3 extracted from WaterOutlook report.

This comes to a percent leakage of 27.6%

All leaks reported under the Water Loss Contract have not been repaired by maintenance contractor, thus resulting to no secondary tests for candidate zones. Most results for candidate zones are higher than previous

results.

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 in the Rawhiti area.

All leaks reported under the Water Loss Contract have not been repaired by maintenance contractor, thus resulting to no secondary tests for candidate zones. Most results for candidate zones are higher than previous results.

Measure:

LTP/AP22: 12.0.2.19 Proportion of residents satisfied with quality of Council water supplies

Target: Comments:

Reflections and actions taken since April 2022 update on the Residents Survey Results

Work has progressed on reservoirs and tanks across the city with 17 reservoirs inspected, and minor repairs

completed, over the winter period.

The first application for an exemption from residual disinfection (chlorine) was lodged with Taumata Arowai in

September 2022. This was for the Brooklands / Kainga water supply zone.

Remedial Action: Next steps (in the next 6 months)

> Work continues on prioritisation of tank and reservoirs for inspections next winter. Design work in underway for major repairs and/or replacements of tanks and reservoirs.

The removal of chlorine from the network is likely to take at least 5 years to complete. The actual timeline is

difficult to asses until we get the response from Taumata Arowai on our first application.

Measure:

LTP/AP22: 12.0.7 Average consumption of drinking water in litres per resident per day

Target: Actual:

<= 215 YTD is 267

Comments:

February is a high consumption month and is above target. Will be weather and behavious dependant if the

target is met later in the year

Remedial Action:

Monitor, the excess water charges should help.

Item 7



### **GOA Wastewater Collection, Treatment and Disposal**

### Wastewater Collection, Treatment and Disposal

Measure: LTP/AP22: 11.0.1.16 Proportion of residents satisfied with the reliability and responsiveness of wastewater

services

Target: >= 65%

Comments: Reflections and actions taken since April 2022 update on the Residents Survey Results

The interim activated sludge plant has been commissioned at the Bromley wastewater treatment plant and the quality of water in the oxidation ponds, and the ocean outfall discharge, has improved considerably. The odour

issues that have plagued the city for months have been resolved.

Remedial Action: Next steps (in the next 6 months)

A report on the recommended option for re-instatement of secondary wastewater treatment at Bromley is

scheduled to go to Council by December 2022.

To meet our consent obligations, we continue with prioritisation of inspections and repairs to wastewater

laterals to reduce wastewater overflows due to inflow and infiltration.

### **GOA Parks, Heritage and Coastal Environment**

### Parks and Foreshore

Measure: LTP/AP22: 6.4.4 Overall customer satisfaction with the presentation of the City's Cemeteries.

Target: Cemeteries presentation: resident satisfaction >=85 %.

Actual: Measure is annual, resident satisfaction survey (forthcoming)

Comments: bolstering of resources around key dates to lift maintenance levels, this has meant additional expenditure in

problem areas (gravetops, mowing)

Remedial Action: Elements scoring poorly from previous year's survey results and comments have led to prioritisation of

improved signage and elements of our capital programme, we will continue to look at ways to improve the

presentation of our city's cemeteries.

Measure: LTP/AP22: 6.8.4.2 Overall customer satisfaction with the presentation of the City's Parks

Target: Inner City presentation: resident satisfaction >=80%

Actual: January comments: New plantings by the Terraces are establishing with additional irrigation, monitoring the

public use of the river bank

Measure: LTP/AP22: 6.0.3 Overall customer satisfaction with the presentation of the City's Community Parks

Target: Community Parks presentation: resident satisfaction >=60 %

Actual: Actuals are resident satisfaction survey (annual) results forthcoming.

Comments: Following previous survey results, we analysed the results and verbatim comments and have undertaken steps

to address areas that surveyed poorly.

Remedial Action: Continue to leverage our capital programme to target areas that were highlighted as drivers of unsatisfactory

through previous survey results and commments.

Measure: LTP/AP22: 6.8.1.6 Overall Regional Sports Organisation satisfaction with the standard of the city's Council

provided sports surfaces

Target: Satisfaction >=75%

Actual: actuals off annual survey, yet to be finalised.

Comments: continue to partner with Rec and Sport colleagues to improve communication lines between operations and

sporting code(s) needs.

Remedial Action: continue to partner with Rec and Sport colleagues to improve communication lines between operations and

sporting code(s) needs. Connecting Rangers with selected sports groups to streamline communication

between sporting codes and Council.

### Parks Heritage Management

Measure: LTP/AP22: 6.9.1.6 To manage and maintain Parks scheduled heritage buildings

Target: Resident satisfaction with presentation of Parks scheduled heritage buildings:>= 55%

Actual: As previous: Reflections and actions taken since April 2022 update on the Residents Survey Results: We are progressing the remaining Council owned and managed heritage building restorations both in partnership with

the private sector and internally managed and delivered projects. Repair of damaged heritage buildings continues as provided for in the LTP. Key buildings this year include Old Municipal Chambers and Chokebore

Next steps (in the next 6 months): Continue with Parks Heritage capital programme Next steps are to initiate project delivery planning for the Provincial Chambers.



### **GOA Solid Waste and Resource Recovery**

### Solid Waste and Resource Recovery

Measure: LTP/AP22: 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: 78% customer satisfaction

Comments: Ongoing discussions with contractor to focus on retaining drivers along with introducing technology to assist

drivers and provide better customer service

### **GOA Strategic Planning and Policy**

### **Public Information and Participation**

Measure: LTP/AP22: 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. 27%

(previous year result, 26%, plus 1%)

Actual: Engagement on the draft Annual Plan is about to start so our focus is on that this month. We also have

notification of Plan Change 14 which is another significant consultation project for the Unit.

We continue to investigate different options for how we can engage more effectively - particularly online. This

includes trialing new ways of engaging on smaller community projects such as playgrounds.

Measure: LTP/AP22: 4.1.10.1 We provide effective and relevant external communications, marketing and engagement

activities to ensure residents have information about Council services, events, activities, decisions and

opportunities to participate.

Target: 67% of residents are satisfied that our communications, marketing and engagement activities are effective,

helpful, and relevant.

Actual: We are continuing to refine our communications, marketing and engagement tactics, using our learnings to

make incremental improvements across our communications and engagement channels. To date, we are

showing growth across our web channels.

### **GOA Transport**

### Transport

Measure: LTP/AP22: 16.0.1 Maintain roadway condition to an appropriate national standard,

■ Target: 

>=5% of the sealed local road network is resurfaced per year

Actual: year-to-date delivery 2.0% (49.0KM)An increase in the deliveries is programmed toward the end of the sealing season. Contractors have doubled and in some cases tripled their resources to expedite their progress toward the annual programme targets. Despite that, the total delivery is projected to be between 3.5% to 4% of the

entire network.

Comments: There have been delays in the current year's delivery programme due to the expiry of the old maintenance

contract (2017-2022) and the commencement of the new one which will remain operational over the next 5 to 10 years. The new maintenance contract commenced on 1st October 2022. Due to the late start coupled with initial technical issues, price increases in the new contracts, and implications of the North Island major flooding

events the target for resurfacing 5% of the network will not be achieved in this financial year.

Remedial Action: The delivery programme for the financial year 2024 is being finalised. The programme will be right-sized with

the available budgets. The delivery target for the next year will be readjusted accordingly to reflect the final

programme.

Measure: LTP/AP22: 10.0.6.1 Reduce the number of death and serious injury crashes on the local road network

■ Target: <=100 crashes

Actual: FY23 Q3 (1 Oct 22 - 31 Dec 22): Actual crashes confirmed: 26 / YTD :80

Projection for the year: 107 (Unlikely to meet target <=100)

Comments: The overall YTD numbers have been increased by the inclusion of some historic crashes that had not previously

been in the statistics. This puts the overall run total above the target, so we would not expect to meet the target

this vear.

Remedial Action: Remedial actions would be required to bring the crash numbers down regardless of target, however, the

remedial actions are unlikely to have an impact in the timeframes required by this reporting.

Staff continue to develop and deliver intervention programmes to increase safety outcomes on the network,

with a particular focus on vulnerable users.

Item

Measure: LTP/AP22: 10.0.2 Increase the share of non-car modes in daily trips

■ Target: 

>=36% of trips undertaken by non-car modes

Actual: 32.5%

Comments: Recent change to method and target: now based on the "Life in Christchurch" Survey. Last data was gathered in September 21 - not expected to get updated data until early 2023.

2021 Christchurch Residents Survey showed a decline in non-car modes. According to the survey, the non-car mode share was 32.5% against the target of 36%.

The main decline was 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 2020 results. The decline is attributed to lower trips overall in the pandemic environment, particularly with the increased number of oï¬fce workers working from home at that time, and a large decrease in public transport use due to concern regarding close proximity travel with strangers.

Public Transport share was down across the board for all trip purposes. Cycling was 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:

Previously to 2021, the data had been trending higher, with the highest non-car share seen in 2020 at 34.9%. This would suggest that a return to normal travel patterns in the post-pandemic environment may result in a significant improvement without further intervention. The raw data from cycle counters appears to support this hypothesis.

Remedial actions to increase non-car mode share are:

- completion of the "Shovel Ready" projects will add significantly to the MCR network, which would be expected to improve cycling numbers. The first of these (Rapanui-Shag Rock) formally opened in December 22
- focus on public transport: this has recently benefitted from central government's CRAF funding to bring forward some of the broader PT Futures business case projects, and there is further funding available to support the rollout in the CERF package)
- completion of bus lane projects (eg the recently completed Lincoln Road Stage 1 peak hour bus lanes)
- continued construction of local cycleway connections and other key active transport links. Over and above Council's LTP programme, applications for further central government funding through the Climate Emergency Response Fund (CERF) have been successful
- continued work on increasing the walkability level of service, particularly around new developments

Measure:

LTP/AP22: 10.5.41 Increase access within 15 minutes to key destination types by walking

Target:

>=48% 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), but due to staff turnover and the complexity of the model it has not been possible to get updated data yet. Staff are actively working on solutions to resolve this

Actual in FY22 showed a 9% decline from previous financial year result and was 5% less than the 48% target of this FY.

The 9% decline from FY21 to FY22 was 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.

3 %: Actual changes to the network with residential growth in inaccessible settings (i.e new subdivisions) 0.5 %: Closure of a key destination (Redcliff's 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.

Item 7



### Remedial Action:

- Staff are working on methods to refine and re-run the model so an updated actual can be obtained, and updated data should be available from the February or March 2023 reporting cycle. This will also give a greater understanding of where the gaps in the network lie, so more focused interventions can be developed.
- Staff continue to contribute to the Christchurch Spatial Plan (The Otautahi 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:

LTP/AP22: 10.5.2 Improve the perception that Christchurch is a cycling friendly city

Target: >=66% resident satisfaction Actual:

Perception Data is gathered through the annual resident survey completed annually normally March - April and then first reported through ELT before release so generally rely on the results availability in May each year.

Comments:

Perception Data is gathered through the annual resident survey completed annually normally March - April and then first reported through ELT before release so generally rely on the results availability in May each year.

Measure:

LTP/AP22: 16.0.8 Maintain the condition of footpaths

Target:

>=81% footpaths rated 1.2 or 3

Actual:

A citywide footpath condition rating has not been undertaken since 2017 due to a lack of operational budget allocation.

Comments:

Council has been collecting condition information with regard to footpath defects and issues through physical observations by staff and maintenance contractors, tree root issues, and Customer Service Requests on an ongoing basis. In addition, Council has collected a great deal of asset data with regard to the construction dates, age, material details, etc. of the majority of footpaths everywhere on the network. Using this information, a programme for footpath renewals has been provided with the objective of proactively prioritising and targeting those footpath sections already in a poor condition or likely to degrade earlier than others. The programme has been provided to the maintenance contractors for delivery. Due to capital budget shortage and increases in delivery costs, the quantum of delivery (length of footpath renewals) is likely to be lesser than the ideal targets.

Remedial Action:

A contract has been commissioned for a condition rating of more than 1,100km of footpaths. The work was expected to begin in January and results be delivered by May 2023. Due to delays on the surveyor's side, the work has been rescheduled to begin in March. The delivery date is still expected to be in May 2023. In parallel, the University of Canterbury has been engaged to develop state-of-the-art technology to condition assess footpaths more accurately and cost-effectively using image processing and artificial intelligence. The work is expected to start in April 2023 and end by the end of 2023. This will include high-resolution cameras mounted on buggies or scooters which can legally be ridden on footpaths and off-road or separated cycleways. The in-house technology will have minimal costs compared to the existing condition rating methods and can be used more frequently to undertake condition ratings.

Measure:
Target:
Comments:

LTP/AP22: 16.0.9 Improve resident satisfaction with footpath condition

>=41% resident satisfaction

The previous 'Customer Satisfaction Surveys only gathered thoughts and emotions, rather than facts that could be used to create a positive change. Steve Guy - Maintenance Manager City Streets had a chance to add questions into the last 'Life in Christchurch' survey to gather specific data.

The data gathered by that survey is now being used to help create programmes that target the needs of residents. We are now planning roading and footpath work around all of the previous methods, as well as cross referencing the new data from the survey to tailor our forward works and better meet the needs of residents. We have focused on our Capital Road and Footpath resurfacing programme first, as these will have the greatest impact on residents.

All footpaths that were raised by residents and met the requirements of our forward programmes have been brought forward to be completed this financial year, so all of this will go towards raising the satisfaction levels. Our footpath resurfacing is planned to start in April, after the road resurfacing season has ended.

We are also replying back to the people who provided the data and telling them what we are doing, and when.

Remedial Action:

Our footpath renewals will start in April once the resurfacing season has ended, so this will go a long way to raising customer satisfaction with Council.

Measure:

LTP/AP22: 16.0.10 Maintain the perception that Christchurch is a walking friendly city

Target:

>=85% resident satisfaction

Actual: Measured through Annual Residents Survey.

The 2022 Annual Residents Survey had a 70% satisfaction rating for the perception that Christchurch is a

walking friendly city.

Comments:

Reflections and actions taken since April 2022 update on the Residents Survey Results

In financial year 2021/22 footpath resurfacing was achieved along 23km of the network; this equates to less

than 1% of the network.

The work programme was developed using a combination of age data, customer service request (CSR)

information and information collected by our maintenance contractors.

Staff and contractors have trialled the use of trip stop construction in areas where tree roots are challenging,

this will allow for tree root growth without causing extensive damage to the path.

Measure:

LTP/AP22: 16.0.3 Improve resident satisfaction with road condition >=25% resident satisfaction

Target:

Comments:

The previous 'Customer Satisfaction Surveys only gathered thoughts and emotions, rather than facts that could be used to create a positive change. Steve Guy - Maintenance Manager City Streets had a chance to add questions into the last 'Life in Christchurch' survey to gather specific data.

The data gathered by that survey is now being used to help create programmes that target the needs of residents. We are now planning roading and footpath work around all of the previous methods, as well as cross referencing the new data from the survey to tailor our forward works and better meet the needs of residents. We have focused on our Capital Road and Footpath resurfacing programme first, as these will have the greatest impact on residents.

All roads that were raised by residents and met the requirements of our forward programmes have been brought forward to the 2023/24 financial year for resurfacing. This sees pavement repairs being completed this financial year, so all of this will go towards raising the satisfaction levels.

We are also replying back to the people who provided the data and telling them what we are doing, and whe

Remedial Action:

We have a significant list of streets across the central and northern contract areas that are being targeted

reseals this season, which will go a long way to raise satisfaction with Council.

Christchurch City Council

Measure: LTP/AP22: 10.5.3 More people are choosing to travel by cycling

Target: >=12,500 average daily cyclist detections

Actual: Snapshot taken on a monthly basis, based on 25 cycle count monitors around the city between July - Feb. The

total for the 2022 financial year to-date tracking at 11,272 average daily cyclist's detections with 13,551 cycle

detections recorded in February 2023 alone.

Comments: The average daily number of 11,272 recorded daily cyclist detections is marginally less than the target of

>=12,000 but tracking upwards despite low month of July which was an unusually wet month with several high rainfall events. February recordings show 13,551 cycle detections. In addition, the below target value reflects the impacts of Covid with more people working from home, although cycle numbers do appear to be increasing

again slowly, compared with the previous Covid affected year.

Remedial Action: The continued delivery of the Major Cycle Routes programme, through CRAF and Shovel Ready funding will

assist in promoting the use of cycling as a viable alternative mode of travel to the car



# 8. Financial Performance Report - February 2023

Reference / Te Tohutoro: 23/240484

Report of / Te Pou Russell Holden – Head of Finance Matua: (Russell.Holden@ccc.govt.nz)

General Manager / Leah Scales, General Manager Resources/Chief Financial Officer

**Pouwhakarae:** (Leah.Scales@ccc.govt.nz)

### 1. Nature of Information Update and Report Origin

- 1.1 The purpose of this report is for the Finance and Performance Committee to be updated on financial performance to February 2023, including the current year forecast, and receive current treasury information.
- 1.2 This is a regular report that goes to the Committee on a monthly basis.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Financial Performance Report for February 2023.

# 3. Brief Summary

- 3.1 The financial result for February shows a year to date operational surplus of \$7.3 million. The current surplus year end forecast of \$0.2 million (after signalled budget carry forwards) is an improvement of \$1.4 million from the \$1.2 million deficit forecast last month.
- 3.2 The total capital programme continues to forecast an under spend, currently \$51.9m.
- 3.3 All treasury risk positions are within policy limits.



### 4. Operating Surplus

- 4.1 Last meeting, staff were requested to report back on steps undertaken to recover the forecast deficit presented. The following comments on the process undertaken on a monthly basis:
  - 4.1.1 The forecast is a projection at a point in time, a position which will continually change as new information and events come to light. The operational budget is a sizable \$675 million, a move of \$1.2 million amounts to only 0.2%. The risk remains that any adverse events could negatively impact the overall position of Council.
  - 4.1.2 To identify such events and provide timeliness of reporting for mitigation action, regular forecasting and reporting at all levels in the organisation occurs to ensure issues are identified, monitored and addressed by management on an ongoing basis. Material risks are reported to and monitored by the executive team, with a view to managing the financial outcome of the organisation to within that approved by Council.
  - 4.1.3 The forecast changes this month relate to a mix of ongoing and some new items. The movement is the result of an ongoing detailed review and examination on possible savings across all Council activities. Staff have increased their focus on reviewing positive variances to YTD budgets in order to correctly capture year-end forecast variances. Some of these savings have become more certain as year-end approaches.
  - 4.1.4 The key issue driving the forecast deficit last month, which remains an issue, is the capitalisation of staff time. Several factors are driving this issue, including sickness, staff turnover, and recruitment difficulty. This is currently impacting a couple of units and is being actively managed to ensure process accuracy and minimise financial impact.
  - 4.1.5 Linked to this is the reviewing of previous months to ensure accuracy in the allocation of staff time to capital projects. This work has resulted in some costing corrections.
- 4.2 Following the above reviews, we are currently forecasting a surplus of \$0.2 million (after carry forwards of \$4.1 million). The \$1.4m forecast improvement from the \$1.2 million deficit forecast in January is mainly resulting from vacancies that are unlikely to be filled by year end (\$1.2m), provisions in place that are no longer (\$0.65m), and lower net interest costs (\$0.2m). These are partially offset by lower Resource Consenting revenues (\$0.75m) where discounts have been provided for not meeting statutory timeframes, noting that processing timeframes continue to improve which will result in less revenue needed to be discounted in the last quarter of the year.

### 5. Operational Expenditure and Revenue

- 5.1 This covers day to day spend on staffing, operations and maintenance, and revenues to fund it
- 5.2 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 to show the operational year to date and forecast cash surplus or deficit.

	Yea	Year to Date Results			ast Year En	After Carry Forwards		
\$m	Actual	Budget	Var	Forecast	Budget	Var	Carry Fwd	Var
Revenues	(625.1)	(616.5)	8.6	(891.3)	(880.2)	11.1	0.9	10.2
Expenditure	463.0	461.7	(1.3)	680.5	675.3	(5.2)	3.4	(8.6)
Funds not available for Opex	156.3	156.3	-	206.5	204.9	(1.6)	(0.2)	(1.4)
Surplus	(5.8)	1.5	7.3	(4.3)	-	4.3	4.1	0.2

5.3 Brief summaries of revenues and expenditure are highlighted below.



5.4 Revenues are \$8.6 million higher than budget year to date, forecast to be \$10.2 million higher at year end.

5.4.1	Key drivers of actual and forecast variances to budget include:	YTD	Forecast (after c/f)
•	Higher Interest revenues (partially offset by higher debt servicing costs)	\$3.7m	\$8.0m
•	Higher Transwaste dividends (early receipt to bring back from FY24)	\$1.9m	\$1.1m
•	Rates Revenues (2021/22 rating growth higher than planned)	\$1.8m	\$2.0m
•	Waka Kotahi subsidies (offset by higher Transport emergency maintenance costs)	\$1.2m	\$0.7m
•	EcoCentral Volume rebate received	\$0.8m	\$0.8m
•	Higher Building Consent volumes (offset by higher resourcing costs)	\$0.4m	\$0.8m
•	Higher He Puna Taimoana revenues	\$0.5m	\$0.5m
•	Lower Housing revenues (offset by lower maintenance costs)	(\$0.2m	) (\$0.7m)
•	Resource Consents (significant discounts – due to statutory timeframe not met)	(\$0.8m	) (\$1.0m)
•	Lower Burwood Landfill revenues	(\$1.3m	) (\$1.8m)



5.5 Expenditure is \$1.3 million higher than budget year to date; and forecast to be \$8.6 million higher at year end after \$3.4 million of signalled budget carry forwards.

5.5.1	Key drivers of actual and forecast variances to budget include:	YTD	Forecast (after c/f)
•	Higher debt servicing costs (offset by higher interest revenues)	(\$2.8m)	(\$6.6m)
•	Lower Capitalisation of staff time (net of lower personnel costs)	(\$2.0m)	(\$2.0m)
•	Building Consenting additional resourcing (partly offset by higher revenues)	(\$1.4m)	(\$0.8m)
•	Waste Collection Contracts	(\$1.3m)	(\$1.7m)
•	Transport maintenance (as a result of emergency works from July rain events)	(\$1.2m)	(\$1.7m)
•	Lower Housing expenditure (partially offset by lower revenues)	\$0.8m	\$1.0m
•	Internal Burwood Landfill revenues (from Council capital projects)	\$1.0m	\$1.0m
•	Lower Recycling Processing fees	\$1.1m	\$1.9m
•	Crown funded Water Transition expenditure timing	\$1.6m	-
•	Grants and levies (incl. EV & Vacant land remissions)	\$2.4m	\$0.6m

5.6 Funds not available for opex - items included in this category contributing to the variance are Housing and Dogs (both non-rates funded), Capital Endowment funded projects, and Capital grants.

### **6.** Capital Expenditure and Revenue

	Ye	ar to Date Re	sults	Forec	ast Year End	d Results	After Ca	ry Forwar	ds
\$m	Actual	Budget	Var	Forecast	Budget	Var	Carry Fwd	Var	
Core Programme	205.6	202.4	(3.2)	385.8	413.7	27.9	27.9	-	
External Funded Programme	28.6	28.7	0.1	48.1	55.7	7.6	7.6	-	
Less unidentified Carry Forwards	-	-	-	(43.9)	-	43.9	43.9	-	
Core/External Funded Programme	234.2	231.1	(3.1)	390.0	469.4	79.4	79.4	-	
Te Kaha/Parakiore	79.1	55.1	(24.0)	131.3	103.8	(27.5)	(27.5)	•	
Total Capital Programme	313.3	286.2	(27.1)	521.3	573.2	51.9	51.9	-	
Revenues and Funding	(279.4)	(263.4)	16.0	(445.2)	(410.6)	34.6	19.2	15.4	
Borrowing required	33.9	22.8	(11.1)	76.1	162.6	86.5	71.1	15.4	

### **Capital Expenditure**

- 6.1 This covers the capital programme spend and funding relating to it.
- 6.2 Gross capital expenditure of \$313.3 million has been incurred year to date. A further \$208 million is forecast to be spent by year end.
- 6.3 The \$521.3 million forecast spend is based on a Core/External Funded spend of \$390 million, plus forecast spend of \$131.3 million on the Te Kaha and Parakiore projects.
- 6.4 Project managers have identified \$35.5 million to be carried forward on specific projects in the Core/External Funded Programme. The forecast includes an additional \$43.9 million of expected carry forwards yet to be specifically identified (based on actuals to date and historical trend analysis).
- 6.5 There is currently a forecast spend of \$108.1 million for Te Kaha this financial year (January forecast was \$140.8 million), compared to a budget of \$78.5 million. The earlier forecast cost will be covered by bringing forward Crown revenues budgeted in 2023/24.
- 6.6 For further information on capital expenditure, please refer to the Capital Programme Performance Report.



#### **Capital Revenues and Funding**

- 6.7 Capital revenues and funding are a net \$16 million higher year to date and forecast to be \$34.6 million higher than budget before carry forwards comprising:
  - 6.7.1 Revenues are \$27.7 million higher than budget and forecast to be \$47.4 million higher mainly due to higher development contributions (\$20.2 million YTD / \$24.4 million forecast), and earlier receipts of Te Kaha Crown revenues (\$12.9 million YTD \$29.6 million forecast) due to an earlier project spend. Partially offset by slower timing of Shovel Ready revenues (\$7.6 million YTD / \$7.2 million forecast).
  - 6.7.2 Lower Reserve drawdowns of \$11.7 million year to date, forecast to be \$12.8 million lower mainly due to some of the above development contributions being set aside to fund future works (\$13.6 million YTD and forecast); partially offset by higher Housing Fund drawdowns of \$1.9 million year to date (\$0.6 million forecast) due to earlier capital spend.

#### 7. Treasury

#### Borrowing, Advances to Related Parties, and Bank Deposits

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

	Prior Year	Current	Yr-End Projected	Full-Yr Change
Gross Borrowing	2,100,915,000	2,340,515,000	2,245,515,000	144,600,000
Advances to Related Parties	637,588,162	786,317,962	761,317,962	123,729,800
Net Debt (excl. Cash)	1,463,326,838	1,554,197,038	1,484,197,038	20,870,200

7.2 Current debt levels are temporarily elevated due to the pre-funding of some large up-coming maturities (to reduce liquidity risk). Net Debt by Jun-23 is expected to be only modestly higher than at Jun-22, with higher Gross Debt off-set by higher Advances to related parties (mostly CCHL).

#### **Policy Compliance**

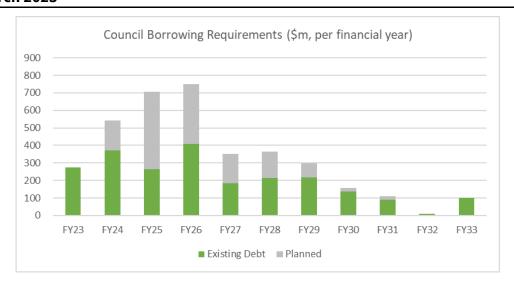
7.3 All Treasury risks are within Policy limits, with minimal risk of breaches over the coming year:

Risk Area	Compliance	Plain-language meaning	
Liquidity Risk	Yes	(cash availability)	
Funding Risk	Yes	(spread of debt maturities)	
Interest Rate Risk	Yes	(managing interest costs)	
Counterparty Credit Risk	Yes	(not all eggs in one basket)	

#### **Funding & Interest Rates**

7.4 Council's projected **funding** needs, per financial year, are shown in the chart below, split between the maturities of existing gross borrowing (green) and expected new borrowing requirements (grey).





7.5 Council's **interest rate risk** is managed to reduce the volatility of interest costs from year to year. Most existing Council debt has been fixed for at least the next three years, which will limit the impact of current higher interest rates on Council's future borrowing costs.

Estimated average cost of funding, by financial year

	FY23	FY24	FY25
Rates-Funded Debt	4.9%	5.0%	4.8%

# Attachments / Ngā Tāpirihanga

There are no attachments for this report.

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

Document Name – Location / File Link	
Not applicable	

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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

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



# Signatories / Ngā Kaiwaitohu

Authors	Bruce Moher - Manager Corporate Reporting
	Ryan McLachlan - Reporting Accountant
	Steve Ballard - Group Treasurer
	Annie Yang - Reporting Accountant
Approved By	Russell Holden - Head of Finance
	Leah Scales - General Manager Resources/Chief Financial Officer



# 9. Capital Programme Performance Report February 2023

Reference / Te Tohutoro: 22/1682878

**Report of / Te Pou** Andrew Robinson, Head of Programme Management Office

Matua: (andrew.robinson@ccc.govt.nz)

General Manager / Lynn McClelland, Assistant Chief Executive Strategic Policy and

**Pouwhakarae:** Performance (lynn.mcclelland@ccc.govt.nz)

# 1. Nature of Information Update and Report Origin

- 1.1 The purpose of this report is to present to the Council meeting the monthly Capital Programme Performance Report February 2023.
- 1.2 This report provides Elected Members with oversight on the performance of the Capital Programme.

# 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Capital Programme Performance Report to the end of February 2023.

# 3. Brief Summary

- 3.1 The consolidated FY23 forecast for the CCC Capital component of the programme (excl. Te Kaha and Parakiore) as reported by Project Managers is **\$428.7m**. This is a decrease on last month's reporting (**\$438.6m**).
- 3.2 The PMO forecast for the CCC Capital component remains at **\$390m** this month (83% of budget). This is based on programme analysis, including year to date actuals, historical trends and the current outlook.
- 3.3 The major facilities, **Te Kaha and Parakiore**, are progressing and are reported in more detail elsewhere. Significant expenditure is still forecast for Te Kaha in the next four months as site activity ramps up. However, a reduction in early purchasing of roof steelwork has resulted in an FY23 forecast decrease of \$33m. A bring back is still anticipated in FY23, and the project remains on track to budget for all years.
- 3.4 Both Matatiki (Hornby Service Centre) and The Court Theatre (Performing Arts) are well positioned to advance significantly in FY23 with construction underway on both projects, however some significant carry forward for the Court Theatre is expected to get alignment between Budgets and construction schedules.
- 3.5 The **Three Waters** forecast is slightly up this month, from \$160.8m to \$163.8m (89% of budget at end of February). Both Water Supply and Stormwater projects are forecasting good progress, however some Wastewater projects are still reporting delays in contract award, but are at or near award.
- 3.6 **Transport** PMs are reporting delivery at 88% of budget (\$122.4m, a reduction of \$10m compared to the January forecast). YTD spend is lagging at \$64.6m. Delivery on the ground is increasing now that the summer construction season has started, and projects involving KiwiRail infrastructure have reached milestones allowing physical works to proceed.

# Finance and Performance Committee 22 March 2023



- 3.7 **Parks, Digital** and the **Ōtākaro Avon River Corridor (OARC)** programme are all reporting good progress against FY23 Budgets and some bring backs are likely to support strong delivery targets.
- 3.8 Staff have been busy on the preparation of the Draft Annual Plan for FY24 with associated briefings to Council to achieve a deliverable programme and the Draft was adopted on 28 February. An Interactive Budget Tool has been developed to communicate the Plan to the community and will be made available as part of the Consultation Document.
- 3.9 Resource constraints remain with continued low unemployment and tight competition in the employment market and infrastructure owners often competing for the same resources. This poses a risk for deliverability.
- 3.10 Continued geopolitical instability remains a key risk and is having a continuing impact on cost estimates through inflationary pressures across all areas of capital delivery.
- 3.11 There is an emerging risk relating to upcoming repair programmes the North Island, in response to damage created by Cyclone Gabrielle in February 2023. With detailed assessments of repairs and reinstatement costs yet to be completed, the impacts on market capacity in Christchurch and market prices are not yet known. However, these may increase the severity of existing financial and resourcing risks.
- 3.12 While it is difficult to make accurate predictions as to the time period within which these broader issues outside of Council control will resolve, internal planning and risk mitigation is based on the assumption that a return to normal is not expected in the short term. Recent economic forecasts and historical indicators, continue to support cost pressures.
- 3.13 The attached Capital Delivery Report February 2023 details the above and provides further commentary across the Capital Programme.

# Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A 🗓 🛣	Attachment to report 22/1700726 (Title: Capital Delivery Report February 2023 - FINAL)	23/340530	44
B J. Gabb	Attachment to report 22/1700726 (Title: Capex Watchlist Report - February 2023 - FINAL)	23/340333	82

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

Document Name – Location / File Link	
Not applicable	

# Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

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

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

# Item 9

# Finance and Performance Committee 22 March 2023



(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 Andrew Robinson - Head of Programme Management Office	
	Greer Hill - PMO Administrator
Approved By	Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

Page 44



# **Capital Delivery Report - February 2023**

The Capital Delivery Report is a monthly update on the status of the capital programme in the current Financial Year (FY23). The first section provides an update on the overall programme. Subsequent sections expand on the performance of each major area of capital delivery.

Commentary on external funding sources is provided, although the report focuses on delivery overall, regardless of funding source. Capital revenue is overseen by Finance.

Projects marked with a plus sign (+) are also included in the appended Capex Watchlist Report.

All financials have been updated on 2 March 2023.

#### **Table of Contents**

Capital Delivery Report – February 2023	1
Capital Delivery Overview	2
Te Kaha and Parakiore Recreation and Sport Centre	5
Matatiki: Hornby Centre and Performing Arts Precinct	7
Three Waters	9
Transport	16
Waste Management	23
Parks	25
Ōtākaro Avon River Corridor (ŌARC)	28
Recreation, Sport and Events	32
Digital	34
Other Capital	27



# **Capital Delivery Overview**

#### **Financial Year Summary**

\$0.4br

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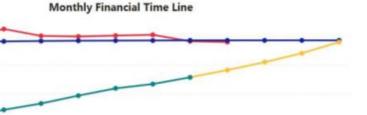
\$ m	Budget	Forecast	Actual	Forecast Result
CCC Capital	469.4	428.7	235.7	91%
Te Kaha and Parakiore	103.8	131.3	79.2	127%
Total	573.3	560.0	314.9	98%

The FY23 forecast position for the overall capital programme has reduced significantly this month. At 2 March 2023, the consolidated forecast is **\$560.0m**, down from **\$603.3m** in January reporting. This change is driven by:

- Te Kaha: A reduction in early purchasing of roof steelwork has resulted in an FY23 forecast decrease of approximately \$33m. A bring back is still anticipated in FY23, and the project remains on track to budget for all years.
- Transport Programme: A number of projects have reduced FY23 forecasts this month. This has resulted
  in a further reduction of \$10m for Transport Programme forecasts this financial year.

For the CCC Capital component of the programme (excluding Te Kaha and Parakiore):

- The consolidated FY23 forecast is \$428.7m (down from \$438.6m in January reporting)
- Average actuals for FY23 to date are \$29.5m / month. A spend of \$48.2m / month would be required for the remaining four months to achieve the year-end forecast
- Therefore, the PMO forecast for the CCC Capital component remains at \$390m this month (83% of budget). This is based on programme analysis, including year to date actuals, historical trends and the current outlook.







Monthly financials for the total capital programme (including Te Kaha and Parakiore) in FY23. Actual spend in February returned to near FY23 Q2 levels, and achieved 90% of forecast for the month.

2



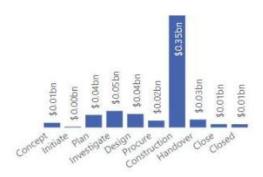
#### **Capital Delivery - Programme Commentary**

The Draft Annual Plan 2023/24 was adopted by Council on 28 February 2023, with public consultation to commence in March. The draft proposes a capital programme of \$615.8m next financial year.

At 1 March, 90% of the FY24 capital programme has been initiated, meeting current performance targets.

The chart below shows the total FY23 budget for projects by phase. At 2 March, projects in the Design phase or beyond have a total budget value of \$465.2m in FY23 (81% of the overall programme).

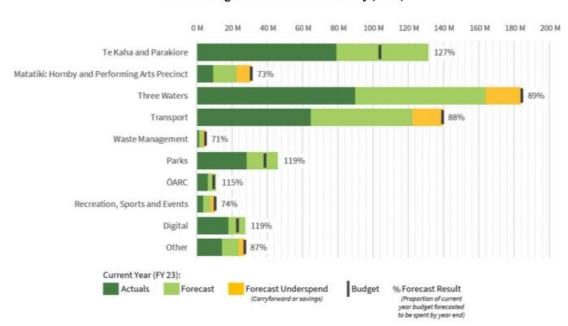
#### **Project Year Budget By Phase**



#### **Capital Delivery - Financial Commentary**

The chart below shows the current financial position for each major area of capital delivery in FY23.

#### Overall Programme - Forecast Delivery (FY23)



#### Capital Delivery - Risks and Issues Commentary

Current programme level risks and issues that exist across the Capital Programme are briefly summarised in a qualitative risk summary below. Individual project risk registers are managed on a case by case basis by Project Managers.

3



There is an emerging risk relating to upcoming repair programmes the North Island, in response to damage created by Cyclone Gabrielle in February 2023. With detailed assessments of repairs and reinstatement costs yet to be completed, the impacts on market capacity in Christchurch and market prices are not yet known. However, these may increase the severity of existing financial and resourcing risks outlined below.

	PROGRAMME QUALITATIVE RISK SUMMARY				
RISK CATEGORY	DESCRIPTION	MITIGATIONS	PROBABILITY x IMPACT	RESIDUAL RISK	
FINANCIAL	Inflationary pressures and cost escalation     Forecasting	<ul> <li>Good project planning using PM Framework</li> <li>Estimation accuracy and contingency provision</li> <li>Industry forecast awareness</li> </ul>	High x High		
PROGRAMME	<ul> <li>Delays through consents</li> <li>Supply chain limitations</li> </ul>	<ul> <li>Good project planning using PM Framework</li> <li>Continued dialogue with Environment Canterbury</li> <li>Panel frameworks and supplier partnerships</li> <li>Alternative materials &amp; early procurement</li> </ul>	High x Medium		
RESOURCE	<ul> <li>Staff retention &amp; attraction</li> <li>Contractor/ Consultant availability</li> </ul>	<ul> <li>Recruit &amp; retain</li> <li>CCC employment benefits &amp; conditions</li> <li>Training &amp; development</li> <li>Supplier relationships &amp; collaboration</li> </ul>	High x Medium		
HSE (Health, Safety & Environment)	Pandemic effects on staff & resource     Health & Safety on sites	<ul> <li>Remote working preparedness.</li> <li>Individual H&amp;S Plans and monitoring on project sites</li> </ul>	Medium x Medium		

#### **Capital Delivery - Resources Commentary**

There continues to be considerable competition in the market for skilled resources. This remains an issue both within Council and external service providers and other client organisations.

As part of Council's ongoing communication of workload to the industry, information on significant projects is provided to the New Zealand Infrastructure Commission (Te Waihanga) each quarter. This information is used to update the National Infrastructure Pipeline. The next update is taking place in March.

Industry Forums will be held once the FY24 Draft Annual Plan is released for consultation to communicate this with suppliers.

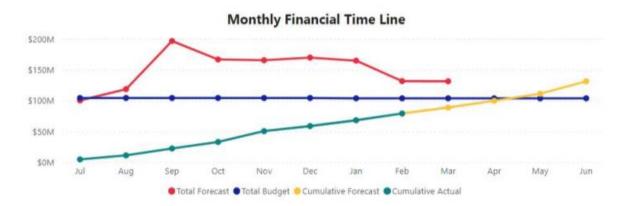


# Te Kaha and Parakiore Recreation and Sport Centre

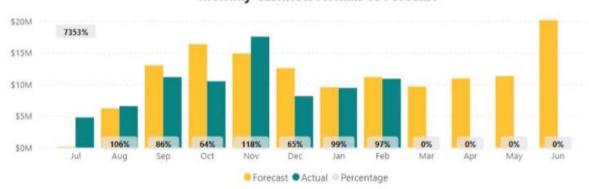
Detailed reporting on these projects is provided elsewhere as they are led by Te Kaha Project Delivery Ltd and Ōtākaro Ltd.

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result
Te Kaha	78.5	108.1	64.6	138%
Parakiore	25.3	23.3	14.5	92%
Total	103.8	131.3	79.2	127%



#### **Monthly Cashflow Actuals vs Forecast**

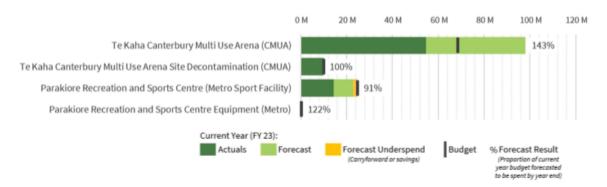


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#### **Project Updates**

#### Forecast Delivery (FY23) - Te Kaha and Parakiore



Project	Progress		
Te Kaha Canterbury Multi Use Arena (CMUA) (+)	Te Kaha is in the Construction Phase. BESIX Watpac are making good progress on-site on earthworks, ground improvement (using Rammed Aggregate Piers), de-watering, site concrete and fabrication of reinforcing for the West Stand's foundation pads and ground floor columns. The first five large concrete pours for the foundation pads have taken place. Off-site the contractor is working on procuring materials and subcontractors, and work continues on the detailed design for the arena.		
	Project forecasts have been updated this month in line with revised cashflow information received by Council. A reduction in early purchasing of roof steelwork has resulted in a significant decrease in FY23 forecasts. The project is still anticipating a bring back in FY23, and remains on track to budget for all years.		
Parakiore Recreation and Sports Centre (Metro Sport Facility) (+)	Parakiore is in the Construction Phase. The structure, external cladding and roofing have almost been completed, and the current work focus is on internal construction work and carpark. Ōtākaro have reviewed the construction programme. Global construction sector constraints and challenging ground conditions have hampered progress. Construction is planned to be completed at the end of 2024, with opening planned in early 2025 following fit-out.		

6



# **Matatiki: Hornby Centre and Performing Arts Precinct**

#### **Financial Year Summary**

\$40M

\$0M

Jul

Aug

Sep

Oct

Nov

\$ m	Budget	Forecast	Actual	Forecast Result
Matatiki: Hornby Centre	15.7	14.0	7.8	89%
Performing Arts Precinct	15.3	8.7	1.5	57%
Total	31.0	22.7	9.3	73%



Feb

Mar

Apr

May

Jun

## **Monthly Cashflow Actuals vs Forecast**

Jan



Dec

● Total Forecast ● Total Budget ◎ Cumulative Forecast ● Cumulative Actual

Negative actuals in July are a result of an FY22 accrual on the Matatiki project.

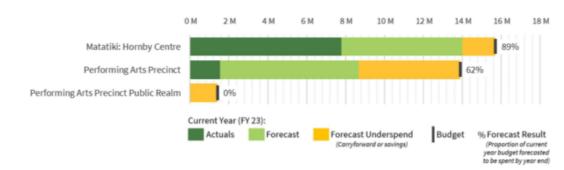
A processing delay resulted in lower than forecast actuals in February on the Matatiki project. February actuals will be reflected in March results.

7



#### **Project Updates**

#### Forecast Delivery (FY23) - Matatiki and Performing Arts Precinct



Project	Progress
Matatiki: Hornby Centre (+)	The library roof and walls are well underway, and the pool hall roof structure has commenced. Closing in the building is expected to finish in late July. Supply times, resource competition, and design clarifications remain the main project risks.
Performing Arts Precinct (+)	Physical works are now well underway. The initial stage of reinforcing is complete awaiting the first concrete pour. The site hoarding has been extended to the final position within the road reserve. The review of technical submissions continue. A key focus in the coming periods will be the coordination required to lodge Stage 2 building consent.

8



#### **Three Waters**

Excludes Ōtākaro Avon River Corridor (ŌARC) three waters projects (refer to ŌARC section).

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result
Three Waters (excl. ŌARC)	184.4	163.8	89.9	89%



#### **Monthly Cashflow Actuals vs Forecast**



#### **Three Waters - Programme Commentary**

- Delivery of the capital programme is tracking well against plan with a number of measures in place to increase performance through the second half of the financial year.
- Highlight for February: Strong spend in February is of note, and is an encouraging start to the new calendar year which is traditionally softer.

9



#### **Three Waters - Financial Commentary**

- The FY23 year-end forecast for Three Waters is \$163.8m (89% of budget). This is a slight increase from the February report (\$160.8m, 87%). This is being driven by the reprioritisation of projects.
- January actuals of \$14.4m achieved 96% of forecast. This is due to a small number of wastewater projects not meeting projected forecasts.
- Average actuals for FY23 to date are \$11.2m / month. To meet the year-end forecast, a spend of \$18.5m / month is required for the remaining four months. There are a number or measures in place to help achieve this. These include accelerating water projects by direct appointing contractors, and utilising the maintenance contract to carry out capital works. In addition, there are a number of, not currently forecasted, Infrastructure Provision Agreements likely to complete this year.

#### **Three Waters - Risks and Issues Commentary**

- The delays experienced due to consenting issues over groundwater and wetlands are impacting a
  number of stormwater and flood protection projects. Staff continue to work with Environment
  Canterbury on a consent strategy for these projects. The delivery teams are working to undertake
  future year projects to maintain capital expenditure as planned.
- The labour market is challenging for recruitment and the retention of specialist staff is given high priority.
- Inflation Likelihood of rising prices and more tendered prices being higher than the budget. The North Island Flood Event may place more pressure on costs but is unlikely to affect local and regional resources.

#### **Three Waters - Resources Commentary**

- Improvements to procurement and management of programmes of works are being developed to increase delivery, and allow us to be more agile in an ever-changing environment.
- The new contractors panel (HDM 2.0) has been awarded to support streamlined delivery. The new professional services panel will be awarded prior to 27 March 2023.
- Existing resources are supporting growth and improvement work, while also completing Asset Management Unit tasks and reactive requests from across the organisation.
- The many changes in the regulatory environment are placing additional demand on the planning and
  asset management resources; this is contributing to bottlenecks in project planning and design phases
  but programme adaptability is mitigating this as much as possible.

10

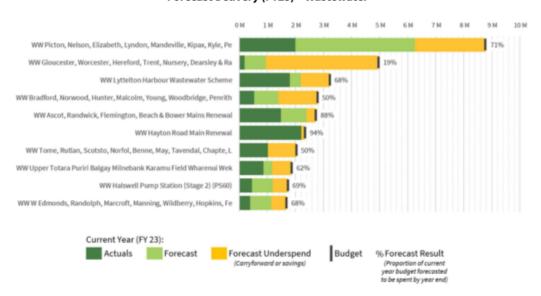


#### **Three Waters Project Updates**

The Three Waters programme is made up of three activity areas: Wastewater, Water Supply and Stormwater.

#### Wastewater (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) - Wastewater



Project	Progress
WW Picton, Nelson, Elizabeth, Lyndon, Mandeville, Kipax, Kyle, Peverel, Burdale, Seto Mains Renewals	Construction underway on Mandeville Street, Picton Ave and Dilworth Street currently. No major risks / issues. Construction forecast for completion early 2024. Carry forward indicated.
WW Gloucester, Worcester, Hereford, Trent, Nursery, Dearsley & Raglan Mains Renewals	Tender completed. Construction to start in May 2023. Carry forward indicated.
WW Lyttelton Harbour Wastewater Scheme (+)	Lyttelton Harbour Project is in the final stages and Lyttelton Wastewater Treatment Plant is no longer discharging to harbour, all wastewater is passing through Simeon Quay to the Christchurch Wastewater Treatment Plant via PS15.  Decommission of Lyttelton Wastewater Treatment Plant has commenced, forecast completion March/April 2023.
WW Bradford, Norwood, Hunter, Malcolm, Young, Woodbridge, Penrith, Cardiff et al Mains Renewals	Detailed design review completed. Project tender underway. Construction expected to start April/May. Carry forward indicated.
WW Ascot, Randwick, Flemington, Beach & Bower Mains Renewal	Construction progressing on Bower Ave. No major risks / issues. Construction expected to be complete March / April 2023.

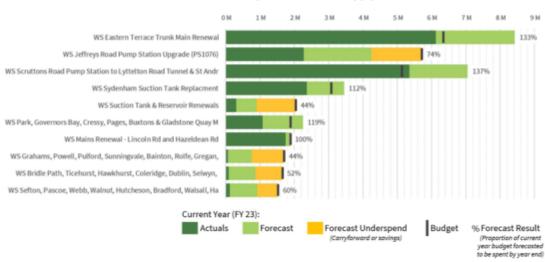
11



WW Hayton Road Main Renewal	Most of the pipelaying is now complete. No major risks / issues. Construction work is expected to be complete around February / March 2023.	
WW Tome, Rutlan, Scotsto, Norfol, Benne, May, Tavendal, Chapte, Lingar, Mathia, Paparo & Claremo Mains Renewal	Project is now in the defects liability stage. This project was completed \$1m under budget.	
WW Upper Totara, Puriri, Balgay, Milnebank, Karamu, Field, Wharenui, Weka, Tui, Leinster & Bristol Mains Renewal	Construction in progress, completion due end of March. Extension of time due to multiple emergency works and weather delays. Carry forward indicated.	
WW Halswell Pump Station (Stage 2) (PS60)	Site established. Current focus is on setting up bypass pumping. There have been some delays with bypass document approval, as well as unexpected findings relating to the existing underground valve. Expecting to set up bypass pumping in March 2023. Recent trial – PS69 pumping to PS104 to reduce the flow to PS60, has worked.	
WW W Edmonds, Randolph, Marcroft, Manning, Wildberry, Hopkins, Ferry & Okeover Mains Renewal	Work is now complete on all streets except for Randolph St, which is progress. No major risks / issues. Expected completion around April 2023.	

#### Water Supply (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) -Water Supply



Project	Progress
WS Eastern Terrace Trunk Main Renewal	In order to connect new pipework to the water supply network, the 600mm diameter main will need to be shutdown. This can only occur during the winter months. Works will take place during winter of 2023. Forecast delivery complete December 2023. Bring back indicated.

12

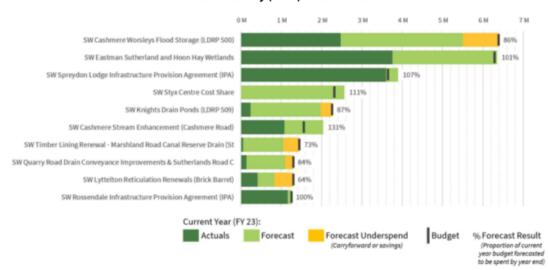


Project encountered some delays but is now progressing well. Expecting to have pump station back online for summer season 2023/24. Carry forward indicated.
Additional budget is required due to excess contaminated soils encountered and a change request is currently being processed under the delegations framework.
The project is behind schedule due to delays associated with the manufacturing and installation of the stainless steel suction tank. Progress of work is satisfactory. Piles and concrete foundation of the tank has been executed. Completion of delivery is now forecasted in Jan 2024.
This is an ongoing programme of work. Denton Tank complete. Sockburn tank to restart in April 2023. Carry forward indicated.
Construction is currently underway. Gladstone Quay works started. Extension of time expected with longer than anticipated permit and approvals processes. Works are now programmed to be finished April 2023.
Construction largely complete. Some minor electrical commissioning works still ongoing.
Contract has been awarded. Work commencing in March. Carry forward indicated.
Works expected to commence in March. Carry forward indicated.
Contract has been awarded, construction will commence in March. Carry forward indicated.



#### Stormwater (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) - Stormwater



Project	Progress
SW Cashmere Worsleys Flood Storage (LDRP 500) (+)	Dam construction continuing, earthworks are well advanced, control structure also progressing. Establishment and maintenance continuing for completed landscape planting. Targeting June 2023 for completion of civil works, with control gate commissioning and landscaping to continue into FY24.
SW Eastman Sutherland and Hoon Hay Wetlands (+)	Project is making good progress and is on track to complete all deliverables within budget. Some plants will be planted after project completion as 600,000 native, eco sourced plants (including 110,000 trees) cannot be secured and planted within the project timeframe.
SW Spreydon Lodge Infrastructure Provision Agreement (IPA)	Multi-year, multi-stage Infrastructure Provision Agreement where Council reimburses developer on stage completion. Phasing of spend is dependent on developers timeframes, however Stage 2 basins are complete and handed over. Bulk of reimbursement has been paid and final landscaping will take place within the next 6 months. Phase 1 has been delayed due to developer plan change.
SW Styx Centre Cost Share	Infrastructure Provision Agreement where Council reimburses developer on completion. Phasing of spend is dependent on developers timeframes. Construction in progress onsite. The bulk of the work (civil and professional fees) is expected to be completed and invoiced before June 2023. There is likely to be a further smaller payment for planting coming out in FY24 to line up with the planting season.
SW Knights Drain Ponds (LDRP 509)	Contractor has now mobilised to site to start site clearance. Construction to take place FY23 / 24.

14



SW Cashmere Stream Enhancement (Cashmere Road)	Stages 3 & 4 of Cashmere Stream are underway on site as planned. Funding for the remaining works is available and good progress is being made. Provided that weather conditions remain normal, the realigned stream will be livened this year. There are some key dates to be achieved to meet ecology related consent conditions (e.g., fish spawning season), making the timing of this work critical to its success.  Stages 1 & 2 performing well.
SW Timber Lining Renewal - Marshland Road Canal Reserve Drain (Stage 1)	Phase 1 (McSaveneys to Prestons) has been awarded. Construction has been delayed to April based on the latest timber delivery dates. Phase 2 (Prestons to Hawkins) is in progress. Focus is on design and engagement with the landowners, once draft designs are sufficiently advanced to help inform discussions. Engagement is intended to begin in May. Second phase will be more difficult to design due to presence of endangered species.
SW Quarry Road Drain Conveyance Improvements & Sutherlands Road Culverts	Concept design almost complete. Key issue is lack of space in road corridor. Detailed design on first section (required to separate storm water from spring water) nearing completion.
SW Lyttelton Reticulation Renewals (Brick Barrel)	Construction of batch two works is ongoing, with nine of eleven manholes now complete. There have been some delays in confirming stakeholder requirements for the remaining two manholes, and some budget risk remains. Estimates to be completed for remaining scope. St Davids Street brick barrel replacement works expected to commence in March pending confirmation.
SW Rossendale Infrastructure Provision Agreement (IPA)	Multi-year, multi-stage Infrastructure Provision Agreement where council re- imburses developer on stage completion. Phasing of spend is dependent on developers timeframes. Completion date of December 2023 is aligned with LTP funding and developer's expectation of completion.

15



#### **Transport**

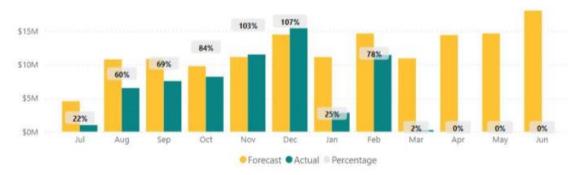
Excludes OARC transport projects (see OARC section) and waste projects (see Waste Management section).

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result
Transport (excl. Waste Management and ŌARC)	139.5	122.4	64.6	88%



#### **Monthly Cashflow Actuals vs Forecast**



#### **Transport - Programme Commentary**

At the end of February, actuals for the Transport Programme meet 52.8% of the FY23 forecast.

Some of the major projects in the Transport Programme have previously experienced delays, but are now starting to pick up spend. For example, in February the Chipseal Renewals programme had actuals of \$1.3m, and Major Cycleway projects had combined actuals of \$2.5m.

11 new projects were also added to the programme under the Transport Choices / Climate Emergency Response Fund (CERF) programme this month.

#### **Transport - Financial Commentary**

Consolidated Project Manager forecasts for the Transport programme have continued to decrease over the last month, from \$132.4m in January reporting to the current forecast of \$122.4m.

16



Average actuals for the Transport Programme in FY23 to date are \$8.1m / month. To meet the current year-end forecast, a spend of \$14.5m / month would be required for the remaining four months. It is anticipated that the year-end forecast will further reduce in coming months.

#### **Transport - Risks and Issues Commentary**

The biggest risks to the delivery of the current forecast are:

- North Island Flood Event Rehabilitation works on damage caused by the North Island Flood Event may impact existing resourcing issues and extend KiwiRail design review timeframes.
- Resourcing Projects are seeing delays due to a lack of specialist staff, both internally, and with external
  consultants and contractors. Discussions are ongoing with external providers to support increased
  delivery, especially early dialogue on Christchurch Regeneration Acceleration Facility (CRAF) and CERF
  programmes.
- KiwiRail interface This has improved in recent months, with works underway on Northern Line and Halswell Junction Road. There remains significant spend tied up in these works so any change in KiwiRail programme will have a significant impact on project progress.
- Cost inflation We are seeing new tenders consistently coming in higher than estimated causing project delays and increased stress on project budgets. This is currently being managed through project contingencies or the Change Request process.
- Supply Chain issues exposure to imported goods such as bitumen and LED lights could impact overall spend and/or scope. This appears to be easing, and is being managed through earlier ordering of materials where possible.

#### **Transport - Resources Commentary**

It is proving difficult to obtain specialist resource both internally and externally to service the programme and this is impacting delivery performance. Staff are attempting to manage this through better forecasting and working closely with key suppliers.

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; or by using alternative procurement methods such as Early Contractor Involvement and Design and Build to smooth resource requirements and reduce construction risks.

#### **Transport Commentary on External Funding**

**The Shovel Ready programme** is made up of 5 Major Cycle Routes (MCR) and the Coastal Pathway. The Crown are contributing total of \$71.5m for the MCRs and a total of \$15.8m towards the Coastal Pathway. Additional funding if necessary is required to be sourced through Council. The programme is progressing well with all routes moving towards or progressing with construction activities.

Christchurch Regeneration Acceleration Facility (CRAF) is a package of works including Public Transport (PT) and Safety improvements across the city, plus road improvements in five areas. It is capped at \$40m. See appended Capex Watchlist report for further detail. Briefings to Community Boards and Council will take place in March / April.

**Streets for People** is a fund from central government, administered by Waka Kotahi, for trialling street layouts. Council have agreement to receive funding for two projects Gloucester Street and Haeata Connections which are currently planned to be completed by end of FY24.

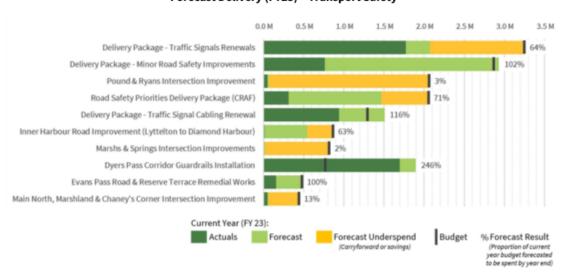
**Transport Choices** is a package of funding from central government, administered by Waka Kotahi, under the Climate Emergency Response Fund (CERF), to improve travel around schools and neighbourhoods, and to improve access by walking, cycling and public transport. Waka Kotahi approved 14 projects submitted by Council.



The draft Annual Plan has allowed for 11 CERF projects (three projects have now been excluded). The programme budget is \$25.7m, with 90% of this funded by central government. Detailed design for the projects is to be completed by September 2023, with delivery by June 2024.

#### Transport Safety (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) - Transport Safety



Project	Progress			
Delivery Package - Traffic Signals Renewals	Controller replacements completed. Four intersections and pedestrian crossings currently being designed for full upgrade. Expected delivery in March to June 2023. CCTV renewals paused until costs for intersection upgrades confirmed. The FY23 budget is on track to be spent by the end of the financial year (forecasts will be updated in March to reflect this).			
Delivery Package - Minor Road Safety Improvements	This is a programme of projects to improve safety at high risk locations on the network. The FY23 projects in this package are in scheming / design phase. This includes eight intersections and a crossing, with consultation expected to take place this quarter. A carry forward is anticipated for the delivery of the intersection schemes after consultation and approval. Consultation on school speed zones concluded in January and tender is being prepared.			
Pound & Ryans Intersection Improvement	This project is in the early planning phase with the project team being formed to start scheme design. Carry forward indicated.			
Road Safety Priorities Delivery Package (CRAF) (+)	This is a programme of projects to improve safety on the network being funded by CRAF. 16 projects have been completed, and four projects remain. Three projects are in the detailed design phase and are close to being tendered, these are Clyde/Ilam, Clyde/Greers and Briggs/Lake Terrace/Marshland. Consultation on Cashmere/Centaurus/Colombo has recently finished and a report is being presented to the Community Board in April. A			

18

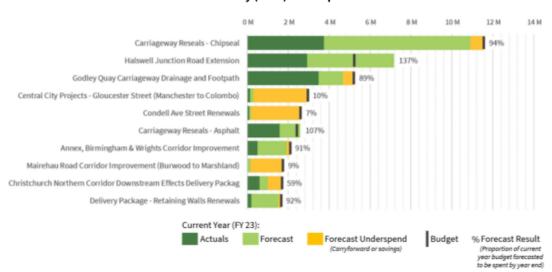
Page 62



	carry forward is anticipated for construction of the remaining project next financial year.		
Delivery Package - Traffic Signal Cabling Renewal	Programme is on track. Final designs of remaining sites complete. Forecast delivery complete December 2024.		
Inner Harbour Road Improvement (Lyttelton to Diamond Harbour)	Design is in progress for the two next packages of high priority drainage remediation sites for construction.		
Marshs & Springs Intersection Improvements	Construction complete and the project is in close phase.		
Dyers Pass Corridor Guardrails Installation (+)	Main safety barrier construction works completed in December 2022 within budget as planned. Minor finishing and maintenance works are being programmed for completion before winter by the maintenance contractor.		
Evans Pass Road & Reserve Terrace Remedial Works (+)	Currently finalising design on the first small preparatory works package of drainage improvements towards the top of Evans Pass. Aiming to commence this work in FY23 Q4. Design is also being progressed on the next larger work package and following stages of the delivery programme.		
Main North, Marshland & Chaney's Corner Intersection Improvement	Investigation works are currently underway. Expecting to commence scheme design in April 2023. Carry forward indicated.		

#### Transport Access (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) - Transport Access



Item No.: 9

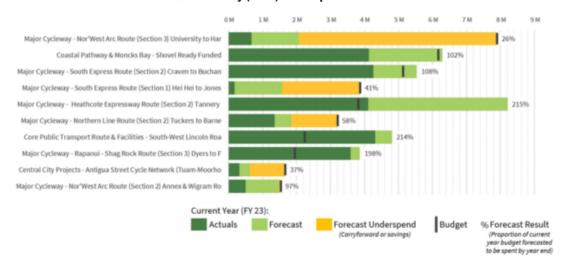


Project	Progress				
Carriageway Reseals – Chipseal	Sealing season continues. Work programmes are in place with several contractors. Completion dates range from February to May 2023. Additional resource is being brought in some areas to support programme delivery.				
Halswell Junction Road Extension (+)	Procurement phase for the new link road is ongoing. Overall red status reflects ongoing risks relating to project costs and timeframes. KiwiRail design works are progressing. Prior to works starting onsite there will be a period of stakeholder engagement with the community.				
Godley Quay Carriageway Drainage and Footpath (+)	Main road, footpath, rock mitigation and fibre installation will be completed in time for the SailGP event 18/19 March 2023. Some additional works including stormwater infrastructure, non-structural retaining walls and landscaping will be completed following the event due to material delays and seasonal issues for planting works. Carry forward indicated.				
Central City Projects - Gloucester Street (Manchester to Colombo)	This project is proposed to be put on hold for one year to allow delivery of the CERF programme. The project is supported by the Streets for People trial which is yet to be approved.				
Condell Ave Street Renewals	This project is proposed to be put on hold for one year to allow delivery of the CERF programme. It is currently in the scheme design phase. Carry forward indicated.				
Carriageway Reseals - Asphalt	All projects on track to meet projected expenditure.				
Annex, Birmingham & Wrights Corridor Improvement	Blenheim/Hansons/Annex Intersection upgrades are due to finish in April.  Annex Rd MCR cycleway design is dependant on the outcome of the process with KiwiRail regarding the railway crossing design on Annex Rd. Currently in the middle of the risk assessment process.				
Mairehau Road Corridor Improvement (Burwood to Marshland)	The project is in detailed design phase with key constraints such as narrow road corridor and large drains. Scope was increased to include footpath on Marshland Rd from Mairehau to SH74, and portion of land purchase at intersection of Marshland/Mairehau.				
Christchurch Northern Corridor Downstream Effects Delivery Package	Eight design tasks to be delivered. Amongst these, Cranford Street Bus Lane and options for Flockton Street are high priorities. Options to be presented by June.				
Delivery Package - Retaining Walls Renewals	Reserve Terrace retaining wall construction commenced in January and is expected to be completed by the end of March 2023. Construction on Bridle Path retaining wall to start April 2023. Procurement processes for the construction of other prioritised retaining walls are progressing.				



#### Transport Environment (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) - Transport Environment



Project	Progress			
Major Cycleway - Nor'West Arc Route (Section 3) University to Harewood	Detailed design for Section 3A (University to Jellie Park) 95% complete.  Detailed design for 3B (Jellie Park to Harewood Rd) 50% complete. Resource consent approval is needed prior to commencing construction and a resource consent hearing is expected in mid-April. Carry forward in FY23 indicated and additional budget requirements under review.			
Coastal Pathway & Moncks Bay	A range of issues (e.g., service renewals, sensitive ecology and wildlife, consenting) have impacted timeframes on this project. Project budget is also at risk and is being managed closely. Stage 1 up to Yacht club to be completed March 2023. The revised timeline for the overall project is for completion of delivery in April 2024.			
Major Cycleway - South Express Route (Section 2) Craven to Buchanans	The revised programme for remaining works has an indicative start date in April 2023. This will create an unrestricted route from Carmen Road to the city centre and will complete this section of the MCR. Efforts are being made to mitigate the impact of construction through autumn and winter.			
Major Cycleway - South Express Route (Section 1) Hei Hei to Jones	A delivery plan has been developed and contract documentation is being progressed. Project dates will depend on interface with KiwiRail but effort is being made to ensure physical works of the whole route progresses as much as possible.			
Major Cycleway - Heathcote Expressway Route (Section 2) Tannery to Martindales	Construction on both stages continues. Section 2C (The Tannery, Cumnor Terrace, through Kennaway Reserve to Vaila Place) is 70% complete. Section 2D (Vaila Place, State Highway 74, Scuttons Road, Truscotts Road to Martindales Road) is 26% complete. Current forecast practical completion in February 2025.			

21



Major Cycleway Northern Line Route (Section 2) Tuckers to Barnes & Main North Road	Construction to commence in April 2023. Some design issues for the corridor sections are currently being resolved prior to construction starting. Railway crossings to be upgraded June 2023.		
Core Public Transport Route & Facilities - South-West Lincoln Road (Phase 1) (+)	Although construction finished early, there are three verandas which require modification. These designs and agreements are with the property owners. The post construction safety audit is due for completion. Bring back indicated.		
Major Cycleway - Rapanui - Shag Rock Route (Section 3) Dyers to Ferry Road Bridge	Construction works completed ahead of time as of November 2022. Cycleway is open to public. Currently in defects liability. Bring back indicated.		
Central City Projects - Antigua Street Cycle Network (Tuam- Moorhouse) (+)	In final stages of detailed design. Work on agreements taking place with Property and Legal teams. Orion Kiosk fire rating is required for new location. Change request submitted for revised delivery dates. Current forecast completion of delivery in March 2024.		
Major Cycleway - Nor'West Arc Route (Section 2) Annex & Wigram Road to University	Remaining construction package Section 2D Suva Street gutter renewals commenced construction in January 2023. Current forecast completion of project delivery July 2023.		



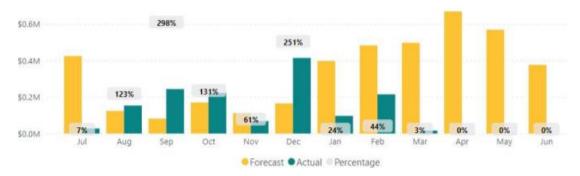
### **Waste Management**

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result
Waste Management	5.0	3.6	1.5	71%



#### **Monthly Cashflow Actuals vs Forecast**



#### Waste Management - Overall Commentary

Some key projects have been unable to progress beyond early planning this financial year, with dependencies on completion of masterplans (e.g., Transfer Station Site Redevelopments) and Service Delivery Review (Kerbside Service Enhancement). This has resulted in a low spend to date in FY23.

#### **Waste Management - Financial Commentary**

- Consolidated Project Manager forecasts for the Waste Management programme have decreased further this month, from \$4.2m in January reporting to the current forecast of \$3.6m.
- Average actuals for Waste Management in FY23 to date are \$182k / month. To meet the current year-end forecast, a spend of \$524k / month would be required for the remaining four months. It is anticipated that the year-end forecast will further reduce in coming months.

23



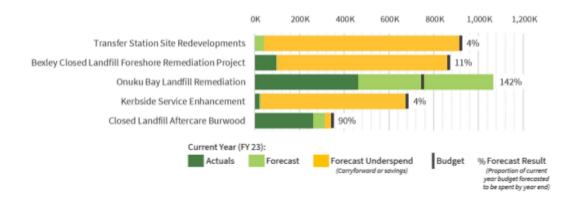


#### Organics Processing Plant (OPP)

Reporting on this project is being provided to Council separately.

#### Waste Management Project Updates (top 5 projects by FY23 budget)

#### Forecast Delivery (FY23) - Waste Management



Project	Progress			
Transfer Station Site Redevelopments	A masterplan for the site is being developed in 2023. This plan will inform future construction works. Carry forward indicated.			
Bexley Closed Landfill Foreshore Remediation Project	Project complete with a 24 month defects liability (+ 12 months optional) on landscape. Expect completion August 2023 or August 2024			
Onuku Bay Landfill Remediation	Remediation of the landfill cap underway. Erosion and sediment control measures are in place, fill is being trucked in. Due to the site topography and a significant amount of vegetation clearance required, the exact volumes of capping material were difficult to determine. Confirmation of capping material volumes due early March and additional funds will be required. Works to be completed in FY23.			
Kerbside Service Enhancement	Awaiting the outcome of the Service Delivery Review (Section 17A). Carry forward indicated.			
Closed Landfill Aftercare Burwood	Site restoration, final landscape planning, soils cover and pond reclamations ongoing.			

24



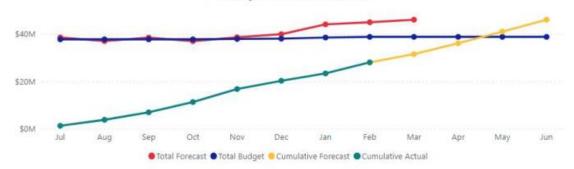
#### **Parks**

Excludes OARC parks projects (see OARC section).

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result
Parks (excl. ŌARC)	38.8	46.1	28.3	119%

#### **Monthly Financial Time Line**



#### **Monthly Cashflow Actuals vs Forecast**



#### **Parks - Programme Commentary**

Parks continue to follow a revised approach to the planning and delivery of the Parks programme. This approach was successful in FY22 and project delivery to date in FY23 is progressing well.

#### **Parks - Financial Commentary**

The Parks programme is forecasting to deliver ahead of the FY23 budget, with actuals of \$28.3m (73% of budget) for the year to date. 47% of this actual spend is on the 10 largest projects in FY23 (listed below).

#### Parks - Risks and Issues Commentary

Supply chain issues - Delays in receiving both domestic and imported goods.

25

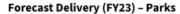


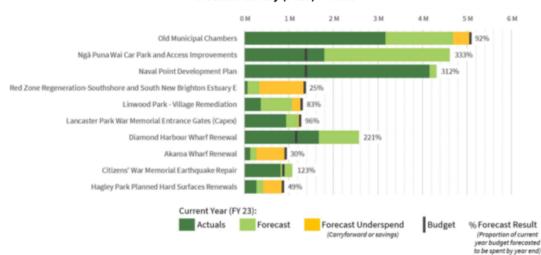
Cost inflation - It is likely that scoped work costs will soon start to exceed project budgets. This may
prevent projects from progressing through to tender or construction without the need to alter project
scopes or increase budgets.

#### Parks - Resource Commentary

- Dedicated resources have been assigned to scope projects, assess deliverability and define the delivery
  mechanism (through Community, Rangers, Parks Project Managers). Priority is on completing this
  activity for FY23, with a wider focus on the next three years to enable a rolling programme of work in
  construction for future years.
- The development of the FY24 programme is well advanced with 96% of the projects initiated.
- Community Boards have been sent lists of all Community Parks programmed renewals for FY24, 25 and
   Staff will be attending workshops with the board to discuss this programme.

#### Parks Project Updates (top 10 projects by FY23 budget)





Project	Progress		
Old Municipal Chambers (+)	Construction ongoing. A number of issues have impacted the schedule. new programme is in place with a completion date of September 2023 for the base build. Council contribution remains capped.		
Ngā Puna Wai Car Park and Access Improvements	This project is being run in conjunction with the separately-funded design and build of the new Netsal Sports Centre building. The building platform/enabling works is complete, building structural steel has been installed, and precast and wall cladding underway. The first slab pour is complete. The design for the CCC-funded external landscape and civil works is also complete. There have been some delays in the processing of the Stage 2 building consent and this may impact the overall Netsal programme. Target completion is still late September 2023, with potential for ~2 month extension.		

26



Naval Point Development Plan (+)	The SailGP event site and Te Nukutai o Tapoa – Naval Point car park upgrade works are complete. Some final elements to support site security are in progress, and an overall tidy up of the site is taking place. Planning and consultation for subsequent stages of work is also underway. This includes a new sports / change facility, marine safety improvements and pedestrian access to support the growth of recreational uses for the area. Bring back of future year funding indicated.		
Red Zone Regeneration- Southshore and South New Brighton Estuary Edge Erosion Management (+)	The subsurface survey report for midden sites in South New Brighton Park has been issued and input received to inform design. Completion of Southshore preliminary design in preparation for consent lodgement is also underway. Engagement with key parties remains the biggest risk to the programme; this is a key focus for the project team.		
Linwood Park - Village Remediation	Physical works (earthworks, drainage, irrigation) are now well advanced on site and on time for a planned sowing of the new field in March 2023.		
Lancaster Park War Memorial Entrance Gates (Capex)	Crack injection now 80% complete. The requirement to address the porous concrete impacted the programme schedule. Construction tasks are being brought forward where possible. Current expected completion of construction end of March 2023.		
Diamond Harbour Wharf Renewal	Pontoon is in place; aluminium ramps and gangway to be installed. Work has commenced on lifting decking and replacing stringers. Wharf upgrade and repairs to continue until June 2023. Bring back indicated.		
Akaroa Wharf Renewal (+)	Working on procurement of Lead Designer (Preliminary Design) and a Design and Build Contractor. Expecting to release Lead Designer tender to the market in late March 2023. Condition report of the substructure of the existing buildings will provide more certainty around scope and cost. Carry forward indicated for FY23 due to procurement delays.		
Citizens' War Memorial Earthquake Repair (+)	The central memorial is now fully complete with all statues reinstated. Work has commenced on the platform area with the front granite steps, piers and granite trim complete. A re-dedication ceremony was held on 17 February with Her Royal Highness Princess Anne in attendance. Currently the project is forecast to be complete at the end of March. A change request for the additional budget required in FY23 will be prepared. Works to commence in a fortnight on the landscaping in preparation for ANZAC Day.		
Hagley Park Planned Hard Surfaces Renewals	Hagley Oval Carpark Renewal: Lighting design is in progress. Construction planned October - December 2023. Riccarton North Path: Construction planned April 2023 - June 2023.		

27



# Ōtākaro Avon River Corridor (ŌARC)

This section of the report covers OARC projects across three activity areas – Parks, Transport and Three Waters.

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result
Ōtākaro Avon River Corridor	9.7	11.1	6.2	115%



#### **Monthly Cashflow Actuals vs Forecast**



#### **ÖARC - Programme Commentary**

Five parks design projects are well underway across the corridor. Concept designs are being progressed, and ongoing engagement is occurring. Consent lodgement is planned for these projects throughout 2023, and this remains on track. The projects are:

- City to Sea Pathway
- Wainoni Landing
- Kerrs Reach Flatwater Hub
- Ecological restoration Bexley Estuarine Wetland
- Avon Park re-development

A programme-level global consenting project to address the programme's current consenting issues has been established and is going through the funding approvals process.



#### **ŌARC - Financial Commentary**

The FY23 forecast for the ŌARC programme has increased in recent months to \$11.1m (115% of budget). The increase is largely driven by three stormwater projects in the programme: SW Waitaki Street, SW Pages to Bridge and SW Wainoni to Waitaki Stopbank. Each of these projects is indicating a bring back of funds for FY23, due to good progress on field investigations, design and stopbank construction.

However, this progress is threatened by the ongoing water take issue (below). This issue, if not resolved, will impact timeframes and costs for construction of the stormwater facilities and wetlands for these same projects.

#### **ŌARC - Risks and Issues Commentary**

Key issues and risks include the below, all of which are being actively managed:

- Environment Canterbury's interpretation of ground water take: This is the key risk for all projects
  within the Regeneration Plan. The current position is that any exposing of groundwater is a passive
  water take, and therefore a prohibited activity. Eastern areas are particularly affected, as groundwater
  is very close to surface level. Efforts continue at multiple levels to resolve and unlock some of these
  barriers to progress.
- Contamination, including leachate to the river: Work continues on agreements with Environment
  Canterbury around contamination within former road beds (coal tar), contamination of former
  residential soils (asbestos, heavy metals) and potential discharge into the river of the same.
- Orion Network: Work continues with Orion to determine the implications on the existing network of
  the proposals within the Regeneration Plan, and costs associated with this.
- Cut/fill balance: Future earthworks is a significant design consideration to minimise costs and allocate community planting areas.

#### **ÖARC** – Resources Commentary

Projects underway are well resourced externally, but internal staff resources across multiple disciplines are stretched to meet the amount of support that these projects require.

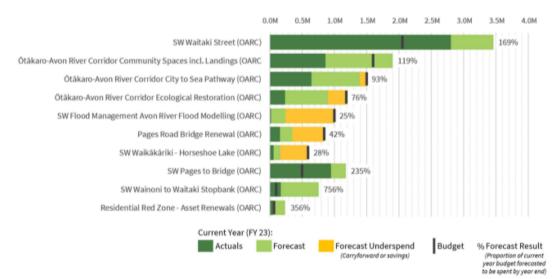
#### **ÖARC** - Commentary on External Funding

- The Christchurch Earthquake Appeal Trust (CEAT) allocated \$5.5m worth of new funding, to go to the
  fourth City to Sea bridge (at Dallington Loop), and the redevelopment of Avon Park to facilitate the City
  to Sea Pathway. Invoices for the first progress payments have been issued.
- The remainder of the funding for Parks projects over the next four years will be covered by the \$40m
   CRAF fund that was allocated to the Corridor.
- · Quarterly reporting on progress is being supplied to both funding providers.



#### ŌARC Project Updates (top 10 projects by FY23 budget)

#### Forecast Delivery (FY23) - ŌARC



Project	Progress
SW Waitaki Street (ŌARC)	Current delay in Contract 3 (stormwater facility and associated landscaping) is mainly due to groundwater take issue. Council and ECan are meeting regularly to discuss and resolve. In the interim, stopbank construction is continuing, to be completed by May 2023. An update on all aspects is expected by June 2023. Bring back indicated.
Ötäkaro-Avon River Corridor Community Spaces incl. Landings (ÕARC)	Projects currently on track but likely to experience some overall delays due to community/stakeholder engagement and consenting requirements. Bring back anticipated.
Ōtākaro-Avon River Corridor City to Sea Pathway (ŌARC)	Projects on track for design to be completed and consents lodged by the end of FY23.
Ōtākaro-Avon River Corridor Ecological Restoration (ŌARC)	Projects are on track. Bexley Estuarine Wetland project is in early design phase. Planting/restoration projects are in Dallington, Retreat Rd, Goodman Terrace, Cedarwood Reserve and Chimera Crescent. Plants have been ordered and will be installed next planting season (winter 2023).
SW Flood Management Avon River Flood Modelling (ŌARC)	Hazard studies and baseline modelling (stage 2) complete. Stage 3 assessment for the Avon catchment is in start-up. A reduction in scope for Stage 3 has been approved. This is to consider only one option (the current proposed engineering defence as included in the LTP) rather than all the potential options. Delivery of Multi hazard for Avon is currently forecast for early 2024.
Pages Road Bridge Renewal (ŌARC)	Project is currently in scheme design phase. Overall red status reflects the delivery timeframe and finalising scope of works (including cost estimates) required to complete the project. When the scheme design is developed, a

30



	briefing will be held for the Executive Leadership Team, Community Board and Council. This is currently anticipated for June 2023.
SW Waikākāriki - Horseshoe Lake (ŌARC)	Delay in design and project delivery. Main issue relates to groundwater take and contamination. Council and ECan are meeting regularly to discuss and resolve. In the interim, further field investigation work is continuing to fully understand all options and assist with consenting pathways, design, costs and project viability. Expect an update on all aspects by June 2023. Anticipating start of construction in September 2024.
SW Pages to Bridge (ŌARC)	Delay in design and project delivery. Main issue relates to groundwater take and contamination. Council and ECan are meeting regularly to discuss and resolve. In the interim, further field investigation and preliminary design work is continuing to fully understand all options and assist with consenting pathways, design, costs and project viability. Expect an update on all aspects by June 2023. Bring back indicated.
SW Wainoni to Waitaki Stopbank (ŌARC)	Delay in design and project delivery. Main issue relates to groundwater take and contamination. Council and ECan are meeting regularly to discuss and resolve. In the interim, further field investigation and preliminary design work is continuing to fully understand all options and assist with consenting pathways, design, costs and project viability. Expect an update on all aspects by June 2023. Bring back indicated.
Residential Red Zone – Asset Renewals (ŌARC)	Gate and perimeter security project in design phase. Delivery of materials due to start in March. Project on track for completion in FY23. Bring back anticipated.



#### **Recreation, Sport and Events**

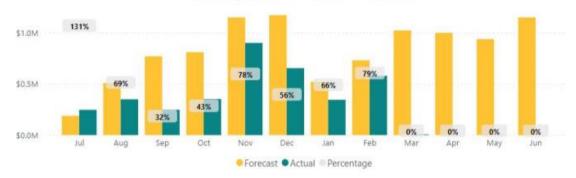
#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result	
Recreation, Sports and Events	10.6	7.8	3.7	74%	



● Total Forecast Total Budget Cumulative Forecast Cumulative Actual

#### **Monthly Cashflow Actuals vs Forecast**



#### **RSE - Programme Commentary**

This year's programme will not be fully delivered due to consent and leasing delays as reported below.

#### **RSE - Financial Commentary**

The current forecast for the year indicates \$7.8m (74%) of the current year budget of \$10.6m will be spent. The forecast underspend is largely driven by consent and leasing delays in two projects: the renewals and replacement programmes at Pioneer and Graham Condon Recreation and Sport Centres. Carry forwards will be requested.

#### **RSE - Risks and Issues Commentary**

There have been consenting delays at Pioneer Recreation and Sport Centre in relation to the use of groundwater for heating. There are also ongoing supply chain risks for all the equipment purchase projects.

#### **RSE - Resource Commentary**

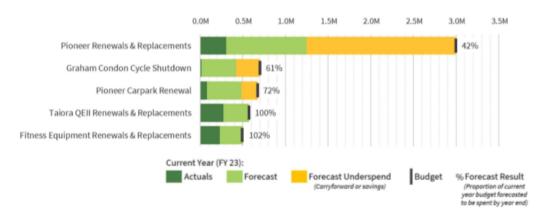
Staff resources are appropriate to performance against capital programme both this year and going forward.

32



#### RSE Project Updates (top 5 projects by FY23 budget)

#### Forecast Delivery (FY23) - Recreation, Sports and Events



Project	Progress
Pioneer Renewals & Replacements	The contract for the ground source hot water bore has been awarded. The contract for the associated pipework is out to tender. Planning is underway for stadium heating improvements, i.e., no longer using diesel.
Graham Condon Cycle Shutdown	Plantroom alterations, new filters and mechanical plant are all currently being designed. Early procurement will be required for A/C units and filters, ensuring our shutdown program can be met. Further scoping meeting booked with facility.
Pioneer Carpark Renewal	Physical works commencing late January 2023, with expected completion by the end of March 2023.
Taiora QEII Renewals & Replacements	Works committed and due for completion in March.
Fitness Equipment Renewals & Replacements	47% of budget spent for year to date. Major bulk order has been committed; delivery will be split over the next few months.

33

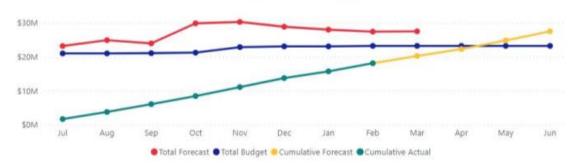


#### **Digital**

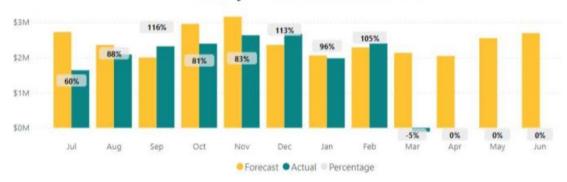
#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result	
Digital	23.2	27.5	18.0	119%	

#### **Monthly Financial Time Line**



#### **Monthly Cashflow Actuals vs Forecast**



#### **Digital - Programme Commentary**

77% of FY23 budget spent to date.

#### **Digital - Financial Commentary**

91% of the FY23 budget is drawn down (or approved to be drawn down pending financial processing). The remaining budget will be drawn down to projects within the next few months.

#### **Digital - Risks and Issues Commentary**

- Current portfolio level risks and issues are largely centred on resource availability and scheduling conflicts due to resource and IT system environment constraints.
- A Portfolio Delivery Risk Management Working Group is in place to address management of dependencies, risks and issues across the Portfolio.

34

Christchurch City Council

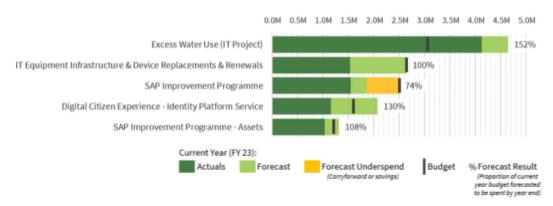


#### **Digital - Resource Commentary**

- Recruitment of permanent staff for vacant and key roles continues but is made increasingly difficult with skill shortages and a competitive market. This has necessitated the engagement of contractors and outsourcing where necessary to fill the vacancies while recruitment continues.
- Programmes and complex projects have increased demand for resources; contractors and fixed term arrangements are being used to mitigate impacts.

#### Digital Project Updates (top 5 projects by FY23 budget)

#### Forecast Delivery (FY23) - Digital



Project	Progress
Excess Water Use (IT Project) (+)	Project is in execute phase. Go-live took place on 19 February. Prior period excess water billing is being run in batches to manage customer experience throughput. Project is green (on track) overall, with one amber risk relating to meter reader monthly read attainment. This is being managed daily. Bring back indicated.
IT Equipment Infrastructure & Device Replacements & Renewals	This is the standard annual capex line item for the renewal and replacement of IT equipment, including network equipment and computer hardware (desktops, laptops, monitors, phones, rugged field devices, tablets, workstations and VDI units). On track in FY23. 58% of budget spent to date.
SAP Improvement Programme	Programme is plan phase. Overall status is amber due to resource constraints across all areas and critical path dependency on completion of the SAP S4/HANA upgrade and system refresh initiatives. Status of sub-projects:  1) Core Finance & Planning workstream: Forecast completion of execute phase March 2023  2) Procurement & Contracts workstream: Phase 1 (Self Service Requisitioning) completing. Expected completion of planning for Phase 2 (Contract and Vendor Management) March 2023  3) Assets project: Expected completion of planning April 2023  4) Accounts Payment Automation project: Progressing through procurement activities.



Digital Citizen Experience - Identity Platform Service	The project is amber (at risk) overall due to issues around data governance processes and owners. Options to address resourcing availability risks are being considered. The project has three phases:
	<ol> <li>Registration and login of individuals as identities (execute phase) - Build activities nearing completion. Work is being planned for providing organisations with an identity. Forecast delivery complete July 2023</li> </ol>
	<ol> <li>Moving customer maintenance out of LASER to the Hybris Platform (plan phase) - Forecast planning complete March 2023</li> <li>First application called MyRates (plan phase) - Forecast planning complete June 2023.</li> </ol>
SAP Improvement Programme - Assets	Detailed design is on track. Additional budget requirements for planning phase are being confirmed. An elaboration document is under development; this will establish project delivery timeframes, costs, scope and benefits.



#### **Other Capital**

#### **Financial Year Summary**

\$ m	Budget	Forecast	Actual	Forecast Result	
Other Capital*	27.3	23.7	14.3	87%	

<sup>\*</sup> Includes all remaining FY23 capital: Libraries & Information, Sustainable City Growth & Property, Facilities & Asset Planning, Art Gallery, Corporate Capital - Shares/Contingency, Community Support, Governance & Partnerships, Civil Defence and Emergency Management, Technical Services & Design.



#### **Monthly Cashflow Actuals vs Forecast**



#### Other Capital - Programme and Financial Commentary

This final section of the capital programme is dominated by library collection and building renewals, housing renewals, corporate property and fleet.

#### Other Capital - Risks and Issues Commentary

The same risks and issues that have been highlighted across the capital programme have an impact on the delivery of Other Capital: supply chain, cost escalation and availability of resources (contractors).

#### **Other Capital - Resource Commentary**

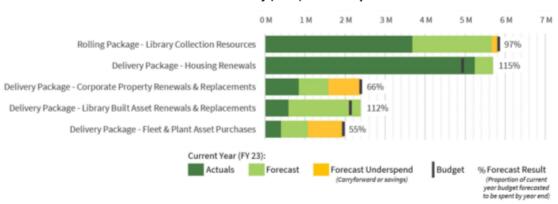
There is currently a risk with contractor availability. This is being mitigated as much as possible by getting work to market early, to allow some flexibility with the contractors' work programmes.

37



#### Other Capital Project Updates (top 5 projects by FY23 budget)

#### Forecast Delivery (FY23) - Other Capital



Project	Progress
Rolling Package - Library Collection Resources	On track in FY23 with 63% spent of budget to date. Some fluctuations in the receipt of new titles due to changes in publishing dates and supply chain issues.
Delivery Package – Housing Renewals	Social housing renewals are managed by Ōtautahi Community Housing Trust. Current focus is on upgrades/remodels at Wycola Courts and Roimata Courts. Due to contractor and material issues some units will not be completed until next financial year. Specific scopes have been reduced to remain within budget. A plan is in place to reduce the overspend by the end of the financial year.
Dallings Dadon Comments	The corporate budget (excluding the heat energy allocation – see below) is forecasted to be fully spent in FY23, with all projects on track to be completed this financial year.
Delivery Package – Corporate Property Renewals Replacements	Civic heat energy procurement: Currently forecasting to spend approximately 20% of the \$1m budget in FY23. Final options analysis, internal processes and key decisions have taken longer than anticipated. A carry forward will be required to support the completion of this work next year.
Delivery Package - Library Built Asset Renewals & Replacements	There are three library refurbishments taking place through the financial year: Papanui (complete), New Brighton (currently in consent process), and Upper Riccarton (to start in April).
Delivery Package – Fleet & Plant Asset Purchases	Supply chain issues have continued to impact delivery timeframes. Orders will be placed this year, but budget will likely need to be carried forward, as some vehicles will not be delivered until next year.

38



## **CHRISTCHURCH CITY COUNCIL - CAPITAL PROGRAMME WATCHLIST**

February 2023

CPMS Data Updated: 2/3/23

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% Forecast Overspend >5%

				TI	ME			FINANCIALS (All Years)				COMMENTARY
	Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	
Major Facilities	Te Kaha Canterbury Multi Use Arena (CMUA)	(Execute) Construction		Jun-25	Apr-26	Apr-26		\$671.1 M	\$671.1 M	\$96.5 M	Green	Te Kaha is in the Construction Phase. BESIX Watps are making good progress on-site on earthworks, ground improvement (using Rammed Aggregate Piers), de-watering, site concrete and fabrication or reinforcing for the West Stand's foundation pads and ground floor columns. The first five large concrete pours for the foundation pads have taker place. Off-site the contractor is working on procuring materials and subcontractors, and work continues on the detailed design for the arena.  Project forecasts have been updated this month in line with revised cashflow information received by Council. A reduction in early purchasing of roof steelwork has resulted in a significant decrease in FY23 forecasts. The project is still anticipating a bring back in FY23, and remains on track to budge for all years.
	Parakiore Recreation and Sports Centre (Metro Sport Facility)	(Execute) Construction		Jan-20	Mar-25	Mar-25	•	\$151.3 M	\$151.3 M	\$141.8 M	Green	Parakiore is in the Construction Phase. The structure, external cladding and roofing have almost been completed, and the current work focis on internal construction work and carpark. Ōtākaro have reviewed the construction programme. Global construction sector constraint and challenging ground conditions have hampere progress. Construction is planned to be completed at the end of 2024, with opening planned in early 2025 following fit-out.



			TIME					FINANCIALS (All Years)				COMMENTARY
Matat	Project Title iki: Hornby Centre & Perform	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	
Centre and s Precinct	Matatiki: Hornby Centre	(Execute) Construction	•	Apr-20	Feb-24	Feb-24	-	-	-	\$22.4 M	Green	The library roof and walls are well underway, and the pool hall roof structure has commenced. Closing in the building is expected to finish in late July. Supply times, resource competition, and design clarifications remain the main project risks.  PMO Note: Detailed financial information is currently withheld due to commercial sensitivity.
M	Performing Arts Precinct	(Execute) Construction	•	Jun-18	Nov-24	Nov-24	•	\$53.0 M	\$53.0 M	\$5.5 M	Green	Physical works are now well underway. The initial stage of reinforcing is complete awaiting the first concrete pour. The site hoarding has been extended to the final position within the road reserve. The review of technical submissions continue. A key focus in the coming periods will be the coordination required to lodge Stage 2 building consent.
Three	WW Lyttelton Harbour Wastewater Scheme	(Execute) Construction	•	Feb-19	Jun-22	Mar-23	•	\$60.5 M	\$59.5 M	\$56.8 M	Red	Lyttelton Harbour Project is in the final stages and Lyttelton Wastewater Treatment Plant is no longer discharging to harbour, all wastewater is passing through Simeon Quay to the Christchurch Wastewater Treatment Plant via PS15.  Decommission of Lyttelton Wastewater Treatment Plant has commenced, forecast completion March/April 2023.
	WW Akaroa Reclaimed Water Treatment & Reuse Scheme	(Execute) Investigate	•	Jun-16	Jul-29	Jul-29		\$74.5 M	\$75.6 M	\$13.1 M	Amber	Resource consent to be submitted in March. Completion of draft procurement strategy also expected by end of March. Re-estimation of project to include draft resource consent conditions taking place. Inflow and Infiltration renewals are complete
	CWTP Trickling Filter Renewal	Concept	•	Jun-21	Jun-27	Jun-27	•	\$14.0 M	\$0.5 M	\$0.0 M	Amber	Project will be briefed following settlement of insurance claim.
	SW Cashmere Worsleys Flood Storage (LDRP 500)	(Execute) Construction	•	Apr-17	Jun-23	Jun-23	•	\$33.0 M	\$33.3 M	\$26.9 M	Amber	Dam construction continuing, earthworks are well advanced, control structure also progressing. Establishment and maintenance continuing for completed landscape planting. Targeting June 2023 for completion of civil works, with control gate commissioning and landscaping to continue into FY24.



				TI	ME			FINANCIALS (All Years)				JS COMMENTARY	
	Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status		
Three Waters	SW Eastman Sutherland and Hoon Hay Wetlands (includes Eastman Wetlands (LDRP 528))	(Execute) Handover	•	Jun-24	May-25	Dec-24	•	\$39.8 M	\$39.9 M	\$31.7 M	Green	Project is making good progress and is on track to complete all deliverables within budget. Some plants will be planted after project completion a 600,000 native, eco sourced plants (including 110,000 trees) cannot be secured and planted within the project timeframe.	
	SW South New Brighton & Southshore Estuary Edge Flood Mitigation	Plan	•	Jun-26	Jun-26	Jun-26	•	\$6.5 M	\$7.0 M	\$0.4 M	Amber	The subsurface survey report for midden sites in South New Brighton Park has been issued and in received to inform design. Completion of Southshore preliminary design in preparation for consent lodgement is also underway. Engageme with key parties remains the biggest risk to the programme; this is a key focus for the project teather.	
ans	Dyers Pass Corridor Safety Improvements (includes Guardrails, Cycle Safety and Pedestrian)	(Execute) Construction	•	Jun-19	Dec-22	Dec-22	•	\$13.4 M	\$13.4 M	\$12.3 M	Green	Main safety barrier construction works complete December 2022 within budget as planned. Minor finishing and maintenance works are being programmed for completion before winter by the maintenance contractor.	
	Evans Pass Road & Reserve Terrace Remedial Works	(Execute) Design	•	Jun-19	Jun-28	Jun-28	•	\$24.5 M	\$24.5 M	\$2.0 M	Green	Currently finalising design on the first small preparatory works package of drainage improvements towards the top of Evans Pass. Aiming to commence this work in FY23 Q4. Designalso being progressed on the next larger work package and following stages of the delivery programme.	
	Halswell Junction Road Extension	(Execute) Procure	•	Jun-16	Jul-24	Jul-24	•	\$18.0 M	\$18.0 M	\$10.2 M	Red	Procurement phase for the new link road is ongo Overall red status reflects ongoing risks relating project costs and timeframes. KiwiRail design w are progressing. Prior to works starting onsite the will be a period of stakeholder engagement with community.	
	Godley Quay Carriageway Drainage and Footpath	(Execute) Construction	•	Jun-21	Oct-23	Oct-23	•	\$5.3 M	\$5.1 M	\$3.6 M	Green	Main road, footpath, rock mitigation and fibre installation will be completed in time for the Sai event 18/19 March 2023. Some additional works including stormwater infrastructure, non-struct retaining walls and landscaping will be complet following the event due to material delays and seasonal issues for planting works. Carry forwar indicated.	



				TI	ME			FINANCIA	LS (All Years)		STATUS	COMMENTARY
	Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	
	Core Public Transport Route & Facilities - South- West Lincoln Road (Phase 1)	(Execute) Handover	•	Jun-20	Oct-23	Oct-22	•	\$7.0 M	\$7.0 M	\$6.5 M	Amber	Although construction finished early, there are three verandas which require modification. These designs and agreements are with the property owners. The post construction safety audit is due for completion. Bring back indicated.
	Barrington, Lincoln & Whiteleigh Intersection Improvement	(Execute) Handover	•	Jun-17	Oct-23	Oct-22	•	\$1.5 M	\$1.5 M	\$1.4 M	Green	Post construction safety audit has been completed and may require some minor expenditure.
	Wigram & Hayton Intersection Improvement	(Execute) Investigate	•	Jun-21	Jul-22	Aug-24	•	\$1.0 M	\$2.5 M	\$0.2 M	Red	Red status reflects changes required to accommodate the entry/exit to the Netsal development at Ngā Puna Wai and the associated risk to project time and cost. New investigation and scheme design is underway, with three options in development.
Transport and Waste Management	The Cathedral Square & Surrounds	(Execute) Construction	•	Jun-21	Jan-26	Jan-26	•	\$9.7 M	\$9.7 M	\$3.7 M	Green	The area outside of the Old Post Office has now been constructed, with lighting replacement due late March. The next stage (adjacent to the Distinction Hotel and the Old Government buildings) is expected to start construction in June.
Transport a	Lincoln Road Passenger Transport Improvements (Between Curletts & Wrights)	(Execute) Design	•	Jun-21	Sep-24	Sep-24	•	\$9.6 M	\$9.6 M	\$1.2 M	Amber	Design team has been formed and property purchases are proceeding. Issue with one critical property purchase raised. Temporary design solutions being investigated.
	Central City Projects - Antigua Street Cycle Network (Tuam- Moorhouse)	(Execute) Design	•	Jun-21	Aug-23	Mar-24	•	\$3.7 M	\$3.7 M	\$0.8 M	Amber	In final stages of detailed design. Work on agreements taking place with Property and Legal teams. Orion Kiosk fire rating is required for new location. Change request submitted for revised delivery dates. Current forecast completion of delivery in March 2024.
												PMO Comment: Amber status reflects forecast delivery ~7 months behind approved delivery date.
	Organics Processing Plant Development	Plan	•	Jun-21	Jun-26	Jun-26	-	\$39.6 M	-	\$0.3 M	Amber	Reporting on this project is being provided to Council separately.
arks	Old Municipal Chambers	(Execute) Construction	•	Mar-23	Mar-23	Sep-23	•	\$11.3 M	\$11.2 M	\$9.3 M	Green	Construction ongoing. A number of issues have impacted the schedule. A new programme is in place with a completion date of September 2023 fo the base build. Council contribution remains capped.



				TII	ME			FINANCIA	LS (All Years)		STATUS	COMMENTARY
	Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	
	Naval Point Development Plan	(Execute) Investigate	•	Jun-15	Aug-31	Aug-31	•	\$30.1 M	\$30.1 M	\$13.6 M	Green	The SailGP event site and Te Nukutai o Tapoa – Naval Point car park upgrade works are complete. Some final elements to support site security are in progress, and an overall tidy up of the site is taking place. Planning and consultation for subsequent stages of work is also underway. This includes a new sports / change facility, marine safety improvements and pedestrian access to support the growth of recreational uses for the area. Bring back of future year funding indicated.
	Robert McDougall Gallery Strengthening	(Execute) Construction	•	Jun-26	Jun-26	Jun-26	•	\$12.7 M	\$12.7 M	\$0.0 M	Green	The Museum have now procured a contractor to undertake Stage 1 strengthening of the Robert McDougall Gallery. The Museum is planning to commence strengthening works early 2023.
Parks	Red Zone Regeneration- Southshore and South New Brighton Estuary Edge Erosion Management	(Execute) Investigate	•	Jun-25	Jun-25	Jun-25	•	\$5.7 M	\$5.4 M	\$0.4 M	Amber	The subsurface survey report for midden sites in South New Brighton Park has been issued and input received to inform design. Completion of Southshore preliminary design in preparation for consent lodgement is also underway. Engagement with key parties remains the biggest risk to the programme; this is a key focus for the project team.
	Akaroa Wharf Renewal	(Execute) Investigate	•	Feb-23	Dec-25	Dec-25	•	\$20.2 M	\$20.2 M	\$1.4 M	Amber  Amber  (Preliminary Design) and Contractor. Expecting tender to the market in report of the substruct will provide more certal Carry forward indicate	Working on procurement of Lead Designer (Preliminary Design) and a Design and Build Contractor. Expecting to release Lead Designer tender to the market in late March 2023. Condition report of the substructure of the existing buildings will provide more certainty around scope and cost. Carry forward indicated for FY23 due to procurement delays.
	Citizens' War Memorial Earthquake Repair	(Execute) Construction	•	Jun-19	Jun-23	Jun-23		\$1.7 M	\$1.9 M	\$1.7 M	Amber	The central memorial is now fully complete with all statues reinstated. Work has commenced on the platform area with the front granite steps, piers and granite trim complete. A re-dedication ceremony was held on 17 February with Her Royal Highness Princess Anne in attendance. Currently the project is forecast to be complete at the end of March. A change request for the additional budget required in FY23 will be prepared. Works to commence in a fortnight on the landscaping in preparation for ANZAC Day.



					TI	ME			FINANCIA	LS (All Years)		STATUS	COMMENTARY
_		Project Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	
Basiles	Tarks	Lancaster Park Redevelopment	(Execute) Construction	•	Jun-26	Jun-26	Jun-26	•	\$8.7 M	\$8.7 M	\$2.3 M	Green	The park has been open for sport and casual use since June 2022, with the project moving steadily through the remaining stages of work (buildings, playground, visitor experience, landscaping). A temporary Portacom toilet unit has been plumbed in and connected to the sewer network and will open for public use shortly. Construction of the retaining wall around the Memorial Gates is about to commence. Procurement planning for the buildings is underway. Landscape planting and irrigation plans for this planting season are being developed.
	gital E	Excess Water Use (IT Project)	(Execute) Handover	•	Jun-21	Feb-23	Feb-23		\$6.1 M	\$6.1 M	\$5.8 M	Green	Project is in execute phase. Go-live took place on 19 February. Prior period excess water billing is being run in batches to manage customer experience throughput. Project is green (on track) overall, with one amber risk relating to meter reader monthly read attainment. This is being managed daily. Bring back indicated.



#### **CHRISTCHURCH CITY COUNCIL - CAPITAL PROGRAMME WATCHLIST**

# **Christchurch Regeneration Acceleration Facility (CRAF) Programmes - Transport**

This watchlist provides monthly high-level reporting on the CRAF programmes. Additional reporting is to be provided as follows:

- Quarterly progress updates to the Community Boards on the five areas and any public transport and road safety priority work in their area, starting in March / April 2023
- Six-monthly progress updates to Council on the seven programmes, starting in April 2023
- The Treasury have also requested six-monthly reporting, starting in April 2023.

Time (Deviati	on 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%		

		Red	>61 days dela			Red Forecast Overspend >5%						
Programme Title	Current Phase	Time Status	Original Delivery Date	ME Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	COMMENTARY	
Linwood and Woolstor Roading & Transport Improvements (CRAF)	(Execute)		Jun-24	Jun-25	Jun-25	•	\$6.6 M	\$6.6 M	\$0.2 M	Green	This programme consists of eight projects. Work is underway to allocate resources to all projects, in conjunction with reallocating projects to deliver CERF. The majority of these projects require scheme design, consultation and detailed design. The areawide speed restriction will be the first project to be delivered. An update on the programme will be given to the Board on 27 April 2023.	
New Brighton Roading Transport Improvemen (CRAF)	I (Execute) I	•	Jun-24	Jun-25	Jun-25	•	\$6.6 M	\$6.6 M	\$0.3 M	Green	This programme consists of the Marine Parade (Hawke - Bowhill) street renewal. Work is underway to allocate resources to this project, in conjunction with reallocating projects to deliver CERF. This project requires scheme design, consultation and detailed design. Once consultation feedback has been received, quick wins for the delivery will be identified. An update on the project will be given to the Board or 27 April 2023.	
Riccarton Roading & Transport Improvemen (CRAF)	(Execute) Investigate		Jun-24	Jun-25	Jun-25	•	\$6.6 M	\$6.6 M	\$0.2 M	Green	This programme consists of 11 projects. Work is underway to allocate resources to all projects, in conjunction with reallocating projects to deliver CERF. The majority of these projects require scheme design, consultation and detailed design. An update on the programme will be given to the Boards on 20 March and 23 March 2023.	



				TI	ME		FINANCIALS (All Years)				STATUS	COMMENTARY
	Programme Title	Current Phase	Time Status	Original Delivery Date	Current Approved Delivery Date	Current Forecast Delivery Date	Budget Status	Current Approved Budget	Current Forecast	Actuals to Date	Overall Status	
cess Programmes .reas)	Richmond Roading & Transport Improvements (CRAF)	(Execute) Investigate	•	Jun-24	Jun-25	Jun-25	•	\$4.1 M	\$4.1 M	\$0.3 M	Green	This programme consists of four projects. Work is underway to allocate resources to all projects, in conjunction with reallocating projects to deliver CERF. The majority of these projects require scheme design, consultation and detailed design. The areawide speed restriction will be the first project to be delivered. An update on the programme will be given to the Board on 9 March 2023.
CRAF Transport Access Programmes (Five Areas)	Spreydon, Somerfield, Waltham & Beckenham Roading & Transport Improvements (CRAF)	(Execute) Investigate	•	Jun-24	Jun-25	Jun-25	•	\$6.6 M	\$6.6 M	\$0.2 M	Green	This programme consists of 11 projects. Work is underway to allocate resources to all projects, in conjunction with reallocating projects to deliver CERF. The majority of these projects require scheme design, consultation and detailed design. The areawide speed restriction will be the first project to be delivered. An update on the programme will be given to the Board on 30 March 2023.
CRAF Tr	ransport Environment Prog	ramme						l				The budget has been drawn down into eight PT
CRAF Transport Environment Programme	Programme - Public Transport Network Improvements Programme (CRAF)	Plan	•	Jun-24	Dec-25	Dec-25	•	\$5.0 M	\$5.0 M	\$0.6 M	Green	projects, the programme was endorsed in December 2021. The funding allows for all projects to be developed to a preferred option and for partial funding of construction. One project scheme has been approved by Council and is at detailed design stage. The balance of the projects are at various stages of scheme development.
CRAF Tr	ransport Safety Programme	9										
CRAF Transport Safety Programme	Road Safety Priorities Delivery Package (CRAF)	(Execute) Construction		Jun-24	Jun-24	Jun-24	•	\$5.0 M	\$5.0 M	\$2.3 M	Green	This is a programme of projects to improve safety on the network being funded by CRAF. 16 projects have been completed, and four projects remain. Three projects are in the detailed design phase and are close to being tendered, these are Clyde/Ilam, Clyde/Greers and Briggs/Lake Terrace/ Marshland. Consultation on Cashmere/Centaurus/Colombo has recently finished and a report is being presented to the Community Board in April. A carryforward is anticipated for construction of the remaining project next financial year.
							Total	\$40.3 M	\$40.3 M	\$4.1 M		



#### 10. Development Contributions Rebate Schemes

Reference / Te Tohutoro: 22/1608324

Report of / Te Pou

Matua: Gavin Thomas, Principal Advisor Policy (gavin.thomas@ccc.govt.nz)

General Manager / Lynn McClelland, Assistant Chief Executive Strategic Policy and

**Pouwhakarae:** Performance (lynn.mcclelland@ccc.govt.nz)

#### 1. Nature of Decision or Issue and Report Origin

- 1.1 This report seeks a decision from the Finance and Performance Committee on whether to extend the development contributions rebate scheme for social housing and, if so, whether the scheme criteria should be amended. The report also asks the Committee to decide whether staff should undertake further work on possible new rebate schemes.
- 1.2 This report is staff initiated in response to the development contributions rebate scheme for social housing expiring in December 2022 and also responds to Council requests for staff to look at possible new rebate schemes.
- 1.3 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by the decision being to extend a provision enabled by a previous decision and the finance impact for the Council being minor.

#### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Agrees that the development contributions rebate scheme for social housing is continued in accordance with the revised scheme criteria (**Attachment A**).
- 2. Notes that the revised criteria provides for:
  - a. Scheme funding to remain at \$2.5 million;
  - b. The scheme to continue until 30 June 2027, depending on funding being available;
  - c. A developer being required to register a covenant on the title of all properties receiving a rebate that requires the development contributions to be paid if the property is to be used for any purpose other than social or affordable housing;
  - d. A declaration is required from applicants stating they can't access funding from any other external source to cover the cost of the development contributions.
- 3. Agrees that no new development contribution rebate schemes are investigated further at this time.

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

#### Development contributions rebate scheme for social and affordable housing

- 3.1 Having the social housing rebate scheme continue enables the Council to achieve the following:
  - 3.1.1 Support the actions of the Council's Housing Policy 2019



- Develop consenting, rating and development contributions assistance policies to support social and affordable housing
- 3.1.2 Support the Council's Community Housing Strategy 2021
  - Incentivise the community housing and private sectors
  - Sustainably fund and/or support new Council and/or CHP [community housing provider] units
- 3.2 The rebate scheme has received strong endorsement from community housing providers.

  Many report that the scheme is a positive and proactive initiative by the Council to support the community housing provider sector.
- 3.3 Some social and affordable housing developments do not require support from the rebate scheme as the development is fully funded from other sources like the Ministry of Housing and Urban Development, and some developers have chosen not to take up the rebate for other reasons. In order to ensure that only developments that need the rebate can apply staff have proposed introducing a declaration requirement to the scheme criteria.
- 3.4 Staff recommend the scheme continues with an amended criteria and with a fixed term life and finite funding. This provides the Council with clarity regarding the support being given to developers of new social housing and gives the opportunity for periodic review of the scheme and, if necessary, the opportunity to further refine scheme criteria.

#### Other possible new development contributions rebate schemes

- 3.5 In October 2021, Council resolved¹ for staff to consider possible new development contributions rebate scheme options. Staff have since looked into options for alternative rebate schemes with respect to the following:
  - 3.5.1 energy efficient housing to promote achievement of third party building performance standards
  - 3.5.2 alternative housing to support development of 'alternative housing' in the central and immediate inner city
  - 3.5.3 community facilities to support community organisations providing community facilities
- 3.6 Staff have assessed the possible new schemes and believe they are unlikely to influence developer decision-making, particularly once the Council no longer takes development contributions for three waters activities, as the value of the rebate will be considerably reduced.
- 3.7 In the case of a possible rebate scheme for community facilities developed by community organisations there are challenges clearly identifying which developments should or shouldn't receive a rebate. Assisting developments of this nature may be better achieved through other mechanisms.

#### 4. Alternative Options Considered Etahi atu Kowhiringa

#### Development contributions rebate scheme for social and affordable housing

- 4.1 Continue to operate the scheme using the current scheme criteria.
  - 4.1.1 Advantages
    - No changes are required.

<sup>1</sup> FPCO/2021/00051



 The Council continues to progress objectives of the Council's Housing Policy 2019 and Community Housing Strategy 2021 through supporting the development of social and affordable housing.

#### 4.1.2 Disadvantages

- Developments that don't need the rebate support could still claim a rebate.
- Council unnecessarily foregoes some development contribution revenue.
- 4.2 Discontinue the development contributions rebates for social housing development.

#### 4.2.1 Advantages

- No development contributions revenue would be foregone.
- No administration requirements for Council.

#### 4.2.2 Disadvantages

- Development contribution charges could be a barrier to development of new social housing.
- The Council would not be using this policy lever to progress objectives of the Council's Housing Policy 2019 or Community Housing Strategy 2021.
- The Council would not be using this policy lever to progress community outcomes related to appropriate and affordable housing.

#### Other possible new development contributions rebate schemes

4.3 Recommend the introduction of one or more new rebate schemes

#### 4.3.1 Advantages

• Some developments may benefit from the rebate funding resulting in some developments occurring that otherwise wouldn't, some developments occurring quicker than they otherwise would and some developments being of a larger scale than they otherwise would be.

#### 4.3.2 Disadvantages

- Three waters reform means the scheme(s) would lose meaningful financial benefit for developers from 1 July 2024.
- Establishment costs for such a short scheme duration would be unreasonably high.

#### 5. Detail Te Whakamahuki

#### **Social Housing Rebate Scheme**

#### **Background**

- 5.1 The Council established its development contribution rebate scheme for social housing in 2017 to give effect to an action from the Council's Housing Policy 2016 to: "Develop consenting, rating and development contributions assistance policies to support social and affordable housing."
- 5.2 The scheme criteria identifies the expected strategic outcomes of this rebate scheme as being
  - Increase in social and/or affordable rental housing options.

# Finance and Performance Committee 22 March 2023



- Increased supply of a broad range of residential development encouraging the
  development of smaller housing options in response to the forecast increase in smaller
  households, rising levels of rental tenure, and an ageing population.
- 5.3 The rebate scheme is open to accredited community housing providers and charitable trusts with the provision of social housing being one of their objects. This means the Ōtautahi Community Housing Trust can (and has been able to) access rebate funding.
- 5.4 Note that Kāinga Ora and the Council are not eligible to gain accreditation as a community housing provider and therefore cannot access the rebate funds.
- 5.5 Rebates are allocated at the time a qualifying development submits a complete application for resource consent or building consent. The development contributions assessors then prepare an assessment of development contributions required and advise the developer the charges will be rebated when they meet the criteria for confirmation of a rebate, which is;
  - the development has passed its first building inspection; and
  - the developer has registered a restricting covenant in the Council's favour on the title(s) which requires development contributions to be paid in the event the property is used for any purpose other than provision of social housing.
- 5.6 The scheme has a financial limit of \$2.5 million. This was considered an appropriate level of funding that balanced a degree of certainty regarding access to the rebate for social and affordable housing developers with the ability for the Council to periodically review its commitment to the funding. The scheme criteria provided that it expired on 31 December 2022, again providing the Council with the opportunity to review its commitment to the scheme.

#### **Current balance of the scheme**

5.7 Details of the scheme's current balance are:

Social housing rebate scheme fund 2022	
Fund limit	\$2,500,000
Confirmed Rebates	\$1,016,221
Number of developments with confirmed rebates	17
Average value of rebate per development	\$59,777
Number of units with confirmed rebates	116
Average value of rebate per residential unit	\$8,760
Rebates allocated but pending confirmation	\$534,251
Number of developments with rebates pending confirmation	6
Number of units with rebates pending confirmation	95
Remaining (unallocated) balance	\$949,528

- 5.8 If all developments allocated a rebate but which haven't been confirmed were to receive a rebate this would leave \$950,000 in the scheme. Given the uptake of rebates since the scheme was created in 2017 staff believe this is likely to be sufficient funding to last through to the proposed closing date of the scheme of 30 June 2027.
- 5.9 If the funding is exhausted prior to closing of the scheme the Council can decide to extend the funding at any time. The Council can also decide to extend the scheme beyond its closing date if it chooses.

#### What has changed?

# Finance and Performance Committee 22 March 2023



- 5.10 Since the social housing rebate scheme was created in 2017 the Government has introduced new funding streams for providers of public housing and social housing, particularly for registered community housing providers. There are a number of funding streams available meaning many developments can be fully funded by the Government negating the need for a development contributions rebate.
- 5.11 The Council then needs to decide whether to simply close the rebate scheme on the basis that for some developments at least the rebate isn't required, or continue to offer the rebate for developments that don't qualify to be fully government funded. To continue to make the rebate available the Council could require that developers self-manage a screening process by being required to sign a declaration that the development contribution isn't funded or able to be funded from another source.
- 5.12 The other key consideration stems from three waters reform. A significant proportion of current development contributions are required for three waters infrastructure. When ownership of three waters assets and responsibility for service delivery shifts to a water services entity the value of a development contributions rebate based on current charges will be approximately \$4,000 to \$7,000 per housing unit. The Council needs to consider whether this level of assistance is meaningful and will result in facilitating provision of social housing.
- 5.13 The staff recommend the Council continues the social housing rebate scheme but with amended scheme criteria requiring developers sign a declaration. It is recommended that no additional funding be made available at this time as it is expected that the current funding is sufficient to extend the scheme to 30 June 2027, the end of the period covered by the Council's next Long Term Plan. The Council can review the efficacy of the scheme at that time and decide whether to continue the scheme and if so under what criteria.

#### Possible new rebate schemes

- 5.14 At the time the Council decided to close the central city residential rebate scheme staff were asked to look at possible rebate schemes. At that time staff and elected members identified the following types of development might be suitable for rebate scheme support:
  - 5.14.1 *Energy efficient housing.* This would see houses that meet a third party accreditation standard for low energy demand, such as Homestar 6 and above receiving a development contributions rebate.

The Government is in the process of raising energy efficiency standards for all new homes to close to Homestar 6 standard and incrementally increasing minimum stands so that by 2030 the minimum standard is similar to the current Passive Home standard. This would require the scheme to be continually adjusted and eventually becoming redundant.

When taking the significant reduction in development contribution charges resulting from three waters reform into account staff don't believe the scheme offers enough of an incentive to influence developer decision-making to warrant introducing the scheme.

- 5.14.2 Alternative housing in the central city. This would support development of "alternative housing" options in an alternative housing support area, comprising the Central City and immediate inner city. This would be to support the Council's Central City Residential Programme (Project 8011). The types of housing this would target includes:
  - Papakāinga housing for Maori communal or general living.
  - Cooperative housing comprised of shared ownership (e.g. via a trust, including for rental) and co-living.



- Shared equity housing developed by accredited progressive home ownership providers (PHOs) and/or community housing providers (CHPs).
- Housing by other trusts or not-for-profit organisations comprised of mixed tenures (i.e. both owned and rented units) or alternative tenures (e.g. leasehold, shared equity, rent to own/buy).

It is very difficult to gauge the level of demand for these types of housing, while the Council already supports some housing of these types through its development contributions rebate schemes for social housing and papakāinga housing.

5.14.3 *Community facilities developed by community organisations*. Community organisations sometimes develop new community facilities to service local communities. These might include sports facilities, community centres, drop-in centres etc.

While development contributions charges for these types of developments are often quite modest the organisations tend to be extremely cost-constrained so will look for ways for the Council to assist. Often the Council will have provided grant funding prior to being asked to waive development contributions.

Staff have looked at how such a scheme might be structured and believe operating a rebate scheme for these types of developments is likely to be problematic in terms of defining which organisations and developments should qualify and which shouldn't in a way that can be consistently applied the Council's development contributions team.

Organisations are currently advised to apply for a remission of development contributions under section 4.2.1 of the Council's Development Contributions Policy 2021 which provides for the Council to provide a remission in "unique and compelling circumstances". In practice this has proved problematic for the Council to approve as it has looked to avoid setting a precedent with respect to providing a remission.

Staff could investigate development of a decision-making framework for granting a remission under the current policy provisions that allows for those provisions to be utilised effectively.

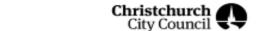
#### Other

- 5.15 Community views. When staff consulted with community housing providers on the Council's Community Housing Strategy, several noted the importance of the rebate in assisting with the viability of their new housing builds, and as part of a sound policy approach to assist community housing provision.
- 5.16 The decision affects all wards/Community Board areas.

#### 6. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

#### Strategic AlignmentTe Rautaki Tīaroaro

- 6.1 This report supports the Council's Housing Policy 2019 and the Council's Community Housing Strategy 2021 by encouraging new social housing development by the non-government community housing sector.
- 6.2 This report supports the Council's Long Term Plan (2021 2031):
  - 6.2.1 Activity: Strategic Planning, Future Development and Regeneration
    - Level of Service: 17.0.1.2 Advice to Council on high priority policy and planning issues that affect the City. Advice is aligned with and delivers on the governance



expectations as evidenced through the Council Strategic Framework. - Annual strategy and policy forward work programme is aligned to Council Strategic Framework, and is submitted to Executive Leadership Team, and Council as required.

#### Policy Consistency Te Whai Kaupapa here

- 6.3 The decision is consistent with Council's Plans and Policies.
  - 6.3.1 Housing Policy 2019
  - 6.3.2 Community Housing Strategy 2021

#### Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 6.4 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does specifically impact Mana Whenua, their culture and traditions.
- 6.5 The decision involves a matter of interest to Mana Whenua and could impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 6.6 Ngāi Tahu has, through the Greater Christchurch Partnership, committed to developing a Kāinga Nohoanga Strategy which will provide direction for the provision of affordable housing for Māori in Greater Christchurch. It is likely that at least some housing developed in response to the Strategy will qualify for a development contribution rebate under the social housing rebate scheme. The Council does also have a rebate scheme for development in the Papakāinga/ Kāinga Nohoanga zones of the District Plan.

#### Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

6.7 New housing normally has lower energy requirements than older housing and normally has less embedded carbon per housing unit.

#### Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

6.8 Social housing is often designed and built to include specific accessibility features. Specific design features are at the discretion of the developer.

#### 7. Resource Implications Ngā Hīraunga Rauemi

#### Capex/Opex Ngā Utu Whakahaere

- 7.1 Cost to Implement Development contribution rebates are revenue the Council agrees to forego. This revenue would normally be used to fund growth infrastructure. Minor adjustments can be made to the Council's development contributions budgeted revenue to reflect the impact of rebates.
- 7.2 Maintenance/Ongoing costs The cost of administering the scheme is less than minor and is funded from the normal operating budget of the development contributions assessment team.
- 7.3 Funding Source Ultimately the rebates are funding from rates.

#### 8. Legal Implications Ngā Hīraunga ā-Ture

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

8.1 The Council is able to make this decision using the powers of general competence provided to councils through section 12 of the Local Government Act (2002).

# Finance and Performance Committee 22 March 2023



8.2 The Finance and Performance Committee of the Whole has the delegated authority to make decisions associated with development contributions other than adopting the Council's Development Contributions Policy.

#### Other Legal Implications Etahi atu Hīraunga-ā-Ture

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

#### 9. Risk Management Implications Ngā Hīraunga Tūraru

- 9.1 In designing the rebate scheme and its criteria the following risks and mitigations have been considered:
  - 9.1.1 *Risk* a developer may claim the rebate and then either use the development for purposes other than for social housing or sell the property and the new owner uses it for a purpose other than to provide social housing.
    - **Mitigation** a developer must register a covenant against the title in the Council's favour that requires the payment of all rebated development contributions if the property is to be used for purposes other than to provide social housing.
  - 9.1.2 *Risk* a large development may claim a significant share of the rebate funding for the scheme, potentially leaving other developments unable to receive a rebate.

*Mitigation* - the Finance and Performance Committee must approve individual rebates in excess of \$500,000. This provides elected members with effective real-time oversight of the available rebate funding.

#### Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 🗓 🖫	Development Contributions Rebate Scheme Criteria Social Housing 2023 - Draft	23/274311	100

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

Document Name - Location / File Link	
Not applicable	

### Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

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



# Signatories Ngā Kaiwaitohu

Authors	Gavin Thomas - Principal Advisor Economic Policy				
	Ellen Cavanagh - Senior Policy Analyst				
Approved By	roved By David Griffiths - Head of Strategic Policy & Resilience				
	Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance				
	Leah Scales - General Manager Resources/Chief Financial Officer				

Christchurch City Council

Click or tap here to enter header text.

# Social Housing Development Contributions Rebate Scheme Criteria (2023)

#### **Christchurch City Council**

#### Strategic rationale for scheme - what we want to achieve

#### Expected to contribute to achieving community outcomes:

Resilient communities

- · Strong sense of community
- · Safe and healthy communities

#### Liveable city

- · Sufficient supply of, and access to, a range of housing
- 21st century garden city we are proud to live in

#### Expected to contribute to achieving strategic priorities:

- · Enabling active and connected communities to own their future
- · Accelerating the momentum the city needs

#### Consistent with the strategic goals of:

- Christchurch City Council Community Housing Strategy 2021
- Christchurch City Council Housing Policy 2017
- Greater Christchurch Urban Development Strategy (UDS)

#### Expected impacts of this rebate scheme are:

- · Increase in social housing options and availability
- · Residents have greater access to social housing if they need it

Criteria	Description
Location(s)	Any location within the Christchurch City Council territorial authority boundaries.
Type of development	A social housing residential development that is required to pay development contributions. For this scheme, social housing is defined as:  Not-for-profit housing built and operated by a qualifying community housing provider (see below), to help low income households and other disadvantaged groups to access appropriate housing at a below market rent. This can be of a supported nature such as emergency housing, or of a more general nature where low income in relation to housing costs may be the main issue.
Type of developer and operator	A community housing provider that is either registered as such a provider with the Community Housing Regulatory Authority, or a registered charitable trust which has as one of its objects the provision of social housing.
Funding declaration	The developer is required to sign a declaration stating they don't have access to alternative sources of funding to pay the development contributions.  This requirement is to ensure the Council isn't providing funding via a rebate when the development contributions could legitimately be funded from other sources such as the Ministry of Housing and Urban Development.
Requirement for restrictive covenant	A restrictive covenant in favour of the Council must be registered against the property title(s). The covenant will require the full development contribution to be paid if the conditions of the covenant are breached. The conditions of the covenant will limit the use of the covenanted property to the provision of social housing only.  The Council will provide a covenant precedent which must be completed and registered by the Council's solicitors at the developer's cost.  The Council will only release the covenant from the land title(s) on payment of the development contribution that has been rebated for the residential unit concerned.

Ötautahi-Christchurch is a city of opportunity for all
Development Contributions Social Housing Rebate Scheme Criteria 2023

Christchurch City Council

Click or tap here to enter header text.

Extent of rebate	100 per cent of development contributions required subject to the rebate and scheme limits detailed below.
Trigger to receive notice of eligibility for rebate	A complete resource consent or building consent application to develop social housing is lodged with the Council on or after 20 December 2017.  A development contribution assessment is prepared when the complete consent application is received by the Council. The developer will then be advised in writing of eligibility and conditions for a rebate to be confirmed.
Trigger to receive confirmation of rebate	There are three requirements for confirmation of rebate:  1. A signed declaration that the development contributions can't be funded from another source – see "Funding declaration" above  2. A restrictive covenant in favour of the Council is registered on the development title(s) – see "requirement for covenant" above  3. First building inspection is passed (and rebate funding is still available).  For staged developments under multiple consents the trigger for the rebate being confirmed will be determined by the Council's Development Contributions team on a case-by-case basis.  If the rebate scheme funding is exhausted or the scheme is otherwise closed before the first building consent is passed, affected developers will be advised of the requirement to pay the development contributions as required by their assessment.
Apportioning the value of the rebate across multiple units	The total development contribution rebate will be allocated evenly to each residential unit within the development.  The value of the rebate provided will be recorded in the covenant registered on the title.
Rebate limit per development	The maximum rebate for a single development is \$500,000. Rebates in excess of this limit are required to be approved by the Finance and Performance Committee of the Council on a case-by-case basis.  A single development includes all staged development components.
Total scheme funding limit	\$2.5 million.  When the funding is exhausted no further rebates will be available unless specifically provided for by the Council.
Extinguishing of all previous demand credits	All previous demand credits associated with a lot for which a development contributions rebate is provided will be considered to be extinguished.  This means in future the lot will hold only previous demand credits associated with the new development and only in accordance with the Council's Development Contributions Policy in effect at the time of any future development.
Duration of scheme	This rebate scheme will expire at 5:00pm on 30 June 2027, or when the total scheme funding is fully allocated, or when decided by the Council, whichever occurs first.
Transitional arrangements	The initial rebate scheme was adopted on 20 December 2017. Any development that met the criteria for a rebate under the initial scheme but has not had the rebate confirmed must meet the criteria contained in this version of the scheme criteria.

The Social Housing Development Contributions Rebate Scheme is established under the provisions of the Council's Development Contributions Rebate Policy (2019).

# Adopted by the Finance and Performance Committee of Council on 22 March 2023 Effective from 1 January 2023

Ötautahi-Christchurch is a city of opportunity for all Development Contributions Social Housing Rebate Scheme Criteria 2023

3



## 11. Christchurch Foundation - Annual Report 2021/22 and Half Year Report for the six months ending 31 December 2022.

Reference / Te Tohutoro: 23/48834

Report of / Te Pou Linda Gibb, Performance Advisor, Resources Group

Matua: (linda.gibb@ccc.govt.nz).

Leah Scales, General Manager Resources/Chief Financial Officer General Manager /

Pouwhakarae: (Leah.Scales@ccc.govt.nz)

#### 1. Nature of Information Update and Report Origin

- This report provides the Christchurch Foundation's Annual Report for the year ended 30 June 2022, and its half year report for the period 1 July 2022 to 31 December 2022.
- It has been written following publication of the Foundation's Annual Report on its website in 1.2 late 2022 and receipt of its interim report on 7 February 2023.

#### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

- Notes the Christchurch Foundation's Annual Report for 2021/22 and half year report for the period 1 July to 31 December 2022; and
- Notes that Council support funding to the Foundation ends at 1 July 2023. 2.

#### 3. Brief Summary

- 3.1 The Foundation is <u>not</u> a Council-controlled organisation as defined in section 6 of the Local Government Act 2002. However, the Council has the following interests in it:
  - provides funding to assist it to meet administration costs incurred over its establishment period, six years ending on 1 July 2023 – by this date the Council will have funded around \$3 million of establishment administration and operating costs;
  - receives grants for community facilities and other assets; and
  - on behalf of the local community, benefits from its charitable activities.
- 3.2 The Annual and Half Year reports are at **Attachments A** and **B** respectively.
- 3.3 The Chair of the Foundation's board, Mr Humphry Rolleston is to stand down in April 2023.





#### **Financial outturn**

- When the Foundation set its budget in May 2021, it was in the context of ongoing uncertainty 3.4 about COVID-19 restrictions. The first six months of the 2021/22 financial year saw restrictions continue, with progressive liberalisation (including international border re-opening) until March 2022. The budget for the first half of 2022/23 was cautiously optimistic about the extent of activity the Foundation could undertake, noting that global economic expectations were unfavourable.
- 3.5 Between 1 July 2021 and 31 December 22 (18 months as per the attached financial reports), key financial outcomes were the receipt of \$438,000 from the Foundation's UK sister entity for the reinstatement of the Christ Church Cathedral and the commencement of new funding streams of fees-for-service from third parties of \$200,000 over the 18 months, and forecast to be \$225,000 in 2022/23.
- At 30 June 2022, two of the Foundation's partners Southbase and Spark completed their 3.6 agreements for sponsorship funding for Turanga of jointly \$200,000 per annum (Southbase \$50,000 per annum; in total \$250,000 and Spark \$150,000 per annum; in total \$750,000). TSB's commitment was for 10 years at \$150,000 per annum, which has five years to run.
- The Foundation expects to break-even for the 2022/23 financial year. 3.7

#### Annual Report - 2021/22

#### Operating revenue and expenditure

	Actual \$000	Budget \$000	Variance \$000	2020/21 \$000	Variance \$000
Operating revenue	637	690	-53	588	+49
Operating expenditure	(754)	(684)	-70	(731)	-23
Operating surplus/(deficit)	(117)	6	-123	(143)	+26

3.8 The costs and revenues are those that reflect the Foundation's costs of doing business. It is these costs that the Council has, to date made funding grants available to partly meet. *Operating revenue* includes the Council's grant of \$350,000.

#### Half year report – 1 July – 31 December 2022

	Actual	Budget	Variance	2021/22	Variance
	\$000	\$000	\$000	\$000	\$000
Operating revenue	215	260	-45	280	-65
Operating expenditure	(344)	(383)	+39	(264)	-80
Operating surplus/(deficit)	(129)	(123)	-6	16	-145

- Between years, the Council's grant has reduced by \$75,000 and fees-for-service have reduced 3.9 by \$25,000.
- 3.10 Note that the last page of the Foundation's Half Year report (at **Attachment B**) records the recipients of distributions since the Foundation's inception.

#### **Impact Report**

3.11 The Foundation commissioned the development of a framework for the purposes of measuring and reporting on the broader impact that its activities have on greater Christchurch. Its first report has been published to its website at <a href="CF\_Impact Report">CF\_Impact Report</a> 2022 v2.6.pdf (christchurchfoundation.org.nz). It records the Foundation's many and varied activities undertaken for the expected benefit of Christchurch's residents. However, it does not evaluate the magnitude of change these activities have had which, at this stage of the Foundation's life cycle is too early. Evaluation is expected following the next Vital Signs research project in 2024.

# Finance and Performance Committee 22 March 2023



3.12 The Impact Report identifies the activities that the Foundation undertakes, some of which are of a facilitation, engagement and advisory nature, and others are more substantial in philanthropic leadership and brokering giving. Following its Vital Signs research project in 2024, the Foundation is intending to include an assessment of the change it has created through its programmes in its next Impact Report.

#### Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 🗓 🔀	Christchurch Foundation - Annual Report 2021/22	23/332350	106
B J.	Christchurch Foundation - Half year report for six months ended 31 December 2022	23/332337	125

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

Document Name - Location / File Link	
Not applicable	

#### Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

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

#### Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO	
Approved By	Leah Scales - General Manager Resources/Chief Financial Officer	



# **ANNUAL REPORT**

Financial Year Ending 30 June 2022

# CHRISTCHURCH FOR A FOR A CITY



# **TRUSTEES & STAFF**

## Trustees



Humphry Rollesto



Paul Deavoll Deputy Chair



Andrew Turner



Hon. Lianne Dalziel



Paul Bingham



Graham Dockrill

# Management



Amy Carter Chief Executive



Julia Rose Philanthropy Manager



Nicole Perry Partnerships Manager



Hannah Duder Kaitiakitanga Programme Manager

# **PARTNERS**

City Partners





**◆**TSB





Financial Year Ending 30 June 2022

Strategic Partner

Founding Funder

MADEKNOWN

Major Partners











Collaborative Partners



















Project Partners



































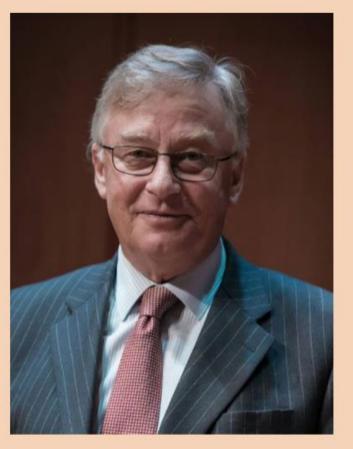








# CHAIRMAN'S REPORT



✓ Humphry Rolleston

The Christchurch Foundation has had another productive year.

Annual Report

Financial Year Ending 30 June 2022

The Foundation has raised \$766,986 for projects in greater Christchurch. Further gifts of \$437,933 have been transacted through our sister Trust in the UK for the Christchurch Cathedral Rebuild and another \$13,206 was facilitated by us and passed on to various charitable projects.

The Foundation is now structured to efficiently receive gifts from donors in the UK for projects in greater Christchurch.

Our financial statements show an operational deficit of \$147,695 for the year under review. This shortfall has been funded from our cash reserves which stand at \$142,159 after allowing for the year's shortfall.

The Trustees are budgeting for an operating surplus to June 2024. We continue to build new commercial partnerships to support The Foundation's work.

The Christchurch City Council also assists by providing essential base funding for our operational activities. This assistance is greatly appreciated. The Hon. Lianne Dalziel and Andrew Turner are stepping down as Trustees following their decisions to retire from local body politics.

Their vision for The Christchurch Foundation and their dedication to getting The Foundation established has been enormously important.

Thank you both for your input and contributions to make Christchurch a better place for us all.

Our management team of four people ably led by Amy Carter have a number of interesting initiatives under way.

The Trustees have had our impact independently reviewed by an expert in this field. This review has then led to us developing and adopting a framework that helps us measure and bench mark our programme of work and it tracks what impact we are making. The first Impact Report, and the independent review are available on our website.

Humphry Rolleston Chair

Christchurch City Council

Annual Report

Financial Year Ending 30 June 2022

# **CELEBRATING CENEROSITY**

Thank you to our donors, partners, and supporters, to the trustees and the staff. Your dedication and generosity for greater Ōtautahi Christchurch is simply amazing.

Total funds raised for greater Ōtautahi, Christchurch

since launch (2017)

\$767K

Total funds raised in 2022 FY

(excl. CCC Grants, Operational Interest, Christ Church Cathedral, Te Ahu Patiki, Riccarton Bush, and Governors Bay Jetty)

\$438K

Total funds raised on behalf of Christchurch Cathedral

\$354K

Total funds distributed for CCC community facilities

(\$1.4m since 2017)

\$698K

Total funds distributed in 2022 FY

(excl. Christ Church Cathedral, Te Ahu Patiki, Riccarton Bush, and Governors Bay Jetty)

\$7K

Total funds raised on behalf of Te Ahu Patiki

(Funds raised since 2021: \$390k)

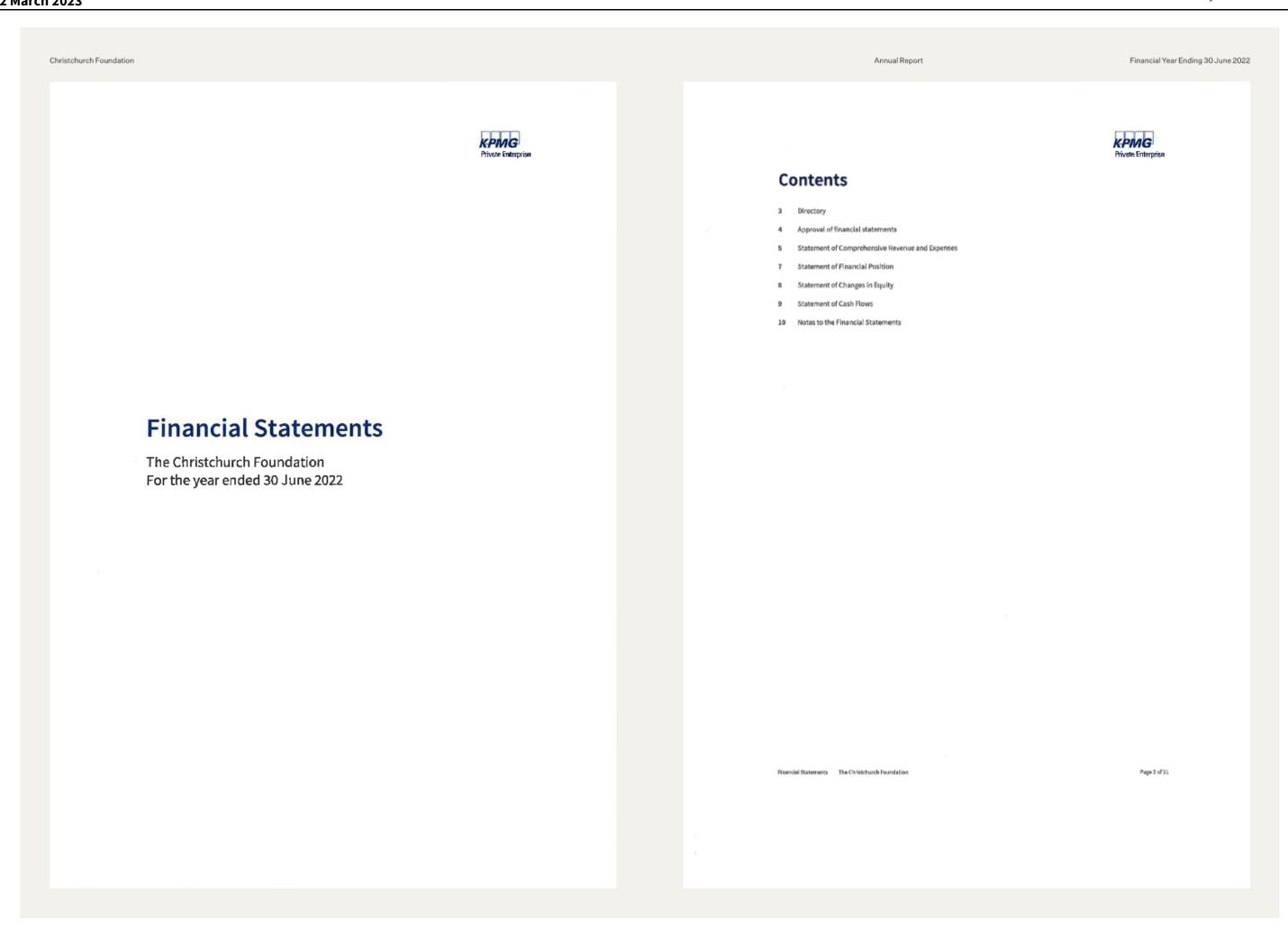


Christchurch Foundation Financial Year Ending 30 June 2022

# FINANCIALS

Item No.: 11





Christchurch Foundation Annual Report Financial Year Ending 30 June 2022

KPMG

### Directory

The Christchurch Foundation For the year ended 30 June 2022

### Nature of Business

Funding charitable activities

### Location of Business

Level 3, BNZ Centre 101 Cashel Street Christchurch 8011

### IRD Number

124-261-864

### Accountants

KPMG - Enterprise Level 5 79 Cashel Street

### **Auditors**

PWC Level 4 60 Cashel Street Christchurch 8011

### Bankers

TSB ANZ

### Deed Established

21 July 2017

### **Registration Date**

8 September 2017

### Registration Number

CC54845

### Trustees

Andrew Turner Humphry Rolleston Lianne Dalziel Paul Bingham Paul Deavoll

Financial Statements The Christchurch Foundation

Page 3 of 21

KPMG

### Approval of financial statements

The Christchurch Foundation For the year ended 30 June 2022

The Trustees are pleased to present the financial statements of The Christchurch Foundation for the year ended 30 June 2022.

Trustee of the Christchurch Foundation

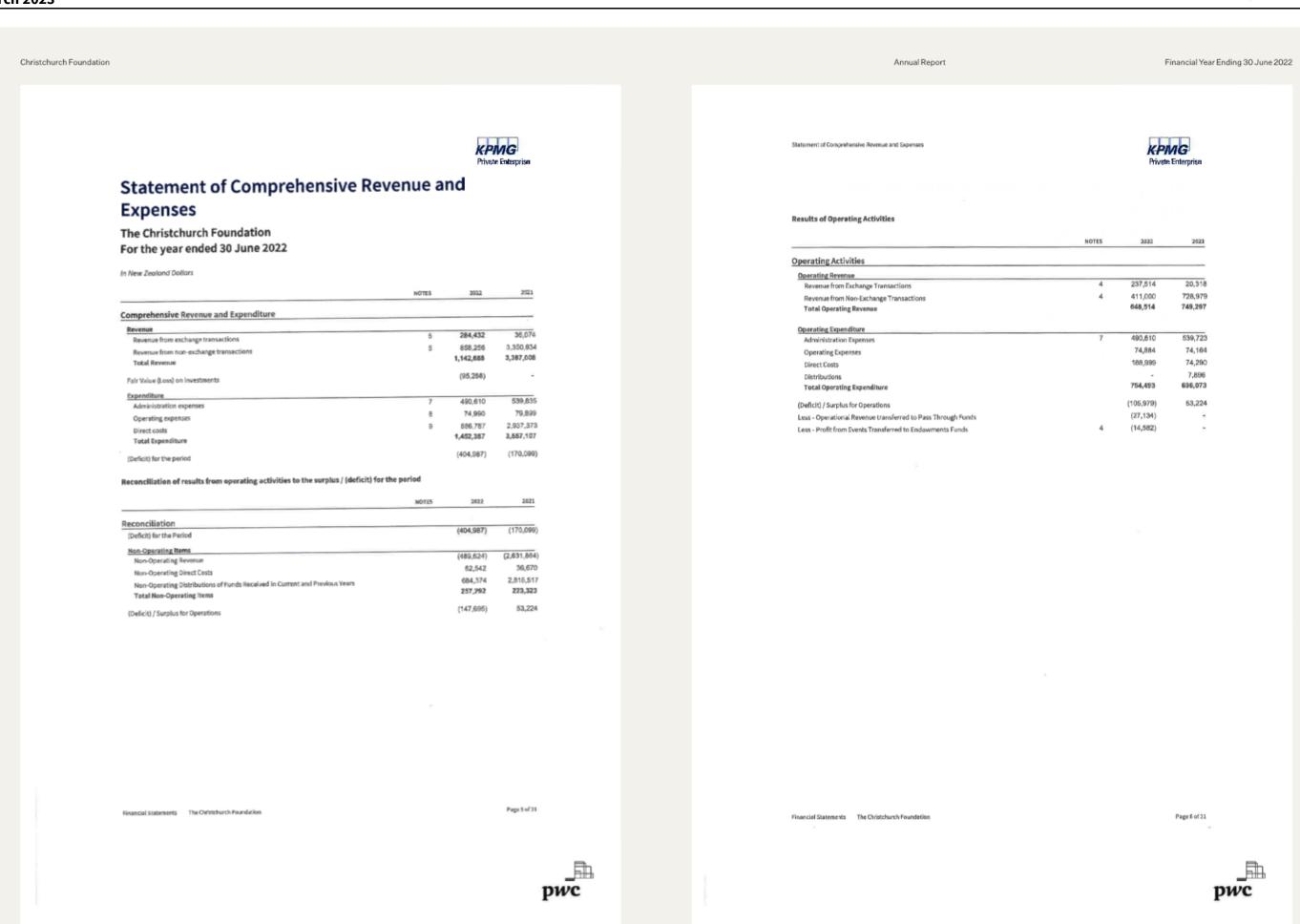
Trustee of the Christchurch Foundation

Dated: 8 December 2022

Financial Statements The Christchurch Foundation

Page 4 of 21







Christchurch Foundation Financial Year Ending 30 June 2022



### **Statement of Financial Position**

The Christchurch Foundation As at 30 June 2022

In New Zealand Dollars

	NOTES	30 JUN 2022	30 JUN 2021
Assets			
Current Assets			
Cash and Cash Equivalents	10	1,082,477	2,293,97
Accrued Revenue		75,009	30
Accounts Receivable	11	127,152	132,25
Prepayments		22,729	16,68
Total Current Assets		1,307,367	2,442,93
Non-Current Assets		2.536	928
Property, Plant and Equipment			
Intangibles	19	5,497	10,94
Other Financial Assets	12	806,070	11,92
Total Non-Current Assets		814,103	11,92
Total Assets		2,121,470	2,454,88
Liabilities			
Current Liabilities			
Accounts Payable		49,320	22,21
Accrued Expenditure	13	107,148	40,69
Deferred Revenue		89,658	89,78
Provision for denation	21		21,17
PAYE Payable		9,604	12,41
GST Payable		8,659	6,50
Total Current Liabilities		264,389	192,79
Total Liabilities		264,389	192,79
Net Assets		1,857,081	2,262,06
Equity			0.000.00
Accumulated surplus or (deficits)		1,857,081	2,262,06
Total Equity		1,857,081	2,262,06

Financial Statements The Christchurch Foundation Page 7 of 21





### **Statement of Changes in Equity**

The Christchurch Foundation For the year ended 30 June 2022

In New Zealand Dollars

	NOTE	ADMINISTRATION FUNDS	PUNDS	PASS THROUGH FUNDS	TOTAL EQUITY
2022					
Balance at 1 July 2021		289,854	28,282	1,943,932	2,262,068
Comprehensive Revenue and Expense for the year	20	(147,695)	17,990	(275,282)	(404,987)
Balance at 30 June 2022		142,159	46,272	1,668,650	1,857,081
	NOTE	ADMINISTRATION FUNDS	ENDOWMENT FUNDS	PASS THROUGH FUNDS	TOTAL EQUITY
2021					
Balance at 1 July 2020		234,538	23,038	2,174,591	2,432,167
Comprehensive Revenue and Expense for the year	20	55,316	5,244	(230,659)	(170,099)
Balance at 30 June 2021		289,854	28,282	1,943,932	2,262,068

Financial Statements The Christchurch Foundation



Page 8 of 21

Item No.: 11



Christchurch Foundation Annual Report Financial Year Ending 30 June 2022



### **Statement of Cash Flows**

The Christchurch Foundation For the year ended 30 June 2022

In New Zealand Dollars

	NOTES	2022	2021
Cashflow			
Cash Flows from Operating Activities		202 105	0.000.100
Cash Receipts		997,195	3,226,488
Cash Paid for Distributions		(697,788)	(2,826,413)
Cash Paid to Suppliers and Employees		(655,933)	(801,708)
Total Cash Flows from Operating Activities	18	(356,526)	(401,633)
Cash Flows from Investing Activities		0.047	17,478
Investment Income		9,247	
Purchasing Property, Plant, Equipment & Intangibles		(2,829)	
Purchasing Investment		(861,391)	
Total Cash Flows from Investing Activities		(854,973)	17,478
Net (decrease) in cash and cash equivalents		(1,211,499)	(384,155)
Cash and cash equivalents at the beginning of the period	10	2,293,976	2,678,131
Cash and cash equivalents at the end of the period		1,082,477	2,293,976

Page 9 of 21 Financial Statements The Christchurch Foundation





### **Notes to the Financial Statements**

The Christchurch Foundation For the year ended 30 June 2022

### 1. Reporting Entity

The Christchurch Foundation (the "Foundation") is a public benefit (not-for profit) entity, domiciled in New Zealand and registered under the Charities Act 2005. The financial statements have been prepared in accordance with the requirements of

The Foundation's main operation is to raise and receive money to be applied exclusively for charitable purposes that benefit the

### 2. Basis of Preparation

### (a) Statement of Compliance

The financial statements have been prepared in accordance with and comply with New Zealand Generally Accepted Accounting practice ("NZ GAAP"). They comply with Tier 2 PBE Accounting Standards – Reduced Disclosure Regime (Not-For-Profit). The Foundation qualifies to report under Tier 2 as it has no public accountability and for the two most recent reporting periods has had less than \$30 million operating expenditure.

The financial statements were authorised for issue by the Trustees on 8th December 2022.

### (b) Basis of Measurement

The financial statements are prepared on the historical cost basis.

The financial statements are prepared on an accrual basis.

(c) Functional and Presentation Currency
The financial statements are presented in New Zealand dollars, which is the functional and reporting currency of the Foundation and all values are rounded to the nearest dollar except where indicated otherwise.

### 3. Significant Accounting Policies

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June

### (a) Revenue from Exchange Transactions

Interest income is earned for the use of cash and cash equivalents or any amounts due to the Foundation.

Interest income is recognised in the statement of comprehensive revenue and expense as it is earned. 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 revenue each period.

### Corporate events/Workshop

Revenue from services is recognised in the accounting period in which services are rendered, by reference to the completion of the specific transaction.

Financial Statements The Christchurch Foundation

Page 10 of 21



City Council

Annual Report Financial Year Ending 30 June 2022 Christchurch Foundation

Notes to the Financial Statements



### (b) Revenue from Non-Exchange Transactions

Non-exchange transactions are those where the Foundation receives value from another entity (e.g., cash or other assets) without giving approximately equal value in exchange.

Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that the Foundation will receive an inflow of economic benefits or service potential; and
- the fair value of the inflow can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation; and
- The amount of the obligation can be estimated reliably.

Gifts, donations and bequests
Gifts, donations and bequests are voluntary transfers of assets including cash or other monetary assets and goods in-kind that the Foundation receives which are free from stipulations.

Gifts, donations and bequests are recognised as revenue when it is probable that the future economic benefits or service potential will flow to the entity, and the fair value of the assets can be measured reliably. For gifts and donations, this is usually potential will now to the entity, and the fair value of the assets can be measured reliably. For gifts and donations, this is usually upon receipt of the gift or donation. However, for bequests, a period of time may elapse between the death of the testator and the entity receiving any assets - in which case the entity makes an assessment of whether the deceased person's estate is sufficient to meet all claims on it and satisfy all bequests. If the will is disputed, this is taken into account in determining the probability of assets flowing to the entity. Gifts, donations, and bequests are recognised as revenue at their fair value at the date of receipt of cash. Revenue from donations, grants and fundraising with "use or return" conditions are recognised as a liability on receipt. The donation, grant and fundraising are recognised as revenue as the assistance of the conditions. on receipt. The donation, grant and fundralsing are recognised as revenue on the satisfaction of the condition.

Sponsorship income is recognised in the period the sponsorship is stipulated for.

### (c) Property, Plant & Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost lincludes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition

Depreciation is charged on a diminishing value basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Computer Equipment: 50% - 67%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

The Foundation is a registered charitable organisation and is therefore exempt from income tax.

All intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its

Financial Statements The Christchurch Foundation

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Fage 11 of 21

Notes to the Financial Statements



(f) Leases
Leases In which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive revenue or expense on a straight line basis over the lease term.

### (g) Goods and Services Tax

The Foundation became GST registered on 1 October 2018. The Statement of Comprehensive Revenue and Expenditure has been prepared and stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables which include GST invoiced.

### (h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at the bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### (i) Accounts Receivable

Receivables are stated at estimated realisable value after providing against debts where the collection is doubtful. Bad debts are written off during the period in which they are identified.

### (j) Investments in equities, debt and managed funds

The Foundation has elected to classify and subsequently measure these assets at fair value through surplus and deficit (FVTSD). Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus of deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

### (k) Short and Long-Term Employee Benefits

The cost of all short-term employee benefits, such as leave pay, is recognised during the period in which the employee renders the related service.

### 4. Operating Activities

Operating activities include all revenue and expenditure directly attributable to the day to day management and operation of the Christchurch Foundation. This includes the administration of and the running of events for the Foundations charitable funds. The profits from these events are then transferred to the relevant charitable fund.

For the purposes of the non-GAAP reconciliation of results from operating activities to the surplus/ (deficit) for the period, non-operating activities include all other revenue and expenditure including pass through, endowments and profits from events/projects that are not directly attributable to the day to day management and operation of the Christchurch Foundation.

Financial Statements The Christchurch Foundation

Page 12 of 21



Item No.: 11

Christchurch Foundation

Financial Year Ending 30 June 2022

Notes to the Financial Statements



	2622	2021
, Revenue from Exchange Transactions		
Alexandra Shackleton Event		11,377
Events Revenue	84,654	5,217
Dividend Income	9,083	
Fees for Service	150,045	
Foreign Currency Gain	23,429	
interest income	16,680	17,527
Moon Dinner	315	
Sundry Income	218	
To Ahu Patiki Fees for Service	8	1,953
Total Rovenue from Exchange Transactions	284,432	36,074
	2022	2021
evenue from Non-Exchange Transactions		0.000.70
Donations - Cash	89,616	2,262,780
Alexandra Shackleton Donations		796
Women's Fund Donations	2,640	925
Grants	350,000	549,760
Sponsorship	415,000	514,674
Endowments	1,000	2,000
Total Revenue from Non-Exchange Transactions	858,256	3,350,934

Notes to the Financial Statements



### Services In-Kind

KPMG provided \$182,708 of accounting services for \$65,758 in the current year. (2021: \$131,248 accounting services provided for \$51,936)

Brannigans Consulting Limited provided \$1,875 in pro bono recruitment services in the current year. (2021: \$40,100)

Tavendale & Partners provided \$9,438 in pro bono legal services in the current year.

Annual Report

Services in-kind are not included in revenues as there is no enduring asset created from the receipt as the benefit is consumed

### 6. Donations Received on Behalf of Other Charities

During the year the Foundation entered into agency agreements to facilitate donations and distributions for the following

	2765	2022
Agency Income and Expense		
Donations		
Christ Church Cathedral Reinstatement Limited	437,933	
Governor's Bay Jetty Restoration Trust	2,555	
Riccarton Bush Trust	4,030	-
Te Ahu Patiki - Rod Donald Trust	6,629	390,542
Total Donations	451,147	390,542
Total Donations	(451,147)	(390,542)

Donations received on behalf of these charities have been fully distributed to the respective charities during the year and there are no remaining liability to pay to them at year end. (2021: nil liability at year end).

Page 13 of 21 Financial Statements The Christchurch Foundation



Financial Statements The Christchurch Foundation

Page 14 of 21



		Annual Report	Financial
Notes to the Financial Statements	<b>KPING</b> Private Enterprise	Notes to the Financial Statements	<b>KPMG</b> Private Enterpris
	2022 2023		2022 2
7. Administration Expenses Accounting / Finance	65,758 41,258	10. Cash and Cash Equivalents  ANZ	528,469 2,085,
Audit Fees	27,000 14,500	Blackbaud Merchant Services	145 1
Amortisation	5,497 10,995 932 1,034	Credit Card - Staff	1,412 1
Depreciation	3,940 3,588	Foreign Currency (GBP)	51
Inpurance	- 30	JB Were Partfalio	438,608 25
Interest Expense Legal Expenses	9,290	Petty Cash TSB	113,767 208,
Loss on Disposal	290 -	Total Cash and Cash Equivalents	1,082,477 2,293,8
Other Administration Expenses	24,074 50,887	,	
Salaries	358,076 394,891 5,043 13,362		2022 20
Subscriptions	5,043 15,362 498,610 539,835	11. Accounts Receivable	
Total Administration Expenses		Accounts Receivables	127,152 132,
	2022 2021	Less - Provision for Bad Debts	
		Total Accounts Receivable	127,152 132,
8. Operating Expenses	2,062 4,850		
Advertising Marketing	14,571 31,962		2022 20
Other Operating Expenses	31,842 15,306	12. Other Financial Assets	F04 480
Rent	21,640 21,840	Listed Shares	561,478 180,086
Travel	4,875 6,141 74,990 79,899	Corporate Bonds  Managed Funds	64,506
Total Operating Expenses	19,550 10,005	Total Other Financial Assets	806,070
	2022 2021		
9. Direct Costs	697,768 2,826,413	Fair value information has been obtained directly from quoted market price for list funds the unit price was able to be obtained through observable market informatic to adopt valuation assumptions or techniques to derive the fair value of the investr	on and the Foundation has not been require
Distributions Events	120,987 53,112	*	
Stronger Greener Christchurch Expenses	50,000 25,002		2022 20
UK Establishment Costs - Note 16	15,525 16,340	13. Accrued Expenditure	
US Establishment Costs - Note 16	- 577 - 15,929	Accrued Expenses	95,789 34,1
Vital Signs Research Project Expenses	2.487	Holiday Pay Total Assured Expenditure	11,359 6,1 107,148 40,6
Waitaha Project Total Direct Costs	886,787 2,937,373	Total Accrued Expenditure	101,140 40,0
s remove word White Subhidibili		14. Contingent Liabilities	
		There are no contingent liabilities at year end (2021: \$Nil)	
		15. Operating Lease Commitments	
		The Foundation leases part of Level 3, 101 Cashel Street, Christchurch from Christc 2018 with no end date. The lease is currently \$1,500 per month and can be termina per month)	thurch NZ. The lease was signed on 17 Januated with one month's notice. (2021: \$2,000)
Financial Statements The Christchusch Foundation	Page 15 of 21	Financial Statements The Christchurch Foundation	Page 16 of
	pwc		
	P		

Christchurch Foundation



Annual Report Financial Year Ending 30 June 2022

Notes to the Financial Statements



### 16. Related Parties

Key Management Personnel
The senior management group consists of the CEO. The total remuneration of the senior management group and the number of managers, on a full-time equivalent basis, receiving remuneration in this category are:

Remuneration Summary		
Total Remuneration	198,223	211,484
Number of Dassons	1	1

Related Party 1 ransactions
During the year the Foundation received the following income and incurred the following expenses from Brannigans Consulting
Limited, Amy Carter's (CEO) spouse is a partner at Brannigans Consulting Limited.

2022	2021
47.455	4,674
77.77	
2,500	8,00
1,550	
21,206	12,67
	(1,398
	(820
	(2,215
21,206	10,45
	17,156 2,500 1,550 21,266

During the year of the Foundation, there were no legal expenses incurred. (2021: During the year the Foundation incurred the following expenses from Simpson Grierson. Hugh Lindo (Trustee until 10/02/21) is a partner of Simpson Grierson.)

	****	
Expenses		
Legal Expenses		9,29
Total Expenses		9,29

During the year the Foundation incurred the following expenses in relation to the establishment of separate Christchurch Foundation entities in the UK and US. The purpose of these entities is to collect donations from New Zealand expatriates which will be transferred to the Christchurch Foundation (NZ) to be used in line with the Christchurch Foundation's purpose.

	2022	2021
Expenses		40.018
UK Establishment Costs	16,525	16,340
US Establishment Costs		577
Total Expenses	15,525	16,917

Page 17 of 21 Financial Statements The Christchurch Foundation



Notes to the Financial Statements



2022	2023

The Mayor of the Christchurch City Council ("CCC"), Lianne Dalziel, and her deputy, Andrew Turner, make up two of the seven Trustees at The Foundation and therefore CCC and The Foundation are considered to be related parties.

	8008	2003
ncome and Expenditure		
Income		
Donations		75,438
Grants	350,000	540,000
Total Income	350,000	615,438
Distributions		
Distributions	353,600	353,500
Total Distributions	353,600	353,500
Net Income (Expenditure)	(3,600)	261,938

During the year, the Foundation received the following income on behalf of the Rod Donald Banks Penisula Trust (RDBPT) under a fee for service agreement in relation to the Te Ahu Patiki project. The Donations, less the fee for service and transaction fees were distributed to RDBPT. Andrew Turner is a Trustee of The Christchurch Foundation and a Director of the RDBPT. Paul Bingham is a Trustee of the Christchurch Foundation and the RDBPT.

	2022	2021
Income and Expenditure		
Income		
Donations	6,629	383,461
Fees For Service	8	1,952
Total Income	6,637	385,413
Expenses		
Transaction Fees	13	1,030
Distributions		
Distributions	6,615	382,431
Net Income (Expenditure)	9	1,952

During the year the Foundation participated as a member in the Community Foundations of New Zealand Incorporated of which Amy Carter is a Trustee. The following subscription fees and conference costs were incurred.

	YEAR	SHYT
Expenses		
Subscriptions	1,336	
Conferences	300	
Total Expenses	1,638	

Financial Statements The Christchurch Foundation Page 18 of 21



Christchurch Foundation Annual Report Financial Year Ending 30 June 2022



2021

2022

A distribution was made to the One Mother to Another organisation of which Graham Dockrill is a trustee.

	2022	207
Expenses		
Distributions	2,000	
Total Evenence	2,000	

### 17. Subsequent Events

Financial Statements The Christchurch Foundation

There were no subsequent events to the balance date when the financial statements were signed.

18. Reconciliation of Net Cash Flows from Operating Activities to Surplus / (Deficit)

2022	5021
(404,967)	(170,099
(404,987)	(170,099)
	40.000
107700	10,996
	1,034
	(17,476
13/20/20/20	
(2,528)	(5,447)
500050	(106,069
	16,93
(75,927)	(136,956
95,288	
50,989	(226,087
(356,526)	(401,633
2022	2021
	0.4.00
	21,98
1000000	(10,998
5,497	10,99
	(404,987) (484,987) 5,497 932 (9,247) 290 (2,528) 29,473 2,155 (75,927) 95,288 50,989 (356,526)

pwc

Page 10 of 21

KPING

20. Equity

2022

Opening Balance	2,262,060
Current year movement	
Administration funds	(147,695)
Endowment funds	17,990
Pass through funds	(276,282)
Total Current year movement	(404,987)
Balance as at 30 June 2022	1,857,081
2021	
Opening Belance	2,432,167
Prior year movement	
Administration funds	55,316
Endowment funds	5,244
Pass through funds	(230,659
Total Prior year movement	(170,099)
Balance as at 30 June 2021	2,262,088

Pursuant to a directive from the Community Foundations of New Zealand, the Foundation has established the following reserves during the prior year:

<u>Administration funds (accumulated surplus)</u>
Funds held for the running of the Foundation and not held for charitable distribution purposes.

Endowment funds
Donated funds held in perpetuity or with a donor-directed pay down period of three or more years from the date the donation is

Pass through funds
Donated funds held temporarily by the foundation before being distributed to assigned charitable purposes.

### 21. Provision for Conditional Donation

In the year ended 30 June 2021, the foundation received a condition donation of \$2,071,172 of which \$21,172 was not utilised by year end. During the year ended 30 June 2022, \$15,702 of these conditional donations were utilised and the remaining \$5,470 was refunded to donors as they were unable to be used for the specified purpose. The Foundation received no new conditional donation in the current year and the year end provision is nil. (2021: \$21,172.)

Financial Statements The Christchurch Foundation

Page 20 of 21



Christchurch Foundation Annual Report Financial Year Ending 30 June 2022

Notes to the Financial Statements



### 22. COVID-19

On 11 March 2020, the World Health Organisation (WHO) declared the outbreak of COVID-19 a pandemic. For the Foundation this has resulted in temporary deferral and cancellation of public events during Alert Level 3 and 4 periods, but the Foundation has been able to carry on its operations as usual without any further disruptions.

Financial Statements The Christchurch Foundation

Page 21 of 21





### Independent auditor's report

To the Trustees of The Christchurch Foundation

### Our opinion

In our opinion, the accompanying financial statements of The Christchurch Foundation (the Foundation), present fairly, in all material respects, the financial position of the Foundation as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

### What we have audited

The Foundation's financial statements comprise:

- · the statement of financial position as at 30 June 2022;
- the statement of comprehensive revenue and expenses for the year then ended;
- · the statement of changes in equity for the year then ended;
- · the statement of cash flows for the year then ended; and
- · the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Foundation in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Foundation.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our

Our opinion on the financial statements 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, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

PricewaterhouseCoopers, PwC Centre, 60 Cashel Street, PO Box 13-244, Christchurch 8141 New Zealand T: +64 3 374 3000, www.pwc.co.nz

Item No.: 11

Christchurch Foundation Financial Year Ending 30 June 2022



### Responsibilities of the Trustees for the financial statements

The Trustees are responsible, on behalf of the Foundation, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, 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 conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8

This description forms part of our auditor's report.

### Who we report to

This report is made solely to the Trustees, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation and the Trustees, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Simon Kirkpatrick.

For and on behalf of:

Chartered Accountants 8 December 2022

Pricerelechara Coopes

Christchurch

PwC

Christchurch Foundation Financial Year Ending 30 June 2022

# FOR A BETTER CITY

**Attachment A** 

Item 11

Item No.: 11



The Christchurch Foundation Level 3, BNZ Centre, 101 Cashel Street, Christchurch 8011

enquiries@christchurchfoundation.org.nz

christchurchfoundation.org.nz

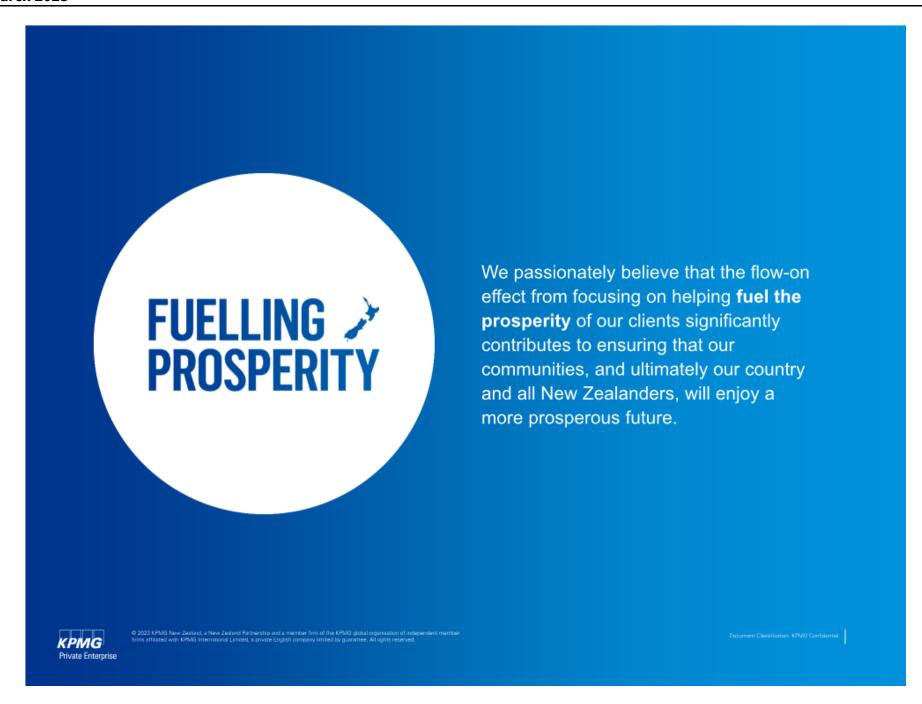
# CHRISTCHURCH FOUNDATION

bettercity.nz











# **Compilation Report**

### Report to the CEO & Trustees of The Christchurch Foundation ("the Foundation")

### Scope

We have prepared the biannual report for the 6 months ended 31 December 2022 based on information provided by you, and in accordance with our engagement letter dated 11 July 2022.

### Responsibilities

The biannual report has been prepared based on information provided by the CEO and the Foundation. The CEO and the Foundation are solely responsible for the information upon which the biannual report is based.

### **Disclaimer of liability**

We have compiled the biannual report in accordance with the limited procedures agreed in our letter of engagement dated 11 July 2022.

As part of our engagement, the CEO and the Foundation has provided records, information, documents and explanations on which we have relied. Our procedures do not involve verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed. We do not accept any responsibility for the accuracy and completeness of the accounting records and other information the CEO and the Foundation has supplied to us or for the reliability, accuracy and completeness of the financial information compiled on the basis of those records and information. We also do not accept any responsibility for the maintenance of adequate accounting records, an adequate internal control structure and the selection and application of appropriate accounting policies within your organisation. In addition, the CEO and the Foundation are solely responsible to users of the financial information we compile.

KPMG - Christchurch Dated: 26 January 2023



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# Statement of Financial Performance - Consolidated

### The Christchurch Foundation For the 6 months ended 31 December 2022

	JUL-DEC 2022	JAN-JUN 2022	YTD	BUDGET	VARIANCE	PRIOR YT
Revenue						
Ambassadors Club	-	-	-	40,000	(40,000)	
Business Club	11,250	-	11,250	49,998	(38,748)	2,500
Donations	103,105	7,033	103,105	-	103,105	85,223
Endowment Establishment Gift	1,000		1,000	5,000	(4,000)	1,000
Events	21,107	72,281	21,107	-	21,107	12,689
Fees for Service	50,036	75,046	50,036	62,500	(12,464)	75,000
Grants	100,000	175,000	100,000	100,000	-	175,000
Sponsorship	458,000	(37,158)	458,000	505,000	(47,000)	449,658
Te Ahu Patiki Fees for Service	-	-	-	-	-	3
03 Gin Sales	11,650		11,650	-	11,650	
Total Revenue	756,148	292,201	756,148	762,498	(6,350)	801,077
ess Distributions						
Distributions	438,849	70,659	438,849	350,000	88,849	627,130
Total Distributions	438,849	70,659	438,849	350,000	88,849	627,130
Other Income						
Dividend Income	16,077	8,636	16,077	-	16,077	447
Foreign Currency Gain	-	23,429	-	-	-	
Interest Income	15,166	9,163	15,166	2,448	12,718	7,517
Realised Currency Gains	(2)	-	(2)	-	(2)	
Sundry Income	-	-	-	-	-	217
Unrealised Gain / (Loss) on Investments	(11,351)	(100,947)	(11,351)	-	(11,351)	5,659
Total Other Income	19,890	(59,718)	19,890	2,448	17,442	13,840
Gross Surplus (Deficit)	337,189	161,825	337,189	414,946	(77,757)	187,788
Expenses						
Accounting / Finance	24,294	35,004	24,294	39,000	(14,706)	30,754
Administration Expenses	-	(13)	-	-	-	21
Audit Fees		27,000	_	14,500	(14,500)	
Bank Revaluations	1		1		1	
Conferences	-	-	-	500	(500)	300
Consultant Support	263	450	263	-	263	
Contractors	25,002	25,002	25,002	25,000	2	
Depreciation / Amortisation	2,544	3,324	2,544	2,544	_	3,105
Entertainment	2,360	969	2,360	1,170	1,190	2,162
Events	6,273	111,284	6,273	4,000	2,273	9,703
Fund Manager	-,	,	0,213	2,499	(2,499)	2,.02
				2,100	1-1.00/	

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation

Christchurch City Council

Statement of Financial Performance - Consolidated



	JUL-DEC 2022	JAN-JUN 2022	YTD	BUDGET	VARIANCE	PRIOR YTD
Insurance	2,168	2,091	2,168	2,175	(7)	1,849
Interest Expense	15	-	15	-	15	-
Legal Expenses	-	-	-	5,000	(5,000)	-
Loss on Disposal	-	290	-	-	-	-
Marketing / Advertising	4,952	10,406	4,952	16,250	(11,298)	6,227
Phone / Computer / Software	19,346	17,186	19,346	15,880	3,466	10,631
Rent	10,698	10,820	10,698	10,820	(122)	10,820
Salaries	183,047	200,264	183,047	192,096	(9,049)	157,812
Stronger Greener Christchurch Expenses	25,002	25,002	25,002	25,000	2	24,998
Travel	25,303	2,042	25,303	15,550	9,753	2,832
UK Establishment Costs	863	15,525	863	7,500	(6,638)	
Vital Signs Research Project Expenses	-	-	-	1,500	(1,500)	-
Waitaha Project	575	2,488	575	-	575	
03 Gin Expenses	8,331	-	8,331	-	8,331	-
Total Expenses	343,755	490,986	343,755	383,384	(39,629)	263,613
let Surplus (Deficit)	(6,566)	(329,161)	(6,566)	31,562	(38,128)	(75,826)

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation





### **Statement of Financial Position - Consolidated**

### The Christchurch Foundation As at 31 December 2022

	31 DEC 2022	30 JUN 202
Assets		
Current Assets		
Accounts Receivable	9,674	94,85
Accrued Revenue	219	75,00
Cash and Bank	704,897	643,86
GST Receivable	14,003	
JBWere Investment Portfolio (Cash Portion)	26,978	438,60
Other Receivables		32,29
Prepayments	11,521	22,72
Total Current Assets	767,292	1,307,36
Non-Current Assets		
Fixed Assets	2,608	2,53
JBWere Investment Portfolio	1,231,114	806,07
Website	4,123	5,49
Total Non-Current Assets	1,237,845	814,10
Total Assets	2,005,137	2,121,47
iabilities		
Current Liabilities		
Accounts Payable	16,631	58,92
Accrued Expenditure	28,333	107,14
Deferred Revenue	109,658	89,65
GST Payable	-	8,65
Total Current Liabilities	154,622	264,38
Total Liabilities	154,622	264,38
Net Assets	1,850,516	1,857,08
Equity		
Administration Funds		
Administration Funds - Allocated	75,000	25,00
Administration Funds - Unallocated	14,034	117,15
Total Administration Funds	89,034	142,15
Endowment Funds		
Female Entrepreneurs Fund	16,002	
General Fund - Where It's Needed Most	19,096	15,90
Pride Fund	31,630	28,23
Women's Fund	3,756	2,13
Total Endowment Funds	70,483	46,27
Pass Through Funds		
Alexandra Shackleton	795	79

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation

Christchurch City Council

Statement of Financial Position - Consolidated



	31 DEC 2022	30 JUN 202
CBD Activations	(815)	(815
Earthquake Memorial	73,316	73,31
Education Fund	1,525,037	1,547,22
Female Entrepreneurs	63,593	
General	10,000	10,00
GenGive	1,400	6,40
Green Philanthropy Fund	5,523	250
Lantern Fund	100	100
Sports Inclusivity Fund	82,268	71,673
Turanga	(84,658)	(53,545
Women In Sport	14,242	13,25
Youth Hub	197	
Total Pass Through Funds	1,690,998	1,668,650
otal Equity	1,850,516	1,857,082

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation





### **Statement of Cash Flows - Consolidated**

### The Christchurch Foundation For the 6 months ended 31 December 2022

	JUL-DEC 2022	JAN-JUN 2022	YTD	PRIOR YTD
Cash Flows from Operations				
Cash receipts	1,042,268	896,030	1,042,268	741,822
GST Refund / (Payment)	(53,651)	(10,129)	(53,651)	(21,764)
Payments to suppliers and employees	(441,300)	(455,576)	(441,300)	(295,029)
Distributions	(492,554)	(936,064)	(492,554)	(278,645)
Total Cash Flows from Operations	54,763	(505,739)	54,763	146,384
Investing Activities				
Cash payments for investing activities	(17,229)	(7,734)	(17,229)	(1,301,514)
Dividend Income	16,077	3,023	16,077	447
Interest Income	14,955	7,548	14,955	7,478
Unrealised Gain / (Loss) on Investments	(7,537)		(7,537)	
Total Investing Activities	6,266	2,836	6,266	(1,293,589)
Net Increase/(Decrease) in Cash	61,030	(502,903)	61,030	(1,147,205)
Bank Accounts and Cash				
Opening cash	643,868	1,146,771	643,868	2,293,976
Closing cash	704,898	643,868	704,898	1,146,771
Net change in cash for period	61,030	(502,903)	61,030	(1,147,205)

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation



# Financial Performance Operations

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KPING Private Enterprise





### **Statement of Financial Performance - Operations**

### The Christchurch Foundation For the 6 months ended 31 December 2022

	JUL-DEC 2022	JAN-JUN 2022	YTD	BUDGET	VARIANCE	PRIOR YT
Revenues						
Ambassadors Club	-	-	-	40,000	(40,000)	
Business Club	11,250	-	11,250	49,999	(38,749)	2,50
Donations	-		-		-	(27,134
Endowment Establishment Gift	1,000		1,000	5,000	(4,000)	1,000
Events	1,835	62,942	1,835	-	1,835	7,44
Fees for Service	50,036	75,046	50,036	62,500	(12,464)	75,000
Grants	100,000	175,000	100,000	100,000	-	175,000
Sponsorship	108,000	42,500	108,000	155,001	(47,001)	15,000
Te Ahu Patiki Fees for Service	-	-	-	-	-	
Women's Fund Panel Discussion Event	1,535	-	1,535	-	1,535	
03 Gin Sales	11,650	-	11,650	-	11,650	
Total Revenues	285,306	355,488	285,306	412,500	(127,194)	248,819
Other Income						
Interest Income	3,428	1,138	3,428	2,448	980	1,135
Sundry Income	-	-	-		-	21
Thinker In Residence	-	-	-	35,000	(35,000)	
Total Other Incom:	3,428	1,138	3,428	37,448	(34,020)	1,35
Total Other Income	-,	,				
				449 948	(161 214)	250 171
Gross Surplus	288,734	356,626	288,734	449,948	(161,214)	250,171
				449,948	(161,214)	250,17
Gross Surplus				<b>449,948</b> 39,000	(161,214)	
Gross Surplus Expenses	288,734	356,626	288,734			30,754
Expenses  Accounting / Finance	288,734	356,626	288,734			30,75
Expenses  Accounting / Finance  Administration Expenses	288,734	356,626 35,004	288,734 24,294	39,000	(14,706)	30,75-
Expenses  Accounting / Finance  Administration Expenses  Audit Fees	288,734	356,626 35,004	288,734 24,294	39,000 - 14,500	(14,706) - (14,500)	30,75-
Expenses Accounting / Finance Administration Expenses Audit Fees Conferences	24,294	35,004 - 27,000	24,294	39,000 - 14,500	(14,706) - (14,500) (500)	30,75-
Expenses Accounting / Finance Administration Expenses Audit Fees Conferences Consultant Support	24,294 - - - 263	356,626 35,004 - 27,000 - 450	288,734 24,294 - - - 263	39,000 - 14,500 500	(14,706) - (14,500) (500) 263	30,75
Expenses Accounting / Finance Administration Expenses Audit Fees Conferences Consultant Support Contractors	24,294 - - - 263 25,002	356,626 35,004 - 27,000 - 450 25,002	288,734 24,294 - - 263 25,002	39,000 - 14,500 500 - 25,000	(14,706) - (14,500) (500) 263 2	30,75
Expenses Accounting / Finance Administration Expenses Audit Fees Conferences Consultant Support Contractors Depreciation / Amortisation	24,294 - - 263 25,002 2,544	356,626 35,004 - 27,000 - 450 25,002 3,324	288,734 24,294 - - 263 25,002 2,544	39,000 - 14,500 500 - 25,000 2,934	(14,706) - (14,500) (500) 263 2 (390)	30,75- 30( 3,10) 2,16:
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment	24,294 - - 263 25,002 2,544 2,360	35,004 - 27,000 - 450 25,002 3,324 969	288,734 24,294 - - 263 25,002 2,544 2,360	39,000 - 14,500 500 - 25,000 2,934 3,000	(14,706) - (14,500) (500) 263 2 (390) (640)	30,75- 30( 3,10) 2,16:
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment  Events	24,294 - - 263 25,002 2,544 2,360 4,473	35,004 - 27,000 - 450 25,002 3,324 969 111,284	24,294 - - 263 25,002 2,544 2,360 4,473	39,000 - 14,500 500 - 25,000 2,934 3,000	(14,706) - (14,500) (500) 263 2 (390) (640) 473	30,75- 30( 3,10) 2,16:
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment  Events  Foreign Currency Gains and Losses	24,294 - - 263 25,002 2,544 2,360 4,473 3	35,004 - 27,000 - 450 25,002 3,324 969 111,284 (1)	24,294 - - 263 25,002 2,544 2,360 4,473 3	39,000 - 14,500 500 - 25,000 2,934 3,000 4,000	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3	30,75- 300 3,100 2,160 9,700
Expenses Accounting / Finance Administration Expenses Audit Fees Conferences Consultant Support Contractors Depreciation / Amortisation Entertainment Events Foreign Currency Gains and Losses Fund Manager	24,294 - - 263 25,002 2,544 2,360 4,473 3	356,626 35,004 - 27,000 - 450 25,002 3,324 969 111,284 (1)	24,294 - - 263 25,002 2,544 2,360 4,473 3	39,000 - 14,500 500 - 25,000 2,934 3,000 4,000 - 2,499	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3 (2,499)	30,75- 300 3,100 2,160 9,700 2,390
Expenses Accounting / Finance Administration Expenses Audit Fees Conferences Consultant Support Contractors Depreciation / Amortisation Entertainment Events Foreign Currency Gains and Losses Fund Manager General	24,294 - - 263 25,002 2,544 2,360 4,473 3 - 2,619	356,626  35,004  - 27,000  - 450 25,002 3,324 969 111,284 (1) - 1,853	24,294 - - 263 25,002 2,544 2,360 4,473 3 - 2,619	39,000 - 14,500 500 - 25,000 2,934 3,000 4,000 - 2,499 2,400	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3 (2,499) 219	30,75- 300 3,100 2,160 9,700
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment  Events  Foreign Currency Gains and Losses  Fund Manager  General  Insurance	24,294 - - 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168	356,626  35,004  - 27,000  - 450 25,002 3,324 969 111,284 (1) - 1,853	24,294 - 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168	39,000 - 14,500 500 - 25,000 2,934 3,000 4,000 - 2,499 2,400 2,175	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3 (2,499) 219 (7)	30,75- 300 3,100 2,160 9,700
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment  Events  Foreign Currency Gains and Losses  Fund Manager  General  Insurance  Interest Expense	24,294 - - 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168	356,626  35,004  - 27,000  - 450 25,002 3,324 969 111,284 (1) - 1,853	24,294 - 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168	39,000 - 14,500 500 - 25,000 2,934 3,000 4,000 - 2,499 2,400 2,175	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3 (2,499) 219 (7)	30,75- 300 3,100 2,160 9,700 2,390
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment  Events  Foreign Currency Gains and Losses  Fund Manager  General  Insurance  Interest Expense  Legal Expenses	24,294 - - 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168	356,626  35,004  - 27,000  - 450  25,002  3,324  969  111,284  (1)  - 1,853  2,091	24,294 - 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168	39,000 - 14,500 500 - 25,000 2,934 3,000 4,000 - 2,499 2,400 2,175	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3 (2,499) 219 (7)	30,75- 300 3,100 2,16: 9,703 2,399 1,849
Expenses  Accounting / Finance  Administration Expenses  Audit Fees  Conferences  Consultant Support  Contractors  Depreciation / Amortisation  Entertainment  Events  Foreign Currency Gains and Losses  Fund Manager  General  Insurance  Interest Expense  Legal Expenses  Loss on Disposal	24,294 263 25,002 2,544 2,360 4,473 3 - 2,619 2,168 15	356,626  35,004  - 27,000  - 450  25,002  3,324  969  111,284  (1)  - 1,853  2,091  - 290	24,294	39,000 - 14,500 - 25,000 - 25,000 4,000 - 2,499 2,400 2,175 - 5,000	(14,706) - (14,500) (500) 263 2 (390) (640) 473 3 (2,499) 219 (7) 15 (5,000)	250,171 30,754 300 3,105 2,162 9,703 2,395 1,845

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation

Christchurch City Council

Statement of Financial Performance - Operations



	JUL-DEC 2022	JAN-JUN 2022	YTD	BUDGET	VARIANCE	PRIOR YTD
Salaries	183,047	200,264	183,047	192,096	(9,049)	157,812
Stronger Greener Christchurch Expenses	25,002	25,002	25,002	25,000	2	24,998
Travel	25,303	2,042	25,303	15,550	9,753	2,832
UK Establishment Costs	863	15,525	863	7,500	(6,638)	-
Vital Signs Research Project Expenses	-	-	-	1,500	(1,500)	-
Waitaha Project	575	2,488	575	-	575	
03 Gin Expenses	8,331	-	8,331	-	8,331	-
Total Expenses	341,859	490,998	341,859	386,854	(44,995)	263,494
et Surplus (Deficit)	(53,125)	(134,373)	(53,125)	63,094	(116,219)	(13,323)

These financial statements have been prepared without conducting an audit or review engagement and should be read in conjunction with the attached Compilation Report on page 3.

Biannual Report | The Christchurch Foundation



# JBWere -Investment Fund Performance

KPING Private Enterprise

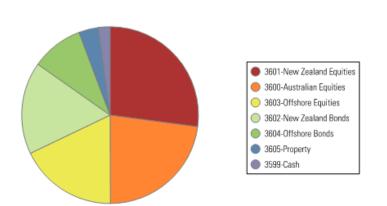
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REGISTERED OFFICE Level 38, Vero Centre, 48 Shortland Street Auckland, New Zealand 1010 web site: www.jbwere.co.nz

### Portfolio Asset Allocation Report - Account 57803 - The Christchurch Foundation (15 March 19 Fund)(DIMS AC) - as at 31 December 2022

	Cost Value (NZD)	Current Value (NZD)	Portfolio %
New Zealand Equities	356,569.84	340,954.00	27.10 %
Australian Equities	298,968.09	287,457.94	22.85 %
Offshore Equities	242,065.36	225,709.59	17.94 %
New Zealand Bonds	216,678.22	212,233.57	16.87 %
Offshore Bonds	133,094.56	119,870.32	9.53 %
Property	54,529.82	44,888.35	3.57 %
Cash	26,975.99	26,977.55	2.14 %
Portfolio Total	1,328,881.88	1,258,091.32	100.00 %



NZD FX Rates			
AUD	0.9324		
CAD	0.8565		
CHF	0.5848		
DKK	4.4043		
EUR	0.5924		
GBP	0.5257		
HKD	4.9341		
JPY	83.4061		
NOK	6.2259		
NZD	1.0000		
SEK	6.5842		
SGD	0.8477		
USD	0.6322		

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This commentary will focus on material variances reported in the Consolidated Statement of Financial Performance as well as any other notable transactions in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows (pages 5 – 9).

### **Analysis of Financial Performance**

### Ambassadors Club / Business Club

The annual budgets for the Ambassadors Club and Business Club are \$100k each. This reflects the goal of having 10 Ambassadors Club members and 40 Business Club members by the end of FY2023 who will each contribute \$10k pa and \$2.5k pa respectively towards the Foundation's operations. For the purpose of the budget, this income was spread evenly over the 12 month period. To date, there are six Better City Business Club members.

### **Donations**

Donation revenue received year to date is \$103k. Note that no provision was made in the 2023 budget for donations.

### **Fees for Service**

The annual budget for Fees for Service is \$125k. This includes \$100k from ECan for the costs of running the Green Philanthropy Fund, and \$25k for the running and establishment of the Selwyn Fund. So far \$50k has been recognised from ECan. The variance showing is merely a timing variance.

### Grants

Year to date, \$100k in Grant Revenue has been received. The total budgeted grant revenue for FY2023 is \$200k. This is expected to be received from the Christchurch City Council in quarterly instalments.

### Sponsorship

Year to date, \$458k in sponsorship revenue has been recognised. This includes \$350k in Sponsorship for Tūranga, \$100k for Meridian for Stronger Greener Christchurch, and \$8k for operations to support the Patrons Fund launch. There is currently an unfavourable variance to budget of \$47k YTD.

### **03GIN Sales and Expenses**

As of 31 December, the Foundation have sold 117 bottles of gin bringing in gross revenue of \$11,650. Taking into account that some of the expenditure is for 300 bottles, \$5,426.53 is the preliminary profit to date that is expected to be transferred to the Green Philanthropy Fund.



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### Analysis of Financial Performance (Continued)

### Distributions

To date, the Foundation has made distributions totaling \$15.1 million (including funds raised and distributed under agency agreements). YTD distributions are \$439k. Other than the expected Turanga distribution, distributions were not included in the FY2023 budget. A summary of the Foundation's lifetime distributions can be found on the final commentary page of this report.

### Unrealised Gain / (Loss) on Investment/Currency

Under Other Income, unrealised gains and losses on the JBWere investment portfolio are being tracked. As at 31 December 2022, there is an unrealised loss of \$83k (which is made up of (\$72k) in prior years and (\$11k) YTD) which is approximately (6.4%) of the initial \$1.3m investment.

### Conferences / Legal Expenses / Marketing & Advertising

These expense lines show favorable variances against budget due to the budgeted annual expenditure being spread evenly over the 12 month period, these variances are due to timing and the remaining amount will likely be incurred later in FY23.

### **Events**

Events currently shows an unfavourable variance against budget due to the budgeted annual expenditure being spread evenly over the 12 month period. These variances are due to timing of when the events occur, with three large events being held to date. (Corporate Futsal Tournament, Women's' Fund High Tea and the Green Philanthropy Fund launch).

### Travel

Travel currently shows an unfavourable variance against budget of \$10k. For the purposes of the budget, the annual expenditure has been spread evenly over the 12 month period. In reality, Travel expenses are likely to be incurred in lump sums throughout FY23, therefore, the current variance is only due to timing. Over July and August 2022, The CEO travelled to the UK to visit the UK charity and to continue to build strong relationships abroad with expats in the UK.

### Salaries

Salaries in December 2022 were in line with budget. For reporting purposes, annual leave is reported in the month in which it is accrued rather than the month that it is taken.

### **UK Establishment Costs**

This expense line is to track the expenses incurred in the establishment of the UK entity. A total provision of \$15k has been made for the UK Establishment Costs in the FY2023 budget.



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### **Analysis of Financial Position**

### **Accounts Receivable**

Of the \$10k outstanding receivables, \$9.5k relates to Operations and \$0.5k relates to Women's Fund.

### **Accrued Revenue**

Included in accrued revenue is TSB interest income to be received 31 March 2023.

### **Prepayments**

Included in prepaid expenditure of \$11.5k is prepaid insurance, subscriptions, travel and computer software licensing. These expenses are transferred to the Statement of Financial Performance in the month the expense is realised.

### JBWere Investment Portfolio

This line item tracks the market value of the JBWere Investment Portfolio which contains an initial investment of \$1.3m of the OPOC Education Funds. Please see page 26 of this report for a breakdown of the investment.

### **Accrued Expenditure**

Accrued expenditure of \$31k includes holiday pay, the December Spark invoice and an iPhone and a Samsung phone being paid via a 24 month interest free payment plan.

### **Deferred Revenue**

Deferred revenue of \$110k reflects adjustments to move portions of the Meridian and Tūranga sponsorship from FY23 to FY24 when it is deemed to be "earned". Note that this causes Tūranga to appear negative within the equity breakdown.

### Equity

Equity is broken down on the Statement of Financial Position to show the balances of each of the funds that make up the Foundation's total Equity balance. Operational reserves are split out from allocated operational funds under the "Administrative Funds" heading. Please note that Tūranga appears negative within the equity breakdown due to the deferred revenue adjustment.



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### **Distributions**

\$44,960

\$59,589

\$4,102

\$25,048

\$437,932

Since inception, The Christchurch Foundation have made the following distributions totaling \$15,085,163 as of 31 December 2022:

To various charities and organisations through business partnerships.

	+,	
,	\$7,135,400	Our People, Our City - Victims Fund.
	\$209,057	Our People, Our City - Education Fund.
	\$297,628	Our People, Our City - Community Support Fund.
	\$4,000,366	Our People, Our City – Other (Distribution of large donations from various individuals and entities).
,	\$45,000	In Countdown grocery gift cards for the victims of the March 15th attacks.
,	\$460,000	To St John for two ambulance vehicles.
,	\$153,371	Towards Sports Inclusivity projects.
	\$389,038	To the Rod Donald Banks Peninsula Trust (for Te Ahu Patiki).
,	\$15,000	To the Town Hall.
	\$1,768,887	To Türanga.
	\$26,000	To the Women's Fund grant recipients.

\$11,230 Riccarton Bush Trust.\$2,555 Governors Bay Jetty.

In other general distributions.

From the Earthquake Memorial Fund.

To various causes via the Generation Give program.

Christchurch Cathedral Reinstatement Limited.



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### Thank you

### Sam Carson

Director, Private Enterprise

### **Thomas Mills**

Manager, Private Enterprise

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# 12. Council-controlled organisations - Half year performance reports for the six months ending 31 December 2022

Reference / Te Tohutoro: 23/18332

Report of / Te Pou Linda Gibb, Performance Advisor, Resources Group

Matua: (linda.gibb@ccc.govt.nz).

General Manager / Leah Scales, General Manager Resources/Chief Financial Officer

**Pouwhakarae:** (Leah.Scales@ccc.govt.nz)

# 1. Nature of Information Update and Report Origin

- 1.1 To review the half year performance reports for the period 1 July-31 December 2022 for the following Council-controlled organisations (CCOs) Civic Building Ltd, Local Government Funding Agency, Riccarton Bush Trust and Te Kaha Project Delivery Ltd.
- 1.2 This report has been written following receiving the CCOs' half year performance reports for 2022/23.

# 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

- 1. Receives the half year reports for the period 1 July-31 December 2022 for the following Council-controlled organisations:
  - Civic Building Ltd
  - Local Government Funding Agency
  - Riccarton Bush Trust
  - Te Kaha Project Delivery Ltd.

# 3. Brief Summary

- 3.1 The half year reports were received on time on or before the due date of 28 February pursuant to section 66(2)) of the Local Government Act 2002 (LGA).
- 3.2 Content requirements are provided for in section 68 of the LGA the information necessary to enable an informed assessment of the operations of the CCO and its subsidiaries by including a comparison of performance against the SOI and an explanation of any material variances between that performance and the SOI. It must also state the dividend, if any, authorised to be paid by the CCO.

# **Civic Building Ltd (Attachment A)**

### Half year report

3.3 The company's income is generated mostly 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	Variance \$000	Last year \$000	Variance \$000
Revenue	2,204	2,162	+42	2,218	-14
Expenses	2,109	1,944	-165	2,256	+147
Net profit before tax	95	218	-123	(38)	+133
Total assets	51,861	57,191	-5,330	56,493	-4,632

- 3.4 During the six month period, CBL repaid debt and equity principal of \$4.5 million. The transaction was not forecast in the SOI as the board had not, at that stage decided to make the repayment. The flow on effect is a reduction in interest payable on the borrowings and to reduce the occupancy lease payments. The repayment of loan principal has reduced the value of total assets as shown in the table above.
- 3.5 Against both SOI targets and last year's outturn revenues variances are immaterial at +1.9% and -0.6% respectively. Variances under 5% are below the commentary threshold.
- 3.6 **Against the SOI target,** expenditure is higher by \$165,000 reflecting an extra month's insurance payment of around \$23,000 which missed the prior period to which it belonged, an increase in rates of around \$57,000 (6%) and increased interest costs of \$87,000 on the loan from the sharp rise in market rates compared with those forecast. This notwithstanding the lower loan principal on which interest was calculated.
- 3.7 **Against the same period last year,** expenses are lower by \$147,000 which reflects seven months' of insurance payments (versus five months in the prior year) of around \$46,000 and lower interest costs of \$186,000 due to repayment of loan principal and equity.
- 3.8 **Non-financial performance targets** continue to be progressed in the ordinary course of business.

# **Local Government Funding Agency (Attachment B)**

- 3.9 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 22 other local authorities.
- 3.10 Its financial performance for the half-year compared with the half year to 31 December 2021 is shown in the table below. The LGFA did not provide interim targets in its SOI or its half year report. For guidance, the full year targets are shown in the last column.

Target	Actual \$m	Last year \$m	Variance \$m	Full year target \$m
Net operating income	5.6	9.7	-4.1	12.2
Issuance, on-lending and operating expenses	4.5	3.8	+0.7	9.4
Net profit	1.1	5.9	-4.8	2.8



- 3.11 Actual revenue and expenses are just under 50% of full year targets, and the LGFA's assessment is that it is likely to meet its full year targets.
- 3.12 Against the prior year's half year performance, net profit is significantly lower (circa 81%) which was anticipated in full year SOI targets. This is due to a combination of sharp rises in interest rates in the market and an increase in the size of the liquid asset portfolio to meet demand for short term financing (the more liquid the assets, the lower the interest rates).

Target	Actual \$b	Last year \$b	Variance \$b
New lending (long term)	1.8	1.6	+0.2
New lending (short term)	0.5	0.4	+0.1
Total lending to participating councils	15,751	13,513	+2,238

Total lending

to participating councils is ahead of last year's by \$2.2 billion of which \$1.82 billion was new long term lending and just under \$0.5 billion was short-dated.

3.14 **Non-financial performance targets** have all been met except one – "meet reduction targets outlined in the carbon reduction management plan". LGFA advises that it is currently working on translating the target into annual carbon reduction plan targets.

### **Riccarton Bush Trust (Attachment C)**

3.13

3.15 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.

	Actual	SOI target	Variance	Last year	Variance
	\$000	\$000	\$000	\$000	\$000
Revenue	465	284	+181	327	+138
Expenses <sup>1</sup>	(631)	(284)	-347	(422)	-209
Surplus/(deficit)	(166)	0	-166	(95)	-71
Trust Fund Balance	16,100	-	-	13,702	+2,398

<sup>&</sup>lt;sup>1</sup> target does not include non-cash expenses such as depreciation.

- 3.16 **Against the SOI target**, the deficit is higher by \$166,000 made up of:
  - Higher revenue by \$181,000 largely due to the Council grant of \$161,000 for painting Riccarton House, visitor income and café commission from more visitors than expected post COVID-19 of \$8,800 plus one-off rental received from a film company of around \$4,700 and the impact of higher interest rates of \$3,700; and
  - Higher operating costs by \$347,000 of which \$167,000 was the costs incurred for
    painting Riccarton House, \$152,000 for depreciation which is not included in the SOI
    target as it is non-cash, building maintenance to Riccarton House of \$7,100 as a result of
    repairs discovered during the painting programme, around \$13,000 in salary and wage
    pressures and \$6,000 for grounds and trees' maintenance. The latter is a timing issue
    that will come into line in the second half of the year.
- 3.17 **Against the 2021/22 half year**, the deficit is higher by \$71,000 made up of:
  - Higher revenue by \$138,000 largely due to the Council grant of \$161,000 for painting
    Riccarton House, donations and visitor revenue of \$20,000, film company revenue of
    \$4,700 and donations of \$6,000 for the bush enhancement project, offset by the impact
    of a one-off capital grant in the prior period of \$10,000 and a lower Council operating
    grant of \$47,000; and



- Higher operating costs by \$209,000 from Riccarton House painting costs of \$167,000, repairs and maintenance to the House of \$19,000 revealed as being required during painting, depreciation charge of \$10,000 due to uplift in valuation of the House and increased bush and grounds' maintenance costs of \$13,000, in part relating to the cost of the four yearly tree survey and in part a timing issue which will even out by year end.
- 3.18 **Non-financial performance targets** have all been met except one relating to bush enhancements "replace board walk and improve interpretation and infrastructure". This project has been delayed as a result of a longer than anticipated planning process and ambitious targets but is due to start on the ground shortly.

# Te Kaha Project Delivery Ltd (Attachment E)

3.19 Te Kaha Project Delivery Ltd is the <u>governance body</u> tasked with commissioning the design and construction of Te Kaha. The responsibility and accountabilities for the final design and construction of Te Kaha are held with the Council's Capital Delivery – Major Facilities Team which reports to the Council monthly.

	Actual \$000	SOI target \$000	Last year \$000
Revenue / Expenses	151	165	121
Operating surplus/(deficit)	0	0	Not reported

- 3.20 The actual revenue and expense is lower than the SOI target by \$14,000 which is a timing issue between an equal spread of forecast remittances and the actual timing of invoicing from the directors.
- 3.21 **Non-financial performance targets** have all been met or are in progress in the ordinary course of business.

# Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A <u>U</u>	Civic Building Ltd - Half year report for the period 1 July-31 December 2022	23/330105	150
B J.	Local Government Funding Agency - Half year report for the period 1 July-31 December 2022	23/330199	162
C J Edubri	Riccarton Bush Trust - Half year report for the period 1 July-31 December 2022	23/330115	182
D <u>U</u>	Te Kaha Project Delivery Ltd - Half year report for the period 1 July-31 December 2022	23/330219	194

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

Document Name – Location / File Link	
Not applicable	



# Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

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

# Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Leah Scales - General Manager Resources/Chief Financial Officer



# **Civic Building Limited**

**Unaudited Half Year Financial Statements** 

For the six months to 31 December 2022



### 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 2022. The financial statements were authorised for issue by the Board of Directors on 15 February 2023.

### Directors

The persons holding office as Directors of the Company for the six months to date and at 31 December 2022 were:

James Gough (Chairperson) Sam MacDonald



### Commentary

# Financial Performance

Revenue decreased for the six months to December 2022 compared to December 2021 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.

The reduction in finance costs between December 2022 and December 2021, were due to the repayment of the principle of \$3.6 million and the lower interest rate charged by CCC. Other expenses were higher than last year, mainly caused by higher insurance expenses and increased rates expense.

### **Financial Position**

Total assets had a decrease of \$4.6 million compared with last year due to the decrease in cash and cash equivalents from the loan repayment.

The decrease in total liabilities in December 2022, was also a result of September loan repayment.



### 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 2023 and reports on progress to date against these targets.

	Six months	ended 31 Dec	ember 2022	Full year
	Target	Actual	Variance	Target
	\$000	\$000	\$000	\$000
Financial Performance Targets:				
Income				
Interest - finance lease	1,540	1,553	13	3,080
Interest - other	88	47	(41)	175
Other income	534	604	70	1,068
Expenses				
Finance costs	1,639	1,726	(87)	3,277
Other expenses	305	383	(78)	609
(Loss)/profit before income tax	218	95	(123)	437
Taxation	(55)	(27)	82	(110)
(Loss)/profit after income tax	273	68	(205)	547
Ratio of Shareholders Funds to Total Assets	-4.7%	-9.1%	-4.4%	-4.7%
	Six months	ended 31 Dec	ember 2022	Full year
	Target \$000	Actual \$000	Variance \$000	Target
Capital Structure	<b>PUUU</b>	\$000	9000	\$000

	Six months ended 31 December 2022			Full year
	Target	Actual	Variance	Target
	\$000	\$000 \$000	\$000	\$000
Capital Structure				
Uncalled capital	10,000	10,000	-	10,000
RPS shares	6,188	5, 252	(936)	6,188
Borrowings from Council	53,888	50, 324	(3,564)	53,888
Finance lease asset	37,762	38,444	682	37,762
Total assets	57,191	51,861	(5,330)	57, 191

### Variance Commentary

Actual income is higher than plan mainly due to higher recovery of property expenses, partially offset by lower interest income from bank deposit due to lower interest rate than anticipated.

Expenses are higher than plan mainly due to the in increased interest rate on borrowings. Also higher insurance and rates expenses.

The total asset balance was less than planned due to loan repayment. Also lower of finance lease receivable.



# **Operational Performance Targets**

Objective and Strategy	Performance Measure	Actual Result
Meet the financial targets contained within this SOI.	Budgeted key performance indicators are met or exceeded.	Actual operating profit were lower than 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 is being managed to a high level ensuring building services are maintained and improved.  The working relationship with the JV has improved and continues to develop with closer working in the past 6 months.  In the increased cooperation a few building related failures have been claimed on the JV insurance and the potential usage of the sinking fund is being considered in the next 6 months.  A few issues from construction have also been raised and CCC will work closely with the JV around the required work to bring these elements up to standard.

# **Environmental Performance Target**

Performance Target	Performance Measure	Performance to date
The Civic Building was designed to achieve a high standard in terms of environmental and energy sustainability.	Work continues on the development of appropriate performance measures in line with the sustainability goals for the company and the REGGE reporting framework.	Final option analysis is being carried out to confirm the new heat energy source and plant for the building.  Once the new plant is installed the new baseline of energy consumption will be identified.
	These benchmarks will report on water use, energy efficiencies and waste output for Civic Building will be determined in 2022/23 in line with the sustainability goals for the company and the REGGE reporting framework.	This has been worked on during the last 6 months with internal processes / consultations and other considerations taking place during this time.  The City Care contract has KPI's in to ensure key contractors reduce waste produced in their operations.



# Social Performance Target

Performance Target	Performance Measure	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 2022/23 pursuant to NZS 4121. Develop an improvement plan to address material issued raised in the access audit.	T 175 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1



# Statement of comprehensive income for the six months ended 31 December 2022

	December 2022 \$000	December 2021 \$000
Revenue	2,204	2,218
Finance costs Other expenses	1,726 383 2,109	1,912 344 2,256
Profit before income tax	95	(38)
Income tax expense/(income)	27	(11)
(Loss) / profit for the period	68	(27)
Other comprehensive income	35	
Total comprehensive income	103	(27)

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



# Statement of changes in equity for the six months ended 31 December 2022

	Share Capital \$000	Retained Earnings \$000	Other Reserves \$000	Total \$000
Balance at 1 July 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)
Profit/(loss) for the 6 months to 30 June 2022		(67)		(67)
Other comprehensive income	-		33	33
Balance at 30 June 2022	6,188	(10,596)	532	(3,876)
Profit/(loss) for the 6 months to 31 December 2022		68		68
Other comprehensive income	-		35	35
Preference shares repayment	(936)			(936)
Balance at 31 December 2022	5,252	(10,528)	567	(4,709)

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



# Statement of financial position as at 31 December 2022

	December 2022 \$000	December 2021 \$000
Current assets		
Cash and cash equivalents	1,584	4,656
Finance lease receivables	4,765	4,538
Trade and other receivables	169	151
Current tax assets	-	-
Total current assets	6,517	9,345
Non-current assets		
Other financial assets	500	400
Investment property	6,400	6,400
Trade and other receivables	38,444	40,348
Deferred tax assets	-	
Total non-current assets	45,344	47,148
Total assets	51,861	56,493
Current liabilities		
Trade and other payables	183	304
Current tax liabilities	128	70
Borrowings	<u> </u>	
Total current liabilities	311_	374_
Non-current liabilities		
Borrowings	50,324	53,888
Deferred tax liabilities	5,935	6,073
Total non-current liabilities	56,259	59,961
Total liabilities	56,570	60,335
Net assets	(4,709)	(3,842)
Equity		
Capital and other equity instruments	5,252	6,188
Retained earnings	(10,527)	(10,529)
Reserves	567	499
Total equity	(4,708)	(3,842)

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:

28/2/2023.

, .

Date



# Statement of cash flows for the 6 months ended 31 December 2022

	December 2022 \$000	December 2021 \$000
Cash flows from operating activities		
Operating revenue	3.046	2,932
Subvention received	-	-
Interest received	-	25
Insurance proceeds received	-	-
Payments to suppliers	(613)	(396)
Receipts / (Payments) for remedial works regarding earthquake claim		
Income Tax Expenses	0	-
Net GST movement	-	-
Net cash provided by operating activities	2,432	2,561
Cash flows from investing activities		
Interest received	72	(17)
Payment for investment property	-	-
Maturities of term deposits		
New term deposits	(500)	(400)
Net cash provided by investing activities	(428)	(417)_
Cash flows from financing activities		
Loan repayment	(4,500)	-
Interest paid	(1,691)	(1,908)_
Net cash provided by financing activities	(6,191)	(1,908)
Net increase (decrease) in cash and cash equivalents	(4,186)	270
Cash and cash equivalents at beginning of	5 770	4.007
year	5,770	4,387
Cash and cash equivalents at end of year	1,584	4,657

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



### Notes to the interim financial statements for the six months ended 31 December 2022

### Statement of Compliance

These are the unaudited interim financial statements of the Company for the six months ended 31 December 2022.

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 2022.

### 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 2022.

### Contingencies

The Company had no contingent liabilities on 31 December 2022 or 30 June 2022.

### Events subsequent to balance date

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

Christchurch City Council





24 February 2023

Dear LGFA Stakeholder

### LGFA 2022-23 Half Year Report

Please find attached a copy of the Half Year Report for the six-month period to December 2022. A copy is also available for download on our website <a href="https://www.lgfa.co.nz">www.lgfa.co.nz</a>.

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 2022, LGFA had a market value of loans outstanding of \$15.75 billion. We lent \$1.82 billion over the six-month period which was the second highest amount on record. We added two new councils and two new CCOs to bring the number of member councils to seventy-seven and the number of member CCOs to three.

### 2. A focus on sustainability.

We launched our Climate Action Loan (CAL) product for council and CCO members in December 2022 that will incentivise borrowers through a lower loan margin if they have a GHG emission reduction plan in place and are meeting the reduction targets.

We have approved a further three projects as eligible for Green, Social and Sustainable (GSS) loans over the six-month period, bringing the number of eligible projects to five across five councils. Councils receive a discounted borrowing margin for eligible projects.

Sustainability remains important at LGFA as noted with the CAL product launch and ongoing dialogue with councils relating to GHG emission reporting and reduction.

### 3. A financial position tracking to forecast.

Net Operating Profit for the six-month period was \$1.1 million, which is lower than the comparable prior period but in line with our SOI forecast. We expect a lift in profitability during the next six-month period. LGFA has \$18.14 billion of assets and Shareholder Equity of \$104.45 million as at 31 December 2022.

### 4. Working with our stakeholders.

We have been assisting Central and Local Government with the Three Waters Reform programme to ensure a smooth transition of debt from councils to the proposed new Water Services Entities in July 2024.

We continue to receive the support of our growing investor base. It is pleasing to see the amount of LGFA bonds held by offshore investors grow to a record \$5.09 billion as at 31 December 2022 as well as domestic banks, institutional and retail investors increase their holdings. Having a diverse investor base for LGFA bonds helps provide certainty of access to markets for our council and CCO borrowers.

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
Igfa.co.nz



A further highlight was LGFA being voted by market participants as the KangaNews New Zealand Debt Issuer of the Year award for 2022.

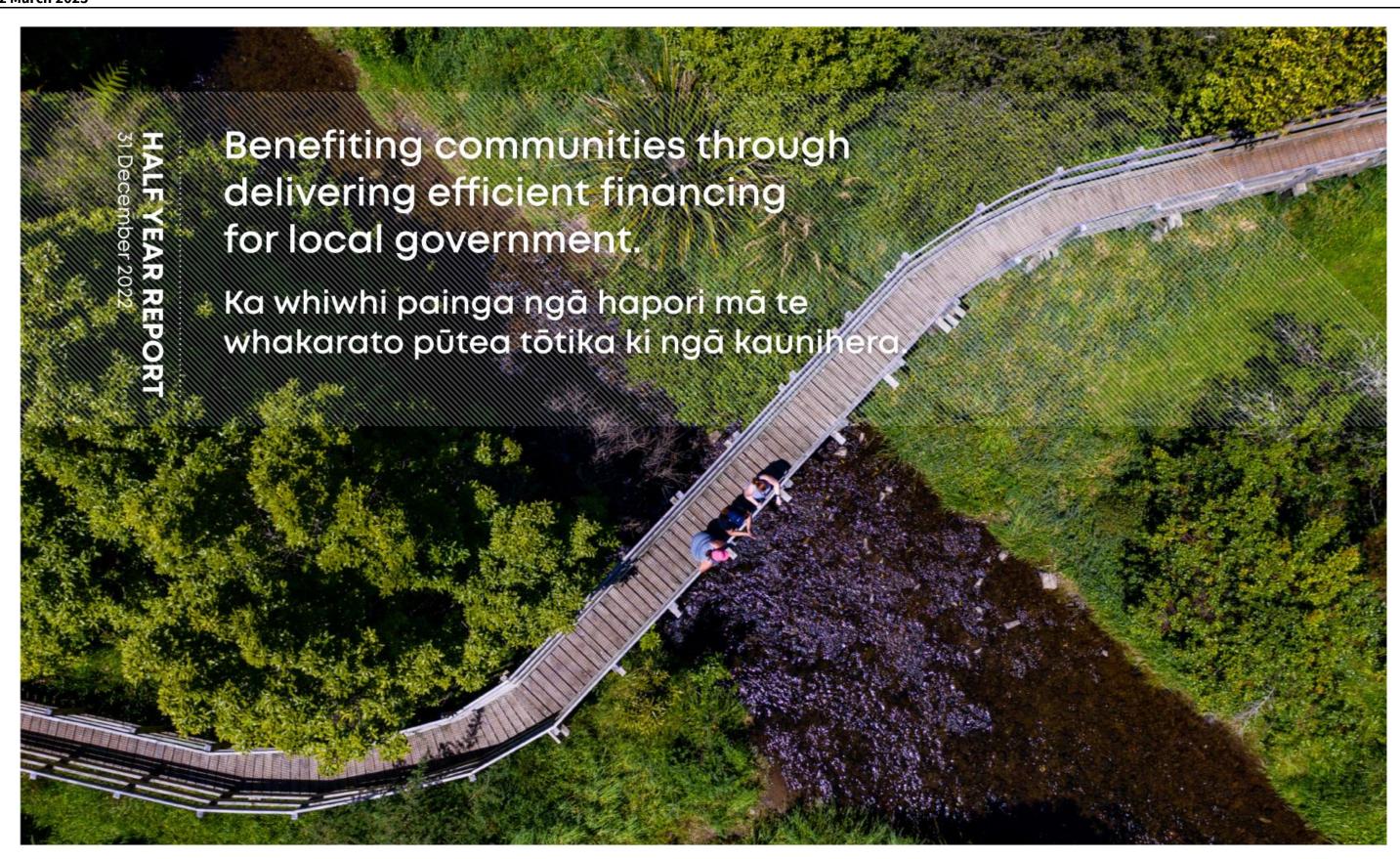
Finally, we appreciate the support of all our stakeholders and thank you for your contribution and assistance over the past six months.

Please do not hesitate to contact me if you have any comments or questions.

Kind regards

Mark Butcher Chief Executive

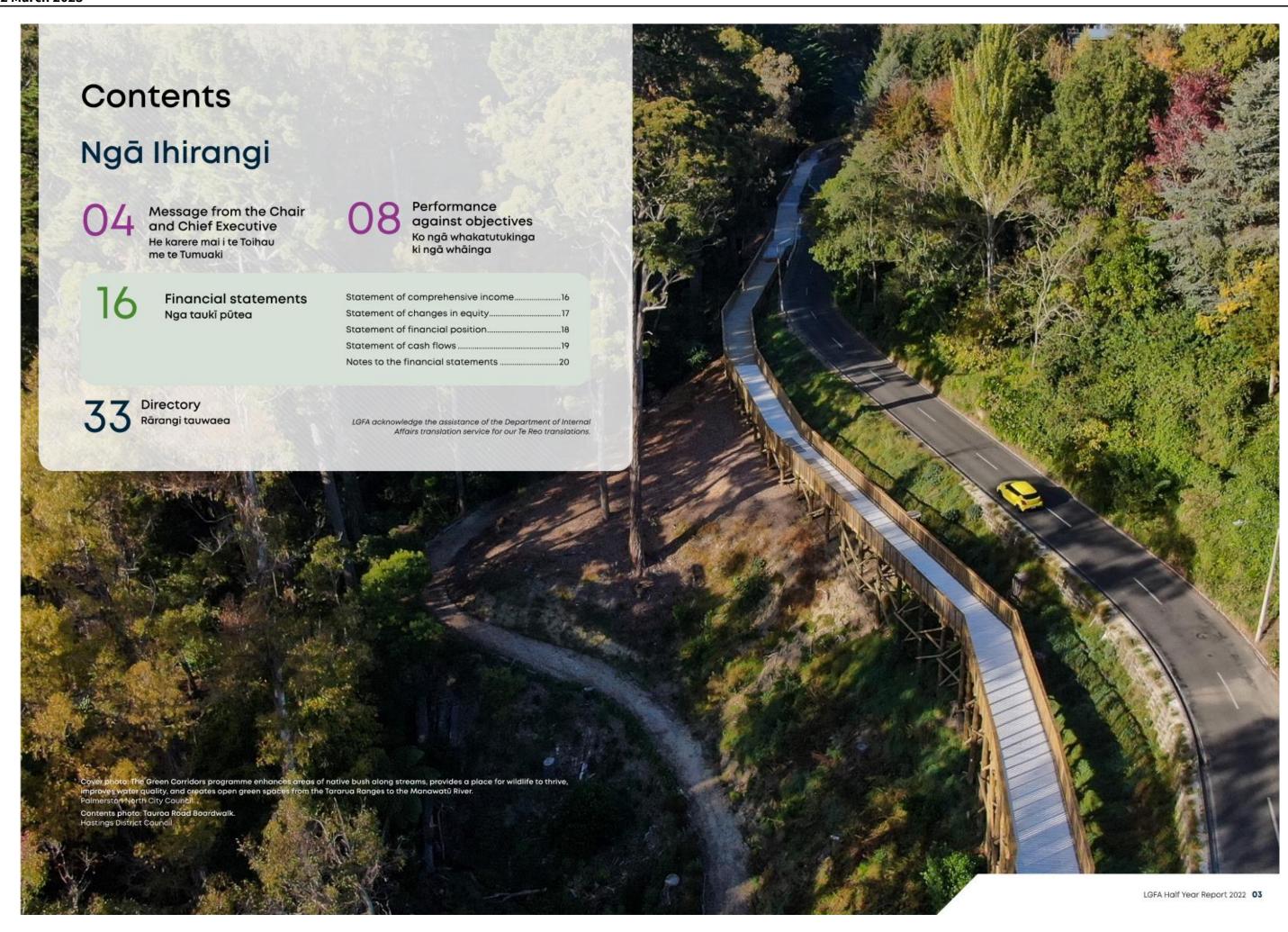






Item No.: 12







# Message from the Chair and Chief Executive

He karere mai i te Toihau me te Tumuaki

# For the six-months ended 31 December 2022

The six-months to December presented a challenging period for financial markets, with LGFA's operating performance over this period subdued due to the volatile markets. Despite the difficult conditions, LGFA continued to deliver value to members and our investor base while meeting our financial targets. Highlights over the period included launching our new Climate Action Loan product for members and being awarded the KangaNews New Zealand Debt Issuer of the year.

### **Financial and Operational Performance**

LGFA's total interest income for the six-month period to December 2022 of \$312.9 million was a 68.4% increase over the 2021 comparable period (\$185.9 million), while net operating profit of \$1.1 million for the six-month period decreased 81.3% on the 2021 comparable period (\$5.9 million).

Net operating profit was significantly lower than the comparable period a year ago due to the sharp rise in interest rates combined with increased holdings of liquid assets. This outcome was expected and forecast in our Statement of Intent (SOI) last year. Both net interest income and operating profit were slightly ahead of the SOI forecast and we are forecasting an improvement in financial performance in the second half of the financial year.

Expenses have been managed under the SOI budget over the past six months. Lower fees relative to budget for the NZ Debt Management standby facility and lower NZX and legal fees relating to issuance were positive. These savings were offset by higher legal costs relating to considering the implications from the proposed Three Waters Reform, the development of new sustainability initiatives, including related consultancy costs.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2022. Our AAA rating from S&P Global Ratings was affirmed in March 2022 and remains the same as the New Zealand Government.

### Borrowing activity

LGFA issued \$1.76 billion of bonds over the past six months and outstandings now total \$17.84 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2023 to 2037. The average term of our bond issuance during the six months at 4.37 years was significantly shorter than the prior year period.

LGFA has the largest amount of New Zealand dollar (NZD) bonds on issue after the New Zealand Government and our individual bond tranches are amongst the largest and most liquid NZD debt instruments available for investors. Secondary market activity in our bonds continues to rise, assisting investors' access to our bonds throughout the year.

The performance of LGFA bonds over the past six months has been soft with LGFA bond spreads to New Zealand Government Bonds (NZGBs) and spreads to swap in general moving wider in line with global high grade markets. Spreads widened between 3 basis points (bps) and 25 bps to NZGB and between 7 bps to 12 bps to swap over the six-month period. The inclusion of the NZGBs into the World Government Bond Index was also positive for the performance of NZGBs relative to LGFA bonds. Outright yields on LGFA bonds rose between 157 bps (2024 maturity) and 75 bps (2033 maturity) over the six-month period.

LGFA was voted by market participants as the KangaNews New Zealand Debt Issuer of the Year award for 2022 and we want to acknowledge their support.

It is also pleasing to observe the increased participation by offshore investors over the past six months as NZDdenominated investments have become relatively

more attractive for investors. We estimate that offshore investors have increased their holdings of LGFA bonds over the past six months by \$638 million to a record \$5.09 billion (or 30.1% of LGFA bonds on issue), while domestic institutional and retail investors hold 33.2%, domestic banks 28.2% and the Reserve Bank 8.5%

# Lending to the sector

LGFA was established in 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 two Council-controlled organisations (CCOs) as members, with Dunedin City Council and Environment Southland joining as guarantors and Westland Holdings and Dunedin City Treasury joining as CCOs. Total membership is now 77 out of the 78 councils in New Zealand and three CCOs.

Long-dated lending to council and CCO members over the six-month period was \$1.82 billion provided to 51 members. This was the second highest amount lent over a rolling six-month period and was just below the amount of loans made during the six-month period to September 2020. Our estimated market share of total council borrowing of 89% was above forecast and the third highest annual average on record. The average tenor of long-dated borrowing by councils of 5.6 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. As at 31 December 2022, LGFA had \$493 million of short-term loans outstanding to 30 council and CCO members.

# Our role in assisting Local and Central Government

The local government sector continues to face a period of change and uncertainty having to deal with climate-related events, rising cost pressures and the Central Government-led initiatives relating to the proposed Three Waters Reform Programme and the 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 proposed Three Waters Reform Programme. The Government's proposed Three Water Reform Programme will be the largest change to the local authority sector in recent years.

LGFA continues to assist the local government sectorled initiative in developing a Ratepayer Financing Scheme that may provide some financial relief to

# **New Zealand** Issuer of the Year for 2022



Thank you to our investors, participants for their support.

intermediaries and market

04 LGFA Half Year Report 2022 Message from the Chair and Chief Executive

Message from the Chair and Chief Executive LGFA Half Year Report 2022 05

Item No.: 12



# New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and over the past six months have approved three further projects as being eligible for GSS loans, bringing the number to five loans across five councils. As at 31 December 2022 we have undertaken \$101 million of GSS Loans to three councils. We launched Climate Action Loans (CALs) for councils and CCOs in December 2022. A CAL provides a discounted loan margin to those councils with a Greenhouse Gas Emission Reduction Plan in place and who are meeting their targets.

# 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 maintenance of CarbonZero certification from Toitu Envirocare, actively marketing our GSS loan product and establishing CALs.

We reviewed the Climate Change Emergency Declarations and responses by Councils and a copy of the report is available on our website: Review of Climate Emergency Declarations and Responses by Councils

### Acknowledgments

The Agency's work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management (NZDM) and Central Government, all of whose efforts should be acknowledged.

John Avery, one of LGFA's foundation directors, retired in November 2022, and we would like to take this opportunity to sincerely thank John for his invaluable contribution to LGFA since 2011.

We believe LGFA's future remains positive and look forward to working with all stakeholders.

Craig Stobo Chair

Wareh

Mark Butcher Chief Executive





# Performance against objectives

Ko ngā whakatutukinga ki ngā whāinga The statement of service performance provides a summary of LGFA's performance for the first half of the financial year against the objectives and performance targets set out in the LGFA Statement of Intent 2022-23 (SOI)

# 2022-23 Objectives and performance targets

LGFA objectives and performance targets for 2022-23 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- · Governance, capability and business practice
- Optimising financing services for local government
- · Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the quarters' ended September and December 2022 are available on the LGFA website.

# Governance, capability and business practice

LGFA is committed to best practice corporate governance to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2022
Demonstrate best practice corporate governance.	LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
	Our 2022 Annual Report, released on 30 August 2022, is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the six months to 31 December is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training	LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report.
and development and equal opportunities for staff.	Our 2022 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, including compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Comply with the Shareholder Foundation Polices and the Board- approved Treasury Policy at all times.	No breaches.	✓ No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both	LGFA credit ratings equivalent to NZ Sovereign.	Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings.
entities are rated by the same Rating Agency.		Fitch Ratings upgraded our long-term foreign currency credit rating to AA+ on 16 September 2022. S&P Global Ratings affirmed our domestic currency credit rating at AAA in February 2022.
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million.	✓ On target to meet by 30 June 2023. \$5.651 million as at 31 December 2022.
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million.	On target to meet by 30 June 2023. \$4.542 million as at 31 December 2022.

8 LGFA Half Year Report 2022 Performance against objectives

Performance against objectives LGFA Annual Report 2022 9



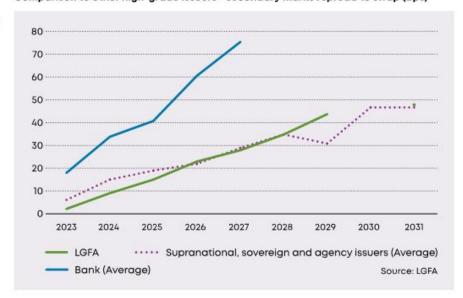
# Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

### Objectives

### How we measure our performance

Provide interest cost savings relative to alternative sources of financing. Comparison to other high-grade issuers - secondary market spread to swap (bps)



### Supranational, sovereign and agency issuers

Kainga Ora (AAA) Asian Development Bank (AAA) IADB (AAA) KBN (AAA)
Rentenbank (AAA)
World Bank (AAA)
Nordic Investment Bank (AAA)

International Finance Corp (AAA)

Banks

Westpac Bank (AA-)

BNZ (AA-)

either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans and standby facilities.

• Over the six months to 31 December 2022, our members borrowed \$1.82 billion in

LGFA provides members with short term loans (less than one year), long term loans on

- Over the six months to 31 December 2022, our members borrowed \$1.82 billion in 163 long term loans across maturity dates ranging between 2023 and 2033, with December quarter lending being the second highest on record.
- · As at 31 December 2022 there were 45 short term loans totaling \$497 million.
- As at 31 December 2022, standby facilities totalled \$682 million across 13 members.

Deliver operational best practice and efficiency for lending services.

Offer flexible short

lending products that

meet the borrowing

requirements for

borrowers.

and long-term

Over the six months to 31 December 2022, LGFA operations staff successfully:

- · settled 842 new trades with a gross value of \$9.97 billion,
- · processed 6,067 cash flows with a gross value of \$15.0 billion, and
- · rate set 4,305 existing trades.

There were no LGFA settlement errors over the six months.

Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice. There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months to 31 December 2022, we issued \$1.76 billion of primary bonds and secondary market turnover totalled \$5.14 billion. Secondary market turnover of \$3.1 billion over the December quarter was at the second highest on record.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Share of aggregate long-term debt funding to the Local Government sector,	> 80%	89% as at 31 December 2022 (compared to a historical average of 75% since 2012).
Total lending to Participating Borrowers.	> \$15,004 million	On target to meet by 30 June 2023. \$15,751 million as at 31 December 2022.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	100% satisfaction score in August 2022 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	<b>√</b> 100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	<b>√</b> 100%



10 LGFA Half Year Report 2022 Performance against objectives



# **Environmental and social responsibility**

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	Over the six months, we approved GSS loans to Hutt City Council for the Naenae swimming pool, Whangarei District Council for the Civic Centre, and approved our first eligible project for social lending for Christchurch City Council's Ōtautahi Community Housing Trust.
	In total, to date we have approved five GSS loans with a combined approved value of \$543 million, with \$101 million of loans drawn down to date.
	On 1 December 2022, we launched Climate Action Loans (CALs) which provides councils with a discounted loan margin if they have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets.
	LGFA completed research on which New Zealand councils declared a climate emergency over 2019-2020 (16 out of 78), their subsequent responses and any opportunities for LGFA. A copy of our report is available from our website: Review of Climate Emergency Declarations and Responses by Councils
Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are currently working on translating this target into annual carbon reduction plan targets.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Comply with the Health and Safety at Work Act 2015.	No breaches	No breaches.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	Toitū Net Carbon-zero recertification approved 11 October 2022.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	We are currently working on translating this target into annual carbon reduction plan targets.
Increase our GSS lending book.	Two new participating borrowers enter into GSS loans.	Three new participating borrowers approved for GSS lending.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	2022 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	<ul> <li>Voluntarily comply with GRI standards (core option).</li> <li>Undertaking development work on meeting Climate Related Disclosure requirements.</li> </ul>

# Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position. LGFA manages its assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its	Over the six months, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list.
financial headroom under LGFA policies.	We have received compliance certificates for LGFA covenants from all of our members with debt outstanding at June 2022 and no council has
Analyse finances at the Council group level where appropriate and report to shareholders.	requested that they be measured on a group basis. Some certificates have been provided based upon unaudited financial statements given the delays in providing final audit signoff due to audit shortages.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	We met with 30 borrowers over the six months and are on target to mee with all members by 30 June 2023.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Review each participating borrower's financial position under LGFA policies.	100%	On target to meet by 30 June 2023.
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	On target to meet by 30 June 2023.

12 LGFA Half Year Report 2022 Performance against objectives

Performance against objectives LGFA Half Year Report 2022 13

# Industry leadership and engagement

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

### Objectives

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.

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

Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.

### How we measure our performance

This year we have introduced two new webinars for members:

- · LGFA Quarterly Update
- · An Economic and Financial Market Update by BNZ

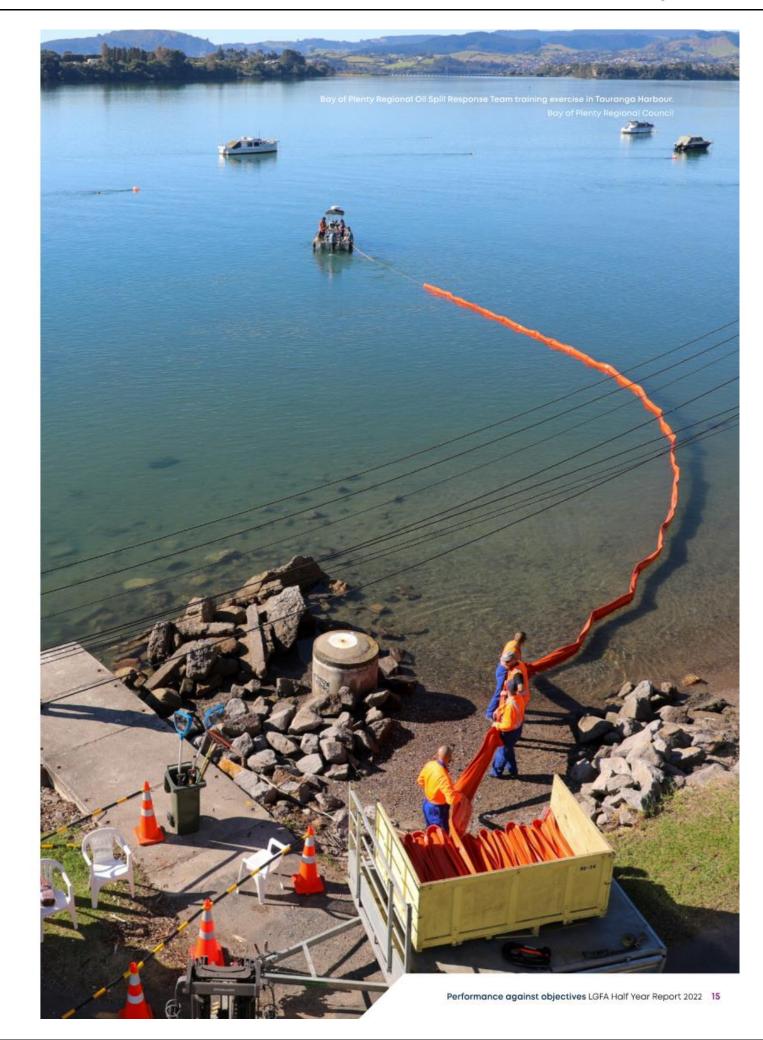
These inaugural webinars were well attended by participants and will be formalised as ongoing quarterly events.

Over the six months we met with Treasury, the National Transition Unit and Policy teams at DIA (and their advisers) regarding proposed Three Waters Reform, working actively on issues relating how to the transition of council debt on 1 July 2024, as well as the borrowing options for the Water Services Entities (WSEs) following transition. The Water Services Legislation Bill was introduced to Parliament in December and, in consultation with key stakeholders, we are considering the contents of the Bill and what potential role LGFA could play under the proposed Three Waters Reform Programme.

LGFA has provided input into the Ratepayer Financing Scheme (RFS) project managed by a group of councils with advice from Cameron Partners. If successful, the RFS could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.

We are continuing work on initiatives to reduce compliance and documentation requirements for members when they borrow.

Met with Chair of the Review into the Future for Local Government.



14 LGFA Half Year Report 2022 Performance against objectives



# Financial statements

# Nga taukī pūtea

Statement of comprehensive income16	
Statement of changes in equity17	
Statement of financial position18	
Statement of cash flows19	
Notes to the financial statements 20	

# Statement of comprehensive income

For the six months ended 31 December 2022 in \$000s

	Note	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Interest income		312,883	185,886
Interest expense		307,904	176,709
Net interest income	4	4,979	9,178
Other operating income	5	671	526
Total operating income		5,651	9,704
Operating expenses	6	4,542	3,769
Net operating profit		1,108	5,935
Total comprehensive income		1,108	5,935

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

Due to rounding, numbers presented in the financial statements and associated notes may not add up precisely to the reported totals.

The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements or issue on 24 February 2023.

# Statement of changes in equity

For the six months ended 31 December 2022 in \$000s

N	ote	Share capital	Retained earnings	Total equity
Equity as at 1 July 2021		25,000	69,744	94,744
Net operating profit			10,673	10,673
Total comprehensive income for the year			10,673	10,673
Transactions with owners			-	-
Dividend paid on 3 September 2021			(857)	(857)
Equity as at 1 July 2022		25,000	79,559	104,560
Net operating profit			1,108	1,108
Total comprehensive income for the year			1,108	1,108
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
Unaudited closing balance as at 31 December 2022	17	25,000	79,450	104,450

Craia Stobo Dira

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Craig Stobo, Director Board Chair Ober

Linda Robertson, Director Chair, Audit and Risk Committee

16 Financial Statements

Financial Statements LGFA Annual Report 2022 17



# Statement of financial position

As at 31 December 2022 in \$000s

	Note	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Assets			
Financial assets			
Receivables		1,895	360
Cash and bank balances		64,921	158,033
Cash pledged as collateral		337,009	76
Marketable securities		1,312,958	1,491,148
Deposits		594,359	462,866
Derivatives in gain		77,470	94,767
Loans	8	15,751,420	14,041,908
Non-financial assets			
Prepayments		1,150	852
Other assets	9	112	156
Total assets		18,141,294	16,250,167
Equity			
Share capital	16	25,000	25,000
Retained earnings		79,450	79,560
Total equity		104,450	104,560
Liabilities			
Financial liabilities			
Payables and provisions	10	95,576	45,066
Bills	11	636,949	562,803
Bond repurchases	12	108,077	31,671
Derivatives in loss		1,717,879	1,206,175
Bonds	13	15,146,187	14,015,862
Borrower notes	14	331,468	283,180
Non-financial liabilities			
Other liabilities	15	708	850
Total liabilities		18,036,844	16,145,607
Total equity and liabilities		18,141,294	16,250,167

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

# Statement of cash flows

For the six months ended 31 December 2022 in \$000s

	Note	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Cash Flow from Operating Activities			
Cash applied to loans	8	(1,639,024)	(1,427,636)
Interest paid on bonds issued		(228,725)	(215,363)
Interest paid on bills issued		(10,088)	(1,591)
Interest paid on borrower notes		(131)	(212)
Interest paid on bond repurchases		(1,738)	(254)
Interest received from loans		224,165	76,952
Interest received from cash & cash equivalents		2,396	1,031
Interest received from marketable securities		13,570	5,624
Interest received from deposits		5,897	2,206
Net interest on derivatives		2,276	136,753
Cash proceeds from provision of standby facilities		671	526
Payments to suppliers and employees		(5,317)	(3,927)
Net cash flow from operating activities	18	(1,636,047)	(1,425,888)
Cashflow from Investing Activities			
Purchase of marketable securities		206,657	(594,958)
(Purchase)/maturity of deposits		(462,937)	(185,743)
Purchase of plant and equipment		-	-
Net Cashflow from Investing Activities		(256,280)	(780,701)
Cash flows from financing activities			
Cash proceeds from bonds issued	13	1,477,890	2,096,802
Cash proceeds (outflows) from bills issued		74,146	(75,367)
Cash proceeds (outflows) from bond repurchases		76,195	158,143
Cash proceeds from borrower notes		41,598	35,509
Dividends paid		(1,218)	(857)
Cash applied to derivatives		130,604	(25,240)
Net cash flows from financing activities		1,799,215	2,188,991
Net (Decrease) / Increase in Cash		(93,112)	(17,599)
Cash, cash equivalents at beginning of year		158,033	391,835

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

18 Financial Statements

Financial Statements LGFA Half Year Report 2022 19



### 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 24 February 2023.

### 2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2022 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 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.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents

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 2022 include estimates and judgements of the proposed 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

20 Financial Statements LGFA Half Year Report 2022 21

Christchurch City Council

noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as

well as the outcome of proposed Three Waters Reform Programme on the local government sector.

# 4. Net interest income

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Interest income		
Cash and cash equivalents	4,098	1,036
Marketable securities	18,342	4,259
Lease liability	16	-
Deposits	9,668	3,129
Derivatives	-	90,015
Loans	280,759	87,447
Fair value hedge ineffectiveness	-	-
Total interest income	312,883	185,886
Interest expense		
Bills	10,088	1,591
Bond repurchase transactions	1,949	319
Lease liability	-	5
Derivatives	66,245	-
Bonds	224,425	173,439
Borrower notes	5,196	1,355
Total interest expense	307,904	176,709
Net interest income	4,979	9,178

# 5. Other operating income

As at 30 June 2022, LGFA had provided credit standby facilities totalling \$662 million to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in \$000s	Unaudited six months ended 31 December 2022	
Standby facilities fee income	671	526
Total other operating income	671	526

# 6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Issuance and on-lending expenses		
Approved issuer levy 1	343	325
Rating agency fees	333	324
NZDM facility fee	652	250
Legal fees - issuance	205	225
NZX	367	390
Trustee fees	55	51
Regulatory, registry, other fees	106	68
	2,062	1,633
Other operating expenses		
Information technology	341	399
Consultants	127	95
Directors fees	213	212
Insurance	47	43
Legal fees	156	51
Other expenses	230	136
Auditors' remuneration		
Statutory audit	55	55
Advisory services	-	-
Personnel	1,312	1,145
	2,481	2,135
Total operating expenses	4,542	3,769

The amount of Approved Issuer Levy is a function of the number of the offshore holders of certain LGFA bond maturities.

22 Financial Statements

Financial Statements LGFA Half Year Report 2022 23

Page 175



# 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 six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Hedging instruments - interest rate swaps	329,876	520,010
Hedged items attributable to the hedged risk	(329,876)	(520,010)
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

n \$000s Unaudited as at 31 December 2022		Audited as at 30 June 2022		
in \$000s	Short-term loans	Loans	Short-term loans	Loans
Ashburton District Council	7,064	79,152	12,048	78,898
Auckland Council	7,004	3,629,211	12,040	3,413,415
Bay of Plenty Regional Council	25,465	167,970	25,651	167,941
Buller District Council	-	20,027	25,001	20,015
Canterbury Regional Council		75,366	4,018	75,214
Carterton District Council	-	14,772	4,010	14,762
Central Hawkes Bay District Council	1,011	28,168	2,024	20,107
Central Otago District Council	10,083	5,050	5,024	20,107
Christchurch City Council	10,000	2,285,660	2,017	2,036,724
Clutha District Council	7,547	37,590	5,532	32,394
Far North District Council	7,047	71,895	0,502	71,822
Gisborne District Council		111,572		86,095
Gore District Council	8,573	35,263	6,035	29,631
Greater Wellington Regional Council		636,734	0,033	576,343
Grey District Council	3,944	26,781	3,980	26,717
Hamilton City Council	5,744	726,508	3,700	633,049
Hastings District Council	-	275,067	-	237,990
Hauraki District Council	_	52,432		43,212
Hawkes Bay Regional Council		46,141	-	37,992
Horizons Regional Council	11,942	49,831	11,984	49,771
Horowhenua District Council	21,187	131,653	11,001	127,395
Hurunui District Council	8,073	34,307	8,033	30,147
Hutt City Council	6,073	303,302	6,033	256,607
Invercargill City Council	36,004	68,763	12,845	68,725
Invercargill City Holdings Ltd	18,469	68,438	22,076	68,354
Kaikoura District Council	10,407	5,341	22,070	5,331
Kaipara District Council		44,425		44,229
Kapiti Coast District Council		257,151		256.128
Kawerau District Council		2,005		230,120
Mackenzie District Council	2,018	8,080	10,002	
Manawatu District Council	11,570	77,919	11,559	77,725
Marlborough District Council	47,553	107,324	37,325	100,289
Masterton District Council	47,000	56,244	37,323	50,260
Matamata-Piako District Council		45,907	-	38,191
Nelson City Council	-	171,371	-	140,581
New Plymouth District Council	10,084		-	170,350
	10,084	216,117	-	
Northland Regional Council		14,148	-	14,147
Opotiki District Council	-	9,067	-	7,073

As at 31 December 2022, \$2,415 million of loans are due to mature within 12 months. This comprises all short-term loans and \$1,922 million of loans.

24 Financial Statements LGFA Half Year Report 2022 25

Item No.: 12



in \$000s	Unaudited as at 31 D	ecember 2022	Audited as at 30	June 2022
	Short-term loans 1	Loans	Short-term loans	Loans
Otago Regional Council	26,793	73,682	66,715	48,443
Otorohanga District Council	-	4,028	-	4,028
Palmerston North City Council	-	213,980	-	187,872
Porirua City Council	-	178,148	-	172,335
Queenstown Lakes District Council	55,703	401,978	50,275	241,015
Rangitikei District Council	-	19,158	-	19,157
Rotorua District Council	53,600	275,679	43,112	245,298
Ruapehu District Council	8,037	29,588	8,020	29,557
Selwyn District Council	-	85,725	-	75,343
South Taranaki District Council	-	113,060	-	112,566
South Waikato District Council	4,954	34,294	4,874	34,17
Southland District Council	-	16,900	-	16,899
South Wairarapa District Council	-	26,631	-	26,537
Stratford District Council	-	32,359	6,027	26,299
Taranaki Regional Council	3,963	19,632	-	14,587
Tararua District Council	2,013	55,670	-	51,244
Tasman District Council	24,295	235,580	24,193	198,190
Taupo District Council	-	171,208	-	125,522
Tauranga City Council	-	761,621	-	648,528
Thames-Coromandel District Council	-	73,665	-	73,365
Timaru District Council	29,108	152,022	28,724	136,516
Upper Hutt City Council	-	95,766	-	91,42
Waikato District Council	-	110,947	-	95,454
Waikato Regional Council	-	25,202	-	25,120
Waimakariri District Council	-	171,473	-	170,903
Waimate District Council	-	3,534	-	
Waipa District Council	26,030	154,231	25,530	124,377
Wairoa District Council	-	11,102	-	10,062
Waitaki District Council (WD)	6,903	31,201	4,491	20,583
Waitomo District Council	4,027	24,160	4,017	24,092
Wellington City Council	-	1,195,968	-	967,10
West Coast Regional Council	-	11,396	3,761	6,616
Western Bay Of Plenty District Council	-	70,687	-	70,366
Westland District Council	-	30,050	-	29,933
Westland Holdings Ltd	-	2,405	-	
Whakatane District Council	-	108,433	-	86,396
Whanganui District Council	7,544	99,907	7,523	99,522
Whangarei District Council	9,947	183,505	9,972	182,813
Fair value hedge adjustment	-	(43,416)	-	(36,332)
Total loans	493,505	15,257,915	478,385	13,563,522

# 9. Other assets

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Right-of-use lease asset	112	156
Total other assets	112	156

# 10. Payables and provisions

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Loans/purchases to be advanced	95,000	44,000
Trade creditors	185	800
Credit provision	139	161
Other provisions	252	105
Total payables and provisions	95,576	45,066

# 11. Bills

Unaudited as at 31 December 2022 in \$000s	Face value	Unamortised premium	Accrued interest	Total
13 January 2023	145,000	(139)	-	144,861
2 February 2023	25,000	(78)	-	24,922
10 February 2023	80,000	(337)	-	79,663
17 February 2023	20,000	(107)	-	19,893
28 February 2023	50,000	(348)	-	49,652
10 March 2023	70,000	(538)	-	69,462
15 March 2023	50,000	(436)	-	49,564
20 March 2023	52,000	(504)	-	51,496
5 April 2023	25,000	(265)	-	24,735
12 April 2023	20,000	(234)	-	19,766
18 April 2023	15,000	(191)	-	14,809
10 May 2023	15,000	(245)	-	14,755
7 June 2023	25,000	(522)	-	24,478
14 June 2023	50,000	(1,106)	-	48,894
Total bills	642,000	(5,051)	-	636,949

26 Financial Statements LGFA Half Year Report 2022 27

Item No.: 12



Audited as at 30 June 2022 in \$000s	Face value	Unamortised premium	Accrued interest	Total
7 July 2022	15,000	-	(4)	14,996
13 July 2022	70,000	-	(30)	69,970
19 July 2022	35,000	-	(33)	34,967
4 August 2022	25,000	-	(33)	24,967
10 August 2022	80,000	-	(167)	79,833
19 August 2022	20,000	-	(60)	19,940
30 August 2022	50,000	-	(201)	49,799
9 September 2022	68,000	-	(296)	67,704
14 September 2022	100,000	-	(538)	99,462
19 September 2022	27,000	-	(120)	26,880
6 October 2022	25,000	-	(148)	24,852
9 November 2022	25,000	-	(238)	24,762
7 December 2022	25,000	-	(329)	24,671
Total bills	565,000	-	(2,197)	562,803

# 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 2022, \$1,100 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.

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
15 April 2023	4,054	
15 April 2024	-	1,456
15 April 2025	9,512	6,773
15 April 2026	893	5,395
15 April 2027	35,962	-
15 May 2028	-	-
20 April 2029	15,416	7,390
15 May 2031	8,223	-
14 April 2033	-	4,566
15 May 2035	-	818
15 April 2037	34,017	5,272
Total bond repurchases	108,077	31,671

# 13. Bonds

Bonds on issue do not include \$1,100 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 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 April 2023	1,830,000	9,127	21,568		
15 April 2024	2,108,000	862	10,164		
15 April 2025	2,409,000	(45,646)	14,196		
15 April 2026	2,055,000	(52,395)	6,605		
15 April 2027	1,881,000	78,421	18,138		
15 May 2028	1,373,000	(59,559)	4,011		
20 April 2029	1,562,000	(60,236)	4,699		
15 May 2031	1,000,000	(42,471)	2,921		
14 April 2033	1,350,000	34,731	10,255		
15 May 2035	400,000	2,096	1,558		
15 April 2037	770,000	(25,117)	3,300		
Total bonds	16,738,000	(160,188)	97,415	(1,529,039)	15,146,187
Audited as at 30 June 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total

Audited as at 30 June 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
Fixed interest bonds					
15 April 2023	1,830,000	25,117	21,175		
15 April 2024	1,998,000	5,625	9,458		
15 April 2025	1,679,000	(13,379)	9,714		
15 April 2026	1,815,000	(31,599)	5,728		
15 April 2027	1,751,000	85,460	16,577		
15 May 2028	1,270,000	(53,384)	3,650		
20 April 2029	1,362,000	(21,893)	4,019		
15 May 2031	850,000	(19,801)	2,443		
14 April 2033	1,290,000	43,486	9,622		
15 May 2035	400,000	2,166	1,533		
15 April 2037	730,000	(12,837)	3,072		
Total fixed interest	14,975,000	8,962	86,989	(1,185,774)	13,885,177
Floating rate notes					
14 October 2022	130,000	(7)	692	-	130,684
Total bonds	15,105,000	8,955	87,681	(1,185,774)	14,015,862

28 Financial Statements

Financial Statements LGFA Half Year Report 2022 29



### 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 2022	Audited as at 30 June 2022
Lease liability	112	156
Accruals	596	694
Total other liabilities	708	850

# 16. Share capital

As at 31 December 2022, 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 Decemb	er 2022	As at 30 June	2022
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
Total	45,000,000	100%	45,000,000	100%

30 Financial Statements LGFA Half Year Report 2022 31

Item No.: 12



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

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Net profit/(loss) for the period	1,108	5,935
Cash applied to loans	(1,639,024)	(1,427,636)
Non-cash adjustments		
Amortisation and depreciation	2,643	(3,955)
Working capital movements		
Net change in trade debtors and receivables	(378)	13
Net change in prepayments	(298)	(319)
Net change in accruals	(98)	73
Net Cash From Operating Activities	(1,636,047)	(1,425,888)

### 19. Related parties

### Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 17.

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

### Postal address

P.O. Box 5704, Lambton Quay Wellington 6145

Phone +64 4 974 6530

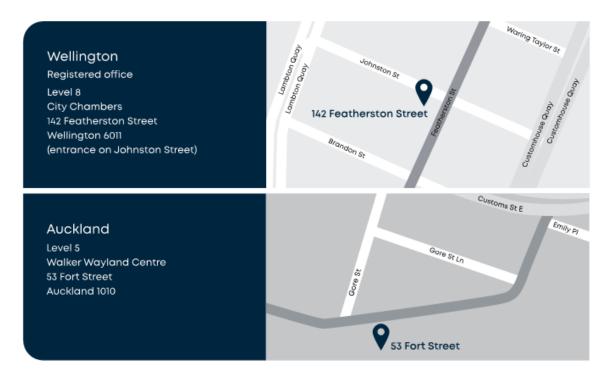
### Office hours

Monday – Friday, 9am to 5pm Except Public Holidays

# General enquiries lgfa@lgfa.co.nz

Staff e-mail addresses

firstname.lastname@lgfa.co.nz



32 Financial Statements 33 Financial Statements

Item No.: 12







lgfa.co.nz

Item No.: 12





Unaudited half year report to 31 December 2022





#### 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 2022. The financial statements were authorised for issue by the Trust Board on 22 February 2023.

The Trust was formed by an Act of Parliament and operates and manages Riccarton House and grounds together with Riccarton Bush. The key objectives of the Trust are to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history; and
- encourage public use and participation of the reserve and to inform visitors about the natural,
   Maori and colonial heritage of Christchurch.

#### Trustees

The persons holding office as Trustees for the year to date and at 31 December 2022 were:

Bob Shearing (Chairman)

**Bob Lineham** 

David Norton

Tim Deans

Pippa Ensor

Nigel Harris

Shirish Paranjape

Mark Peters

Marie Pollisco

## State of Affairs

For the six months ended 31 December 2022 the Trust incurred a deficit of \$165,990; compared to a deficit of \$93,848 for the same period last year.

Total income (including interest) was \$464,663, against the target of \$283,500. Higher revenue was a result of the recognition of \$161,416 income from the revenue in advance for the exterior painting of the house. The trust also received \$4,676 venue hire income for filming, a total of \$4,803 from donations and \$1,216 rat baiting reimbursements during the period. These income were not budgeted due to their unpredictability.

Rent received from the The Quarters (ex Local) was according to the budget. Commission from The Quarter's (ex Local) café was \$1,714 or 5% higher than the target while Independent tours and doors sales were slightly higher than the budget. This is as a result of increased number of visitors in the bush and grounds due to ease in Covid-19 restrictions.

Operating expenses (excluding depreciation and project cost) were \$477,982, higher than the budget of \$283,500. It includes \$166,956 for the exterior painting of the house which started in June 2022. The budget for this project was setup in the previous years. Excluding expenses incurred related to the exterior painting of the house, operating expenses were \$27,500 or 10% higher than the budget.





#### Operational highlights

- Two New Zealand funded films were shot onsite this year. We had up to 60 people on site
  for the two day shoot and over 30 for the second shoot. The Trust developed filming
  guidelines based on CCC protocols and they worked well. The crews were respectful, and
  lines of communication was good. It will definitely be worth considering hosting a film crew
  of this size again.
- We placed a focus on marketing with increased print advertising. Our numbers have
  increased over the first half of last year by 15%. Evidence indicates the most common way
  visitors are hearing about us is through word of mouth and Trip Advisor. We continue to be
  the 5th popular place in Christchurch for things to do.
- We hosted representatives of the All Blacks and Riccarton High School for tree planting opportunity in Pütaringamotu/Riccarton Bush. 15 Totara trees were planted.
- The pump and bore liner were replaced on the Bush Irrigation System and this has improved significantly our efficiency with watering and compliance with our water right conditions.
- The Trust supported Predator Free Riccarton with building and distributing rat traps for residential properties.
- The relationships between the Trust and tertiary and community organisations has gone from strength to strength.
- The exterior of the House was fully repainted and a number of remedial works carried out at the same time. The remedial works included replacing rotting timber weatherboards and veranda joists and decking.
- Kidsfest saw the Trust hosting over 820 people as part of the Nightlife Lantern tour.
- · Heritage Festival House tours ran from the 9 to 23 October with over 70 participants.

On a more sombre note, Brian Molloy passed away in late July aged 91. Brian was the driving force behind the reinvigoration of Putaringamotu/ Riccarton Bush. Brian first joined the Trust in the 1970s and retired in 2015.





## Statement of comprehensive revenue and expense

For the six months ended 31 December 2022

	Six months ended	
	31 December 2022	31 December 2021
	\$	\$
Revenue from operations	76,082	62,098
Other revenue	388,581	264,619
	464,663	326,717
Employee benefits expense	171,642	162,625
Depreciation and impairment	151,946	142,484
Projects cost	725	2,518
Other expenses	306,340	114,412
	630,653	422,039
Net deficit for the period	(165,990)	(95,322)
Gain on asset disposal	0	1,474
Total comprehensive expense	(165,990)	(93,848)

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





## Statement of changes in equity

For the six months ended 31 December 2022

	Trust Funds	ACR&E*	Total equity	
	\$	\$	\$	
Balance as at 1 July 2021	13,269,015	1,088,773	14,357,788	**
Total comprehensive expense for the six months to 31 December 2021		(93,848)	(93,848)	
Balance as at 31 December 2021	13,269,015	994,925	14,263,940	
Total comprehensive expense for the six months to 30 June 2022		(90,005)	(90,005)	
Gain/(loss) on property revaluation	2,805,153		2,805,153	
Balance as at 30 June 2022	16,074,168	904,920	16,979,088	,
Total comprehensive expense for the six months to 31 December 2022	-	(165,990)	(165,990)	
Balance as at 31 December 2022	16,074,168	738,930	16,813,098	
•				

<sup>\*</sup>Accumulated comprehensive revenue and expense.

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



<sup>\*\*</sup> Equity changed from 31 December 2021 half year report due to audit corrections on 2021 asset revaluation.



## Statement of financial position

As at 31 December 2022

	31 December 2022 \$	30 June 2022 \$
Current assets		
Cash and cash equivalents	136,998	364,785
Receivables from exchange transactions	63,235	8,335
Receivables from non-exchange transactions	-	24,225
Inventories	1,327	1,667
GST receivable	6,582	
Total current assets	208,142	399,012
Non-current assets		
Property, plant and equipment	16,674,215	16,799,523
Total non-current assets	16,674,215	16,799,523
Total assets	16,882,357	17,198,535
Current liabilities		
Payables under exchange transactions	29,394	23,496
Provisions	31,794	25,172
Finance lease liability	1,101	2,201
Income in advance	0	161,609
Total current liabilities	62,289	212,478
Non-current liabilities		
Finance lease liability	6,970	6,970
Total long term liabilities	6,970	6,970
Total liabilities	69,259	219,448
Net assets	16,813,098	16,979,087
Equity		
Trust funds	16,074,168	16,074,167
Accumulated comprehensive revenue and expense	738,930	904,920
Total equity	16,813,098	16,979,087
· our oquity	10,010,000	10,575,007

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	22 February 2023
Chairman (Bob Shearing)	R_
Managar (Chana Willis)	Dembis
Manager (Shona Willis)	





## Statement of cashflows

For the six months ended 31 December 2022

	Six months ended	
	31 December 2022 31 December	
	\$	\$
Cook flows from a service a straight		
Cash flows from operating activities Receipts from customers and donations	96,218	89,395
Contributions from Christchurch City Council	182,500	230,442
Interest income	4,051	686
Payments to employees and suppliers	(476,746)	(293,346)
Net GST movement	(3,156)	(4,119)
	(=, :==)	(.,)
Net cash flow from operating activities	(197,133)	23,058
	, ,	
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,013)	(76,033)
Net cash flow from investing activities	(29,013)	(76,033)
Cook flows from flooring and dele		
Cash flows from financing activities	(1.641)	5,198
Establishment/(Payment) of finance lease	(1,641)	5, 196
Net cash flow from financing activities	(1,641)	5,198
The second mean management of the second sec	(1,0.17	0,100
Net (decrease)/increase in cash and cash equival	(227,787)	(47,777)
Opening cash and cash equivalents	364,785	359,607
Represented by:		
Cash and cash equivalents	136,998	311,830

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





## **Statement of Objectives and Performance**

For the six months ended 31 December 2022

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			
	2022	2022	2022	2023
	Actual	Target	Variance	FY Target
	\$	\$	\$	\$
Operating Revenue	464,663	283,500	181,163	567,000
Less Operating Expenses	477,982	283,500	(194,482)	567,000
Operating surplus (deficit) before depreciation	(13,319)	-	(13,319)	-

The above targets relate to operating revenue and operating expenses and do not include depreciation and project costs of \$152,671.

#### **Performance Targets**

The Statement of Intent initially had a target to *Identify the contribution the Riccarton Bush Trust* makes to the Council's community outcomes through the delivery of its activities and services. This is no longer seen as a separate target but rather each target contributes to identified community outcomes.

	r Health and Safety practices in accordance with adopted policy to meet the ments of the Health and Safety at Work Act 2015
Community Outcome	Community facilities and public places are safe, healthy, and welcoming
Performance Measure	<ul> <li>Report to each Board meeting</li> <li>Target results for all Trust activities, of:         <ul> <li>Serious Harm incidents = 0</li> <li>Accident = 1</li> <li>Near Misses = 3</li> </ul> </li> </ul>
Performance	Met Health and Safety Report submitted to each Board Meeting Serious Harm incidents = 0 Accident = 0 Near Misses = 2





2. Monitor	ring and management of rodent activity in Riccarton Bush
Community Outcome	Unique landscapes and indigenous biodiversity are valued and stewardship exercised.
Performance Measure	Effective management resulting in observable decrease in activity  6-monthly assessment of rodent activity completed
Performance	Met 6-monthly assessment of rodent activity completed in November 2022. Minor activity noted.

3. Bush E	nhancements - Replace Board Walk and Improved Interpretation and Infrastructure	
Community Outcome	<ul> <li>Our heritage is a taonga and should be collectively valued and protected, celebrated and shared.</li> <li>Sites and places of cultural significance are respected and preserved</li> <li>Arts, cultural, sporting and recreational opportunities are available to all our communities.</li> <li>People have equitable access to open and green spaces across the city and district.</li> <li>Unique landscapes and indigenous biodiversity are valued and stewardship exercised.</li> </ul>	
Performance	Full Working drawings completed by October 2022	
Measure	Complete fundraising by December 2022	
	Works Commence by June 2023	
Performance	Not Met – in progress	
	Resource Consent Granted September 2022	

4. Encourage public interest, use and participation and promote the natural and cultural heritage values of the site.

## Community Our heritage is a taonga and should be collectively valued and protected, Outcomes celebrated and shared. Sites and places of cultural significance are respected and preserved. Arts, cultural, sporting and recreational opportunities are available to all our communities. People have equitable access to open and green spaces across the city and district. Unique landscapes and indigenous biodiversity are valued and stewardship exercised.





## Celebration of our identity through arts, culture, heritage, sport and recreation.

#### Performance Measure

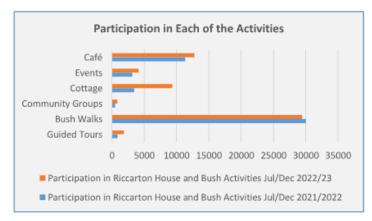
- Inform the public and relevant interest groups about on-going activities of the Trust.
- Provide a quarterly report to the Board that detail the number of visitors that come to Riccarton Bush and Grounds. The reports will include marketing and social media summaries as well as year to date comparisons.
- Include in the 6-monthly and annual reporting to Council information on numbers of participants across the variety of Riccarton House and Bush offerings and provide comparisons over time as that information is compiled.

#### Performance

#### Met:

- The public and relevant groups obtain information on the Trust activities via
  the quarterly newsletter. In December it was delivered to over 700 residents
  with a further 100 emails to family members, Board and Council members
  and interested supporters. Regular postings on Facebook and our website
  also provides up to date information. In addition, we have brochures and
  posters on site and with our other business partners.
- Quarterly Visitor Reports were presented to the Board at the September and December Board Meetings.
- 3. Number of Participants Across the Variety of Riccarton House Offerings:

This report provides details on the visitors that had visited Riccarton House & Bush from July to December. It captures the visitors that take tours or attend events. It also captures the recorded numbers of casual visitors that use the café or grounds, who walk around the Bush and visit the Cottage.



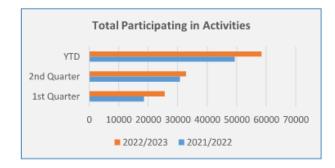
A significant and pleasing increase in tour numbers as groups and overseas visitors returned to take tours. A YTD increase of 111% compared to 2021/2022.





Various community groups use the grounds, this data is not a full representation as it depends on the groups being sighted and approached. These groups include, educational, health, community and film. A YTD increase of 66% from the previous year. Self- guided educational groups were the highest type of community groups visiting.

Events increased by 26% compared to the previous year with the return of weddings and corporate Christmas events.



The YTD increase in the total participation of the various activities is 15% compared to the same period in 2021/2022.

5. Commit to meeting the goal of becoming net carbon neutral by 2030			
Community	Each person and organisation acts to reduce their impacts on the environment		
Outcome	Outcome and minimise greenhouse gas emissions and waste.		
Performance Work with Council staff to identify what is required to enable this outcome.			
Measure			
Performance	Ongoing		
	Initial discussion commenced. Currently gathering data to present to CCC.		

#### Notes to the interim financial statements for the six months ended 31 December 2022

### **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 2022 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.

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 2022.

#### **Significant Accounting policies**

#### **Changes in Accounting Policies and Disclosures**

There have been no significant changes in accounting policy since 30 June 2022.

#### 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 2022, the Trust received \$182,693 (2021: \$230,442) in operational grants and levies from the Council.

The Trust owes Council \$nil as at 31 December 2022 (2021: \$nil).

The Council owes the Trust \$nil as at 31 December 2022 (2021: \$nil).

## Contingencies

The Trust has no contingent assets or liabilities as at 31 December 2022.

#### Events subsequent to balance date

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





Unaudited half year report to 31 December 2022

Christchurch City Council

Registered Office 53 Hereford Street

Christchurch

Directors Barry Bragg

Richard Peebles Stephen Reindler Wynton Cox Jane Huria

Bankers Bank of New Zealand

Audit New Zealand on behalf of the Auditor

General Christchurch

**1** | P a g e



Statement of Comprehensive Revenue and Expenses For the six months ended 31 December 2022

<b>D</b>	Notes	Actual Dec-22
Revenue Grants - Governance & Early Works		151,481
Total revenue		151,481
Evnences		
Expenses Consultants Fees		20,871
Advertising		20,071
Management services		_
Audit fee		2,844
Insurance		-
Corporate Subscriptions		185
Catering		-
Recruitment Fees		-
Legal Fees		
Staff Travel		617
Promotions		17
Freight And Courier Costs, Transport Service Contracts	E/b)	45
Sundry expenses	5(b)	126,902
Total expenses	-	151,481
Total expenses		101,401
Surplus / (deficit) before tax		
Tax expenses		-
Surplus / (deficit) after tax		-
Total comprehensive revenue and		-
expense	_	

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

2 | Page



Statement of Movement in Equity For the period ended 31 December 2022

		Actual Dec-22
	Notes	
Opening equity 1 July 2021		(2)
Share Capital		-
Accumulated Profit/(Losses)		2
Closing equity 30 June 2022		(0)
Share capital		-
Accumulated Profit/ (Losses)		-
Closing equity 31 December 2022		(0)

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

**3** | P a g e



Statement of Financial Position As at 31 December 2022

	Actual 31-Dec-22	Actual 30-Jun-22
Note		
Current assets		
Bank	0.2	-
Receivables	154,449	83,438
Total current assets	154,449	83,438
Total assets	154,449	83,438
Current Liabilities		
Payables	154,449	83,438
Total current Liabilities	154,449	83,438
Total liabilities	154,449	83,438
Net Assets		
Equity		
Share capital		_
Accumulated losses	(0)	(0)
Total equity		-

Director 27 February 2023

Director

27 February 2023

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

4 Page



Actual

## **Te Kaha Project Delivery Limited**

Statement of Cash flows

For the period ended 31 December 2022

		31-Dec-22
	Notes	
Cash flows from operating		
Receipts from grants		69,974
Payments to suppliers		(69,974)
Total cash flows from operating		-
Net cash flows		-
Opening bank		-
Closing bank		-

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

**5** | P a g e



Statement of Service Performance For the Six months ended 31 December 2022

## **Performance Measures/Targets**

Objective and Strategy	Performance Measure 2022/23	Performance December 22
Reporting to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	FY22 Audit complete. Continue to meet CCC reporting requirements.
Value-add opportunities identified, assessed, and harnessed	100% of Value-add opportunities identified, assessed, and harnessed	Opportunities of interest are shared with relevant project partners (Venues Ōtautahi (VŌ), BESIX Watpac (the Design & Construct (D&C) Contractor), CCC & Project Team). VŌ leading the investigation of these opportunities.
Close engagement of CMUA Project Delivery Board in design	Future proof the venue within the project cost envelope, to ensure it is fit for purpose for a changing event landscape.	D&C Contractor is contracted to deliver Fit for Purpose facility and consider/make provision as appropriate for a wide range of future events e.g. eSports. VŌ, CCC and specialist design reviewers are also involved in each step of design sign-off. Detailed Design due to be complete first quarter of CY 2023.
Project Management Plan (PMP) developed, and alignment maintained	Alignment with PMP maintained.	Project Execution Plan (PEP) for the D&C contract phase is being redrafted / updated for review by the Project Team and sign-off by the Board in 2023 year.
Procurement and Contract Management	100% compliance with relevant legislation, the Council procurement policies, and codes of practice.	All procurement managed or approved by CCC Procurement.
Management of Project Programme	PCSA - report against programme and 50% probability and 85% probability position.	Regular programme updates provided by D&C Contractor and consultant team. Board reviews this at monthly Board meetings.

6|Page

Christchurch City Council

Objective and Strategy	Performance Measure 2022/23	Performance December 22
Provision of information to support the Council's Formal Assurance (CFA) points	Aligned with CFA points.	Council approvals obtained on all major project decisions including project scope, budget, and sign-off of the Preliminary and Developed Designs. Te Kaha project updates also presented regularly to the Finance & Performance Committee. CCC also have advisors at the Board meetings.
Stage Gate reviews completed	Stage Gate reviews completed and recommendations addressed.	Peter Neven appointed as Independent Assurance Expert. Treasury approval obtained for Assurance Point 2 (Final Procurement Assurance) and Assurance Point 3 (Developed Design Project Plans Assurance) as required by the Funding Agreement with the Crown. Next Stageway review will be Readiness for Service (prior to opening). CCC are members of the Project Team and attend Board meetings. All required reviews to date achieved.
The TKP is delivered on or below budget	PCSA contract within approved budget/D&C contract within construction budget.	PCSA phase completed in August within approved budget. D&C Contract/additional budget required was reported to Council on 14 July 2022 and approved. D&C Contract executed between CCC and BESIX Watpac (BW). Project currently underway and on budget. Budget and progress reviewed monthly by Project Team and Board.
Capital expenditure decisions optimise capital budget and long-term whole-oflife costs (ie being the measure of resilience). Operational costs and other matters duly considered	Capital and whole of life costs optimised. Operational implications considered.	VÕ have completed whole-of-life cost assessment which was presented to Council in July 2022 as part of the D&C contract recommendation. Achieved.
Support any efforts by Council or VŌ opportunities for third party contributions, including other funding partners and sponsors	Third party funding opportunities supported.	Te Kaha Project Delivery Limited to provide support to CCC and VÕ in any approaches to be made for Third Party funding.

**7** | P a g e

Christchurch City Council

Objective and Strategy	Performance Measure 2022/23	Performance December 22
Clear sustainability standards developed for the project during the PCSA and D&C phases	Monitor project sustainability outcomes.	Sustainability targets agreed with BW and reported on monthly.
Framework for health, safety, and wellness is implemented to ensure all involved directly or indirectly with the project are kept safe and well	Health, safety, and wellness framework reviewed.	BW have a comprehensive Health, Safety and Wellbeing plan. This is reported on monthly and discussed with the Project Team and Board.
Critical hazards are managed effectively.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective. Board have approved the Health & Safety Charter.	Health and Safety Audits being com- pleted by CCC. Project Team com- plete Health & Safety site visits and review performance on a regular basis. Board have approved the Health & Safety Charter.
Baseline lag indicators are monitored to ensure safety for all	No serious harm incidents during both the PCSA and D&CA phases. TRIFR less than 10.0 per 1,000,000 hours worked on the project.	Lag indicators are measured and reported monthly to the Project Team and Board. Indicators are measured and reported to the Project Team and Board.
Shareholder informed of major issues as soon as practical. The major issues being project status against major milestones, high value opportunities, and high consequence risks.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis	Regular Board and Board Committee meetings with reporting and minutes. Shareholder included in reporting and Board meetings. Reporting to shareholder on major consequential risks on a no surprises basis if likelihood or consequence escalates.
Council, Venues Ōtautahi and Key User	Factual updates provided, within agreed timeframes, to all significant stakeholders in the project.	Regular Board and Board Committee meetings including VÕ and CCC. VÕ responsible for leading liaison with significant key user stakeholders and keeping them informed. Te Kaha Project Delivery leading neighbour consultation, Mana whenua consultation and general community updates.
Engaging with the community taking into account its diversity and the need for inclusion of a wide variety of people with various needs.	Implement communications and community engagement strategy.	Quarterly community meetings scheduled. Regular updates provided via website, emails, letter box drops.

8 | Page



Objective and Strategy	Performance Measure 2022/23	Performance December 22
Cultural connection	Build connection with name through implementation of communications and community engagement strategy.	Ngāi Tūāhuriri providing cultural advice and cultural narrative to project. Monthly updates reported to Project Team and Board.
Project managed to budget, time and quality	Council approval of recommended D&C contract. Project managed to budget, time and quality.	Project being managed to budget, time and quality approved by Council on 14 July 2022. Monthly reports and Board meetings review budget, programme and design.
VŌ signs off on the design as being fit for operator's purpose	VÕ maintains oversight throughout D&C phase to ensure alignment.	VÕ involved in all stages of design approval. Food & Beverage Verification Certificate provided by VÕ as part of PCSA phase.
TKP reflects the cultural narrative of our city	Engage with Matapopore to ensure cultural narrative incorporated into design.	Engagement with Ngāi Tūāhuriri for cultural advice and cultural narrative is ongoing.
Project risk register is up to date and risks are actively managed (including financial, delivery and reputational risks)	Risks are actively managed.	Monthly risk workshops and updates to risk register and project Quantitative Risk Assessment (QRA). Ongoing and being achieved.
Where commercially viable local procurement of services and products	D & C phase services and products procured locally.	Targets for local procurement and Māori/Pacifica employment agreed with D&C Contractor. D&C Contractor procures local products and uses local consultants and subcontractors where commercially viable.

9 | Page



### **Financial Information**

SOI	Actual Six Month to 31 December 2022	Budget Six Month to 31 December 2022	Variance	Budget FY 2023
FY2022/23 Operating Cost	151,481	165,000	13,519	330,000

Actual operating costs is slightly under budget for the six months ended 31 December 2022. This is largely due to timing of spending and budget variation.

The project completion date has changed from FY26 to FY 27 along with a budget increase bringing total project delivery budget to \$2,085,879. Current project forecast is in line with budget.

**10** | P a g e



Notes to the financial statements

## 1 Accounting policies

## Reporting Entity

These are unaudited interim financial statements of Te Kaha Project Delivery Limited (the Company).

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

The Company was established to deliver the development of the Te Kaha Multi Use Arena for the Council and is fully funded by Council.

Accordingly, the Company has designated itself as a public benefit entity for the purposes of New Zealand Financial Reporting Standards (NZ PBE). The financial statements have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and generally accepted accounting practice in New Zealand (NZ GAAP). They comply with NZ PBE and other applicable financial reporting standards as appropriate for Tier 2 public benefit entities.

As the Company has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Company is eligible to report under Tier 2 PBE 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 Trust's annual financial statements as at 30 June 2022.

## 3 Commitments for expenditure

There were no commitments for expenditure that were not otherwise accrued at 31 December 2022.

## 4 Contingent liabilities and contingent assets

There were no contingent assets or contingent liabilities as at 31 December 2022.

11 | Page



## 5 Related-party transactions

#### (a) Christchurch City Council

Council is the ultimate controlling party of the Company. The following transactions were carried out with related parties during the year:

The Company entered into a management services agreement with the Council to undertake accounting, payroll and other associated functions. The Company reimburses Council for the gross cost of the associated expenditure.

Pursuant to the management services agreement, the position of Chief Executive officer (previously Project Director), is seconded to the Christchurch City Council for the duration of the project. The Christchurch City Council makes payments to the employee directly and accounts for employee taxes and other obligations including superannuation, ACC and annual and sick leave provisions.

All transactions occurred on normal trading terms and conditions.

### (b) Key Management Personnel

Key management personnel includes the Directors and the Chef Executive Officer.

The Company paid Directors fees of \$126,902 in the six months to 31 December 2022.

Actual Six Months to 31 December 2022
39,375
18,667
22,500
22,500
23,861
126,902

**12** | P a g e



# 13. Venues Ōtautahi - Half year performance report and interim financial statements for the six months ending 31 December 2022

Reference / Te Tohutoro: 23/18229

**Report of / Te Pou** Linda Gibb, Performance Advisor, Resources Group

Matua: (linda.gibb@ccc.govt.nz)

General Manager / Leah Scales, General Manager Resources/Chief Financial Officer

**Pouwhakarae:** (Leah.Scales@ccc.govt.nz)

## 1. Nature of Information Update and Report Origin

- 1.1 This report provides Venues Ōtautahi Ltd's (VŌ's) half year performance update and interim financial statements for the six months ending 31 December 2022.
- 1.2 This report has been written following receiving VŌ's half year (interim) performance report on 28 February 2023.

## 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives Venues Ōtautahi 's Quarter 2, 2022/23 performance report for the period 1 July to 31 December 2022.

## 3. Brief Summary

- 3.1 VO's performance report is at **Attachment A** and its unaudited financial statements are at **Attachment B**.
- 3.2 V\(\bar{O}\) 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 (by 28 February).

## **Financial Performance**

3.3 The following table presents VŌ's operating performance for the six months to 31 December 2022, as discussed in its performance report. It shows a major improvement in operating profitability following the difficult COVID-19 affected years from March 2020 to March 2022.

	Actual \$000	Budget \$000	Variance \$000	Prior year \$000	Variance \$000
Operational outturn	(1,001)	(1,907)	+1,142	(1,166)	+165
Council subsidy	2,025	2,025	0	1,967	+58
EBITDA	1,024	118	+906	801	+223

	Actual	Budget	Variance	Prior year	Variance
Number of events	253	197	+56	109	+144
Number of visitors	327,988	200,000	+127,988	150,531	+177,457

said about  $V\bar{O}$ 's improved performance, at the EBITDA level, other than to note that its variance against last year includes around \$1.8 million of the Government's COVID-19 wage subsidy, leave support and resurgence support.



3.5 The performance report focuses on operating performance; it excludes uncontrollable and fixed overheads. However, the half year financial accounts record the full surplus/(deficit) before income tax, which is reconciled as follows:

	2022 \$000	2021 \$000
EBITDA (performance report)	1,024	801
Transfer out (below EBITDA) COVID-19 Government support	(13)	(1,839)
Plus interest revenue	178	12
Surplus before other non-exchange revenue and other expenses (financial statements)	1,189	(1,026)
Transfer in of COVID-19 Government support	13	1,839
Capital grant from CCC	3,654	0
Depreciation/amortisation	(4,353)	(4,089)
Interest expense (on legacy debt)	(585)	(570)
Surplus/(deficit) before tax	(81)	(3,846)

3.6

EBITDA from the performance report largely characterises VÕ's discretionary operating performance – where it can make a difference by choosing various actions. The better it does at this level in financial terms, the more it can contribute to meeting the overhead costs that are shown below EBITDA. The costs below EBITDA cannot, on a business as usual basis be influenced by VŌ.

- 3.7 The difference between EBITDA in the performance report and Surplus before other non-exchange revenue and other expenses in the financial statements reflects a different way of allocating costs and revenues to report discretionary performance as opposed to financial reporting accounting rule requirements.
- 3.8 The most relevant performance measures for the Council are the first set of EBITDA numbers (which include the government COVID-19 support since it was for the purposes of revenue that would have been received had COVID-19 restrictions not displaced it).
- 3.9 The Council's operating grant does not cover all the ownership costs relating to the Christchurch Arena and Town Hall. VŌ itself meets around one third of these costs from its operational profits.

## Non-financial performance targets

3.10 All targets have either been met year to date, or are on track to be met by full year. One of the targets met at the half year point is 40 events receiving the community rate. It is difficult for VŌ to cap the community rate, but nevertheless there is a cost that comes with providing discounts which ultimately impacts its profitability (\$110,000 reflecting the incremental costs of utilities, cleaning and repair and maintenance due to wear and tear).



## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 🗓 🎇	Venues Ōtautahi - Half year report 1 July-31 December 2022	23/346708	210
B 🗓 📆	Venues Ōtautahi - Half year financial statements for the period 1 July-31 December 2022	23/346707	221

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

Document Name – Location / File Link	
Not applicable	

## Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

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

## Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO		
Approved By Leah Scales - General Manager Resources/Chief Financial Officer			



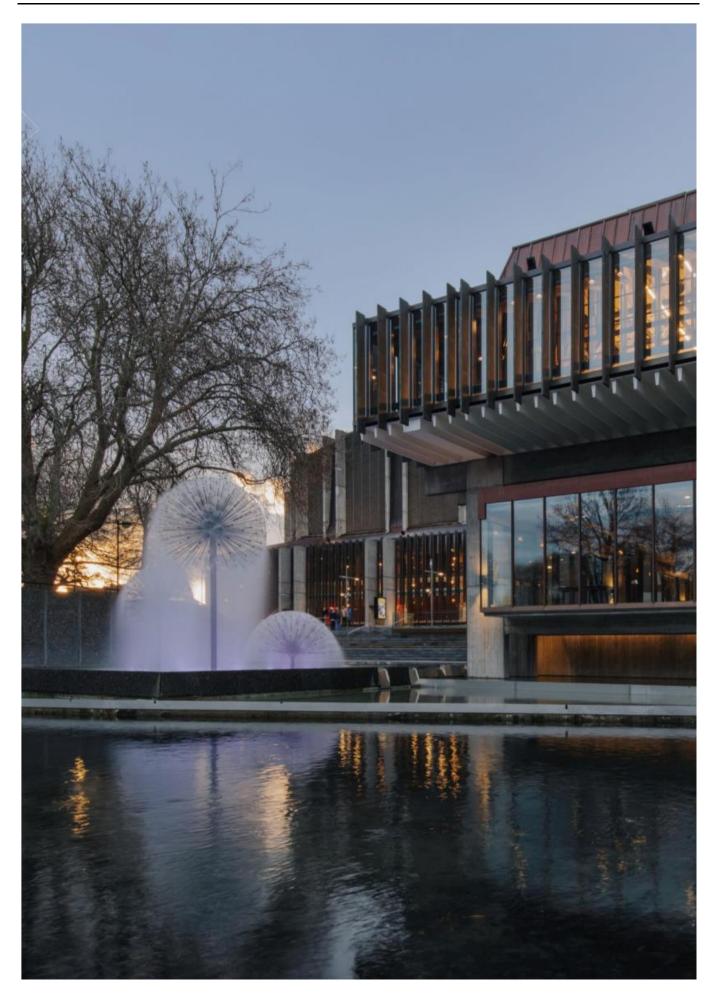
## PERFORMANCE REPORT

FOR THE SIX MONTHS TO 31 DECEMBER 2022



VENUES ŌTAUTAHI









## CONTENTS

01	CHIEF EXECUTIVE REPORT	4
02	FINANCIAL PERFORMANCE	6
03	OPERATIONAL PERFORMANCE TARGETS	8

Page **3** of **11** 



## 01 CHIEF EXECUTIVE REPORT

Venues Ötautahi continues to perform strongly at the halfway point of the financial year. With the last two years severely impacted by Covid-19 the company is on track for 2022-23 to be the first full year of trading since 2018-19, when the Christchurch Town Hall reopened.

With 253 events delivered in the first half of the financial year, versus a budget of 197, and over 327,000 guests welcomed to the venues, it is heartening to see the desire for the community to come together, after such a long period of volatility and forced separation from one another.

The event forecast for the remainder of the year is also strong and, on this basis, Venues Ötautahi is expecting to welcome around 600,000 guests to the venues by end June 2023, well in excess of the company's annual target of 400,000.

With operating income \$906k higher than target for the first three months of the year and an EBITDA surplus of \$1m against a target surplus of \$118k the business has a good foundation for the remainder of the year ahead.

A stronger financial performance also allows the ability for the business to continue to offset around 32% of the fixed costs associated with maintaining the safety, compliance, and operational functionality of the venues, not covered by the Council operating subsidy currently received by the company.

The estimated regional economic impact of events held across the portfolio of Venues Ötautahi venues of \$14.47m year to date, demonstrates the impact of a number of significant events held in the first half of the financial year.

Events including The Killers and The Wiggles at Christchurch Arena, Six60 and The All Blacks at Orangetheory Stadium, and the T20 International Tri Series Cricket at Hagley Oval are all contributors to this strong growth. With the expectation Elton John in January will contribute between \$5m and \$7m to the local economy and with a strong event forecast including Cirque du Soleil, Venues Ötautahi is well on track to surpass our estimated \$30m positive contribution for 2022-23.

Celebrating and sourcing local has continued to underpin the Venues Ötautahi food and beverage philosophy with 79% of food across the venue portfolio sourced from the Canterbury region. This is a direct contribution of over \$930k to local suppliers year to date, well on track to the estimated \$1.7m contribution for the full year.

With commercial viability underpinning the local procurement strategy, the business has also maintained an over 10% reduction in costs of goods sold versus costs under the outsourced catering model prior to April 2020.

Community access to and connection with their venues remains a core priority for Venues Ōtautahi and with 40 events hosted in the venues so far this year by local community groups or individuals attracting a community discount valued at over \$110k, we are well in excess of our annual target of \$50k.

In Q2 2022-23 and in preparation for the opening of Te Kaha in April 2026, Venues Ōtautahi have commenced the two phased process of development and execution of the commercial strategy for the new venue. Phase one, due to conclude in February 2023 will identify and value all commercial assets at Te Kaha and phase two, due to commence in April 2023, will develop and execute the sales strategy for all commercial assets. The event attraction strategy for Te Kaha will be developed and will commence execution at the latter end of the 2022-23 financial year.

Venues Ötautahi during the quarter and in concurrence with the commercial activation have continued intensive engagement in the detailed design process to ensure Te Kaha delivers the key design fundamentals of operational functionality, commercial viability, guest experience, accessibility and inclusivity, sustainability, and multi-use functionality.

Sustainability is also a critical focus of Venues Ötautahi in 2023 financial year with caring for the environment using thoughtful and sustainable methods and always acting with future generations in mind a strategic priority.

Page **4** of **11** 



The waste management packaging strategy for the business focuses on compostables, reuseables and to a smaller degree recyclables. In the first quarter of 2022-23, Venues Ōtautahi engaged in a partnership with a new waste management provider to seek to develop and implement landfill diversion rates of over 80% and are focused for the remainder of the 2023 financial year on building sustailability initiatives that drive the achivement of new targets set for the business's operations and assets.

Venues Ōtautahi also has a target of carbon neutrality by 2030. In support of achieving this goal the company entered a formal partnership with Toitū Envirocare, a specialist provider of business sustainability services, to seek certification across all Venues Ōtautahi venues through the Toitū Environmental Management Accreditation Programme. It is the company's goal to achieve gold Enviro-Mark accreditation for the full suite of venues by mid-2023.

It is also Venues Ōtautahi's goal to be an accredited B-Corporation by mid to late-2023. B Corporations, or B-Corps are businesses that meet high standards of social and environmental performance, accountability, and transparency.

Certified B Corps, envision a better economic system where businesses can benefit people, communities, and the planet. They choose long-term investments over quick wins, and measure their success based on the positive impact they create.

With people, community and the environment at our core, Venues Ōtautahi feel aligned with the philosophies of B-Corp and are excited about the opportunity to embark on this journey. In achieving this aspiration Venues Ōtautahi will be the only B-Corporation venue in New Zealand.

With major ticketed events delivering the most significant social, cultural, and economic benefit for the Canterbury Region and with Vonucs Otautahi venues those best positioned in the city to deliver, our focus will continue to be on attracting these events now and in the future.

With continued strong performance for the year to date, Venues Ötautahi remain optimistic for the future but prepared for a challenging economic environment. Venues Ötautahi has a wonderful, committed, and motivated team focused not only on delivering an outstanding and uniquely local guest and client experience, but also on caring for the venues and making them the pride and delight of everyone and for this reason we are well positioned to achieve the aspirations we all have for the Venues Ōtautahi business.

	28 February 2023
Chief Executive Caroline Harvie-Tearc	Date

Page **5** of **11** 



## 02 FINANCIAL PERFORMANCE

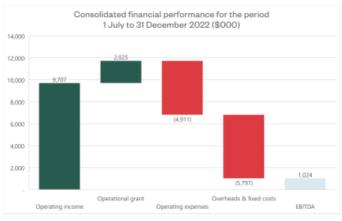
The consolidated operating income is \$906k higher than target for the six-month period to 31 December 2022 with 253 events held compared to a budget of 197 events across all venues in the first six months.

EBITDA is \$1 million against a target surplus of \$118k for the six-month period to 31 December 2022. A positive variance of \$906k as shown below:

	31 Dec 2022 Actual	31 Dec 2022 Target	31 Dec 2022 Variance	30 June 2023 Target	
	\$000	\$000	\$000	\$000	
Operating income	9,707	8,181	1,526	15,573	
Operational grant	2,025	2,025	-	4,050	
Operating expenses	(4,911)	(4,143)	(768)	(7,732)	
Overheads & fixed costs	(5,797)	(5,945)	148	(12,068)	
EBITDA	1,024	118	906	(177)	

Below is a graphical representation of the actual performance to 31 December 2022 with the positive returns for event and venue operations offsetting the asset management, maintenance, and fixed costs across the venue portfolio.





Page **6** of **11** 



#### Income Statement for the six months ended 31 December 2022

	Dec-22	Dec-22	YTD	Dec-21	
	YTD	YTD	Act vs Bud	YTD	Full Year
	Actual	Budget	Variance	Actual	Budget
	\$000	\$000	\$000	\$000	\$000
Income					
Venue rental and event revenue	2,560	2,364	196	1,233	4,477
Food and beverage	5,220	4,095	1,125	1,642	7,731
Grant revenue received from Council	2,025	2,025	-	1,967	4,050
Covid-19 Wage Subsidy and Resurgence Support Payment (Extraordinary)	13	-	13	1,839	-
Other	1,953	1,722	231	1,286	3,365
	11,772	10,206	1,566	7,967	19,623
Less Expenditure					
Food and beverage	3,159	2,890	(270)	1,499	5,519
Events and hosting costs	2,939	2,121	(819)	1,759	4,165
Facilities	1,616	2,052	436	1,273	3,989
Administration and other	3,033	3,026	(8)	2,634	6,126
	10,748	10,088	(660)	7,165	19,799
EBITDA	1,024	118	906	801	(177)

Although the event and hosting costs are higher than budgeted, reflecting the different mix of events including community events held during the period, this has been offset by higher food and beverage revenue with 253 versus a budget of 197 events.

40 events received the community rate and Venues Ōtautahi hosted 17 major events in the first six months of the year.

Below is a breakdown of events held across all venues for the first six months of the year:

Venue	Total YTD	Budget YTD	Variance
Air Force Museum of New Zealand	19	14	5
Christchurch Arena	30	30	-
Christchurch Town Hall	158	124	34
Hagley Oval Pavilion	31	22	9
Orangetheory Stadium	14	7	7
Outside Venue	1	-	1
TOTAL	253	197	56

The positive variance against budget reflects a quicker return of events across all venues.

Page **7** of **11** 



# 03 OPERATIONAL PERFORMANCE TARGETS

OBJECTIVE & STRATEGY	PERFOMANCE MEASURE	PROGRESS AS AT 31 DECEMBER 2022
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 14 major ticketed events at Venues Ötautahi venues "Events Economics Tool" used to estimate visitor spending on a sample of major events	Venues Ötautahi has exceeded the annual target of 14 with 17 major events hold in the first half of the financial year. Major events in the last quarter included the Black Caps T20 Tri-scrics in October (7 matches) and ODI vs India in November 2022, Fast Five Netball Series, Football Ferns v Korea Republic (2 games), The Killers, Six60 and the White Ferns v Bangladesh in December 2022
Contribute direct economic benefit to the region <sup>3</sup> through implementation of local procurement strategy where commercially viable	75% of food and beverage product lines procured from Canterbury	Venues Ötautahi focus remains strongly on continuing to celebrate and source local with 79% of all food sourced from Canterbury suppliers for the period 1 July to 31 December 2022
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 400.000	Total attendance to 31 December 2022 across all venues was 327,988 (Q2:178,524)
Develop and implement a prioritisation framework to reflect non-discretionary community benefit events.	Prioritisation framework developed	
Enhance the physical assets and guest experience through a deeper connection with our Otautahi cultural heritage	Develop an engaged and collaborative working relationship with Ngai Tüähuriri	Venues Ötautahi developing a close working relationship with Ngai Tūāhuriri through the Te Kaha project with the intention this extends to supporting the company's journey to enhancing the physical assets and guest experience through a deeper connection with our Ōtautahi cultural heritage in the future.
Make venues available to support local community groups/individuals	At least 40 events receive the community rale.	Venues Ōtautahi has met the annual target of 40 at the halfway point in the year with 40 community groups already having received the community rate in the first half of the financial year.

Page **8** of **11** 



OBJECTIVE & STRATEGY	PERFOMANCE MEASURE	PROGRESS AS AT 3I DECEMBER 2022
Client and Guest Experience		
Client Net Promoter Score (NPS4)	Achieve greater than 45 NPS <sup>4</sup> during the year	A Client Net Promoter Score of 52 was achieved in the second quarter of FY22/23
Guest NPS <sup>4</sup>	Achieve greater than 45 NPS <sup>4</sup> during the year	A Guest Net Promoter Score of 56 was achieved in the second quarter of FY22/23
People and Relationships		
Employee NPS <sup>-1</sup>	Implement an employee NPS1 target using baseline data	A target of achieving greater than 45 NPS <sup>-1</sup> for Venues Otautahi staff has been established for the FY22/23 year.
Asset Care		
Ensure assets are maintained at a suitable level for general use at all vonues.	The Asset Management Plan (AMP) is reviewed and updated annually, and asset maintenance is compliant with the AMP timetable.	The annual review of the AMP will be undertaken in March 2023 in line with the annual budgeting process. The operational capital programme is on track. With some rephasing of items across AMP required as a result of the impacts of Govid-19 on supply chain and significant progress made in delivering the asset management plan at Christohuroh Arena, the capital AMP is forecast to be back on track from early 2023.
Health, Safety and Wellbeing		
Maintain a comprehensive health, safety, and wellbeing strategy	Continuously improve the health, safety, and wellbeing strategy	The focus of the quarter from a health, safety and wellbeing perspective has been on reviewing the Venues Ötautahi health and safety management system with a particular focus on critical risk and thidentification and mitigation of psychosocial risks, an emerging risk in the current environment.
Digital Transformation		
Reimagine the Venues Ötautahi business through digital transformation	Develop digital transformation strategy	An information and Technology strategy roadmap was developed in FY22/23. The Digital Transformation Strategy is in progress pending approval by the Venues Otautahi Board in Q4 2022/23
Te Kaha Multi Use Arena		
Provide operator advice to the design of the 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	Venues Ötautahi continued intensive engagement in the final stages of detailed design in the second quarter of the year. Stakeholder workshops across all aspects of design attended and contributed to with the Venues Ötautahi Chair and Chief Executive also continuing governance involvement as Director and Advisor respectively on the Te Kaha Project Delivery Board.
Maximise the social, cultural and economic impact of Te Kaha for the people of Canterbury	Develop and commence activation of the commercial strategy for Te Kaha	The identification and valuation of all commercia assets commenced in second quarter of 2022-23. The development and execution of the sales strateg to commence in early 2023.

Page 9 of 11



OBJECTIVE & STRATEGY	PERFOMANCE MEASURE	PROGRESS AS AT 3I DECEMBER 2022
Te Kaha Multi Use Arena (Cont.)		
Engage and connect the community and key stakeholders with Te Kaha through communications, stakeholder engagement and brand identity	Develop and commence activation of the communications, stakeholder engagement and brand development strategy for Te Kaha	Te Kaha venue communications strategy developed. Te Kaha venue brand, narrative, launch video and website released publicly in August. All stakeholders re-engaged in the project by Venues Ōtautahi with the next phase of detailed design presentations to commence in early to mid-2023.
Sustainability	'	
Contribute to reducing the City's carbon footprint	Establish GHG emission, energy, solid waste and water management plans through to 2030.	Partnership with Toitů formalised in first quarter of 2022-23 to support Venues Ötautahi in establishing plans through to 2030 and to achieve gold Enviro-Mark certification by mid-2023. New waste management partner selected to support establishment and achievement of planned target of 80% land fill diversion rates.
	Develop procurement requirements for our suppliers to have GHG emission, energy, solid waste and water management plans	Partnership with Toitů formalised in first quarter of 2022-23 to support Venues Ötautahi in establishing sustainability procurement targets.
	Engage with an independent verifier to acquire internationally recognised industry best practice environmental and carbon certification.	Partnership with Toitū formalised in first quarter of 2022-23 to support Venues Ōtautahi to achieve gold Enviro-Mark oertification by mid-2023.
Governance		
Report to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	All Local Government Act (LGA) and Council reporting deadlines met.

#### 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

#### Event Economics Tool

The event economics tool estimates the economic benefit derived from major events held in Venues Ötautahi venues

For major events supported by ChristchurchNZ validated economic benefit data is provided

#### Region defined as: 3

Christchurch/Canterbury This can include National or International suppliers if their point of origin is Canterbury

#### 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.



#### Categories

Score between 0 6: Detractors Score between 7 8: Passives Score of 9-10: Promoters

% of promoters less than the % of detractors for the total number of respondents

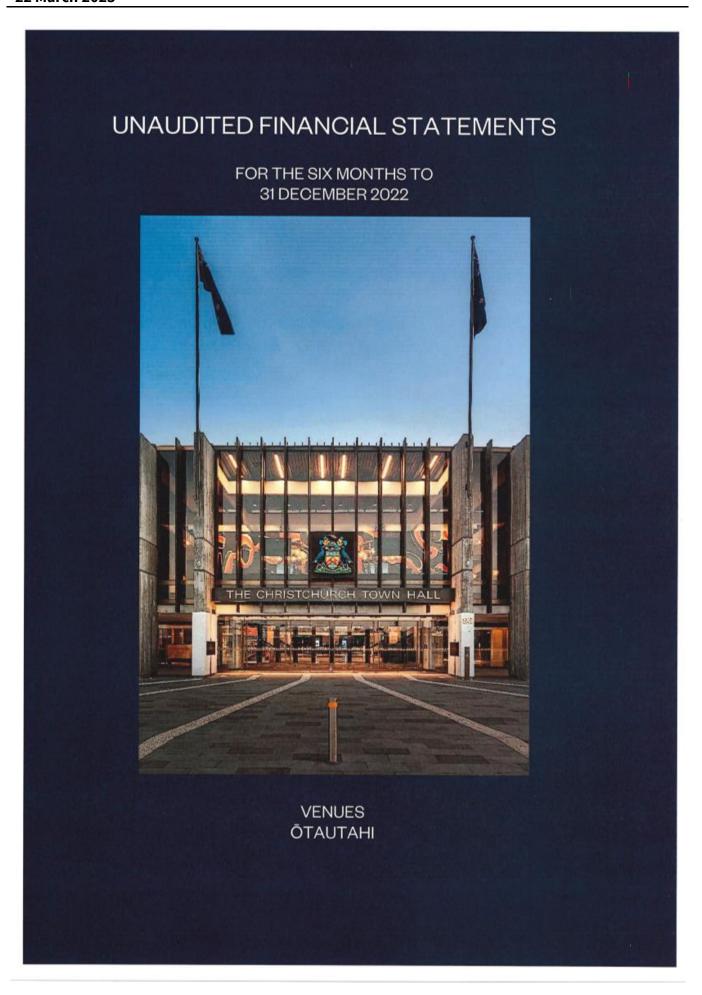
#### Definition of Guests for NPS

- Venues Ötautahi defines a guest for the calculation of the guest net promoter score as follows:

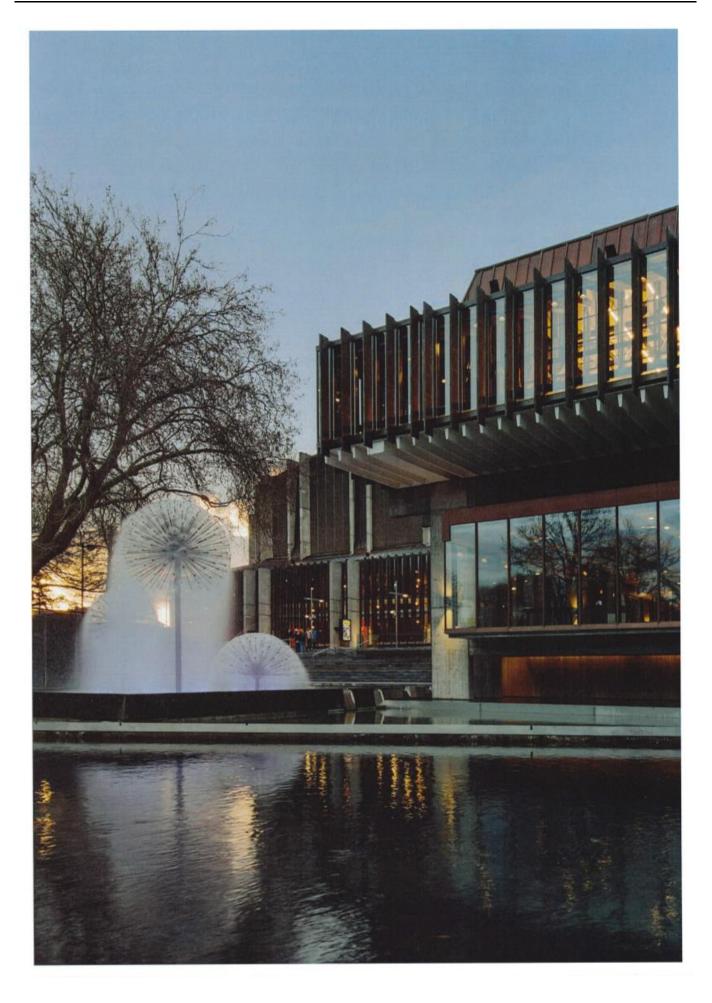
  Guests attending ticketed events, ticketed through Venues Ötautahi's ticketing provider and
  - Guests attending major events supported by ChristchurchNZ (guest NPS included in event economics reports provided to VO by CNZ)

Page **11** of **11** 













## CONTENT

0.1	BUSINESS AND FINANCIAL (	OVERVIEW	04
0.2	FINANCIAL REPORT	,	05

Page 3 of 9



### 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.

With 253 events delivered in the first half of the year, versus a budget of 197, and over 327,000 guests welcomed to the venues, it is heartening to see the desire for the community to come together, after such a long period of volatility and forced separation from one another.

The event forecast for the remainder of the year is also strong and, on this basis, Venues Ōtautahi is expecting to welcome around 600,000 guests to the venues by end June 2023, well in excess of the company's annual target of 400,000.

#### Financial results summary as follows:

The Company recorded an interim net operating surplus of \$1.19 million for the six months to 31 December 2022 compared to a net operating deficit of \$1 million for the same period last year.

Six months to 31 Dec 2022	Six months to 31 Dec 2021	Year ended 30 June 2022 (Audited)	
(Unaudited)	(Unaudited)		
\$000	\$000	\$000	
9,921	4,113	10,313	
2,138	2,080	4,275	
10,869	7,218	15,680	
1,189	(1,026)	(1,092)	
3,667	1,839	7,148	
(4,938)	(4,660)	(9,361)	
(81)	(3,846)	(3,305)	
650	1,077	4,172	
569	(2,769)	868	
	31 Dec 2022 (Unaudited) \$000 9,921 2,138 10,869 1,189 3,667 (4,938) (81)	31 Dec 2022 31 Dec 2021 (Unaudited) (Unaudited) \$000 \$000  9,921 4,113 2,138 2,080 10,869 7,218 1,189 (1,026) 3,667 1,839 (4,938) (4,660) (81) (3,846) 650 1,077	

#### Directors

The persons holding office as Directors of the Company for the financial year to 31 December 2022 were:

Gill Cox (Chair) Tim Scandrett Brent Ford Susan Goodfellow

For and on behalf of the Board

DIRECTOR

DIRECTOR

28 February 2023

DATE

29 Fobruary 2023

Page 4 of



## 0.2 STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the six months ended 31 December 2022

	Six months to 31 Dec 2022	Six months to 31 Dec 2021	Year ended 30 June 2022	
	(Unaudited)	(Unaudited)	(Audited)	
	\$000	\$000	\$000	
Revenue from exchange transactions	9,921	4,113	10,313	
Revenue from non-exchange transactions	2,138	2,080	4,275	
Expenses	6,262	3,824	9,255	
Personnel costs	4,607	3,393	6,425	
Surplus/(deficit) before other non-exchange revenue, other expenses and income tax expense	1,189	(1,026)	(1,092)	
Other non-exchange rev enue				
Government Covid-19 subsidies and resurgence support payments	13	1,839	1,906	
Council capital grant	3,654		5,242	
Total other non-exchange revenue	3,667	1,839	7,148	
Other expenses				
Depreciation and amortisation	4,353	4,089	8,175	
Financecosts	585	582	1,154	
(Gain)/Loss on disposal of assets		(12)	32	
Total other expenses	4,938	4,660	9,36	
Surplus/(deficit) before income tax expense	(81)	(3,846)	(3,305)	
Incometax	650	1,077	4,172	
Surplus/(deficit) from operations for the year	569	(2,769)	968	
Other comprehensive revenue and expense				
Net movement on property valuations			24,728	
Deferred tax movement taken to revaluation reserve			(6,924)	
Total other comprehensive revenue and expense from operations			17,804	
Total comprehensive revenue and expense	569	(2,769)	18,671	
		,,,	,511	

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

Page 5 of 9

financial statements.



For the six months ended 31 December 2022				
	Capital	Asset revaluation Reserve	Accumulated surpluses / (deficits)	Tota
	\$000	\$000	\$000	\$000
Balance at 1 July 2021	244,636	14,540	(74,391)	184,78
Total comprehensive revenue and expense for the period				
Surplus/(Deficit) for the year			(2,769)	(2,769
Total comprehensive revenue and expense for the period			(2,769)	(2,769
Balance at 31 December 2021 (Unaudited)	244,636	14,540	(77,159)	182,01
Balance at 1 July 2021	244,636	14,540	(74,391)	184,78
Total comprehensive revenue and expense for the period				
Surplus/(Deficit) for the year			868	868
Other comprehensive revenue and expense, net of revenue and expense tax				
Net movement on property valuations		24,728		24,72
Deferred tax movement taken to revaluation reserve		(6,924)	20	(6,924
Total comprehensive revenue and expense for the year		17,804	968	18,67
Balance at 30 June 2022 (Audited)	244,636	32,344	(73,524)	203,45
Balance at 1 July 2022	244,636	32,344	(73,524)	203,45
Total comprehensive revenue and expense for the period				
Surplus/(Deficit) for the year			569	569
Total comprehensive revenue and expense for the period	•		569	56
Balance at 31 December 2022 (Unaudited)	244,636	32,344	(72,955)	204,02

Page 6 of 9

Item No.: 13 Page 226

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these



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As at 31 December 2022

	31-Dec-22	31-Dec-21	30-Jun-22	
	(Unaudited)	(Unaudited)	(Audited)	
	\$000	\$000	\$000	
Ourrent assets				
Cashandcashequivalents	7,509	7,404	7275	
Trade and other receivables	1,366	6,666	680	
Other financial assets	7,000	-	6,000	
Inventories	430	298	259	
Other current assets	963	771	82	
Total current assets	17,168	15,139	14,296	
Non-current assets				
Property, plant & equipment	229,118	210,200	231,887	
Intangible assets	322	143	383	
Deferred tax assets	14,855	11,799	14,205	
Total non-current assets	244,295	222,142	246,478	
Total assets	261,464	237 282	260,77	
Current liabilities				
Trade and other payables	2,472	9,89	2267	
Employee entitlements	519	484	553	
Ourrent tax payables		(46)		
Total current liabilities	2,991	10,257	2,820	
Non-current liabilities				
Trade and other payables	1,752	1	1,799	
Borrowings	15,885	15,885	15,885	
Deferred tax liabilities	36,811	29,122	36,80	
Total non-current liabilities	54,448	45,008	54,495	
Total liabilities	57,439	55,265	57,315	
Net assets	204,025	182,017	203,456	
Equity				
Capital and other equity instruments	244,636	244,636	244,63	
Asset revaluation reserve	32,344	14,540	32,34	
Accumulated surpluses/(deficits)	(72,955)	(77,159)	(73,524	

For and on behalf of the Board

Pirector

Date

Director

Date 202

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

Page 7 of 9



## 0.3 STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Six months to 31 Dec 2022	Six months to 31 Dec 2021	Year ended 30 June 2022 (Audited)
	(Unaudited)	(Unaudited)	
	\$000	\$000	\$000
Cashflows from operating activities			
Receipts from customers	9,292	4,196	10,45
Subventionreceived			1,500
Council operating grant	2,025	2,025	4,050
Government wage subsidy and resurgence support payment	13	1,839	1,906
Payments to suppliers and employees	(12,543)	(8,664)	(16,098
Net GST movement	278	(91)	10
Net cash provided by (used in) operating activities	(935)	(705)	1,819
Cashflows from investing activities			
Purchase of investments	(7,000)		(14,000
Council capital grant	3,654		5,242
Pre-paid lease rental revenue	134	134	134
Payment for property, plant & equipment	(1,193)	(686)	(2,068
Interest received	153	16	7
Sale of property, plant & equipment		10	1
Maturity of investments	6,000	2,000	10,000
Net cash provided by (used in) investing activities	1,748	1,474	(604
Cashflows from financing activities			
Interest and other finance costs paid to related party	(579)	(579)	(1,154
Net cash provided by (used in) financing activities	(579)	(579)	(1,154
Net increase in cash and cash equivalents	234	190	6
Cash and cash equivalents at beginning of year	7,275	7,214	7,21
Cashand cash equivalents at end of year	7,509	7,404	7,27

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

Page 8 of 9



#### NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

#### STATEMENT OF COMPLIANCE

The unaudited interim financial statements for the six months ended 31 December 2022 have been prepared in accordance with 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 2022.

#### 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 2022.

#### Capital Commitments

The Company had the following significant capital commitments relating to acquisition of property, plant and equipment at 31 December 2022:

- Buildings \$1,091,000 (31 December 2021: nil)

#### Contingencies

The Company had no material contingent assets or liabilities as at 31 December 2022 (2021: nil)

#### Events subsequent to balance date

There are no material events known to the Directors occurring after balance date that would have a significant impact on the interim financial statements for the six months ended 31 December 2022.

Page 9 of 9

Christchurch City Council



# 14. Christchurch City Holdings Ltd - Half year report and financial statements for the Group for the period 1 July-31 December 2022

Reference / Te Tohutoro: 23/199911

Report of / Te Pou Linda Gibb, Performance Advisor, External Reporting and

Matua: Governance, Resources (linda.gibb@ccc.govt.nz)

General Manager / Leah Scales, General Manager Resources/Chief Financial Officer

Pouwhakarae: (Leah.Scales@ccc.govt.nz)

## 1. Nature of Information Update and Report Origin

- 1.1 The purpose of this report is to provide Christchurch City Holdings Ltd's (CCHL's) Quarter 2, 2022/23 'traffic lights' performance report for its group and Interim Report (and financial statements) released to the market on 28 February 2023. It also provides Christchurch International Airport Ltd's (CIAL's) Interim Report and financial statements which were released to the market on the same day.
- 1.2 This report has been generated following receiving the reports on 24 February 2023 within the timeframe required by section 66 of the Local Government Act 2002 (LGA).

## 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

- Receives Christchurch City Holdings Ltd's 'traffic lights' performance report for Quarter 2 2022/23 (1 October-31 December 2022) and Interim Report for the half year (1 July-31 December 2022); and
- 2. Notes Christchurch International Airport Ltd's Interim Report for the half year (1 July-31 December 2022).

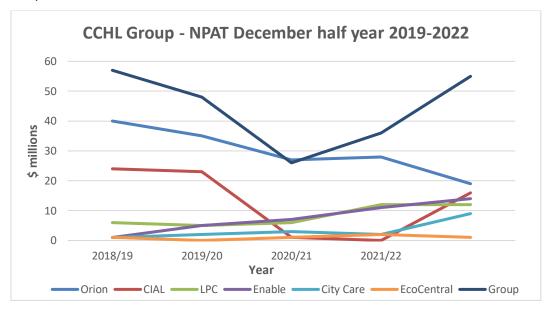
## 3. Brief Summary

#### **Interim Report**

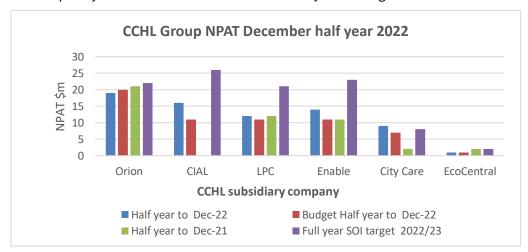
- 3.1 CCHL's Interim Report for the six months ending 31 December 2022 was issued to the NZX on 28 February and is at **Attachment A.** It presents the group's half year financial outturn in comparison with the same period in the prior year (2021). Refer to page 44 of the Interim Report for a break-down of financial performance by subsidiary.
- 3.2 The group's performance for the half year has been a marked improvement over the prior year. The prior half year had been subject to a two week nationwide lockdown and extended level 3 and 4 restrictions in Auckland and surrounding areas from August to December. However, the group's profitability reflects, among other things a quicker return to pre-COVID-19 levels of business driven mostly by CIAL, Enable and City Care.



3.3 The following graph shows the profitability trend since pre-COVID-19 (note that financial profitability is only one component of CCHL's returns). Note that Orion's returns are for nine months, all others are six months.



- 3.4 The turndown in Orion's profitability is the impact that the default-price-quality regulation has had on its ability to profit.
- 3.5 The following table shows each subsidiary's profitability against its six month target, the same period in the prior year and the full SOI forecast for the year ending 30 June 2023:



- 3.6 The Interim Report notes that the group has, over the half year faced the challenges of rising interest rates, inflationary pressures, and resourcing constraints. Nevertheless, in aggregate it has achieved profitability that is 16.4% ahead of the half year budgets, almost 70% of the full year SOI targets and almost 50% ahead of the prior half year.
- 3.7 **Against SOI targets** profitability exceeds what were reasonably conservative forecasts due to uncertainty of future impacts of COVID-19 on the group's activities.
- 3.8 CIAL, Enable and City Care have achieved the greatest increases in profit against SOI targets CIAL from swifter recovery of passenger numbers to near pre-pandemic levels in the case of domestic travel, Enable from increased customer connections and the ongoing benefits of strong cost control generated to help manage potential COVID-19 impacts back in 2020/21 and City Care from overhead efficiencies and the acquisition of the Spencer Henshaw group finalised in September last year.



3.9 In the same period in the prior year (July-December 2021) performance has improved for the same reasons as against budget, but also including the impact of the COVID-19 restrictions that occurred in the prior period. These were two weeks of nationwide level 4 lockdown and ongoing level 3 and 4 restrictions affecting Auckland and surrounds through to December. This had the greatest detrimental impact on CIAL and City Care (which generates around one third of its revenue in Auckland) as can be seen by the green bars in the above chart. Enable has continued to grow its connections annually to almost 147,000 (at 30 June 2022 143,300).

#### **Dividends**

3.10 CCHL advises that there is no change in its forecast dividend payment to the Council for 2022/23 of \$32.4 million. All CCHL subsidiaries (other than City Care) are projecting payment of dividends to shareholders (including minority shareholders) to be in line with SOI targets totalling \$85 million. As part of its agreement with CCHL for the Spencer Henshaw acquisition, City Care is not required to make a distribution this year (its target for which had been \$4.1 million). This does not affect the quantum of dividend that CCHL will pay to the Council.

#### **Balance Sheet**

3.11 Total assets are valued at \$5.4 billion, an increase of \$180 million over 30 June 2022 year-end. This was largely due to ongoing infrastructure and property investment across the group.

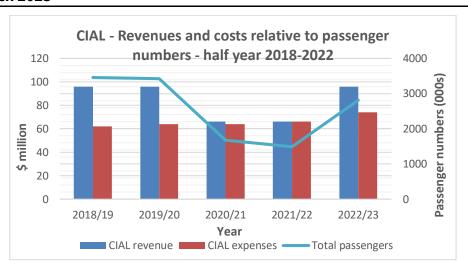
#### CCHL group - quarter 2 'traffic lights' performance report

- 3.12 CCHL's Quarter 2 'traffic lights' performance report against Statement of Intent (SOI) targets for the quarter 1 October to 31 December 2022 is at **Attachment B**.
- 3.13 The Quarter 2 performance report indicates several areas across the group where performance against full year SOI targets has become uncertain. Explanations are provided in the report. Of most note are:
  - Lyttelton Port's target of conducting a bio-diesel trial in its plant is no longer achievable
    and it is instead looking to electrification for long-term emissions reduction. This will
    not impact LPC's timeline by which it expects to become net neutral in emissions.
  - Enable has a target of no more than three total recordable injuries and no serious harm injuries. This financial year so far there have been two, but these have been minor.

#### **Christchurch International Airport Ltd**

- 3.14 CIAL also released its Interim Report to the NZX on 28 February. It is at **Attachment C**. As noted above, CIAL's financial performance largely rests with the quicker than expected return to almost pre-COVID-19 levels of air travel, particularly in the domestic market. The financial return is characterised by a 50% increase in operating revenue and an accompanying 10% increase in operating costs. Of the \$7.7 million increase in expenses, \$3 million is financing and interest costs, with the remainder direct operating costs.
- 3.15 The following chart shows how little expenditure changes as passenger numbers change, (within at least current broad demand and supply levels):





## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 😃 🛣	Christchurch City Holdings Ltd Interim Report and financial Statements for the half year 1 July-31 December 2022	23/315484	236
B J. Idabi	Christchurch City Holdings Ltd Quarter 2, 2022/23 Traffic Lights Report	23/315438	296
C T	Christchurch International Airport Ltd Interim Report for the half year 1 July-31 December 2022	23/315457	309

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

Document Name – Location / File Link	
Not applicable	

## Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

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

## Finance and Performance Committee 22 March 2023



## Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Russell Holden - Head of Finance
	Leah Scales - General Manager Resources/Chief Financial Officer

















## **CHAIR'S REPORT**

As we reach the mid-way point of the 2023 Financial Year, the focus of the Group is very much on looking forward. Many of the challenges of the post-COVID environment, including inflation and supply chain disruption, remain stubbornly persistent. Falling business confidence and slowing economic growth also signal further pressures, which will once again test the combined and diversified strength of the Group.

But there's also cause for optimism as we look to the longer term. As our city re-engages with the world, there is a growing sense that the region is returning to some semblance of pre-pandemic activity. Throughout the summer, Ōtautahi Christchurch has been buzzing with visitors, as cruise ships return to Lyttelton and international passengers begin to arrive in numbers at Christchurch Airport. The return of major events to the city, like the Sail GP event which will take place in March, also show the region is ready to shrug off the restrictions of COVID.

As well as the activities our subsidiaries are supporting, there's also a strong focus on the future across the whole Group. As a Board, we were extremely pleased that Council was able to accept the Strategic Review at the end of last year, and direct CCHL to undertake a thorough assessment of our portfolio of assets and how best it can be managed in the future. The aim of this process is to ensure we are not only providing the best possible returns to our community, but to also establish a framework for the organisation that can respond to the challenges and opportunities of future decades. The public will also have the opportunity to share their views on any proposed outcomes from the review, which Council has confirmed will be considered as part of the next Long Term Plan.

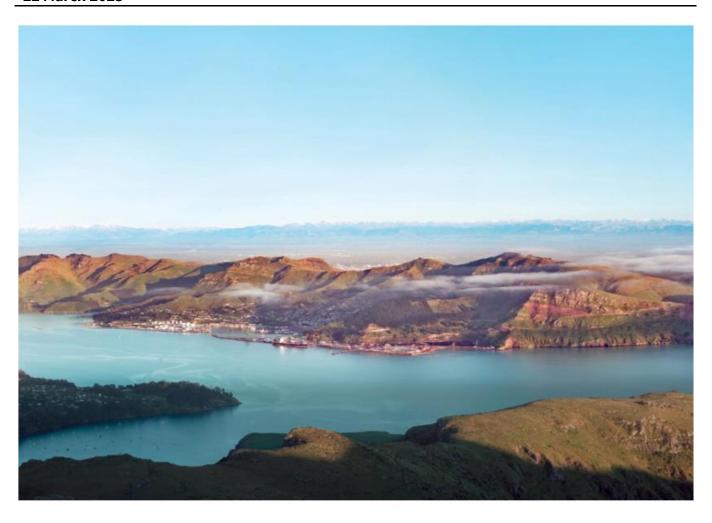
The review also reinforced the importance of communication across the Group, with the Council and our broader community. This is something we expect to build on over the coming months.

Looking ahead, we're also seeing members of the Group continuing to show leadership and innovation. From the international recognition of the knowledge and experience Christchurch Airport has developed to tackle climate change, to EcoCentral's development of resources ready for changing global demand, to Orion's future energy strategy, Lyttelton Port Company's (LPC) investments in expanded container capacity and Citycare's increased focus on social housing support, across the Group our organisations are preparing to play a vital role in managing some of the biggest global and local issues.

Although 2022 involved some organisational challenges for CCHL, that experience emphasised our governance procedures and systems performed as they should. Our dedicated team did an admirable job of maintaining both business-as-usual and the momentum of key projects. And on a personal note, I'd like to also thank Paul Silk for stepping into the role of Acting CEO at short notice.

4 CCHL Interim Report 2023





As we head into the year, the Council will be making key appointments to help support the future of CCHL. These will include the appointment of a chairperson and new board members before the Board commences the process of selecting a permanent chief executive. These appointments will reflect the considerations undertaken in the Strategic Review, while also complementing the professional expertise the Board has available. As the new Board is established, I would also like to pay tribute to former Chair Jeremy Smith and Councillor Directors Mayor Lianne Dalziel, James Gough and Andrew Turner, who left the Board during the reporting period, for their services to the organisation over a number of years.

Overall, it is an exciting time for the organisation. Although there may be headwinds forecast for the economy, I believe over the last decade CCHL has repeatedly demonstrated the real strengths of its diversified model and prudent, independent approach. As we look forward, these strengths should only be enhanced by the eventual outcome of the review process, and through that, the opportunities to engage more widely with our community.

As we go to print, our thoughts are with all those affected by Cyclone Gabrielle, as well as those still dealing with the impacts of the Auckland Anniversary Weekend floods. I have been particularly proud of the way the Group has moved quickly to support communities in need. This has included Orion working with NEMA, the Defence Force and local power companies to provide key staff, vehicles and equipment - including generators - to some of the most affected areas, the Airport managing additional passengers and providing support for those stranded overnight, and Citycare Water tackling some of the major water management issues. We will continue to assist with the immediate needs of affected communities as we also focus as a Group on the challenges of a changing climate.

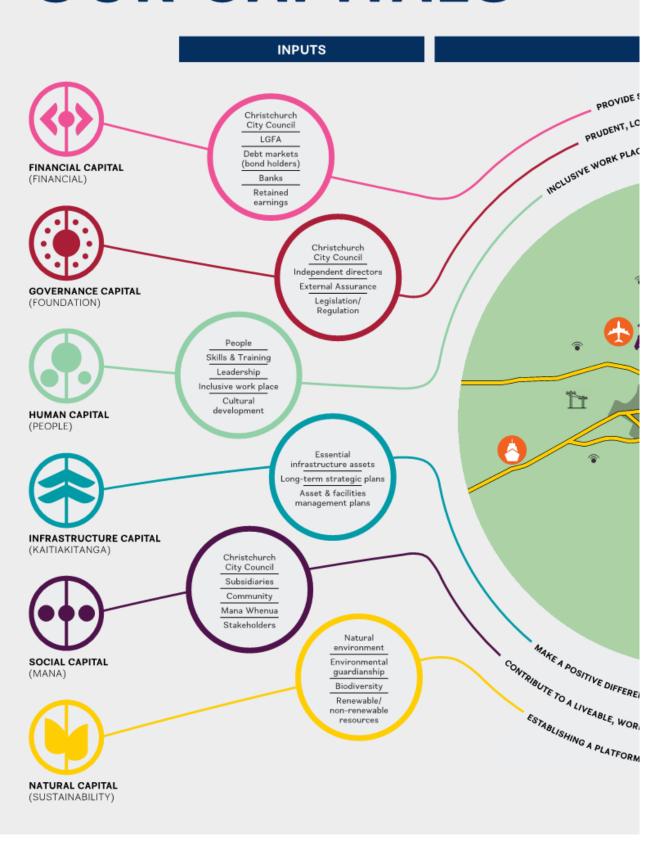
## ALEX SKINNER

Interim Chair

CCHL Interim Report 2023 5

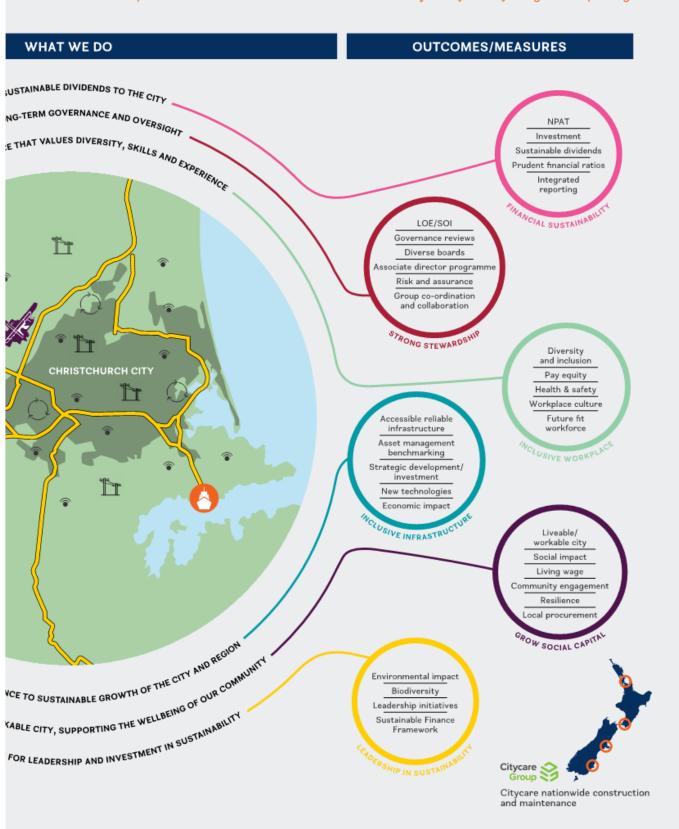


## **OUR CAPITALS**

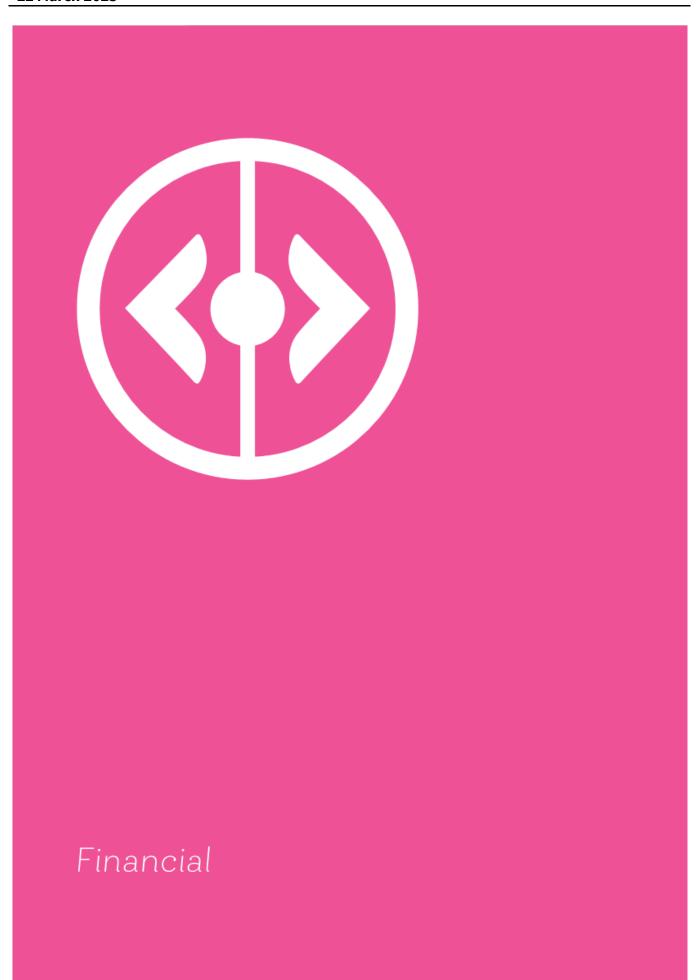




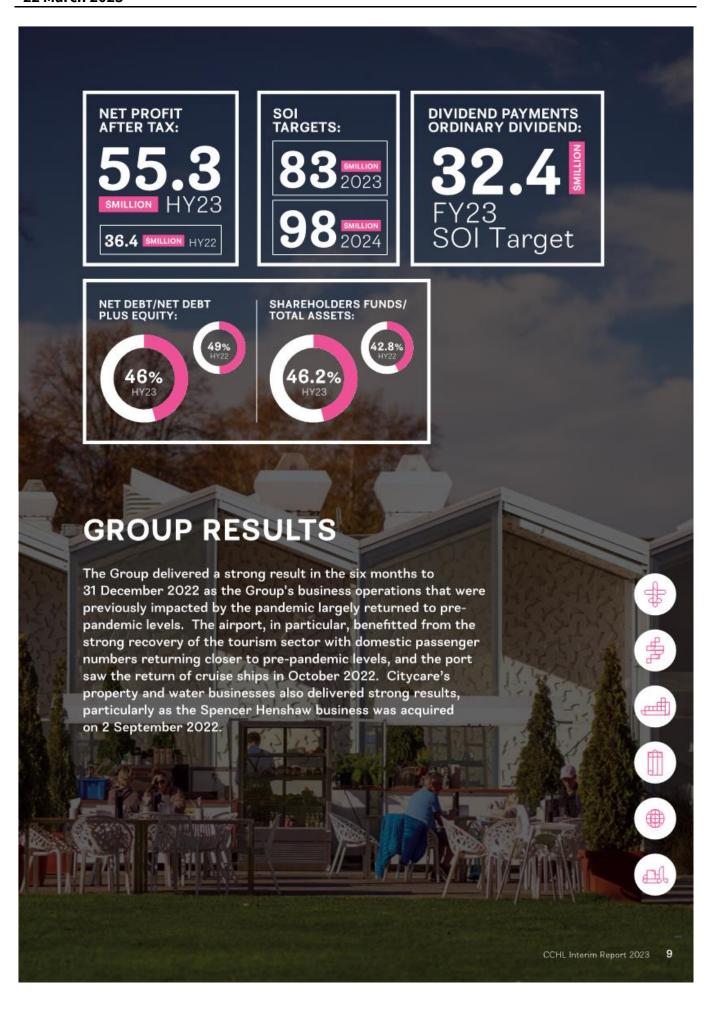
Conceptual framework which is intended to inform our journey to fully integrated reporting.













## GROUP RESULTS

The Group recorded a net profit for the six months ended 31 December 2022 of \$55.3 million, compared with \$36.4 million in the equivalent period last year, an increase of \$18.9 million or 52%. Total operating revenue for the Group for the six month period was \$697 million compared to \$521 million for the same period last year, an increase of \$176 million or 34%. The increased Group operating revenue and net profit were mainly driven by the airport's post-pandemic recovery and Citycare's property and water businesses along with a gain on sale of the Springs Road property.

CIAL delivered a \$29.8 million or 45% increase in operating revenue and a \$16.0 million net profit compared to a break even position in the same period last year, a very strong result given increased operating and interest costs impacting the entire Group. Citycare also delivered a strong result with a \$123.6 million or 86% increase in operating revenue and a \$7.6 million increase in net profit, 4.8 times the prior comparative period.

Orion, LPC, Enable and EcoCentral continued to provide solid results despite the challenges of rising interest rates, inflationary pressures, and resourcing constraints affecting the entire Group. Operating revenue at Orion, LPC and Enable increased by \$12.9 million or 8%, \$8.1 million or 10%, and \$6.0 million or 13% respectively however Orion's net profit dropped by \$5.4 million or 26% due to upwards cost pressures. Under the Commerce Commission's Default Price Path, Orion is able to recover CPI (Consumer Price Index) adjusted revenue relating to these higher costs in future years.

#### Group assets increased to \$5.4 billion from \$5.0 billion, mainly due to the:

- ongoing capital programmes at Orion and LPC;
- · continued investment in the property development programme at CIAL; and
- valuation uplifts on Orion's network assets and CIAL's investment property portfolio at last year end.

Consequently, overall Group net assets have increased to \$2.5 billion from \$2.1 billion.

## PARENT RESULTS

The Parent recorded a net profit for the six months ended 31 December 2022 of \$33.3 million, compared with \$29.2 million in the equivalent period last year. Total operating revenue for the Parent for the six month period was \$46.1 million compared to \$41.4 million for the same period last year.

The increased Parent operating revenue and net profit were mainly driven by dividends received from EcoCentral and CIAL during the period whereas no dividends were received from these subsidiaries during the same period last year.

#### Parent assets increased to \$4.0 billion from \$3.8 billion, mainly driven by:

- · the valuation uplift on the Parent's investments in Orion and CIAL at last year end;
- \$56 million on-lending to Citycare for its Spencer Henshaw acquisition; and
- \$50 million on-lending to Orion to replace existing bank funding.

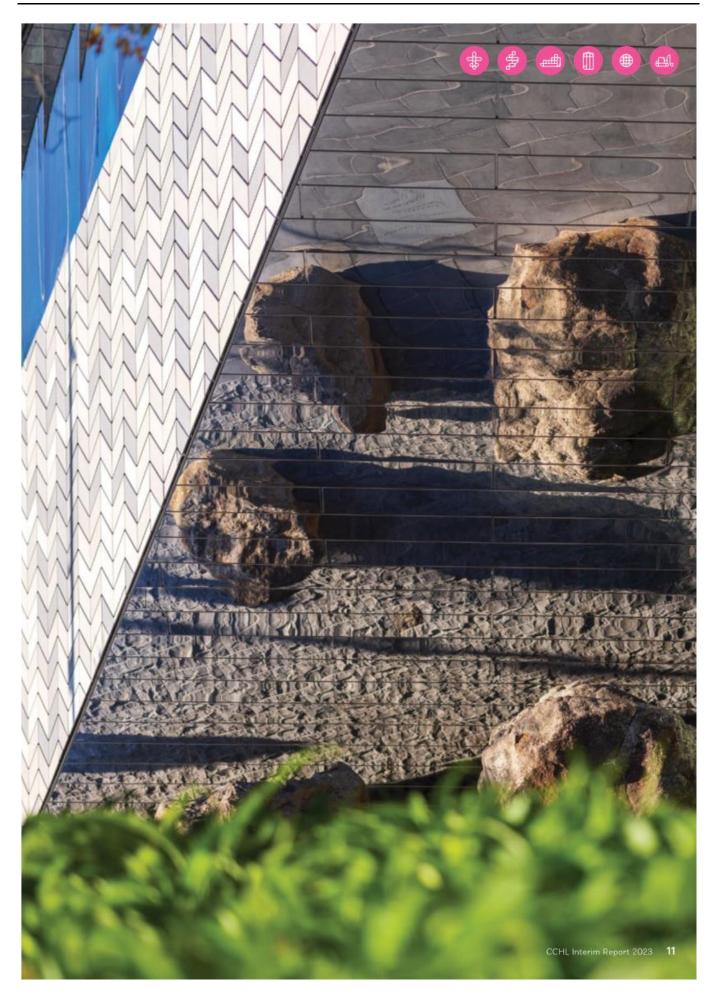
As a result, Parent net assets have increased to \$2.7 billion from \$2.5 billion.

## PARENT DIVIDENDS

Dividends of \$45.8 million were received during the period from Orion (\$28.6 million), LPC (\$6.6 million), Enable (\$6.0 million), EcoCentral (\$2.5 million), and CIAL (\$2.1 million). 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 \$32.4m.

10 CCHL Interim Report 2023





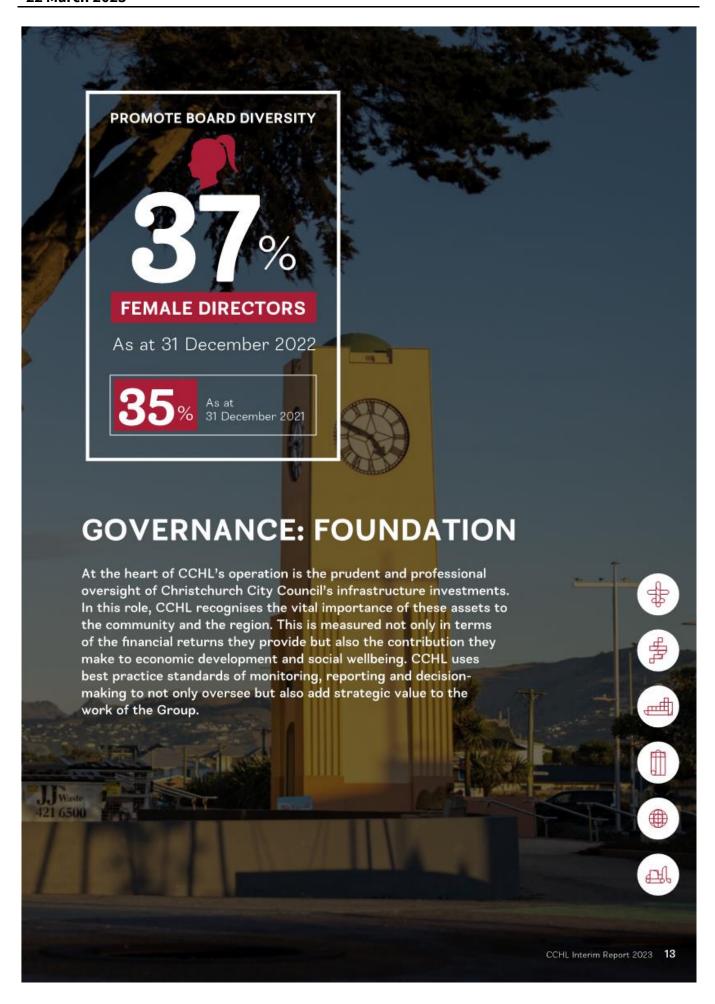




# GOVERNANCE CAPITAL

Foundation







## STRATEGIC REVIEW

After almost three decades since CCHL was established, in 2021 Christchurch City Council determined that it was timely to review whether our purpose and strategic objectives were still appropriate, given the current and future challenges the city and region are facing.

Released to the public in early December 2022, the strategic review found CCHL is a "significantly under-utilised asset of the Council and city ratepayers" and that "significant value could be added by taking a more active approach to asset management."

#### The report by Northington Partners recommended Councillors approve key pieces of work to achieve this:

- Council develop a clear value strategy in relation to building and utilising income or value from CCHL, and
- that CCHL be requested to scope and develop detailed business cases which fully consider the costs and benefits of adopting a more active approach to managing the portfolio, including rebalancing and returning capital to Council.

The report to Council also recommended several other operational improvements in relation to improving the relationship and engagement with Council/CCHL and its subsidiaries whilst maintaining its core purpose of providing an independent non-political buffer between the Council and its commercial companies.

Council voted to receive the report on 7 December 2022 and investigate a shift from a passive to active management approach.

This work will take up to 12 months and be considered as part of the next Long Term Plan 2024-34, where the community will be able to provide their input into any potential outcomes.

## BOARD APPOINTMENTS

In accepting recommendations from the strategic review, Council also acknowledged the recruitment of the Board of Directors and Executive of CCHL would need to consider the experience and skill set required to support the development, evaluation and implementation of the new strategy. In doing so it also resolved that the number of Councillor directors of CCHL be reduced from four to two, while providing for up to six independent directors, including the Chair.

An appointments committee has been established to undertake the appointment process for the two Councillor directors, a new CCHL Chair and up to four independent directors. The Councillor director appointments were confirmed on 1 February 2023, with the Chair to be appointed in early March, and the independent directors due to be appointed by April 2023.

## INTEGRATED REPORTING

Like CCHL, other members of the Group are on the integrated reporting journey. Ultimately this approach will enable the whole Group to provide a more comprehensive view of the impacts of our activities, and the benefits they bring to our community.

In September 2022, LPC released its first full report under the integrated reporting framework. It also added a new pillar to the organisation's Leading the Way strategy, Manākitanga (hospitality) and Kaitiakitanga (guardianship), which reflects the Port's commitment to positively impacting the local community and protecting the natural environment.

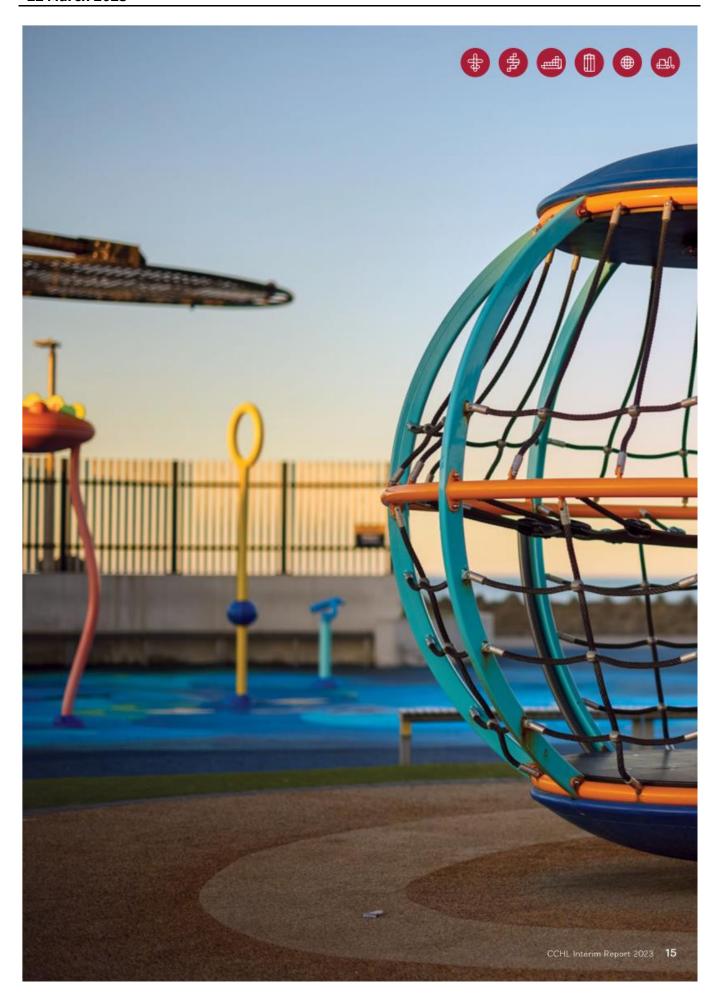
### DEVELOPING TALENT

For our fifth bi-annual Associate Director Programme, CCHL has made nine new appointments to boards within the CCHL group of companies or entities within the wider CCC family. Participants are assigned as an Associate Director for an 18-month term.

The Associate Director Programme was implemented to enhance the governance capability of senior leaders and offer emerging directors the opportunity to accelerate their boardroom experience. The latest appointments bring the number of people who have been through the programme to 41.

14 CCHL Interim Report 2023





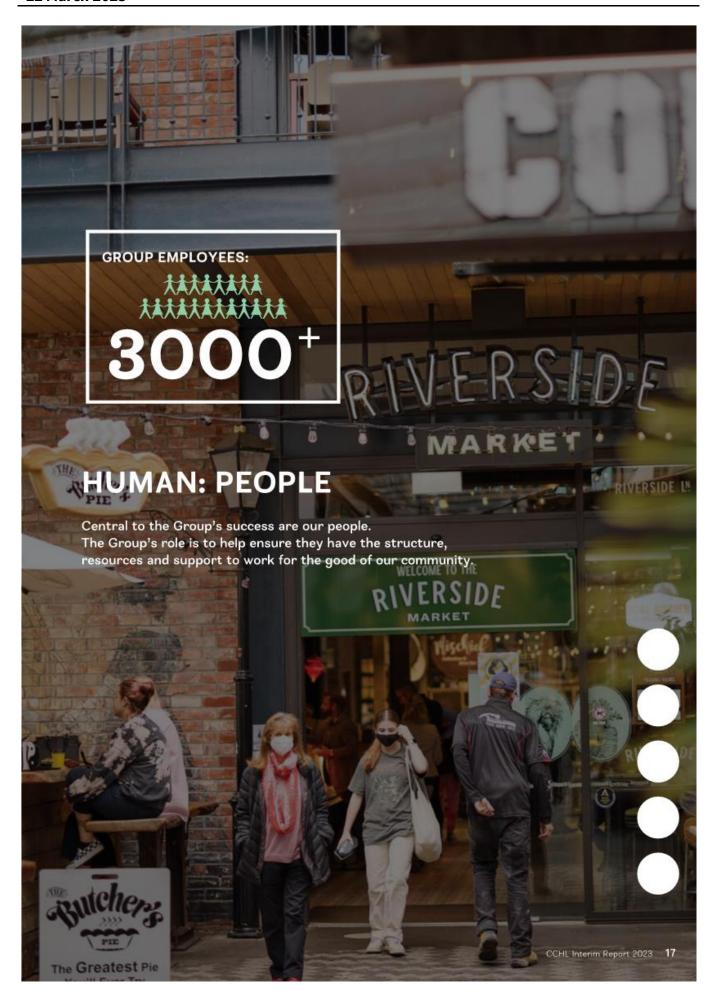




# HUMAN CAPITAL

People





Page 253



#### ATTRACTING AND RETAINING TALENT

The CCHL Group and the boards and management teams of its subsidiaries continue to focus on attracting and retaining the best talent at every level of the organisation.

After an extensive local and international search, the Board of Christchurch International Airport appointed Justin Watson as Chief Executive. Justin took over the role on 1 January and previously was the airport's Chief Aeronautical and Commercial Officer. Justin's wide commercial experience included working for Tourism New Zealand to market New Zealand on the global stage.

EcoCentral has also strengthened its management capabilities this year with the establishment of a People, Capability and Safety Manager as well as a Commercial Manager.

Citycare Water's commitment to developing high-performing talent has gone from strength to strength in 2022 with help from training partner, Connexis. By the end of 2022, over 100 active trainees from across the country were undertaking water infrastructure qualifications, 70 of whom were completing Level 4 or above apprenticeship qualifications. This reflects a significant uptake in what has fast become a successful training programme.

#### SUPPORTING INCLUSION

Our approach as a group to encouraging diversity includes a focus on providing equal opportunities for people to develop their careers through every stage of their lives.

Enable is now topping-up primary caregivers' paid parental leave payments to 100% for the first 26 weeks of their parental leave, while Orion is providing additional benefits to primary carers and partners, as well as flexible return to work support, including transition coaching, so employees can focus on what's most important as they expand their whānau.

#### WORKING TOGETHER

Working together across CCHL has magnified the strengths of the Group. It is also enabling individual subsidiaries to draw on the broad range of resources and experience across the organisation.

Since 2020, CCHL has been using a shared human capital platform (Te Whāriki). Te Whāriki allows us to utilise the scale and diversity of the Group to create an ecosystem that supports information sharing, mentoring and collaboration, transforming the way we work and developing the human capabilities needed for the future.

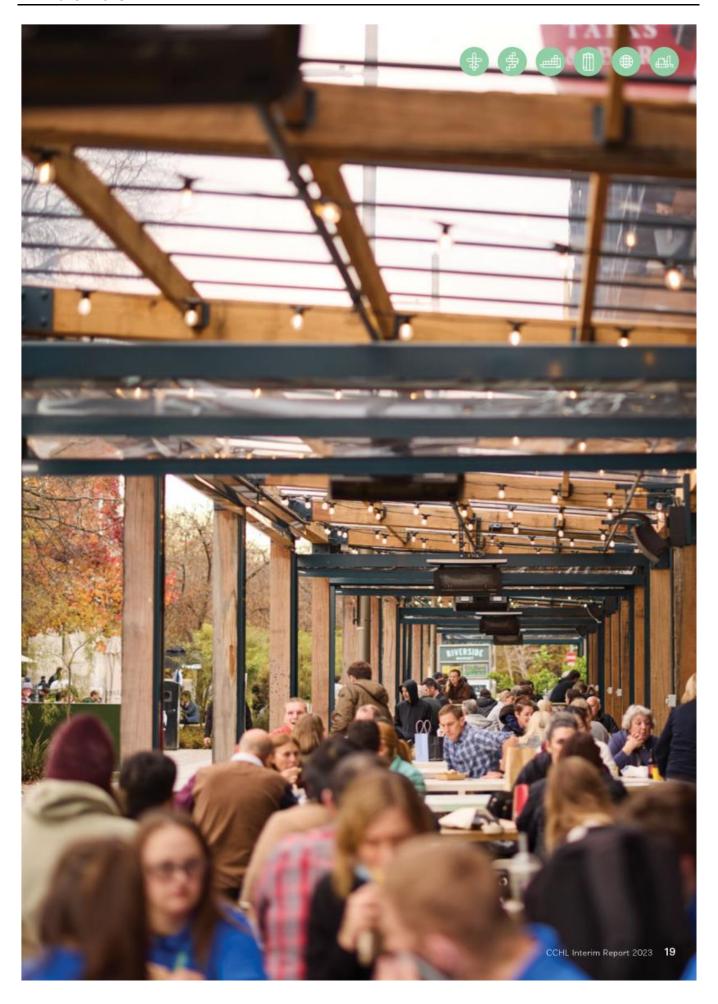
Te Whāriki has been providing a strong sense of connection across CCHL and its supporting organisations. In total, the Group has over 1300 Te Whāriki users (including Council staff who joined the platform in 2022) – up 300 over the same period last year – with 900 people using the platform each month. Increasing levels of engagement also point to the growing success of the platform. For the six months to December 2023, Te Whāriki has seen an 80% increase in enquiries, a 90% increase in mentoring activity and an 87% lift in cross-organisation collaboration.

#### OPERATING SAFELY

Another key focus for the Group is maintaining and protecting safe and supportive working environments. LPC has made a number of significant health and safety improvements since launching its Safety Reset in July 2022. This has included rolling out the port's Life-Saving Commitments, Critical Control Verification Audits and a new Permit to Work system.

Item No.: 14





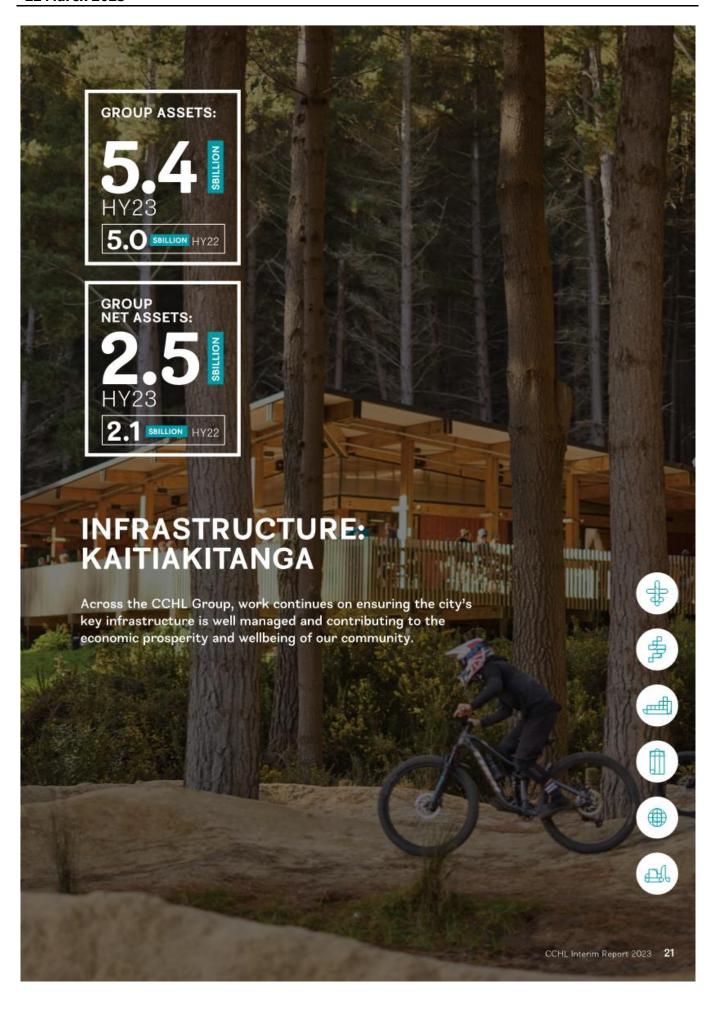




# INFRASTRUCTURE CAPITAL

Kaitiakitanga







#### REACHING INTERNATIONAL MARKETS

With the end of COVID-19 restrictions, Christchurch and Canterbury have been re-engaging with the world. Tourism forms an important part of the region's economy, and both Christchurch Airport and LPC have a vital part to play in supporting the sector's long-term growth.

In October, cruise vessels returned to Lyttelton for the first time since the beginning of the COVID-19 pandemic. The opening of LPC's new, one-of-a-kind cruise berth also marked the first time that large vessels have been here since the Canterbury earthquakes.

Despite ongoing disruptions caused by the pandemic, international trade is also increasing. The Group takes a long-term view of the opportunities for local businesses that engage with international export markets, and continues to invest in infrastructure that supports its development.

LPC is now more than halfway through its eastern development programme to expand the Lyttelton container terminal, which will boost capacity from 500,000 to 620,000 TEUs per year. LPC will also add a new container yard, four new reefer towers, new truck receival and dispatch lanes, and a new straddle workshop. LPC also completed the major upgrades to its Dry Dock facilities – the only civilian dry dock in New Zealand – including electrical network upgrades, improved lighting and new crew and contractor amenities.

Christchurch Airport is also seeing a boost in air cargo services. During January, China Airlines scheduled eight dedicated B777F freight aircraft between Taipei and Christchurch to take high value exports, including live lobsters, live oysters, chilled salmon and fresh cherries, into Asian markets. Air New Zealand is also operating five 787 passenger aircraft out of Christchurch as freight-only flights to the United States and Asian markets each week until the end of March.

#### MAINTAINING KEY SERVICES

Many of the services managed by the Group are essential to the city, providing vital resources for our community.

In August, Orion and Transpower commenced building a new \$58m Grid Exit Point (GXP) to meet record growth in Central Canterbury's electricity demand. It is the largest single network investment project in Orion's 10 year plan. The new Norwood GXP will increase Orion's capacity to draw down power from the national grid by 200MW, or 25 per cent. Maintaining network reliability and resilience are also key factors driving the build. The new GXP is expected to be commissioned by November 2023.

The Colombo Moorhouse utility underpass is one of many hidden assets in Christchurch that Citycare Water maintains. Built in the 1950s, this one-of-a-kind tunnel carries the trunk main 450-millimetre water pipes in the city network, plus telecommunications and broadband fibre cables, electricity and a decommissioned gas line. Maintaining this unique asset requires a complex safety system, which includes abseiling harnesses, radio telecommunications, a spotter and a control person, and gas monitoring. In 2023 the underpass will be upgraded with a new water main to replace the aged cast iron pipes alongside the removal of the redundant gas main.

#### ENHANCING LIVEABILITY

The Group's approach to its infrastructure network also includes enhancing the liveability of the city, and the opportunities for global participation through technology.

Enable is bringing the thrills and excitement of March's SailGP event on Te Whakaraupö/Lyttelton Harbour right into the heart of the Ōtautahi city centre as the presenting partner of the New Zealand Sail Grand Prix live site - an action-packed fan zone.

Enable's ultra-fast, super reliable network will be vital to daily operations for the event itself, with connections on its world leading fibre service providing the critical infrastructure needed to transmit racing data from hydro-foiling catamarans to athletes and coaching staff, while also connecting teams working across on-land and on-water operations centres. Outside of the event village, Enable will help to bring the city to life with activations and entertainment at the New Zealand Sail Grand Prix live site – a free fan zone located in the grassy area in front of Te Pae.

22 CCHL Interim Report 2023













#### RESPONDING TO CHANGE

In response to the impacts of the pandemic and growth in demand across the region, the Group is focused on reflecting changes in both local and international trade.

To meet the exacting standards of the international market, EcoCentral's Materials Recycling facility upgrade commenced in April 2022. The upgrade saw the installation of 8 Optical Sorters, Larger Eddy Current Separator, and an additional Ballistic Screen (to complement the one installed in 2019). The installation has seen a huge increase in the quality of material being produced in the plant with very high-grade single separation of plastics and paper products being sorted to the international standard (0.5% contamination).

Providing three waters solutions that meet the needs of small and rural communities that are further away from our urban clusters requires a genuine and long-term engagement with the community. Creating solutions that are accessible and sustainable is the job of Citycare Water's Small Waters team. This group excel at delivering bespoke solutions, including developing and maintaining rainwater and bore-water-based systems to ensure access to potable water and to meet the irrigation needs of these small and rural communities.



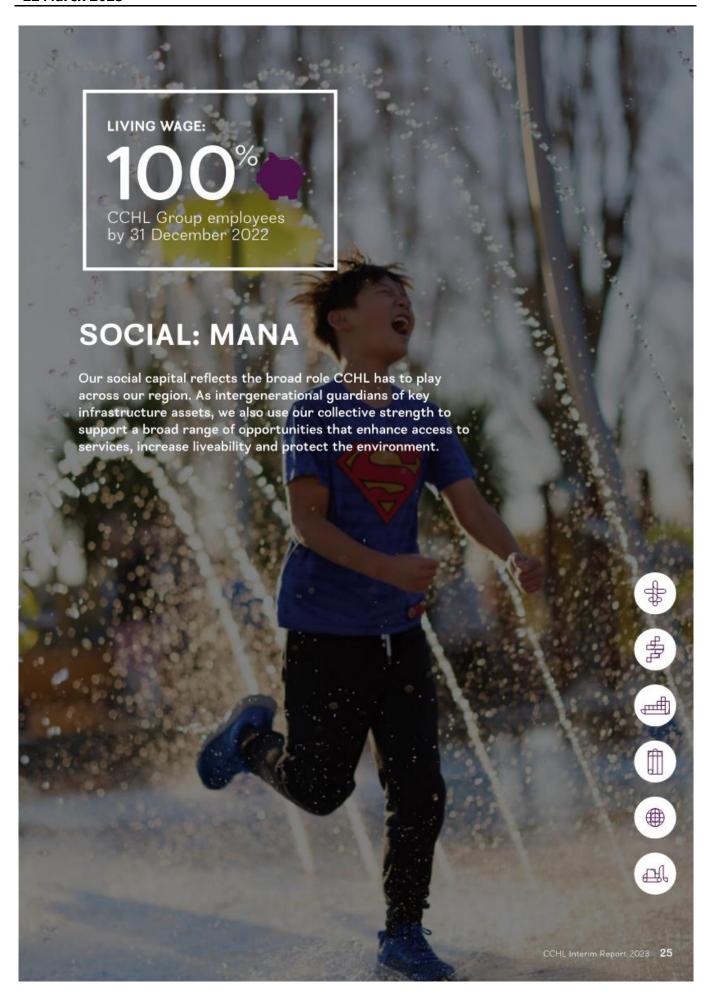




# SOCIAL CAPITAL

Mana





Page 261



#### TARGETED SUPPORT

For our most vulnerable, we are able to make differences - large and small - that help make our region a more welcoming and inclusive place.

Airports can be busy and confusing places, but for people with hidden disabilities they can be simply overwhelming. In October 2022, Christchurch Airport joined the Sunflower Lanyard scheme, a programme for people who would like a little more assistance without having to ask for it. The airport is offering free lanyards for people with a non-visible disability to indicate the wearer would like additional support, assistance or a little more time.

#### SOCIAL CONTRIBUTIONS

Across the Group, our people are also engaged with a variety of local initiatives and activities that benefit from not only additional support but also the skills and experience of our team.

The EcoShop leads the reuse function within EcoCentral and has also provided support for a number of social enterprise and support agencies. EcoShop has provided a large number of care packages of furniture and household appliances to help support people live with dignity.

In 2022, Citycare Water's support of the Tread Lightly Drain Game enabled more than 3,205 students to learn how their daily actions and lifestyle choices have an impact on the world they live in. A mobile environmental classroom which visits primary and intermediate schools in the Auckland region, the Tread Lightly Drain Game explores the difference between the stormwater and wastewater systems, where the different drains lead to, and the effects that pollutants, contaminants and rubbish entering the different systems have on freshwater and marine environments.

The airport is also currently processing applications for the latest round of its Community Fund. The Community Fund is a combination of Christchurch Airport's financial contribution and donations collected in wishing wells around the airport. The Fund supports projects that demonstrate a focus on sustainability, safety and wellbeing, and innovation. Community Funds are gifted twice a year, and applications for the current round close on 31 March.

Orion, LPC and EcoCentral celebrated the next generation of leaders in our region by sponsoring the GirlBoss Awards. Focused on recognising young women creating change in their communities, Orion sponsored the science, technology, engineering and mathematics (STEM) award and LPC and EcoCentral the volunteering category.

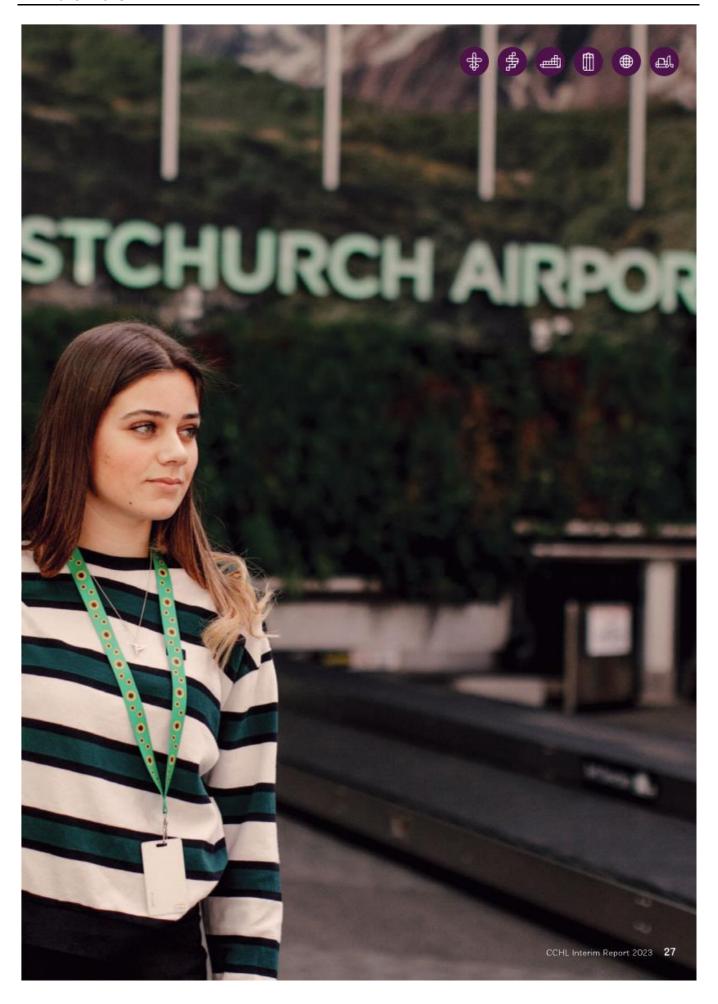
#### MAXIMISING RESOURCES

The Group is also finding ways to utilise our resources to support the community in unique ways. Enable, has partnered with a local children's gardening group to plant and grow flower gardens on an empty site on a residential street that houses one of their Central Offices (CO's) in Christchurch East.

Citycare Property's Structures and Landscape team also donated their time, equipment, and volunteer hours to prepare the chosen site for construction of the Mairehau Community Garden in St Albans. Citycare Property has also provided support and assistance to community garden projects in New Brighton, Avondale and Riccarton.

Item No.: 14









# NATURAL CAPITAL

Sustainability







#### INTERNATIONAL MODEL

A good example of climate change leadership is not only being recognised locally, but also internationally. Although 18,500 kilometres apart, Christchurch and Hamburg Airports have recently signed a partnership to work on infrastructure for the use of green hydrogen in aviation. The two airports are sharing their knowledge and working together towards the goal of achieving complete elimination of carbon dioxide emissions, and actively preparing for and promoting the future use of green hydrogen as an emission-free energy carrier in aviation.

Hamburg Airport CEO Michael Eggenschwiler says Christchurch Airport is widely considered a global leader in the transition of airports and aviation to a lower carbon future.

#### SUPPORTING GOOD CHOICES

Closer to home, EcoCentral is also making it easier for Cantabrians to make good choices with their unwanted items. This year EcoCentral has continued its Battery Return Scheme at the Resource Recovery Centre (RRC) and also partnered with AgRecovery for a pesticide and weed spray containers take-back, and 5R Glass Recycling to trial colour separated glass recovery. In 2023, in partnership with SaveBoard, EcoCentral will undertake a trial of Tetra-pak container returns at the RRC. The organisation has also extended acceptance of clothing to all three RRCs and expanded the clothing range at the EcoShop.

#### PROTECTING LOCAL ENVIRONMENTS

Reflecting the significance of Te Whakaraupö/Lyttelton Harbour area, LPC is continuing to demonstrate its commitment to acting as a guardian of the local environment, in partnership with the local community.

LPC partnered with Kaikōura Ocean Research Institute to complete its annual penguin survey to identify existing and new penguin nesting sites. Nesting season is a particularly vulnerable time for the White-flippered Penguin/Kororā, which is found only in Canterbury. LPC's Environment team works hard to protect them against predators and keep Port activities away from their nesting sites. The organisation also launched its predator control work around the Port with pest traps now installed in the Battery Point area.

Spanning 54 hectares, the Waimakariri Upstream Berm Transition Project is a three-year, native restoration and enhancement project Citycare Property is currently undertaking on behalf of Environment Canterbury (ECan). The project is designed to improve biodiversity within the catchment area through a staged programme of pest weed control, access clearing and planting of more than 12,000 native plants – with the objective of retaining, supplementing and increasing the existing native plant population.

Orion has signed a 35-year native forestry carbon sharing agreement with Wairewa Rünunga based near Little River. The agreement is to recloak and restore around 280 hectares of native forest over the next 10 years. Orion will plant over 350,000 trees and the forest will sequester around 75,000 tonnes of carbon dioxide. While the partnership is primarily driven by carbon sequestration, there will be many co-benefits such as improved biodiversity, supporting local jobs, helping prevent soil erosion and improving the water quality flowing into the beaches of Tumbledown Bay and Magnet Bay.

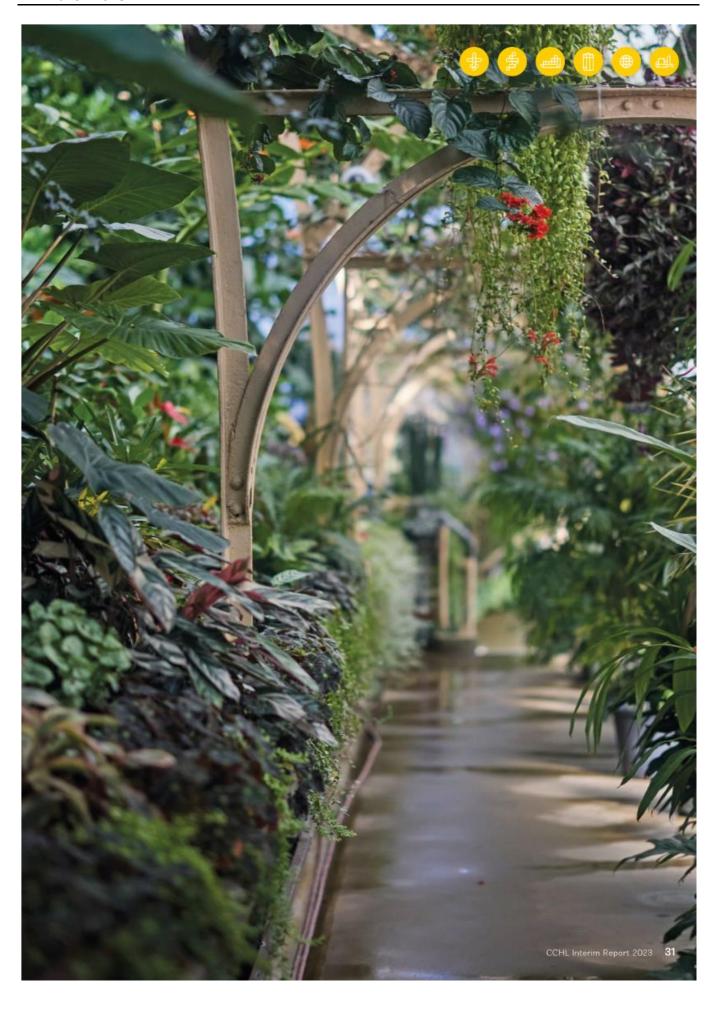
#### **USING GREEN TECH**

Citycare Property's Open Spaces Maintenance (OSM) staff have adapted the use of steam as an environmentally friendly and effective weed control method.

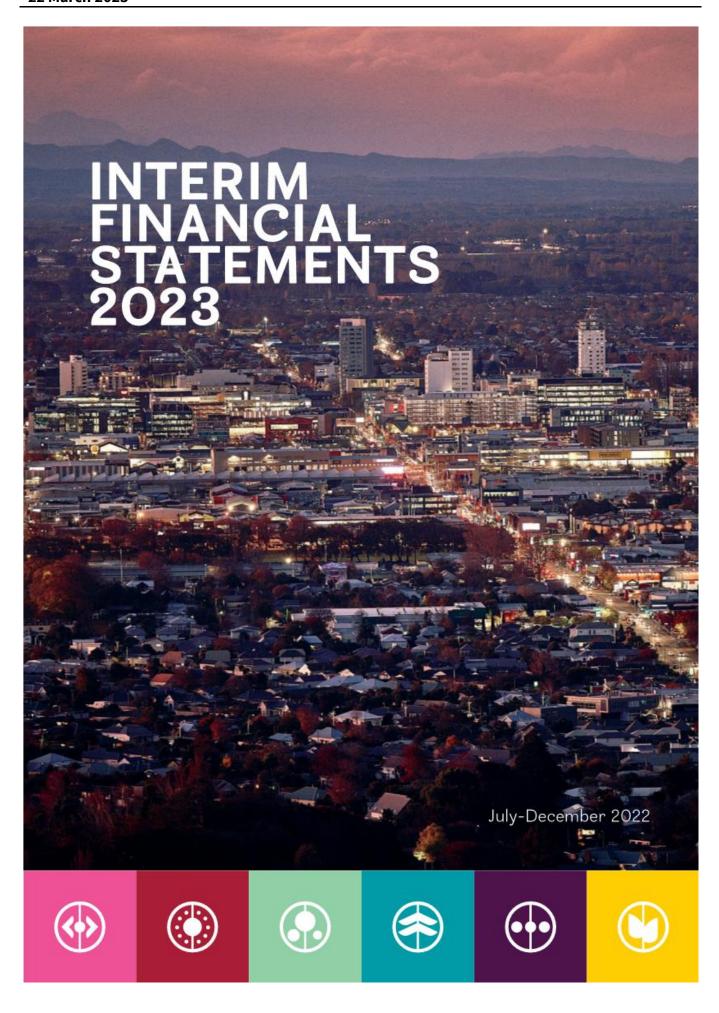
Citycare Property has two specially-equipped thermal weed control trucks – part of the OSM contract for Christchurch City Council – that are used for controlling weeds growing on footpaths and in gutters. As well as being used for thermal weed control, the same equipment can also be used to steam-clean playground equipment and to remove graffiti, giving Citycare Property an array of options when it comes to environmentally friendly measures for maintaining community assets.

30 CCHL Interim Report 2023























# CONTENTS

Gr	oup Structure	3
Di	rectors' Responsibility Statement	3
Сс	ondensed Interim Financial Statements	3
C٥	ndensed interim statement of financial position	3
Со	ndensed interim statement of comprehensive income	3
Со	ndensed interim statement of changes in equity	3
Co	ndensed interim statement of cash flows	3
No	otes to the Condensed Interim Financial Statements	4
	Reporting entity	4
	Basis of preparation	
	Segment information	4
	Revenue	
	Reconciliation of profit to net cash operating flows	4
	Financial instruments	5
	Share capital and dividends	
	Impact of seasonality	5
	Borrowings	5
10	Significant events and transactions	5
11	Related party disclosures	5
12	Events after balance date	5
ln	vestor relations	5
Di	rectory	5



# **GROUP STRUCTURE**



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

34 CCHL Interim Report 2023















#### DIRECTORS' RESPONSIBILITY STATEMENT

# **UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

These interim condensed financial statements are for Christchurch City Holdings Group (Group) and Christchurch City Holdings Limited (Parent). The Group comprises 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 and Parent interim condensed financial statements present fairly in all material respects:

- · the financial position as at 31 December 2022, and
- the financial performance and cash flows for the six month period ended 31 December 2022

The directors consider that the interim condensed financial statements of the Group and Parent 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 and Parent.

The directors have pleasure in presenting the interim condensed financial statements of the Group and Parent for the six months ended 31 December 2022.

The Board of Directors of Christchurch City Holdings Limited authorises these financial statements for issue on 28 February 2023.

For and on behalf of the Board.

Alex Skinner Interim Chair Christchurch 28 February 2023 Mike Rondel Director Christchurch 28 February 2023

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CCHL Interim Report 2023 35



#### CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

		Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
		Group 31 Dec 22	Group 31 Dec 21	Group 30 Jun 22	Parent 31 Dec 22	Parent 31 Dec 21	Parent 30 Jun 22
	Note	\$'000	\$1000	\$'000	\$1000	\$'000	30 Jun 22 \$'000
	11010	\$ 5555	9 000	Ψ000	\$ 655	Ψ 000	9.000
Non-current assets							
Investment in subsidiaries		-	-	-	3,330,543	3,182,411	3,330,543
Property, plant and equipment		4,127,962	3,776,996	4,062,988	196	219	208
Investment property		735,734	671,977	722,763			
Advances to subsidiaries		-	-	-	550,400	444,400	444,400
Loans and other financial assets		111,045	38,114	84,889	49,323	27,389	41,529
Intangible assets Debtors, inventory and other assets		93,440 15,305	25,921 21,840	24,963 13,426	-		
Right of use assets		32,180	36,925	31.049	327	391	361
Finance lease receivable		36,669	38,012	38,290	527	351	301
Total non-current assets		5,152,335	4,609,785	4,978,368	3,930,789	3,654,810	3,817,041
Total Hori-current assets		3,132,333	4,003,703	4,570,500	3,330,703	3,034,010	3,017,041
Current assets							
Cash and cash equivalents		70,442	183,727	64,859	27,600	125,048	9,400
Debtors, inventory and other assets		158,784	121,155	142,957	2,862	1,333	972
Contract assets		37,256	26,412	24,302	-	-	-
Finance lease receivable		2,363	2,233	3,460	-		
Advances to subsidiaries		-	-	-	-	10,000	10,000
Loans and other financial assets		9,323	9,010	19,290	774	-	7,000
Non-current assets held for sale		-	866	10,051	-	-	-
Current tax asset		-	7,500	8,934	-	-	
Total current assets		278,168	350,903	273,853	31,236	136,381	27,372
		270,100	330,303	270,000	01,200	150,501	2.,0.2
Total assets	3	5,430,503	4,960,688	5,252,221	3,962,025	3,791,191	3,844,413
	3				-		
Non-current liabilities	3	5,430,503	4,960,688	5,252,221	3,962,025	3,791,191	3,844,413
					-		3,844,413
Non-current liabilities Borrowings		5,430,503 1,800,985	<b>4,960,688</b> 1,679,919	5,252,221 1,369,601	3,962,025	3,791,191	<b>3,844,413</b> 708,395
Non-current liabilities Borrowings Net deferred tax liabilities		5,430,503 1,800,985 439,182	<b>4,960,688</b> 1,679,919 374,325	5,252,221 1,369,601 429,959	3,962,025	<b>3,791,191</b> 911,938	
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities		5,430,503 1,800,985 439,182 21,858	4,960,688 1,679,919 374,325 29,198	1,369,601 429,959 11,763	3,962,025 856,484	3,791,191 911,938 - 12,210	3,844,413 708,395 - 3,783 381
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities		1,800,985 439,182 21,858 66,429	4,960,688 1,679,919 374,325 29,198 69,159	5,252,221 1,369,601 429,959 11,763 66,248	3,962,025 856,484 - - 282	3,791,191 911,938 - 12,210 409	3,844,413 708,395 - 3,783 381
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities Current liabilities	9	5,430,503 1,800,985 439,182 21,858 66,429 2,328,454	1,679,919 374,325 29,198 69,159 2,152,601	5,252,221 1,369,601 429,959 11,763 66,248 1,877,571	3,962,025 856,484 - 282 856,766	3,791,191 911,938 - 12,210 409 924,557	3,844,413 708,395 - 3,783 381 712,559
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities Current liabilities Borrowings		5,430,503 1,800,985 439,182 21,858 66,429 2,328,454	1,679,919 374,325 29,198 69,159 2,152,601	5,252,221 1,369,601 429,959 11,763 66,248 1,877,571	3,962,025 856,484 - 282 856,766	3,791,191 911,938 - 12,210 409 924,557 329,700	3,844,413 708,395 3,783 381 712,559
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities	9	5,430,503 1,800,985 439,182 21,858 66,429 2,328,454	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925	3,962,025 856,484 - - 282 856,766 351,000 6,210	3,791,191 911,938 12,210 409 924,557 329,700 4,532	3,844,413 708,395 3,783 381 712,559 425,000 5,544
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities Current liabilities Borrowings	9	5,430,503 1,800,985 439,182 21,858 66,429 2,328,454	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080 1,364	5,252,221 1,369,601 429,959 11,763 66,248 1,877,571 759,795 113,925 47,573	3,962,025 856,484 - 282 856,766	3,791,191 911,938 - 12,210 409 924,557 329,700	3,844,413 708,395 3,783 381 712,559
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities	9	5,430,503 1,800,985 439,182 21,858 66,429 2,328,454 407,000 165,839	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925	3,962,025 856,484 - - 282 856,766 351,000 6,210	3,791,191 911,938 12,210 409 924,557 329,700 4,532	3,844,413 708,395 3,783 381 712,559 425,000 5,544
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities	9	5,430,503 1,800,985 439,182 21,858 66,429 2,328,454 407,000 165,839 8,114	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080 1,364 6,937	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891	3,962,025 856,484 - - 282 856,766 351,000 6,210 39	3,791,191 911,938 12,210 409 924,557 329,700 4,532	3,844,413 708,395 3,783 381 712,559 425,000 5,544
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities	9	1,800,985 439,182 21,858 66,429 2,328,454 407,000 165,839 8,114 6,793	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080 1,364 6,937	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891	3,962,025 856,484 - - 282 856,766 351,000 6,210 39	3,791,191 911,938 12,210 409 924,557 329,700 4,532	3,844,413 708,395 3,783 381 712,559 425,000 5,544
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities	9	1,800,985 439,182 21,858 66,429 2,328,454 407,000 165,839 8,114 6,793 3,291	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080 1,364 6,937 9,838	1,369,601 429,959 11,763 66,248 1,877,571 759,795 113,925 47,573 10,891 8,332	3,962,025 856,484 - 282 856,766 351,000 6,210 39 - 67	3,791,191 911,938 12,210 409 924,557 329,700 4,532 82	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Corrent liabilities Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities	9	5,430,503 1,800,985 439,182 21,858 66,429 2,328,454 407,000 165,839 - 8,114 6,793 3,291 591,037	4,960,688 1,679,919 374,325 29,198 69,159 2,152,601 538,700 129,080 1,364 6,937 9,838 - 685,919	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 940,516	3,962,025  856,484	3,791,191 911,938 12,210 409 924,557 329,700 4,532 82 - - - 334,314	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 - 430,631 1,143,190
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total liabilities	9	5,430,503  1,800,985 439,182 21,858 66,429 2,328,454  407,000 165,839 - 8,114 6,793 3,291 591,037 2,919,491	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 940,516 2,818,087	3,962,025  856,484	3,791,191 911,938 12,210 409 924,557 329,700 4,532 82 - - 334,314 1,258,871	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 - 430,631 1,143,190
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total liabilities Total liabilities  Total liabilities Net assets  Equity	9	5,430,503  1,800,985 439,182 21,858 66,429 2,328,454  407,000 165,839 8,114 6,793 3,291 591,037 2,919,491 2,511,012	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520 2,122,168	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 940,516 2,818,087 2,434,134	3,962,025  856,484	3,791,191  911,938  12,210 409  924,557  329,700 4,532 82 334,314  1,258,871 2,532,320	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 430,631 1,143,190 2,701,223
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total current liabilities Total durrent liabilities Total and other equity instruments	9	1,800,985 439,182 21,858 66,429 2,328,454 407,000 165,839  8,114 6,793 3,291 591,037 2,919,491 2,511,012	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520 2,122,168	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 940,516 2,818,087 2,434,134	3,962,025  856,484 - 282  856,766  351,000 6,210 39 - 67 - 357,316  1,214,082 2,747,943	3,791,191  911,938  12,210 409  924,557  329,700 4,532 82 334,314  1,258,871  2,532,320	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 430,631 1,143,190 2,701,223
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total current liabilities  Total liabilities Net assets  Equity Capital and other equity instruments Reserves	9	5,430,503  1,800,985 439,182 21,858 66,429 2,328,454  407,000 165,839 - 8,114 6,793 3,291 591,037 2,919,491 2,511,012	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520 2,122,168	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 - 940,516 2,818,087 2,434,134	3,962,025  856,484 - 282  856,766  351,000 6,210 39 - 67 - 357,316 1,214,082 2,747,943	3,791,191  911,938 - 12,210 409 924,557  329,700 4,532 82 334,314  1,258,871 2,532,320  94,144 2,410,283	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 - 430,631 1,143,190 2,701,223
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total current liabilities  Total abilities  Reserves Retained earnings	9	5,430,503  1,800,985 439,182 21,858 66,429 2,328,454  407,000 165,839 - 8,114 6,793 3,291 591,037 2,919,491 2,511,012	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520 2,122,168	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 - 940,516 2,818,087 2,434,134  94,144 1,023,616 886,738	3,962,025  856,484	3,791,191  911,938 - 12,210 409 924,557  329,700 4,532 82 334,314  1,258,871 2,532,320  94,144 2,410,283 27,893	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 430,631 1,143,190 2,701,223 94,144 2,584,303 22,776
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total current liabilities Total provisions Total liabilities Ret assets  Equity Capital and other equity instruments Reserves Retained earnings Parent entity interest	9	5,430,503  1,800,985 439,182 21,858 66,429 2,328,454  407,000 165,839	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520 2,122,168  94,144 817,186 835,537 1,746,867	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 940,516 2,818,087 2,434,134  94,144 1,023,616 886,738 2,004,498	3,962,025  856,484 - 282  856,766  351,000 6,210 39 - 67 - 357,316 1,214,082 2,747,943	3,791,191  911,938 - 12,210 409 924,557  329,700 4,532 82 334,314  1,258,871 2,532,320  94,144 2,410,283	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 430,631 1,143,190 2,701,223 94,144 2,584,303 22,776
Non-current liabilities Borrowings Net deferred tax liabilities Provisions and other liabilities Lease liabilities Total non-current liabilities  Current liabilities Borrowings Creditors and other liabilities Provisions and other liabilities Contract liabilities Lease liabilities Current tax liabilities Total current liabilities Total current liabilities  Total abilities  Reserves Retained earnings	9	5,430,503  1,800,985 439,182 21,858 66,429 2,328,454  407,000 165,839 - 8,114 6,793 3,291 591,037 2,919,491 2,511,012	4,960,688  1,679,919 374,325 29,198 69,159 2,152,601  538,700 129,080 1,364 6,937 9,838 - 685,919 2,838,520 2,122,168	5,252,221  1,369,601 429,959 11,763 66,248 1,877,571  759,795 113,925 47,573 10,891 8,332 - 940,516 2,818,087 2,434,134  94,144 1,023,616 886,738	3,962,025  856,484	3,791,191  911,938 - 12,210 409 924,557  329,700 4,532 82 334,314  1,258,871 2,532,320  94,144 2,410,283 27,893	3,844,413 708,395 3,783 381 712,559 425,000 5,544 87 430,631 1,143,190 2,701,223

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

36 CCHL Interim Report 2023















#### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited
	6 months	6 months	12 months	6 months	6 months	12 months
				Parent	Parent	Paren
	31 Dec 22	31 Dec 21	30 Jun 22	31 Dec 22	31 Dec 21	30 Jun 22
Note	\$1000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating revenue	696,525	520,610	1,055,651	46,105	41,422	65,588
Other gains	7,003	2,067	59,492	725		158
Total revenue and gains	703,528	522,677	1,115,143	46,830	41,422	65,746
Operating and other expenses	501,601	356,082	745,564	2,060	2,125	4,629
Earnings before interest, tax, depreciation, amortisation and impairment	201,927	166,595	369,579	44,770	39,297	61,117
Depreciation, amortisation and impairment	81,351	77,312	148,364	45	47	92
Earnings before interest and tax	120,576	89,283	221,215	44,725	39,250	61,025
Finance income	3,071	1,383	2,037	11,486	6,656	14,447
Finance costs	43,967	35,562	71,976	22,886	16,719	35,301
Net finance costs	40,896	34,179	69,939	11,400	10,063	20,854
Net profit before tax	79,680	55,104	151,276	33,325	29,187	40,171
Income tax expense	24,426	18,752	30,658			
Profit/(Loss) after tax from continuing operations	55,254	36,352	120,618	33,325	29,187	40,171
Net Profit/(Loss) after tax	55,254	36,352	120,618	33,325	29,187	40,171
Profit for the period attributable to:						
Owners of the parent	49,594	34,151	102,096	33,325	29.187	40,171
Non-controlling interests	5,660	2,201	18,522	-	20,107	40,171
	55,254	36,352	120,618	33,325	29,187	40,171
Other comprehensive income						
Items that will not be recycled to profit/loss:						
Revaluation of assets	(1,183)	741	231,960	-		-
Revaluation of carbon emissions units	-	-	1,035	-	-	-
Items that may be recycled to profit/loss in future:						440.400
Fair value gains on equity investments		40.004	440.000	40.005	40.700	148,132
Fair value gains on cash flow hedges	29,670	42,904	118,888	13,395	18,782	44,669
hannes de la farencia de la Marcallia de Latina de Latin	28,487	43,645	351,883	13,395	18,782	192,801
Income tax (expense)/credit relating to other comprehensive income	(4,437)	(8,958)	(68,732)			-
Other comprehensive income for the period, net of tax	24,050	34,687	283,151	13,395	18,782	192,801
Total comprehensive income for the period, net of tax	79,304	71,039	403,769	46,720	47,969	232,972
Total comprehensive income is attributable to:	70.455	05.451	242.222	40.777	47.05-	
Owners of the parent	70,428	65,171	340,302	46,720	47,969	232,972
Non-controlling interests	8,876	5,868	63,467		4	
	79,304	71,039	403,769	46,720	47,969	232,972

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

CCHL Interim Report 2023 37



#### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - GROUP

For the six months ended 31 December 2022

Closing Balance	94,144	981,669	57,167	941,946	2,074,926	436,086	2,511,012	2,122,168	2,434,134
Issue of shares/other	-	-	-	-	-	-	-		125
Dividends paid/payable		-	-		-	(2,426)	(2,426)	(1,664)	(21,113)
Other comprehensive income	-	67	15,153	5,614	20,834	3,216	24,050	34,687	283,151
NPAT	-	-	-	49,594	49,594	5,660	55,254	36,352	120,618
Opening Balance	94,144	981,602	42,014	886,738	2,004,498	429,636	2,434,134	2,052,793	2,051,353
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	capital	reserve	reserve	earnings	parent	interests	31 Dec 22	31 Dec 21	30 Jun 22
	Share	revaluation	Hedging	Retained	holders of	controlling			
		Asset			to equity	Non-			
					Attributable		6 months	6 months	12 months

#### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - PARENT

For the six months ended 31 December 2022

Closing Balance	94,144	2,565,338	32,360	56,101	2,747,943		2,747,943	2,532,320	2,701,223
Dividends paid/payable									(16,100)
Other comprehensive income	-	-	13,395	-	13,395	-	13,395	18,782	192,801
NPAT		-		33,325	33,325	-	33,325	29,187	40,171
Opening Balance	94,144	2,565,338	18,965	22,776	2,701,223		2,701,223	2,484,351	2,484,351
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$1000	\$'000
	capital	reserve	reserve	earnings	parent	interests	31 Dec 22	31 Dec 21	30 Jun 22
	Share	revaluation	Hedging	Retained	holders of	controlling	Parent	Parent	Parent
		Asset			to equity	Non-			
					Attributable		6 months	6 months	12 months
							Unaudited	Unaudited	Audited

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

38 CCHL Interim Report 2023















#### CONDENSED INTERIM STATEMENT OF CASH FLOWS

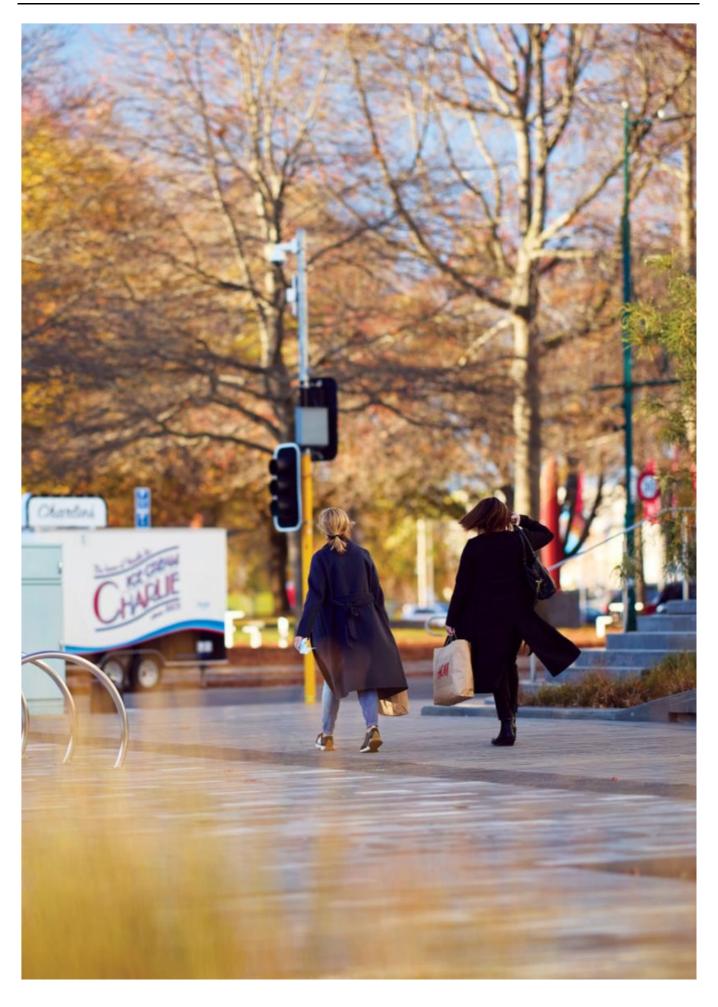
For the six months ended 31 December 2022

	Described	Harris Black	Accellance	Harris Mand	Harris dita d	Andleyd
	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Audited 12 months
	6 months	6 months	12 months	6 months	6 months	
	Group	Group	Group	Parent	Parent	Parent
	31 Dec 22 \$'000	31 Dec 21 \$'000	30 Jun 22 \$'000	31 Dec 22	31 Dec 21 \$'000	30 Jun 22
Note	\$000	\$000	\$,000	\$'000	\$1000	\$'000
Cash flows from operating activities						
Receipts from customers and other sources	684,549	525,409	1,042,773			
Interest received	1,948	708	1,907	11,139	6,656	14,447
Dividends received	1,010	,,,,	.,007	45,844	41,422	65,588
Payments to suppliers and employees	(514,460)	(378,973)	(771,969)	(3,719)	(2,297)	(4,023)
Interest and other finance costs paid	(41,467)	(35,292)	(70,605)	(21,882)	(16,760)	(34,258)
Income tax paid	(10,380)	(14,945)	(11,908)	(=1,00=)	173	(0.1,200)
Subvention payments	(10,000)	(11,010)	(12,858)			
Other			884			
Net cash provided by operating activities 5	120,190	96,907	178,224	31,382	29,194	41,754
Cash flows from investing activities						
Payment for investment securities	(7,000)	(2,000)	_	_	_	_
Proceeds from sale of investment securities	6,000	(=,000)				
Advances made to external parties	0,000	(181)		(179)	(181)	
Amounts advanced to related parties		(101)		(96,000)	(101)	
Payment for property, plant and equipment	(134,386)	(100,779)	(175,567)	(00,000)	(3)	(4)
Proceeds from sale of property, plant and equipment	21,060	10,770	8,437		(-/	1-7
Payment for intangible assets	(3,056)	(285)	(6,032)	_	_	_
Payment for acquisition of business	(70,055)	(200)	(0,002)			
Payment for investment properties	(4,704)	(10,653)	(20,212)	-		
Payment for investment into bank deposits	(1,101,	(,,,,,,	(217,000)			(193,000)
Proceeds from bank deposits maturing			205,264			186,000
Other	_	(620)	5,719	-	_	(288)
Net cash used in investing activities	(192,141)	(103,748)	(199,391)	(96,179)	(184)	(7,292)
Cash flows from financing activities						
Proceeds from borrowings	531,008	815,388	391,384	396,000	530,000	200,000
Repayment of borrowings	(449,176)	(674,000)	(332,651)	(320,000)	(435,000)	(210,000)
Repayment of lease liabilities	(1,872)	(3,502)	(6,796)	(,,		,,
Dividends paid - equity holders	-	,-,,	(16,100)	-	_	(16,100)
Dividends paid - non-controlling interests	(2,426)	(1,664)	(4,157)	-		-
Net cash provided by financing activities	77,534	136,222	31,680	76,000	95,000	(26,100)
Net increase in cash and cash equivalents	5,583	129,381	10,513	11,203	124,010	8,362
Cash and cash equivalents at start of period	64,859	54,346	54,346	16,397	1,038	1,038
Cash and cash equivalents at end of period	70,442	183,727	64,859	27,600	125,048	9,400

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

CCHL Interim Report 2023 39

















For the six months ended 31 December 2022



Item No.: 14

## REPORTING ENTITY

Christchurch City Holdings Ltd (CCHL) is a wholly-owned subsidiary of Christchurch City Council, formed for the purpose of holding investments in subsidiary trading 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 and its subsidiaries (Group) and CCHL (Parent).

The unaudited condensed consolidated interim financial statements are for the six months ended 31 December 2022. The financial statements were authorised for issue by the CCHL Board of directors on 28 February 2023. The Board of Directors has the power to amend the financial statements after issue.

Group Ownership			Shareholders		Balance date
Parent Christchurch City Holdings Ltd	Business Holding Company	100%	Christchurch City Council		30 June
omisional on only Holdings Eta	riolang company	10070	Official or only obtained		oo oano
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 and	100%			30 June
	an investment in the Christchurch				
	Adventure Park				

CCHL Interim Report 2023 41

Page 276



For the six months ended 31 December 2022



# 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 2022.

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 ended 30 September 2022, and the results of all other subsidiaries for the six months ended 31 December 2022.

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 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 2022 have been consistently applied in determining the earnings and cash flows for the six months ended 31 December 2022, and the financial position as at that date.

#### Significant changes during the period:

#### Pandemic recovery

The Group's business operations that were previously impacted by the pandemic have largely returned to pre-pandemic levels. In particular, CIAL has benefitted from the strong recovery of the tourism sector.

#### Spencer Henshaw acquisition

During the period, Citycare acquired 100% of the total shares of the Spencer Henshaw Group of companies (SH Group), consisting of Spencer Henshaw Ltd, SW Scaffolding Ltd and Panmure Property Holdings Ltd, for an Enterprise Value of \$71m, including \$6.8m held in escrow in relation to warrant issues, and \$3m of contingent consideration.

The Spencer Henshaw Group provides a full range of property repair, maintenance and upgrade services to government and commercial organisations.

The acquisition gives Citycare a strong market position in the Social Housing sector, which is a segment within Citycare Property's Social Infrastructure strategy. Citycare's acquisition of SH Group will support it to re-engage with the social housing sector by leveraging SH Group's experience and capability in this area. SH Group is aligned to Citycare's core values by demonstrating care for people and communities, and being a leading NZ-owned facilities maintenance service provider.

Item No.: 14















For the six months ended 31 December 2022



## 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 Group's operating segments are unchanged since the last annual report.

The nine reportable segments are as follows:

- Orion New Zealand Ltd (Orion) owns and operates the electricity distribution network in Christchurch and central Canterbury.
- 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
- 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.
- City Care Ltd (Citycare) provides construction, maintenance and management services for water and property infrastructure sectors throughout New Zealand.
- RBL Property Ltd (RBL Property) holds investment property (land and buildings) since 7 December 2020 from which it generates rental income, and previously provided transport services in the urban bus sector primarily in the Canterbury region.
- EcoCentral Ltd (EcoCentral) manages the processing of refuse and sorting of recycling throughout
- Development Christchurch Ltd (DCL) holds land assets to enable development projects and activities for Christchurch City and an equity share in Christchurch Adventure Park.
- 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 \$50 million (December 2021: \$53 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:

- Revenue from external customers reflects the revenue of each separate segment excluding revenue earned from other group entities.
- Segment profit/(loss) represents the actual profit/(loss) of each segment.
- 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 2022 per independent valuations completed by Deloitte. These have been eliminated on consolidation and recognised in 'Other'
- Capital expenditure and investments in Parent relates to equity investments in subsidiaries. These have been eliminated on consolidation and recognised in 'Other'.
- Intra-group transactions between segments have been eliminated on consolidation and recognised in 'Other'.

CCHL Interim Report 2023 43



For the six months ended 31 December 2022

#### 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 e											
Segment revenue	46,105	171,164	96,337	91,033	52,936	266,963	398	22,844	2,650	(53,905)	696,525
Inter-segment revenue	(46,105)	(2,997)	-	(5)	(4)	(4,282)	-	(232)	(280)	53,905	-
Revenue from external customers	-	168,167	96,337	91,028	52,932	262,681	398	22,612	2,370	-	696,525
Interest income	11,486	17	129	705	239	301	22	111	237	(10,176)	3,071
Interest expense	22,886	7,138	14,637	2,090	6,152	1,165	-	75		(10,176)	43,967
Depreciation and amortisation	(45)	(28,679)	(21,449)	(8,420)	(14,284)	(5,787)	-	(2,501)	(186)	-	(81,351)
Net realisations, revaluations and impairments	725	391	51	-	5	5,823	-	8	-	-	7,003
Taxation expense		(6,089)	(6,247)	(3,960)	(5,836)	(1,717)	(76)	(509)	8	-	(24,426)
Profit from continuing operations	33,325	15,122	16,062	12,116	13,764	9,211	195	1,310	(8)	(45,843)	55,254
Profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss)	33,325	15,122	16,062	12,116	13,764	9,211	195	1,310	(8)	(45,843)	55,254
Total non-current assets (excluding derivatives and deferred tax)	3,903,710	1,435,572	2,112,899	585,235	741,175	108,491	17,000	22,225	15,827	(3,878,545)	5,063,589
Total assets	3.962.025	1.522.886	2.162.108	663.647	764.411	191,638	19.043	35.883	32,142	(3.923,280)	5.430.503
Total liabilities	1,214,082	726,510	755,598	279,442	396,800	120,181	153	23,757	2.194	(599,226)	2,919,491
Additions to non-current assets	-	59,494	21,342	23,467	-	4,394	-	5,778	-	-	114,475

							RBL	Eco			
	Parent \$'000	Orion \$'000	CIAL \$'000	LPC \$'000	Enable \$'000	Citycare \$'000	Property \$'000	Central \$'000	DCL \$'000	Other \$'000	Total \$'000
For the six months e	ended 31 De	ecember 20	21 (unaudit	ed)							
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		157.613	66.172	82.963	46,939	139,496	344	22,166	4,917		520.610
customers		107,013	,	,		,					
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	(47)	(27,226)	(21,139)	(7,789)	(13,335)	(5,412)		(2,197)	(167)	_	(77,312)
amortisation	(47)	(27,220)	(21,138)	(1,700)	(15,555)	(3,412)		(2,107)	(107)		(77,312)
Net realisations,											
revaluations and		2,050	-	-	5	-	-	12		-	2,067
impairments											
Taxation expense	-	(7,711)	(16)	(4,796)	(4,439)	(616)	-	(629)	(556)	11	(18,752)
Profit from continuing	29.187	20,563	41	12,441	11,124	1,582	(366)	1.616	1,576	(41,412)	36,352
operations	25,107	20,303		12,441	11,124	1,502	(300)	1,010	1,070	(41,412)	30,552
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	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
and deferred tax)											
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		43,294	11.972	18.094	14,954	7,946		2.932			99,192
assets	-	43,294	11,972	10,094	14,954	7,946	-	2,932	-	-	99,192

44 CCHL Interim Report 2023















For the six months ended 31 December 2022

#### 3. Segment information (continued)

Item No.: 14

	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 3	0 June 202	2 (audited)									
Segment revenue	65,588	313,015	138,807	161,699	94,590	308,242	771	43,462	5,817	(76,340)	1,055,651
Inter-segment revenue	(65,588)	(1,491)	(266)	(1)	(43)	(8,432)	-	(407)	(112)	76,340	-
Revenue from external customers		311,524	138,541	161,698	94,547	299,810	771	43,055	5,705		1,055,651
Interest income	14,447	3	60	128	210	272	14	69	103	(13,269)	2,037
Interest expense	(35,301)	(12,113)	(24,445)	(1,735)	(11,068)	(439)	-	(204)		13,329	(71,976)
Depreciation and amortisation	(92)	(55,376)	(35,849)	(14,834)	(27,350)	(10,908)	-	(4,385)	(341)	771	(148,364)
Net realisations, revaluations and impairments	-	92	47,340	37	10	3,052	625	250	4,707	-	56,113
Taxation expense	-	(12,984)	2,043	(7,978)	(8,897)	(1,739)	(58)	(911)	(1,286)	1,152	(30,658)
Segment profit/(loss)	40,171	35,139	58,765	18,775	22,504	3,714	462	2,335	3,258	(64,505)	120,618
Total non-current assets (excluding derivatives and deferred tax)	3,797,578	1,406,331	2,113,444	550,622	732,638	40,045	17,002	18,149	15,899	(3,774,163)	4,917,545
Total assets	3,844,413	1,483,509	2,149,601	621,451	751,483	135,293	18,851	30,974	31,035	(3,814,389)	5,252,221
Total liabilities	1,143,190	690,880	764,119	243,804	391,569	73,047	70	17,410	1,231	(507,233)	2,818,087
Additions to non-current assets	2	94,113	24,979	54,514	68,508	6,449	-	10,941	135	(2)	259,639

Page 280

CCHL Interim Report 2023 45



For the six months ended 31 December 2022



4a Disaggregation of revenue

4a Disaygregati	on or re-	venue								
	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 Decembe	r 2022 (unau	idited)							
Revenue from contracts v	vith custome	rs								
Electricity Distribution	120,424								(3,001)	117,423
Airport Services	-	47,697				-	-		-	47,697
Port Services	-	-	89,581		-	-	-		-	89,581
Gross			,							,
telecommunications	-	-	-	49,652	-	-	-	-	(4)	49,648
revenue										
Construction contract		-	-		50.721	-	-			50,721
revenue										
Contracting	32,207	-	-	-	211,601	-	-		(4,282)	239,526
Waste and recycling	_	-	_		_	-	19,381	_	(232)	19,149
services									,	
Sale of goods	9,058	-	-	1,623	4,641	-	3,274	2,650	(281)	20,965
Total revenue from										
contracts with	161,689	47,697	89,581	51,275	266,963		22,655	2,650	(7,800)	634,710
customers										
Other operating revenue										
Rent and Lease income	-	17,609	1,452	-	-	-	-		-	19,061
Rental Income from		23,471				398				23,869
investment property		23,471		-		390			-	23,009
Other	9,475	7,560	-	1,661	-	-	189	-	-	18,885
Total other operating	9,475	48,640	1,452	1,661		398	189			61,815
revenue										
Segment revenue	171,164	96,337	91,033	52,936	266,963	398	22,844	2,650	(7,800)	696,525

46 CCHL Interim Report 2023













For the six months ended 31 December 2022

#### 4. Revenue (continued)

	Orion	CIAL	LPC	Enable	Citycare	RBL Property	Eco Central	DCL	Intragroup	Total
For the six months ended	\$'000	\$'000	\$'000	\$1000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from contracts w			iditedj							
Electricity Distribution	120,988	10							(606)	120.382
Airport Services		34.853							1/	34.853
	-	34,853	-	-	-	-	-		-	
Port Services	-		81,563				-	-	-	81,563
Gross										
telecommunications	-	-	-	43,881	-	-	-	-	(24)	43,857
revenue										
Construction contract	-	-	-		41,133	-	-			41,133
revenue									(0.005)	400 400
Contracting	26,048	-	-		98,203	-	-	-	(3,825)	120,426
Waste and recycling	-						21,139		(198)	20,941
services									()	
Sale of goods	6,827	-	-	1,429	3,985	-	944	2,343	(281)	15,247
Total revenue from										
contracts with	153,863	34,853	81,563	45,310	143,321	-	22,083	2,343	(4,934)	478,402
customers										
Other operating revenue										
Rent and Lease income	-	14,650	1,400	-	-	344	-	339	-	16,733
Rental Income from		12.040							(220)	11,701
investment property	-	12,040	-		-	-	-	-	(339)	11,701
Other	4,356	4,969	-	1,653	-	-	281	2,515	-	13,774
Total other operating	4.356	24.050	4 400	4.652		244	204	2.054	(220)	42.200
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

CCHL Interim Report 2023 47



For the six months ended 31 December 2022

#### 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 Jur	ne 2022 (audi	ted)								
Revenue from contracts v	vith custome	rs								
Electricity Distribution	230,365	-	-	-	-	-	-	-	(1,491)	228,874
Airport Services	-	54,999	-	-	-	-	-	-	-	54,999
Port Services	-	-	161,699		-	-	-		(1)	161,698
Gross										
telecommunications		-		88,478	-		-		(43)	88,435
revenue										
Construction contract					101.324					101.324
revenue										
Contracting	53,626	-	-	-	197,298	-	-	-	(8,432)	242,492
Waste and recycling							35.351		(407)	34,944
services							00,001		(401)	04,044
Sale of goods	12,961	-	-	3,195	7,736	-	7,778	4,905	-	36,575
Total revenue from										
contracts with	296,952	54,999	161,699	91,673	306,358		43,129	4,905	(10,374)	949,341
customers										
Other operating revenue										
Rent and Lease income	468	14,640	-	-	-	761	-	659	(378)	16,150
Rental income from		41,699								
investment property	-	41,699	-	-	-	-	-	-	-	41,699
Other	15,595	27,469	-	2,917	1,884	10	333	253	-	48,461
Total other operating revenue	16,063	83,808	-	2,917	1,884	771	333	912	(378)	106,310
Segment revenue	313,015	138,807	161,699	94,590	308,242	771	43,462	5,817	(10,752)	1,055,651

48 CCHL Interim Report 2023













For the six months ended 31 December 2022

# RECONCILIATION OF PROFIT FOR THE PERIOD WITH OPERATING CASH FLOWS

	Unaudited 6 months	Unaudited 6 months	Audited 12 months	Unaudited 6 months	Unaudited 6 months	Audited 12 months
				Parent	Parent	Parent
	31 Dec 22	31 Dec 21	30 Jun 22	31 Dec 22	31 Dec 21	30 Jun 22
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the period	55,254	36,352	120,618	33,325	29,187	40,171
Add/(less) non-cash items						
Depreciation, amortisation and impairment	81,351	77,312	148,364	11	47	92
(Gains)/losses in fair value of investment property	-		(48,154)	-		
(Gains)/losses in fair value of biological assets (Gains)/losses in fair value of derivative financial instruments	(8) (1,172)	(12) (2,050)	(2,124)	(725)		- 277
Net foreign exchange (gains)/losses			18			
Deferred tax charged/(credited) to income	4,786	2,094	2,380			
Internal labour allocated to PPE & Intangibles	4,700	2,004	5,674			_
CIP loan fair value adjustment	_	_	-	_	_	201
Other	(4,695)	(2.532)	(6.100)	-	21	(333)
	80,262	74,812	100,058	(714)	68	237
Add/(less) items classified as investing or financial activities						
(Gain)/loss on disposal of non-current assets	(5,826)	(2,179)	(7,295)	-	-	-
Movement in capital creditors/(debtors)	(1,598)	10,640	(407)	-	-	-
Other	(40)	131	(2,501)	-	-	-
	(7,464)	8,592	(10,203)	-	-	-
Add/(less) movement in working capital items						
Debtors, inventory and other current assets	(19,847)	(7,906)	(44,614)	(1,889)	(489)	(128)
Non-current receivables, prepayments and other	(1,879)	990	9,379	-	-	-
Creditors and other liabilities	9,037	(36,736)	838	660	459	1,468
Contract liabilities	(2,777)	(432)	3,522	-	-	-
Provisions and other liabilities	519	32,962	(963)	-	-	6
Current tax liabilities	3,291	-	-	-	-	-
Other current liabilities	(9,290)	(11,464)	-	-	(31)	-
Non-current provisions and other liabilities	13,084	(263)	(411)	-	-	-
Net changes in net assets and liabilities	(7,862)	(22,849)	(32,249)	(1,229)	(61)	1,346
Net cash from operating activities	120,190	96,907	178,224	31,382	29,194	41,754

CCHL Interim Report 2023 49



For the six months ended 31 December 2022



## 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 2022 (unaudited)

	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
	Group	Group	Group	Group	Parent	Parent	Parent	Parent
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measur	ed at fair valu	e						
Investments in					3,330,543			3,330,543
subsidiaries	-		-	-	3,330,343		-	3,330,343
Derivative financial	90,191	10,606	79,585		27,853	-	27,853	
instruments								
USD loan	22,244	-	22,244		22,244	-	22,244	
	112,435	10,606	101,829	-	3,380,640	-	50,097	3,330,543
Financial liabilities meas	ured at fair va	alue						
Derivative financial	3,599		3,599	_				
instruments	3,399		3,399					
	3,599	-	3,599	-		-	-	-
Net assets/ (liabilities) at fair value	108,836	10,606	98,230		3,380,640		50,097	3,330,543

	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 m	easured at f	air value but	t for which fa	nir values a	re disclosed					
Fixed Interest borrowings	527,592	284,758	242,834	-	541,859	284,758	284,758	-	-	295,284
Fixed Rate Loans from CCC, maturing < 1 year	70,749		70,749		70,000	70,749		70,749		70,000
Fixed Rate Loans from CCC, maturing 1-2 years	49,057	-	49,057	-	49,000	49,057	-	49,057	-	49,000
Fixed Rate Loans from CCC, maturing 2-5 years	21,261		21,261	-	21,000	21,261	-	21,261	-	21,000
Fixed Rate Loans from CCC, maturing > 5 years	25,300		25,300		30,000	25,300		25,300		30,000
	693,959	284,758	409,201		711,859	451,125	284,758	166,367		465,284

50 CCHL Interim Report 2023















For the six months ended 31 December 2022

#### **6. Financial instruments** (continued)

31 December 2021 (unaudited)

	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
	Group \$'000	Group \$'000	Group \$'000	Group \$'000	Parent \$'000	Parent \$'000	Parent \$'000	Parent \$'000
Financial assets measure	d at fair valu	е			,			
Investments in subsidiarie	-	-	-	-	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	-
	38,114	-	38,114	-	3,209,800	-	27,389	3,182,411
Financial liabilities meas	ured at fair va	lue						
Loans from External parties	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 m	easured at f	air value but	for which fa	ir values ar	re 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

CCHL Interim Report 2023 51



For the six months ended 31 December 2022

#### **6. Financial instruments** (continued)

30 June 2022 (audited)

30 Julie 2022 (al	uuiteuj							
	Fair value	Level 1	Level 2	Level 3	Fair value	Level 1	Level 2	Level 3
	Group	Group	Group	Group	Parent	Parent	Parent	Parent
	\$'000	\$'000	\$'000	\$'000	\$1000	\$'000	\$'000	\$'000
Financial assets measur	red at fair valu	е						
Investments in subsidiaries	-	-	-		3,330,543	-		3,330,543
Derivative financial instruments	63,230	-	63,230	-	-	-	-	-
USD loan	22,066		22,066		22,066		22,066	
	85,296		85,296		3,352,609		22,066	3,330,543
Financial liabilities meas	sured at fair va	lue						
Derivative financial instruments	7,182	-	7,182	-	3,819	-	3,819	-
	7,182		7,182		3,819		3,819	
Net assets/ (liabilities) at fair value	78,114		78,114		3,348,790		18,247	3,330,543

	Fair value	Level 1	Level 2	Level 3	Carrying value	Fair value	Level 1	Level 2	Level 3	Carrying value	
						Parent	Parent		Parent	Parent	
	Group \$'000	Group \$'000	Group \$'000	Group \$'000	Group \$'000	\$'000	\$'000	Parent \$'000	\$'000	\$'000	
Financial liabilities not measured at fair value but for which fair values are disclosed											
Fixed Interest borrowings	537,333	439,415	97,918	-	550,000	439,415	439,415	-	-	450,000	
Fixed Rate Loans from CCC, maturing < 1 year	70,749	-	70,749	-	70,000	70,749	-	70,749	-	70,000	
Fixed Rate Loans from CCC, maturing 1-2 years	8,990	-	8,990	-	9,000	8,990	-	8,990	-	9,000	
Fixed Rate Loans from CCC, maturing 2-5 years	61,328		61,328		61,000	61,328		61,328		61,000	
Fixed Rate Loans from CCC, maturing > 5 years	25,300	-	25,300	-	30,000	25,300	-	25,300	-	30,000	
	703,700	439,415	264,285		720,000	605,782	439,415	166,367		620,000	

There were no transfers between fair value hierarchy levels during either the current or prior periods.

52 CCHL Interim Report 2023















For the six months ended 31 December 2022



# SHARE CAPITAL AND DIVIDENDS

	Unaudited 6 months Group &	Unaudited 6 months Group &	
	Parent 31 Dec 22 \$'000	Parent 31 Dec 21 \$'000	Parent 30 Jun 22 \$'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
Dividends declared on fully paid ordinary shares	-	-	16,100
Cents per share	-	-	33

#### There were no movements in shares during the reporting period. CCHL has on issue:

- · 48,090,528 (December 2021: 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 2021: \$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.



# IMPACT OF SEASONALITY

There were no material cyclical impacts on the Group during the period.



# **BORROWINGS**

	Hannadita d	Hamilton	A condition of
	Unaudited		Audited
			Group
	31 Dec 22	31 Dec 21	30 Jun 22
	\$1000	\$'000	\$'000
Unsecured:			
Commercial Paper	145,000	170,000	-
Bonds and floating rate notes	816,859	826,819	970,113
Loans from external parties	613,926	676,600	672,288
Loans from related entities	632,200	536,200	486,200
	2,207,985	2,209,619	2,128,601
Secured:			
Loan from external parties	-	9,000	795
		9,000	795
Total current group borrowings	407,000	538,700	759,795
Total non current group borrowings	1,800,985	1,679,919	1,369,601
Total group borrowings	2,207,985	2,218,619	2,129,396

CCHL Interim Report 2023 53



For the six months ended 31 December 2022

#### 9. Borrowings (continued)

		Unaudited	Unaudited	Audited
		31 Dec 22 \$'000	31 Dec 21 \$'000	30 Jun 22 \$'000
Christchurch City Holdings Ltd				
Nature of Borrowings	Avg rate - Maturity			
Commercial Paper	4.63%; Jan23 to May23	145,000	170,000	65,000
Fixed Rate Bond (face value)	3.30%; Nov24 to Nov26	300,000	450,000	450,000
Floating Rate Notes	4.72%; Apr23 to Jun25	135,000	85,000	135,000
Related Party Funding - Current	5.15%; Apr23 to Oct23	166,000	159,700	170,000
Related Party Funding - Non-current	4.64%; Apr24 to Sep32	466,200	376,500	316,200
Total Related Party Funding		632,200	536,200	486,200
Undrawn Bank Facility	n/a	100,000	100,000	100,000
Orion New Zealand Ltd				
Nature of Borrowings	Avg rate - Maturity			
Bank Loans	4.26%; Nov22 to Dec24	250,000	243,600	268,500
US Private Placement floating rate notes	4.36%; Sep28 to Sep30	140,000	140,000	140,000
Undrawn bank facility	Nov22	55,000	41,400	-
Christchurch International Airport Ltd				
Nature of Borrowings	Avg rate - Maturity			
Bank facility	4.4%; May23 to Nov27	311,000	433,000	323,000
Fixed Rate Bond (face value)	5.01%; May24 to May28	250,000	150,000	250,000
Undrawn bank facility	Dec24 to Jul26	64,000	67,000	127,000
Lyttelton Port Company Ltd				
Nature of Borrowings	Avg rate - Maturity			
Bank and overdraft facilities	5.31%; Jul25 to Jul26	51,000	9,000	15,000
Undrawn bank facility	n/a	74,000	117,000	110,000
Enable Services Ltd				
Nature of Borrowings	Avg rate - Maturity			
Bank facility	1.37%; Dec24	1,926	-	-
City Care Ltd				
Nature of Borrowings	Avg rate - Maturity	40.05		
Undrawn bank facility	n/a	10,000	15,000	10,500

54 CCHL Interim Report 2023













For the six months ended 31 December 2022



#### 10a Capital Commitments

	Unaudited	Unaudited	Audited
			Group
	31 Dec 22	31 Dec 21	30 Jun 22
	\$1000	\$'000	\$'000
Property, plant & equipment	43,580	51,195	59,224
Electricity distribution network	78,152	27,068	72,685
Investment Property	11,359	8,096	1,893
Intangible assets		244	245
	133,091	86,603	134,047

#### 10b Additions of Non current assets

		Unaudited Group 31 Dec 21 \$'000	
Additions	114,475	99,192	259,639

The additions of property, plant and equipment reflect the capital programmes of Orion, LPC and CIAL.

#### 10c Contingent liabilites and assets

Item No.: 14

Citycare's performance bond facilities increased from \$11.4m at 30 June 2022 to \$14.5m at 31 December 2022. All other contingent liabilities and assets of the Group as disclosed in note 20 of the annual report for the year ended 30 June 2022 are materially the same as at 31 December 2022.

CCHL Interim Report 2023 55

Page 290



For the six months ended 31 December 2022

# 11 RELATED PARTY DISCLOSURES

	Unaudited 6 months Group 31 Dec 22 \$'000	Unaudited 6 months Group 31 Dec 21 \$'000	Audited 12 months Group 30 Jun 22 \$1000	Unaudited 6 months Parent 31 Dec 22 \$'000	Unaudited 6 months Parent 31 Dec 21 \$'000	Audited 12 months Parent 30 Jun 22 \$'000
Transactions between CCHL group entities and Christchurch City Council (CCC)						
Dividends paid/payable to CCC	-	-	16,100	-	-	16,100
Interest paid to CCC	9,663	5,762	12,789	9,663	5,762	12,789
Services provided to CCC	50,342	53,281	111,146	42	-	-
Services provided by CCC (including rent and rates)	8,107	10,286	18,302	-	36	60

# 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.

56 CCHL Interim Report 2023















# **INVESTOR RELATIONS**

#### Investor Centre

CCHL's website, www.cchl.co.nz, enables Bondholders to view information about the Group, including Sols, 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.

CCHL Interim Report 2023 57



For the six months ended 31 December 2022

#### 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 2022 (total Bonds on issue):

Range	Holders	Units	% Units
1 to 4,999	0	0	0.00
5,000 to 9,999	24	146,000	0.05
10,000 to 49,999	163	3,519,000	1.17
50,000 to 99,999	20	1,267,000	0.42
100,000 to 499,999	25	5,258,000	1.75
500,000 to 999,999	8	5,324,000	1.77
1,000,000 and over	33	284,486,000	94.83
Total	273	300,000,000	100.00

#### Total Bonds on issue

Rank	Name	Units	% Units
1	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <bpss40></bpss40>	35,501,000	11.83
2	ANZ BANK NEW ZEALAND LIMITED - NZCSD <nbnz40></nbnz40>	25,500,000	8.50
3	WESTPAC NEW ZEALAND LIMITED - NZCSD	25,000,000	8.33
4	NATIONAL NOMINEES LIMITED - NZCSD <nnlz90></nnlz90>	23,933,000	7.98
5	BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD <cogn40></cogn40>	18,975,000	6.33
6	CUSTODIAL SERVICES LIMITED <a 4="" c=""></a>	16,388,000	5.46
7	ANZ FIXED INTEREST FUND - NZCSD <pnli90></pnli90>	14,250,000	4.75
8	HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD <hkbn90></hkbn90>	14,088,000	4.70
9	FNZ CUSTODIANS LIMITED	12,317,000	4.11
10	CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD <cnom90></cnom90>	12,101,000	4.03
11	ANZ WHOLESALE NZ FIXED INTEREST FUND - NZCSD	10,350,000	3.45
12	TEA CUSTODIANS LIMITED CLIENT PROPERTY TRUST ACCOUNT - NZCSD <teac40></teac40>	10,012,000	3.34
13	FORSYTH BARR CUSTODIANS LIMITED <1-CUSTODY>	8,135,000	2.71
14	JBWERE (NZ) NOMINEES LIMITED <nr a="" c="" usa=""></nr>	6,550,000	2.18
15	COMMONWEALTH BANK OF AUSTRALIA - NZCSD <cbaanz></cbaanz>	6,421,000	2.14
16	NZPT CUSTODIANS (GROSVENOR) LIMITED - NZCSD <nzpg40></nzpg40>	6,400,000	2.13
17	NZ LOCAL GOVERNMENT FUNDING AGENCY LIMITED - NZCSD <nzclear lgfa40=""></nzclear>	5,343,000	1.78
18	SOUTHERN CROSS MEDICAL CARE SOCIETY - NZCSD <scmc90></scmc90>	4,500,000	1.50
19	WESTPAC BANKING CORPORATE NZ FINANCIAL MARKETS GROUP -NZCSD < WPAC40>	4,416,000	1.47
20	HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET -NZCSD <hkbn45></hkbn45>	2,911,000	0.97
otal Top 2	20 Holders of Bonds	263,091,000	87.70
otal Rema	aining Holders Balance	36,909,000	12.30

58 CCHL Interim Report 2023



# DIRECTORY

#### Registered Office

Level 1, 151 Cambridge Terrace Christchurch

#### Directors

A M G Skinner (Interim Chair)

C A Evans

B J Bragg (appointed 8 Sep 2022)

M P Rondel (appointed 8 Sep 2022)

S L Templeton (automatically retired 8 Jan 2023; reappointed 1 Feb 2023)

S T MacDonald (appointed 1 Feb 2023)

J B Smith (retired 3 Oct 2022)

J T Gough (retired 28 Aug 2022)

L A Dalziel (retired 10 Oct 2022)

A D Turner (retired 1 Feb 2023)

#### Management

P Silk - Acting Chief Executive (appointed Sep 2022)

T Boyd - Chief Executive (resigned Sep 2022)

T Rowell - Chief Financial Officer S Ballard - Treasurer

#### Bankers

Westpac Institutional Bank, Auckland Bank of New Zealand, Christchurch ANZ New Zealand Ltd, Wellington

#### Audito

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 Level 9, 34 Shortland Street 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

CCHL Interim Report 2023 59









Christchurch City Holdings Limited

#### Report for Council

Date: 24 February 2023

To: Dawn Baxendale, CEO, Christchurch City Council

From: Toni Rowell, CFO

Subject: CCHL Quarterly Performance Against Sols – Q2 FY23

#### **Background & Purpose**

This report provides a summary of quarter-end performance against SOI targets for CCHL Group entities (including CCHL Parent) for the period ending 31 December 2022 (Q2 FY23).

The summary is in the form of a "dashboard" report for each entity.

#### Please note that:

- Dashboards should be published on the Council's website within one month of the date of this
  report, in compliance with section 66(5) of the Local Government Act 2002.
- This report (ended 31 December 2022) is the Q2 FY23 report for all entities except Orion, whose
   31 March balance date makes this their Q3 FY23 report.

#### Recommendation

That the Q2 FY23 Quarterly Performance Against SOIs Report be received.

Toni Rowell

Thomell

CFO



CCHL Parent Performance against Statement of Intent targets

On track Uncertain Will not be achieved Annual Target to be assessed at year-end

Financial							
SOI Measure	Target	Tracking	Comment on non-performance				
Parent							
Dividends (5m)	32.4	32.4	To be paid in June 2023				
Dividend yield (%)	1.3%		Annual measure				
Return on equity (%)	2.0%	2.4%					
Shareholders' funds/total assets (%)	69.0%	69.4%					
Net Profit After Tax	51.0	33.3					
Return on invested capital (%)	2.1%		Annual measure				
Net debt to EBITDA (times)	14.9		Annual measure				
Net debt/net debt plus equity (%)	31.0%	30.0%					
Interest cover (times)	2.2	2.4					
Revenue growth (%)	121%		Annual measure				

Kaitiakitanga			
SOI Measure	Target	Tracking	Comment on non-performance
Active engagement with its operating subsidiaries and its shareholder to			LOE issued to all subs in February 2023 - noting 30 day extension to SOI
ensure strategic alignment with the Council' strategic priorities.			timeline
Regularly receive a strategic performance report detailing financial, market			Received on time from all subs
and performance updates from subsidiaries.			
Management meet with operating subsidiary management regularly to			Quarterly meetings held with all subs
review current performance and strategic focus areas.			
Receive business plans from each operating subsidiary by 31 May each			Tracking to plan - due 31 May 2023
year.			
Operating subsidiary Chair and CEO will meet with CCHL Board at least			On track - all subs have met with CCHL Board in previous 12 months
annually.			
Encourage group participation in Te Whäriki, Sustainability Working Group,			Good participation across Group, through mentor programme, steady
CFO Group, CEO Group, Chairs and Audit Committee Chairs meetings.			increased uptake in users on Te Whariki, regular SWG meetings and
			meetings of CEO/CFO groups
CCHL will consider any recommendations of the Strategic Review when			Work programme now underway
available.			

Mana			
SOI Measure	Target	Tracking	Comment on non-performance
The CCHL Group uses the Te Whāriki platform in at least four projects per	_		Completed
annum to explore, test, pilot, trial or implement new technologies or			
innovative work practices across the Group.			
Major matters of urgency are reported to Council at the earliest			On track - all matters circulated as "no surprises" as and when required
opportunity under its 'no surprises' policy within the constraints of			
commercial sensitivity and NZX listing requirements.			
Matters of material impact are disclosed in line with CCHL framework for			Ongoing - in compliance
continuous disclosure.			
CCHL Group ropu will listen to and understand, through internal and			Completed - wider work programme underway across Group
external engagement, the expectations of iwi and hapu in the design and			
delivery of He Huanui Māori CCHL (Māori Pathways for CCHL).			
CCHL Group will actively share learnings and participate in relevant			Ongoing - part of annual work programme
community forums associated with this mahi.			
CCHL will establish a cross-company leadership team (CCHL Group ropu) to			Completed and group working together
oversee the development a programme of work designed to accelerate and			
embed Mātauranga Māori, Te Aō Māori, Tikanga Māori and Te Reo Māori			
in ways that are appropriate for each business. The progress of the			
programme will be proactively made visible across each entity and the			
CCHL Board.			
CCHL Group ropu will leverage the capability across the CCHL Group to			Ongoing
design and execute initiatives within a programme of work which serves to			
enhance cultural understanding and competency.			

ermance cultural understanding and competency.			
People			
SOI Measure	Target	Tracking	Comment on non-performance
CCHL will encourage and enable group collaboration to develop market			Ongoing
leading capability development, diversity and inclusion, and talent			
management strategies and policies.			
CCHL will continue to support and encourage the use of Te Whāriki as a			Ongoing
means of developing, leveraging, and sharing human resources throughout			
the Group.			
CCHL Group will show active improvement in continuing to work towards			Living wage achieved, now working to achieve living wage for all regular
implementing the living wage for all direct employees and all regular and			ongoing suppliers across the Group
ongoing suppliers, including investing in training and staff development			
programmes.			
The process followed for each appointment to a subsidiary company board			Ongoing - in compliance
is transparent, fully documented and in line with approved policies and			
procedures.			
CCHL to provide input into the Council's policy on the appointment and			Completed
remuneration of directors – scheduled for review prior to the 2022 local			
body elections.			
CCHL will actively promote and report on board diversity as part of its			Ongoing - in compliance
appointment process and include the process undertaken as part of its			
approval of appointments with Council.			
CCHL will aim to increasing our diversity on our boards and report on			Ongoing - actively monitored and reported in annual report
progress as part of our annual reporting to our shareholder.			
CCHL will encourage its subsidiaries to report on and work to show a			Ongoing - actively monitored by all subs and reporting has commenced
narrowing of the gap between the highest and lowest remuneration in			from FY22
each company.			
The outcomes of the independent board effectiveness review undertaken			Completed - provided to Northington Partners and considered when their
in late 2021/early 2022 to be included in the CCHL Strategic Review			final recommendations were made
findings.			
The Chair will actively monitor and approve any development			Ongoing - in compliance
requirements for the Board.			
CCHL will hold regular meetings with and provide support to existing			First workshops for 2022/23 AD programme schedule for March 2023
Associate Directors throughout the programme.			
CCHL will establish an alumni programme for all previous Associate			Alumnae event postponed in 2022 to March 2023 due to COVID
Directors and Intern Directors.			restrictions

Directors and Intern Directors.			restrictions
Sustainability			
SOI Measure	Target	Tracking	Comment on non-performance
CCHL Group (and each subsidiary) will publish annual independently			Completed
verified GHG emission inventory according to ISO 14064 best practice.			
CCHL Group (and each subsidiary) will commit to reduce emissions, ahead			Actioned - all subsidiaries have published reductions targets in line with
or in alignment with, science-based reduction targets to limiting warming			this measure
to 1.5degrees.			
CCHL Group and subsidiary progress in relation to science-based targets			Ongoing - part of Annual and Interim reporting
will be reported annually.			
CCHL Group (and each subsidiary) will prepare GHG emissions reduction			Underway, RFP in the market to appoint consultant to deliver Group plan
management plan, including recommendations to accelerate			by Q4 FY23
decarbonisation, and a timeline to achieve net zero GHG emissions.			
CCHL Sustainability Working Group (SWG) will take a principled approach			Ongoing - good participation and decisions and actions taken by SWG align
to enable a just transition with respect to our 2030 and 2050 GHG			to agreed ToR
emissions reduction targets, which considers environmental, social, and			
economic impacts.			
CCHL Group will assess and disclose climate change risks, compliant with			Work is underway, however in early stages and further guidance is
New Zealand Climate Risk Disclosures reporting standards. This will include			expected from XRB - FY24 reporting target will be met
publishing our first CCHL Group Climate Risk Report aligned with FY24			
reporting.			
CCHL SWG (including Council representatives) will develop and oversee the			Ongoing - work programme established and actively monitored across
programme of work including governance oversight and workstream			SWG
implementation, aimed at accelerating Group progress.			
CCHL SWG will continue to collaborate in programmes, share learnings and			Ongoing - SWG presented to December 2022 CCHL Board meeting
successes with others, including the wider community. This will be			
reported back to CCHL Board, including the impacted UNSDGs.			
CCHL SWG will investigate and adopt leading biodiversity frameworks to			Work is underway, in early stages (in line with SWG work programme)
identify impacts and dependencies, which could assist the Group to			
develop a biodiversity inventory, and start developing biodiversity action			
plan.			
The SWG Group will contribute toward the sustainability content for an			Ongoing - good collaboration with CCHL on this
integrated reporting framework over the next two years.			
			-



## Orion New Zealand Ltd

Performance against Statement of Intent targets



Financial SOI Measure	Target	Tracking	Comment on non-performance
Network delivery revenue	232		·
Other revenue (\$m)	96		
Earnings before interest, tax, depreciation a& amortisations (\$m)	112		
Earnings before interest and tax (\$m)	47.7		
Interest expense (\$m)	14.8		
Net profit after tax (\$m)	22,1		A significant reason for this reduction is the additional \$3.5m of accounting depreciation following the \$120m revaluation of our distribution system, land and buildings as at 31 March 2022, after the setting of our 50i targets.
Dividends	32		
Debt (\$m) (including Transpower finance leases)	508		
Equity (\$m)	682		The revaluation increased equity by \$95m.
Equity to total assets (%)	49		
Net profit after tax / equity	3.2		
Dividend yield (%)	4.7		
Return on invested capital (%)	4.2		
Operating margin (%)	9.7		
Debt to EBITDA (times)	4.1		
Net gearing (%)	43		
Interest cover (times)	3.2		
Revenue growth (%)	6.5		
EBITDA growth (%)	(4.1)		

Quarter Ended

31-Dec-22

#### Network Reliability

SOI Measure	Target	Tracking	Comment on non-performance
SAIDI planned	39.68		
SAIDI unplanned	84.71		
SAIDI total minutes per customer	124.39		
SAIFI planned	0.15		
SAIFI unplanned	1.03		
SAIFI total number of interruptions per customer	1.18		

Health & Safety			
SOI Measure	Target	Tracking	Comment on non-performance
Events that did or could have resulted in serious injury to Orion Group employees	4 or less		There have been three Connetics cable strikes which could have led to serious injury. Connetics has reviewed its process for working around underground cables resulting in an increased use of hydro and air excavation methods to mitigate job/site specific cable strike risks. Connetics' Breaking Ground Procedure was updated accordingly.
Events that did or could have resulted in serious injury to Orion service providers	4 or less		There has been one event this year where an un-insulated tool was used while pruning vegetation inside the minimum approach distance (MAD). This was reported to us by one of our vegetation contractors. We have worked with the contractor to ensure they are aware of the rules and required safety procedures in future.
Events that did or could have resulted in serious injury to the public, excluding car versus pole incidents	Nill		No events

	Re-imaging	the	future	network
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Re-imaging the future network			
SOI Measure	Target	Tracking	Comment on non-performance
Gain access to customer's smart meter data			Vector Metering has indicated that it may have data to us by June 2023 but we are not confident of this timing. On the plus side, the combination of meter data received from one larger retailer and LV sensors we have deployed, along with the work we are doing with some other innovators, are enabling us to make progress in this space.
Integrate data from our low voltage network into our systems			Delays occurring as we look to establish integration into an appropriate 'modern data platform'.
Trial non-traditional network solutions			Working up a flexibility trial in Greenpark, near Lincoln. Designed to defer capital spend. We are shortly issuing expressions of interest to give flexibility to providers, for them to use alternate non-network solutions to delay network build - eg, battery storage or photovoltaic generation.

Customer inspired			
SOI Measure	Target	Tracking	Comment on non-performance
			The annual customer perceptions research exercise is underway and over
Net Promoter Score	>40%		the next two weeks, we'll be asking around 800 customers what they think
			about Orion and our service.
			Consent enhancements and Outage Notifications have been released, and
Continue to develop our new Customer Relationship Management platform			the Customer Support team are actively processing planned outage
(CRM)			notifications. Connections is continuing apace with detailed design sessions.
			On time & Budget.
Continue to develop our new Customer Relationship Management platform			about Orion and our service.  Consent enhancements and Outage Notifications have been release the Customer Support team are actively processing planned outage notifications. Connections is continuing apace with detailed design s



Further develop our customer and community engagement programmed to give greater voice to our stakeholders' views in our decision making	"Bang the Table" online platform, is now available and is being used for our first public engagement on the Bromley to Milton Cable lay.
Build genuine relationships with local rünanga Continue our community support and align with our Group Strategy	Orion is continuing its engagement through He Huanui Māori CCHL Continuing to focus support on actions that support the strategy

#### Lead and grow

SOI Measure	Target	Tracking	Comment on non-performance
Establish an Energy Hub and Energy Futures Lab to facilitate sector			Energy Hub established at EPIC. Lab focus is on collaboration for an
collaboration			equitable transitioning the region, with reps from 16 organisations
			participating in a workshop which identified a high appetite for
			collaboration, and next steps to progress this. We are also a founding
			member of the cross-sector FlexForum, which was established in late 2021,
			has gained significant credibility and traction including Central Govt co-
			funding for the next phase.
Review and enhance the Orion Energy Accelerator programme to run for a			Teams have now been selected for the programme and official Day 1 launch
second year			with teams is Tuesday 18 October.
Establish a renewable energy service and advisory offerings			
Connetics to deliver new products and services			

SOI Measure	Target	Tracking	Comment on non-performance
Enhance our remuneration framework	- anger		Completing Remeration playbook and diversity and inclusion activities
			under - priortising Gender Pay Gap. Gender Tick accreditation on track.
Support our leaders - Orion			Powerful conversations series have been trialed. Developing a Orion Group
			leadership framework Q3/4.
Support our leaders - Connetics			
Create opportunities for our people to grow			Trialling Learning & Development framework.
Support CCHL's Future of Activity initiative			We have prioritised other activity to support when activity kicks off
Energy Academy to accelerate industry capability development			Energy Academy have received \$500k in a research and development grant
			to develop a guest based platform for skills exchange. We have developed
			partnerships with Te Pukenga, NZQA, MBIE and industry to experiment with
			micro-learning and industry designed learning pathways. Our community
			programmes, LUMO & LUMO364 have been well supported by both
			industry and energy sector workers. MSD have signed an agreement with
			Energy Academy to be invited to our workshops with industry and have
			contributed \$50k to the partnership for 3 months.

Powering the Low Carbon Economy			
SOI Measure	Target	Tracking	Comment on non-performance
Achieve our carbon reduction targets			Great progress being made on vehicle fuel emissions and fleet emission
			reductions. Increased air travel since COVID restrictions have lifted and
			some SF6 emissions mean the business is tracking above its FY23 carbon
			budget.
Measure and reduce our Scope 3 carbon emissions			Pilot project completed on measurement of embodied carbon in a
			substation and 11kV overhead feeder, with both projects set up in the
			Moata platform to allow future designs to be compared in terms of
			emission savings. Six months of real time data on commuting emissions has
			been collected using the Ecofixa app, with incentives to encourage mode
			shift.
Migrate process heat users away from fossil fuels			Work underway to streamline the process heat option exploration process.
Plant indigenous forest to offset emissions			14.5ha planted in 21,000 seedlings this planting season.
Connetics to establish a robust environmental management system			
Produce Task Force on Climate-related Financial Disclosures (TCFD) report			Draft report progressing through approvals process.

Our key projects			
SOI Measure	Target	Tracking	Comment on non-performance
Construct a new Grid Exit Point and zone substation at Norwood and			We are on track with this project, the GXP planned to be complete in Nov
associated 66kV lines			2023 and the necessary associated 66kV lines to be completed by March
			2024.
Replace our end of life 11kV switchgear at Heathcote zone substation with			We are on track to have this project completed by 30 April 2023. This size
modern vacuum breakers			and complexity of this site has meant that the delivery will be one month
			later than identified in the SOI
Build and commission a new zone substation at Milton Street and connect it			We are now on the critcal path for delivery and uncertainty around a
with new 66kV XLPE cables to existing 66kV sub-transmission network at			confirmed cable route could impact this project. At this stage we still
Bromley zone			remain on track to deliver this by 31 March 2024.
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## **Christchurch International Airport Ltd**

Quarter Ended

Performance against Statement of Intent targets

On track Uncertain Will not be achieved Annual Target to be assessed at year-end

Financial			
SOI Measure	Target	Tracking	Comment on non-performance
Total Revenue	185.4		Above Forecast Q2 passenger restart
EBITDAF	105.5		
EBITF	61.7		
NPAT	25.8		
EBITDAF / Revenue	56.9%		
RoIC	3.7%		
Debt	569		
Equity	1351.6		
Shareholder Funds/Total Assets %	63.7%		
Gearing (Debt/Debt + Equity) %	29.6%		
EBITDAF Interest Cover x	4.1		
Dividends	23.2		

31-Dec-22

rassenger volumes			
SOI Measure	Target	Tracking	Comment on non-performance
Domestic	4,723,790		Above Forecast Q2 passenger restart
International	977,211		Above Forecast Q2 passenger restart
	,		The second of passenger results
Total	5,701,001		

Caracin			
SOI Measure	Target	Tracking	Comment on non-performance
Maintain trend with our milestone emissions reduction goal of 84%	sone from		Currently well ahead of science based targets out to 2035 trending down
reduction in Scope 1 & 2 by 2035	yes/no		currently well ahead of science based targets dut to 2055 trending down
Demonstrate continued responsibility and leadership in aviation	/		Work with Hydrogen Collective and ACI best practice
transition	yes/no		Work with Hydrogen Collective and ACI best practice
Renew ACA level 4/4+ or above	yes/no		
Souls to influence almost Sound 2 aminsions			Discussions underway with all airlines operating at CHC - refer to
Seek to influence airport Scope 3 emissions	yes/no		sustainability reports and work with NZ around hydrogen and SAFs

SOI Measure	Target	Tracking	Comment on non-performance
Implement CIAL Waste Minimisation Strategy	yes/no		
Create separated waste streams with known destinations	yes/no		
Undertake waste minimisation projects to reduce emissions	yes/no		Waste sortation project underway

chergy			
SOI Measure	Target	Tracking	Comment on non-performance
Actively pursue energy transition from fossil fuel to clean energy	yes/no		Refer to sustainability and renewable energy activations including Kowhai Park
Make an impact beyond CIAL terminal boundaries	yes/no		
Undertake energy efficiency projects, including LED lighting	yes/no		Underway

SOI Measure	Target	Tracking	Comment on non-performance
Measure, understand and undertake to conserve water around terminal and	ves/no		
campus	yes/no		

	10121			
	5OI Measure	Target	Tracking	Comment on non-performance
- [	Number of noise complaints per 10,000 aircraft movements (pa)	<=10		
	Successful delivery of updated noise compliance contours to Ecan	yes/no		Models provided to Ecan in December.
- 1	Long term and ongoing program to protect CIAL from noise reverse sensitivity affects	yes/no		
	Offers of acoustic mitigation to noise-impacted properties currently eligible	yes/no		

#### Land

SOI Measure	Target	Tracking	Comment on non-performance
Understand and enhance our unique dryland habitat	yes/no		
Undertake campus landscape planning to celebrate native species and plant	yes/no		
succession planning	yes/no		
Monitor and understand bird migration patterns to mitigate bird strike	yes/no		
Insert bird strike management areas in the regional and district planning	yes/no		
frmework	yes/no		

#### Health & Safety

SOI Measure	Target	Tracking	Comment on non-performance
Maintain HS&W score above 85% in annual culture and engagement survey	yes/no		
CIAL HS&W workplan delivered on schedule Annual review of SMS and HSMS	yes/no yes/no		



Incremental increase in wellbeing and work/life blend scores in culture &	ves/no	
engagement survey	yes/no	
Deliver Resilience Workshops	yes/no	

Community			
SOI Measure	Target	Tracking	Comment on non-performance
Continued support for events for city benefit (i.e Visitors, reputation,	yes/no		Has been restricted by Covid settings and Omicron outbreak more recently
residents)	yes/no		with many events cancelled - now back underway
Re-activate the Community Fund	yes/no		Community Fund now back up and running
Senior Leaders participate in and address events and functions, sharing	yes/no		Has been restricted by Covid settings and Omicron outbreak more recently
expertise and skills	уезуно		with many events cancelled - now back underway
Support local and national charities through hosting collections in the	yes/no		Community Fund now back up and running
terminal and active staff engagement in charity events	yes/no		Community rund now back up and running
Open stakeholder engagement & communication via Exec attendance at	yes/no		Has been restricted by Covid settings and Omicron outbreak more recently
events, speeches, etc.	yes/no		with many events cancelled - now back underway
Respectively engage with our local communities, iwi mana whenua &			
stakeholders in respect of CIAL's plans to explore potential for a new airport	yes/no		Plan well developed and ongoing
in Central Otago			

People			
SOI Measure	Target	Tracking	Comment on non-performance
Improvements in leadership measures in annual Culture & Engagement	yes/no		
survey	yearno		
Improved retention of critical future talent	yes/no		Retention rates currently impacted by tight labour market and
			unsustainable public sector wage growth
Design and delivery emerging leaders programme	yes/no		Underway
Embed Future of Work Policy	yes/no		Close to completion
Improvements in participation and inclusion measures in annual Culture &	yes/no		
Engagement survey	yes/no		
Embedding of organisation wide employee value statements	yes/no		





Us staff				
Filescaled				
Figure   Tracking   179   91   170	Annual Target to be assessed at year-end			
Figure   Tracking   179   91   170				
Section   Project   Tracking   Section   Sec				
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Stoles   Target   Target   Target   Target   Target   Comment on non-performance   Corporation of Comment on Comment on Non-performance   Corporation of Corpora		2.2.1		
Sol Measure  Trapet  Comment on non-performance  Organisational culture change  Comment on International Culture Change  Comment Comment Committee Meetings per year  Comment on International Culture Change  Comment on International Culture Change  Comment Committee Meetings per year  Comment Committee Change  Comment Committe		8.8%	4.5%	
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Content   Cont			Tracking	
Six-monthly reporting on Workplace Culture Action Film implementation progress Leadership and development Deliver Leadership Development Programme 88/15 Six 3 Six	Organisational culture change			Slowed delivery Oct 22 - Jan 23 due to operational demands. Progressing a
Se-monthly reporting on wherspace studies Action Plan implementation progress Leadership and development Action Plan implementation progress Deliver Leadership Development Programme Prog		LPC staff		
Action Plan implementation progress leadership and development  Bederish pand development  Gender balance make/female Engagement Pulse Survey conducted per francial year  Begramme  Befrid  Bederish Safety  STO Measure  Farget  Tracking  Comment on non-performance  Programme delivered control checks in plan francial checks and plan for controlled Checks in plan for control Checks in plan for format checks or not of stradies		Six-monthly reporting on Workplace Culture		First report of FY23 published in September - next external report due 31
Deliver Leadership and development Programme SATS SATS SATS SATS SATS Deliver Leadership Development Programme SATS SATS SATS SATS SATS SATS SATS SAT				March 23
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Main	Gender balance male/female	85/15		87/13 As at December 2022
Main	Engagement Pulse Survey conducted per financial year			Diversity and Inclusion Pulse Survey conducted in Q2. CEO Pulse survey
Mealute   Safety   Tracking   Comment on non-performance		>3		
Reportable injunes/nadents 1	Health & Safety			
Reportable injunes/nadents 1	SOI Measure	Target	Tracking	Comment on non-performance
Total Reconcible Injury Prequency Rate  4.2.66 2.51  Health and safety Interaction per year  8.00 6.58  Service Leaders Citized Centrol Checks  8.00 6.58  Intrastructure for the Future  5.01  5.02  5.05	Reportable injuries/incidents	C	0	
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Progressed Declaration	Asset Management Plans development and implementation  Programmes with full Sustainability Analysis and Plans Social Capital  SOI Measure  Port Usison Committee Meetings per year MAG. Meetings per year  Planet  SOI Measure  Carbon Reduction  Waste  Biodiversity Positive	Overall strategy and plan for centralised LPC asset management developed Implementation tool developed 100%  Target >3 >6  Target 10% reduction in scope 1 and 2 operational emissions or carbon intensity from baseline year 2018  Conduct Biodiesel trial in LPC plant  Conduct comprehensive waste audits to identify a new baseline for waste Commence waste dashboard reporting for operational areas  Publish our biodiversity impacts and dependencies analysis  75% of all LPC Lyttelton non-operational land is actively managed for key preclators  Develop penguin habitat biodiversity positive enhancement programme 100% of operational product suppliers  >550K/annum evaluated against responsible responsibles		Comment on non-performance  Feasibility work has identified transitioning existing equipment to biodiess is difficult once it has started being run on mineral diesel; our newer fleet of straddles are unable to use biodiesel at help use ad-blue, and supply of biodiesel is problematic at present. We are instead focusing on electrification for long-term emissions reduction.  Extensive work is underway on this project, but we are now working with external stakeholders and it is likely the completion of this portion of our
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Reporting Publish first full integrated report Report published September 29	Asset Management Plans development and implementation  Programmes with full Sustainability Analysis and Plans Social Capital  SOI Measure  Port Lusion Committee Meetings per year MAGS Meetings per year  Planet  SOI Measure  Carbon Reduction  Waste  Biodiversity Positive	Overall strategy and plan for centralised LPC asset management developed Implementation tool developed 100%  Target >3 >6  Target 100%  Target 100% reduction in scope 1 and 2 operational emissions or carbon intensity from baseline year 2018  Conduct Biodiesel trial in LPC plant  Conduct comprehensive waste audits to identify a new baseline for waste Commence waste dashboard reporting for operational areas  Publish our biodiversity impacts and dependencies analysis  75% of all LPC Lytteiton non-operational land is actively managed for key predators  Develop penguin habitat biodiversity positive enhancement programme 100% of operational responsible sourcing criteria via updated Ethical Procurement Declaration		Comment on non-performance  Feasibility work has identified transitioning existing equipment to biodiese is difficult once it has started being run on mineral diesel; our newer fleet of straddles are unable to use bodiesel at heavy use ad-blue; and supply of biodiesel is problematic at present. We are instead focusing on electrification for long-term emissions reduction.  Extensive work is underway on this project, but we are now working with external stakeholders and it is likely the completion of this portion of our biodiversity work will spill into the first half of FY24



# Enable Services Ltd Performance against Statement of Intent targets

Quarter Ended 31-Dec-22

On track
Uncertain
Will not be achieved
Annual Target to be assessed at year-end

OI Measure	Target	Tracking	Comment on non-performance
Gross telecommunications revenue	\$98.6m		
NPAT	\$23.1m		
Total Assets	\$753.8m		
Debt	\$295.9m		
Equity	\$364.6m		
Shareholder's funds to total assets ratio	48.4%		
Return on invested capital % (EBIT / invested capital)	5.0%		
Operating margin % (EBITDA / invested capital)	8.5%		
Return on equity % (NPAT / average equity)	6.4%		
Interest Cover x's (EBIT/Interest Expense)	3.8		
Debt to EBITDA x's (Net debt / underlying EBITDA)	4.0		
Net gearing % (Net debt / net debt plus equity)	44.6%		
Dividends	\$20.0m		
Dividend yield %	2.60%		
Cumulative connections	150,369		
Connections SLA achievement	>95%		
Total network availability	>99.97%		

#### Our People

U	Dur People					
S	OI Measure	Target	Tracking	Comment on non-performance		
N	laintain provision of the living wage for all Enable (direct) and primary	Undefined				
co	ontractor employees.	undelined				
0	ontinue to evolve our people strategy in terms of engagement; employee					
b	enefits; and performance management, recognition, and reward to lift	Undefined				
e	mployee engagement.					
C	ontinue to improve Enable's diversity and inclusiveness in leadership.	Undefined				
0	ontinue to monitor for remuneration and benefit inequalities in Enable	Undefined	Undefined			
a	nd ensure there aren't any.	undelined				
0	ontinue to deliver a best practice Health, Safety and Wellbeing model that	<=3		Rolling 12 month average of 5.		
e	nsures our people, partner organisation's people, customers and			2 TRIs in FY23.		
co	ommunity are kept safe and well, as measured by Total recordable injuries	No TRI or serious				
(7	'RI) <=3 and no serious harm injuries incurred.	injuries.				

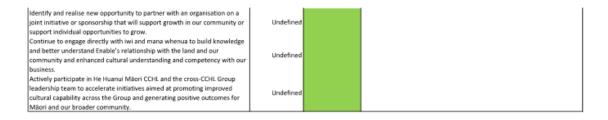
#### Sustainable Future

Sustainable Future				
SOI Measure	Target	Tracking	Comment on non-performance	
Achieve and maintain B Corp certification to enforce Enable's commitment	Achieve			
to ensuring our business supports a sustainable future and provide a	certification			
measure of our overall performance.	Certification			
Adopt science-based targets (SBT) for scope 1 and 2 absolute emissions				
reduction that require Enable to achieve a 35% reduction by FY25 against				
our FY20 baseline and a 62% reduction by FY30.				
Finalise a plan achieve net zero emissions (scope 1, 2 and 3) by FY30 in line	Plan finalised			
with CCC expectations.	Fiail Illianseu			
Redesign our approach to resource consumption to support circular				
economy principles, including corporate and operational procurement and	Undefined			
tender decisions.				
Work with our key contractors to minimise network infrastructure waste,	Implement			
specifically:	programme.			
a. implement a multi-duct recycling programme, and				
b. finalise a reuse and recycling plan for first generation equipment to be	Finalise plan.			
implemented as it is decommissioned.				
Ensure our corporate landfill waste is below our FY22 benchmark, by	v FY22 benchmark			
continuing to educate our people on waste minimisation.	V FY22 Denonmark			

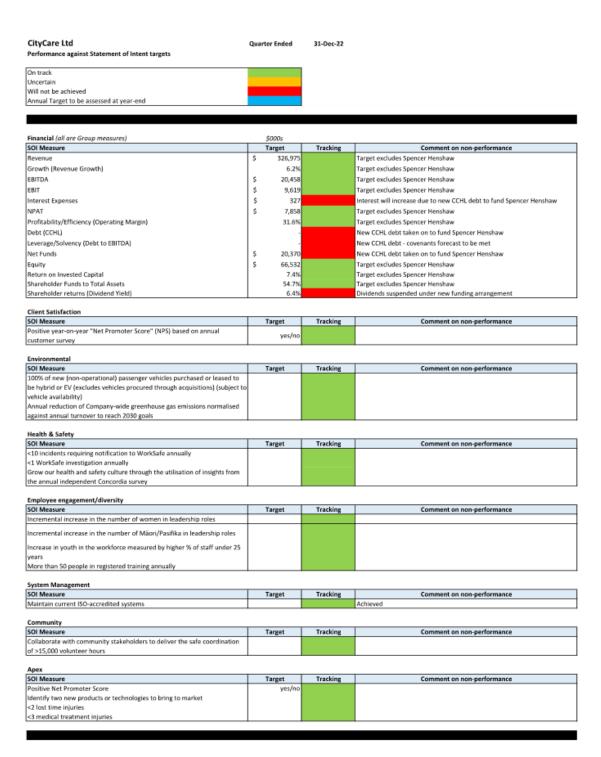
#### Community

SOI Measure	Target	Tracking	Comment on non-performance
Improve digital equity for OCHT tenants through a partnership initiative to	Undefined		
support more tenants to participate in the digital world.	Oridenned		
Partner with Government, industry and other potential stakeholders to			
develop a fibre-based proposition specifically to address digital equity issues	Undefined		
in our community.			
Continue to operate our Christchurch Free Wi-Fi service in key central			
locations, and market it to support maximum economic growth, visitor, and	Maintain		
community benefits.			
Support the largest local secondary schools to leverage the full potential of			
fibre broadband for better education outcomes by delivering Hyperfibre to	Undefined		
them.			
Work closely within the CCHL Group and with other potential partners to			
unlock and realise new initiatives that can support the group to deliver	Undefined		
greater value and returns to our community.			
Maintain key strategic partnerships and sponsorships aimed at supporting a			
local environment of growth and innovation, including:			
a. our Canterbury Employers' Chamber of Commerce and Future Leaders	Maintain		
in Technology sponsorships; and			
b. our partnership with University of Canterbury to provide engineering			
students with project opportunities.			













Financial							
SOI Measure	Target	Tracking	Comment on non-performance				
			2nd quarter revenues above profit due to higher than forecast tonnes at				
Revenue	\$42.3m		the EcoDrops, strong commodity prices for recycled materials from the EcoSort and				
			strong EcoShop sales performance.				
Net Profit After Tax	\$1.53m		YTD profit enhanced by higher revenue across the business units.				
Total Assets	\$23.5m		Dependant on timing of roll out of capital expenditure programme but tracking with				
Total Assets	JE3.3111		target				
Equity	\$14.8m		YTD equity enhanced by YTD profit levels				
Debt	Nil		No term debt				
RoE	13.7%		YTD profit enhanced by higher revenue across the business units				
Dividends	\$0.25m		\$2.5M paid October 2022				
Shareholder Equity	63.0%						

Operations					
SOI Measure	Target	Tracking	Comment on non-performance		
EcoOrop Waste Minimisation, divert at least 60,000 tonnes from landfill	yes/no				
EcoSort - MRF plant improvement, deliver on completion of MFE and Plastic 2 year capital improvement projects within agreed schedule	yes/no		Project progressing according to expected timeline, and will be completed January 2023.		
EcoSort - Proportion of waste	<11%				
EcoShop - number of customer sales (pa)	145,000				
EcoShop - tonnes diverted from landfill (pa)	7,500				

Health & Safety					
SOI Measure	Target	Tracking	Comment on non-performance		
Safe work observations >100	>100		The number of scheduled safe work observations has increased from 108 to 200.		
Remedy and close out corrective actions: >90% within 8 weeks of initiation	90%				

Sustainability					
SOI Measure	Target	Tracking	Comment on non-performance		
Improve operational efficiency of machinery - reduction in kWh/T	yes/no		EcoSort MRF currently on target		
Reduction of carbon footprint	yes/no		To be determined at year end		
Community recycling education to community groups and businesses	80+ sessions				





**Attachment B** 

#### **RBL Property Limited**

Performance against Statement of Intent targets

On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

#### Financial

SOI Measure	Target	Tracking	Comment on non-performance
Net Profit After Tax	\$0.270m	\$0.146m	
Total Assets	\$18.5m	\$18.9m	
Equity	\$18.5m	\$18.8m	
Shareholder Funds to Total Assets	99.7%	99.60%	

31-Dec-22

Quarter Ended

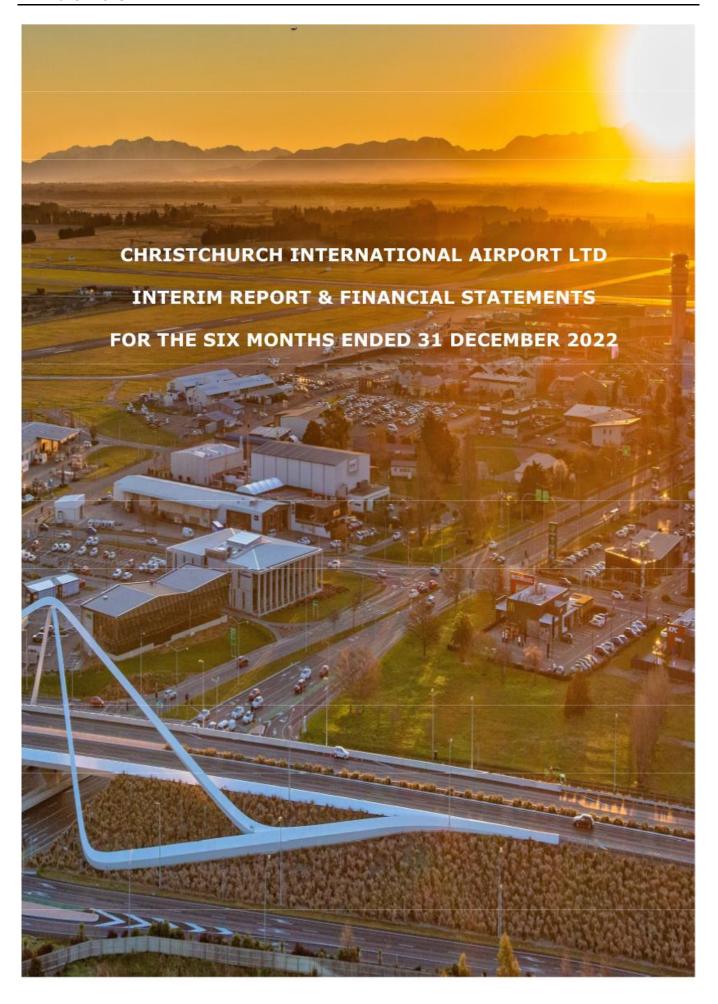
#### Mana

SOI Measure	Target	Tracking	Comment on non-performance
RBLPL will work with CCHL and in turn with CCC to establish the future for	yes/no		
the Ferry Road site, and to then implement whatever is required to give			
effect to the desired outcome			

#### Kaitiakitanga

SOI Measure	Target	Tracking	Comment on non-performance
Site maintained in compliance with consents and lease arrangements	yes/no		







#### **INTERIM FINANCIAL STATEMENTS**

#### Interim Income Statement for the six months ended 31 December 2022

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
Not	e \$000	\$000
INCOME		
Operating revenue	96,347	66,512
Interest income	129	14
Total Income	96,476	66,526
EXPENSES		
Operating costs	4 38,121	33,642
Financing and interest costs	14,596	11,688
Depreciation, amortisation and impairment	21,449	21,139
Total Expenses	74,166	66,469
Surplus before tax	22,310	57
Total taxation expense	6,247	16
Net Operating Surplus after income tax	16,063	41

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

2 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### Interim Statement of Comprehensive Income for the six months ended 31 December 2022

		Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	Note	\$000	\$000
Surplus after income tax		16,063	41
Other comprehensive income			
Items that may be reclassified subsequently to the income statement:			
Changes in fair value of cash flow hedges (net of deferred tax)	11 _	7,187	11,772
Other comprehensive income for period, net of tax		7,187	11,772
Total Comprehensive Income for the period	-	23,250	11,813

#### Interim Statement of Changes in Equity for the six months ended 31 December 2022

		Share Capital	Reserves	Retained Earnings	Total Equity
	Note	\$000	\$000	\$000	\$000
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
Balance at 1 July 2022		57,600	848,027	480,474	1,386,101
Total comprehensive income for the period		-	7,187	16,063	23,250
Dividends paid to shareholders		-	-	(2,838)	(2,838)
Balance at 31 December 2022		57,600	855,214	493,699	1,406,513
	-				

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

CHRISTCHURCH AIRPORT / INTERIM REPORT 3



#### Interim Statement of Financial Position as at 31 December 2022

		Unaudited As at 31 Dec 2022	Audited As at 30 June 2022
	Note	\$000	\$000
EQUITY			
Share capital		57,600	57,600
Reserves		855,214	848,027
Retained earnings		493,699	480,474
TOTAL EQUITY		1,406,513	1,386,101
NON-CURRENT LIABILITIES			
Term Borrowings	5	507,575	446,918
Derivative financial instruments	11	-	2,805
Deferred taxation		170,790	167,995
Trade and other payables		480	480
TOTAL NON-CURRENT LIABILITIES		678,845	618,198
CURRENT LIABILITIES			
Current Portion of Borrowings	5	50,000	124,000
Trade and other payables		17,656	18,697
Taxation payable		5,498	852
Derivative financial instruments	11		543
TOTAL CURRENT LIABILITIES		73,154	144,092
TOTAL EQUITY AND LIABILITIES		2,158,512	2,148,391
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,388,621	1,392,985
Investment Properties	10	718,734	714,192
Intangible Assets		1,019	1,314
Trade and other receivables		4,529	4,873
Derivative financial instruments	11	20,824	15,230
TOTAL NON-CURRENT ASSETS		2,133,727	2,128,594

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

<sup>4</sup> FOR THE SIX MONTHS TO 31 DECEMBER 2022

#### Interim Statement of Financial Position as at 31 December 2022 (continued)

		Unaudited As at 31 Dec 2022	Audited As at 30 June 2022
	Note	\$000	\$000
CURRENT ASSETS			
Cash and cash equivalents		1,811	4,388
Trade and other receivables		22,117	14,849
Derivative financial instruments		327	-
Inventories		530	560
TOTAL CURRENT ASSETS		24,785	19,797
TOTAL ASSETS		2,158,512	2,148,391

For and on behalf of the Board

Catherine Drayton

Chair

Kathryn Mitchell

hatemarka

Director

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these Interim financial statements.

CHRISTCHURCH AIRPORT / INTERIM REPORT 5



Interim Statement of Cash Flows for the six months ende	d 31 Dec	cember 2022	
		Unaudited 6 months to	Unaudited 6 months to
		31 Dec 2022	31 Dec 2021
	Note	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Receipts from customers		92,840	69,338
Interest received		129	14
Net Goods and Services Tax received		395	
		93,364	69,352
Cash was applied to:			
Payments to suppliers and employees		(43,290)	(38,704)
Financing and interest costs		(14,223)	(12,178)
Net Goods and Services tax paid		-	(1,566)
Net income tax paid		(1,602)	
		(59,115)	(52,448)
Net Cash Flows from Operating Activities		34,249	16,904
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets		(17,284)	(5,472)
Purchase of investment properties		(4,704)	(10,653)
Net Cash Flows from Investing Activities		(21,988)	(16,125)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Borrowings		52,000	238,000
		32,000	238,000
Cash was applied to:			
Borrowings		(64,000)	(239,000)
Dividends paid	8	(2,838)	-
Net Cash Flows from Financing Activities		(14,838)	(1,000)

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

6 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### Interim Statement of Cash Flows for the six months ended 31 December 2022 (continued)

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
Net (Decrease)/Increase in Cash Held	(2,577)	(221)
Add cash and cash equivalents at beginning of the period	4,388	4,112
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,811	3,891
RECONCILIATION WITH NET OPERATING SURPLUS AFTER TAX		
Net operating surplus after income tax	16,063	41
Non-cash items		
Amortisation of capitalised borrowing costs and fair value hedge ineffectiveness	(40)	3
Amortisation of lease surrender and incentives	328	376
Accrued interest within derivatives	(809)	128
Depreciation, amortisation and impairment	21,449	21,139
	20,928	21,646
Items Not Classified as Operating Activities		
Capital items included in trade payables and accruals	863	4,152
Net gain on asset disposals	8	
	871	4,152
Movements in Working Capital		
Increase/(decrease) in trade and other payables	(7,251)	(9,904)
(Increase)/decrease in trade and other receivables	30	963
(Increase)/decrease in inventories	(1,037)	(10)
Increase/(decrease) in taxation payable	4,645	16
	(3,613)	(8,935)
Net Cash Flows from Operating Activities	34,249	16,904

The financial statements for the six-month periods have not been audited. The full year financial statements to 30 June 2022 have been audited. The accompanying notes form part of these interim financial statements.

CHRISTCHURCH AIRPORT / INTERIM REPORT 7



#### Notes to the Interim Financial Statements for the six months ended 31 December 2022

#### 1. Basis of Preparation and Accounting Policies

Christchurch International Airport Limited (CIAL) is a company established under the Airport Authorities Act 1966 and 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.

These interim financial statements were approved by the Board of Directors on 27 February 2023.

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 of NZX Limited. These unaudited interim financial statements comply with New Zealand equivalents to International Accounting 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 2022 ("2022 Annual Report").

The accounting policies set out in the 2022 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 2022. Christchurch Airport has not early adopted any other standard that has been issued but is not yet effective.

#### **Key Estimates and Judgements**

The financial position and performance of the company for this interim period have reflected the transition to a post-pandemic environment, with significantly more people travelling through Christchurch Airport. Domestic and international travel volumes have continued to rebound quickly following the reopening of borders in New Zealand and abroad. Year to date domestic and international travel volumes are now respectively sitting at 91.5% and 53.8% of pre-pandemic levels.

The timing of full traffic recovery to pre-pandemic levels continues to have some uncertainty, with ongoing aircraft capacity constraints and staff shortages in the aviation industry globally. Elements of constrained travel volume growth are expected to continue until the global aviation eco-system can scale back up fully to pre-pandemic levels.

During the preparation of the interim and annual financial statements, several estimates and judgements are made that impact the carrying value of underlying assets and liabilities – with key estimates relating to the carrying value, and impairment assessments, of Property, Plant & Equipment and Investment Property. Based on the company's performance in the most recent six months to 31 December 2022, these estimates and judgements have been reassessed and no material adjustments have been deemed necessary for this six-month period (see further commentary in Notes 9 and 10).

CIAL uses underlying forecast cash flows when making some of its estimates and judgements based on forecasts of passenger and visitor rebound and growth trajectories using information available at the time of preparing these interim financial statements. As with all reasonable assumptions made at a point in time it is likely that the actual outcome will differ over time.

8 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### 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

#### <u>Planes</u>

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 2022	\$000	\$000	\$000	\$000
Total segment income	17,157	45,982	33,337	96,476*
Total segment expenses	15,954	37,145	21,067	74,166*
Segment Net Profit before Tax	1,203	8,837	12,270	22,310*
	Planes	Passengers	Property	Total
Unaudited six months to 31 Dec 2021	Planes \$000	Passengers \$000	Property \$000	<b>Total</b> \$000
Unaudited six months to 31 Dec 2021 Total segment income		· ·		
	\$000	\$000	\$000	\$000

<sup>\*</sup>Agrees to total income, total expenses, and surplus before tax on the Interim Income Statement.

Income reported above represents income generated from external customers. There was no inter-segment income in the period (31 December 2021: nil).

CHRISTCHURCH AIRPORT / INTERIM REPORT 9



3.	Operating	Darramina
- 3	Uperating	Kevenue

3. Operating Revenue		
	Unaudited	Unaudited
	6 months to	6 months to
	31 Dec 2022	31 Dec 2021
	\$000	\$000
Revenue from contracts with customers		
Landing and Terminal charges	37,467	20,005
Ground transport and other trading activities	16,048	14,848
Total Revenue from contracts with customers	53,515	34,853
Other Income		
Rent and Lease income	37,388	26,690
Gain on disposal of assets	10	-
Other revenue	5,434	4,969
Total Other Income	42,832	31,659
Total Operating Revenue	96,347	66,512

#### 4. Operating Costs

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
Staff	12,626	12,345
Asset management, maintenance and airport operations	8,075	6,573
Rates and insurance	7,592	7,069
Marketing and promotions	843	552
Professional services and levies	1,900	1,464
Commercial entity running costs	4,020	3,373
Other	3,065	2,266
	38,121	33,642

10 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### Borrowings

As at 31 December 2022, the Company has committed bank funding facilities for an aggregate \$375,000,000 (2021: \$500,000,000) with six banks. In addition, the Company has an overdraft facility of \$1,000,000 (2021: \$1,000,000).

Total bond funding at 31 December 2022 is \$250,000,000 (2021: \$150,000,000). \$100,000,000 (2021: \$100,000,000) of the bond funding (maturing May 2024) is held at amortised cost, adjusted by the fair value of the designated hedge risk instrument. Additionally, the Company has a \$50,000,000 bond and \$100,000,000 bond, maturing in April 2027 and May 2028 respectively.

During the period, several maturing bank facilities were extended for periods ranging between two and five years and one facility was repaid to reflect the current reduced liquidity requirements of the company.

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 2.6% to 5.5%. (2021: 1.1% 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.

CIAL was in compliance with all its current financial covenants during the current and prior periods.

CIAL has several bank facilities maturing over the next 24 months. The Board has an approved refinancing strategy in place, with refinancing through the extension of existing bank facilities and the investigation of debt capital market issuance options both domestically and offshore.

The company remains confident that any further 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 2022	Audited As at 30 June 2022
	\$000	\$000
Less than 1 year	50,000	124,000
1 > 3 Years	289,575	271,918
3 > 5 Years	118,000	75,000
Greater than 5 Years	100,000	100,000
	557,575	570,918
Total available funding	625,000	700,000

CHRISTCHURCH AIRPORT / INTERIM REPORT 11



#### 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 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
Transactions with owners during the period to 31 December		
Purchases from CCC and subsidiaries	3,988	3,410
Rates paid to CCC	3,856	3,579
Revenues from CCC and subsidiaries	385	340
Amounts payable to CCC and subsidiaries	651	516
Amounts receivable from CCC and subsidiaries	6	4
Dividend to CCC and subsidiaries	2,129	-

#### **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

As	Unaudited at 31 Dec 2022	Unaudited As at 31 Dec 2021
	\$000	\$000
$\label{total} \emph{Total capital expenditures committed to, but not recognised in, the financial statements}$		
Property, Plant and Equipment and Intangibles	3,385	2,121
Investment Properties	11,359	8,096
Cashflows associated with the purchase or construction of Property, Plan	nt and Equipment	, Intangibles and

#### 12 FOR THE SIX MONTHS TO 31 DECEMBER 2022

Investment Properties are included in the Statement of Cashflows.



#### 8. Dividends

	Unaudited 6 months to 31 Dec 2022	Unaudited 6 months to 31 Dec 2021
	\$000	\$000
2022 Final dividend paid (4.9 cents per share)	2,838	-

#### 9. Property, Plant & Equipment

The company carries land, buildings, terminal facilities, hotel business assets, sealed surfaces, infrastructure and car parking assets at fair value. The company revalued all property, plant and equipment ('PPE') asset classes carried at fair value at 30 June 2022 (with the exception of the Terminal), as outlined in the 2022 Annual Report. No revaluation of these assets has been performed as at 31 December 2022.

The company has assessed that it has one core cash generating unit ('CGU') across its PPE asset base which comprises of its terminal and airfield assets, together with two other cash generating units – the hotel and car parking assets. CIAL has performed an impairment assessment of all of these CGUs as at 31 December 2022, with no indication of impairment identified.

Motor vehicles, plant & equipment, office & computers and work in progress are carried at cost.

Additions to property, plant & equipment were \$16,800,000 for the six months ended 31 December 2022 (2021: \$4,200,000).

#### 10. Investment Property

The company carries investment property at fair value. The company last revalued investment property at 30 June 2022 as outlined in the 2022 Annual Report. No revaluation of investment property has been performed as at 31 December 2022. CIAL has also performed an impairment assessment of its Investment Property Portfolio as at 31 December 2022, with no indication of impairment identified.

Additions to investment property were \$4,700,000 for the six months ended 31 December 2022. (2021: \$7,800,000).

#### 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 2022.

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 2022. 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 2022 there were no contingent assets (2021: nil) and there were no contingent liabilities (2021: nil).

#### 13. Events Subsequent to Balance Date

On 27 February 2023, the directors approved the payment of a fully imputed interim dividend of 25.1 cents per share amounting to \$14,457,000. There were no other events occurring after balance date that could significantly affect these interim financial statements.

CHRISTCHURCH AIRPORT / INTERIM REPORT 13



#### 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 2022 with those measures are as follows:

TARGETS	FY 2023 FY Target \$000	HY 2023 Actual \$000	HY 2023 Target \$000
a) FINANCIAL			
Total Revenue	185,415	96,347	89,147
EBITDAF (Earnings before interest, tax, depreciation, amortisation and fair value movements)	105,492	58,226	51,872
EBITF (Earnings before interest, tax and fair value movements)	61,663	36,777	29,977
Interest Expense	25,873	14,596	12,936
Net Profit (Loss) after tax	25,769	16,063	11,498
EBITDAF as a % of Revenue	56.9%	60.4%	58.2%
Return on Invested Capital (EBIT/(Equity+Debt))	3.7%	1.9*	1.7%*
b) PASSENGER NUMBERS  Domestic	FY 2023 FY Target	HY 2023 Actual	HY 2023 Target
International	4,723,790	2,336,590	2,288,559
Total	977,211 5,701,001	479,166 2,815,756	2,701,779
c) RATIO OF SHAREHOLDERS' FUNDS TO TOTAL ASSETS	FY 2023 FY Target	HY 2023 Actual	HY 2023 Target
Debt	569,000	561,000	572,000
Equity	1,351,600	1,406,513	1,217,804
Shareholder Funds / Total Assets %	63.7%	65.2%	61.7%
Gearing (debt / (debt + equity)) %	29.6%	28.5%	32.0%
EBITDAF Interest Cover x	4.1	4.0	4.0

<sup>\*</sup> 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.

14 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### d) CORPORATE SOCIAL RESPONSIBILITY

Performance target	Performance Measures					
	2023	Progress to 31 December 2022				
Health, Safety & Wellbeing						
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.	<ul> <li>Activities to foster a positive HSW culture have continued, and the annual culture and engagement survey will be completed in early 2023.</li> <li>Informal Safety leadership conversations have continued, and a new App developed to quantify completion rates to ensure consistency across our teams. Use of the App and reporting against the metric will commence in Jan 2023.</li> </ul>				
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.  External review of the SMS was completed as part of the CAA Aerodrome recertification audit in Nov 22 and the HSMS is scheduled for external audit in Jun 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.	The annual culture and engagement survey will be completed in early 2023.  Scheduling of workshops to build competency around managing psychosocial risk factors is underway with operational teams to give them tools to pro-actively manage challenging situations.				
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).      Renew ACA Level 4/4+ or above and look for opportunities to demonstrate continued climate leadership.      Demonstrate continued responsibility and leadership in aviation transition.      Actively seek to influence airport Scope 3 emissions reductions.	<ul> <li>Our Emissions reduction goal is on target.</li> <li>Our ACA L4 renewal is scheduled for October 2023. We are on track to achieve L4 or higher by that date.</li> <li>This is ongoing. CIAL is participating at global level in ACA steering group for further leadership in carbon reduction best practice, as well as active participation within New Zealand context.</li> <li>Our scope 3 reductions influence is in progress – with our Kowhai Park renewable energy precinct, and MOU with Air New Zealand and hydrogen consortium demonstrating partnerships to accelerate de-carbonisation.</li> </ul>				

CHRISTCHURCH AIRPORT / INTERIM REPORT 15



#### 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.
- Implement CIAL waste minimisation strategy.
- Create separated waste streams with known waste stream destinations.
- Undertake waste minimisation projects to reduce emissions and minimise waste.
- In progress and on-going.
- In progress, with the initial focus being on diverting more organic streams from general waste.
  - In progress the first project, of an onsite waste sortation facility has been commissioned and operational from late January 2023.

#### 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.
- In progress and on-going.
- Kowhai Park renewable energy precinct has progressed with joint venture partners being chosen to deliver phase 1 of the solar precinct.
- Our Building Management System continues to find energy efficiency improvements, and LED lighting upgrades are in progress.

- 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.
- In progress and on-going.

#### Noise

- 8. Historically, noise has been the environmental issue of greatest focus at airports around the world. responsibility 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 aircraft movements per | ■ Ecan's independent Expert panel 10,000 annum.
- Successful delivery of the updated compliance noise 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.
- Ongoing.
- Review underway, expect to have agreed contours by FY year end.
- contours to Ongoing, CIAL delivering treatment to second property opted to take up the offer.
  - On-going, CIAL engaging with regional and district plan review processes.

#### Land

- 9. Our Place is an area of unique natural beauty. We have a responsibility to protect 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.
- This work is on-going and supported with "i-naturalist" citizen science program.
- Landscape planning and emphasis on natives is on-going. A map of our CIAL area has been completed with a basic understanding of biodiversity footprint.
- Ongoing, regular off airport avifauna survevs underway.
- On-going, CIAL engaging with regional and district plan review processes.

16 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### 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 | Established a "Meeting space in the the region, its image and activities as pandemic impacts allow. Provision of promotional space at the airport to showcase events and activities across  $\mid$   $\bullet$  Eight Community groups and projects the region.
- Re-activate the Community Fund as the pandemic allows.
- 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.

- arrivals area for event and activity related groups to gather on arrival before transport to their venue.
- received grants from this fund in September 2022.
- Our Chief Executive and executives spoke both in person and online to local, national, and international events.
- Senior leaders and content experts took up invitations to speak at a wide variety of events in a variety of cities here and overseas.
- More than 20 local and national charities benefitted from our hosting and supporting through staff engagement.
- We continued to engage with local communities and groups, plus respond to inquiries and stakeholders - including media - as we progress our project.

#### 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. pathways actioned Pipeline of leaders emerging developed. competency and development pathways activated
- Improved retention of critical talent.
- Design and deliver emerging leaders' program.
- Retention of critical talent is a constant focus and strategies have been successful in preventing turnover.
- Succession planning has been completed and shared with CIAL board.
- 4 employees identified as emerging leaders from across the organisation will be participating in a 6 day off site development program in 2023. All will be assigned an internal mentor once the program is completed to support the application of learning.

#### Develop, support and value leadership

- 12. All employees and people leaders understand the role and expectations of a 'CIAL Leader
  - Our leaders are highly effective in coaching for performance, enabling change and are committed to supporting, empowering and developing others
- All our leaders are accountable and for their performance and leadership behaviours
- Incremental improvement leadership performance and personal development and performance reviews.
- Incremental improvement in leadership measures in culture and engagement survey.
- in | Annual culture and engagement survey delayed until 2023 with leadership measures unable to be reported on.
  - Leadership development program to commence in 2023 with inclusive leadership the first focus.

CHRISTCHURCH AIRPORT / INTERIM REPORT 17



#### 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

Strengthen diversity, inclusion and

and

thought throughout our business

14. Creation and implementation of a

diversity, inclusion and participation

program which promotes diversity of

engagement

engagement

- Embedding CIAL Future of Work working party and establishment of key strategic objectives.
- Internal recognition of the innovation and change being caused by Future of  $\mid$  f a Annual culture and engagement survey Work strategies.
- Incremental improvement in Innovation measures in culture and engagement survey.
  - Embedding of organisation wide · New values created with employee input employee value statements that and launched in 2022. guide how we work, make decisions, and consider diverse perspectives to
- · Ongoing support of flexible work arrangements that reflect our people's needs and the needs of CIAL.

determine the way we treat each

 Incremental improvements participation and inclusion measures in culture and engagement survey.

- Future of Work introduced to CIAL's EPSG framework and working group will be established early 2023.
- Ongoing.
  - delayed until 2023 with innovation measures unable to be reported on.
- Standalone flexible work guidelines introduced, and some arrangements established. Continual review of job design and work patterns to ensure optimal environment is in place for our people to perform
- Annual culture and engagement survey delayed until 2023 with participation and inclusion measures unable to be reported on

18 FOR THE SIX MONTHS TO 31 DECEMBER 2022



#### 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.

#### Stock Exchange Listings

The company has two series of bonds ("CHC010" and "CHS020") which were quoted on the NZDX on 25 May 2018 and 19 May 2022 respectively. Each issue was for \$100 million of unsecured, unsubordinated, fixed rate bonds, with "CHC010" maturing on 24 May 2024 and "CHC020" maturing on 19 May 2028.

#### **Credit Rating Status**

On December 16, 2022, S&P Global Ratings ('S&P') raised the issuer credit rating on Christchurch International Airport Ltd (CIAL) and issue credit rating on the airport's debt, to A-, with outlook 'Stable'.

#### **Regulatory Environment**

The company is regulated by, amongst other legislation, the Airport Authorities Act 1966 and the Civil Aviation Act 1990. The company is an 'airport company' for the purposes of the Airport Authorities Act 1966. The company has consultation obligations under the Airport Authorities Act 1966.

The company is required to comply with the Commerce Act (Specified Airport Services Information Disclosure) Determination 2010, with disclosure financial statements required to be published in November each year.

CHRISTCHURCH AIRPORT / INTERIM REPORT 19



# 15. Appointment of elected members to the boards of ChristchurchNZ Holdings Ltd, Venues Ōtautahi and Civic Building Ltd

Reference / Te Tohutoro: 23/51843

**Report of / Te Pou** Linda Gibb, Performance Advisor, Resources Group

Matua: (linda.gibb@ccc.govt.nz).

General Manager / Leah Scales, General Manager Resources/Chief Financial Officer

Pouwhakarae: (Leah.Scales@ccc.govt.nz)

#### 1. Nature of Decision or Issue and Report Origin

- 1.1 This report proposes the appointment of elected members to the boards of ChristchurchNZ Holdings Ltd (CNZHL), Venues Ōtautahi (VŌ) and Civic Building Ltd (CBL) for the current 2023-2025 triennium.
- 1.2 This report has been written following advice from the Apppointments' Committee about the process it has followed to reach recommendations for appointments of elected members to each of the CCOs.
- 1.3 The Appointments' Committee's report to the Council's with its recommended appointees has not yet been completed as interviews for the board roles were only completed yesterday, 15 March. The positions were heavily subscribed for and as a result the work required of the Appointments' Committee was more time consuming than expected.
- 1.4 The Appointments' Committee's report will be finalised and circulated separately prior to the Finance and Performance meeting. It will be added to this report as **Attachment A**.
- 1.5 Staff consider it is undesirable to defer making the appointments as the three boards need the full complement of directors to give the boards the full capacity and capability to exercise their CCO governance responsibilities.
- 1.6 The Council established the Appointments' Committee at its meeting on 25 January 2023 (CNCL/2023/00003 refers) comprising the following members Chair of ChristchurchNZ Holdings Ltd, Chair of Venues Ōtautahi and the Mayor.
- 1.7 The Committee was charged with undertaking the work required, as prescribed by the Council's Policy for the Appointment and Remuneration of Directors of Council Organisations to recommend elected member appointments to the boards of CNZHL, VŌ and CBL.
- 1.8 Council staff consider the process advised by the Appointments' Committee as having been undertaken is consistent with the Council's Policy for the Appointment and Remuneration of Directors of Council Organisations.
- 1.9 The Appointments' Committee recommends the following elected members be appointed for the current triennium, effective immediately and ending at the 2025 local body election:
  - Councillors [insert two names] to CNZHL;
  - Councillors [insert two names] to VO; and
  - Councillors [insert three names] to CBL.
- 1.10 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 might impact the community.



#### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Approves the following elected member appointments to Council-controlled organisations' boards for a term of approximately three years each, effective immediately and expiring at the 2025 local body election:

Councillor [insert name] and Councillor [insert name] to ChristchurchNZ Holdings Ltd; Councillor [insert name] and Councillor [insert name] to Venues Ōtautahi Ltd; and Councillor [insert name], Councillor [insert name] and Councillor [insert name] to Civic Building Ltd.

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

3.1 The appointments' process undertaken meets the requirements of the Appointments' Policy and the Council's requirements per its 25 January 2023 resolution (CNCL/2023/00003 refers) for work to be undertaken to recommend elected member appointments to the boards of CNZHL, VŌ and CBL.

## 4. Alternative Options Considered Etahi atu Kowhiringa

4.1 The only alternative option is to not appoint elected members to the CCO boards which would be out of step with the Council's 25 January decisions.

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

#### Strategic AlignmentTe Rautaki Tīaroaro

5.1 This report is consistent with the Council's governance policy which reflects its views of good governance in the local government context. It is not specifically related to the Council's Long Term Plan (2021 - 2031).

#### Policy Consistency Te Whai Kaupapa here

5.2 The decision sought is consistent with the Council's Plans and Policies. In particular, the requirements for director appointments contained in the Council's Appointments' Policy.

#### Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 5.3 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 specifically impact Mana Whenua, their culture and traditions.
- 5.4 The decision does not involve a matter of interest to Mana Whenua and will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 5.5 Governance arrangements that are optimal benefit the entire community.

#### Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

5.6 Not relevant to this decision.

#### Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

5.7 Not relevant to this decision.



#### Capex/Opex Ngā Utu Whakahaere

5.8 Cost to Implement – there is no impact on the Council's costs as a result of the recommendations in this report.

#### 6. Legal Implications Ngā Hīraunga ā-Ture

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

6.1 Local Government Act 2002.

#### Other Legal Implications Etahi atu Hīraunga-ā-Ture

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

## 7. Risk Management Implications Ngā Hīraunga Tūraru

7.1 Not relevant.

## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
Α	Appointments' Committee - Recommendations for elected		
	members appointments to CCO boards (Under Separate Cover)		

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

Document Name - Location / File Link			
Not applicable			

## Confirmation of Statutory Compliance Te Whakatūturutanga ā-Ture

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

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

## Signatories Ngā Kaiwaitohu

Author Linda Gibb - Performance Monitoring Advisor CCO	
Approved By	Leah Scales - General Manager Resources/Chief Financial Officer



# Finance and Performance Committee 22 March 2023



## 16. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7. Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

#### Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- "(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
  - (a) Shall be available to any member of the public who is present; and
  - (b) Shall form part of the minutes of the local authority."

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

# Finance and Performance Committee 22 March 2023



ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
17.	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 22 FEBRUARY 2023			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
18.	CHRISTCHURCH CITY HOLDINGS LTD - DEPUTY CHAIR APPOINTMENT	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	TO PROTECT THE REPUTATION OF THE CANDIDATE IN THE EVENT THE APPOINTMENT IS NOT APPROVED.	AS SOON AS THE COUNCIL MAKES ITS DECISION AND THE CANDIDATE IS NOTIFIED.
19.	CHRISTCHURCH CITY HOLDINGS LTD - QUARTER 2 2022/23 STRATEGIC UPDATE	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	THE REPORT CONTAINS COMMERCIAL INFORMATION WHICH, IF RELEASED PUBLICLY COULD BE DETRIMENTAL TO CCHL'S FINANCIAL PERFORMANCE FOR THE YEAR.	AFTER RELEASE OF CCHL'S ANNUAL REPORT BY THE END OF SEPTEMBER 2023.
20.	INSURANCE SUBCOMMITTEE PART A REPORT	S7(2)(G)	MAINTAIN LEGAL PROFESSIONAL PRIVILEGE	TO KEEP LEGAL ADVICE CONFIDENTIAL.	THE REPORT WILL REMAIN WITHHELD FROM PUBLIC RELEASE UNTIL THE GROUND FOR WITHHOLDING UNDER THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT NO LONGER APPLIES.



# **Karakia Whakamutunga**

Kia whakairia te tapu

Kia wātea ai te ara

Kia turuki whakataha ai

Kia turuki whakataha ai

Haumi e. Hui e. Tāiki e