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## Finance and Performance Committee

### AGENDA

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#### Notice of Meeting:

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

**Date:** Wednesday 27 March 2024  
**Time:** 9.30 am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

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#### Membership

Chairperson	Councillor Sam MacDonald
Deputy Chairperson	Councillor Melanie Coker
Members	Mayor Phil Mauger
	Deputy Mayor Pauline Cotter
	Councillor Kelly Barber
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor James Gough
	Councillor Tyla Harrison-Hunt
	Councillor Victoria Henstock
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Jake McLellan
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett
	Councillor Sara Templeton

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21 March 2024

Principal Advisor

Bede Carran

General Manager - Resources / CFO

Tel: 941 8999

David Corlett

Democratic Services Advisor

941 5421

david.corlett@ccc.govt.nz

[www.ccc.govt.nz](http://www.ccc.govt.nz)

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/>



# What is important to us?

Our Strategic Framework is a big picture view of what the Council is aiming to achieve for our community

## Our focus this Council term 2022–2025

### Strategic Priorities



Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.



Champion Ōtautahi-Christchurch and collaborate to build our role as a leading New Zealand city.



Build trust and confidence in the Council through meaningful partnerships and communication, listening to and working with residents.

Adopted by the Council on 5 April 2023



Reduce emissions as a Council and as a city, and invest in adaptation and resilience, leading a city-wide response to climate change while protecting our indigenous biodiversity, water bodies and tree canopy.



Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.



Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind.

## Our goals for this Long Term Plan 2024–2034

### Draft Community Outcomes



**Collaborative and confident**

Our residents have the opportunity to actively participate in community and city life, have a strong sense of belonging and identity, and feel safe.



**Green and liveable**

Our neighbourhoods and communities are accessible and well connected, supporting our goals to reduce emissions, build climate resilience and protect and regenerate the environment, especially our biodiversity, water bodies and tree canopy.

To be adopted by the Council as part of the Long Term Plan 2024–2034



**A cultural powerhouse**

Our diverse communities are supported to understand and protect their heritage, pursue their arts, cultural and sporting interests, and contribute to making our city a creative, cultural and events 'powerhouse'.



**Thriving and prosperous**

Our city is a great place for people, business and investment where we can all grow our potential, where enterprises are innovative and smart, and where together we raise productivity and reduce emissions.

## Our intergenerational vision

A place of opportunity for all.

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



Ngāi Tahu has rangatiratanga over its takiwā – the Council is committed to partnering with Ngāi Tahu to achieve meaningful outcomes that benefit the whole community



**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

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

#### Development Contributions

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

#### Property

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

#### Loans and debt write-offs

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

#### Insurance

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

#### Annual Plan and Long Term Plan

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

#### Submissions

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

#### ***Limitations***

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

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

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Karakia Whakamutunga



## 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 [Wednesday, 28 February 2024](#) 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 28 February 2024  
**Time:** 9.33 am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

### Present

Chairperson Councillor Sam MacDonald  
Deputy Chairperson Councillor Melanie Coker  
Members Mayor Phil Mauger  
Deputy Mayor Pauline Cotter  
Councillor Kelly Barber  
Councillor Celeste Donovan  
Councillor Tyrone Fields  
Councillor James Gough -via audio/visual  
Councillor Tyla Harrison-Hunt  
Councillor Victoria Henstock  
Councillor Yani Johanson  
Councillor Aaron Keown  
Councillor Jake McLellan  
Councillor Andrei Moore  
Councillor Mark Peters  
Councillor Tim Scandrett  
Councillor Sara Templeton

### Principal Advisor

Russell Holden  
Acting General Manager - Resources  
/ CFO  
Tel: 941 8999

David Corlett  
Democratic Services Advisor  
941 5421  
david.corlett@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

Unconfirmed

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

**Karakia Tīmatanga:** Given by all

The agenda was dealt with in the following order.

**1. Apologies Ngā Whakapāha**

**Part C**

**Committee Resolved FPCO/2024/00009**

That the apologies received from Councillor Donovan for a partial absence be accepted.

Councillor MacDonald/Councillor Coker

**Carried**

**2. Declarations of Interest Ngā Whakapuaki Aronga**

**Part B**

Councillor Mark Peters declared an interest in Item 12 and PX Item 18 (Riccarton Bush Trust)

Councillors Henstock and McLellan declared an interest in Item 13 (ChristchurchNZ Ltd)

Councillors Barber and Scandrett declared an interest in Item 14 (Venues Ōtautahi Ltd)

Councillors MacDonald and Templeton declared an interest in Item 15 (Christchurch City Holdings Ltd)

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

**Part C**

**Committee Resolved FPCO/2024/00010**

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 31 January 2024 be confirmed.

Councillor MacDonald/Councillor Harrison-Hunt

**Carried**

Mayor Mauger joined the meeting at 9.37am during consideration of item 4.1.

**4. Public Forum Te Huinga Whānui**

**Part B**

**4.1 Aurora Garner-Randolph**

Aurora Garner-Randolph from School Strike for Climate spoke in relation to Te Aratai Cycleway.

**5. Deputations by Appointment Ngā Huinga Whakaritenga**

**Part B**



**5.1 Funding Te Aratai Cycle Connections**

Dermot Coffey spoke in relation to the funding of Te Aratai Cycle Connections (Item 11).

**5.2 Te Aratai Cycle Connections**

Bronwyn Hayward from Canterbury University spoke regarding Te Aratai Cycle connections improvements (Item 11).

**6. Presentation of Petitions Ngā Pākikitanga**

**Part B**

There was no presentation of petitions.

**7. Key Organisational Performance Results - January 2024**

**Committee Resolved FPCO/2024/00011**

**Officer recommendations accepted without change**

**Part C**

That the Finance and Performance Committee:

1. Receive the information in the Key Organisational Performance Results – January 2024 report.

Mayor/Councillor Coker

**Carried**

Councillor Fields left the meeting at 10.10am and returned at 10.18am during consideration of item 8.  
Councillor Cotter left the meeting at 10.13am and returned at 10.18 during consideration of item 8.

**8. Financial Performance Report - January 2024**

**Committee Resolved FPCO/2024/00012**

**Officer recommendations accepted without change**

**Part C**

That the Finance and Performance Committee:

1. Receive the information in the Financial Performance Report for January 2024.

Councillor MacDonald/Councillor McLellan

**Carried**

Councillor Barber left the meeting at 10.33am and returned at 10.35am during consideration of item 9.  
Councillor Scandrett left the meeting at 10.38am and returned at 10.41am during consideration of item 9.

The meeting adjourned at 10.57am and reconvened at 11.17am during questions on item 9.

Councillor Donovan left the meeting during the adjournment.

## 9. Capital Programme Performance Report January 2024

**Committee Resolved FPCO/2024/00013**

**Officer recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

1. Receive the information in the Capital Programme Performance Report January 2024.

Councillor MacDonald/Councillor Scandrett

**Carried**

The meeting adjourned at 11.48am and reconvened at 11.53am during consideration of item 11.

## 11. Reprogramming of Transport Choices Projects

### Committee Comment

1. The Committee agreed that in recommendation 2 the word “stop” be replaced with “paused”, and that the words “Annual Plan” be replaced with “Long Term Plan or Annual Plan.”

### Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the information contained in this report
2. Resolves that work will stop on the following Transport Choices projects and they will be assessed for inclusion in a future Annual Plan:
  - a. #72759 Westmorland Cycle Connections
  - b. #72755 Te Aratai Cycle Connections
  - c. #72760 Little River Link Cycle Connections – Simeon and Aidanfield
  - d. #74469 Improving Bromley Roads
3. Resolves that #72758 Richmond Greenway and #72764 Linwood Roading Improvement will be returned to the Community Board to be prioritised as part of the Christchurch Regeneration Acceleration Facility (CRAF) programme.
4. Notes that work will continue for projects that have a signed Schedule 2 or are able to be accommodated within existing programmes, including:
  - a. #72777 School Safety Linwood
  - b. #72760 Little River Cycle Connections – Nga Puna Wai
  - c. #72779 Linwood Bus Stops
  - d. #72776 Slow Speed Neighbourhood - Linwood
5. Notes that work will continue for #34094 Linwood Village Streetscape Enhancements.

6. Notes that there is no impact on rates that were struck for the 2023/24 Financial Year.
7. Instructs staff to restart work on seven projects that were previously deferred:
  - a. #68430 Ferry Road – Active Transport Improvements
  - b. #68389 Condell Ave Street Renewals
  - c. #66406 Glandovey Road West and Idris Road – Active Transport Improvements
  - d. #2034 Burwood & Mairehau Intersection Improvement
  - e. #17060 Cycle Connections – Uni-Cycle
  - f. #26601 Major Cycleway - Ōtākaro-Avon Route (Section 1) Fitzgerald to Swanns Road Bridge (OARC)
  - g. #65986 Gardiners Road Shared Path - Wilkinsons to Styx Mill - Stage One

**Committee Resolved FPCO/2024/00014**

**Part C**

That the Finance and Performance Committee:

1. Receives the information contained in this report
2. Resolves that work will pause on the following Transport Choices projects and they will be assessed for inclusion in a future Long Term Plan or Annual Plan:
  - a. #72759 Westmorland Cycle Connections
  - b. #72755 Te Aratai Cycle Connections
  - c. #72760 Little River Link Cycle Connections – Simeon and Aidanfield
  - d. #74469 Improving Bromley Roads
3. Resolves that #72758 Richmond Greenway and #72764 Linwood Roding Improvement will be returned to the Community Board to be prioritised as part of the Christchurch Regeneration Acceleration Facility (CRAF) programme.
4. Notes that work will continue for projects that have a signed Schedule 2 or are able to be accommodated within existing programmes, including:
  - a. #72777 School Safety Linwood
  - b. #72760 Little River Cycle Connections – Nga Puna Wai
  - c. #72779 Linwood Bus Stops
  - d. #72776 Slow Speed Neighbourhood - Linwood
5. Notes that work will continue for #34094 Linwood Village Streetscape Enhancements.
6. Notes that there is no impact on rates that were struck for the 2023/24 Financial Year.
7. Instructs staff to restart work on seven projects that were previously deferred:
  - a. #68430 Ferry Road – Active Transport Improvements
  - b. #68389 Condell Ave Street Renewals
  - c. #66406 Glandovey Road West and Idris Road – Active Transport Improvements
  - d. #2034 Burwood & Mairehau Intersection Improvement

- e. #17060 Cycle Connections – Uni-Cycle
  - f. #26601 Major Cycleway - Ōtākaro-Avon Route (Section 1) Fitzgerald to Swanns Road Bridge (OARC)
  - g. #65986 Gardiners Road Shared Path - Wilkinsons to Styx Mill - Stage One
8. In light of the Minister of Transport cancelling the CERF funding and given the significant investment that the Council has invested in Transport Choices, requests that the Minister provides clarity of funding for alternative transport projects that are in line with the new Government's priorities and policies.

Councillor MacDonald/Mayor

**Carried**

Councillor Johanson requested that his vote against the resolution 2d be recorded.  
Councillor Gough requested that his abstention from resolution 7c be recorded.

Councillor Cotter raised a point of order that Councillor Keown misrepresented what a person presenting a deputation earlier in the meeting had said. The Chair ruled in favour of the point of order and that there be no further discussion on the matter.

**Secretarial note:** Councillor Templeton moved a procedural motion under 20.2(e) of Standing Orders that the item of business being discussed should lie on the table and not be further discussed at the meeting. This was seconded by Councillor Coker. The procedural motion was withdrawn before a vote was taken.

Councillor Donovan returned to the meeting at 12.40pm during consideration of item 10.  
Councillor Harrison-Hunt left the meeting at 12.40pm and returned at 12.42pm during consideration of item 10.  
Mayor Mauger left the meeting at 12.42pm and returned at 12.46pm during consideration of item 10.  
Councillor Moore left the meeting at 12.45pm and returned at 12.47pm during consideration of item 10.

## 10. CWTP Insurance Update

### Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in this report
2. Notes that updates will be provided to the Committee on a quarterly basis or as required

### Committee Resolved FPCO/2024/00015

#### Part C

That the Finance and Performance Committee:

1. Receive the information in this report
2. Notes that updates will be provided to the Committee on a quarterly basis or as required
3. That the Council acknowledges that the local community is continuing to experience odours coming from the damaged CWTP and request that staff:



- a. Update the Council's website to provide a dynamic display on the landing page of the air quality readings, the pond conditions, and the primary tank status alongside any other useful information to inform the community over the state of and impact from the damaged CWTP.
- b. Re-engage with key stakeholders, including the health and welfare sectors to see what further social support can be provided.
- c. Update the Adaptive Recovery plan and status of the implementation of the findings of the independent review and provide a comprehensive report back to Council in April.

Councillor Johanson/Councillor Donovan

Carried

## 12. Riccarton Bush Trust - Financial performance

**Committee Resolved FPCO/2024/00016**

**Officer Recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

1. Receives the Riccarton Bush Trust's Half Year Report for the period 1 July- 31 December 2023;
2. Receives the Riccarton Bush Trust's Annual Report for 2022/23; and
3. Receives the Riccarton Bush Trust's Annual Report for 2021/22.

Councillor MacDonald/Mayor

Carried

The meeting adjourned at 12.56pm and reconvened at 2.03pm.  
Councillor Coker assumed the Chair for consideration of item 13.  
Councillors McLellan and Scandrett were not present and did not rejoin the meeting.  
Councillor Gough joined the meeting via audio/visual link at 2.05pm.  
Councillor Moore joined the meeting via audio/visual link at 2.17pm.

## 13. ChristchurchNZ Holdings Ltd - Draft Letter of Expectations for 2024/25

**Committee Resolved FPCO/2024/00017**

**Officer Recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

1. Approves the draft Letter of Expectations for ChristchurchNZ Holdings Ltd for 2024/25.

Councillor Templeton/Councillor Scandrett

Carried

Councillor MacDonald returned to the Chair.

## 14. Venues Ōtautahi - Draft Letter of Expectations 2024/25

**Committee Resolved FPCO/2024/00018**

**Officer Recommendations accepted without change**

### Part C

That the Finance and Performance Committee:

1. Approves the draft Letter of Expectations for Venues Ōtautahi Ltd for 2024/25.

Councillor MacDonald/Mayor

**Carried**

## 15. Christchurch City Holdings Ltd - Draft Letter of Expectations 2024/25

**Officer Recommendations Ngā Tūtohu**

That the Finance and Performance Committee:

1. Approves the draft Letter of Expectations for Christchurch City Holdings Ltd for 2024/25.

**Committee Resolved FPCO/2024/00019**

### Part C

That the Finance and Performance Committee:

1. Approves the draft Letter of Expectations for Christchurch City Holdings Ltd for 2024/25 with the following additions:
  - a. Add an additional bullet point to the Letter of Expectations under the heading of “briefings” to read:
    - Financial Performance Update.
  - b. Add to end of paragraph 6 the following wording:
    - We expect CCHL to have regular and ongoing dialogue with all subsidiaries to ensure they assist in meeting Council’s overall objectives.
  - c. Under the heading “governance” remove “continue” and replace with “show”.

Councillor Coker/Deputy Mayor

**Carried**

Councillor Keown requested that his vote against the resolutions be recorded.

## 16. Resolution to Exclude the Public Te whakataunga kaupare hunga tūmatanui

**Committee Resolved FPCO/2024/00020**

**Part C**

That at 2.22pm the resolution to exclude the public set out on pages 241 and 242 of the agenda be adopted.

Mayor/Councillor Coker

**Carried**

**The public were re-admitted to the meeting at 2.34pm.**

**Karakia Whakamutunga:** Given by all

**Meeting concluded at 2.34pm.**

**CONFIRMED THIS 27<sup>th</sup> DAY OF MARCH 2024**

**COUNCILLOR SAM MACDONALD  
CHAIRPERSON**





## 7. Council submission on Government Policy Statement on land transport 2024

Reference / Te Tohutoro: 24/375210

Report of / Te Pou  
Matua:

Jane Cameron, Team Leader Strategic Transport

Senior Manager /  
Pouwhakarae:

Jane Parfitt, Interim General Manager Infrastructure, Planning and  
Regulatory Services

### 1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to seek approval of the draft Council submission on the draft Government Policy Statement on land transport 2024.
- 1.2 The draft Government Policy Statement on land transport was re-released by the Ministry of Transport on 4 March 2024. Consultation closes on 2 April 2024.
- 1.3 The decisions in this report are of medium significance in relation to the Christchurch City Council's Significance and Engagement Policy. The level of significance was determined by considering the significance of the Government Policy Statement in setting the direction and the funding parameters for regional and local transport planning. This impacts a broad range of communities across the city and has wide-ranging social, cultural and environmental impacts.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Approves lodging the draft submission (Attachment A) on the Government Policy Statement on land transport 2024 to Te Manatū Waka - Ministry of Transport.

Or

2. Delegates authority to [insert named Councillors] to approve any further changes to the draft Council submission on the Draft Government Policy Statement on Land Transport 2024.

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

- 3.1 The [Draft Government Policy Statement on land transport](#) was re-released by Te Manatū Waka (Ministry of Transport) on 4 March 2024. Consultation closes on 2 April 2024.
- 3.2 The GPS is significant as it sets out the Government's priorities for investment in land transport over the next ten years and guides expenditure from the National Land Transport Programme.
- 3.3 The GPS outlines the Strategic Priorities that are to guide investment, and then directs funding to activities that will deliver on these priority areas. It is also an opportunity for the Minister of Transport to set out their expectations for how Waka Kotahi is to give effect to the GPS.
- 3.4 The Government reviews the GPS every three years, and this is an important opportunity for the Council to have its say in whether the Government priorities are aligned with our own strategic priorities and long-term transport planning.

## 4. Alternative Options Considered Ētahi atu Kōwhiringa

- 4.1 The alternative option would be to not submit on the draft GPS.
- 4.2 This course of action is not recommended due to the significance of the GPS in setting the direction for our transport planning, and prescribing funding. It is therefore important to ensure that government priorities are aligned with our own; through a submission we can seek to influence this.

## 5. Detail Te Whakamahuki

### Overview of the draft GPS

- 5.1 The draft GPS sets out the strategic priorities for the land transport system over the next 10 years. These priorities are:
  - Economic Growth and Productivity
  - Increased maintenance and resilience
  - Safety
  - Value for Money
- 5.2 In the first three years of the draft 2024 GPS there is a \$5.2 billion increase in funding from the previous 2021 GPS.
- 5.3 There are several key differences in this draft GPS compared with the 2021 GPS. For example, the revised draft has much stronger focus on economic growth and a reduced focus on climate change responses.
- 5.4 The draft GPS reintroduces the Roads of National Significance policy and introduces some new activity classes, notably pothole prevention activity classes for both state highways and local roads.

### Summary of submission content

- 5.5 The following details key points outlined in the Council's draft submission (Attachment A):
  - 5.5.1 The submission supports a number of strategic directions in the draft GPS. This includes:
    - increased strategic focus and proposed funding increase for maintenance and resilience.
    - focus on the role the transport system plays in economic growth and productivity.
    - increased focus on road safety compliance and enforcement.
    - focus on value for money and exploration of a broader set of transport funding and financing tools.
    - directions in the GPS that have the potential to enable longer term planning and investment certainty and reduce compliance and cost from the NZTA business case process.
  - 5.5.2 The submission also raises issues and opportunities for improvement for consideration. This includes:
    - the lack of recognition of key strategic transport programmes in Christchurch and the Greater Christchurch sub-region.
    - the implications of a narrower strategic focus on achieving wider outcomes from investment in transport (such as, climate change and inclusive access).

- a strong state highway focus which reduces opportunities for achieving economic and wider outcomes from investment in public transport and walking and cycling on local roads.

5.5.3 The submission requests that Greater Christchurch Public Transport Futures and Mass Rapid Transit and Pages Road Bridge renewal projects are elevated within the draft GPS into the Major Transport Projects investment programme to reflect the regional and national importance of these projects, and how far they are already progressed.

## 6. Responses to Councillor feedback

- 6.1 As requested by Councillors at the 19 March Information Session/Workshop with staff on this submission, the following provides an overview of specific topics of interest raised and location within the attached submission to focus discussion at the Finance and Performance Committee meeting:

Feedback/Topic of interest	Paragraph reference in submission
System reform: support for road user charges reforms	Para 12
System reform: review of tolling and congestion legislation	Para 13
System reform: emissions reduction approach and reduced prioritisation	Paras 14-16
Economic Growth and Productivity: need to balance greenfield development with public transport investment	Para 22
Economic Growth and Productivity: importance of port and rail and road freight links, reference to Cook Strait Ferry	Paras 32-34
Maintenance and Resilience: importance of road renewals and ongoing Canterbury Earthquake recovery	Para 37
Maintenance and Resilience: stand alone reference to Pages Road Bridge Renewal project	Paras 42-43
Value for Money: concerns about impact of public transport fare box recovery directive and additional set of enforcement revenue gathering recommendations	Paras 52-53
Recommended additions to Canterbury Package/Crown Investment Programme: Public Transport Futures and MRT; and Pages Road Bridge Renewal	Para 59 a and b
Activity Classes – feedback on comparative funding levels, scope and flexibility	Paras 62-68

For detailed responses please see **Appendix B**.

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

### Strategic Alignment Te Rautaki Tīaroaro

- 7.1 The decision to submit on the draft GPS aligns in part with the Council's strategic framework.
- 7.2 The increased priority for investing in maintenance and resilience aligns with the Council's strategic framework and is a welcomed addition. The draft submission highlights the

importance of transport funding managing ratepayers' (as well as taxpayers') money wisely and planning for the wellbeing of both today's residents and future generations.

- 7.3 The draft GPS places significantly less emphasis on reducing emissions (as evidenced by no strategic priority) and provides reduced funding for transport projects that directly contribute to environmental improvements and enhanced travel choice. This does not align with the Council's strategic framework which has a strong focus on reducing emissions, with targets to halve greenhouse gas emissions by 2039 and reach net-zero emissions by 2045.

- 7.4 This report supports the [Council's Long Term Plan \(2021 - 2031\)](#):

- 7.5 Strategic Planning and Policy

7.5.1 Activity: Strategic Planning, Future Development and Regeneration

- Level of Service: 17.0.1.1 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. - Triennial reconfirmation of the strategic framework or as required.

### **Policy Consistency Te Whai Kaupapa here**

- 7.6 The decision to submit on the draft GPS is consistent with Council's Plans and Policies.

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

- 7.7 The decision to lodge a council submission on the draft GPS is not a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture and traditions.
- 7.8 The decision involves a matter of interest to Mana Whenua, however the decision to submit on the draft GPS will not impact on our agreed partnership priorities with Ngā Papatipu Rūnanga.
- 7.9 Contrary to the GPS 2021, there is no explicit commitment and responsibility from the Crown to engage with Māori and to consider Māori outcomes in the draft GPS. However, commitment is expressed through the Ministry of Transport's strategy, Hei Arataki, and Waka Kotahi's Māori Strategy: Te Ara Kotahi/Our Māori Strategy, which remain operative.

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

- 7.10 The decision to lodge a council submission does not have any direct climate change impacts.
- 7.11 There are potential implications from funding directions in the draft GPS which may impact the Council's ability to access the NZTA Funding Assistance Rate for Walking and Cycling projects. This may impact the Council's planned portfolio of capital projects that directly contribute to transport emission reductions.

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

- 7.12 There are no direct accessibility considerations associated with the decision to submit on the draft GPS.

## **8. Resource Implications Ngā Hīraunga Rauemi**

### **Capex/Opex Ngā Utu Whakahaere**

- 8.1 Cost to Implement - the cost of making this submission will be met from existing operational budgets. The costs involved in implementing transport planning priorities as a result of the direction set by the GPS, will be determined through long term planning processes.
- 8.2 Maintenance/Ongoing costs – as above.
- 8.3 Funding Source – existing operational budgets.

9. Legal Implications Ngā Hīraunga ā-Ture

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

9.1 The opportunity to lodge a submission on the draft GPS is open to any person or organisation.

Other Legal Implications Ētahi atu Hīraunga-ā-Ture

9.2 There is no legal context, issue, or implication relevant to this decision. The Legal Services team will provide a review of the submission before it is finalised.



10. Risk Management Implications Ngā Hīraunga Tūraru

10.1 The decision to lodge a council submission is of low risk.

11. Next Steps Ngā Mahinga ā-muri

11.1 Subject to approval, the draft submission (Attachment A) on the Government Policy Statement on land transport 2024 will be lodged to Te Manatū Waka - Ministry of Transport.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Draft GPS Land Transport CCC submission	24/373322	25
B 	Detailed responses to Council feedback on GPS submission	24/471600	34

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

Document Name – Location / File Link
<a href="#">Draft 2024 Government Policy Statement - Land Transport</a>

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	Helaina Gregg - Principal Advisor Policy Jane Cameron - Team Leader Transport
Approved By	Lynette Ellis - Head of Transport & Waste Management Jane Parfitt - Interim General Manager Infrastructure, Planning and Regulatory Services

Item 7

2 April 2024

03 941 8999

Ministry of Transport  
3 Queens Wharf  
Wellington 6011

53 Hereford Street  
Christchurch 8013

PO Box 73013  
Christchurch 8154

[ccc.govt.nz](http://ccc.govt.nz)

Email: [GPS@transport.govt.nz](mailto:GPS@transport.govt.nz)

## Christchurch City Council submission on the draft Government Policy Statement on land transport 2024

### Introduction

1. Christchurch City Council (the Council) thanks the Ministry of Transport for the opportunity to provide comment on the draft Government Policy Statement on land transport 2024/Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua (GPS).
2. Striking the right balance in considering both the needs of today's residents alongside those of future generations is a key priority for the Council. From a transport perspective this includes: looking after our assets and developing a more resilient network; prioritising wellbeing, accessibility and connection for our residents and visitors to our city; and reducing transport emissions alongside investing in adaptation.
3. Our residents also have strongly held views about what's important to them. A recent survey to inform the development of our 2024-34 Long Term Plan (LTP) shows clearly that climate change, improving footpath and road condition; and having good transport options are in the top five things that matter most to our residents.
4. Christchurch City now accounts for 8.6% of national GDP. As the second largest city in the country, we have experienced high population and economic growth since the Canterbury Earthquakes. Approximately 80% of the Canterbury regional population and 40% of the South Island population, live in Greater Christchurch (encompassing the Christchurch city, Waimakariri and Selwyn Districts). The resident population of Greater Christchurch is set to increase from 489,000 to over 641,000 by 2048.
5. Along with our Greater Christchurch partners we have recently developed and adopted a Greater Christchurch Spatial Plan. The plan sets out a desired urban form and provides a shared blueprint for future growth across the sub-region. From a transport perspective, focusing growth along public transport corridors and transforming our public transport system is a central component of our shared plan.
6. The Council welcomes a number of directions in the draft Government Policy Statement that align well with our own strategic priorities. We agree that the transport system plays a critical role in economic growth and productivity in our city. We are also strongly supportive of the increased strategic focus on maintenance and resilience; the focus on value for money and exploration of a broader set of funding and financing tools; and the strengthened focus on road safety compliance and enforcement. The directions in the GPS to align longer-term investment planning cycles and the proposed review of NZTA business case processes are also warmly received.
7. There are elements in the GPS that the Council is concerned about however. In particular, the lack of recognition for strategic Christchurch and Greater Christchurch transport projects in the GPS and the missed opportunities that this represents to achieve both economic and resilience outcomes from the investment

programme. Specifically in our submission, the Council requests that the **Greater Christchurch Public Transport Futures and Mass Rapid Transit** project and **Pages Road Bridge Renewal** project are included in the Canterbury investment programme.

8. We are also concerned about the strong state highway focus in the GPS which we believe comes at the expense of consideration of the economic and broader contribution of the local road network and getting the best outcomes for the mix of road users that move around on it every day. In particular, public transport and walking and cycling networks are a core tool for congestion management in our cities. They are also important transport options for inclusive access for all ages and abilities and for the climate change response strategy for our city.
9. To address this concern we request that the Government re-considers:
  - a. the balance of investment in the Walking and Cycling and Public Transport Infrastructure and Services Activity Classes; and
  - b. the level of prescription and reduced investment outcome flexibility from ring-fencing in the proposed Activity Class descriptions.

#### **Submission**

#### **System Reform**

10. The Council supports the intent of the system reform package, in particular:
  - a. the focus on amending the Land Transport Management Act to require future GPS to adopt a 10 year investment plan; and
  - b. developing more sustainable funding and financing models for investing in land transport infrastructure.
11. Bringing the GPS investment plans in line with Council Long Term Plan (LTP) cycles is particularly welcomed by the Council. This will allow greater certainty of planning for both Council and our private sector contractors.
12. The Council looks forward to working closely with the Government as it develops its long-term infrastructure plan and providing comment on the planned reforms to the National Land Transport Fund's revenue system. We are particularly supportive of the proposal to transition all vehicles to the Road User Charges system as this has the potential to result in more equitable outcomes across vehicle classes.
13. The Council welcomes the review of road tolling and congestion management legislation. While we do not currently experience the same congestion management issues as some main centres, as our population and that of our surrounding districts grows, having more flexible congestion management tools available will be of great value.
14. We note reference to the development of a second Emissions Reduction Plan and the retention of the net-zero by 2050 target for the economy. At 38% of total emissions, land transport is the largest contributor to the Christchurch District's emissions profile. We welcome the focus on doubling renewable energy, delivering 10,000 public EV chargers by 2030 and recognition of the role that improved public transport will play to reduce emissions. Transitioning the vehicle fleet and providing genuine transport choice is a critical component of our transition to a zero-carbon transport system.
15. However, we are concerned about the removal of climate change as a strategic priority. Modelling undertaken by the Council to support our own transport emissions reduction planning suggests that much more will be required to meet 2050 targets. For example, connected active transport networks; focusing growth around



centres and along public transport corridors and the development of a more compact urban form.

16. These interventions also play double duty in meeting the GPS's productivity and congestion management outcomes. We look forward to discussing this further with the Government as it develops its refreshed Emissions Reduction Plan.

***Strategic Priorities - Economic Growth and Productivity***

17. The Council strongly agrees that the land transport system is a critical enabler of economic growth and productivity.
18. The Council is pleased to see the inclusion of a Canterbury Package, which we understand includes the projects previously under development through the NZUP fund. This includes the Halswell Road project, Rolleston Access enhancements and the Brougham Street freight corridor enhancements. Brougham Street is one of the core state highway routes through our city and it plays a central role in carrying on-road freight to the Port of Lyttleton. This is a critical freight route for our region, and we strongly support it and the other projects stated as ongoing priorities.
19. We do however, have some issues we wish to raise with regard to this strategic priority, including:
- the absence of public transport priorities outside of Auckland and Wellington
  - the broader economic, social and cultural roles that walking and cycling play on city networks
  - the narrowing of geographic focus for stated rail priorities and potential for dis-investment in rail.

Public Transport

20. The Council welcomes the focus on public transport projects to 'reduce congestion and unlock the potential of our main cities'. The Greater Christchurch partners have a well-developed public transport investment plan that is aligned with our sub-regional urban growth plan. If progressed, it will enable this city to effectively manage its ongoing growth in a way that other cities have not.
21. We are concerned therefore, to not see any reference or prioritisation in the document to our strategic public transport initiatives: Greater Christchurch Public Transport Futures and Mass Rapid Transit. The GPS does not accurately reflect the criticality of these projects to achieving a more compact urban form and reducing congestion in Greater Christchurch.
22. We also caution against un-intended consequences from opening up additional greenfield housing development in the Greater Christchurch sub-region without supporting investment in public transport.
23. There has historically been very low levels of Government investment into Christchurch's public transport system compared to Wellington and Auckland. As such, we currently have low levels of comparative public transport patronage. On the upside, demand is increasing with passenger numbers now surpassing pre-Covid levels. Business planning undertaken to date to develop a strong foundation for PT also shows substantial opportunity to reduce travel time and reliability across the network through PT infrastructure treatments alongside a planned service uplift by our partners Environment Canterbury.
24. A Mass Rapid Transit indicative business case (IBC) for Greater Christchurch has also been completed. It already has an agreed route, a positive cost-benefit analysis, and the agreement of all partners to progress it to the detailed business case stage. There has also been a community engagement process through which positive community support for the project has been demonstrated. It is clear from the completed IBC that Mass Rapid Transit may well have equal impact for Greater Christchurch as the City Rail Link and North-West

Rapid Transit projects will for Auckland at significantly lower cost.

25. We have a narrowing window of opportunity to deliver Mass Rapid Transit in Greater Christchurch at a cost that is net positive for government. There is no more cost effective time to undertake this work and it requires the commitment of all partners to progress it with some urgency.

#### Cycling and walking

26. Improving footpath condition and the provision of travel choices are in the top five priorities for Christchurch residents. Christchurch is now the leading cycling city per capita in New Zealand. With around 60% of our Major Cycle Network (MCR) completed, we have recorded strong growth in cycling as the cycle network has been rolled out, with a 40% increase in cycling trips between 2017-2023. The MCR is already having a positive impact on congestion management and is projected to result in around 14,000 fewer vehicle trips on our road network each day when it is completed.
27. The economic growth and productivity approach in the current draft of the GPS is firmly linked to the movement of people and freight. The Council agrees that this is a critically important component but feels that there is a gap in the current draft. This gap relates to the role that place-making in local roads and streetscapes has in creating economic growth in our cities. This will continue to be of critical importance as our cities become more intensively developed and street spaces increasingly become 'living spaces' for our residents.
28. The Council's recent experience in implementing its post-quake recovery *An Accessible City* transport plan is a great example of this. Through taking a balanced approach to prioritising different types of movement through the central city (for both car travel and public and active transport converging on the centre) and investing in shared paths and streetscaping around our hospitality, retail and river precincts, our central city is now buzzing with life and attracting increasing numbers of residents and visitors.
29. We look forward to co-investing with the Government on the submitted business case for next stage of the central city transport plan focused on improving the streets around the Te Kaha multi-use arena now well under construction and on-track to meet its targets. This state-of-the-art arena will further boost the city's economy by attracting visitors from around New Zealand and the world to sporting and cultural events.
30. We note also, that alongside public transport; cycling and walking are the most accessible ways of travelling for all of our residents. This includes school children travelling on the network; older residents who no longer drive and those that don't have access to private vehicles. 7% of households in Christchurch have no car and 13% of adults do not hold a current driver's license. Ensuring inclusive access to economic, social and cultural opportunities on our transport network requires investment in a range of genuine transport options.
31. See related comments below on the proportion of funding allocated for cycling and walking and the ring-fencing of active transport improvement funding and maintenance into one significantly reduced activity class. [see paras 62-66 below]

#### Rail and freight connections

32. The Port of Lyttelton is the largest port in the South Island. In 2023 the port reported that it moved \$6.62 billion in imports and \$8.9 billion in exports. It is a critical import hub, handling 70% of all imports into the South Island. The inter-connected system moving freight by rail from the in-land ports: Midland Port in Rolleston and City Depot in Christchurch is critical to the efficient operating of our local freight system alongside the movement of on-road freight on the state highway network. We note also that moving heavy

freight on the rail network is an important congestion management strategy to reduce heavy vehicle movement and its associated maintenance costs on our road network.

33. As such, we are concerned to see a narrow focus within the document on the role that rail plays in moving goods between Auckland, Hamilton and Tauranga and a lack of recognition of the critical role that it plays in the wider national freight network. The Council also notes the potential for significant dis-investment in rail signalled by the lower funding range of the Rail Network activity class from year 3 onwards in the draft GPS. Given it's critical and complementary role in the efficient movement of goods within our freight system we would be concerned to see funding levels drop to this extent.
34. The Council also notes the importance of the Cook Strait ferry to the South Island freight system and economy and would appreciate an update on revised plans for this critical infrastructure asset.

***Strategic priorities: Increased maintenance and resilience***

35. Maintenance of our current assets is a primary concern and focus for the Council, our residents, and for the wider region. Looking after what we've got is a core component of our infrastructure strategy.
36. The Council therefore strongly supports the addition of this strategic priority and the focus on maintenance throughout the document. We note that there is increasing international recognition that maintaining what we have is more worthwhile than building new infrastructure, in the long term.
37. The condition of our roading network, including pothole management and road renewals is of high importance to our Council and residents. The Christchurch road network still requires significant rehabilitation and renewal in some areas as a result of the Canterbury Earthquakes. Having additional funding available for our local road maintenance and renewals programmes is therefore very much welcomed by the Council.
38. We also support the reinvigoration of the Road Efficiency Group with its focus on standardising maintenance protocols and the proposed proactive maintenance approach. We note the inclusion of more ambitious targets for state highways maintenance, namely the intention to renew the Network Outcome Contracts with a focus on achieving long-term maintenance outcomes of 2 percent rehabilitation and 9 percent resurfacing per year. This is higher than our current 5 percent target for our local roads. If these targets are replicated for local roads this will require a revision to our proposed LTP programme to achieve.
39. We request a clarification on local road rehabilitation and re-surfacing targets in the event that we need to revise our investment programme.
40. Ensuring the ongoing resilience and adaptation of our transport network in response to hazard and climate change risk is also a shared priority. Like other Council's around New Zealand, CCC is experiencing increasing costs in response to the growing frequency of extreme weather events. This is manifesting in a number of ways, notably, slips affecting Banks Peninsula roads following extreme rain events and the impact on the roading network from our recent Port Hills fires.
41. We estimate that our reactive operational costs to deal with such extreme events are roughly 50% higher than pre-emptive renewals and replacements. The more proactive we are enabled to be, the more cost effective our ability to respond will be as a Council. Our maintenance teams have been investigating and testing new materials and approaches (such, as emulsion technology, reinforced asphalt; and marginal fills) to better manage these challenges. We look forward to implementing a more proactive focus to investing in these types of innovative solutions and the flow on benefits to whole-of-life asset costs.

42. In this context, the Pages Road Bridge project is the Council's top-ranked resilience transport project. This bridge is a critical lifeline route if a catastrophic Tsunami event were to occur on the Hikurangi Trench off the coast of Kaikoura. If a large-scale event were to eventuate New Brighton residents would have a very limited window, approximately one hour, to evacuate safely. This project is designed to significantly improve egress and therefore reduce loss of life risks. It also delivers core infrastructure services back to the New Brighton community in the event recovery phase.
43. Due to its regional significance and risk profile, we request the Government includes the Pages Road Bridge Renewal project as part of the Canterbury Package noted in the Major Transport Projects list.

**Strategic Priority: Safety**

44. Keeping Christchurch residents safe on our roads and reducing deaths and serious injuries on our transport network is a core priority for the Council. Requests from our communities for speed reduction and traffic calming on local streets and around schools is a consistent theme across our city.
45. The Council welcomes the continued commitment to reducing the road toll. We support the increased focus on compliance and enforcement in the draft GPS. We have a strong partnership and shared road safety programme with the NZ Police and our neighbouring local authorities and a skilled team within Council working with local communities and schools on road safety education. We agree that improving driving skills and addressing risk-taking behaviours are important features of a road safety strategy.
46. While supportive of the direction to deliver improvements to level crossings, we caution against the assumption that Council's have the financial capacity to share costs with NZTA and KiwiRail's RNIP. This has not traditionally been an area where financial contributions have been expected of Councils and we have not budgeted for this in our LTP.
47. We are concerned by a disproportionate focus on state highway safety interventions in the GPS compared to local roads (such as, reference to bypasses and rumble strips). A high proportion of the road toll will continue to be found on local roads (rural and urban).
48. From our own experience, contributing factors in crashes resulting in death and serious injury on Christchurch roads shows a complex, multi-faceted problem. The top five factors identified in 2022 were poor observation, failure to give way or stop, alcohol or drugs, travel speed and poor handling. This illustrates the point that alongside traffic offences, human error more generally plays a pivotal role in the crashes that are occurring on Christchurch local roads.
49. We also note that a different mix of infrastructure treatments, such as, traffic calming infrastructure, are required on local roads to improve safety given the different mix of road users. We would welcome further discussion of the safety issues and treatments best suited to local road environments as the Government further develops its road safety policy direction.

**Strategic priorities: Value for Money**

50. The Council is strongly supportive of taking a value for money approach to land transport investment. This aligns closely with the Council's strategic priority to 'manage ratepayers' money wisely'.
51. We are very supportive of:

- a. the proposal to reduce expenditure on temporary traffic management, while maintaining safety of workers and road users (while noting that care will need to be taken to simply not pass on the risk and therefore, costs charged back from roading contractors)
- b. the focus on outcomes in road maintenance to deliver reliable journeys for New Zealanders
- c. making better use of existing assets by allowing time-of-use charging or the use of dynamic lanes in main cities to manage demand; and
- d. the focus on whole-of-life costs to maximise long-run value (while noting the trade-off between upfront costs and whole-of-life outcomes).

52. The Council does see potential in further generation of advertising revenue from bus infrastructure, however, we caution that the direction to increase public transport fare box recovery and third-party revenue from local government will need to be developed carefully. Increases in public transport fare costs could run counter to the dual outcome sought to increase patronage in public transport. Ensuring equitable outcomes are achieved for lower income transport users will also be an important consideration to take account of.

53. A broader set of revenue gathering tools from enforcement activities could also be considered in the GPS, we note the following additional opportunities:

- a. Low parking infringements are not acting as a sufficient deterrent to people parking and driving in bus priority lanes. Councils are also unable to pass on the real cost of towage charges. A review of the parking and towing financial penalties in the Land Transport (Road User) Rule and Transport (Towage Fees) Notice 2004 would be beneficial to make sure our existing PT infrastructure is able to achieve the travel time and reliability savings they were designed for
- b. Further automation of road safety enforcement (such as, expansion of the speed camera network) and its revenue gathering and reinvestment potential is a gap that could be explored further; and
- c. Alongside the proposal to reduce expenditure on temporary traffic management, consideration could be given to increasing fines for speeding in temporary speed zones alongside work zones.

#### ***Investment in land transport***

54. We welcome the \$5.2 billion funding increase in the revised GPS 2024 and commitment to exploring new funding and financing approaches for the land transport system. As noted earlier in this submission, the increase in funding for maintenance and renewals is significant and overdue.

55. We do however, have some issues we wish to raise in this submission about the proposed investment approach relating to:

- a. Priorities for Canterbury in the Crown Investment Programme
- b. Recognition of the distinct role and economic contribution of local roads; and
- c. Funding levels, scope and flexibility across activity classes.

#### **Priorities for Canterbury in Crown Investment Programme**

56. The Council notes that the majority of projects in the Crown Investment Programme are focused on state highway expansion, through the re-introduction of the Roads of National Significance Programme.

57. The Council welcomes the proposed investment in the Canterbury Region, through the Canterbury Package (with the continuation of the Brougham Street and Halswell Road NZUP state highway projects as priorities for the city) and the wider regional focus through proposed investment in the Belfast to Pegasus Motorway and proposed Woodend bypass; and Second Ashburton Bridge.

58. We are however, strongly of the view that there is insufficient priority funding dedicated for Christchurch and

the Canterbury region proportionate to its national economic contribution and hazard risk profile.

59. Due to their national and regional importance, the Council requests that the following projects are included in the Canterbury Crown Investment Programme:

- a. **Greater Christchurch Public Transport Futures and Mass Rapid Transit:** This critical public transport programme represents an opportunity to get ahead of the curve and invest in transport infrastructure in-line with projected population and urban growth. Its planning is well advanced, and it is well accepted by the local community.
- b. **Pages Road Bridge Renewal:** This lifeline project will significantly improve the ability of a well populated coastal community in Christchurch to evacuate in the event of a catastrophic Tsunami event. It is a regionally significant resilience project.

Recognising the distinct role and infrastructure requirements of local roads

60. Local roads clearly have different mix of uses and users as compared to the state highway network. A core priority of the draft GPS is rightly focused on improving state highway outcomes. However, local roads require different infrastructure treatments than state highways to achieve the outcomes sought in the GPS.
61. We are concerned that the increased level of prescription in the Local Road activity classes will constrain metro Road Controlling Authorities from proposing treatments that could achieve the economic growth and productivity, safety and resilience outcomes sought in the GPS. For example, multi-modal improvements do act as effective congestion reduction interventions as evidenced by Christchurch's Major Cycle Network implementation and speed reduction and traffic calming infrastructure are effective and requested treatments to improve safety outcomes on local roads.

Activity Classes – funding levels, scope and flexibility

62. Managing congestion and enabling safe and efficient movement in our cities requires a balance of investment across all of our networks and ways of travelling. The Council believes that the draft GPS is missing an opportunity to achieve the outcomes sought by significantly reducing the funding available for Walking and Cycling and Public Transport Infrastructure and Services. We note with particular concern the drop-off in funding in year 2 and 3 of the for Walking and Cycling Activity Class.
63. The Council requests that the balance of investment in the Walking and Cycling and Public Transport Infrastructure and Services activity classes is increased in line with their critical urban transportation roles.
64. We also note the expectation that any activities funded through the Walking and Cycling Activity Class undertake 'robust consultation with community members and business owners'. While this is to be expected for improvement projects, we ask for clarification as to whether this expectation is also extended to, for example, BAU footpath or shared path maintenance which are also within the proposed Activity class scope.
65. We note also that there is now ring-fencing of funding for local road maintenance and renewals across the pothole prevention, local road operations and walking and cycling Activity Classes. This approach potentially curtails the ability to move funding between activities and raises potential difficulties with adjusting costs across activity classes for related investment. It also fails to account for renewal or rehabilitation projects that span the full road reserve.



66. The Council requests that further process clarification is provided and/or further integration is considered for maintenance and renewal activities across classes to enable efficient and effective contract management and mitigate the risk of increased costs.
67. We note also that all structures renewals (including end of life bridge and structures renewals) and safety infrastructure are now classified as Local Road Improvements. The scope of activities within this class is very broad and the inclusion of significant renewal projects within its parameters raises investment dilution concerns for Council for investment in local road improvements nationally.
68. The Council is appreciative of the increased investment in the Local Road Maintenance and Local Road Operations Activity Classes. However, the description of the scope of these activity classes appears to be narrower than the range of activities that RCA's undertake to maintain the full local road reserve. For example, structural retaining walls on hill roads. We request further clarification of the scope of activities funded in local road maintenance activity class scope.

#### **Ministerial expectations**

69. In addition to the other points made in this submission, the Council is strongly supportive of the proposal to review the Business Case development process in the Ministerial direction to NZTA. This process has become onerous, inefficient and overly expensive. The Council is encouraged to see a review proposed to create a more efficient and streamlined process as a priority. We look forward to engaging with NZTA further on this as the detail of the review process is developed.
70. The Council is strongly supportive of the direction for the Ministry and NZTA to integrate long-term strategy and planning across the transport system into city and regional deals between central and local government. As noted, the Greater Christchurch Partnership has already prepared an urban growth strategy that sets a strategic pathway for the region to form a basis for these discussions. We look forward to future discussions with Government Ministers and officials as this programme is developed.

#### **Conclusion**

71. The Council appreciates the opportunity to comment of the 2024 Draft GPS. We look forward to further discussion with Government and its agencies on achieving great transport outcomes for Christchurch and the Canterbury region.

For any clarification on points within this submission please contact Lynette Ellis, Head of Transport and Waste Management (Lynette.Ellis@ccc.govt.nz).

Yours faithfully

Phil Mauger  
**Mayor of Christchurch**

Feedback/Topic of interest	Paragraph reference(s) in submission
System reform: support for road user charges reforms	<p>Para 12</p> <p>The Council looks forward to working closely with the Government as it develops its long-term infrastructure plan and providing comment on the planned reforms to the National Land Transport Fund's revenue system. We are particularly supportive of the proposal to transition all vehicles to the Road User Charges system as this has the potential to result in more equitable outcomes across vehicle classes.</p>
System reform: review of tolling and congestion legislation	<p>Para 13</p> <p>The Council welcomes the review of road tolling and congestion management legislation. While we do not currently experience the same congestion management issues as some main centres, as our population and that of our surrounding districts grows, having more flexible congestion management tools available will be of great value.</p>
System reform: emissions reduction approach and reduced prioritisation	<p>Paras 14-16</p> <p>We note reference to the development of a second Emissions Reduction Plan and the retention of the net-zero by 2050 target for the economy. At 38% of total emissions, land transport is the largest contributor to the Christchurch District's emissions profile. We welcome the focus on doubling renewable energy, delivering 10,000 public EV chargers by 2030 and recognition of the role that improved public transport will play to reduce emissions. Transitioning the vehicle fleet and providing genuine transport choice is a critical component of our transition to a zero-carbon transport system.</p> <p>However, we are concerned about the removal of climate change as a strategic priority. Modelling undertaken by the Council to support our own transport emissions reduction planning suggests that much more will be required to meet 2050 targets. For example, connected active transport networks; focusing growth around centres and along public transport corridors and the development of a more compact urban form.</p> <p>These interventions also play double duty in meeting the GPS's productivity and congestion management outcomes. We look forward to discussing this further with the Government as it develops its refreshed Emissions Reduction Plan.</p>
Economic Growth and Productivity: need to balance greenfield development with public transport investment	<p>Para 22</p> <p>We also caution against un-intended consequences from opening up additional greenfield housing development in the Greater Christchurch sub-region without supporting investment in public transport.</p>
Economic Growth and Productivity: importance of port and rail and road freight links, reference to Cook Strait Ferry	<p>Paras 32-34</p> <p>The Port of Lyttelton is the largest port in the South Island. In 2023 the port reported that it moved \$6.62 billion in imports and \$8.9 billion in exports. It is a critical import hub, handling 70% of all imports into the South Island. The inter-connected system moving freight by rail from the in-land ports: Midland Port in Rolleston and City Depot in Christchurch is critical to the efficient operating of our local freight system alongside the movement of on-road freight on the state highway network. We note also that moving heavy freight on the rail network is an important congestion management strategy to reduce heavy vehicle movement and its associated maintenance costs on our road network.</p> <p>As such, we are concerned to see a narrow focus within the document on the role that rail plays in moving goods between Auckland, Hamilton and Tauranga and a lack of recognition of the critical role that it plays in the wider national freight network. The Council also notes the potential for significant dis-investment in rail signalled by the lower funding range of the Rail Network activity class from year 3 onwards in the draft GPS. Given it's critical and complementary role in the efficient movement of goods within our freight system we would be concerned to see funding levels drop to this extent.</p> <p>The Council also notes the importance of the Cook Strait ferry to the South Island freight system and economy and would appreciate an update on revised plans for this critical infrastructure asset.</p>
Maintenance and Resilience: importance of road renewals and ongoing Canterbury Earthquake recovery	<p>Para 37</p> <p>The condition of our roading network, including pothole management and road renewals is of high importance to our Council and residents. The Christchurch road network still requires significant rehabilitation and renewal in some areas as a result of the Canterbury Earthquakes. Having additional funding available for our local road maintenance and renewals programmes is therefore very much welcomed by the Council.</p>
Maintenance and Resilience: stand alone reference to Pages Road Bridge Renewal project	<p>Paras 42-43</p> <p>The Pages Road Bridge project is the Council's top-ranked resilience transport project. This bridge is a critical lifeline route if a catastrophic Tsunami event were to occur on the Hikurangi Trench off the coast of Kaikoura. If a large-scale event were to eventuate New Brighton residents would have a very limited window, approximately one hour, to evacuate safely. This project is designed to significantly improve egress and therefore reduce loss of life risks. It also delivers core infrastructure services back to the New Brighton community in the event recovery phase.</p>



	<p>Due to its regional significance and risk profile, we request the Government includes the Pages Road Bridge Renewal project as part of the Canterbury Package noted in the Major Transport Projects list.</p>
Value for Money: concerns about impact of public transport fare box recovery directive and additional set of enforcement revenue gathering recommendations	<p>Paras 52-53</p> <p>The Council does see potential in further generation of advertising revenue from bus infrastructure, however, we caution that the direction to increase public transport fare box recovery and third-party revenue from local government will need to be developed carefully. Increases in public transport fare costs could run counter to the dual outcome sought to increase patronage in public transport. Ensuring equitable outcomes are achieved for lower income transport users will also be an important consideration to take account of.</p> <p>A broader set of revenue gathering tools from enforcement activities could also be considered in the GPS, we note the following additional opportunities:</p> <ul style="list-style-type: none"> <li>Low parking infringements are not acting as a sufficient deterrent to people parking and driving in bus priority lanes. Councils are also unable to pass on the real cost of towage charges. A review of the parking and towing financial penalties in the Land Transport (Road User) Rule and Transport (Towage Fees) Notice 2004 would be beneficial to make sure our existing PT infrastructure is able to achieve the travel time and reliability savings they were designed for</li> <li>Further automation of road safety enforcement (such as, expansion of the speed camera network) and its revenue gathering and reinvestment potential is a gap that could be explored further; and</li> <li>Alongside the proposal to reduce expenditure on temporary traffic management, consideration could be given to increasing fines for speeding in temporary speed zones alongside work zones.</li> </ul>
Recommended additions to Canterbury Package/Crown Investment Programme: Public Transport Futures and MRT; and Pages Road Bridge Renewal	<p>Para 59 a and b</p> <p>Due to their national and regional importance, the Council requests that the following projects are included in the Canterbury Crown Investment Programme:</p> <ul style="list-style-type: none"> <li>Greater Christchurch Public Transport Futures and Mass Rapid Transit: This critical public transport programme represents an opportunity to get ahead of the curve and invest in transport infrastructure in-line with projected population and urban growth. Its planning is well advanced, and it is well accepted by the local community.</li> <li>Pages Road Bridge Renewal: This lifeline project will significantly improve the ability of a well populated coastal community in Christchurch to evacuate in the event of a catastrophic Tsunami event. It is a regionally significant resilience project.</li> </ul>
Activity Classes – feedback on comparative funding levels, scope and flexibility	<p>Paras 62-68</p> <p>Managing congestion and enabling safe and efficient movement in our cities requires a balance of investment across all of our networks and ways of travelling. The Council believes that the draft GPS is missing an opportunity to achieve the outcomes sought by significantly reducing the funding available for Walking and Cycling and Public Transport Infrastructure and Services. We note with particular concern the drop-off in funding in year 2 and 3 of the for Walking and Cycling Activity Class.</p> <p>The Council requests that the balance of investment in the Walking and Cycling and Public Transport Infrastructure and Services activity classes is increased in line with their critical urban transportation roles.</p> <p>We also note the expectation that any activities funded through the Walking and Cycling Activity Class undertake ‘robust consultation with community members and business owners’. While this is to be expected for improvement projects, we ask for clarification as to whether this expectation is also extended to, for example, BAU footpath or shared path maintenance which are also within the proposed Activity class scope.</p> <p>We note also that there is now ring-fencing of funding for local road maintenance and renewals across the pothole prevention, local road operations and walking and cycling Activity Classes. This approach potentially curtails the ability to move funding between activities and raises potential difficulties with adjusting costs across activity classes for related investment. It also fails to account for renewal or rehabilitation projects that span the full road reserve.</p> <p>The Council requests that further process clarification is provided and/or further integration is considered for maintenance and renewal activities across classes to enable efficient and effective contract management and mitigate the risk of increased costs.</p> <p>We note also that all structures renewals (including end of life bridge and structures renewals) and safety infrastructure are now classified as Local Road Improvements. The scope of activities within this class is very broad and the inclusion of significant renewal projects within its parameters raises investment dilution concerns for Council for investment in local road improvements nationally.</p>

	<p>The Council is appreciative of the increased investment in the Local Road Maintenance and Local Road Operations Activity Classes. However, the description of the scope of these activity classes appears to be narrower than the range of activities that RCA's undertake to maintain the full local road reserve. For example, structural retaining walls on hill roads. We request further clarification of the scope of activities funded in local road maintenance activity class scope.</p>
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8. Key Organisational Performance Results - February 2024

Reference / Te Tohutoro: 24/352422

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 2023/24).
- 1.2
- This is a long-standing report focused on performance against agreed organisational performance targets.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1.
- Receive the information in the Key Organisational Performance Results – February 2024 report.

3. Brief Summary (briefly include any relevant background details or context)

- 3.1
- The key organisational performance targets include:
  - 1.1.1 Service delivery
  - 1.1.2 Capital projects (both planning and delivery)
  - 1.1.3 Finance
- 3.2
- Organisational performance forecasts, February 2024, for the third year of the LTP 2021-31 (financial year to June 2024).

Organisational Performance Summary	Target	Forecast / change	Result against Target
Service Delivery			
Deliver Community Levels of Service to target	≥ 85%	83.1% ▼	✗
Capital projects (planning and delivery)			
Delivery complete' milestones (whole of life)			
Deliver Key projects	≥ 85%	83% ↔	✗
Deliver Non-Key projects	≥ 85%	80% ▲	✗
Capital programme planning			
FY25 funding budgets allocated by 1 <sup>st</sup> March 2024	≥ 90%	91% ▲	✓
FY26 & 27 funding budgets drawn down by 1 <sup>st</sup> May 2024	≥ 90%	84% ↔	✗
Finance			
Operational budgets are actively managed within approved opex budget	100%	100% ↔	✓
Deliver overall capital programme to approved budget	=/-10%	-4.5% ▼	✓

- 3.3 **Community level of service delivery** is forecast at **83.1%**, against ELT's target of 85%, a small decline of 0.5%. These performance forecasts include the Residents' Survey results for 2023/24, as presented to Council 6 March 2024. See 4.3 for further information.
- 3.4 **Key project milestone delivery** is forecast at **83%**, remaining stable, while **Non-Key project delivery** sees a small improvement to a forecast of **80%** (both remain below ELTs target at 85%). For project-specific information refer to the Capital Programme Performance Report.
- 3.5 **Capital planning performance** shows funding programme budgets allocated for **FY2025 by 1<sup>st</sup> March 2024** is reported at **91%**, achieving ELTs target. Budget drawdowns for **FY2026 and 2027 by 1<sup>st</sup> May 2024** is reported at **84%**. There is time remaining for the FY2026 and 2027 drawdowns target to be met.
- 3.6 **Operational budget** is forecasting a **surplus of \$0.4m** (after carry-forwards). For more information refer to the Financial Performance Report.
- 3.7 The **overall capital programme** is forecast to deliver at **-4.5%** of budget (on track against a target of between 0% and -10%), an small increase of **-0.3%** from January. More information is available in the Capital Programme Performance Report.

## 4. Service delivery

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

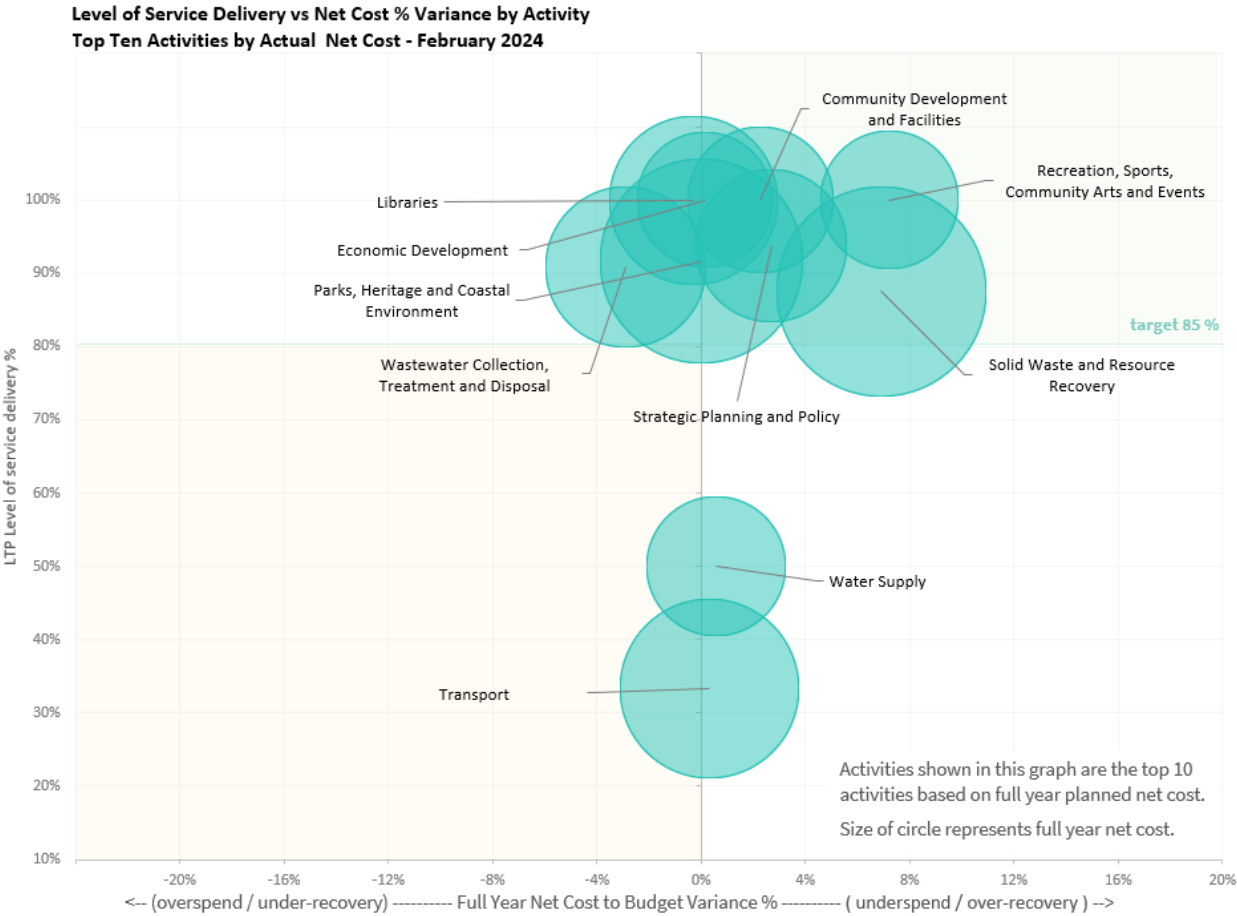
Community Level of Service Delivery



- 4.1 Community levels of service (LOS) is forecast at **83.1%** delivery against the performance target of **85%**, a small decline of 0.5% from January.
- 4.2 Note that Council resolved at its meeting of 6 March 2024 that an analysis will be carried out on how the recent Residents' Survey results align with the draft Long-Term Plan 2024-34, and report back in time to inform decision-making for the final adoption of the Long-Term Plan 2024-34. This action has been assigned as an action item to the Corporate Planning and Performance team. A process is presently being developed for this and Council will be kept informed.
- 4.3 Analysis of Residents' survey results for 2023/24 included in February performance forecasts.
- 4.3.1 There is nett change of one resident survey result against ELTs performance target, resulting in the 0.5% decline for Community LOS.
- 4.3.2 Point of Contact (POC) Survey – 20 of 24 targets have been met. Of these, 5 results improved noticeably from last year (by 4% to 15%), while 14 results remain the same or within 3% of last year. Of the 4 targets not met, all four have declined further from last year (6% to 7% decline).
- 4.3.3 General Satisfaction Survey (GSS) – 9 of 17 targets have been met. Of these, 5 results show good improvement from last year (by 5% to 8%), while the other 4 remain the same or within 3% of last year. Of the 8 targets not met four have improved from last

year (by 2% to 5%). The remaining four targets show a small decline from last year (by 1% to 5%).

- 4.4 The following recommendations (proposed with the June 2023 performance report) are being implemented, towards continued improvement of forecasting of LOS and other ELTs performance priorities for year ahead:
- 4.4.1 ELT members to work closely with Heads of Service and teams to encourage and support regular monthly status report updates to bring areas of concern to light;
  - 4.4.2 Ensure Performance Reports remain as regular monthly agenda items, determine remedial actions for identified exceptions and set action items in minutes to bring exceptions back on track before year-end;
  - 4.4.3 Continue with the standing Audit and Risk Management Committee (ARMC) directive – all LOS that were not met the previous year must continue to be reported as an exception until evidence is provided that the target will or has been met.
- 4.5 Activities report level of service delivery forecasts ranging from 33.3% to 100% achievement. In summary, across various activities, forecast LOS exceptions for the February period include:
- 4.5.1 Transport & Waste Management activities have thirteen exceptions related to road and footpath condition, resurfacing, including resident satisfaction, deaths or serious injury crashes, and transport mode-share.
  - 4.5.2 Three Waters activities have nine exceptions related to water supply compliance, wastewater and water supply reliability, responsiveness to faults and call outs, including resident satisfaction, and water loss and average water consumption.
  - 4.5.3 Building Consenting activity has three exceptions related to building consents and code of compliance certificates processing timeframes.
  - 4.5.4 Resource Consents activity has two exceptions related to resource management applications processed within statutory timeframes.
  - 4.5.5 Regulatory Compliance and Licencing activity have three exceptions related to response to inappropriate noise levels, food control plan verification visits, and investigation of dangerous building reports.
  - 4.5.6 Corporate Planning & Performance service has one exception related to the implementation of the Long-term Plan programme.
  - 4.5.7 Communications & Engagement has one exception related to providing advice and support.
  - 4.5.8 Citizens and Community activities have four exceptions: Citizen & Customer Services (2); Parks (2), which mostly relate to the latest annual Resident Satisfaction Survey results.
- 4.6 Forecast actuals, comments, and remedial actions from managers for LOS exceptions are available in **Attachment A**.
- 4.7 The scatter diagram below is an overview of the performance of the top-ten activities (in terms of budget size).
- The vertical y-axis shows service delivery (LOS) performance.
  - The horizontal x-axis shows budget over/underspend.



Performance by Activity Table - February 2024

Activities	Net Cost * (Opex)					Community Levels of Service	
	Full Year	Full Year Plan	Carry Fwd	**Variance	% Variance after	Delivery	Total #
	Forecast \$000	\$000	\$000	after C/Fwd	C/Fwd		
Water Supply	19,256	19,369	0	112	1%	50%	16
Wastewater Collection, Treatment and Disposal	25,289	24,579	0	-710	-3%	91%	11
Stormwater Drainage	10,233	10,558	0	325	3%	100%	10
Flood Protection and Control Works	6,338	5,757	0	-581	-10%	100%	5
Strategic Planning and Policy	22,748	23,376	0	628	3%	94%	16
Economic Development	18,103	18,131	0	27	0%	100%	15
Transport	31,408	31,508	0	100	0%	33%	18
Solid Waste and Resource Recovery	43,507	46,728	750	2,470	5%	88%	8
Regulatory and Compliance	-4,293	-5,071	0	-778	-15%	71%	28
Parks, Heritage and Coastal Environment	41,120	41,121	0	1	0%	92%	24
Housing	-9,477	-9,375	0	102	1%	100%	5
Governance	12,171	12,170	0	-1	-0%	100%	5
Citizens and Customer Services	6,822	6,827	0	6	0%	75%	8
Civil Defence Emergency Management	1,317	1,317	0	-0	-0%	100%	4
Community Development and Facilities	21,020	21,507	344	143	1%	100%	5
Christchurch Art Gallery	7,060	7,082	0	22	0%	100%	6
Canterbury and Akaroa Museums	9,071	9,070	0	-1	-0%	100%	5
Libraries	28,124	28,047	0	-77	-0%	100%	10
Recreation, Sports, Community Arts and Events	18,732	20,184	0	1,452	7%	100%	9
Performance Management and Reporting	0	0	0	0	0%	80%	5
<b>Net Cost</b>	<b>308,550</b>	<b>312,884</b>	<b>1,094</b>	<b>3,240</b>	<b>1%</b>	<b>83.1%</b>	<b>213</b>

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

\*\* Negative variance means overspend or under-recovery

## 5. Capital projects - delivery and planning

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

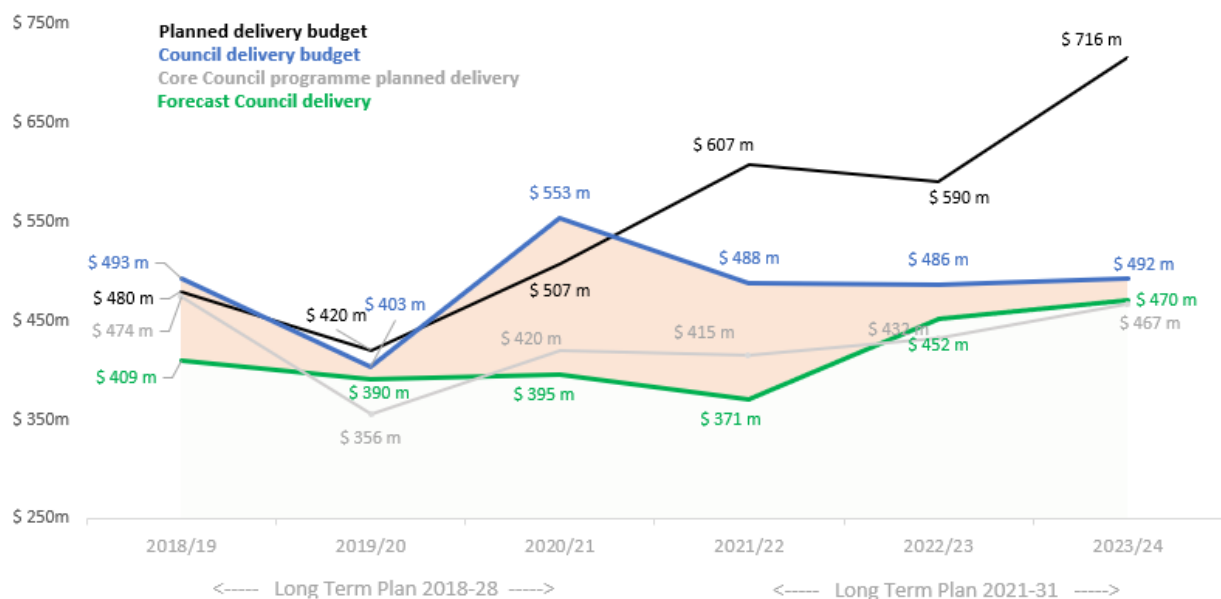
### 3. ELT Goal: Deliver 85% non-Key capital projects to 'delivery complete' milestones

- 5.1 **Key project milestone delivery** is forecast at **83%** delivery, remaining stable from January and below ELT's target of **85%**.
- 5.2 **Non-Key project milestone delivery** is forecast at **80%** delivery (against the target of **85%**), a small increase (1%) from January.
- 5.3 For further information and underlying project detail, refer to the Capital Programme Performance Report.

Key Capital projects	2023/24	# PRJ	R/A/G/B	2022/23	2021/22	2020/21	TARGET	Trend: 2023 / 2024
	✗ 83.0% ↔ 0.0%	24	3/1/20/0	100.0%	73.5%	76.7%	≥85%	
Non-Key Capital projects	2023/24	# PRJ	R/A/G/B	2022/23	2021/22	2020/21	TARGET	Trend: 2023 / 2024
	✗ 80.0% ▲ 1.0%	813	154/5/654/0	84.0%	84.5%	64.7%	≥85%	

- 5.4 Below is a forward view of capital delivery performance (financial) for the first three years of the LTP 2021-31, with an overview of capital delivery in recent years against plan. This view takes into account a revised year-end budget delivery figure for 2022/23, and the adopted capital programme from the Annual Plan 2023/24 (adopted by Council 27 June 2023) – noting there has been an increase in the overall FY24 capex budget since the August report which relates to late FY23 financial adjustments on Te Kaha, and a budget increase within the Parks programme.

- 5.5 After March 2024, once the draft Long-term Plan 2024-34 is adopted, this forward view will be adjusted to include planned budgets for the future three-year period (2024/25 to 2026/27).
- 5.6 For the year 3 of the LTP 2021 (through the Annual Plan 2023/24), the revised total programme budget set for CCC to deliver is **\$492m** (blue line). To the end of January 2024, the total forecast capital delivery remains stable at **\$470m** (green line), which equates to 95.5% delivery.
- 5.7 This forecast delivery value is an increase from the previous year forecasts (2022/23) of between \$390m to \$405m (year-end actual \$452m), includes both core and externally funded works, but excludes Te Kaha. (Please note that Parakiore was formerly excluded along with Te Kaha but has now been included in core capital calculations.)
- 5.8 Council delivery for 2022/23 and delivery forecast for 2023/24 show a distinctive lift from that seen the previous four years. This historic level of delivery (approx. \$450m per annum) is informing the development of the draft LTP 2024-34. Prior to 2023/24 there has been stability of delivery year-on-year for projects CCC is responsible for (green line – total spend/forecast spend), ranging in a band between \$371m to \$409m spend per annum over the previous four years.
- 5.9 The ELT performance goal for capital delivery is based on all delivery CCC is accountable for, regardless of funding source.
- 5.10 Figures align with the Financial and Capital Programme Performance reports.



**Planned delivery budget :**

Total amount finalised in each Annual Plan (as at Annual Plan 2023/24) or Long Term Plan. Includes Core Council programme, external funded programme, and Te Kaha.

**Council delivery budget :**

Core Council and external funded programmes, excluding Te Kaha.

**Core Council programme planned delivery :**

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

\*The gap between the grey line and black line consists of the planned spend for Te Kaha.

**Forecast Council delivery :**

Amount spent or forecast to spend on Council delivery in a given year (Core and external funded programmes, excluding Te Kaha).



**4. ELT Goal: Ensure capital planning for FY25 funding programme budgets allocated, 90% by 1 March 2024.**

**5. ELT Goal: Ensure capital planning for FY26 & FY27 funding programme budgets drawn down, 90% by 1 May 2024.**

5.11 Capital planning targets are intended to monitor the draw-down and allocation of future capital funding programme budgets. This helps the business plan and prepare for future capital project delivery, to effectively implement the LTP and subsequent Annual Plans.


5.12 **Capital planning** performance shows minimal improvement for February, with funding programme budgets allocated for FY2025 by 1<sup>st</sup> March 2024 reported at **91%**. This has met the ELTs performance priority target. Budget drawdowns for FY2026 and 2027 by 1<sup>st</sup> May 2024 is reported at **84%**, remaining below ELTs target of **90%** for now. It is not unusual for forecasts to be below target at this time of the cycle. Ongoing collaboration between PMO and service units is expected to see this ELT goal being met for May, as has been in the case in previous years.

## 6. Finance

6.1 The organisation reports a forecast operational **surplus of \$0.4m** (after carry-forwards). For more information refer to the Financial Performance Report.

6.2 **Overall capital programme budget expenditure** forecast is at **-4.5%** (rounded). This is a small change of -0.3% from January and remains on track to meet ELTs target (between 0% to -10%). More information is available in the Capital Programme Performance Report.

## Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A 	LOS Exceptions Commentary	24/434313	45

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

Document Name – Location / File Link
Not applicable

## Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

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

(a) This report contains:

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

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

Signatories / Ngā Kaiwaitohu

Authors	Amber Tait - Performance Analyst Boyd Kedzlie - Senior Corporate Planning & Performance Analyst
Approved By	Peter Ryan - Head of Corporate Planning & Performance Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

Item 8

## Level of Service Exceptions

Forecast Period Ending: 29th February 2024

### 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
- Levels of service which have not been reported

## Communities and Citizens

### Citizens and Customer Services

✗ Measure:	LTP/AP23: 2.6.7.2 Citizen and Customer expectations for service response are delivered in a timely manner
Target:	At least 80% of citizens and customers are satisfied or very satisfied by the quality of the service received at the first point of contact via email
Actual:	68% satisfaction (email) (2023-2024 Residents Survey Result)
Comments:	In 2022-2023 this level of service was measured using three questions: time taken to respond; email being clear, professional, and easy to understand and email efficient way to communicate. In 2023-2024, the level of service was measured using two questions; email efficient way to communicate and email ease of contact as these two questions better reflect what the Customer service business unit is aiming to measure.
Remedial Action:	Detailed reviewed and analysis of the feedback provided by our residents will inform next steps.
● Measure:	LTP/AP23: 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 average speed to answer 110 seconds. YTD: 148 seconds EOY Forecast: 141 seconds.
Comments:	A total of 71424 interactions were presented this month. This month's performance has been impacted by significant unplanned leave. ASA Breakdown - February 2024. % Calls answered in less than 2 minutes = 71.2% % Calls answered between 2 - 5 minutes = 17.2% % Calls answered above 5 minutes = 11.7%
Remedial Action:	As a part of our two-pronged approach to recruitment to bring our FTE up to the required level, 8 new staff completed training on the 9th of February. Following the training delivery review undertaken in September, as in previous months, we have continued to deliver upskill training in line with the training pathways. We are concentrating on training for Service Hubs to allow team members with multiple phone channel skillsets to be backfilled to allow more time on our high ASA phone channels. A total of 24 staff completed skillset upskill training this month.

## Internal Activities

### Performance Management and Reporting

- **Measure:** LTP/AP23: 13.1.1 Implement the Long Term Plan and Annual Plan programme plan
- Target:** Critical path milestone due dates in programme plans are met.
- Actual:** Key LTP project staff met with AuditNZ 28 February in response to Council's resolution (at their reconvened LTP adoption meeting of 27 Feb) directing us to refine the Consultation Document to ensure accuracy and readability. Staff have adjusted the project timetable to fit in with AuditNZ's processes.
- Comments:** By the end of the week 8 March AuditNZ will undertake their 'hot review' and provide feedback to council staff by 8 March. Staff will build in some time to the process for AuditNZ to escalate audit issues and the issuing of the audit opinion (in time for the opinion to be adopted at the final adoption meeting, now scheduled for 14 March).
- Remedial Action:** The following steps are outlined to enable the draft LTP to be adopted and put out for consultation: By 14 March staff will have the final audit opinion and will be able to recommend final adoption. The proposed final adoption meeting is being moved from 11 March to 14 March. As we have resolutions to reconvene on 11 March, staff and Council will need to reconvene briefly on 11 March with a quorum (potentially by zoom), then adjourn to 14 March. The consultation period will now start on 18 March, and close on 21 April. Staff will use the Recess week to prepare submissions for Council and book hearings, which will start the week of 2 May.

## Parks, Heritage and Coastal Environment

### Parks and Foreshore

- ⊗ **Measure:** LTP/AP23: 6.8.1.6 Overall Regional Sports Organisation satisfaction with the standard of the city's Council provided sports surfaces
- Target:** Satisfaction >=75%
- Actual:** 50% satisfaction (2023-2024 Residents Survey Result)
- Comments:** Survey results indicate that this target will not be met
- Remedial Action:** Review of actuals to inform areas for improvement.
- ⊗ **Measure:** LTP/AP23: 6.0.3 Overall customer satisfaction with the presentation of the City's Community Parks
- Target:** Community Parks presentation: resident satisfaction >=60 %
- Actual:** 54% satisfaction (2023-2024 Residents Survey Result)
- Comments:** Survey results show that this target will not be met.
- Remedial Action:** Survey results will be reviewed and areas showing dissatisfaction will be addressed with remedial actions.

## Regulatory and Compliance

### Building Regulation

- **Measure:** LTP/AP23: 9.1.7 Grant Code Compliance Certificates within 20 working days
- Target:** Issue minimum 95% of Code Compliance Certificates within 19 working days from the date of acceptance.
- Actual:** 91.6% of Code Compliance Certificates were issued within 19 days for the month of February. 63.2% of Code Compliance Certificates were issued within 19 days for the YTD
- Comments:** We continue to observe a notable increase in code compliance processing to 91.6% in February, up from 73% in December. This improvement is primarily attributed to the effectiveness of newly implemented centralisation of processes and enhanced online services.
- Remedial Action:** Continue to utilise the improved processes that have seen the increase in code compliance processing.
- **Measure:** LTP/AP23: 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:** 75.1% of consents have been issued within 19 days for the month of February. 60.8% of consents have been issued within 19 days Financial YTD
- Comments:** We continue to experience high building consent application volumes, however our processing times are continuing to improve. This is mainly due to the continued use of external contractor support, and overtime arrangements for staff being extended to 20 June 2024.
- Remedial Action:** Continued use of external contractors and overtime arrangements for staff.

- **Measure:** LTP/AP23: 9.1.9 Audit Building Warrant of Fitness to ensure public safety and confidence  
**Target:** Audit 20% of building stock  
**Actual:** 103 Audits were carried out in February. 475 Audits have been carried out year-to-date.  
**Comments:** The annual target is 1088 buildings to be audited per annum. The year-to-date figure of 475 Audits equates to 44% of this target. With the additional BWOFF inspectors now trained, the team is now completing over 100 audits per month (up from an average of approximately 50 earlier in the year). The team will get close to the target but may be just under at the end of the June.  
**Remedial Action:** Continue to utilise improved processes and procedures.

### Regulatory Compliance and Licensing

- ⊗ **Measure:** LTP/AP23: 9.0.8 The community is not subjected to inappropriate noise levels  
**Target:** 90% of complaints in relation to excessive noise are responded to within one hour.  
**Actual:** 75.7% of the 1125 calls received were attended to within the one hour level of service (YTD 83.3)  
**Remedial Action:** Engagement with the afterhours contractor will be ongoing in an attempt to improve percentage of complaints responded to within 60 minutes.
- ⊗ **Measure:** LTP/AP23: 9.0.3.1 Protect community safety through the timely and effective response to complaints about public safety  
**Target:** 100% of all investigations of dangerous building reports are initiated, and identified hazards secured, within 24 hours, 7 days a week.  
**Actual:** 98.75% of the 58 dangerous building reports that were reported 57 (YTD) were responded to within the required timeframe. 18 of the jobs reported met the threshold of Dangerous.
- ⊗ **Measure:** LTP/AP23: 9.0.5 Food premises are safe and healthy for the public  
**Target:** 98% of scheduled Food Control Plan verification visits are conducted.  
**Actual:** 43% of verifications have been completed  
**Comments:** 743 verifications have been carried out - 981 are remaining.  
Cross skilling has occurred, and recruitment is currently underway. As it takes time to become a qualified Food verifier, we will not have enough time this financial year to have enough staff trained to achieve this target.  
**Remedial Action:** The team will continue to prioritise this work and we are looking at the viability of engaging an external contractor. Even with their help there is too much of a backlog to achieve this level of service this year.

### Resource Consenting

- ⊗ **Measure:** LTP/AP23: 9.2.1 % of non-notified resource management applications processed within statutory timeframes.  
**Target:** 99% within statutory timeframes.  
**Actual:** 94% of applications were processed within the statutory timeframe for February. 94% have been processed within the statutory timeframe year to date. 99% is the target.  
**Comments:** High compliance was achieved for February. Although below the target of 99%, only 12 out of 205 applications went over time.  
**Remedial Action:** Some recruitment is being undertaken as well consultants are being used for overflow processing.
- ⊗ **Measure:** LTP/AP23: 9.2.18 % of notified resource management applications processed within statutory timeframes.  
**Target:** 99% within statutory timeframes.  
**Actual:** No notified applications were completed in February. Year to date, 83% of applications have been processed within the statutory timeframe.  
**Comments:** No notified applications were completed in February. 83% have been processed within the statutory timeframe year to date. It will be too difficult to achieve 99% compliance by the end of the financial year given the number of applications likely to be received.  
**Remedial Action:** No remedial actions are proposed given the result for February.

## Solid Waste and Resource Recovery

### Solid Waste and Resource Recovery

✗ Measure:	LTP/AP23: 8.0.3 Customer satisfaction with kerbside collection service
Target:	At least 85% customers satisfied with Council's kerbside collection service for each year
Actual:	84% satisfaction (2023-2024 Residents Survey Result)
Comments:	We have continued to struggle with workload with newest team member starting to come up to speed, There have also been some bin supply issues from WM which has caused some unexpected delays with repair jobs.
Remedial Action:	WM has sourced a local storage facility so they can hold a larger stock of bins/lids to avoid the delays experienced. Team Manager is looking into additional staffing to assist with incoming jobs

## Strategic Planning and Policy

### Public Information and Participation

✗ Measure:	LTP/AP23: 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: 30% (Previous year result 29%, plus 1%)
Actual:	28% of residents felt they could participate in and contribute to Council's decision making (2023-2024 Residents Survey Result)
Comments:	In the recent Residents' Survey only 28% of residents felt they could participate in and contribute to Council's decision-making, We have therefore failed to meet the target for this Level of Service. We continue to struggle with residents' perceptions that consultations are 'weighted' or that decisions are pre-determined. We are now reviewing our processes to look for opportunities for improvement.

## Solid Waste and Resource Recovery

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Remedial Action:	WM has sourced a local storage facility so they can hold a larger stock of bins/lids to avoid the delays experienced. Team Manager is looking into additional staffing to assist with incoming jobs

## Transport

### Transport

✗ Measure:	LTP/AP23: 10.4.4 Improve user satisfaction of public transport facilities (number and quality of shelters and quality of bus stop)
Target:	>=73% resident satisfaction
Actual:	69% satisfaction (2023-2024 Residents Survey Result)
Comments:	we do normally achieve this target, we haven't done anything different to normal so it is unclear why this has dropped. Part of the reason could be the subjectivity of the type of question used to gather the data i.e. being based on opinion rather than factual data.
Remedial Action:	We will continue with the services provided and look at ways of improving where we can.

<p>⊗ <b>Measure:</b> LTP/AP23: 10.5.2 Improve the perception that Christchurch is a cycling friendly city</p> <p><b>Target:</b> &gt;=67% resident satisfaction</p> <p><b>Actual:</b> 65% satisfaction (2023-2024 Residents Survey Result)</p> <p><b>Comments:</b> New target of 67% not met (65% recorded) representing a drop of 0.5% from 2023 survey but also representing a 98% achievement of the new 67% target). With February seeing the second busiest month ever recorded the perception is at variance to actual cycle uptake.</p> <p><b>Remedial Action:</b> Progress the surviving cycle-related CERF projects to completion. Seek alternative funding opportunities to support cycling schemes. Work in partnership with the development industry through the use of Private Developer Agreements and LTP funding to deliver a range of cycling infrastructure to support new residential growth areas. Develop team capabilities in delivering successful business cases for cycling projects to increase prospect of funding assistance. Review the business case requirements for the city-wide major cycle routes (MCR) programme, and specifically the Wheels to Wings (W2W) major cycle route to enhance the potential for Transport Agency Funding Assistance</p>	
<p>⊗ <b>Measure:</b> LTP/AP23: 16.0.9 Improve resident satisfaction with footpath condition</p> <p><b>Target:</b> &gt;=42% resident satisfaction</p> <p><b>Actual:</b> 36% satisfaction (2023-2024 Residents Survey Result)</p> <p><b>Comments:</b> From the latest Life in Christchurch survey looking at footpaths, 538 respondents had named multiple streets and listed multiple observations/issues. Of the 538 responses, 245 were considered to not need actioning due to 146 being duplicated responses, 89 either did not name a specific road/location, or did not fail the current Levels of Service, 10 were already completed. 199 are being investigated by the Transport Maintenance Team, the remaining responses have been passed on to others to be investigated/actioned as follows: 54 of them relate to people asking for new footpaths due to safety issues and need to be investigated by the Transport Safety team. 17 are related to Parks and not within the road corridor. 16 had private vegetation issues that need to be investigated by Asset Protection. 2 of them related to water leaks in the footpath coming from services in the footpath that need investigated by 3 Waters, 2 of them related to projects in the Cathedral Square that need investigated by the Project team delivering that work. 2 of them related to new subdivisions not having connecting footpaths that need to be investigated by the Subdivision Team. 1 of them was regarding upgrading of the existing drainage from dish to flat channel that needs to be investigated by the Transport Asset.</p> <p><b>Remedial Action:</b> Looking at the latest data from the Life in Christchurch survey, there is nothing the Road Maintenance Team can do to influence the 245 responses from residents that had either been duplicated, or did not fail current Levels of Service. We will investigate the 199 that did mention specific footpaths and improve what we can within existing budgets. We have already passed on the 94 to the wider Council teams for them to investigate and action.</p>	
<p>⊗ <b>Measure:</b> LTP/AP23: 16.0.10 Maintain the perception that Christchurch is a walking friendly city</p> <p><b>Target:</b> &gt;=85% resident satisfaction</p> <p><b>Actual:</b> 74% satisfaction (2023-2024 Residents Survey Result)</p> <p><b>Comments:</b> 74% satisfaction is an increase of 3% on 2023 results showing positive trend towards achieving target satisfaction of 85%</p>	

⊗ <b>Measure:</b>	LTP/AP23: 16.0.3 Improve resident satisfaction with road condition
<b>Target:</b>	>=30% resident satisfaction
<b>Actual:</b>	27% satisfaction (2023-2024 Residents Survey Result)
<b>Comments:</b>	<p>From the latest Life in Christchurch survey looking at roads, 1629 respondents had named multiple streets and listed multiple observations/issues. Of the 1629 responses, 847 were duplicated responses, 215 were to do with roads outside Christchurch City boundaries, or did not name a specific road/location.</p> <p>127 were due to work completed by the following third parties:</p> <p>65 to the Transport Safety Team.</p> <p>12 to 3 Waters.</p> <p>7 to Parks.</p> <p>4 to Transport Projects Team.</p> <p>3 to Waka Kotahi.</p> <p>1 to Transport Asset Protection Team.</p> <p>1 to Transport Asset Team.</p> <p>1 to another Council.</p> <p>395 are being investigated by the Transport Maintenance Team and the remaining 45 were regarding issues that had either already been repaired/renewed, or programmed for repair/renewal.</p>
<b>Remedial Action:</b>	<p>Looking at the latest data from the Life in Christchurch survey, nothing can be done by the Road Maintenance Team to influence the 1062 responses from residents that had either been duplicated, referenced roads outside Christchurch boundaries, or where no road or location had been named. We will however investigate the 395 that did mention specific roads and improve whatever we can within existing budgets. We have already passed on the remaining 94 to the wider Council teams for further investigation/action.</p>
⊗ <b>Measure:</b>	LTP/AP23: 10.4.4 Improve user satisfaction of public transport facilities (number and quality of shelters and quality of bus stop)
<b>Target:</b>	>=73% resident satisfaction
<b>Actual:</b>	69% satisfaction (2023-2024 Residents Survey Result)
<b>Comments:</b>	<p>we do normally achieve this target, we haven't done anything different to normal so it is unclear why this has dropped. Part of the reason could be the subjectivity of the type of question used to gather the data i.e. being based on opinion rather than factual data.</p>
<b>Remedial Action:</b>	we will continue with the services provided and look at ways of improving where we can.



<p>⊗ <b>Measure:</b></p> <p><b>Target:</b></p> <p><b>Actual:</b></p> <p><b>Comments:</b></p> <p><b>Remedial Action:</b></p>	<p>LTP/AP23: 10.5.2 Improve the perception that Christchurch is a cycling friendly city</p> <p>&gt;=67% resident satisfaction</p> <p>65% satisfaction (2023-2024 Residents Survey Result)</p> <p>New target of 67% not met (65% recorded) representing a drop of 0.5% from 2023 survey but also representing a 98% achievement of the new 67% target). With February seeing the second busiest month ever recorded the perception is at variance to actual cycle uptake.</p> <p>Progress the surviving cycle-related CERF projects to completion. seek alternative funding opportunities to support cycling schemes. Work in partnership with the development industry through the use of Private Developer Agreements and LTP funding to deliver a range of cycling infrastructure to support new residential growth areas. Develop team capabilities in delivering successful business cases for cycling projects to increase prospect of funding assistance. Review the business case requirements for the city-wide major cycle routes (MCR)programme, and specifically the Wheels to Wings (W2W) major cycle route to enhance the potential for Transport Agency Funding Assistance</p>
<p>⊗ <b>Measure:</b></p> <p><b>Target:</b></p> <p><b>Actual:</b></p> <p><b>Comments:</b></p> <p><b>Remedial Action:</b></p>	<p>LTP/AP23: 16.0.9 Improve resident satisfaction with footpath condition</p> <p>&gt;=42% resident satisfaction</p> <p>36% satisfaction (2023-2024 Residents Survey Result)</p> <p>From the latest Life in Christchurch survey looking at footpaths, 538 respondents had named multiple streets and listed multiple observations/issues. Of the 538 responses, 245 were considered to not need actioning due to 146 being duplicated responses, 89 either did not name a specific road/location, or did not fail the current Levels of Service, 10 were already completed.</p> <p>199 are being investigated by the Transport Maintenance Team, the remaining responses have been passed on to others to be investigated/actioned as follows: 54 of them relate to people asking for new footpaths due to safety issues and need to be investigated by the Transport Safety team.</p> <p>17 are related to Parks and not within the road corridor. 16 had private vegetation issues that need to be investigated by Asset Protection. 2 of them related to water leaks in the footpath coming from services in the footpath that need investigated by 3 Waters, 2 of them related to projects in the Cathedral Square that need investigated by the Project team delivering that work. 2 of them related to new subdivisions not having connecting footpaths that need to be investigated by the Subdivision Team. 1 of them was regarding upgrading of the existing drainage from dish to flat channel that needs to be investigated by the Transport Asset.</p> <p>Looking at the latest data from the Life in Christchurch survey, there is nothing the Road Maintenance Team can do to influence the 245 responses from residents that had either been duplicated, or did not fail current Levels of Service. We will investigate the 199 that did mention specific footpaths and improve what we can within existing budgets. We have already passed on the 94 to the wider Council teams for them to investigate and action.</p>
<p>⊗ <b>Measure:</b></p> <p><b>Target:</b></p> <p><b>Actual:</b></p> <p><b>Comments:</b></p>	<p>LTP/AP23: 16.0.10 Maintain the perception that Christchurch is a walking friendly city</p> <p>&gt;=85% resident satisfaction</p> <p>74% satisfaction (2023-2024 Residents Survey Result)</p> <p>74% satisfaction is an increase of 3% on 2023 results showing positive trend towards achieving target satisfaction of 85%</p>

<p>❌ <b>Measure:</b></p> <p><b>Target:</b></p> <p><b>Actual:</b></p> <p><b>Comments:</b></p>	<p>LTP/AP23: 16.0.3 Improve resident satisfaction with road condition</p> <p>&gt;=30% resident satisfaction</p> <p>27% satisfaction (2023-2024 Residents Survey Result)</p> <p>From the latest Life in Christchurch survey looking at roads, 1629 respondents had named multiple streets and listed multiple observations/issues. Of the 1629 responses, 847 were duplicated responses, 215 were to do with roads outside Christchurch City boundaries, or did not name a specific road/location.</p> <p>127 were due to work completed by the following third parties:</p> <p>65 to the Transport Safety Team.</p> <p>12 to 3 Waters.</p> <p>7 to Parks.</p> <p>4 to Transport Projects Team.</p> <p>3 to Waka Kotahi.</p> <p>1 to Transport Asset Protection Team.</p> <p>1 to Transport Asset Team.</p> <p>1 to another Council.</p> <p>395 are being investigated by the Transport Maintenance Team and the remaining 45 were regarding issues that had either already been repaired/renewed, or programmed for repair/renewal.</p>
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<p>● <b>Measure:</b></p> <p><b>Target:</b></p> <p><b>Actual:</b></p> <p><b>Comments:</b></p> <p><b>Remedial Action:</b></p>	<p>LTP/AP23: 10.5.3 More people are choosing to travel by cycling</p> <p>&gt;=13,500 average daily cyclist detections</p> <p>Avg Count for February = 14,998</p> <p>The rolling 12-month average from 1 Mar 2023 to 29 Feb 2024 = 11,918</p> <p>Consistent increases in recorded cycle trips across the city. Busiest February since Feb 2020 which had avg 15,208 compared to Feb 2024 at 14,998 avg detections.</p> <p>Second busiest month ever recorded.</p> <p>Progress the surviving cycle-related CERF projects to completion. seek alternative funding opportunities to support cycling schemes. Work in partnership with the development industry through the use of Private Developer Agreements and LTP funding to deliver a range of cycling infrastructure to support new residential growth areas. Develop team capabilities in delivering successful business cases for cycling projects to increase prospect of funding assistance.</p> <p>Review the business case requirements for the city-wide major cycle routes (MCR) programme, and specifically the Wheels to Wings (W2W) major cycle route to enhance the potential for Transport Agency Funding Assistance</p>
<p>● <b>Measure:</b></p> <p><b>Target:</b></p> <p><b>Actual:</b></p> <p><b>Comments:</b></p> <p><b>Remedial Action:</b></p>	<p>LTP/AP23: 16.0.1 Maintain roadway condition to an appropriate national standard,</p> <p>&gt;=5% of the sealed local road network is resurfaced per year</p> <p>The reseal works for FY23/24 are firmly underway in the four road maintenance contract areas. The various road maintenance contractors for CCC's entire roading network have programmed and confirmed capacity and capability to complete the original FY23/24 programme, as well as the additional \$8.128M budgeted works before the end of this year's reseal season. The total works will achieve a minimum deliverable of 7% of the sealed local road network for FY23/24.</p> <p>A communications plan was developed to inform the road users at large of the potential for travel interruptions in the delivery of this huge city-wide reseal programme.</p> <p>All sites to be resealed using asphalt have been tested for residual strengths of the supporting structural layers for assurance of achieved design life and end-user satisfaction. These tests were undertaken in January 2024 and the results were used as a basis for confirmation of reseal sites selected. Quantities will be tracked against actual for this reseal season and "Remedial action required" amended to "Will meet target" once the 5% KPI have been met and exceeded.</p>

- **Measure:** LTP/AP23: 10.5.41 Increase access within 15 minutes to key destination types by walking  
**Target:** >=49% of residential land holdings with a 15- minute walking access  
**Actual:** 45% within 15-minute walking access of key destinations  
**Comments:** The model is complex and time-consuming to run, and is unlikely to show significant changes month-to-month, so will be run once a year towards the end of the FY. Therefore this currently shows no change from the end of the previous FY. Within 15 minutes walking time (1km), the following percentage of households have access to services:  
- Parks and open spaces: 98%  
- Education: 74%  
- Healthcare: 63%  
- Employment hubs: 46%  
- Supermarkets: 34%  
**Remedial Action:** Staff understand that there are plans to open supermarkets in at least one area without strong access, which should improve this number in future years. Staff plan to review the model outputs in advance of the LTP, to identify gaps that can be resolved through transport, and share data with other parts of Council so more focused planning decisions can be made. Expected changes to planning rules are expected to cluster people closer to critical services, which would be expected to improve this measure. Transport can also share this data more widely. This would be unlikely to change the measure in the short term, but longer term would raise awareness, and allow people to make more informed decisions about where they live.
- **Measure:** LTP/AP23: 10.0.2 Increase the share of non-car modes in daily trips  
**Target:** >=37% of trips undertaken by non-car modes  
**Actual:** 32.5% of trips undertaken by non-car mode  
**Comments:** These numbers are gathered through the Life in Christchurch survey, which gathers self-reported data on travel patterns on an annual basis. The result is improved from the previous year's survey. Ongoing delivery of shovel ready projects, local cycle connections, focus on public transport, walkability options, and a review of the method of measurement are planned in the current financial year.  
**Remedial Action:** Previously to 2021, the data had been trending higher, with the highest non-car share seen in the 2020 survey at 34.9%. However, the number dropped in 2021, then dropped further in 2022, before showing an uptick again in the 2023 survey reported here. The proportion from the 2022 survey was historically low, although the survey makeup had changed: the total numbers who responded was ~4800 in 2022, as compared to ~3300 in 2021. It is therefore difficult to know if this was a genuine change in mode choice, or an artifact of the increase in respondents. The 2023 survey had broadly similar numbers of respondents to 2022, so we are confident that the most recent surveys are comparable and reflect changes in mode choice. This is supported by empirical data from cycle counters, etc. At a delivery level, 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. Sections of the remaining three are in construction.  
- Further investment in the MCR network, particularly to areas with low cycle provision (eg Wheels to Wings and Avon-Otakaro)  
- Focus on public transport: Council and Environment Canterbury's LTPs have signalled an increase in funding to support an upgrade in bus frequency and reliability over the next few years. Modelling would suggest that this will encourage significant uptake of public transport. For Council, this is made up of bus stop improvements, bus priority lanes, intersection improvements, and real time information.  
- Continued construction of local cycleway connections and other key active transport links  
- Continued work on increasing the walkability level of service, particularly around new developments

● Measure:	LTP/AP23: 10.0.6.1 Reduce the number of death and serious injury crashes on the local road network
Target:	<=96 crashes
Actual:	86 crashes 6 deaths 80 serious injuries
Comments:	All measures are on CCC controlled roads, based on Waka Kotahi Crash Analysis System (CAS) report (for period 1 April 2023 to 31 December 2023) At current rate, we would expect 115 DSIs in the Financial Year, which means we will be some way off the target, although improving from the second quarter figures. Staff continue to develop and deliver intervention programmes to increase safety outcomes on the network, with a particular focus on vulnerable users. Some of these interventions appear to be showing promising results: in November 2023 the Lincoln/Barrington/Whiteleigh intersection achieved a year without a single reportable accident
Remedial Action:	Remedial actions would be required to bring the crash numbers down regardless of target. Staff continue to develop and deliver intervention programmes to increase safety outcomes on the network, with a particular focus on vulnerable users. These include projects like the Speed Management programme, the School Safety programme, Road safety education, Minor Safety interventions, and the Major Cycleway Routes and connections projects.
● Measure:	LTP/AP23: 16.0.8 Maintain the condition of footpaths
Target:	>=82% footpaths rated 1,2 or 3
Actual:	92.72% of assessed footpath network was rated 1-3, based on a WSP Opus assessment of 40% of our total footpath network. Although the balance 60% footpath stock is still under assessment this financial year, the 40% stock assessment completed to date was accepted by the auditor as a good representation and indication of our total footpath stock. Note: This goal in the Annual Report FY22/23 was assessed as 'achieved'.
Comments:	We are developing technology and processes to collect consistent condition data for the remaining 60% of our footpaths over the coming financial year.
Remedial Action:	Continue to work alongside HEBS and University Canterbury in the development of a robust and automated footpath condition assessment tool. HEBS are comparing their AI assessment tool against a sample section completed by WSP Opus to date to ensure that their tool correlates to the same assessment outcome. Rapid Response Footpath Crews (RRFC) have been formed to deliver improvements to footpath conditions wherever observed to be in a poor state.
● Measure:	LTP/AP23: 16.0.13 Respond to customer service requests within appropriate timeframes
Target:	>=80% customer service requests are completed, or inspected and programmed within timeframes
Actual:	70% of customer service requests responded to within appropriate timeframes.
Comments:	Continuing to focus on completing and closing tickets.

## Wastewater Collection, Treatment and Disposal

### Wastewater Collection, Treatment and Disposal

● Measure:	LTP/AP23: 11.0.1.1 Median time (in hours) from notification to arrival on-site for urgent faults on rural wastewater networks
Target:	<= 2
Actual:	February 40 hours 8 minutes
Remedial Action:	Ongoing management via maintenance contract

## Water Supply

### Water Supply

⊗ Measure:	LTP/AP23: 12.0.1.14 The proportion of residents satisfied with Council responsiveness to water supply problems
Target:	>= 65%
Actual:	64% satisfaction (2023-2024 Residents Survey Result)
Remedial Action:	Continuing to work closely with our contractor to further improve response times. Water supply renewals will also support improvements for this measure along with other projects such as "Smart Water". [update Jan 2024]
⊗ Measure:	LTP/AP23: 12.0.2.19 Proportion of residents satisfied with quality of Council water supplies
Target:	>= 50%
Actual:	48% satisfaction (2023-2024 Residents Survey Result)

⊗ <b>Measure:</b>	LTP/AP23: 12.0.7 Average consumption of drinking water in litres per resident per day
<b>Target:</b>	<= 210
<b>Actual:</b>	310 litres per resident per day average use for the month of February, with the year to date of 282
<b>Comments:</b>	YTD average exceeds the target limit. Please note: Population data use the Census population figures (2018 URP). A requested to BI team was sent to provide a common data set. Please note: consumption also contains industrial/Commercial take-off which is only read and charged every 6 months. Estimated Leaks are excluded.
<b>Remedial Action:</b>	Operations will work with the Service Excellence Team to support initiatives around reducing water consumption
⊗ <b>Measure:</b>	LTP/AP23: 12.0.2.10 Water supplied is compliant with the DWQA Rules in the Treatment System (Protozoal compliance)
<b>Target:</b>	Compliant
<b>Actual:</b>	Water supplied is not protozoal compliant with the DWQA Rules in the treatment system for Christchurch City
<b>Comments:</b>	The Council is currently undertaking Class 1 sampling in source water, but the timeline to cover the whole city goes beyond the financial year, hence it won't be possible to demonstrate Class 1 in this and next financial years.
<b>Remedial Action:</b>	Class 1 sampling is underway. Other treatment options are under consideration and will be part of the discussions to be held under the LTP.
● <b>Measure:</b>	LTP/AP23: 12.0.2.9 Water supplied is compliant with the DWQA Rules in the Distribution System (Bacteria compliance)
<b>Target:</b>	Compliant
<b>Comments:</b>	The system needs to be compliant across the 12 months and was not compliant during FY22/23.
<b>Remedial Action:</b>	Currently, 100% of Christchurch distribution zones are chlorinated
● <b>Measure:</b>	LTP/AP23: 12.0.6 Percentage of real water loss from Council's water supply reticulated network
<b>Target:</b>	<= 25%
<b>Comments:</b>	Leak detection is undertaken during winter and last year the target was not achieved. Final results will be available at the end of the financial year 23/24.
<b>Remedial Action:</b>	A plan to repair delayed leaks is underway so next winter we will be able to undertake the second round of Minimum Night Flow tests to update leakage rates.
● <b>Measure:</b>	LTP/AP23: 12.0.2.2 Proportion of High Hazard commercial connections with compliant backflow prevention device tested within the last year
<b>Target:</b>	>=100%
<b>Actual:</b>	No way of reporting on this currently.
<b>Remedial Action:</b>	The Backflow register is not functioning as it should as yet. In the 3W IT bundle. Bug fixes have been scheduled to start. Once the Backflow Register is working as it should, our Water Supply Security Specialist will be able to report accurately from the register.
● <b>Measure:</b>	LTP/AP23: 12.0.2.20 Proportion of Medium Hazard commercial connections >38mm diameter with compliant backflow prevention device tested within the last year
<b>Target:</b>	>=100%
<b>Actual:</b>	No way of reporting on this currently.
<b>Remedial Action:</b>	The Backflow register is not functioning as it should as yet. In the 3W IT bundle. Bug fixes have been scheduled to start. Once the Backflow Register is working as it should, our Water Supply Security Specialist will be able to report accurately from the register.



## 9. Financial Performance Report - February 2024

Reference / Te Tohutoro: 24/375618

Report of / Te Pou  
Matua:

Russell Holden, Head of Finance (russell.holden@ccc.govt.nz)

General Manager /  
Pouwhakarae:

Bede Carran, Acting General Manager Resources/Chief Financial  
Officer

### 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 Council's financial performance to February 2024 including the current year forecast, and to receive current treasury information.
- 1.2 This is a regular monthly report that goes to the Committee.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receive the information in the Financial Performance Report for February 2024.

### 3. Brief Summary

- 3.1 The financial result for February shows a year to date operational surplus of \$12.8m, which is \$14.1 million higher than budgeted. This is due to reduced personnel costs due to staff vacancies, increased rates penalties, improved recreation & sports revenues and increased waste revenues. A surplus of \$0.4 million is forecast for year-end, after accounting for proposed carry forwards.
- 3.2 The total capital programme before signalled carry forwards is forecast to be under spent by \$49.0 million. This comprises a forecast under spend of \$22.0 million on the core/external funded programme and forecast under spend of \$27.0 million on Te Kaha.
- 3.3 All treasury risk positions are within policy limits.

### 4. Operating Forecast

- 4.1 The \$0.4 million forecast year end surplus after carry forwards is a deterioration of \$1.6 million from that reported last month. The deterioration is largely due to an increase in forecast interest expense, and forecast increases in the net cost of building consenting.
- 4.2 The current forecast surplus of \$5.1 million before carry forwards, is driven by; rates income, pool revenues, Water Reform additional funding and savings in personnel costs, partially offset by reductions in staff capitalisation in the Digital unit.
- 4.3 The forecast is updated monthly and alters as new information and events come to light.
- 4.4 Expenditure carry forwards signalled at this point are:
  - 4.4.1 Water Reform \$3.6 million – The water reform project is anticipated to receive the full revenue entitlement under the works agreement by the end of the current financial year, those revenues are required to cover any water reform expenditure out to the end of FY-25, any unspent funds must be returned to the Government.
  - 4.4.2 Solid Waste \$750k for works associated with the closure of landfills.

4.4.3 Vertical Capital \$344k for professional advice fees associated with Yaldhurst Memorial Hall.

## 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 is removed to show the year to date and forecast operational cash surplus or deficit.

\$m	Year to Date Results			Forecast Year End Results			After Carry Forwards	
	Actual	Budget	Var	Forecast	Budget	Var	Carry Fwd	Var
Revenues	(694.0)	(687.5)	6.5	(1,003.3)	(994.1)	9.3	(0.2)	9.5
Expenditure	502.0	511.6	9.6	765.1	760.8	(4.3)	4.9	(9.2)
Funds not available for Opex	179.2	177.2	(2.0)	233.2	233.3	0.1	-	0.1
<b>Operating (Surplus)/Deficit</b>	<b>(12.8)</b>	<b>1.3</b>	<b>14.1</b>	<b>(5.1)</b>	<b>-</b>	<b>5.1</b>	<b>4.7</b>	<b>0.4</b>

- 5.3 Brief summaries of revenue and expenditure variances are highlighted below.
- 5.4 Revenues are \$6.5 million ahead of budget year to date and are forecast to be \$9.5 million higher at year end. Key drivers of actual and forecast variances to budget include:

Variance	YTD	Forecast (after c/f)
Waste operations (primarily Burwood landfill & Ecocentral Rebate)	4.1m	5.0m
Consenting Revenues (reducing consents backlogs)	1.9m	1.8m
Recreation & Sports Centres increased participation	1.8m	1.5m
Rating base growth	1.2m	1.2m
Rates penalties	1.7m	0.9m
Rates valuation objections (prior year)	(0.3m)	(0.3m)
Transwaste dividends	(0.5m)	(0.6m)
Transport revenues (NZTA Opex Subsidy)	(1.5m)	-
Better Off Funding grants	(2.6m)	-

- 5.5 Expenditure is \$9.6 million lower than budget year to date, and forecast to be \$9.2 million over budget at year end. The year-to-date variance is primarily driven by lower personnel costs due to higher than budgeted vacancies.

Key drivers of actual and forecast variances to budget include:

Variance	YTD	Forecast (after c/f)
Staff Costs (Carrying vacancies planned to be filled from start of the year)	7.1m	6.8m
Grant payments (delays in projects and budget phasing variances)	3.2m	0.7m
Timing of Community Support operating & maintenance costs	1.5m	
Transport operating and maintenance costs (timing of works being undertaken)	1.2m	
Waste operating costs (lower recycling processing fees, lower residual waste disposal fees and lower organics processing costs)	1.0m	(2.2m)



Building & planning consenting operating & professional expenditure acquiring additional resource to clear backlog.	(0.3m)	(2.5m)
Three Waters maintenance & operating costs (additional reactive maintenance)	(2.2m)	(2.3m)
Digital capitalisation budget allocation	(2.5m)	(3.4m)
Digital P/O receipting errors resulting in FY-23 costs in FY-24 & increases in software renewal costs greater than allowed in the budget.	(2.7m)	(2.7m)
<b>Total</b>	<b>6.3m</b>	<b>(5.6m)</b>

- 5.6 In the 23/24 Annual Plan process, a change in structure had an unintended consequence of additional Digital costs being incorrectly capitalised in the budget and therefore not rated for. This has been corrected in the LTP, however it leaves a funding gap in the current year.
- 5.7 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 (borrowed).

## 6. Capital Expenditure and Revenue

6.1 This section covers the capital programme spend and funding relating to it.

\$m	Year to Date Results				Forecast Year End Results				After Carry Forwards		
	Actual	Budget	Var		Forecast	Budget	Var		Carry Fwd	Var	
Core Programme	246.8	301.8	55.0		449.1	466.8	17.7		10.8	28.5	
External Funded Programme	31.1	18.0	(13.0)		44.1	25.2	(18.9)		(18.5)	(0.4)	
Less unidentified Carry Forwards	0.0	0.0	0.0		(23.2)	0.0	23.2		51.2	(28.0)	
<b>Core/External Funded Programme</b>	<b>277.8</b>	<b>319.8</b>	<b>42.0</b>	●	<b>470.0</b>	<b>492.0</b>	<b>22.0</b>	●	<b>21.8</b>	<b>0.2</b>	●
Te Kaha	115.1	139.7	24.5		197.2	224.2	27.0		27.0	-	
<b>Total Capital Programme</b>	<b>392.9</b>	<b>459.5</b>	<b>66.5</b>	●	<b>667.2</b>	<b>716.2</b>	<b>49.0</b>	●	<b>48.8</b>	<b>-</b>	●
Revenues and Funding	(218.2)	(198.5)	19.7		(300.3)	(312.9)	(12.6)		(15.1)	2.5	
<b>Borrowing required</b>	<b>174.7</b>	<b>261.0</b>	<b>86.2</b>	●	<b>366.9</b>	<b>403.3</b>	<b>36.4</b>	●	<b>33.7</b>	<b>2.7</b>	●

### Capital Expenditure

- 6.2 Gross capital expenditure of \$392.9 million has been incurred against a year to date budget of \$459.5 million.
- 6.3 Overall, total capital expenditure of \$667.2 million is forecast (based on the PMO forecast of \$470 million for CCC Capital-Core/External Funded) to be spent against the annual budget of \$716.2 million. Of the \$49.0 million variance, the majority is forecast to be carried forward at year end.
- 6.4 For further information on capital expenditure, please refer to the Capital Programme Performance Report contained in this agenda.

### Capital Revenues and Funding

- 6.5 Capital revenues and funding are a net \$19.7 million higher than budget year to date, due to having received higher development contribution revenues.
- 6.6 Capital revenues and funding are forecast to be \$12.6 million lower before carry forwards comprising delays in NZTA capital subsidies, the revenue not recovered in the current financial year is expected to be received in FY-25, and partially offset by higher development contribution receipts.

## 7. Treasury

### Policy Compliance

7.1 All Treasury risks are within Policy limits, with no breaches projected 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)

### Borrowing & Advances to Related Parties

7.2 Council's actual and forecast borrowing and Advances are shown below (\$ million):

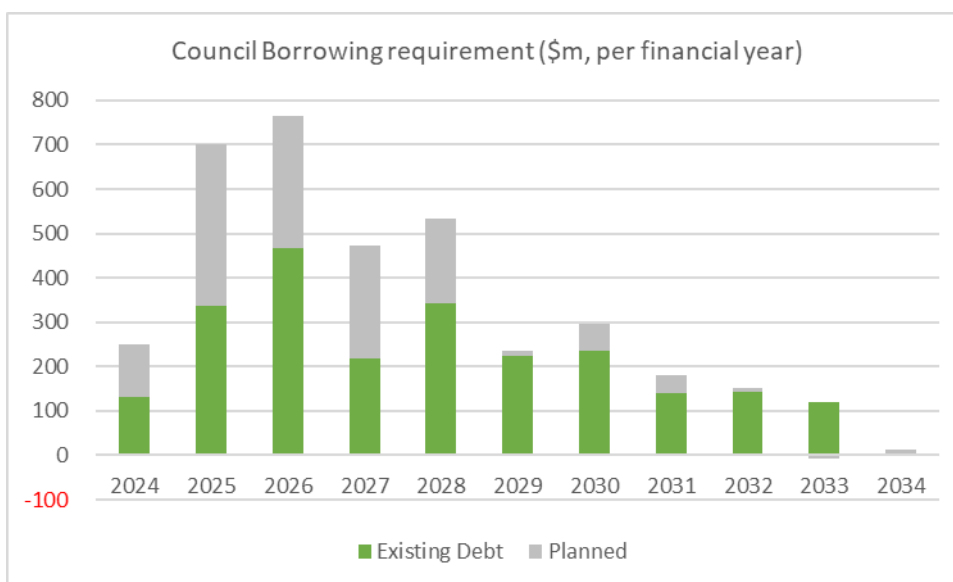
	Jun-23 Actual	Current	Jun-24 Projected	Full Year Change
Gross Borrowing	2,242.5	2,432.2	2,605.0	362.5
Advances to Related Parties	805.5	795.1	852.2	46.7
<b>Net Debt (excl. Cash)</b>	<b>1,437.0</b>	<b>1,637.2</b>	<b>1,752.8</b>	<b>315.9</b>

7.3 Advances are primarily to Christchurch City Holdings Ltd (currently \$641.2 million).

7.4 Net Debt by Jun-24 is estimated to be \$315.9 million higher than at Jun-23, driven by capital expenditure (particularly Te Kaha).

### Funding & Interest Rates

7.5 Council's projected **funding** requirements, per financial year, are shown below. These are split between existing debt maturities (green) and expected new borrowing requirements (grey).



7.6 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.

	Jun-24	Jun-25	Jun-26
Rates-Funded Debt	5.1%	5.1%	4.9%

Average for 2022/23 was 4.9%; pre-Covid, in 2018/19, it was 5.2%.



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	Mitchell Shaw - Reporting Accountant Steve Ballard - Group Treasurer Karthik MG - Reporting Accountant Bruce Moher - Manager Corporate Reporting
Approved By	Russell Holden - Head of Finance Bede Carran - Acting General Manager Resources/Chief Financial Officer



## 10. Capital Programme Performance Report February 2024

Reference / Te Tohutoro: 24/2209

Report of / Te Pou Matua:	Andrew Robinson, Head of Programme Management Office (andrew.robinson@ccc.govt.nz)
General Manager / Pouwhakarae:	Lynn McClelland, Assistant Chief Executive Strategic Policy and 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 2024.
- 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 February 2024.

### 3. Brief Summary

- 3.1 The consolidated FY24 forecast for the CCC Capital component of the programme (excl. Te Kaha) as reported by Project Managers is **\$485m** against a Budget of \$492m. This has reduced by -\$15m from prior month.
- 3.2 Combined with the rephasing of the Te Kaha structural steel payments, the Overall Capital forecast has reduced by -\$33m from prior month. Te Kaha is further reported in the Watchlist.
- 3.3 The PMO forecast for the CCC Capital component remains at **\$470m** for year-end. This is based on programme-level analysis including current levels of expenditure and historical performance and current overall outlook.
- 3.4 The main forecast-budget exception is in the Digital portfolio where forecasts show significant departures from the current year budget. This has been reported in prior months and the proposed LTP addresses this capital phasing issue with a better year-year balance across longer term programme provisions. In the Digital section of the attached report several notable milestone achievements on long standing projects are recorded.
- 3.5 Transport delivery remains relatively strong with the Major Cycleway Programme, Carriageway Reseals Programme and Halswell Junction Road supporting expenditure and making good progress. There will be future Budget adjustments required as the impact of the Transport Choices programme reduction is adjusted (reported to Finance & Performance 28 February). Further budget changes will include recently advised external funding for resurfacing, wet weather event remediation and additional CRAF subsidy. It is expected that overall, these will be approximately neutral to the current annual budget (with both positive and negative budget movements). This will be confirmed next month.
- 3.6 The FY24 Watchlist is included in Attachment A – Appendix 1.

- 3.7 CRAF and CERF Programme updates were provided in the January Report and will be updated quarterly (in the April Report). Further information will be provided by Transport on the CRAF subsidy referred to above.
- 3.8 The Monthly Change Report is included in the public excluded section due to contract commercial sensitivity.

Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Attachment to report 24/2265 (Title: Capital Programme Performance Report - February 2024 - Final)	24/424529	65

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

Document Name – Location / File Link
Not applicable

Confirmation of Statutory Compliance / Te Whakatūtutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).
(a) This report contains:
(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Signatories / Ngā Kaiwaitohu

Authors	Lauren Barry - Senior PMO Analyst Andrew Robinson - Head of Programme Management Office Greer Hill - Administrator Officer
Approved By	Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance



# Capital Programme Performance Report

February 2024

## Introduction

This report provides a monthly status update on capital programme performance in the current Financial Year (FY24), including:

- The overall capital programme
- CCC Capital, which excludes the Te Kaha Canterbury Multi Use Arena
- Each major area of capital delivery.

All forecasts in this report are project management forecasts, with the exception of the Programme Management Office (PMO) forecast in the CCC Capital section.

The report also contains status updates on key Watchlist projects (Appendix 1). Projects are selected for the Watchlist based on scale and significance, strategic importance, profile, cost, immediacy, and delivery risk. The following project has been removed from the Watchlist Report this month, as Practical Completion has now been issued:

- #61531 - Ngā Puna Wai Car Park and Access Improvements

*Data refreshed Tuesday 12th March 2024*

Overall

CCC Capital

Three Waters

Transport

Parks, Heritage &  
Foreshore

Recreation, Sports &  
Events

Ōtākaro Avon River  
Corridor

Digital

Waste Management

Other

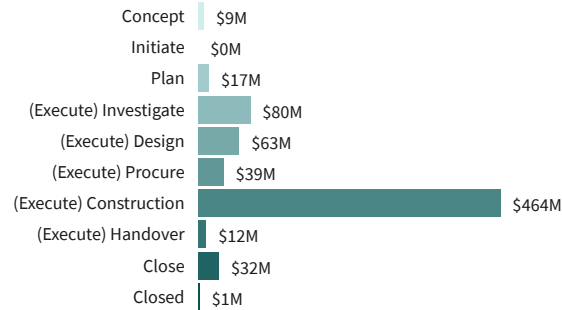
Watchlist

Capital Programme Overview

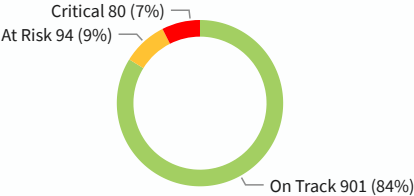
Month Summary

The year-end forecast for the overall capital programme has reduced by \$33m this month to \$682m (95% of budget), based on consolidated project management forecasts. \$18m of this reduction relates to the rephasing of structural steelwork payments for Te Kaha, however the project remains on track to the contract completion date (see Watchlist). There have also been combined forecast reductions of \$13m in the Transport and Three Waters programmes this month. For the overall capital programme, 70% of the year budget is currently allocated to projects in construction phase or beyond; this underpins the strong expenditure for the financial year to date.

% Year Budget By Phase



Project Status Summary



Year Budget

\$716.5M

Year Forecast

\$682.4M

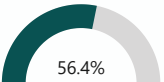
Forecast Result

95%

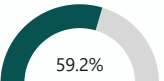
Year Actuals

\$403.9M

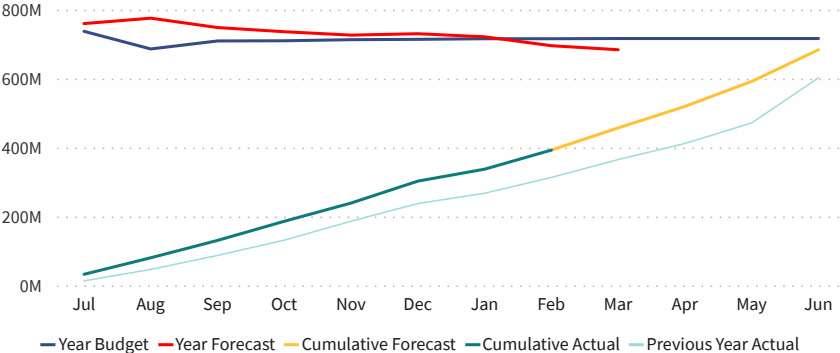
% Budget Spent



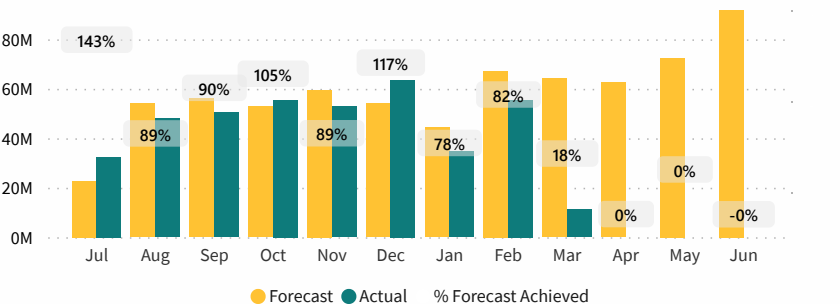
% Forecast Spent



Monthly Financial Time Line



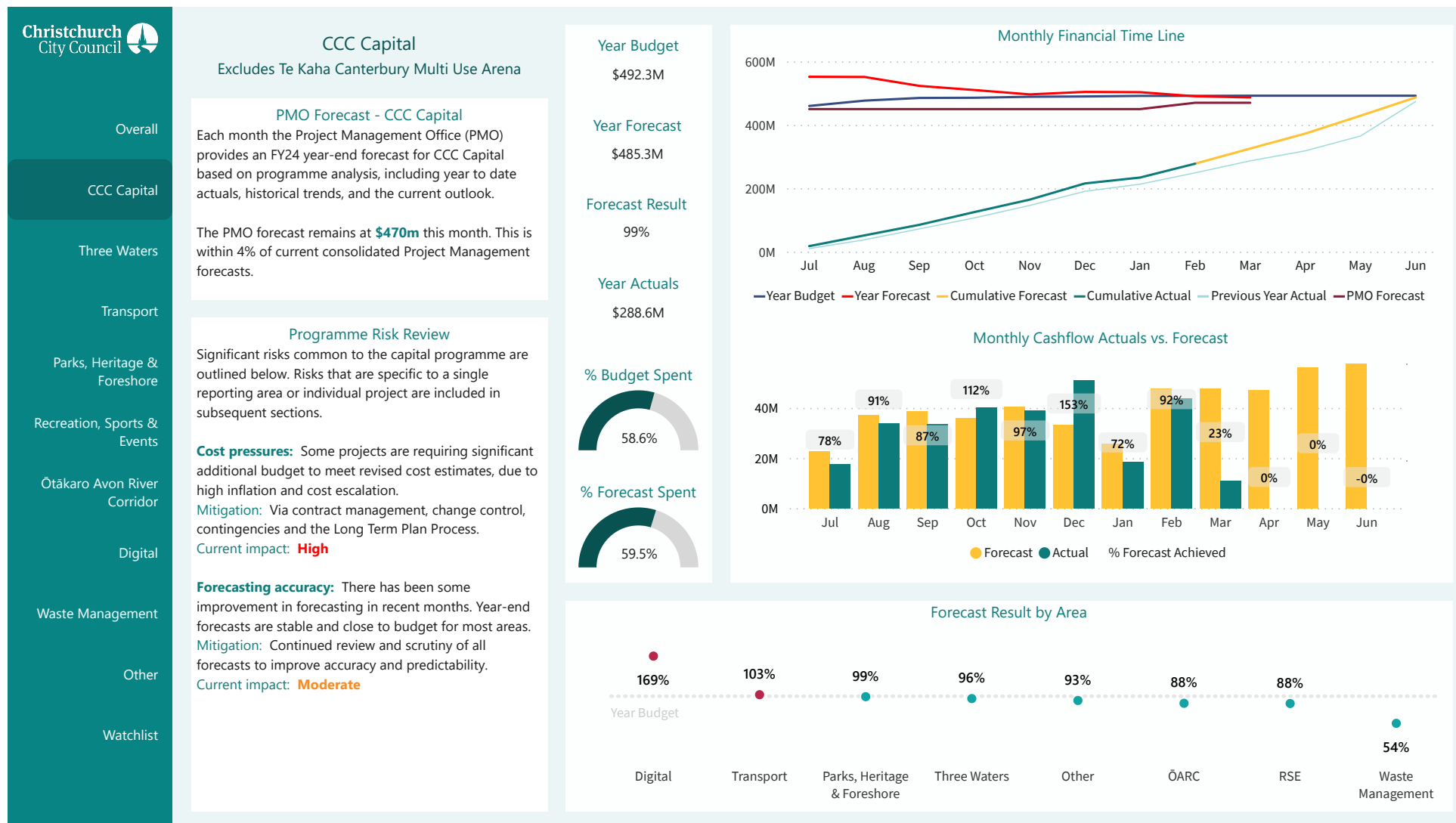
Monthly Cashflow Actuals vs. Forecast

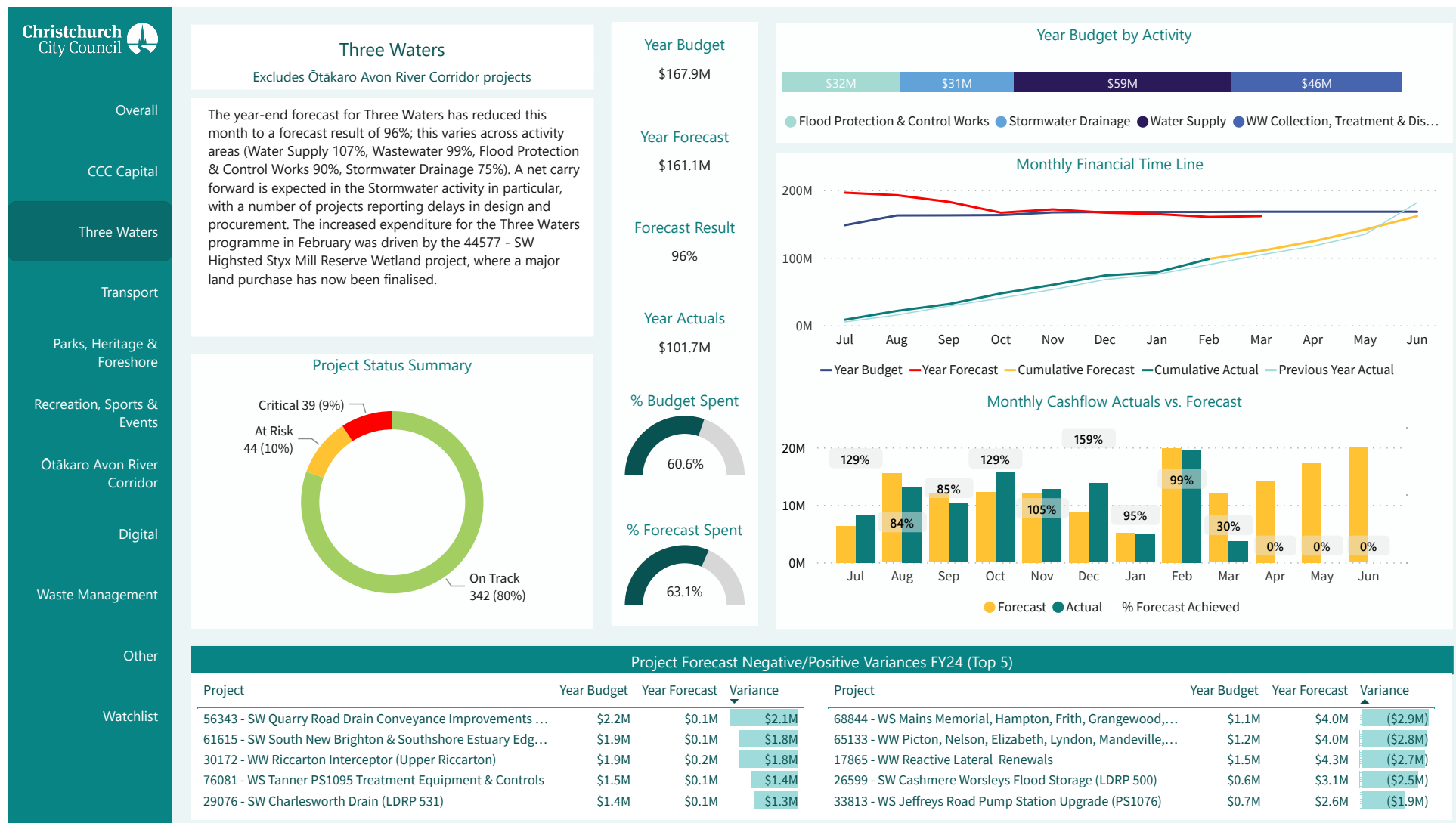


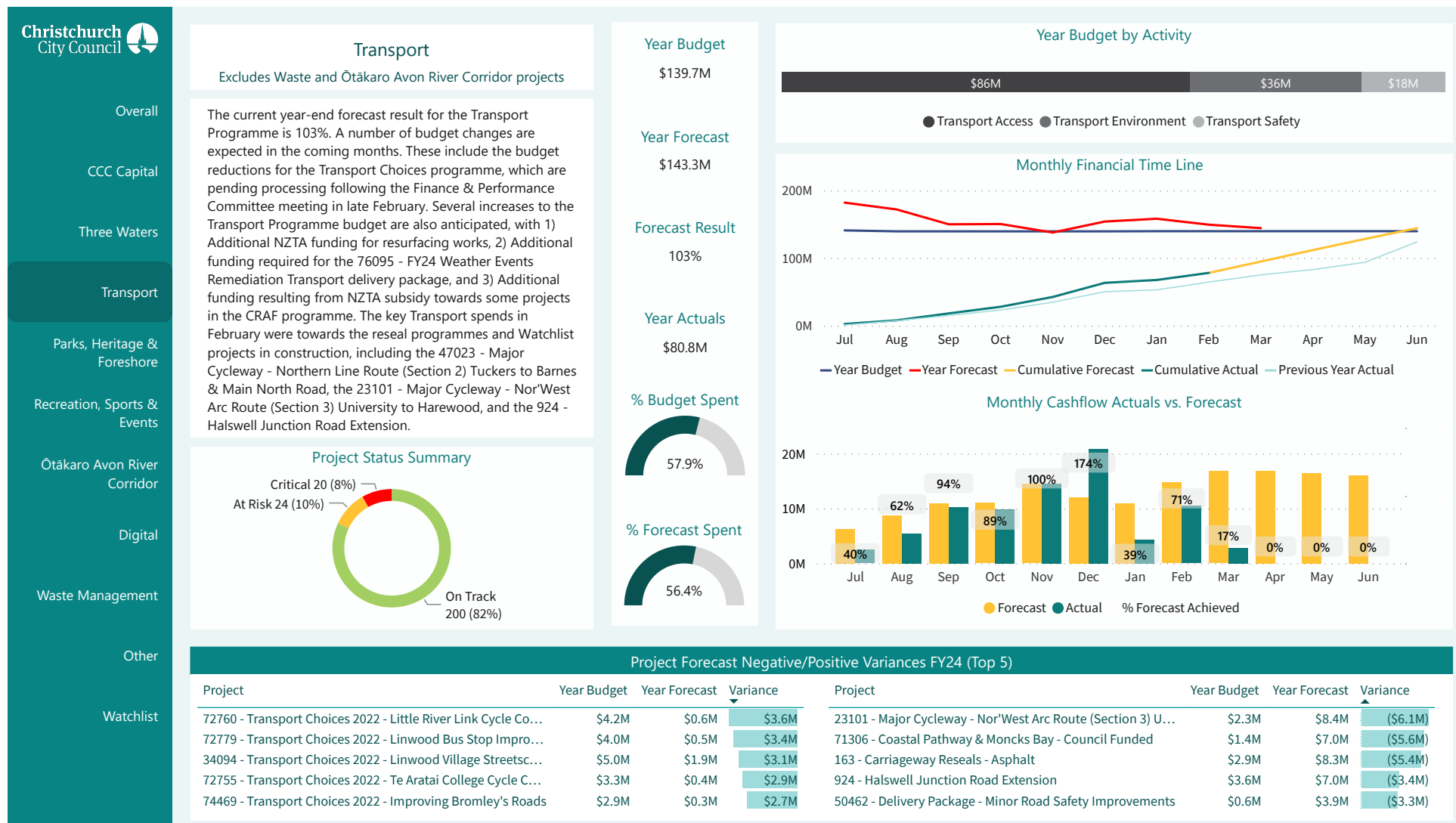
Year Budget by Reporting Area

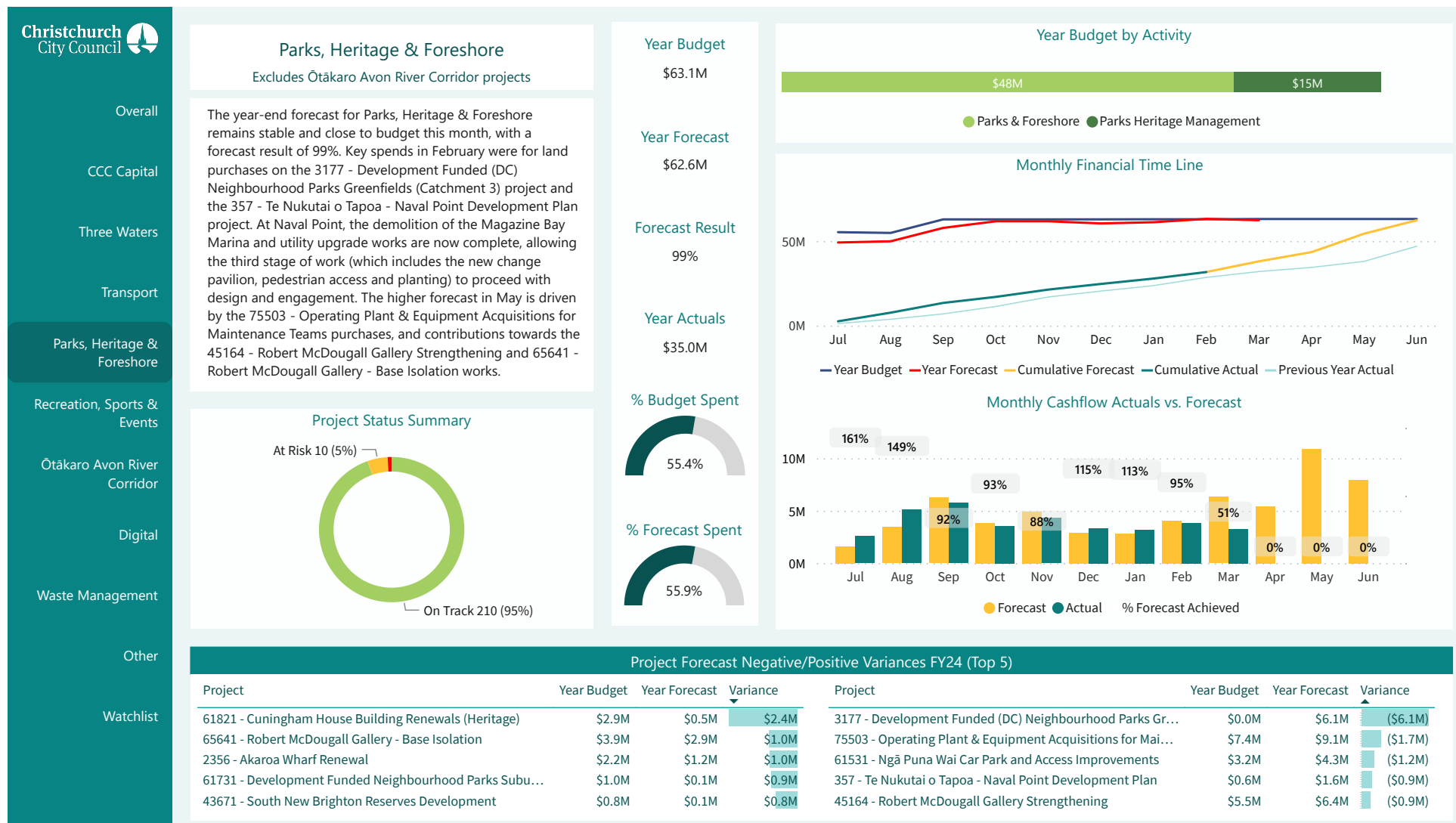






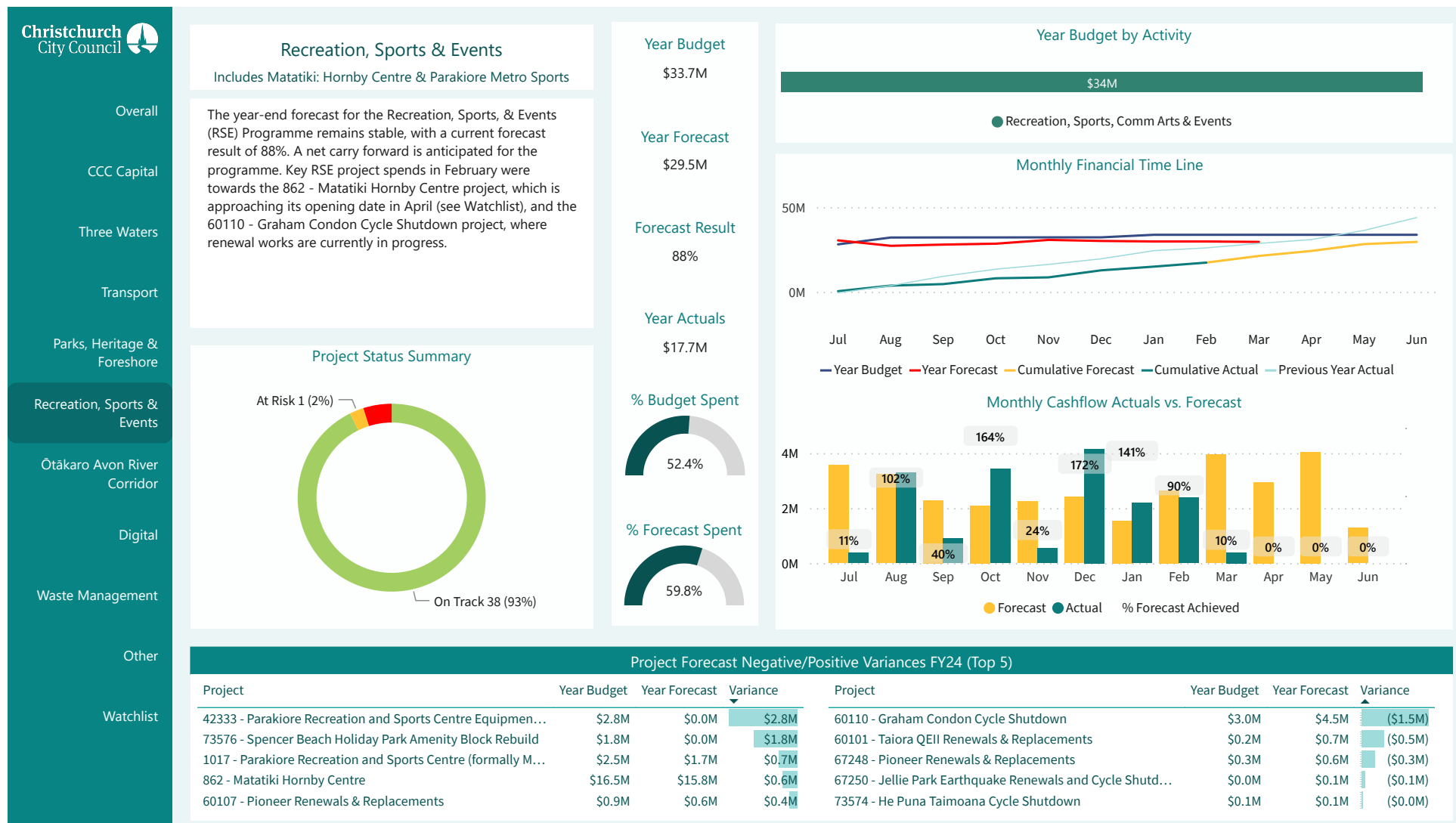


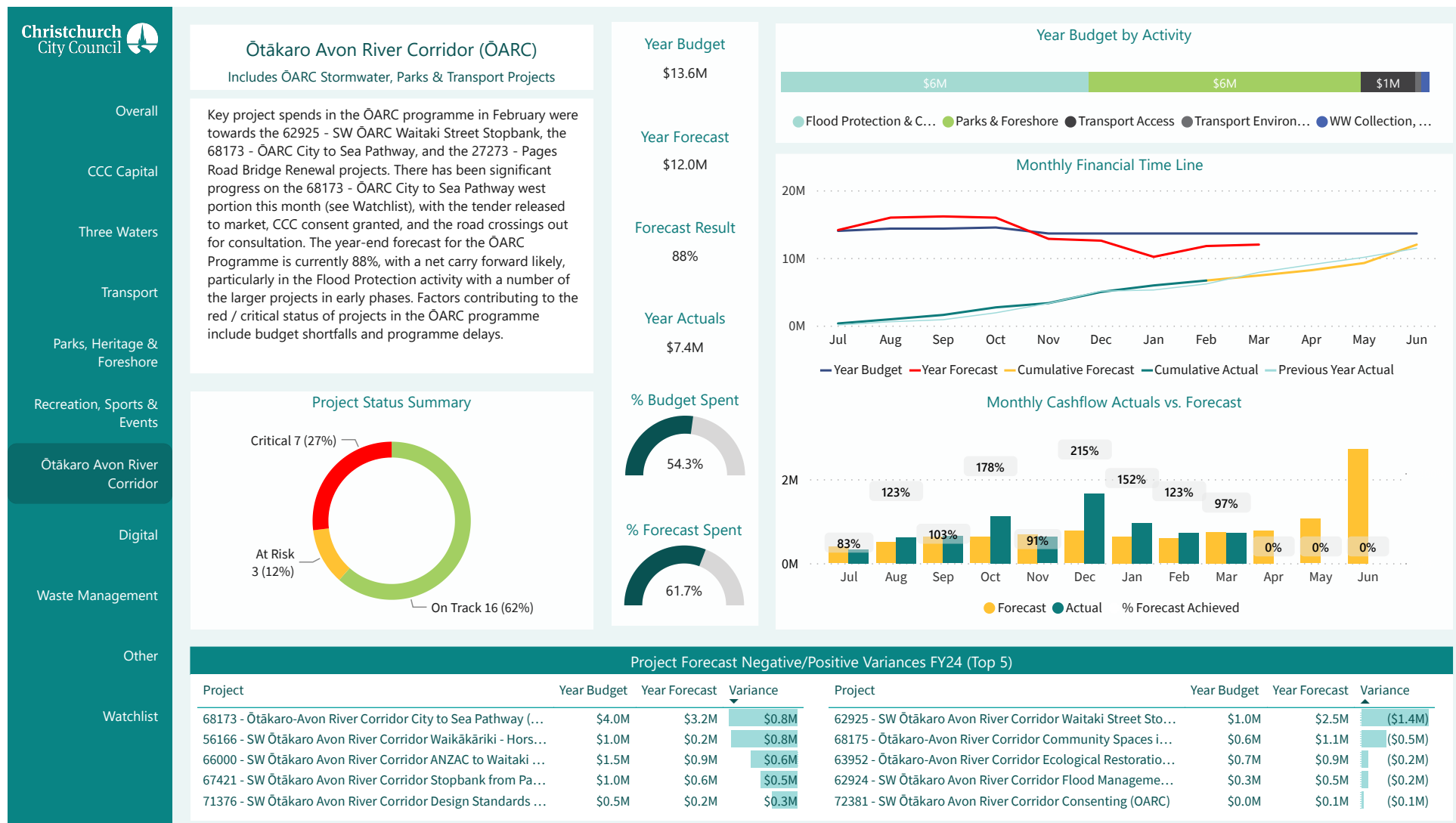


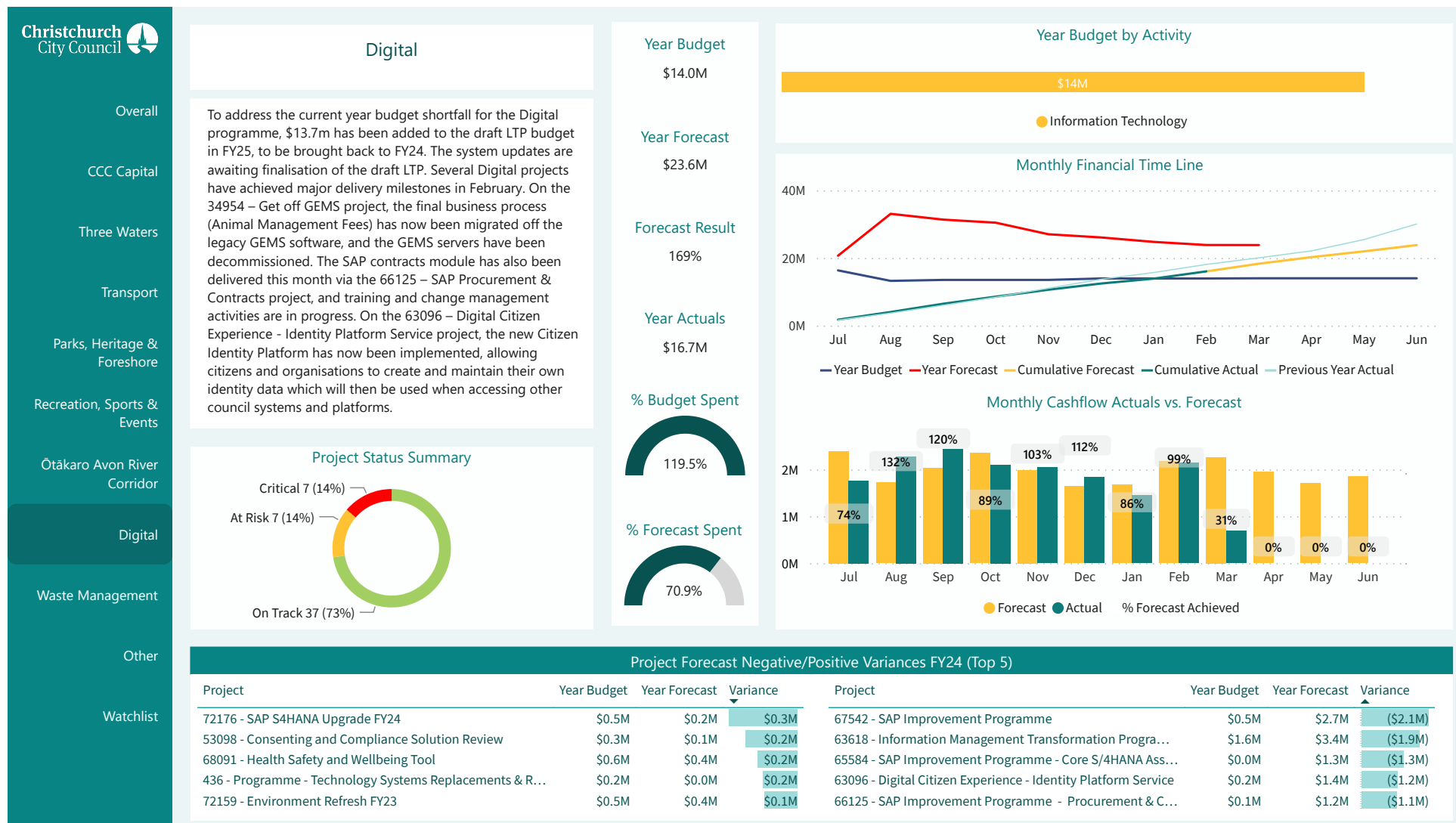


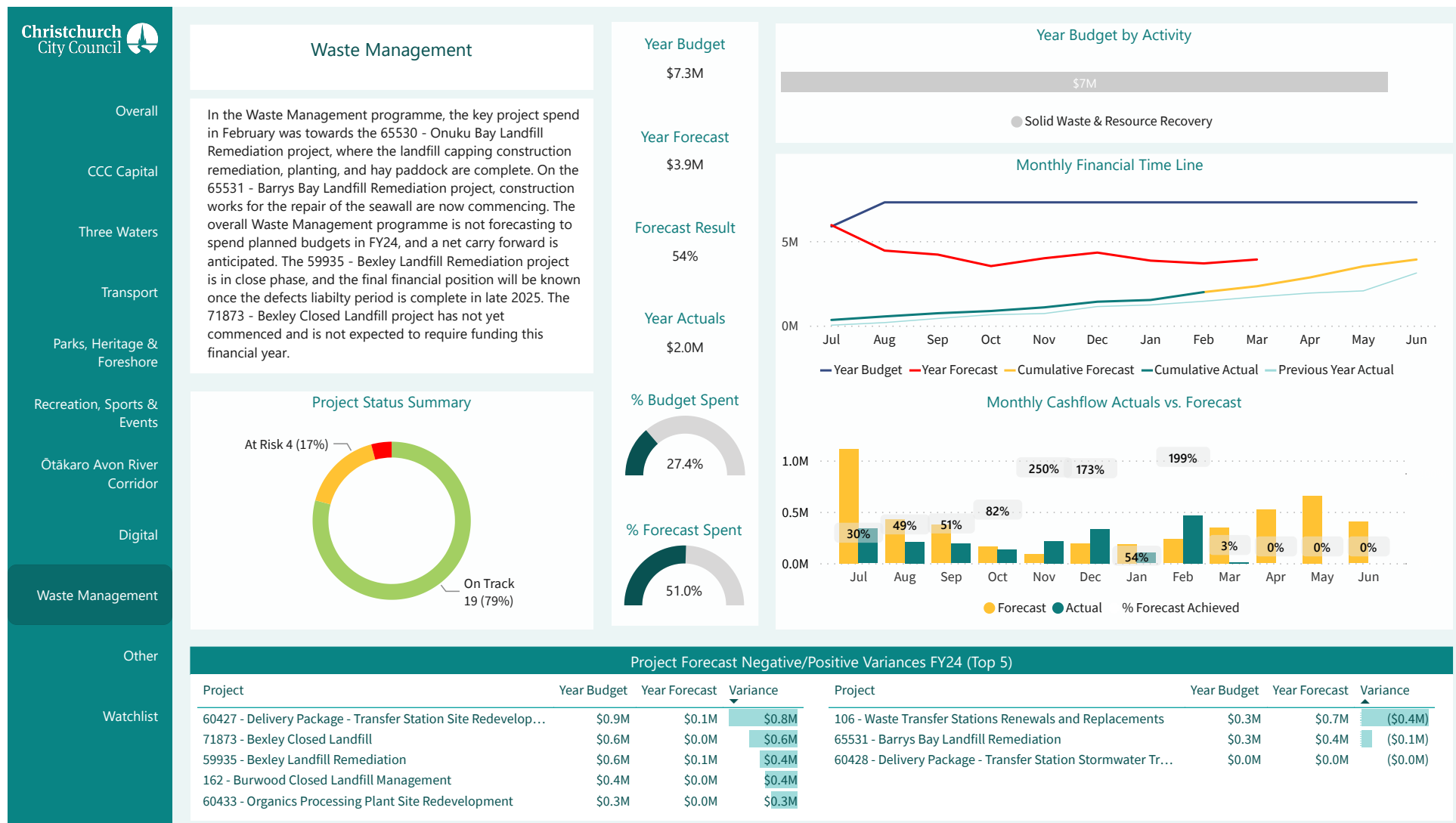
#### Project Forecast Negative/Positive Variances FY24 (Top 5)

Project	Year Budget	Year Forecast	Variance	Project	Year Budget	Year Forecast	Variance
61821 - Cuningham House Building Renewals (Heritage)	\$2.9M	\$0.5M	\$2.4M	3177 - Development Funded (DC) Neighbourhood Parks Gr...	\$0.0M	\$6.1M	(\$6.1M)
65641 - Robert McDougall Gallery - Base Isolation	\$3.9M	\$2.9M	\$1.0M	75503 - Operating Plant & Equipment Acquisitions for Mai...	\$7.4M	\$9.1M	(\$1.7M)
2356 - Akaroa Wharf Renewal	\$2.2M	\$1.2M	\$1.0M	61531 - Ngā Puna Wai Car Park and Access Improvements	\$3.2M	\$4.3M	(\$1.2M)
61731 - Development Funded Neighbourhood Parks Subu...	\$1.0M	\$0.1M	\$0.9M	357 - Te Nukutai o Tapoa - Naval Point Development Plan	\$0.6M	\$1.6M	(\$0.9M)
43671 - South New Brighton Reserves Development	\$0.8M	\$0.1M	\$0.8M	45164 - Robert McDougall Gallery Strengthening	\$5.5M	\$6.4M	(\$0.9M)

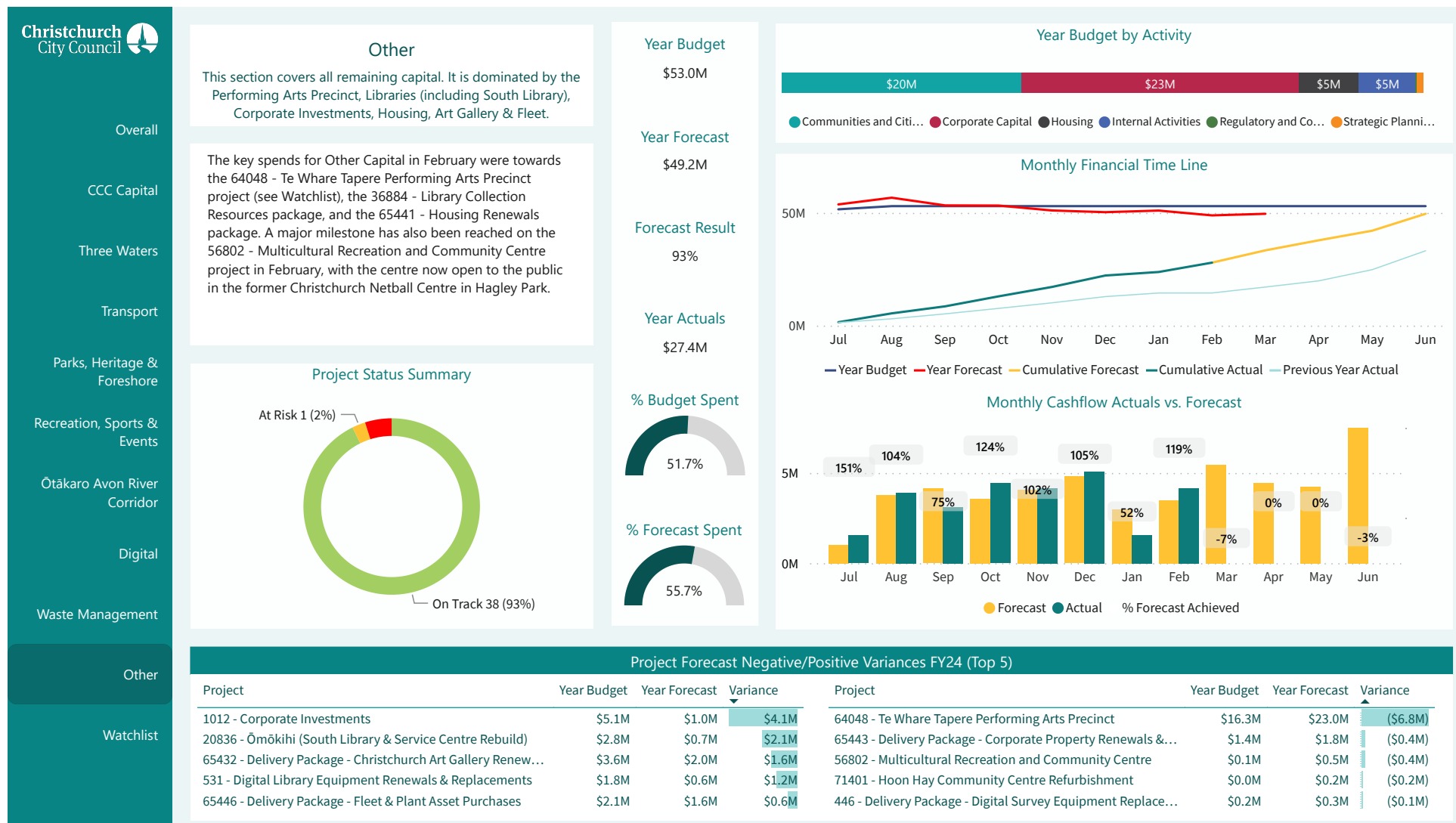












# Appendix 1

## Watchlist Project Updates


### Watchlist Projects

Project	Overall Status
1026 - Te Kaha Canterbury Multi Use Arena (CMUA)	On Track
1017 - Parakiore Recreation and Sports Centre (formally Metro Sport Facility)	Critical
862 - Matatiki Hornby Centre	On Track
64048 - Te Whare Tapere Performing Arts Precinct	On Track
32243 - SW Eastman Sutherland and Hoon Hay Wetlands	On Track
61615 - SW South New Brighton & Southshore Estuary Edge Flood Mitigation	At Risk
71306 - Coastal Pathway & Moncks Bay - Council Funded	On Track
924 - Halswell Junction Road Extension	Critical
917 - Lincoln Road Passenger Transport Improvements (Curletts to Wrights)	Critical
47023 - Major Cycleway - Northern Line Route (Section 2) Tuckers to Barnes & Main North Road	On Track
23101 - Major Cycleway - Nor'West Arc Route (Section 3) University to Harewood	Critical
26608 - Major Cycleway - South Express Route (Section 1) Hei Hei to Jones	Critical
26611 - Major Cycleway - Wheels to Wings Route (Section 1) Harewood to Greers	On Track
18396 - Te Kaha Surrounding Streets	On Track
2356 - Akaroa Wharf Renewal	At Risk
61821 - Cuninghame House Building Renewals (Heritage)	On Track
62549 - Southshore and South New Brighton Estuary Edge Erosion Management (Red Zone Regeneration)	At Risk
68173 - Ōtākaro-Avon River Corridor City to Sea Pathway (OARC)	On Track
26601 - Major Cycleway - Ōtākaro Avon Route (Section 1) Fitzgerald to Swanns Road Bridge (OARC)	On Track
27273 - Pages Road Bridge Renewal (OARC)	Critical
66000 - SW Ōtākaro Avon River Corridor ANZAC to Waitaki Stopbank (OARC)	On Track
67421 - SW Ōtākaro Avon River Corridor Stopbank from Pages Road to Bridge Street (OARC)	At Risk
20836 - Ōmōkihi (South Library & Service Centre Rebuild)	Critical

### Watchlist Key

Overall Status	Financial Status (All Years)	Time Status
Green - On Track	Forecast within budget	< 30 days delay
Amber - At Risk	Forecast overspend < 5%	31 – 60 days delay
Red - Critical	Forecast overspend > 5%	> 61 days delay
<i>Set by Project Manager</i>	<i>All Years Forecast vs. Budget</i>	<i>Project Delivery Complete Milestone Forecast (or Actual) vs. Baseline</i>

Christchurch  
City Council



1026 - Te Kaha Canterbury Multi Use Arena (CMUA)

Overall Status  
On Track

Project Description

A major community facility as an anchor project under the Central Christchurch Recovery Plan. The arena is a replacement for the previous stadium at Lancaster Park, destroyed in the earthquake. It will have a seating capacity of 30,000 for sports events and will hold a minimum 36,000 spectators for large music events. Note: The budget of \$671.1m excludes site decontamination and project governance allocations. The total approved project budget is \$683.2m.

Primary Ward

Central

Group of Activities

Corporate Capital

Year Budget

Previous FYs

Current FY

2025

2026

2027

160.5M

224.2M

172.8M

95.6M

18.1M

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure


(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

Work is progressing very well on site and is on programme for the Contract Completion Date of 20 April 2026. The installation of "Double Tee" precast concrete floors and reinforced concrete toppings to the three Stands continues, along with precast concrete units (plats), which the seating will be fixed to, on the South Stand and lower bowl of the West Stand. Structural steel erection is progressing well, and the first four radial trusses columns to support the roof have been installed. Detailed Design has almost been completed. The FY24 forecast has been reduced this month by around \$18.5m due to BESIX Watpac, the Design & Construct Contractor, revising the timing of payments for structural steelwork from China. (This has not affected the Contract Completion Date.)



Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$671.1M	\$671.1M	\$275.7M	

% Budget Spent (All Years)

41%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$224.2M	\$197.2M	\$115.3M	\$27.0M

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
April 2026	April 2026	

Back to Main Report

Watchlist Project: 1026 - Te Kaha Canterbury Multi Use Arena (CMUA)

CPMS

Item No.: 10

Page 77



## 1017 - Parakiore Recreation and Sports Centre (formally Metro Sport Facility)

Overall Status  
Critical

### Project Description

The Parakiore Recreation and Sport Centre will be the largest aquatic and indoor recreation and leisure venue of its kind in New Zealand, accessible to people of all ages and abilities. This outstanding sports facility will cater for the recreational community of the Canterbury region, as well as educational and high-performance communities. Construction is being managed by Rau Paenga Ltd (formerly Ōtākaro Ltd), and is jointly funded along with the Crown, with the Council being the operator of the facility after completion.

### Primary Ward

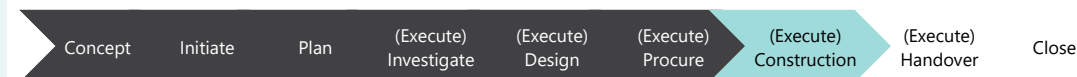
Central

### Group of Activities

Communities and Citizens

Year Budget	Previous FYs	148.9M
	Current FY	2.5M
	2025	0.1M

### Project Phase



### Overall Status Commentary

Construction continues on Parakiore with façade installation, wall framing, mechanical services, electrical services, wall & ceiling linings and internal fit-out continuing across multiple zones. On 6 March 2024 Rau Paenga advised that CPB Contractors has withdrawn its application to the Court of Appeal seeking reconsideration of the earlier High Court decision that prevented CPB from suspending work on Parakiore. The facility is now about 75 percent complete, but, as reported at the end of 2023, a gap remains between Rau Paenga's desire to see construction finished at the end of 2024 and CPB's mid-2025 projection. Rau Paenga will continue to work with CPB to try and close this gap, and aim to be able to provide a further update on a completion date around the end of May 2024. Once the construction has been completed, the building will be fitted out by the Council.



### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$151.5M	\$151.5M	\$150.1M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.5M	\$1.7M	\$1.2M	\$0.7M

### % Budget Spent (All Years)



### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2025	August 2025	

CPMS

Back to Main Report

Watchlist Project: 1017 - Parakiore Recreation and Sports Centre (formally Metro Sport Facility)

Christchurch  
City Council

Project Description

Construction of an integrated library, service centre, and swimming pool complex on Kyle Park, including associated parking.

Primary Ward

Hornby

Group of Activities

Communities and Citizens


Year Budget

Previous FYs

Current FY

2025

2026



862 - Matatiki Hornby Centre

Overall Status  
On Track

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure

(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

The building is now substantially complete with finishing trades, AV installation, external works and final commissioning activities remaining. At the time of writing, the mechanical ventilation system is running, and two pools have been filled. A substantial volume of furniture has been installed and is awaiting final cleaning prior to IT fitout activities progressing. A large package of work is underway for the pool water services mechanical system construction, which remains on critical path. The external works are being finished on three work fronts along with the final plantings. Marketing and opening plans are nearing completion. A public opening date of Friday 19 April has been confirmed. A solar array package (utilising the Better off Funding) is also in its final stages of approvals and will be issued to the market in the coming weeks.

*Note: Detailed financial information is currently withheld due to commercial sensitivity.*

Financials - All Years

Budget	Forecast	Actuals	Financial Status

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance

% Budget Spent (All Years)

89%

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
February 2024	April 2024	

Back to Main Report


Watchlist Project: 862 - Matatiki Hornby Centre

CPMS

Item No.: 10

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Christchurch  
City Council



64048 - Te Whare Tapere Performing Arts Precinct

Overall Status  
On Track

Project Description

The Performing Arts Precinct is the city's outlet for creative performance, offering first-rate facilities for music, drama, dance and other performing arts. One of the anchor projects in the Christchurch Central Recovery Plan, the Performing Arts Precinct is being built in the block bounded by Armagh, Gloucester, Colombo and New Regent streets.

Primary Ward

City Wide

Group of Activities

Corporate Capital

Year Budget

Previous FYs

Current FY

2025

12.9M

16.3M

23.9M

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure


(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

Construction phase continues. The current focus is on completing roofing activities and enclosing the building to support the installation of services. First fix has commenced in some spaces. Fit out & establishment activities are in planning, and seating orders are currently being placed. The design team has responded to requests for information pertaining to the stage 2 building consent, which is yet to be issued due to delays in the façade rainscreen design. This is being monitored closely by the Project Steering Group, with the delay putting pressure on the project schedule. The project is currently on track to be delivered towards early 2025, with the main opening (and first show) likely to be in 2025, pending the Court Theatre's establishment and fit out.



Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$53.0M	\$53.0M	\$26.3M	

% Budget Spent (All Years)

50%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$16.3M	\$23.0M	\$13.4M	(\$6.8M)

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2025	March 2025	

Back to Main Report

Watchlist Project: 64048 - Te Whare Tapere Performing Arts Precinct

CPMS

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### 32243 - SW Eastman Sutherland and Hoon Hay Wetlands

Overall Status

On Track

#### Project Description

Provision of stormwater treatment basins to manage stormwater from 190 hectares of greenfield land proposed for residential development. The wider project includes the naturalisation of 1km of Cashmere Stream and the provision of public pathways for walking and biking.

#### Project Phase

#### Primary Ward

Halswell

#### Group of Activities

Flood Protection & Control Works

#### Year Budget

Previous FYs	24.8M
Current FY	4.6M
2025	3.5M
2026	2.1M

#### Overall Status Commentary

Construction works are underway and construction completion of the northern area is scheduled by the end of June 2024, with some planting to follow. Some path sections at the northern part of the facility are now open to the public and the remaining sections will be opened later in the year.

#### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$35.0M	\$34.9M	\$27.1M	

#### % Budget Spent (All Years)

#### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$4.6M	\$4.1M	\$2.3M	\$0.5M

#### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
May 2025	May 2025	

Back to Main Report

Watchlist Project: 32243 - SW Eastman Sutherland and Hoon Hay Wetlands



## 61615 - SW South New Brighton & Southshore Estuary Edge Flood Mitigation

Overall Status

At Risk

### Project Description

This project addresses two separate but geographically connected issues in South New Brighton and on the Southshore peninsula: 1) estuary edge erosion issues and; 2) construction of a new bund to tackle local inundation.

### Project Phase

### Primary Ward

Coastal

### Group of Activities

Flood Protection & Control Works

### Year Budget

Previous FYs	0.6M
Current FY	1.9M
2025	0.9M
2026	3.1M

### Overall Status Commentary

Consent drawings and Assessment of Environmental Effects (AEE) completed, and resource consent lodged on 12 December. ECan accepted the consent on 17 January and the notification extent and processing timing is not yet confirmed. Status is amber due to current uncertainty in consent timeframes, combined with the possible impact of recent inflation increases on the construction price.

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$6.5M	\$5.5M	\$0.7M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.9M	\$0.1M	\$0.1M	\$1.8M

### % Budget Spent (All Years)

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2026	June 2026	

Back to Main Report

Watchlist Project:
61615 - SW South New Brighton & Southshore Estuary Edge Flood Mitigation

CPMS



CPMS

## 924 - Halswell Junction Road Extension

Overall Status  
Critical

### Project Description

This project is for an extension of Halswell Junction Road from Foremans Road to Waterloo Business Park, installing a new level crossing at Waterloo Road. The existing level crossing and intersection of Halswell Junction Road with Waterloo Road will be closed off with a cul-de-sac. The project team are working closely with KiwiRail who are undertaking the design for the new level crossing and related rail signal changes required.

### Primary Ward

Hornby

### Group of Activities

Transport

### Year Budget

Previous FYs	11.0M
Current FY	3.6M
2025	5.7M
2026	3.1M
2027	2.0M

### Project Phase

### Overall Status Commentary

Bulk of roading project now completed. All traffic management has been removed apart from some fencing ensuring traffic continues to use Halswell Junction Road and not the new link road. Work on the section of South Express MCR has been delayed due to a service clash. Collaboration with KiwiRail on the level crossing is ongoing and the completion date is at risk due to possible delays with the KiwiRail programme. Project completion expected December 2024.

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$25.3M	\$25.3M	\$17.8M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$3.6M	\$7.0M	\$6.8M	(\$3.4M)

### % Budget Spent (All Years)

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
July 2024	December 2024	

Back to Main Report

Watchlist Project: 924 - Halswell Junction Road Extension

## 917 - Lincoln Road Passenger Transport Improvements (Curletts to Wrights)

Overall Status  
Critical

### Project Description

Road assets renewals and improvements of the section of Lincoln Road (Curletts to Wrights) to accommodate the core south-west public transport route on this corridor.

### Primary Ward

Spreydon

### Group of Activities

Transport

### Year Budget

Previous FYs	1.9M
Current FY	1.3M
2025	5.4M
2026	1.5M

### Project Phase

Concept

Initiate

Plan

(Execute) Investigate

(Execute) Design

(Execute) Procure

(Execute) Construction

(Execute) Handover

Close

### Overall Status Commentary

Current cost forecast shows a budget shortfall for this project which will be updated when at the end of the detailed design phase. Current provisions in the draft LTP are considered sufficient at this stage. The Three Waters Unit are renewing the brick barrel in this section which will extend the completion date for the roading works.

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$10.1M	\$12.3M	\$2.2M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.3M	\$0.4M	\$0.2M	\$0.9M

### % Budget Spent (All Years)

22%

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
September 2024	August 2025	

Back to Main Report

Watchlist Project:

917 - Lincoln Road Passenger Transport Improvements (Curletts to Wrights)

CPMS

**47023 - Major Cycleway - Northern Line Route (Section 2) Tuckers to Barnes & Main North Road**

Overall Status  
On Track

**Project Description**

Major Cycleway Route – Northern Line – From Tuckers Road to Barnes Road & Main North Road

**Project Phase**

**Primary Ward**

Papanui

**Group of Activities**

Transport

**Year Budget**

Previous FYs	2.3M
Current FY	2.3M
2025	4.0M
2026	2.8M

**Overall Status Commentary**

Cycleway in the railway corridor between Tuckers-Sturrocks Rd and Barnes-Main North Rd is progressing well. Earthworks are complete and retaining wall works are nearing completion. Construction is still on course to be complete by mid 2024. Barnes Road crossing upgrade works are complete. Tuckers and Sturrocks Road railway crossing upgrade works have commenced. KiwiRail resource availability to complete the crossing upgrades before the corridor sections are complete remains a risk.

**Financials - All Years**

Budget	Forecast	Actuals	Financial Status
\$11.3M	\$11.3M	\$5.9M	

**Financials - Current Year (FY24)**

Budget	Forecast	Actuals	Variance
\$2.3M	\$4.9M	\$3.6M	(\$2.6M)

**% Budget Spent (All Years)**

**Project Delivery Complete Milestone**

Baseline	Forecast	Time Status
July 2024	July 2024	

Back to Main Report

Watchlist Project: 47023 - Major Cycleway - Northern Line Route (Section 2) Tuckers to Barnes & Main North Road

CPMS

## 23101 - Major Cycleway - Nor'West Arc Route (Section 3) University to Harewood

Overall Status  
Critical

### Project Description

This Major Cycleway Route connects Papanui to Cashmere via an orbital route.

### Project Phase

### Primary Ward

Fendalton

### Group of Activities

Transport

### Year Budget

Previous FYs	2.6M
Current FY	2.3M
2025	6.5M
2026	3.8M

### Overall Status Commentary

Detailed Design is complete. Section 3A (University to Aorangi Road) started construction 11 September 2023, due to be complete June 2024. Section 3B (Aorangi Road to Wairakei Rd) is on hold due to Notice of Motion tabled at Council on 6 September 2023. Both sections 3B and 3C (Wairakei Rd to Harewood Rd) are subject to additional funding being approved in the LTP. Cost estimates for sections 3B and 3C are being reviewed, including working with the contractor to gain certainty of construction requirements. These reviews are due to be completed in April 2024 and staff will report back to Council. A report addressing the process questions raised in the Notice of Motion relating to potential design changes on Aorangi Road is planned to be presented to Council in April 2024.

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$15.1M	\$32.8M	\$7.1M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.3M	\$8.4M	\$4.4M	(\$6.1M)

### % Budget Spent (All Years)

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
May 2025	April 2025	

Project data refreshed Thursday 14th March 2024

CPMS

Back to Main Report

Watchlist Project: 23101 - Major Cycleway - Nor'West Arc Route (Section 3) University to Harewood



CPMS

## 26611 - Major Cycleway - Wheels to Wings Route (Section 1) Harewood to Greers

Overall Status

On Track

### Project Description

The project is to deliver the Wheels to Wings Major Cycle Route, which is a 4.5 kilometre cycleway down Harewood Road from the Papanui Parallel cycleway on Papanui Road, to the existing cycle and pedestrian underpass at Johns Road near the airport. There are three sections to this route with a budget of \$22.7m.

### Project Phase

### Primary Ward

Papanui

### Group of Activities

Transport

### Year Budget

Previous FYs	4.0M
Current FY	0.4M
2025	3.8M
2026	1.0M

### Overall Status Commentary

The decision to approve the preferred option was given by Council on 28 July 2022. The detailed design is underway. The current focus is on project programming and co-ordination with surrounding projects, and finalising the remaining localised concerns as part of the detailed design. The pavement investigations for the route will start in March 2024, and construction is currently anticipated to start later in 2024. For all MCRs, the cost of design for all sections is allocated to Section 1 (26611).

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$9.2M	\$9.2M	\$4.3M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$0.4M	\$1.1M	\$0.3M	(\$0.7M)

### % Budget Spent (All Years)

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2027	June 2026	

Project data refreshed Thursday 14th March 2024

CPMS

Back to Main Report

Watchlist Project:
26611 - Major Cycleway - Wheels to Wings Route (Section 1) Harewood to Greers

Christchurch  
City Council

18396 - Te Kaha Surrounding Streets

Overall Status  
On Track

Project Description

This project is for a suite of upgrades to the streets surrounding Te Kaha, in preparation for increased activity once the arena opens. Upgrades include widening of footpaths, slower speed limits, landscaping, pedestrian crossings, parking changes and changing the travel direction of some streets. The project includes significant upgrades to Lichfield St between Manchester St and Madras St, to provide safe pedestrian connectivity to the bus interchange and central city, activation of the area, and support with traffic management during larger events.

Primary Ward

Central

Group of Activities

Transport

Year Budget

Previous FYs

Current FY

2025

2026

2027

2028

2029

0.5M

2.4M

7.6M

10.1M

0.3M

0.0M

2.4M

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure

(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

Detailed design is complete with the tender released to the market at the end of January 2024. Construction programme and schedule preparations are being developed in coordination with the programme for Te Kaha to ensure the impact to the area surrounding neighbourhood is minimised as well as ensuring the programmes are deconflicted. Work on site is expected to commence in July 2024 subject to a successful tender process. The project is on track for construction and delivery in line with the opening of Te Kaha.

Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$23.4M	\$23.4M	\$1.2M	

% Budget Spent (All Years)

5%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.4M	\$0.9M	\$0.7M	\$1.5M

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2026	March 2026	

Back to Main Report

Watchlist Project: 18396 - Te Kaha Surrounding Streets

Christchurch  
City Council

18396 - Te Kaha Surrounding Streets

Overall Status  
On Track

Project Description

This project is for a suite of upgrades to the streets surrounding Te Kaha, in preparation for increased activity once the arena opens. Upgrades include widening of footpaths, slower speed limits, landscaping, pedestrian crossings, parking changes and changing the travel direction of some streets. The project includes significant upgrades to Lichfield St between Manchester St and Madras St, to provide safe pedestrian connectivity to the bus interchange and central city, activation of the area, and support with traffic management during larger events.

Primary Ward

Central

Group of Activities

Transport

Year Budget

Previous FYs

Current FY

2025

2026

2027

2028

2029

0.5M

2.4M

7.6M

10.1M

0.3M

0.0M

2.4M

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure

(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

Detailed design is complete with the tender released to the market at the end of January 2024. Construction programme and schedule preparations are being developed in coordination with the programme for Te Kaha to ensure the impact to the area surrounding neighbourhood is minimised as well as ensuring the programmes are deconflicted. Work on site is expected to commence in July 2024 subject to a successful tender process. The project is on track for construction and delivery in line with the opening of Te Kaha.

Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$23.4M	\$23.4M	\$1.2M	

% Budget Spent (All Years)

5%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.4M	\$0.9M	\$0.7M	\$1.5M

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2026	March 2026	

Back to Main Report

Watchlist Project: 18396 - Te Kaha Surrounding Streets

Christchurch  
City Council

18396 - Te Kaha Surrounding Streets

Overall Status  
On Track

Project Description

This project is for a suite of upgrades to the streets surrounding Te Kaha, in preparation for increased activity once the arena opens. Upgrades include widening of footpaths, slower speed limits, landscaping, pedestrian crossings, parking changes and changing the travel direction of some streets. The project includes significant upgrades to Lichfield St between Manchester St and Madras St, to provide safe pedestrian connectivity to the bus interchange and central city, activation of the area, and support with traffic management during larger events.

Primary Ward

Central

Group of Activities

Transport

Year Budget

Previous FYs

Current FY

2025

2026

2027

2028

2029

0.5M

2.4M

7.6M

10.1M

0.3M

0.0M

2.4M

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure

(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

Detailed design is complete with the tender released to the market at the end of January 2024. Construction programme and schedule preparations are being developed in coordination with the programme for Te Kaha to ensure the impact to the area surrounding neighbourhood is minimised as well as ensuring the programmes are deconflicted. Work on site is expected to commence in July 2024 subject to a successful tender process. The project is on track for construction and delivery in line with the opening of Te Kaha.

Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$23.4M	\$23.4M	\$1.2M	

% Budget Spent (All Years)

5%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.4M	\$0.9M	\$0.7M	\$1.5M

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2026	March 2026	

Back to Main Report

Watchlist Project: 18396 - Te Kaha Surrounding Streets

Christchurch  
City Council

18396 - Te Kaha Surrounding Streets

Overall Status  
On Track

Project Description

This project is for a suite of upgrades to the streets surrounding Te Kaha, in preparation for increased activity once the arena opens. Upgrades include widening of footpaths, slower speed limits, landscaping, pedestrian crossings, parking changes and changing the travel direction of some streets. The project includes significant upgrades to Lichfield St between Manchester St and Madras St, to provide safe pedestrian connectivity to the bus interchange and central city, activation of the area, and support with traffic management during larger events.

Primary Ward

Central

Group of Activities

Transport

Year Budget

Previous FYs

Current FY

2025

2026

2027

2028

2029

0.5M

2.4M

7.6M

10.1M

0.3M

0.0M

2.4M

Project Phase

Concept

Initiate

Plan

(Execute)  
Investigate

(Execute)  
Design

(Execute)  
Procure

(Execute)  
Construction

(Execute)  
Handover

Close

Overall Status Commentary

Detailed design is complete with the tender released to the market at the end of January 2024. Construction programme and schedule preparations are being developed in coordination with the programme for Te Kaha to ensure the impact to the area surrounding neighbourhood is minimised as well as ensuring the programmes are deconflicted. Work on site is expected to commence in July 2024 subject to a successful tender process. The project is on track for construction and delivery in line with the opening of Te Kaha.

Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$23.4M	\$23.4M	\$1.2M	

% Budget Spent (All Years)

5%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.4M	\$0.9M	\$0.7M	\$1.5M

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2026	March 2026	

Back to Main Report

Watchlist Project: 18396 - Te Kaha Surrounding Streets

CPMS

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## 2356 - Akaroa Wharf Renewal

Overall Status  
At Risk

### Project Description

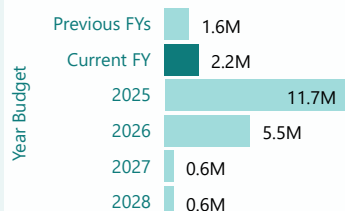
The iconic Akaroa Wharf, originally built in 1887, is being replaced as it is nearing the end of its usable life. The new wharf will not be a replica of the existing one but be its own structure – using the best materials available for the conditions, which complement the local environment and take into consideration the longer-term maintenance costs. Working with commercial operators regarding temporary access and operation during the construction period is also part of the scope of works.

### Primary Ward

Banks Peninsula

### Group of Activities

Parks, Heritage and Coastal Environment



### Project Phase



### Overall Status Commentary

Lead Designer is developing wharf concept design to the point that it can be tendered as a design-build package. Geotechnical investigations have been finalised to support this and cost analysis is being carried out on various sub-structure options. To support the rebuild of the wharf, Drummonds & Daly's Wharf redevelopments are being finalised and will go out to market in mid-April. The future of the privately-owned buildings adjoining the Akaroa wharf is an issue currently being worked through. Current estimates indicate that additional budget will be required for the project, and provision for this has been made within the draft LTP.



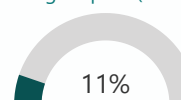
### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$22.2M	\$27.1M	\$2.3M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.2M	\$1.2M	\$0.8M	\$1.0M

### % Budget Spent (All Years)



### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
December 2026	December 2026	

CPMS

Back to Main Report

Watchlist Project: 2356 - Akaroa Wharf Renewal

CPMS

**62549 - Southshore and South New Brighton Estuary Edge Erosion Management (Red Zone Regeneration)**

Overall Status  
At Risk

**Project Description**

This project addresses two separate but geographically connected issues in South New Brighton and on the Southshore peninsula: 1) estuary edge erosion issues and; 2) construction of a new bund to tackle local inundation.

**Project Phase**

**Primary Ward**

Coastal

**Group of Activities**

Parks, Heritage and Coastal Environment

**Year Budget**

Previous FYs	0.6M
Current FY	0.6M
2025	2.2M
2026	2.3M

**Overall Status Commentary**

Consent drawings and Assessment of Environmental Effects (AEE) completed, and resource consent lodged on 12 December. ECan accepted the consent on 17 January and the notification extent and processing timing is not yet confirmed. Status is amber due to current uncertainty in consent timeframes, combined with the possible impact of recent inflation increases on the construction price.

Financials - All Years			
Budget	Forecast	Actuals	Financial Status
\$5.7M	\$5.0M	\$1.0M	

Financials - Current Year (FY24)			
Budget	Forecast	Actuals	Variance
\$0.6M	\$0.5M	\$0.4M	\$0.1M

**% Budget Spent (All Years)**

18%

Project Delivery Complete Milestone		
Baseline	Forecast	Time Status
June 2026	June 2026	

Back to Main Report

Watchlist Project: 62549 - Southshore and South New Brighton Estuary Edge Erosion Management (Red Zone Regeneration)

CPMS

CPMS

## 26601 - Major Cycleway - Ōtākaro Avon Route (Section 1) Fitzgerald to Swanns Road Bridge (OARC)

Overall Status  
On Track

### Project Description

Major Cycleway Route along Ōtākaro/Avon River from Fitzgerald Ave to Swanns Road Bridge

### Project Phase

### Primary Ward

Central

### Group of Activities

Transport

### Year Budget

Year	Budget
Previous FYs	0.4M
Current FY	0.1M
2025	0.1M
2026	1.3M
2027	4.2M
2028	2.0M

### Overall Status Commentary

Preliminary route assessment has been undertaken to consider where possible routes could go. This was undertaken early so that decisions around the red zone and the Pages Road Bridge renewal could be further informed. Funding has been allocated in FY24 and the project is now in the planning phase.

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$8.1M	\$8.1M	\$0.3M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$0.1M	\$0.0M	\$0.0M	\$0.1M

### % Budget Spent (All Years)

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2028	June 2028	

[Back to Main Report](#)

Watchlist Project: 26601 - Major Cycleway - Ōtākaro Avon Route (Section 1) Fitzgerald to Swanns Road Bridge (OARC)



## 27273 - Pages Road Bridge Renewal (OARC)

Overall Status  
Critical

### Project Description

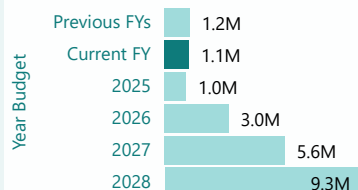
To construct a resilient replacement of the Pages Road bridge in New Brighton, including improvements to the approach roads. The design is being developed with an awareness of its potential as an important emergency evacuation route.

### Primary Ward

Coastal

### Group of Activities

Transport



### Project Phase



### Overall Status Commentary

Overall status is critical, due to significant additional budget required to meet the proposed scope to be able to meet the project objectives. The indicative high-level cost estimate of \$65m includes roading renewals of the surrounding streets, in accordance with evacuation traffic modelling and to address the bridge approaches. These roading renewals are additional to the original scope, which was for a bridge renewal only. Costs will continue to be refined as the project progresses. Additional funding for the project will have to be sought through the Long Term Plan Process. Public consultation closed on 28 August. Scheme design work is being finalised which includes updates to the road and landscape layout taking in account consultation feedback. The Hearings Panel meeting is booked for the 4th April 2024.

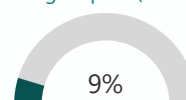
### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$21.2M	\$65.0M	\$2.0M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.1M	\$1.0M	\$0.8M	\$0.1M

### % Budget Spent (All Years)



### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2028	December 2027	

CPMS



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Watchlist Project: 27273 - Pages Road Bridge Renewal (OARC)





CPMS

CPMS



## 20836 - Ōmōkihi (South Library & Service Centre Rebuild)

Overall Status  
Critical

### Project Description

The South Library and Service Centre building was badly damaged in the 2010/2011 earthquakes. Temporary strengthening has made the facility safe to occupy, but a rebuild is planned to future-proof the facility. The new building will remain on the same site, and have approximately the same floor area as the existing building. The concept design focuses on reconnecting the building with the landscape, and improves how the space can be used, providing greater flexibility for the future.

### Project Phase

Concept   Initiate   Plan   (Execute) Investigate   (Execute) Design   (Execute) Procure   (Execute) Construction   (Execute) Handover   Close

### Primary Ward

Cashmere

### Group of Activities

Communities and Citizens

### Year Budget

Previous FYs	0.4M
Current FY	2.8M
2025	13.8M
2026	5.6M

### Overall Status Commentary

On 01 June 2022 the Sustainability and Community Resilience Committee endorsed the development of a concept design for a rebuild for consideration by Council. A staff report was tabled at the 14 September 2023 Waihoru Cashmere Spreydon Heathcote Community Board meeting. A report was then drafted to the 04 October 2023 Council meeting. Council resolved to advance the design of a rebuild noting that additional funds would need to be confirmed in the 2024/34 Long Term Plan. Project is now in the Preliminary Design phase, with engagement of a main contractor scheduled for late 2024.

### Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$22.6M	\$32.0M	\$0.9M	

### Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.8M	\$0.7M	\$0.5M	\$2.1M

### % Budget Spent (All Years)

4%

### Project Delivery Complete Milestone

Baseline	Forecast	Time Status
January 2027	January 2027	

[Back to Main Report](#)

Watchlist Project: 20836 - Ōmōkihi (South Library & Service Centre Rebuild)



## 11. ChristchurchNZ Holdings Ltd - Quarter 2 performance report to 31 December 2023

Reference / Te Tohutoro: 23/2006620

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

Senior Manager / Bede Carran, Acting General Manager Resources/Chief Financial  
Pouwhakarae: Officer

### 1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 This report presents ChristchurchNZ Holdings Ltd's (CNZHL's) Quarter 2/Half Year Performance Report for the six months ended 31 December 2023.
- 1.2 CNZHL's report was received on 20 February 2024 which is within the timing required by section 66(2) of the Local Government Act 2002.
- 1.3 CNZHL's half year report is at **Attachment A**.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. [Receives ChristchurchNZ Holdings Ltd's Quarter 2/Half Year Performance Report for the period ending 31 December 2023.](#)

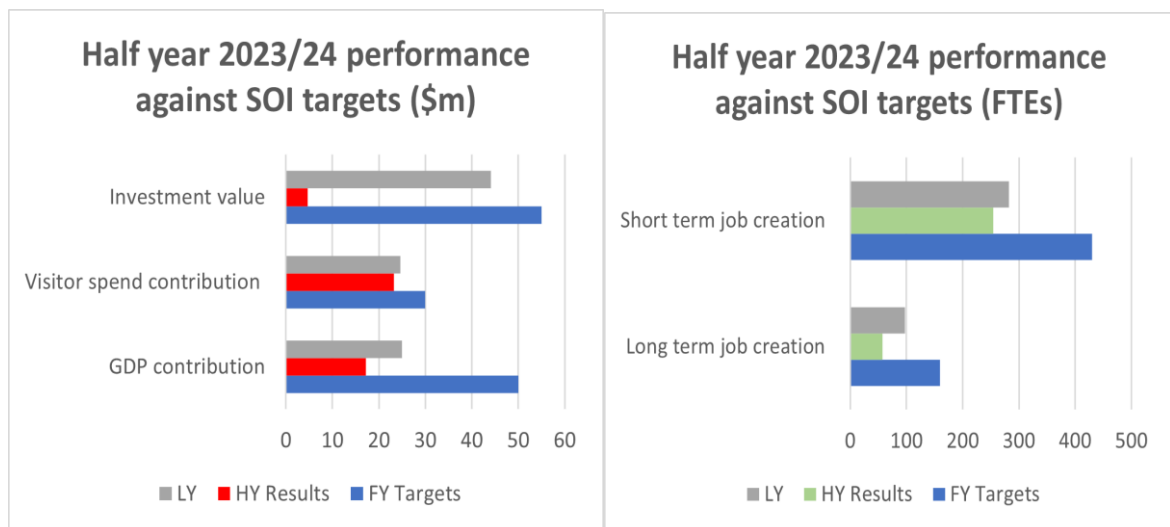
### 3. Brief Summary

- 3.1 The commentary and analysis below is to provide additional context and analysis to the CNZHL's six month report.
- 3.2 The following table presents CNZHL's financial data to 31 December 2023:

	Actual YTD to Dec 2023 \$000	SOI target \$000	Variance \$000	Last YTD to Dec 2022 \$000	Variance \$000
Third party revenue	2,293	1,885	+408	4,319	-2,026
Surplus/(Deficit) before tax	1,226	362	+864	366	+860

- 3.3 **Against SOI target**, third party revenue is higher by \$400,000 as a result of unexpected grant revenue from central government (\$80,000) for the Buskers event, \$200,000 from FIFA relating to last year's Women's World Cup for legacy outcomes and property management receipts from Development Christchurch Ltd for property that was expected to have been transferred to CNZHL but has been delayed due to audit complications.
- 3.4 CNZHL's SOI target for third party revenue is to be greater than 15% of total funding. At the half year, this is 22%.
- 3.5 The surplus before tax is higher by \$864,000 partly due to the unplanned third-party revenue of \$400,000 and partly due to the timing of expenditure that has been held over until the second half of the financial year and which will correct by year end.
- 3.6 **Against last year**, third party revenue is lower by \$2 million reflecting the completion of the majority of the Government's tourism recovery funding in 2022.

- 3.7 The higher surplus of \$860,000 is for the same reason as against SOI target (discussed above).
- 3.8 **Full year outturn** is projected for CNZHL to meet its SOI target deficit of \$1.5 million. This is a planned deficit that is funded from CNZHL's reserves and which will bring that source of funding to an end.
- 3.9 CNZHL has provided an interim assessment of outcomes it has contributed to in terms of the KPIs in its SOI. Note that:
- performance is assessed as CNZHL's contribution to the outcomes sought; the market is dynamic, and a number of factors are at play which are outside CNZHL's control; and
  - CNZHL's auditor reviews the evaluation methodology and calculations underpinning the assessment of full year performance against the targets;
  - the targets shown in the graphs below are full year; performance is half year at December 2023;
  - assessment data is not fully available at the half year point but in some cases is estimated from a variety of other metrics, with a more accurate representation provided at year-end; and
  - the performance measured is likely to be conservative as it discounts any achievement that cannot be attributed to CNZHL's activities with a high degree of confidence.




- 3.10 The prevailing economic pressures in the global economy have slowed GDP growth (for Christchurch 1% to December 2023 compared with the prior half year's 5.6%) and have impacted the KPIs with two exceptions – short term job creation and visitor spend.
- 3.11 Visitor spend is well advanced to meet full year SOI target and is consistent with the last half year's result. It reflects contributions from major events that took place in the first half of the 2023/24 financial year (e.g. the New Zealand Cup) and expected spend from visitors attending business events secured by CNZHL during that period. At present CNZHL is attracting a much greater number of business events to the city than expected (level of service target 37.5% success rate of bids; actual year to date circa 50%).

- 3.12 A selection of CNZHL's published statistics on the overall Christchurch and national economies to 31 December is shown below (refer to CNZHL's Economic Data Dashboard at [Quarterly Economic Dashboard - ChristchurchNZ.com](https://www.christchurchnz.com/quarterly-economic-dashboard) and [quarterly\\_dec-2023.pdf \(christchurchnz.com\)](#)):

	Christchurch December 2023	Change since December 2022	National December 2023
GDP growth	1%	-4.6%	0.7%
Unemployment rate	4.2%	+0.6%	3.9%
Online job growth	-28.9%	-32.8%	-29.5%
Retail spending (value)	-1.2%	-10.6%	-3.4%
Business expansion (total)	1.3%	-1.4%	0.9%
Residential building consents	-6.7%	-21.3%	-27.1%

- 3.13 CNZ's report advises that as part of its urban development and innovation and business growth functions it is focussing on several large opportunities such as the new cancer therapy centre (with estimated construction costs of \$500 million). CNZHL reports that the projects are progressing well and will be included in KPI results when confirmed.
- 3.14 The New Zealand Treasury's economic outlook from late 2023 indicates that in 2024 continuing softening of economic activity will continue as high interest rates and inflation slowly reduce. The unemployment rate is expected to further increase while interest rates remain high. Economic growth (GDP) is expected to be around 1.5% in each of the next two years, and is expected to pick up from 2026 when inflation should fall to levels within the Reserve Bank's 1-3% target band.
- 3.15 All levels of service (appended to CNZHL's Quarter 2 Performance Report) are on track to be met for the full year.

## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	ChristchurchNZ Holdings Ltd - Half year report 2023/24	24/411349	105

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	Russell Holden - Head of Finance Bede Carran - Acting General Manager Resources/Chief Financial Officer



# Quarter Two Report 2023-2024

ChristchurchNZ Holdings Limited

ChristchurchNZ

ChristchurchNZ

[christchurchnz.com](https://christchurchnz.com)



## Executive Summary

The Quarter Two report 2023-2024 of recent and upcoming activities illustrates how ChristchurchNZ is stimulating Christchurch's sustainable economic growth.

We are following through on the commitment in our annual [Statement of Intent](#) to continue to identify and leverage opportunities of scale for the city and act as an intervention agency in areas of market opportunity or failure where we can catalyse significant and sustained economic growth.

Highlighted activities demonstrate how we are implementing our shareholder-approved core strategic directions, through;

- encouraging a regenerative approach to economic growth, as set out in the [Christchurch Economic Ambition](#)
- strengthening the [City Identity](#) locally, nationally and internationally, and
- partnering with stakeholders and local communities to deliver the [Destination Management Plans](#) for Ōtautahi Christchurch and Te Pātaka o Rākaihautū Banks Peninsula.

Activities and events such as SailGP bring multiple opportunities for leverage to progress these strategies. Our successful short notice bid to secure an additional year's hosting of SailGP in March 2024 requires intense, additional work by staff across ChristchurchNZ and the Christchurch City Council (the Council). But it brings opportunities to showcase the city and Te Whakaraupō Lyttelton Harbour to international audiences, bring high-value visitors and expertise to the city, and take advantage of event technologies, innovation and expertise in local legacy programmes.

Similarly, working with commercial and community partners to progress retail and residential developments in New Brighton not only contributes to the regenerative, sustainable economic growth we want for the city but also fosters local community outcomes and benefits achieved through working together.

Our involvement with Huadu & Bridgewest Ventures' planned development of a new multi-disciplinary cancer treatment and innovation centre in Christchurch, attracting skilled expertise and resources to the city, epitomises the value of early intervention and support for new business coming to the city – with cross-sector economic benefits from design, construction (\$500 million +), technical expertise and services provision.

We report on a positive economic outlook and improvement in the level of business confidence compared to elsewhere in New Zealand, with increased international visitor spending offsetting a slight decline in local retail spend.

We are well underway for an exciting 2024 for Ōtautahi Christchurch.



## Economic Update

### Economic Growth

Christchurch's economy grew 2.4 percent in the year to September 2023, compared to the previous year. GDP growth in Christchurch was higher than that of New Zealand as a whole, with New Zealand's economy expanding 1.7 percent over the same period.

### Labour Market

In line with national trends, the unemployment rate in Christchurch increased during the September quarter (lifting to 4.8% from a nine-year low of 3.3% in the June quarter). Labour market dynamics have shifted in recent months, with strong migration inflows leading to growth in the size of the working-age population and the labour force. As labour shortages have begun to ease and hiring intentions have cooled, advertised vacancies have fallen back to pre-COVID levels. Seek data indicates that there has been a sharp lift in the number of applicants per job advertisement. Inflationary pressure on wages is expected to ease in line with this.

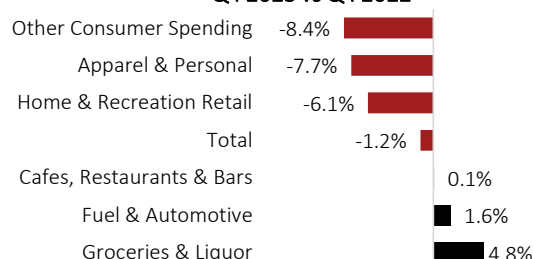
### Confidence

Business confidence has improved in Canterbury in recent months, according to Business Canterbury's latest Quarterly Business Survey. The share of businesses that expect the Canterbury economy to be the same or stronger in 12 months increased to 85 percent in the three months to November 2023 (up from 47% in the previous survey). Consumer confidence has been slower to pick up, with results from Westpac's Consumer Confidence survey for the December quarter showing that pessimistic sentiment still outweighs positive sentiment among consumers both in Canterbury and across New Zealand as a whole. Although net pessimistic, Canterbury recorded a slightly higher consumer confidence score than the national average, and a stronger lift from the previous quarter.

### Retail Spending

Trends in consumer sentiment are reflected in retail spending data, with consumers continuing to cut back on discretionary or 'non-essential' spend. The value of retail spending in Christchurch during the December 2023 quarter was -1.2 percent lower than the same quarter in 2022. The largest declines in spending took place in the 'other consumer spending' category (which largely captures leisure and recreation product), followed by 'apparel & personal' and 'home & recreation retail'.

Change in retail spend by category,  
Q4 2023 vs Q4 2022



### Visitor Economy

International tourism spending has been offsetting some of the impact of a softening in spending by locals. The value of international visitor spending in Christchurch reached a new monthly record of \$46.1 million during December, with quarterly spend totalling \$104.3 million. This was a 36 percent increase from the December quarter in 2022, and

a 29 percent lift from the same time pre-COVID. Post-COVID growth in visitor spending in Christchurch has been particularly strong among visitors from the USA. Visitors from the USA contributed 31 percent to international visitor spend during the December 2023 quarter, up from 17 percent of market share in the December 2019 quarter.

*The above information is based on the latest data available. Detailed economic reports and a live economic dashboard can be found on the [ChristchurchNZ website](https://christchurchnz.govt.nz)*

## Quarter 2 Performance: KPIs & Service Level Measures

At the end of Quarter 2, all 26 Levels of Service (Appendix One) agreed with the Council are on track to be achieved by year-end.

The six monthly monitored KPI results are as follows:

Key performance Indicator	2023/24 Target	Half-year Results
Long-lasting job creation supported by ChristchurchNZ	160 FTE jobs	57 FTE jobs
Short-term job creation supported by ChristchurchNZ through events, urban development, and screen activity	430 FTE jobs	254 FTE jobs
Estimated value of GDP contribution attributable to ChristchurchNZ activity	\$50m	\$17.2m
Contribution to visitor spend supported by ChristchurchNZ	\$30m	\$23.2m
Value of investment into Christchurch supported by ChristchurchNZ (excluding local government)	\$55m	\$4.7m

The KPIs around GDP and investment attraction are highly dependent on several large economic opportunities landing in the current financial year.

## Quarter 2 Achievements (October - December 2023)

### Our Top Five:

- Negotiated for the global SailGP event to be delivered in March 2024, after late notification that Auckland was unable to host this event. Based on last season's results an estimated \$4 million visitor spend and 22,925 estimated visitor nights from hosting this event. The total TV audience over the weekend was 136.7 million with 21 hours of ChristchurchNZ brand exposure and over 1,500 online press articles.
- Award finalist and winner showcasing Christchurch
  - Took out finalist place for City Brand campaign in the City Nation Place Awards Place Brand of the Year (Global).
  - Won Economic Development NZ awards in two categories - Best Practice for Primary Research, and Best Practice for Innovation.
- Three developers have been shortlisted for the next stage of the competitive Sydenham Yard neighbourhood development. This housing initiative will provide 60-80 community and affordable houses. As part of the development, the groundwork site preparation is progressing for the new NIWA facility, and \$10m of infrastructure upgrades are nearly complete
- Huadu & Bridgewest Ventures signed a strategic purpose agreement for the development of a world-class multi-disciplinary modern cancer treatment including immunotherapy, health technology, and a research and innovation centre in Christchurch. The injection from this activity into the economy for construction costs alone are estimated at over \$500 million over 2.5 years.
- The most recent cruise season at Lyttelton has commenced smoothly, expecting 170,000 cruise passengers. Working with the community and stakeholders, previous logistical issues have been addressed, and as a result, local community satisfaction has markedly improved.

### Business Growth Support

- Supported Leaft Foods to secure a full Ārohia grant worth \$2 million, which will be used in commercialising their proprietary Rubisco leaf-derived protein technology. A further \$175,000 in Ārohia seed grants were awarded over the last quarter.
- Completed Healthtech validator in conjunction with the University of Canterbury, supporting 17 startup businesses over the 10-week programme.
- Led celebrations for the Antarctic Season opening with two major events, featuring representatives from 16 countries – the "Explore Day," attracted 3,500 attendees.
- Worked with key stakeholders to explore enhancing facilities at Christchurch International Airport (CIAL), demonstrating a commitment to supporting Antarctic research and exploration efforts, while efficiently addressing infrastructure needs.

### Events and Visitor Attraction

- United Nations Adaptation Futures Conference 2025 (AF2025) announced to be held in Christchurch in 2025, hosted by the University of Canterbury. Over 1,500 of the world's leading network of scientists, practitioners, governments, industry and community, youth, educators, and communicators will attend.

- Bid submitted for our city to host the Asia Pacific Cities Summit and Mayors' Forum (APCS) 2025 (\$2.8m estimated visitor spend and 1,000-1,500 delegates attracted to the city).
- Endorsement of Destination Management Plans for Ōtautahi Christchurch and Te Pātaka o Rākaihautū Banks Peninsula by all partners and stakeholders.

#### Urban Development

- Demolition of Westpac building in New Brighton is complete, making space for CNZ to coordinate laneway activations, stage two is completed and near full occupation at Seaview Development, and ownership of Roy Stokes Hall was transferred to the Youth Alive Trust with conditions to ensure community access.
- Investigations continue into the feasibility of a community-focused residential and commercial development on the site of the old Stables building in Lyttelton.
- Positive ongoing discussions with Canterbury tertiary and international education providers about demand for student accommodation which could lead to a partnership development project.

#### Marketing and Promotion

- Our Spring 'On Show' campaign achieved a 104% increase in all digital interactions compared to last year. This marks our most successful outcome to date.
- Live crosses from Christchurch to the Australian breakfast TV show Sunrise to an audience of 905,000+ Australians, concentrated on the East Coast. Featured live crosses included New Regent St featuring local Christchurch businesses, Rollickin' Gelato, Christchurch Tram, Christchurch Symphony Orchestra, and the International Antarctic Centre. The Equivalent Advertising Value (EAV), of the programmes is valued at \$838,407 NZD.

### Looking Ahead - Quarter 3 (January – March 2024)

#### Business Growth Support

- Tāwhaki National Aerospace centre opens their new sealed runway in February 2024 and the Christchurch Aerospace city strategy will be finalised in March. The strategy will inform proposals for city deal partnerships with central government.
- Screen Office working with the University of Canterbury's digital screen campus to attract productions/students from the Indian market.
- Christchurch is hosting the Supersprint Motorsport series. Promoting five local innovative businesses including the unveiling of the world's first Hydrogen drift racing car powered by technology from local company Fabrum.

#### Urban Development

- Te Pākau Maru pre-construction site blessing will take place in New Brighton in February. This is a significant project milestone, which will see 63 new homes built on vacant land adjacent to the commercial centre. Home NZ will break ground soon after - this mixed housing development is the first of its kind in the city's East.

- Regeneration and local development opportunities will be able to be accelerated, following the establishment of a joint private/public sector working group in New Brighton.
- Investigating an opportunity to address a market gap in the Food, Fibre, and Agritech scale-up sector and accelerate growth across the industry will continue, through working with partners on an under-utilised industrial property of scale.
- Progressing meetings with three shortlisted developers for Sydenham Yard neighbourhood development and issuing of the Request for Development Proposal.

#### Events and Visitor Attraction

- SailGP will be hosted on Te Whakaraupō Lyttelton Harbour 23/24 March 2024.
- The 2024 winter tourism campaign "Your Winter Playground," will go to live, designed to promote and encourage winter visitation to the Canterbury region.
- Showcasing Christchurch as a destination to travel trade in Melbourne, Sydney, Brisbane and the Gold Coast (100 Australian media and 200 trade and business events agents).
- Hosting Hemisphere magazine (United Airlines inflight publication, which is circulated monthly and reaches 139 million passengers annually), which are preparing a multipage feature on Christchurch, Canterbury, and the South Island
- MOU discussions are currently in progress between ChristchurchNZ, CIAL, and Air New Zealand aimed at collaborating on marketing initiatives to promote Christchurch as a premier destination, once finalised, this MOU would be the only partnership in New Zealand with Air New Zealand.

#### City Brand, Marketing and Promotion

- Design work for the new city brand integration in CIAL's international arrivals lounge is expected to be completed by February, with roll-out in following months. Phase two of the 'Let's Grow' brand awareness campaign commences, aiming to reframe the outdated perception of Christchurch still rebounding from the earthquakes, and instead showcase us as a city in balance, providing residents, businesses, and tourists time and space to play.
- Merchandise sales (tee-shirts) to embed city brand and develop a new revenue stream for the organisation.

#### Strategy implementation

- Focus will continue building stakeholder, business, and industry buy-in to the regenerative approach to sustainable economic growth that underpins the Christchurch Economic Ambition.

## Quarter 2 Financial Summary to 31 December 2023

<b>ChristchurchNZ Holdings Financial Summary</b> \$000's	<b>Actual to December 2022</b>	<b>Actual to December 2023</b>	<b>Budget to December 2023</b>	<b>Budget Variance</b>
		<i>Unaudited, per Management Accounts</i>		
CCC Core Funding	7,951	7,951	7,951	0
Other Operating Revenue (including interest)	4,319	2,293	1,885	408
Operating Expenditure	(11,905)	(9,018)	(9,474)	(559)
Other Gain/(Loss)		-	-	-
<b>Total Surplus/(Deficit) before tax</b>	<b>366</b>	<b>1,226</b>	<b>362</b>	<b>864</b>
Total Assets	14,645	9,959		
<b>Shareholder Equity</b>	<b>6,257</b>	<b>5,318</b>		
<b>Shareholder funds/total assets</b>	<b>43%</b>	<b>53%</b>		

ChristchurchNZ had a budget variance of \$864,287 at the end of Quarter 2. This is a timing difference due to receiving unbudgeted revenue in the form of grants from Creative NZ and Department of Internal Affairs and continued payments for property management from DCL, as a result of delays to the amalgamation.

Operating expenditure is less than budgeted due to timing differences for sponsorship and some activity occurring later than initially planned. Overall delivery remains on track and this timing difference is expected to resolve by year end. At the end of Quarter 2 ChristchurchNZ has spent 34% of the programme activity budget vs an expected expenditure of 37%.

## Managing Risks

ChristchurchNZ regularly assesses and reports organisational risks to the Board's Health, Safety, Audit and Risk Committee. High-level risks include:

	<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
1.	Economic Volatility/ Recession	Economic Volatility/Recession impacting financial, business interruption, reputation, and corporate objectives	Economic Development Strategy, clear vision, and outcomes agreed for ChristchurchNZ (Statement of Intent) purposeful investment and prioritisation, place brand development, government contracts in place to support recovery and repositioning activity, appropriate use of ChristchurchNZ's reserves.
2.	Political/ Social licence	Stakeholder disengagement impacting on financials, opportunity cost, external relationships, reputation, and corporate objectives	Clear vision and outcomes agreed (Statement of Intent), clear roles/responsibilities (social licence to operate), performance story (reporting, website, media) including return on investment, strong relationships with mana whenua.
3.	Climate Change	Work programme/project impacted by climate change; planning required for climate change	Regenerative Economic Development Ambition, increase support for business sustainability, programme, and project prioritisation, working with the Council on coastal adaptation plan and destination management plans.
4.	Disaster/ Business disruption	Business / Work Programme disrupted by a disaster impact on financial, Health, safety and well-being, business interruption, reputation, and corporate objectives.	Business continuity plans in place, strong remote working capability, Cloud backup in place, strong and regularly updated/communicated emergency response plan, and insurance.

Current risks that may impact our operating environment include:

- There is uncertainty about upcoming central government policies and funding channels, presenting challenges for programme planning – such as funding for Community Housing Providers, which is critical for the Sydenham Yard development. This is also affecting Screen CanterburyNZ grant recipients.
- Hobart's substantial investment in its Antarctic Gateway programme poses a competitive challenge to other gateway cities.
- The short lead-in time to plan and deliver SailGP in March 2024 is demanding on all parties involved.
- There is uncertainty about the level of shareholder investment through the upcoming 2024-34 Long Term Plan.
- Ongoing delays to capitalisation through short-form amalgamation with DCL.

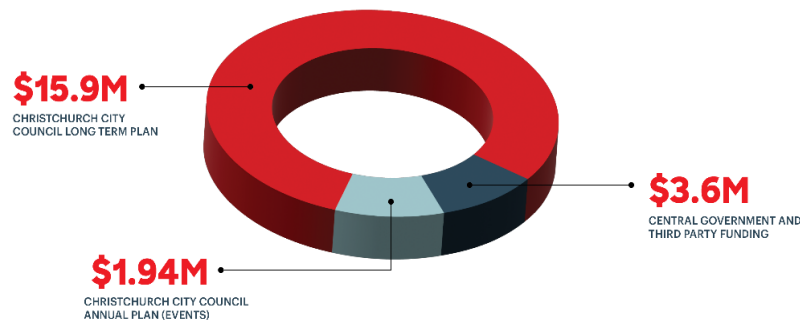
## Appendix One – About ChristchurchNZ

### Structure and Funding

ChristchurchNZ is a Christchurch City Council-controlled organisation and a public benefit entity. It is a wholly owned subsidiary of ChristchurchNZ Holdings Ltd and there is a common board. ChristchurchNZ delivers economic development services as set out in the Levels of Service in the Council's Long-Term Plan.

ChristchurchNZ has an independent board including two Councillor-appointed directors. The company has ~75 permanent staff and /or fixed-term contracts.

We are funded primarily by our shareholder, the Council. For the 2023/24 year, this investment has been supplemented by a one-off \$1.94 million events funding from the Council, plus \$3.6 million from the Crown and third parties. The Board has approved a budget of \$23 million resulting in a planned \$1.56 million loss for the year, funded from reserves.



### Strategic Direction and Delivering on Outcomes

ChristchurchNZ's **purpose** is: *To stimulate sustainable economic growth for a prosperous Ōtautahi Christchurch on behalf of Christchurch City Council.*

The Council provides an annual [Letter of Expectations](#) to ChristchurchNZ. In response, the Board develops an annual [Statement of Intent](#) outlining objectives, nature, scope of activities, and performance measures based on the Council's expectations. ChristchurchNZ reports on progress quarterly to the shareholder, plus an annual report.

A **strategic framework** underpins work programmes.



ChristchurchNZ

[christchurchnz.com](http://christchurchnz.com)



This framework drives progress towards measurable **outcomes**, to increase Christchurch's Productivity, Liveability, Workforce and Attractiveness.

Our organisation's **operating model** supports delivery against these outcomes.



ChristchurchNZ uses a range of delivery tactics to contribute to these outcomes including:

- Facilitating central government and local partner investment into Christchurch
- Building on our industry strengths through clustering and encouraging innovation
- Targeted investment in growing and sustaining small and medium-sized businesses
- Urban development through place-led investment and partnerships
- Attracting major and business events, businesses, investment, talent, international students, and visitors
- Building the brand of Christchurch
- Providing the city with economic insights and leadership to enable evidence-led decision making.

## Appendix Two- ChristchurchNZ Performance Measures

### Levels Of Service Quarter 2 Results (July – December 2023)

LEVEL OF SERVICE MEASURE		TARGET 2022-23	STATUS	ACTUAL	COMMENTARY
Build innovation & entrepreneurial strength					
1.0	Number of Initiatives to Support Industry Cluster Development	6 initiatives	Will meet target	3	
1.1	Number of start-up/scale-up companies supported to grow innovation and entrepreneurship capability aligned with priority focus areas	40 companies	Will meet target	35	
1.2	Number of employment opportunities that have been attracted to the city	100 employees	Will meet target		
Build a productive knowledge city to grow decent work					
2.0	Number of initiatives that deliver better education outcomes and skills development to meet industry needs and lead to high-value decent work	4 Initiatives	Will meet target		
Partner with mana whenua to support growth in Māori prosperity and self-determination					
3.0	Number of initiatives delivered in partnership with mana whenua and Te Runanga o Ngāi Tahu entities to grow the value of the Māori economy deliver intergenerational prosperity and create decent work	2 initiatives	Will meet target		
Ensure Christchurch businesses have access to comprehensive advice & support to grow competitiveness, resilience & sustainability					
4.0	Number of initiatives delivered with local and central government agencies to drive and advocate for competitiveness, resilience, and sustainability (including carbon footprint reduction) of Christchurch and Canterbury organisations	4 initiatives	Will meet target	2	
4.1	Number of Christchurch and Canterbury businesses accessing support, mentors, and advice provided in partnership with central Government and industry and peak bodies, including the Chamber	500 businesses access business support or advice	Will meet target	376	
4.2	Satisfaction of businesses accessing support or advice services	Net promotor score for business support services is +50 or greater	Will meet target		

LEVEL OF SERVICE MEASURE		TARGET 2022-23	STATUS	ACTUAL	COMMENTARY
4.3	Value of Central government or private sector funding secured into economic development activities	\$1,750,000	Will meet target	\$1,531,950	
<b>Realise greater value from Christchurch's Antarctic Gateway</b>					
5.0	The Antarctic Gateway Strategy progress report is produced annually and is available on the CCC website	Deliver actions as set out in the Antarctic Gateway Strategy implementation plan	Will meet target		
5.1	Number of businesses in a business network which secures higher revenues from the National Antarctic Programmes	100 businesses in the network	Will meet target	78	
<b>Develop Christchurch as an attractive destination</b>					
6.0	The Number of initiatives delivered that focus on developing Christchurch and Canterbury as a more attractive and sustainable visitor destination in partnership with third parties where joint outcomes can be amplified	4 initiatives	Will meet target		
6.1	City bids prepared to attract business events to Christchurch in line with the business event strategy	50 bids	Will meet target	38 bids	
6.2	The success rate of bids for business events	At least 37.5% success rate	Will meet target		
6.3	Assess portfolio of events supported against the Major Events Strategy	Annual report on the performance of the major event portfolio against the Major Events Strategy	Will meet target		
6.4	Number of destination product offerings, experiences, or itineraries developed and supported which embed the city narrative	5 destination products	Will meet target		
6.5	Number of screen enquiries attracted and supported, with a view to growing Canterbury's market share of screen GDP.	100 screen enquiries	Will meet target	39 Enquiries	The Writers' strike is impacting this measure.
6.6	Number of screen productions attracted to Christchurch through a grant fund	At least 1 production	Will meet target	1	1 screen grant has been approved
<b>Ensure Christchurch is well positioned as a Confident City that is attractive to businesses, residents, visitors, students, and potential migrants</b>					
7.0	Number of people using city narrative assets and content to tell the Christchurch story integrated with their own organisation or business story	5000 Toolkit asset downloads	Will meet target	2,848 assets	

LEVEL OF SERVICE MEASURE		TARGET 2022-23	STATUS	ACTUAL	COMMENTARY
7.1	Number of engagements on ChristchurchNZ-owned digital channels and platforms	4 million	Will meet target		
7.2	The number of engagements with trade agents and investors in priority markets and sectors.	60 engagements with trade agents or investors	Will meet target	48	48 engagements completed in the first 2 quarters
<b>Provide leadership in inclusive and sustainable economic development for Christchurch</b>					
8.0	City economic strategies are reviewed and approved in the context of Greater Christchurch 2050 Strategic Framework and Goals	To be requested and confirmed through the annual letter of expectation and statement of intent process.	Will meet target	No Strategies were requested this financial year	
8.1	Number of economic research and insights reports delivered to provide city partners with robust evidence base on which to base strategies and investment decisions	12 economic reports are produced	Will meet target	9	
8.2	Number of people actively engaging with ChristchurchNZ economic and strategic insights	Deliver economic information to at least 1,000 people through presentations and online information	Achieved	3077 people	Economic Information delivered to 2862 people online and 215 in person
8.3	Number of reports on the feasibility of urban development proposals and projects	At least three opportunities for urban development are identified and assessed for feasibility	Will meet target		
8.4	Deliver existing urban development programme (New Brighton) and develop pipeline of urban development projects utilising Council family-owned property or other acquired property	New urban development projects added to the pipeline in line with the strategy	Will meet target		

## 12. Venues Ōtautahi - Half year report for the six months ended 31 December 2023

Reference / Te Tohutoro: 23/2006734

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

Senior Manager / Bede Carran, Acting General Manager Resources/Chief Financial  
Pouwhakarae: Officer

### 1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 This report presents Venues Ōtautahi's (VŌ's) half year performance report for the six months ended 31 December 2023.
- 1.2 VŌ's report was received on 28 February 2024 as required by section 66(2) of the Local Government Act 2002.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the information in the Venues Ōtautahi Half Year Report for 2023/24.

### 3. Brief Summary

#### Financial Performance

- 3.1 The following table presents VŌ's operating performance for the six months to 31 December 2023. Underpinning outturn for the half year was lower demand for event catering due to prevailing economic uncertainties. Although the number of events were consistent with target at 211, the mix of events was not – ticketed events for which catering income is generally highest were 74% of target and 57% of event numbers in the prior half year. Net catering revenue was 58% of target and 41% of the prior half year's outturn.



	Actual \$000	Budget \$000	Variance \$000	Prior year \$000	Variance \$000
Operational outturn	(3,506)	(2,384)	-1,122	(1,001)	-2,505
Council subsidy	1,625	1,625	0	2,025	-400
<b>EBITDA</b>	<b>(1,881)</b>	<b>(759)</b>	<b>-1,122</b>	<b>1,024</b>	<b>-2,905</b>

	Actual	Budget	Variance	Prior year	Variance
Number of events	211	208	+3	253	-42
Number of visitors	279,013	225,000	+54,013	327,988	-48,975
Net catering revenue (\$000)	851	1,456	-605	2,061	-1,210

- 3.2 **Against target**, EBITDA is lower by \$1.1 million which is attributable to a reduction in net catering income of \$0.65 million and higher administration and facilities' maintenance costs of \$0.4 million (living wage (+10%), insurance (+54%) and utilities (+20%)).
- 3.3 **Against the prior year**, EBITDA is lower by \$2.9 million made up of a reduction in the Council's operating grant of \$0.4 million due to reduced debt financing costs following repayment of a substantial portion of its debt in the second half of 2022/23, lower net catering income by \$1.2 million, increased administration (living wage, insurance, utilities and general inflation on other goods such as food) and facilities' maintenance costs of \$0.8 million and Te Kaha pre-opening costs in the current period only of \$0.4 million.
- 3.4 VŌ is meeting all pre-opening costs for Te Kaha from its operating cashflows, which will be reimbursed through operating funding after 2026 when the venue opens.
- 3.5 **Expectations for financial year end** (June 2024) - VŌ expects to get back on track to meet its full year targets by June 2024 based on its event forecast for the second half of the year.
- 3.6 At its meeting in December 2023 the Chair of the Finance and Performance Committee requested that VŌ provides further information regarding what measures it is taking, or is able to take, to mitigate the cost pressures it is facing. This was provided by VŌ in December 2023 to the Chair who referred it to all councillors. The memo provided by VŌ contained commercially sensitive information, so its content is not replicated here. However, in summary, staff note:
  - The cost of maintaining the venues is expensive, in particular recently the costs of insurance, utilities and living wage have increased extensively (e.g. insurance by 54%, utilities by 20% and living wage by 10% noted above).
  - To ensure VŌ venues remain competitive in the local market and that the venues continue to be accessible to the community, the level of price increases to recoup costs is constrained.
  - Venues must be safe, compliant and operationally functional to maintain the value of the asset on the balance sheet, to attract all event types and to ensure the safety of all guests, staff and event delivery partners.
  - VŌ is looking for opportunities to supplement revenue, such as its catering of SailGP in 2023 (a contract awarded in a competitive tender) and in 2024;
  - Benefits generated by VŌ activities include re-investing profits in the venues to maintain their value and minimise the call on the Council for financial support (currently \$3 million per annum) and to maximise the returns to the community from, for example, attracting visitors to the city who engage in hospitality and opportunities for residents to attend events.
- 3.7 **Non-financial performance targets**, have all been met bar one. The target to procure 80% of food product lines from Canterbury is slightly under the target.



Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Venues Ōtautahi - Half year report 2023/24	24/380746	122

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	Bede Carran - Acting General Manager Resources/Chief Financial Officer

UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS TO  
31 DECEMBER 2023

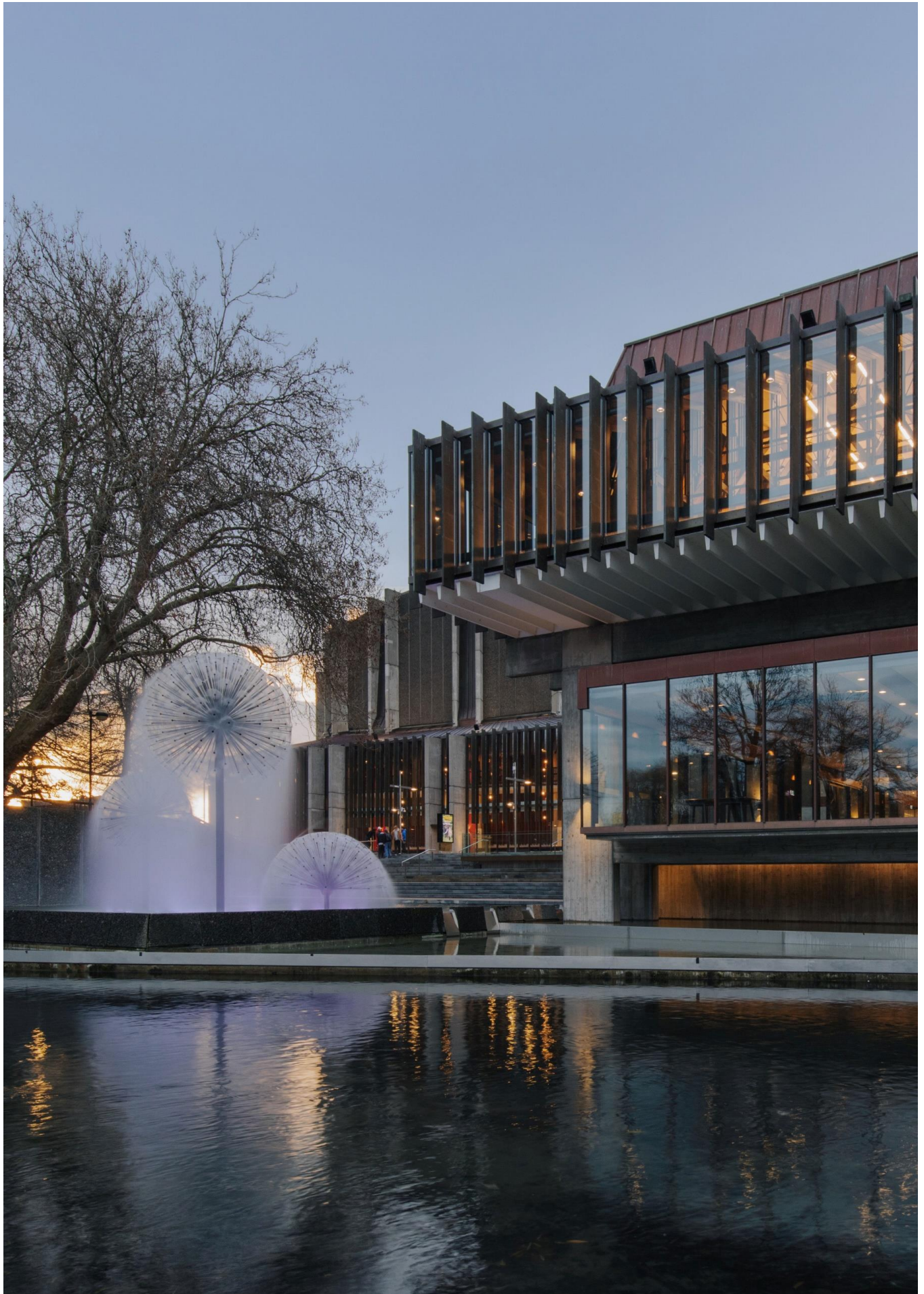


VENUES  
ŌTAUHAHI

Item 12

Attachment A









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## CHIEF EXECUTIVE REPORT

Venues Ōtautahi has had a good first half of the financial year with 211 events delivered and over 279,000 guests welcomed to the venues. It is heartening, despite the incredible pressure on the discretionary dollar and the volatility of the current economic climate, to see the desire for the community to come together to share wonderful experiences in their venues.

The event forecast for the remainder of the year is also looking positive with a number of major entertainment and sporting events at Apollo Projects Stadium, Wolfbrook Arena and a great line up of international cricket at Hagley Oval, including the Black Caps versus Australia test match in March. On this basis, with guest numbers already tracking ahead of target, Venues Ōtautahi is expecting to welcome around 500,000 guests to the venues by end June 2024

Operating income and the company's EBITDA result are both however behind budget for the first half of the year, but with a strong forecast for the remainder of the year, the company will be back on budget by March 2024. From an operating income perspective, this is predominantly due to a lower-than-expected retail food and beverage spend, the mix of events themselves, including a far reduced number of ticketed events than expected and the timing of where some of the larger events fell in the calendar.

From an EBITDA perspective, this is due to the impacts of increased uncontrollable costs including the unanticipated level of increase in the living wage (9.9%), insurance premiums (54% increase taking annual insurance premiums from \$1.4m to \$2.34m), utilities (20%) as well as fluctuating food costs and the company meeting all Te Kaha pre-opening costs prior to these expenses being any offset from any revenue associated with the venue.

With a continued focus on stringent cost control, as well as revenue generation and diversification the company remains confident however the impacts of a higher uncontrollable cost base will start to be somewhat offset in the medium term.

Meeting the increased fixed costs of \$6m per annum associated with maintaining the safety, compliance, and operational functionality of the venues, continue to be where the \$3m of annual operational support from Council is prioritised with the remaining \$3m of operational asset management and maintenance costs not covered by the Council operating support being met by operating revenues.

Celebrating and sourcing local has continued to underpin Venues Ōtautahi's approach to all procurement with 78% of food and beverage across the venue portfolio sourced from the Canterbury region and 80% of all contractors and service providers. This is a direct contribution of over \$825k to local suppliers and producers of food and beverage year to date and over \$6.17m to other local contractors and service provider to Venues Ōtautahi.

The estimated regional economic impact of visitors attending events held across the portfolio of Venues Ōtautahi venues is \$9.73m year to date. Taking into consideration the additional \$825k of direct economic contribution of Venues Ōtautahi procuring food and beverage from Canterbury and the \$6.17m of direct contribution from utilising over 80% of all suppliers and contractors from the region also, this is close to \$16.73m of contribution to the local economy to 31 December 2023.

Notable events delivered during the first six months of the year include Disney on Ice, The Wiggles, The Chicks, two NZ Breakers matches and the wonderful Fast5 international netball tournament all at Wolfbrook Arena, which between the five events attracted over 50,000 guests to the venue, Apollo Projects Stadium hosted the Japanese FIFA women's football team for their training and preparations for the FIFA Women's World Cup as well as hosting around 11,000 guests for the Freestyle Kings in December, and the Christchurch Town Hall hosted a sold out Billi Bailey show, sold out Love Actually performance and welcomed around 4,000 guests for the Tūhono Kapa Haka Festival.

Sustainability remains a critical focus of Venues Ōtautahi in the 2024 financial year with social, environmental, and business sustainability core to everything the company does.

With the sustainability strategy and roadmap as well as the baseline carbon footprint for the business established at the end of FY22/23 the execution of the strategy has now commenced. With a particular focus on waste and energy several key initiatives to achieve the Venues Ōtautahi target of carbon neutrality by 2030 have been progressed.

From a waste perspective, takeaway coffee cups have been removed from the Christchurch Town Hall, all individual waste bins have been removed from the corporate and all venue offices and a centralised waste management system implemented, the procurement of canned beverage across all product lines is being progressed including the two largest product lines having already been converted from bottles to cans, a review of food packaging is underway to ensure VŌ has fit for purpose packaging options for retail food and waste bins are designed to support the wider waste strategy and the Christchurch City Mission continue to collect all compliant food waste from events at Apollo Projects Stadium and Wolfbrook Arena.

With around 50% of all Venues Ōtautahi carbon emissions being attributed to Wolfbrook Arena and 39% of the total carbon footprint being the diesel boilers at the venue, the project to replace these has commenced. Once complete this will have a material impact on Venues Ōtautahi achieving its carbon neutral target by 2030. Concurrently at the Arena, the project to replace all lighting, including sports lighting, to energy efficient LED is 40% complete, the installation of motion sensors to improve energy efficiency is underway and initial modelling to assess the opportunity of solar array for the venue has also commenced.

Community access to and connection with their venues remains a core priority for Venues Ōtautahi. With 32 events hosted in the venues so far this year by local community groups or individuals attracting a community discount valued at over \$111k, the company is well in excess of the annual target of 40 events delivered and a \$100k value of discount.

Enhancing the client and guest experience is a core strategic property of Venues Ōtautahi and the business strives to listen, learn, and evolve to deliver wonderful outcomes for all. It is pleasing to see on this basis, the year-to-date client and guest net promoter score (NPS) ahead of target with an annual SOI target of greater than 45 to be achieved across both. With client NPS at 75 and guest NPS at 58.5 this is a good foundation to build upon for the remainder of FY23/24.

In preparation for the opening of Te Kaha in April 2026, Venues Ōtautahi's execution of the commercial strategy is well underway.

Corporate hospitality, commercial partnerships, membership, event attraction and sponsorship all core aspects it is critical this process starts well in advance of the venue opening to ensure all commercial opportunities are maximised.

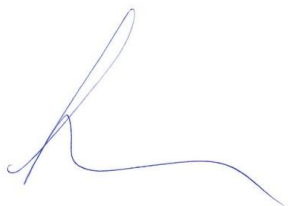
With strong interest already received with regard to corporate hospitality it is wonderful to see the demand and excitement in the local community with all counting down to opening in 2026.

Venues Ōtautahi during the first half of the financial year and in concurrence with the commercial activation have continued intensive engagement in the final stages of 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. With detailed design almost complete, the venue is on track to deliver all design fundamentals and with just over two and a half years to go until opening it is clear to see the incredible impact this venue will have on the region.

Looking forward, with the significant impacts of increased uncontrollable costs, the increased need to invest in Te Kaha, and the economic climate outlook still somewhat volatile, Venues Ōtautahi will continue to focus on internal cost control, increasing and diversifying revenue streams, supporting and celebrating local and attracting, planning, and delivering those events which deliver the most significant economic benefit to the region.

Despite the challenges of the current economic climate, Venues Ōtautahi remain optimistic for the future but prepared for these economic conditions to continue for some time.

With 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 leveraging them for the benefit of all Venues Ōtautahi is well positioned to achieve the aspirations we all have for the Venues Ōtautahi business.



CHIEF EXECUTIVE: Caroline Harvie-Teare

DATE: 16 February 2024



## 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.

Venues Ōtautahi delivered 211 events in the first half of the year, compared to 253 events for the same period last year with over 279,000 guests welcomed to the venues.

The event forecast for the remainder of the year is strong with the company forecasting to deliver 405 events for the full year (budget: 371).

### Financial results summary as follows:

The Company recorded an interim net operating deficit of \$1.51 million for the six months to 31 December 2023 compared to a net operating surplus of \$1.19 million for the same period last year.

Exchange and non-exchange revenue is \$2m lower than the same period last year based on the number of events held. This includes a reduction in operational funding of \$400k for the six-month period and the impacts of Venues Ōtautahi meeting all operational costs, totalling \$385k for the period, associated with Te Kaha, prior to there being any revenue to offset these costs.

	Six months to 31 Dec 2023 (Unaudited) \$000	Six months to 31 Dec 2022 (Unaudited) \$000	Year ended 30 June 2023 (Audited) \$000
Revenue from exchange transactions	8,283	9,921	23,055
Revenue from non-exchange transactions	1,738	2,138	4,275
Operating expenses	11,534	10,869	25,573
<b>Net operating surplus/(deficit)</b>	<b>(1,514)</b>	<b>1,189</b>	<b>1,758</b>
Other revenue from non-exchange transactions	2,504	3,667	3,752
Other expenses	(4,497)	(4,938)	(9,674)
<b>Operating surplus/(deficit) before tax</b>	<b>(3,507)</b>	<b>(81)</b>	<b>(4,165)</b>
Income tax income from operations	973	650	1,160
<b>Net surplus/(deficit)</b>	<b>(2,534)</b>	<b>569</b>	<b>(3,005)</b>

### Directors

The persons holding office as Directors of the Company for the financial year to 31 December 2023 were:

Gill Cox (Chair)  
Tim Scandrett  
Brent Ford  
Susan Goodfellow  
Kelly Barber

For and on behalf of the Board

CHAIR: Gill Cox



16 February 2024

DATE

DIRECTOR: Brent Ford



16 February 2024

DATE

## FINANCE REPORT

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the six months ended 31 December 2023

	Six months to 31 Dec 2023 (Unaudited) \$'000	Six months to 31 Dec 2022 (Unaudited) \$'000	Year ended 30 June 2023 (Audited) \$'000
Revenue from exchange transactions	8,283	9,921	23,055
Revenue from non-exchange transactions	1,738	2,138	4,275
Expenses	6,542	6,262	15,806
Personnel costs	4,992	4,607	9,767
<b>Surplus/(deficit) before other non-exchange revenue, other expenses and income tax expense</b>	<b>(1,514)</b>	<b>1,189</b>	<b>1,758</b>
<b>Other non-exchange revenue</b>			
Government Covid-19 subsidies and resurgence support payments	1	13	21
Council capital grant	2,503	3,654	3,731
<b>Total other non-exchange revenue</b>	<b>2,504</b>	<b>3,667</b>	<b>3,752</b>
<b>Other expenses</b>			
Depreciation and amortisation	4,406	4,353	8,740
Finance costs	110	585	934
(Gain)/Loss on disposal of assets	(19)	-	-
<b>Total other expenses</b>	<b>4,497</b>	<b>4,938</b>	<b>9,674</b>
<b>Surplus/(deficit) before income tax expense</b>	<b>(3,507)</b>	<b>(81)</b>	<b>(4,165)</b>
Income tax	973	650	1,160
<b>Surplus/(deficit) from operations for the period</b>	<b>(2,534)</b>	<b>569</b>	<b>(3,005)</b>

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2023

	Capital	Asset revaluation Reserve	Accumulated surpluses / (deficits)	Total
	\$000	\$000	\$000	\$000
<b>Balance at 1 July 2022</b>	244,636	32,344	(73,523)	203,456
<b>Comprehensive revenue and expense</b>				
Surplus/(Deficit) for the period	-	-	569	569
<b>Total comprehensive revenue and expense for the period</b>	-	-	569	569
<b>Balance at 31 December 2022 (Unaudited)</b>	244,636	32,344	(72,954)	204,026
<b>Balance at 1 July 2022</b>	244,636	32,344	(73,523)	203,456
<b>Comprehensive revenue and expense</b>				
Surplus/(Deficit) for the year	-	-	(3,005)	(3,005)
<b>Total comprehensive revenue and expense for the year</b>	-	-	(3,005)	(3,005)
<b>Balance at 30 June 2023 (Audited)</b>	244,636	32,344	(76,528)	200,452
<b>Balance at 1 July 2023</b>	244,636	32,344	(76,528)	200,452
<b>Comprehensive revenue and expense</b>				
Surplus/(Deficit) for the period	-	-	(2,532)	(2,532)
<b>Total comprehensive revenue and expense for the period</b>	-	-	(2,532)	(2,532)
<b>Balance at 31 December 2023 (Unaudited)</b>	244,636	32,344	(79,060)	197,920

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	31-Dec-23 (Unaudited) \$000	31-Dec-22 (Unaudited) \$000	30-Jun-23 (Audited) \$000
<b>Current assets</b>			
Cash and cash equivalents	14,054	7,509	15,358
Trade and other receivables	516	1,366	1,210
Other financial assets	-	7,000	-
Inventories	504	430	432
Other current assets	1,297	863	224
<b>Total current assets</b>	<b>16,371</b>	<b>17,168</b>	<b>17,224</b>
<b>Non-current assets</b>			
Property, plant & equipment	222,847	229,118	226,408
Intangible assets	207	322	264
Deferred tax assets	4,448	14,855	3,263
<b>Total non-current assets</b>	<b>227,502</b>	<b>244,295</b>	<b>229,935</b>
<b>Total assets</b>	<b>243,873</b>	<b>261,464</b>	<b>247,160</b>
<b>Current liabilities</b>			
Trade and other payables	2,894	2,472	3,537
Employee entitlements	592	519	855
Borrowings	700	0	2,485
<b>Total current liabilities</b>	<b>4,186</b>	<b>2,991</b>	<b>6,877</b>
<b>Non-current liabilities</b>			
Trade and other payables	1,661	1,752	1,722
Borrowings	3,185	15,885	1,400
Deferred tax liabilities	36,921	36,811	36,708
<b>Total non-current liabilities</b>	<b>41,767</b>	<b>54,448</b>	<b>39,830</b>
<b>Total liabilities</b>	<b>45,953</b>	<b>57,439</b>	<b>46,707</b>
<b>Net assets</b>	<b>197,920</b>	<b>204,026</b>	<b>200,452</b>
<b>Equity</b>			
Capital and other equity instruments	244,636	244,636	244,636
Asset revaluation reserve	32,344	32,344	32,344
Accumulated surpluses/(deficits)	(79,060)	(72,954)	(76,528)
<b>Total equity</b>	<b>197,920</b>	<b>204,026</b>	<b>200,452</b>

For and on behalf of the Board



Chair

16 February 2024

Date



Director

16 February 2024

Date

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.



STATEMENT OF CASH FLOWS

For the six months ended 31 December 2023

	Six months to 31 Dec 2023 (Unaudited) \$000	Six months to 31 Dec 2022 (Unaudited) \$000	Year ended 30 June 2023 (Audited) \$000
<b>Cashflows from operating activities</b>			
Receipts from customers	8,665	9,292	23,195
Subvention received	-	-	12,000
Council operating grant	1,625	2,025	4,050
Government wage subsidy and resurgence support payment	1	13	21
Payments to suppliers and employees	(13,874)	(12,543)	(25,667)
Net GST movement	244	278	25
<b>Net cash provided by (used in) operating activities</b>	<b>(3,339)</b>	<b>(935)</b>	<b>13,624</b>
<b>Cashflows from investing activities</b>			
Purchase of investments	(9,000)	(7,000)	(12,000)
Council capital grant	2,503	3,654	3,731
Pre-paid lease rental revenue	134	134	134
Payment for property, plant & equipment	(857)	(1,193)	(2,717)
Interest received	364	153	415
Sale of property, plant & equipment	-	-	12
Maturity of investments	9,000	6,000	18,000
<b>Net cash provided by (used in) investing activities</b>	<b>2,144</b>	<b>1,748</b>	<b>7,575</b>
<b>Cashflows from financing activities</b>			
Interest and other finance costs paid to related party	(109)	(579)	(1,116)
Loan repayments to related party	-	-	(12,000)
<b>Net cash provided by (used in) financing activities</b>	<b>(109)</b>	<b>(579)</b>	<b>(13,116)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,304)</b>	<b>234</b>	<b>8,083</b>
Cash and cash equivalents at beginning of year	15,358	7,275	7,275
<b>Cash and cash equivalents for the period</b>	<b>14,054</b>	<b>7,509</b>	<b>15,358</b>

The accompanying accounting policies and notes form part of, and should be read in conjunction with, these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2023

### STATEMENT OF COMPLIANCE

The unaudited interim financial statements for the six months ended 31 December 2023 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 2023.

### 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 2023.

#### Capital Commitments

The Company had the following significant capital commitments relating to acquisition of property, plant and equipment at 31 December 2023:

- Buildings \$1m (31 December 2022: \$1.1m)

#### Contingencies

The Company had no material contingent assets or liabilities as at 31 December 2023 (2022: 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 2023.

## OPERATIONAL PERFORMANCE TARGETS

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	PROGRESS AS AT 31 DECEMBER 2023
<b>Economic Impact</b>		
Attract and manage events that generate positive social, cultural, and economic impact	Maximise visitor spending by holding at least 15 major ticketed events at Venues Ōtautahi venues <sup>1</sup>	Six major events have been held in the first six months of the year including Disney on Ice, The Chicks and Fast 5 at Wolfbrook Arena, Freestyle Kings at Apollo Projects Stadium and two White Ferns vs Pakistan ODI's at Hagley Oval.
Contribute direct economic benefit to the region <sup>2</sup> through implementation of local procurement strategy where commercially viable	80% of food product lines procured from Canterbury	Slightly off track with 76% of food product lines procured from Canterbury in the period.
<b>Social and Cultural Impact</b>		
Maximise attendance at Venues Ōtautahi venues	Guests to venues exceed 450,000 <sup>3</sup>	Total attendance to 31 December 2023 across all venues was 279,013 or 62% of the full year target for the 2024 financial year.
Make venues available to support local community groups/individuals	At least 40 events receive the community rate., or the value of community discounts applied equate to at least \$100,000	32 community groups have received the community rate in the first six months of the financial year. This equates to \$111k of value for the first half of the year.
<b>Client and Guest Experience</b>		
Guest Net Promoter Score (NPS <sup>4</sup> )	Achieve greater than 45 NPS <sup>4</sup> during the year	<p>58.50</p> <p>● Promoters: 65.80% ● Passives: 26.90% ● Detractors: 7.30%</p>
Client Net Promoter Score (NPS <sup>4</sup> )	Achieve greater than 45 NPS <sup>4</sup> during the year	<p>75.00</p> <p>● Promoters: 82.14% ● Passives: 10.71% ● Detractors: 7.14%</p>

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	PROGRESS AS AT 31 DECEMBER 2023
<b>Asset Care</b>		
Ensure assets are maintained at a suitable level for general use at all venues.	Assets are safe, compliant, and operationally functional.	A full review of the Asset Management Plan (AMP) has been undertaken with WT Partnership in line with the requirements of the 2024-34 Council Long Term Plan. Some rephasing of larger capital programme items has been required to due to venue availability and shipping constraints. The AMP with this exception is largely on track.
<b>Health, Safety and Wellbeing</b>		
Ensure the health and safety of our Venues Ōtautahi team, key delivery partners, clients, guests in the venues and all stakeholders involved with the business.	No serious harm incidents involving critical risks for guests, staff, or third-party stakeholders.	There have been no serious harm incidents in the first half of the year involving critical risks for guests, staff, or third-party stakeholders.
<b>Sustainability and Environment</b>		
Contribute to reducing the City's carbon footprint by achieving target of net carbon neutrality by 2030.	Achieve reduction carbon footprint.	The execution of the VŌ strategy and roadmap commenced first quarter of FY23/24. A formal partnership with GreenHalo, a carbon reporting framework and system, established. Carbon reduction tracking data will be included in quarterly performance reporting from Q3 FY23/24.
<b>Governance</b>		
Report to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	All Local Government Act (LGA) and Council reporting deadlines have been met.
<p><b>1 Major Events are defined as follows:</b></p> <ul style="list-style-type: none"> <li>- Arena: Event attendance &gt; 5000</li> <li>- Apollo Projects Stadium: Ticketed events other than Super Rugby and NPC games</li> <li>- Hagley Oval: International cricket or large ticketed matches such as the Black Clash</li> </ul> <p><b>2 Region defined as:</b></p> <ul style="list-style-type: none"> <li>- Christchurch/Canterbury – This can include National or International suppliers if their point of origin is Canterbury</li> </ul> <p><b>3 Visitor Numbers</b></p> <ul style="list-style-type: none"> <li>- Include events such as concerts and sports (ticketed events), diners, conferences, expo's and trade shows (unticketed events).</li> <li>- Visitor numbers for expo's and trade shows are captured using a clicker system at the entry point to the venue.</li> </ul> <p><b>4 Net Promoter Score</b></p> <ul style="list-style-type: none"> <li>- Any Net Promoter Score above 0 is 'good' and means that your audience is more loyal than not.</li> <li>- A score above 20 is considered 'favourable'.</li> <li>- Anything above 50 is excellent and means your organisation has considerably more satisfied customers than dissatisfied ones.</li> <li>- 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.</li> </ul>		

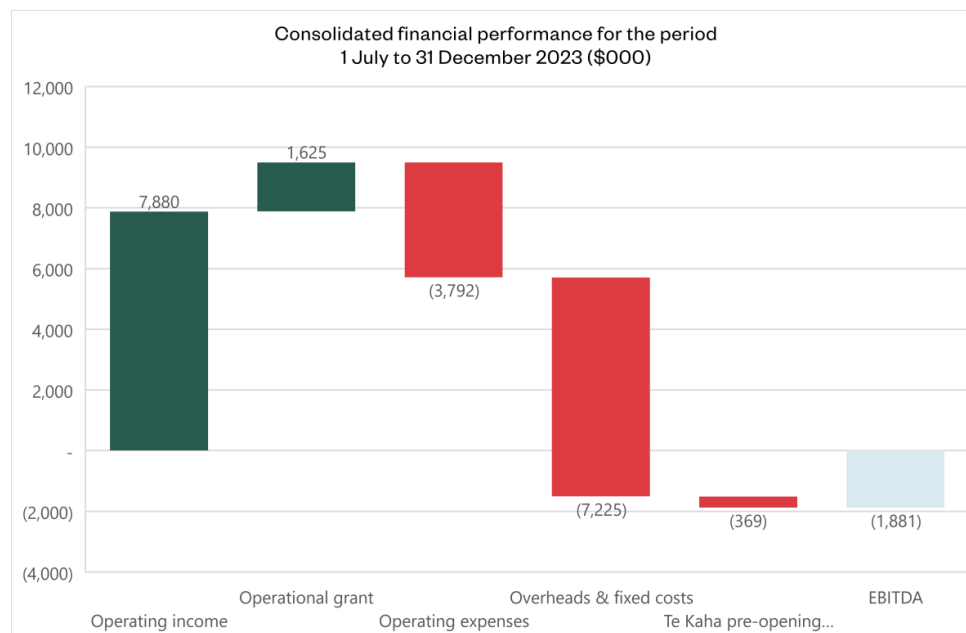
## FINANCIAL PERFORMANCE

The consolidated operating income is \$1.4m lower than target for the six-month period to 31 December 2023 with 211 events held compared to a budget of 208 events across all venue's year to date. The negative variance to target is mainly due to lower retail catering income with the event mix for the first six months. As a comparison, there were 42 ticketed events (budget: 57) between 1 July and 31 December 2023 versus 74 for the same period last year (refer to page 15).

EBITDA is negative \$1.9m against a target deficit of \$759k for the first half of the year. It is expected the business will be back on target by June 2024 based on the event forecast for the second half of the financial year.

	31 Dec 2023 Actual	31 Dec 2023 Target	31 Dec 2023 Variance	30 June 2024 Target
	\$000	\$000	\$000	\$000
Operating income	7,880	9,215	(1,335)	18,273
Operational grant	1,625	1,625	-	3,250
Operating expenses	(3,792)	(4,267)	475	(8,568)
Overheads & fixed costs	(7,225)	(6,914)	(311)	(13,789)
Te Kaha pre-opening costs	(369)	(417)	48	(834)
<b>EBITDA</b>	<b>(1,881)</b>	<b>(759)</b>	<b>(1,122)</b>	<b>(1,668)</b>

Below is a graphical representation of the actual performance to 31 December 2023 with the positive returns for event and venue operations offsetting the asset management, maintenance, and fixed costs across the venue portfolio.



Income Statement for the six months ended 31 December 2023

	Dec-23 YTD Actual \$000	Dec-23 YTD Budget \$000	YTD Act vs Bud Variance \$000	Dec-22 YTD Actual \$000	Full Year Budget \$000
<b>Income</b>					
Venue rental and event revenue	2,449	2,471	(22)	2,520	4,540
Food and beverage	3,453	4,749	(1,296)	5,220	9,884
Grant revenue received from Council	1,625	1,625	-	2,025	3,250
Other	1,978	1,995	(17)	1,967	3,849
	9,505	10,840	(1,335)	11,732	21,523
<b>Less Expenditure</b>					
Food and beverage	2,602	3,293	691	3,159	6,708
Events and hosting costs	2,989	2,814	(175)	2,935	5,317
Facilities	1,760	1,661	(99)	1,620	3,582
Administration and other	3,666	3,414	(252)	2,993	6,749
Te Kaha pre-opening costs	369	417	48	-	834
	11,386	11,599	213	10,708	23,191
<b>EBITDA</b>	<b>(1,881)</b>	<b>(759)</b>	<b>(1,122)</b>	<b>1,024</b>	<b>(1,668)</b>

Below is a breakdown of events held across all venues and type of events for the first six months of the year:

Venue	Total YTD	Budget YTD	Prior Year YTD
Air Force Museum of New Zealand	15	16	19
Wolfbrook Arena	26	33	30
Christchurch Town Hall	140	131	158
Hagley Oval Pavilion	23	21	31
Apollo Projects Stadium	7	7	14
Outside Venue	-	-	1
<b>TOTAL</b>	<b>211</b>	<b>208</b>	<b>253</b>

Event Type	Total YTD	Budget YTD	Prior Year YTD
MICE Events *	137	122	139
Ticketed Event	42	57	74
Community Event with Community Discount	32	29	40
<b>TOTAL</b>	<b>211</b>	<b>208</b>	<b>253</b>

\* MICE Events are defined as Meetings, Incentives, Conferences and Exhibitions and can be referred as Business Events

## 13. Council-controlled organisations - Half year reports for the six months ended 31 December 2023

Reference / Te Tohutoro: 23/2006681

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

Senior Manager / Bede Carran, Acting General Manager Resources/Chief Financial  
Pouwhakarae: Officer

### 1. Purpose and Origin of Report Te Pūtake Pūrongo

- 1.1 This report presents Council-controlled organisations' (CCOs') half year reports for the six months ended 31 December 2023 for Civic Building Ltd, Local Government Funding Agency (LGFA), Rod Donald Banks Peninsula Trust and Te Kaha Project Development Ltd.
- 1.2 The reports were received within two months after the end of the first half of the 2023/24 financial year as required by section 66(2) of the Local Government Act 2002 (LGA).

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the half year reports for the period 1 July-31 December 2023 for the following Council-controlled organisations:
  - Civic Building Ltd;
  - Local Government Funding Agency;
  - Rod Donald Banks Peninsula Trust;
  - Te Kaha Project Delivery Ltd; and
2. Receives the Rod Donald Banks Peninsula Trust's modified Statement of Intent for 2023/24.

### 3. Brief Summary

- 3.1 The half year reports contain the information necessary to enable an informed assessment of the operations of each of the CCOs, by including a comparison of SOI performance targets and explaining material variances. This meets the requirements of section 66(4) of the LGA. The commentary and analysis below is intended to provide some additional context to reports presented.

#### Civic Building Ltd (Attachment A)

- 3.2 Civic's income is generated mostly from the Council's finance lease payments for occupancy of Civic Building, less the costs of servicing the Council's loan for the building's purchase.

Half year to 31 December 2023	Actual 2023/24	SOI target 6 months	Variance	Last year 2022/23	Variance
Net profit before tax (\$000)	235	154	+81	95	+140
Change		+52.6%		+147%	



- 3.3 Underlying the increased net profit before tax is lower debt due to a repayment of \$4.5 million in the half year to December 2023. This has had the major consequence of reducing the finance costs borne by Civic and on-charged to the Council as a cost of tenancy of Civic Building. Offsetting the benefit of the reduced finance costs is price pressure from inflation on operating costs, most particularly insurance and rates.
- 3.4 **Against the SOI target**, net profit has increased by \$81,000 (52.6%) which is largely attributable to higher property maintenance expenses in an earlier period which were recovered from the Council (as tenant of the building) in the half year.
- 3.5 **Against the 2021/22 half year performance**, net profit increased by \$140,000 (147%) made up of lower finance costs of \$186,000 (-10.8%) due to the debt repayment in the current period and lower interest costs reflecting the expiry of debt instruments which were reset at lower interest rates. Expenses have increased by 8.6% due to inflation, the majority of which will be recovered from the Council as tenant in future periods.
- 3.6 **Non-financial performance targets** are in progress towards completion by year end.

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

- 3.7 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.

Half year to 31 December 2023	Actual 2023/24	SOI target 2023/24	Variance	Last year 2022/23	Variance
Net profit (tax not payable) (\$m)	5.2	5.3	-0.1	1.1	+4.2
Change		-2%		+373%	

- 3.8 **Against SOI targets**, net profit is lower by \$0.2 million (5.4%). Revenue was higher by \$0.15 million (+2%) but was more than offset by higher costs of \$0.4 million (10.2%) attributable to the costs and levies associated with issuing a higher level of bonds than expected to support increased borrowing by councils (lending was a record \$2.6 billion during the period). Operating costs associated with the LGFA's preparation for having a potential role in 'Local Water Done Well' also contributed to the variance.
- 3.9 **Against 2021/22 half year performance**, net profit is higher by \$4.2 million (373%) attributable to higher income of \$4.9 million mostly due to increased interest from around \$3 billion higher lending at December 2023 and higher interest rates. This was offset by increased operating costs of \$0.8 million mostly relating to higher issuance fees including for a bond issue in the Australian market.

Half year to 31 December 2023	Actual 2023/24 \$000	SOI target 2023/24 \$000	Variance \$000	Last year 2022/23 \$000	Variance \$000
Total lending to participating councils	18,789	17,870 (Full Year)	+919	15,751	+3,038

- 3.10 The full year SOI target for total lending to participating councils is \$17.9 billion; at the half year point total lending exceeds this full year projection.
- 3.11 **Non-financial performance targets** have been met or will be met by year end.

**Rod Donald Banks Peninsula Trust – Half year report (Attachment C) and Modified SOI for 2023/24 (Attachment D)**

- 3.12 The Rod Donald Banks Peninsula Trust supports sustainable management, conservation and recreation on Banks Peninsula.

**Half year report to 31 December 2023**

3.13		Actual 2023/24	SOI target 2023/24	Variance	Last year 2022/23	Variance
	Surplus/(deficit) (\$000) (tax not payable)	1,459	1,478	-19	(294)	+1,753
	Change		-1.3%		+596%	

**Against target**, the operating surplus is lower by \$19,000 (1.3%) which is due to the SOI target excluding grants and project expenditure of \$15,000 and depreciation of \$4,000 but which are included in the actual result.

- 3.14 The following are key variances which net to zero - remuneration costs for trust management were lower by \$24,000 due to a three month period when the previous manager left and the new manager started, donations were higher by \$34,000 which included a one-off \$25,000 and interest income was \$12,000 higher. Offsetting these gains was price pressure in administration costs of \$6,000, maintenance costs for the Rod Donald Hut of \$7,000 and lower strategic grants and project expenditure of \$75,000.
- 3.15 **Against 2021/22 half year performance**, the operating surplus is higher by \$1.75 million largely reflecting the Council's capital and operating grant in 2023 of \$1.45 million. Adding to this was \$5,000 from the Little River Rail Trail Trust wind-up (now managed by the Rod Donald Banks Peninsula Trust), donations of \$17,000 and interest of \$28,000 from both higher rates and a higher cash balance from the Council's funding and lower strategic grants and project expenditure by \$252,000 which largely reflects timing.
- 3.16 **Non-financial performance targets** have all been met or are in progress to be met by financial year end.

**Modified SOI 2023/24**

- 3.17 The Trust has submitted a revised SOI for 2023/24 year and the two following financial years, as a result of changes in financial forecasts required by its auditors.
- 3.18 The LGA provides at clause 5, part 1 of schedule 8 for a board to modify its SOI following notification to, and consideration of any comments made by its shareholders. The changes in the financial forecasts are shown in the table below:

SOI 2023/24 net profit forecasts	2023/24 \$000	2024/25 \$000	2025/26 \$000
Current SOI: Net profit	975	(312)	(315)
Modified SOI: Net profit	1,198	(157)	(169)
<b>Variance</b>	<b>+223</b>	<b>+155</b>	<b>+146</b>

- 3.19 The changes are all for improved net profit outturn, largely reflecting lower strategic grants and project expenditure (reduced by \$195,000 in 2023/24 and \$125,000 in each of the two outyears) as a result of uncertainty about the way in which funds are granted. Until this is clarified, the Trust will take a conservative approach to providing strategic grants. The residual variances of +\$29,000 in 2023/24, +\$30,000 in 2024/25 and +\$21,000 in 2025/26 have

arisen following a review of forecast interest income due to higher interest rates than used in the earlier SOI forecasts.

3.20 Non-financial performance targets are unchanged.

3.21 Council staff are comfortable with the minor changes proposed.

**Trustee retirement**

3.22 The Trust has advised that Mr Bob Frame who has been a trustee since 2021 has retired from the board. The Trust will seek the Council's approval of a new trustee shortly. In the meantime, it is able to operate with one fewer trustees.

**Te Kaha Project Delivery Ltd (Attachment E)**

3.23 Te Kaha Project Delivery Ltd is the governance body 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	Variance \$000	Last year \$000	Variance \$000
Revenue / Expenses	319	184	+135	151	+168
<b>Operating surplus / (deficit)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>











3.24 To date the SOI financial target has represented just the cost of directors' fees with all other costs being charged to the project budget. AuditNZ's direction is for the Chief Executive's remuneration and administration costs that are not directly related to the stadium project to be treated as a governance cost, rather than a project cost.

3.25 **Against target,** revenue and expenses are \$135,000 higher which for the most part is the Chief Executive's remuneration of \$175,000 and other incidental (non-project) costs make up the remainder including \$11,000 for consultancy, \$10,000 insurance, and \$7,000 travel.

3.26 **Against 2021/22 half year performance,** costs are higher by \$168,000 which is largely the Chief Executive's salary of \$175,000.

3.27 **Non-financial performance targets** have been met or are in progress to be met by financial year end, or are ongoing.

## Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Civic Building Ltd - Half year report for six months to 31 December 2023	24/267327	142
B  	Local Government Funding Agency - Half year report for six months to 31 December 2023	24/355500	152
C  	Rod Donald Banks Peninsula Trust - Half year report for six months to 31 December 2023	23/507748	172
D  	Rod Donald Banks Peninsula Trust - Modified Statement of Intent 2023/24	24/306530	191
E  	Te Kaha Project Delivery Ltd - Half year report for six months to 31 December 2023	24/310251	217

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

<b>Author</b>	Linda Gibb - Performance Monitoring Advisor CCO
<b>Approved By</b>	Bede Carran - Acting General Manager Resources/Chief Financial Officer



**Civic Building Limited**

**Unaudited Half Year Financial Statements**

**For the six months to 31 December 2023**

**Item 13**

**Attachment A**

## Civic Building Limited

### Background

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

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

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

The financial statements of the Company are for the six months ended 31 December 2023. The financial statements were authorised for issue by the Board of Directors on 7 February 2024.

### Directors

The persons holding office as Directors of the Company for the six months to date as at 31 December 2023 were:

James Gough (Chairperson)  
Sam MacDonald  
Jake McLellan

**Civic Building Limited**

**Commentary**

**Financial Performance**

Total revenue for the six months to December 2023 compared to December 2022 slightly decreased by \$12K. Main variances were \$67K decrease in finance lease interest revenue caused by increase in principal repayment thus reducing interest. This was partially offset by an increase of \$20K in interest income and \$35K in recovery of property expenses.

Compared to prior year, there was a reduction in finance costs due to lower interest rate charged by CCC. (6.6% charged from Jun23-Sep23 (LY: 7.1%) & 6.5% charged from Sep23-Dec23(LY: 6.99%)).

Throughout calendar year 2023, over 90% of funding to CBL remained at fixed rates. Consequently, the expiration and initiation of new instruments played a more significant role in influencing funding costs compared to fluctuations in market floating rates.

63% of CCC's total borrowing cost for CBL was repriced at a lower interest rate between June 2023 to September 2023.

The repayment in September 2022 of \$4.5m which included \$0.9m of preference shares also contributed to the reduction in interest cost between years.

**Financial Position**

Total assets have remained in line with prior year. The main variances were term deposit increasing by \$2.5 million, this was offset by finance lease decrease of \$1.9 million.

Total liabilities have remained in line with prior year. Main variance was a decrease in tax liability of \$133K.



Civic Building Limited

Statement of Service Performance

The following lists the financial and operating performance targets set by the Company in its Statement of Intent for the year to 30 June 2024 and reports on progress to date against these targets.

	Six months ended 31 December 2023			Full year
	Target \$000	Actual \$000	Variance \$000	Target \$000
<b>Financial Performance Targets:</b>				
<b>Income</b>				
Interest - finance lease	1,480	1,486	6	2,960
Interest - other	67	69	2	134
Other income	549	637	88	1,097
	2,096	2,192	96	4,191
<b>Expenses</b>				
Finance costs	(1,642)	(1,540)	102	(3,283)
Other expenses	(300)	(416)	(116)	(599)
	(1,942)	(1,956)	(14)	(3,882)
<b>(Loss)/profit before income tax</b>	<b>154</b>	<b>235</b>	<b>82</b>	<b>309</b>
Taxation	(65)	-	65	(129)
<b>(Loss)/profit after income tax</b>	<b>90</b>	<b>235</b>	<b>145</b>	<b>180</b>
<b>Ratio of Shareholders Funds to Total Assets</b>	<b>-6.6%</b>	<b>-8.5%</b>	<b>-1.9%</b>	<b>-6.6%</b>
	Six months ended 31 December 2023			Full year
	Target \$000	Actual \$000	Variance \$000	Target \$000
<b>Capital Structure</b>				
Uncalled capital	10,000	10,000	-	10,000
RPS shares	5,252	5,252	-	5,252
Borrowings from Council	50,324	50,324	-	50,324
Finance lease asset	40,723	41,264	541	40,723
Total assets	52,352	51,998	(354)	52,352

Variance Commentary

Compared to plan, actual income increased by \$96K mainly due to \$110K increase in property recovery expenses, partially offset by a \$14K decrease in rental income.

Actual expenses in line with plan. Main variances were decrease of \$102K in finance costs, offset by an increase of \$116K in insurance and rates expenses.

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

Total assets balance at 31 December 2023 was \$52 million which was less than planned. The variance in total assets to budget is mainly due to tax subvention receipts budgeted for. Subvention receipts/tax loss offsets are agreed upon in February/March 2024 for the 2023 year. Due to the timing when the budget is made these are only estimates.

**Civic Building Limited**

**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.	Performance against budget is going well with – 5 % underspend against the key elements the department is involved in.
Manage the investment in a commercially astute and prudent manner.	Ensure the Civic building is managed in accordance with the management agreement.	Performance of assets is going well with the evidence of performance against operational budget demonstrating this.

**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.	<p>A framework is developed for recording the baseline energy consumption to the building and then ongoing monitoring against this baseline.</p> <p>Delivery of a space temperature between 20-24 degrees during the building's operational hours – 8:00 – 17:00 pm</p> <p>Any plant or system that helps reduce energy consumption is maintained and kept to a high standard of operation - lighting controls / rain water tanks / solar panels.</p>	Achieved to date.

**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.	<p>Provide twice the building code ventilation as per building design.</p> <p>All appropriate recommendations from the accessibility audit have been completed by early 2024.</p>	Achieved to date.

Civic Building Limited

Statement of comprehensive income for the six months ended 31 December 2023

	December 2023 \$000	December 2022 \$000
Revenue	2,192	2,204
Finance costs	1,540	1,726
Other expenses	416	383
	1,956	2,109
Profit before income tax	235	95
Income tax expense/(income)	-	27
(Loss) / profit for the period	235	68
Other comprehensive income	47	35
Total comprehensive income	282	103

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

Civic Building Limited

Statement of changes in equity for the six months ended 31 December 2023

	Share Capital \$000	Retained Earnings \$000	Other Reserves \$000	Total \$000
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)
Profit/(loss) for the 6 months to 30 June 2023	-	(61)	-	(61)
Other comprehensive income	-		49	49
Preference shares repayment				
Balance at 30 June 2023	5,252	(10,589)	616	(4,721)
Profit/(loss) for the 6 months to 31 December 2023	-	235	-	235
Other comprehensive income	-		47	47
Preference shares repayment				
Balance at 31 December 2023	5,252	(10,354)	663	(4,439)

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

Civic Building Limited

Statement of financial position as at 31 December 2023

	December 2023 \$000	December 2022 \$000
<b>Current assets</b>		
Cash and cash equivalents	1,120	1,584
Finance lease receivables	4,765	4,765
Trade and other receivables	213	169
<b>Total current assets</b>	<u>6,099</u>	<u>6,517</u>
<b>Non-current assets</b>		
Other financial assets	3,000	500
Investment property	6,400	6,400
Trade and other receivables	36,499	38,444
<b>Total non-current assets</b>	<u>45,899</u>	<u>45,344</u>
<b>Total assets</b>	51,998	51,861
<b>Current liabilities</b>		
Trade and other payables	190	183
Current tax liabilities	244	128
<b>Total current liabilities</b>	<u>433</u>	<u>311</u>
<b>Non-current liabilities</b>		
Borrowings	50,324	50,324
Deferred tax liabilities	5,680	5,935
<b>Total non-current liabilities</b>	<u>56,004</u>	<u>56,259</u>
<b>Total liabilities</b>	<u>56,437</u>	<u>56,570</u>
<b>Net assets</b>	<u>(4,439)</u>	<u>(4,709)</u>
<b>Equity</b>		
Capital and other equity instruments	5,252	5,252
Retained earnings	(10,354)	(10,528)
Reserves	663	567
<b>Total equity</b>	<u>(4,439)</u>	<u>(4,709)</u>

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

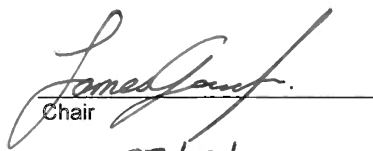
Civic Building Limited

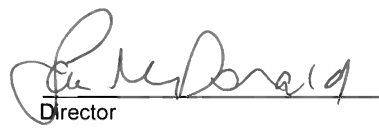
Statement of cash flows for the 6 months ended 31 December 2023

	December 2023 \$000	December 2022 \$000
<b>Cash flows from operating activities</b>		
Operating revenue	3,116	3,046
Payments to suppliers	(707)	(613)
Net GST movement	77	-
Net cash provided by operating activities	2,486	2,432
<b>Cash flows from investing activities</b>		
Interest received	69	72
New term deposits	(2,500)	(500)
Net cash provided by investing activities	(2,431)	(428)
<b>Cash flows from financing activities</b>		
Loan repayment	-	(4,500)
Interest paid	(1,540)	(1,691)
Net cash provided by financing activities	(1,540)	(6,191)
Net decrease in cash and cash equivalents	(1,485)	(4,186)
Cash and cash equivalents at beginning of year	2,605	5,770
Cash and cash equivalents at end of year	1,120	1,584

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

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

  
Chair  
07/02/24  
Date

  
Director  
07/02/24  
Date

**Civic Building Limited**

**Notes to the interim financial statements for the six months ended 31 December 2023**

**Statement of Compliance**

These are the unaudited interim financial statements of the Company for the six months ended 31 December 2023.

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 2023.

**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 2023.

**Contingencies**

The Company had no contingent liabilities on 31 December 2023 or 30 June 2023.

**Events subsequent to balance date**

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





28 February 2024

Dear LGFA Stakeholder

### LGFA 2023-24 Half Year Report

The following is a link to our Half Year Report for the six-month period to December 2023.

[LGFA Half Year Report – 31 December 2023](#)

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

**1. Increased lending to council and CCO borrowers**

At 31 December 2023, LGFA had a market value of loans outstanding of \$18.8 billion which followed record lending of \$2.63 billion over the six-month period. We added two new CCOs as members over the six months, bringing the number of members to 72 councils and 5 CCOs.

**2. A focus on sustainability.**

We launched our Climate Action Loan (CAL) product for council and CCO members in December 2022 to incentivise borrowers through a lower loan margin if they have an approved greenhouse gas (GHG) emission reduction plan in place and are meeting their reduction targets. At December, CALs total \$1.2 billion across four councils.

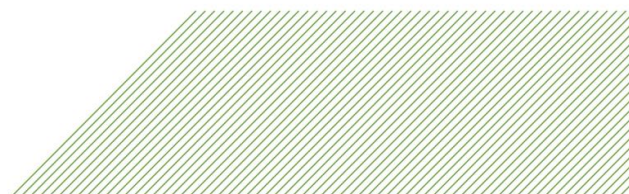
Our Green, Social and Sustainable (GSS) loans provide a discounted borrowing margin to councils and CCOs for eligible projects. Over the six-month period we approved a further project as eligible for GSS lending, bringing the number of eligible projects to six across six councils.

We also published our first Annual Impact Review report for our NZX listed Sustainable Financing Bond. We are having ongoing dialogue with councils relating to GHG emission reporting and reduction and are currently preparing for our first report under Climate Related Disclosure requirements for the 2024 Annual Report.

**3. A financial position tracking to forecast.**

Net Operating Profit for the six-month period was \$5.2 million, which is slightly below our SOI forecast due to higher costs from increased issuance, and the establishment and issuance under foreign currency programmes. However, we expect to meet the full year SOI forecast by June 2024. LGFA has assets of \$21.77 billion and Shareholder Equity of \$109.4 million as at 31 December 2023.

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



**4. Working with our stakeholders.**

We have been assisting Central and Local Government with the implementation of the water reform programme and with councils and CCO members on promoting sustainability.

A further highlight was LGFA being voted by market participants for an unprecedented five awards at the KangaNews Awards including New Zealand Debt Issuer of the Year award for the second consecutive year.

Our focus remains on adding value to the local government sector through:

- Providing cheaper loans.
- Enabling easier access to markets.
- Providing reliable financing.
- Underpinning confidence.
- Encouraging sustainability.
- Enhancing capital markets.
- Being a centre of expertise.

To achieve the above, we require 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



HALF YEAR REPORT  
31 December 2023

Benefiting communities through  
delivering efficient financing  
for local government.  
Ka whiwhi painga ngā hāpori mā te  
whakarato pūtea tōtika ki ngā kaunihera.

Attachment B  
Item 13



# Contents

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

Cover photo: Kopurererua River realignment project. Tauranga City Council  
Contents photo: Water flows down the spillway and beneath the Nick Patterson bridge. Waimea Dam. Tasman District Council



# Message from the Chair and Chief Executive

## He karere mai i te Toihau me te Tumuaki

### For the six-months ended 31 December 2023

The six months to December 2023 presented a challenging period for bond issuance as markets remained volatile and an increased supply of high-grade bonds impacted sentiment. Over this period, council and council-controlled organisations (CCO) borrowing and LGFA bond issuance increased to record levels and, despite the difficult conditions, LGFA continued to deliver value to members and our investor base. Highlights over the period included our successful debut issuance in the Australian Dollar (A\$) bond market and LGFA receiving an unprecedented five awards in the annual KangaNews Awards, including New Zealand Issuer of the year for the second consecutive year.

#### 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 and our membership has grown to 77 council and 5 CCO's.

Over the six months, Infrastructure Holdings Limited and Whanganui District Council Holdings Limited joined as CCO members. We currently have 72 guarantors with West Coast Regional Council moving from non-guarantor to guarantor status during the past six months.

Lending to members over the six month period was a record \$2.63 billion of long-term loans to 56 members, with an average tenor of 5.2 years which was shorter than prior periods. Short-dated lending for terms less than 12 months continues to be supported by councils, with \$617 million outstanding to 36 members at December 2023.

Our estimated market share of total council borrowing of 89% was above our forecast and the long-term average. As at the end of December, outstanding loans totalled \$18.79 billion, as well as \$747 million of standby facilities.

#### Financial and Operational Performance

LGFA's total interest income for the six months of \$578.1 million was an 85% increase over the 2022 comparable period (\$312.9 million), while net operating

profit of \$5.2 million was a 370% increase (\$1.1 million).

Although net operating profit was significantly higher than the comparable 2022 period, it was in line with historical outturns. The low comparable 2022 period outcome was negatively influenced by the rapid rise in interest rates, mismatches between the Bank Bill Reference Rate and the Official Cash Rate, combined with a planned increased holding of liquid assets.

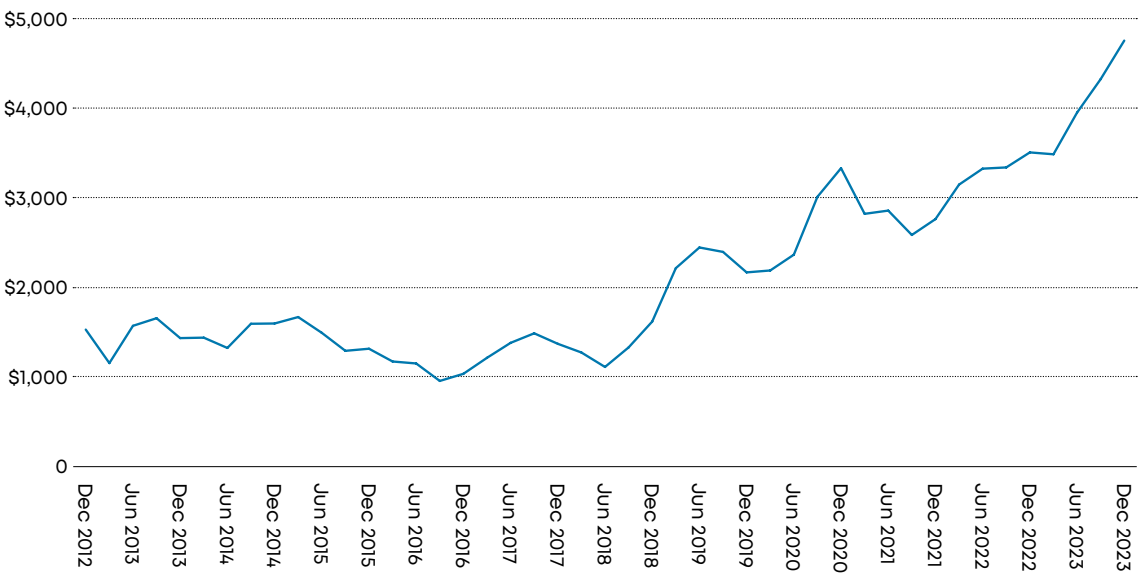
Total operating income was above budget by \$152k, however expenses were \$428k above the SOI budget, with net operating profit \$277k below budget. Our higher expenses were due to increased legal and NZX costs arising from the record levels of member borrowing and associated bond issuance, as well as establishment costs for our Euro Commercial Paper programme, \$A bond issuance and higher Approved Issuer Levy (AIL) payments.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2023. Our AAA rating from S&P Global Ratings was affirmed in March 2023 and remains the same as the New Zealand Government.

#### Our borrowing activity

LGFA issued \$1.63 billion of NZD bonds over the past six months, with outstandings bonds totalling \$18.92 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2024 to 2037. The average term of our NZD bond issuance during the six months at 5.7 years was significantly longer than the prior year period.

#### LGFA Annual Council and CCO Borrowing (NZ\$ millions)



LGFA established an Australian Medium Term Note programme in 2017 to diversify our funding sources but had no reason to utilise the programme until 2023. Given our increased borrowing requirement we successfully debuted issue a A\$1 billion 5-year bond in August 2023 and followed up with an A\$650 million 7-year bond in November 2023.

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.

Increased high grade bond supply from ourselves and the NZ Government has pushed LGFA spreads wider to swap, but we have outperformed on a spread to NZGBs. The performance of LGFA bonds over the past six

months has been mixed with the spread between LGFA bonds and New Zealand Government Bonds (NZGBs) narrower by between 3 bps (2033s) and 12 bps (2027s) but wider on a spread to swap between 3 bps (2035s) to 13 bps (2026s). Outright yields on LGFA bonds declined between 28 bps (2037s) and 55 bps (2027s) over the six-month period, but it was a volatile period with the 2037 yield trading a 146-bps range between 6.58% and 5.12% and closed on 31 December 2023 at the low of 5.12%.

### KangaNews award winner

We are pleased to advise that LGFA scooped an unprecedented five awards at the 2023 KangaNews Awards with the awards being determined by market participant votes. We received awards for the New Zealand Issuer of the Year (for the second consecutive year), NZD Rates Bond Deal, NZ Sustainability Deal, NZ Offshore Deal, and NZ innovative Deal. We want to acknowledge the support from our stakeholders and those who voted for us.

### 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 managing their three waters assets during the reform process. LGFA is assisting both Central Government and our council members under the previous government's Affordable Waters Programme and the new government's Local Water Done Well Programme. LGFA continues to assist as required, the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. If successful, the scheme could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.

### New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and Climate Action Loans

(CALs) for council and CCOs in December 2022. Both lending products offer discounted loan margins to councils and CCOs.

As at December 2023, we have undertaken \$377.2 million of GSS Loans to six members and CALs of \$1.20 billion to four members.

LGFA established a world first Sustainable Financing Bond (SFB) Framework in March 2023 and issued our first SFB under the Framework in April 2023. We subsequently issued a further \$500 million of the May 2030 SFB in October 2023. The SFBs are notionally backed by our GSS loans and CALs to councils and CCOs.

### 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 Toitū Envirocare, actively marketing our GSS loan product and establishing CALs and the launch of the SFB. We published our first Annual Impact Review Report and have been preparing for our first report under Climate Related Disclosure requirements for the 2024 Annual Report.

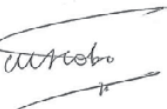
### Acknowledgments

Our work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management and Central Government, all whose efforts should be acknowledged.

Anthony Quirk who has been a director since 2017, retired from the Board in November 2023, and we would like to take this opportunity to thank Anthony for his invaluable contribution to LGFA over the past six years. Kumaren Perumal from Bay of Plenty Regional Council also stepped down as Chair of the Shareholders Council and we wish to acknowledge his contribution over the past two years.

Anita Furnis our inaugural Future Director also stepped down in December 2023 after an 18-month term and we appreciated her involvement and engagement that in ensures the success of the Future Director programme. We welcome David Rae to the board as an Independent Director, Kathryn Sharplin as the new Chair of the Shareholders Council and Sarah Matthews as the new Future Director.

We believe LGFA's future remains positive and look forward to working with all stakeholders in the next six months.



Craig Stobo  
Chair



Mark Butcher  
Chief Executive

# How we add value to the local government sector

**By working together with LGFA, member councils and Council-controlled organisations (CCO's) can access cheaper, easier, and more reliable funding.**

At the same time, LGFA helps underpin confidence in the local government sector, helps councils and CCOs with their sustainability goals, boosts capital markets in New Zealand, and acts as a centre of expertise that the local government sector can draw on.

**Cheaper loans.** By borrowing collectively through LGFA, our members get cheaper funding than if they all borrowed individually. There are also major savings in upfront transaction costs.

**Easier access to markets.** LGFA deals with the complexities of accessing debt capital markets, which simplifies and streamlines the process of raising loans for our members. At the same time, we provide a wide range of financing options, including short-term loans and standby facilities, long-term loans up to 13 years, with either fixed or floating interest rates, and sustainable lending products.

**Reliable financing.** LGFA has a wider range of financing sources than most councils could access on their own. These include domestic retail and institutional investors, banks, and offshore investors. This makes financing more resilient and reliable, especially in times of stressed markets. LGFA has also provided a vital role by maintaining liquidity to members during difficult market conditions. LGFA has issued under our Australian dollar bond programme and has established a Euro Commercial Paper (ECP) programme to access foreign currency debt capital markets in order to diversify our financing sources.

**Underpinning confidence.** LGFA monitor and provide oversight for the local government sector, ensuring a higher degree of confidence in council finances. Our financial covenants help ensure prudent financial management by councils. We help maintain the support of investors and the confidence of the credit rating agencies by maintaining a credit rating that is equal to the New Zealand Government. It is important to maintain parity with the New Zealand Government credit rating to protect our operating model and manage borrowing costs.

**Encouraging sustainability.** LGFA provide Climate Action Loans and Green Social and Sustainable Loans to councils and CCOs to help them make progress on their sustainability goals. On the financing side, we issue Sustainable Financing Bonds to help broaden the 'sustainable bond' market in New Zealand. We are currently working with sustainability experts and councils to measure and report on our financed emissions for all our council borrowers in our upcoming 2024 Annual Report.

**Enhancing capital markets.** LGFA are the largest issuer of NZ Dollar bonds after the New Zealand Government. Our bonds add to market liquidity and provide more options for investors, including retail investors, to support the local government sector. Our bonds act as a stable benchmark that is used for pricing other corporate bonds in the New Zealand market.

**A centre of expertise.** The LGFA team acts like a centralised Treasury for councils, providing a significant amount of experience and expertise in capital markets and debt raising.



## New Zealand Issuer of the Year for 2023

Thank you to our investors, intermediaries and market participants for their support.

# Performance against objectives

## Ko ngā whakatutukinga ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance against the objectives and performance targets set out in the LGFA Statement of Intent 2023-26 (SOI)

### 2023-24 Objectives and performance targets

LGFA objectives and performance targets for 2023-24 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 two quarters' ended December 2023 are available on the LGFA website.

### Governance, capability and business practice

LGFA is committed to demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

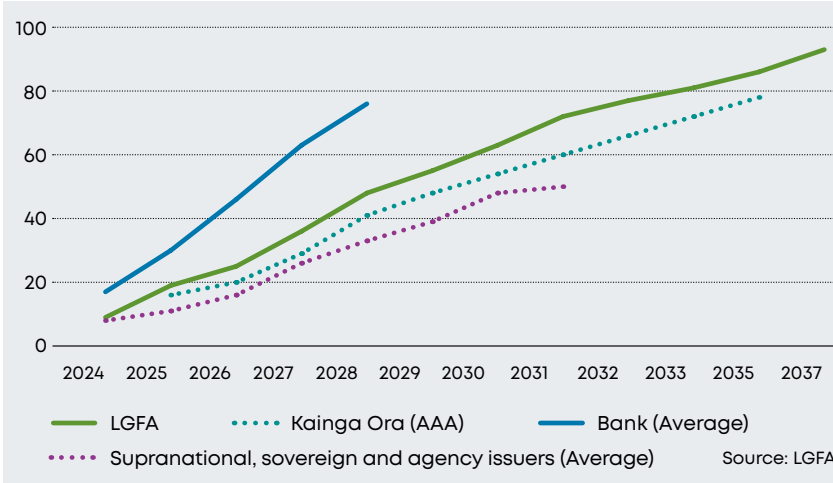
Objectives	Our performance to 31 December 2023
Demonstrate best practice corporate governance.	LGFA report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The 2023 Annual Report is the most recent report with commentary on our compliance 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 ended 31 December 2023 is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report. The 2023 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	2023-2024 target	Our performance to 31 December 2023
Comply with the Shareholder Foundation Policies 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 entities are rated by the same Rating Agency.	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. Fitch Ratings affirmed our foreign and domestic currency ratings at AA+ with a Stable Outlook on 19 October 2023. S&P Global Ratings affirmed our domestic currency credit rating at AAA and our foreign currency rating at AA+ in March 2023.
LGFA's total operating income for the period to 31 December 2023.	> \$20.6 million.	✓ \$10.6 million for six months to 31 December 2023. Expect to exceed SOI by year end.
LGFA's total operating expenses for the period to 31 December 2023.	< \$10.0 million.	✗ \$5.4 million for six months to 31 December 2023. Year-end operating expenses will exceed SOI due to higher Approved Issuer Levy than budgeted, as well as additional costs from (1) higher levels of issuance and onlending than budgeted; (2) legal and associated costs for inaugural foreign currency issuance, and (3) preparation for potential role in 'Local Water Done Well' and the proposed Ratepayer assistance programme.



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.	<p><b>Comparison to other high-grade issuers - secondary market spread to swap (bps)</b></p> <p>LGFA's borrowing margins compare favourably to other high-grade issuers in the New Zealand capital markets.</p>  <p>Source: LGFA</p> <p><b>Supranational, sovereign and agency issuers</b></p> <table><tr><td>Kainga Ora (AAA)</td><td>KBN (AAA)</td></tr><tr><td>Asian Development Bank (AAA)</td><td>Rentenbank (AAA)</td></tr><tr><td>IADB (AAA)</td><td>World Bank (AAA)</td></tr><tr><td>International Finance Corp (AAA)</td><td>Nordic Investment Bank (AAA)</td></tr></table> <p><b>Banks</b></p> <table><tr><td>ANZ (AA-)</td><td>ASB (AA-)</td><td>BNZ (AA-)</td><td>Westpac Bank (AA-)</td></tr></table>	Kainga Ora (AAA)	KBN (AAA)	Asian Development Bank (AAA)	Rentenbank (AAA)	IADB (AAA)	World Bank (AAA)	International Finance Corp (AAA)	Nordic Investment Bank (AAA)	ANZ (AA-)	ASB (AA-)	BNZ (AA-)	Westpac Bank (AA-)
Kainga Ora (AAA)	KBN (AAA)												
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IADB (AAA)	World Bank (AAA)												
International Finance Corp (AAA)	Nordic Investment Bank (AAA)												
ANZ (AA-)	ASB (AA-)	BNZ (AA-)	Westpac Bank (AA-)										
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	<p>LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans and standby facilities.</p> <ul style="list-style-type: none"><li>Over the six months ended December 2023, our members borrowed \$2.656 billion in 222 long term loans across maturity dates ranging between 2024 and 2033.</li><li>As at December 2023 there was \$617 million short-term loans outstanding to 36 members.</li><li>As at December 2023, standby facilities totalled \$747 million across 16 members.</li></ul>												
Deliver operational best practice and efficiency for lending services.	<p>Over the six months ended December 2023, LGFA operations staff successfully:</p> <ul style="list-style-type: none"><li>settled 1,150 new trades with a gross value of \$14.3 billion,</li><li>processed 7,454 cash flows with a gross value of \$21.9 billion, and</li><li>rate set 5,733 existing trades.</li></ul>												
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	<p>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 ended December 2023, we issued NZ\$1.63 billion and A\$1.65 billion of primary bonds and secondary market turnover totalled \$6.25 billion.</p>												

Performance targets	2023-2024 target	Our performance to 31 December 2023
Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ Met – 89% as at 31 December 2023
Total lending to Participating Borrowers.	> \$17,870 million	✓ Met – \$18,789 million as at 31 December 2023
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 2023 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ Met
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ Met





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 prioritise 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	Our performance to 31 December 2023
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>Over the six months to 31 December 2023, we approved a new Green, Social and Sustainability Loan (GSS loan) to Tauranga City Council.</p> <p>At 31 December 2023, we have approved six GSS loans with a combined approved value of \$572 million, of which \$377 million has been advanced.</p> <p>On 1 December 2022, we launched Climate Action Loans (CALs) which a discounted loan margin for members who have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets.</p> <p>Over the six months to 31 December 2023, we approved a CAL loan status to Kapiti Coast District Council.</p> <p>At 31 December 2023, we have approved four councils with a CAL loan status: Total loans issued to CAL approved councils total \$1,221 million.</p>
Improve sustainability outcomes within LGFA.	<p>In 2021, LGFA directors committed to reducing our per employee emissions by 30% by 2030, compared with a 2018/19 base year.</p> <p>We are on track to meet our reduction target for the 2023-24 year.</p>

Performance targets	2023-2024 target	Our performance to 31 December 2023
Comply with the Health and Safety at Work Act 2015.	No breaches	<div>✓</div> No breaches.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	<div>✓</div> Toitū Net Carbon-zero recertification approved August 2023.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	<div>✓</div> On track to meet target
Increase our GSS lending book.	Two new GSS loans undertaken. Three new borrowers enter into CALs	<div>✓</div> On track to meet target
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	<div>✓</div> 2023 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	<div>✓</div> On track to meet target

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 and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	Our performance to 31 December 2023
Proactively monitor and review each Participating Borrower’s financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	<p>Over the six months, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list.</p> <p>We have received compliance certificates for LGFA covenants from 78 (75 councils and 3 Council-controlled organisations) of our members with debt outstanding at June 2023 and no council has requested that they be measured on a group basis.</p>
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	We met with 33 borrowers over the six months and are on target to meet with all members by 30 June 2024.

Performance targets	2023-2024 target	Our performance to 31 December 2023
Review each Participating Borrower’s financial position.	100%	<div>✓</div> On target to meet by 30 June 2024.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%	<div>✓</div> On target to meet by 30 June 2024.



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	Our performance to 31 December 2023
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.	LGFA continues to assist as required, the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. If successful, the scheme could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.
Assist the local government sector with significant matters such as the Affordable Water Reforms.	Throughout the early part of the six-month period, we have had meetings with Treasury and the National Transition Unit team at DIA and their advisers regarding Affordable Waters Reform and the establishment of a collective funding vehicle, similar to LGFA structure, for the Water Services Entities. Following the change in Government, we have met with the Minister of Local Government and Treasury and DIA staff, offering to help with the implementation of the 'Local Water Done Well' programme
Maintain productive relationships with central government representatives.	We met regularly with OAG, Department of Internal Affairs and Treasury over the six month period.
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	We continue to roll out the GSS and CALs to councils and CCOs and approved a new GSS loan project and on boarded a new council for CALs. The LGFA Head of Sustainability continues to meet with his counterparts at various councils.





# Financial statements

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### Statement of comprehensive income

For the six months ended 31 December 2023 in \$000s

	Note	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Interest income		578,134	312,883
Interest expense		568,323	307,904
<b>Net interest income</b>	<b>4</b>	<b>9,811</b>	<b>4,979</b>
Other operating income	5	753	671
<b>Total operating income</b>		<b>10,564</b>	<b>5,651</b>
Operating expenses	6	5,355	4,542
<b>Net operating profit</b>		<b>5,209</b>	<b>1,108</b>
<b>Total comprehensive income</b>		<b>5,209</b>	<b>1,108</b>


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 for issue on 28 February 2024.

### Statement of changes in equity

For the six months ended 31 December 2023 in \$000s

	Note	Share capital	Retained earnings	Total equity
<b>Equity as at 1 July 2022</b>		<b>25,000</b>	<b>79,560</b>	<b>104,560</b>
Net operating profit			2,505	2,505
Total comprehensive income for the year			2,505	2,505
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
<b>Equity as at 1 July 2023</b>		<b>25,000</b>	<b>80,847</b>	<b>105,847</b>
Net operating profit			5,209	5,209
Total comprehensive income for the year			5,209	5,209
Transactions with owners			-	-
Dividend paid on 1 September 2023			(1,713)	(1,713)
<b>Unaudited closing balance as at 31 December 2023</b>		<b>25,000</b>	<b>84,343</b>	<b>109,343</b>

  
Craig Stobo, Director  
Board Chair

  
Linda Robertson, Director  
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2023 in \$000s

	Note	Unaudited as at 31 December 2023	Audited as at 30 June 2023
<b>Assets</b>			
<b>Financial assets</b>			
Receivables		1,086	492
Cash and bank balances		359,688	226,222
Cash pledged as collateral		85,389	93,175
Marketable securities		1,613,984	1,127,879
Deposits		822,148	348,492
Derivatives in gain		101,535	63,845
Loans	8	18,788,758	16,313,562
<b>Non-financial assets</b>			
Prepayments		1,228	919
Other assets	9	26	58
<b>Total assets</b>		<b>21,773,843</b>	<b>18,174,644</b>
<b>Equity</b>			
Share capital	16	25,000	25,000
Retained earnings		79,135	80,847
Total comprehensive income for the period		5,209	-
<b>Total equity</b>		<b>109,343</b>	<b>105,847</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables and provisions	10	29,850	6,132
Bills	11	856,894	782,630
Bond repurchases	12	129,987	130,043
Derivatives in loss		1,291,310	1,628,316
Bonds	13	18,924,712	15,160,432
Borrower notes	14	430,751	360,348
<b>Non-financial liabilities</b>			
Other liabilities	15	995	896
<b>Total liabilities</b>		<b>21,664,499</b>	<b>18,068,797</b>
<b>Total equity and liabilities</b>		<b>21,773,843</b>	<b>18,174,644</b>

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 2023 in \$000s

	Note	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
<b>Cash flows from operating activities</b>			
Cash applied to loans	8	(2,407,840)	(1,639,024)
Interest paid on bonds issued		(243,566)	(228,725)
Interest paid on bills issued		(26,733)	(10,088)
Interest paid on borrower notes		(558)	(131)
Interest paid on bond repurchases		(5,303)	(1,738)
Interest received from loans		475,616	224,165
Interest received from cash & cash equivalents		12,273	2,396
Interest received from marketable securities		19,511	13,570
Interest received from deposits		16,943	5,897
Net interest on derivatives		(247,902)	2,276
Cash proceeds from provision of standby facilities		753	671
Payments to suppliers and employees		(6,011)	(5,317)
<b>Net cash flows from operating activities</b>	18	<b>(2,412,818)</b>	<b>(1,636,047)</b>
<b>Cash flows from investing activities</b>			
Purchase of marketable securities		(458,717)	206,657
(Purchase)/maturity of deposits		(458,062)	(462,937)
<b>Net cash flows from investing activities</b>		<b>(916,778)</b>	<b>(256,280)</b>
<b>Cash flows from financing activities</b>			
Cash proceeds from bonds issued	13	1,485,329	1,477,890
Cash proceeds (outflows) from bills issued		74,264	74,146
Cash proceeds (outflows) from bond repurchases		(168)	76,195
Cash proceeds from borrower notes		59,984	41,598
Dividends paid		(1,712)	(1,218)
Cash applied to derivatives		1,845,365	130,604
<b>Net cash flows from financing activities</b>		<b>3,463,063</b>	<b>1,799,215</b>
<b>Net (decrease) / increase in cash</b>		<b>133,467</b>	<b>(93,112)</b>
Cash, cash equivalents at beginning of year		226,222	158,033
<b>Cash, cash equivalents at end of year</b>		<b>359,688</b>	<b>64,921</b>

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

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002. LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

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

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

These financial statements were authorised for issue by the Directors on 28 February 2024.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2023 and are to be read in conjunction with the annual report for the year ended 30 June 2023.

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 issued standards or interpretations 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.

## Revenue and expenditure

### 4. Net interest income

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
<b>Interest income</b>		
Cash and cash equivalents	16,804	4,098
Marketable securities	33,313	18,342
Lease liability	-	16
Deposits	20,237	9,668
Derivatives	-	-
Loans	507,780	280,759
Fair value hedge ineffectiveness	-	-
<b>Total interest income</b>	<b>578,134</b>	<b>312,883</b>
<b>Interest expense</b>		
Bills	26,733	10,088
Bond repurchase transactions	5,415	1,949
Lease liability	17	-
Derivatives	227,217	66,245
Bonds	298,564	224,425
Borrower notes	10,377	5,196
<b>Total interest expense</b>	<b>568,323</b>	<b>307,904</b>
<b>Net interest income</b>	<b>9,811</b>	<b>4,979</b>

### 5. Other operating income

As at 31 December 2023, LGFA had provided credit standby facilities totalling \$747 million (2022: \$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 2023	Unaudited six months ended 31 December 2022
Standby facilities fee income	753	671
<b>Total other operating income</b>	<b>753</b>	<b>671</b>

### 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 2023	Unaudited six months ended 31 December 2022
<b>Issuance and on-lending expenses</b>		
Approved issuer levy <sup>1</sup>	541	343
Rating agency fees	343	333
NZDMO facility fee	750	652
Legal fees – issuance	502	205
NZX	402	367
Trustee fees	56	55
Regulatory, registry, other fees	184	106
	<b>2,779</b>	<b>2,062</b>
<b>Other operating expenses</b>		
Information technology	360	341
Consultants	131	127
Directors fees	249	213
Insurance	49	47
Legal fees	23	156
Other expenses	204	230
Auditors' remuneration		
Statutory audit	60	55
Advisory services	-	-
Personnel	1,500	1,312
	<b>2,577</b>	<b>2,481</b>
<b>Total operating expenses</b>	<b>5,355</b>	<b>4,542</b>

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of certain LGFA bond maturities.



7. Hedge accounting

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

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

in \$000s	Unaudited gain/(loss) for the six months ended 31 December 2023	Unaudited gain/(loss) for the six months ended 31 December 2022
Hedged items attributable to the hedged risk	(357,392)	329,876
Hedging instruments – interest rate swaps	357,392	(329,876)
<b>Ineffectiveness recognised in profit or loss from fair value hedges</b>	<b>-</b>	<b>-</b>

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

8. Loans

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans <sup>1</sup>	Loans	Short-term loans	Loans
Ashburton District Council	12,089	104,554	12,110	74,243
Auckland Council	-	3,631,775	-	3,225,659
Bay of Plenty Regional Council	57,991	176,577	57,428	161,353
Buller District Council	-	20,036	-	20,030
Canterbury Regional Council	5,013	77,336	10,116	65,272
Carterton District Council	-	20,552	-	17,523
Central Hawkes Bay District Council	-	38,324	4,072	38,314
Central Otago District Council	5,020	20,288	20,117	5,072
Christchurch City Council	-	2,331,650	-	2,200,409
Clutha District Council	11,583	88,191	7,554	62,905
Dunedin City Treasury	-	252,736	-	126,119
Far North District Council	10,079	92,000	-	91,984
Gisborne District Council	-	149,330	-	126,028
Gore District Council	8,554	44,478	8,556	41,915
Greater Wellington Regional Council	-	804,623	-	678,358
Grey District Council	3,971	26,801	3,990	26,799
Hamilton City Council	-	804,733	-	803,843
Hastings District Council	-	385,854	-	294,992

1. As at 31 December 2023, \$2,757 million of loans are due to mature within 12 months. This comprises all short-term loans and \$2,140 million of loans.

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans <sup>1</sup>	Loans	Short-term loans	Loans
Hauraki District Council	-	88,971	-	62,620
Hawkes Bay Regional Council	25,193	74,856	25,313	55,262
Horizons Regional Council	9,906	54,923	9,936	51,871
Horowhenua District Council	23,218	159,390	15,175	151,192
Hurunui District Council	9,060	49,571	8,092	38,435
Hutt City Council	-	479,870	-	373,239
Infrastructure Holdings Ltd	9,852	104,503	-	-
Invercargill City Council	61,774	73,889	55,448	68,788
Invercargill City Holdings Ltd	39,236	48,411	12,323	78,514
Kaikoura District Council	-	7,365	-	5,346
Kaipara District Council	-	44,572	-	44,545
Kapiti Coast District Council	-	308,407	-	277,935
Kawerau District Council	-	4,048	-	2,024
Mackenzie District Council	3,007	11,205	3,001	8,086
Manawatu District Council	15,241	79,598	15,136	79,502
Marlborough District Council	14,694	184,017	21,241	131,594
Masterton District Council	-	62,462	-	52,336
Matamata-Piako District Council	-	52,637	-	45,520
Napier City Council	-	10,095	-	10,014
Nelson City Council	-	247,217	-	186,666
New Plymouth District Council	20,136	237,018	10,114	221,668
Northland Regional Council	-	18,578	-	18,565
Opotiki District Council	-	11,584	-	9,557
Otago Regional Council	49,336	109,419	46,665	104,177
Otorohanga District Council	9,194	-	6,052	-
Palmerston North City Council	-	273,375	-	214,483
Porirua City Council	-	239,409	-	198,906
Queenstown Lakes District Council	56,097	524,697	56,007	454,003
Rangitikei District Council	-	31,238	-	31,207
Rotorua District Council	1,889	391,976	1,889	351,358
Ruapehu District Council	8,049	45,161	8,050	42,130
Selwyn District Council	-	126,430	-	116,198
South Taranaki District Council	3,072	117,496	-	117,428
South Waikato District Council	-	44,474	-	44,457

in \$000s	Unaudited as at 31 December 2023		Audited as at 30 June 2023	
	Short-term loans <sup>1</sup>	Loans	Short-term loans	Loans
Southland District Council	-	22,020	-	21,960
South Wairarapa District Council	-	29,174	-	29,148
Stratford District Council	-	34,885	2,030	31,858
Taranaki Regional Council	-	23,687	-	19,652
Tararua District Council	4,050	52,839	4,047	53,778
Tasman District Council	26,863	263,664	25,515	246,751
Taupo District Council	-	146,315	-	146,271
Tauranga City Council	-	930,197	-	823,933
Thames-Coromandel District Council	-	80,006	-	67,813
Timaru District Council	19,343	187,700	19,456	187,561
Upper Hutt City Council	-	182,803	-	113,212
Waikato District Council	-	156,572	9,975	111,225
Waikato Regional Council	-	30,298	5,120	25,276
Waimakariri District Council	-	182,028	-	181,960
Waimate District Council	-	3,541	-	3,540
Waipa District Council	51,618	200,515	20,010	207,374
Wairoa District Council	8,259	11,110	8,015	11,109
Waitaki District Council	8,852	52,501	8,978	33,280
Waitomo District Council	4,077	24,209	4,071	24,204
Wellington City Council	-	1,552,273	-	1,178,503
West Coast Regional Council	2,986	13,310	3,243	9,991
Western Bay Of Plenty District Council	-	86,106	-	80,992
Westland District Council	-	30,130	-	27,078
Westland Holdings Ltd	625	5,457	1,618	5,456
Whakatane District Council	-	145,172	-	114,768
Whanganui District Council	7,559	136,527	7,557	110,179
Whangarei District Council	9,921	228,466	9,927	228,151
Fair value hedge adjustment	-	(26,855)		(37,850)
	<b>617,406</b>	<b>18,171,352</b>	<b>547,944</b>	<b>15,765,618</b>

9. Other assets

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Right-of-use lease asset	26	58
<b>Total other assets</b>	<b>26</b>	<b>58</b>

10. Payables and provisions

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
Loans/purchases to be advanced	29,000	5,000
Trade creditors	323	804
Credit provision	320	123
Other provisions	204	205
<b>Total receivables</b>	<b>29,847</b>	<b>6,132</b>

11. Bills

Unaudited as at 31 December 2023 in \$000s	Face value	Unamortised premium	Accrued interest	Total
12 January 2024	190,000	(266)	-	189,734
17 January 2024	75,000	(178)	-	74,822
1 February 2024	25,000	(120)	-	24,880
7 February 2024	50,000	(282)	-	49,718
16 February 2024	50,000	(336)	-	49,664
28 February 2024	50,000	(441)	-	49,559
8 March 2024	70,000	(700)	-	69,300
15 March 2024	95,000	(1,063)	-	93,937
21 March 2024	46,000	(555)	-	45,445
5 April 2024	25,000	(369)	-	24,631
10 April 2024	25,000	(385)	-	24,615
16 April 2024	15,000	(246)	-	14,754
8 May 2024	25,000	(486)	-	24,514
5 June 2024	25,000	(591)	-	24,409
19 July 2024	100,000	(3,088)	-	96,912
	<b>866,000</b>	<b>(9,106)</b>	<b>-</b>	<b>856,894</b>

Audited as at 30 June 2023 in \$000s	Face value	Unamortised premium	Accrued interest	Total
7 July 2023	45,000	(32)	-	44,968
12 July 2023	100,000	(142)	-	99,858
19 July 2023	35,000	(87)	-	34,913
2 August 2023	25,000	(112)	-	24,888
11 August 2023	75,000	(442)	-	74,558
17 August 2023	20,000	(144)	-	19,856
8 September 2023	70,000	(713)	-	69,287
15 September 2023	55,000	(630)	-	54,370
22 September 2023	102,000	(1,277)	-	100,723
28 September 2023	40,000	(549)	-	39,451
11 October 2023	25,000	(381)	-	24,619
17 October 2023	5,000	(81)	-	4,919
8 November 2023	20,000	(397)	-	19,603
28 November 2023	50,000	(1,166)	-	48,834
6 December 2023	25,000	(609)	-	24,391
14 December 2023	50,000	(1,282)	-	48,718
20 December 2023	50,000	(1,325)	-	48,675
	792,000	(9,370)	-	782,630

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 2023, \$1,100 million of LGFA bonds had been subscribed as treasury stock.

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

in \$000s	Unaudited as at 31 December 2023	Audited as at 30 June 2023
15 April 2024	37,803	
15 April 2025	-	16,619
15 April 2026	-	1,920
15 April 2027	-	52,513
20 April 2029	3,412	19,437
15 May 2030	17,736	-
15 May 2031	37,957	3,287
14 April 2033	4,487	1,750
15 May 2035	-	34,518
15 April 2037	28,593	-
	129,987	130,043

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 2023 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
NZD Fixed interest bonds					
15 April 2024	2,218,000	(801)	10,635		2,227,834
15 April 2025	2,719,000	(37,783)	15,935		2,697,152
15 April 2026	2,155,000	(45,072)	6,889		2,116,817
15 April 2027	2,211,000	54,970	21,204		2,287,174
15 May 2028	1,553,000	(70,223)	4,512		1,487,289
20 April 2029	1,882,000	(105,057)	5,631		1,782,574
15 May 2030	1,500,000	(44,075)	8,716		1,464,640
15 May 2031	1,245,000	(81,469)	3,617		1,167,148
14 April 2033	1,515,000	5,936	11,445		1,532,381
15 May 2035	450,000	(7,496)	1,743		444,248
15 April 2037	860,000	(53,559)	3,666		810,107
AUD Fixed interest bonds					
1 August 2028	1,077,426	(2,784)	21,054		1,095,696
28 November 2030	700,327	(2,598)	3,336		701,065
Fair value hedge adjustment				(889,414)	(889,414)
	20,085,754	(390,010)	118,382	(889,414)	18,924,712

Audited as at 30 June 2023 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
<b>NZD Fixed interest bonds</b>					
15 April 2024	2,218,000	(2,151)	10,499		2,226,348
15 April 2025	2,409,000	(36,176)	13,937		2,386,761
15 April 2026	2,155,000	(54,361)	6,801		2,107,440
15 April 2027	2,011,000	68,977	19,039		2,099,016
15 May 2028	1,423,000	(60,216)	4,089		1,366,873
20 April 2029	1,722,000	(83,580)	5,081		1,643,501
15 May 2030	1,000,000	(17,002)	5,747		988,745
15 May 2031	1,120,000	(60,338)	3,218		1,062,880
14 April 2033	1,350,000	33,003	10,070		1,393,073
15 May 2035	450,000	(7,728)	1,724		443,997
15 April 2037	820,000	(41,281)	3,450		782,170
<b>Fair value hedge adjustment</b>				(1,340,372)	(1,340,372)
	<b>16,678,000</b>	<b>(260,853)</b>	<b>83,656</b>	<b>(1,340,372)</b>	<b>15,160,432</b>

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 2023	Audited as at 30 June 2023
Lease liability		58
Accruals	995	838
<b>Total receivables</b>	<b>995</b>	<b>896</b>

16. Share capital

As at 31 December 2023, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled. The 20 million of uncalled shares are held by the 30 council shareholders in proportion to the paid-up shares. The Minister of Finance and Minister for Local Government do not hold any uncalled shares.

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

The holdings outlined in this table include the 25 million of paid-up ordinary shares and 20 million of uncalled ordinary shares. The uncalled ordinary shares are held by the 30 council shareholders.

Registered holders of equity securities	As at 31 December 2023		As at 30 June 2023	
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%
	<b>45,000,000</b>	<b>100%</b>	<b>45,000,000</b>	<b>100%</b>

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

in \$000s	Unaudited six months ended 31 December 2023	Unaudited six months ended 31 December 2022
Net profit/(loss) for the period	5,209	1,108
Cash applied to loans	(2,407,840)	(1,639,024)
<b>Non-cash adjustments</b>		
Amortisation and depreciation	(9,728)	2,643
<b>Working capital movements</b>		
Net change in trade debtors and receivables	(476)	(378)
Net change in prepayments	(309)	(298)
Net change in accruals	126	(98)
<b>Net Cash From Operating Activities</b>	<b>(2,412,818)</b>	<b>(1,636,047)</b>

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 5, 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

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

Phone +64 4 974 6530

Wellington

Registered office

Level 8

City Chambers

142 Featherston Street

Wellington 6011

(entrance on Johnston Street)

Auckland

Level 5

Walker Wayland Centre

53 Fort Street

Auckland 1010



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

[lgfa.co.nz](https://lgfa.co.nz)





# Unaudited Half Year Report

Rod Donald Banks Peninsula Trust  
For the 6 months ended 31 December 2023

Prepared by Sidekick CA Ltd



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## Directory

### Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2023

#### Address

34 Allen Street, Christchurch Central,  
Christchurch, 8011, New Zealand

#### Trustees

Richard Suggate

Jenn Chowaniec

Maureen McCloy

Paul McNoe

Tyrone Fields

Robert Frame (retired 12 December 2023)

#### Bankers

Bank of New Zealand  
Christchurch

#### Auditors

Audit New Zealand on behalf of the Auditor General

#### Email

manager@roddonaldtrust.co.nz

#### Website

www.roddonaldtrust.co.nz



## Compilation Report

### Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2023

Compilation Report to the Directors of Rod Donald Banks Peninsula Trust

#### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of Rod Donald Banks Peninsula Trust for the year ended 31 December 2023.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

#### Responsibilities

Rod Donald Banks Peninsula Trust is solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

#### No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

#### Independence

We have no involvement with Rod Donald Banks Peninsula Trust other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

#### Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.



Sidekick CA Limited

Dated: 28 / 02 / 2024



## Non-Financial Performance Targets

Rod Donald Banks Peninsula Trust  
For the 6 months ended 31 December 2023

Achievement Target	Achievement
<b>Indicator 1. The Trust has determined four key pillars on which its projects will be based: Access, Biodiversity, Knowledge, and Partnership.</b>	
Assess potential projects brought to the Trust's attention against these four pillars to determine whether they should be added as a Trust project and action those that are deemed a priority	<p>New projects brought to the Trust's attention this year were:</p> <ul style="list-style-type: none"> <li>Creation of public access over High Bare conservation land in Little River</li> <li>Linking High Bare Peak access with Te Ara Pātaka network</li> <li>Partnering with CCC in creating new access as part of the Head to Head Walkway around Whakaraupō</li> <li>Creation of public access to link to Little River township</li> <li>Development of a Nature Trail at the Rod Donald Hut</li> <li>Annie Curry Legacy Trust funding to create project based of Rod Donald Trust values.</li> </ul>
Make submissions to relevant policy documents in support of the pillars.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Rod Donald Trust submission on a proposed Biodiversity Credits System Nov 2023</li> <li>Rod Donald Trust submission on the Te Pātaka o Rākaihautu Banks Peninsula Destination Management Plan</li> <li>Waka Kotahi - Little River shared pathway proposal - letter of support</li> </ul>
<b>Indicator 2. Provide leadership and tangible support for the projects achieving Access through implementing the CCC Public Open Space Strategy.</b>	
A network of well managed walking and biking trails with long term secure public access that provide free walking and connect major communities.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Rod Donald Hut regularly serviced and annual maintenance conducted</li> <li>Updated walking products including brochures, website and maps to ensure full and correct information is provided</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Progressing the takeover of the assets and responsibilities of the Little River Rail Trail Trust</li> <li>Securing local public access over private land in Little River</li> <li>Partnering with the owners of the High Bare conservation land to determine access from Little River to High Bare Peak, and on to Te Ara Pātaka</li> <li>Development of a Nature Trail at the Rod Donald Hut</li> <li>Assisting to secure additional walking access for the Head to Head Walkway</li> <li>Considering the role of unformed legal roads in improving and increasing public access opportunities.</li> <li>Ongoing partnership and funding support with the Summit Road Society to improve walking track access on the Banks Peninsula Port Hills</li> </ul>



Non-Financial Performance Targets

Te Ara Pātaka is nationally recognised as a walking route from Christchurch to Akaroa with a network of track connections	<p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Ongoing promotion of Te Ara Pātaka in conjunction with the Te Ahu Pātiki project.</li> <li>Work to end seasonal closures for lambing on Te Ara Pātaka and associated tracks.</li> <li>Work investigating new access opportunities from Little River to Te Ara Pātaka.</li> <li>Provision of public information through the Banks Peninsula Walks website.</li> <li>Rod Donald Hut promoted by the Trust and through DOC</li> <li>Furthering Te Ara Pātaka track or link track upgrades or improvements</li> <li>Banks Peninsula Destination Management Plan recognises the significance of Te Ara Pātaka as part of a potential Christchurch to Akaroa Walkway.</li> </ul>
The Head to Head Walkway connecting Godley Head to Adderley Head is completed as a continuous and principally coastal pathway around Lyttelton Harbour.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Attendance at Head to Head Working Party meetings.</li> <li>Offered to partner with Christchurch City Council to take a leading role in new access creation to accelerate the delivery of the project. Subsequent discussions have focused on the Trust having a 'support' role, with the potential to progress agreed sections of the route. .</li> <li>Work with local landowners and the community to identify and achieve potential access opportunities.</li> </ul>
Unformed legal roads are valued and effective as a delivery tool for walking and biking.	<p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Active consideration of the role of unformed legal roads in improving and increasing public access.</li> </ul>
<b>Indicator 3. Provide tangible support for biodiversity</b>	
Increase protection for areas with high biodiversity value in conjunction with public walking/cycling access; purchasing land if necessary.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Attendance at Te Kāhahu Kahukura partners meetings</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Involvement with Te Kāhahu Kahukura project to restore native biodiversity to the Southern Port Hills.</li> <li>Working with owners of conservation land in Little River protecting biodiversity and providing opportunity for improved walking/cycling access</li> </ul>
Active support for Banks Peninsula's 2050 Ecological Vision for Banks Peninsula (Goal 1) to protect all old-growth forest remnants of more than 1ha, examples of all rare ecosystems and four indigenous forest areas of more than 1000ha each	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Funding allocated to Banks Peninsula Conservation Trust (BPCT) to support their biodiversity work.</li> <li>Protect biodiversity through contribution to pest control activity undertaken by CVNZ's Whaka Ora Pest Project</li> </ul>





Non-Financial Performance Targets

Support the Pest Free Banks Peninsula group in its work toward Banks Peninsula being effectively free of pest animals.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Working in partnership with Pest Free Banks Peninsula</li> <li>Partnership funding of feral pig monitoring and control programme of work in Kaituna Valley and Te Wharau catchments</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Further work with Feral Pig group including site visit to improve understanding</li> </ul>
Address the Climate and Ecological Emergency through encouraging native biodiversity to regenerate on a landscape scale, assisted by its income from carbon sequestration where possible.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Membership and support of the Banks Peninsula Native Forest/Climate Change multi-agency group.</li> <li>Advocacy through submissions for improvements to the Emissions Trading Scheme to support natural regeneration and development of methods on how this could be done efficiently</li> <li>Further native planting of Rod Donald Hut open grassland area in partnership with Banks Peninsula Conservation Trust, Christchurch Foundation and local volunteers</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Further native planting at Rod Donald Hut in partnership with Banks Peninsula Conservation Trust and local volunteers.</li> </ul>
<b>Indicator 4. Provide tangible support and leadership for projects building the Knowledge pillar, and leadership around walking access knowledge.</b>	
Trails are used to educate people and connect them to the natural environment and Mātauranga Māori with the aim of building environmental guardians of the future	<p>ACHIEVED</p> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Ongoing dialogue with papatipu rūnanga to increase manawhenua input to Trust decision-making</li> </ul>
Regularly publish and update material on the walking and biking trails and work with other agencies to enhance their publications	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Website <a href="http://www.roddonaldtrust.co.nz">www.roddonaldtrust.co.nz</a> kept updated.</li> <li>Website <a href="http://www.bpwalks.co.nz">www.bpwalks.co.nz</a> kept updated</li> <li>Facebook page <a href="https://www.facebook.com/RodDonaldBPTrust/">www.facebook.com/RodDonaldBPTrust/</a> regularly updated.</li> <li>Instagram page <a href="https://www.instagram.com/roddonaldbptrust/">www.instagram.com/roddonaldbptrust/</a> regularly updated</li> <li>All Trust walking products reviewed and updated</li> <li>Te Ara Pātaka brochure - RDT interim version created</li> <li>Maps at Rod Donald Hut updated</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Working with DOC to update the Te Ara Pātaka brochure</li> <li>Banks Peninsula Walks Directory updated</li> <li>Oversee the communications and material relating to the Little River Rail Trail</li> </ul>



Non-Financial Performance Targets

Develop methods to transfer knowledge through events, on-line information channels and support for a Banks Peninsula Geopark.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Website <a href="http://www.roddonaldtrust.co.nz">www.roddonaldtrust.co.nz</a> kept updated</li> <li>Facebook page <a href="https://www.facebook.com/RodDonaldBPTrust/">www.facebook.com/RodDonaldBPTrust/</a> regularly updated and boosted to increase the Trust's reach</li> <li>Instagram account - relevant content regularly uploaded <a href="https://www.instagram.com/roddonaldbptrust/">https://www.instagram.com/roddonaldbptrust/</a></li> <li>Mailchimp updates mailed out to increasing list of Rod Donald Trust supporters.</li> <li>Walking Festival 2023 mini-event successfully delivered</li> <li>Funding procured for Banks Peninsula Geopark signage and interpretation</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Planning for next Banks Peninsula Walking Festival, three year planning cycle allowing greater continuity</li> <li>Continued discussions with Banks Peninsula Geopark Trust</li> </ul>
Promote information about the biodiversity, culture, heritage and geology of Banks Peninsula and its potential for carbon sequestration.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Website <a href="http://www.roddonaldtrust.co.nz">www.roddonaldtrust.co.nz</a> kept updated</li> <li>Facebook and Instagram accounts regularly updated</li> <li>Annual Walking Festival featuring interpretative walks lead by local expert guides – 2023 mini Festival delivered</li> <li>Banks Peninsula Native Forest Climate Change Group advocacy</li> <li>Promotion of the work of Banks Peninsula Geopark on our website</li> <li>Media articles in a variety of publications</li> <li>Support of a new book by local author Jane Robertson</li> </ul>
<b>Indicator 5. Provide tangible support for and work with a range of partners</b>	
Working in partnership with others to achieve greater outcomes than we could individually.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Continue to support the Te Ahu Pātiki Charitable Trust through our Board appointees and ongoing liaison through our Rod Donald Trust Co-chairs</li> <li>Securing partnership funding support from Christchurch City Council and Selwyn District Council for the Banks Peninsula Walking Festival</li> <li>Support of Te Kākahu Kahukura biodiversity collaboration</li> <li>Funding of Banks Peninsula Conservation Trust pest control projects</li> <li>Funding of Conservation Volunteers New Zealand biodiversity projects</li> <li>Support of a new book by local author Jane Robertson</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Agreement to take over the assets and responsibilities of the Little River Rail Trail Trust</li> <li>Offering partnership with Christchurch City Council to create new access opportunities for Head to Head Walkway</li> <li>Create new walking opportunities in Little River through partnership with the High Bare Peak Trust</li> <li>Work with private landowners in Little River to achieve a connection to the Te Ara Pātaka track network</li> <li>Ongoing partnership with the Summit Road Society to improve walking track access on the Banks Peninsula Port Hills</li> <li>Invitation to provide input into the upcoming Environmental Defence Society Conference</li> </ul>



Non-Financial Performance Targets

Relationships with key stakeholders are formalised with appropriate agreements and delivering as agreed.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Appointed representatives on the Te Ahu Pātiki Trust Board from the Trust, Te Hapū o Ngāti Wheke, Te Rūnanga o Koukourārata and Orton Bradley Park.</li> <li>MOU on management responsibilities for Te Ara Pātaka negotiated with the Department of Conservation renegotiated</li> <li>Extended grant to Banks Peninsula Conservation Trust assists that organisation in delivering its conservation and ecological restoration initiatives and contributes to the Trust achieving its Biodiversity goals.</li> <li>Funding assistance and advocacy for Pest Free Banks Peninsula assists in delivering that organisations pest control outcomes and helps to achieve the Trust's Biodiversity goals, for example funding feral goat and feral pig control and eradication programmes.</li> <li>Ongoing relationship with Department of Conservation, Christchurch City Council and Walking Access Commission around Te Ara Pātaka and other projects of joint interest.</li> <li>Little River Rail Trail Trust Deed of Winding Up signed to transfer the assets and responsibilities of the Rail Trail to RDT.</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Discussion with Orton Bradley Park about continued grant funding for access related projects and funding for Valley Track relocation projects</li> <li>4-way Te Ara Pātaka schedule with DOC, CCC, RDBPT and Te Ahu Pātiki Charitable Trust agreed as an addition to the DOC MOU.</li> <li>Update MOU's with the four agency landowners of the Little River Rail Trail</li> </ul>
Ngāi Tahu's role as kaitiaki is acknowledged and supported through productive partnerships with Papatipu Rūnanga on Te Pātaka o Rākaihautū.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>Relationships with Te Hapū o Ngāti Wheke and Te Rūnanga o Koukourārata developed and strengthened via the Te Ahu Pātiki partnership.</li> <li>Rod Donald Trust Board expressed a deliberate intention to improve bicultural knowledge and confidence through appropriate development work, in order to better engage with Mana Whenua</li> </ul> <p>IN PROGRESS</p> <ul style="list-style-type: none"> <li>Developing relationships with all Peninsula Rūnanga through increased dialogue, building aligned strategies and inviting discussion around Board membership. Discuss with papatipu rūnanga their interest in the Little River Rail trail.</li> </ul>
A mutually supportive partnership with Christchurch City Council recognising the Trust as an effective delivery vessel.	<p>ACHIEVED</p> <ul style="list-style-type: none"> <li>CCC Council approved a long-term funding package to support the Trust's proposals to continue its cost-effective development activities.</li> <li>Strong relationships with Council staff whose work is connected with that of the Trust</li> <li>Input into the Banks Peninsula Destination Management Plan</li> <li>Council support for taking over the responsibilities and assets of the Little River Rail Trail Trust</li> </ul>

Non-Financial Performance Targets



	<p>IN PROGRESS</p> <ul style="list-style-type: none"><li>• Incorporation of Enduring Statement of Expectations received from CCC into 2024-25 SOI</li><li>• Development of 2024-25 SOI incorporating outcomes from Strategic Planning Day.</li><li>• Engagement with Council to achieve extension of the Trust's area of interest to include the Port Hills.</li></ul>
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# Financial Performance Targets

Rod Donald Banks Peninsula Trust  
For the 6 months ended 31 December 2023

	TARGET NOTES	DEC-23 TARGET	DEC-23 ACTUAL	DEC-23 VARIANCE	JUN-24 TARGET
<b>Financial Performance Targets</b>					
<b>Operating Surplus/(Deficit)</b>					
Revenue	1	1,505,795	1,554,293	48,498	1,561,068
Trust Management	2	(57,221)	(32,994)	24,227	(114,857)
Operating Costs*	3	(28,360)	(42,815)	(14,455)	(60,720)
<b>Operating Surplus/(Deficit)</b>		<b>1,420,214</b>	<b>1,478,484</b>	<b>58,270</b>	<b>1,385,491</b>
Opening Funds	4	708,384	842,938	134,554	708,384
Operating Surplus/(Deficit)		1,420,214	1,478,484	58,270	1,385,491
Strategic Grants and Project Expenditure*	5	(90,000)	(15,169)	74,831	(180,000)
Closing Balance		2,038,598	2,306,253	267,655	1,913,875

\*The financial performance targets are based on cash transactions only and the actual figures stated for Operating costs differ from the figures in the Statement of Comprehensive Revenue and Expenses due to the non cash expense of depreciation being excluded from the calculation.



## Financial Performance Targets Notes

### Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2023

#### 1. Revenue

**Actual figures include** - Interest on the Trust's term deposits, Rod Donald Hut revenue, Te Ara Pātaka lease income, general donations, walking product sales, CCC LTP Funding grants, Little River Rail Trail Trust wind up funds, and all of the ticket sales, donations and grants from the 2023 Banks Peninsula Walking Festival.

**Explanation of Variance** - Revenue was higher than the target due to an increase in interest income and the wind up funds received from the Little River Rail Trust.

#### 2. Trust Management

**Actual figures include** - Cost of the Trust Administrator contract, Management contract with Andrew Turner.

**Explanation of Variance** - Costs are slightly lower than expected due to a three month period where the Trust had no Manager in place.

#### 3. Operating Costs

**Actual figures include - Operating costs:** accountancy fees, audit fees, meeting expenses, insurance, professional fees not assigned to a project, bank fees, web hosting, cloud software licenses; professional fees not separately budgeted, and the costs of goods and services sold. **Social enterprise running costs:** Banks Peninsula Walking Festival, Rod Donald Hut, Walking Products. **Minor projects:** Development of a new Walking Festival logo, Sustainable Trails Conference attendance costs, strategic plan support, and the Banks Peninsula Native Forest Climate Change Group.

**Explanation of Variance** - Actual expenses were slightly higher than expected due to the payment of Conference expenses and the development of a new Walking Festival logo.

#### 4. Opening Funds

**Actual figures include** - Reflects the Trust's available cash and therefore includes cash on hand, term deposits, accounts receivables less accounts payable. Excludes inventory, property, plant, equipment & intangibles.

**Explanation of Variance** - Opening funds were higher than forecast partly due to a higher than normal level of donations, funds received from the wind up of the Little River Rail Trail, higher interest rates on investments, and lower than forecast expenditure on Trust Management expenses.

#### 5. Strategic grants and project expenditure

**Actual figures include - Actual figures include** - all allocated grants and direct project spending.

**Explanation of Variance** - The figure is far lower than forecast as no new grant funding was allocated beyond the regular Banks Peninsula Conservation Trust support. Also, no major project work was undertaken due to no Trust Manager being in place for much of the financial year to 31 December 2023.





# Statement of Comprehensive Revenue and Expenses

## Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2023

	NOTES	JUL-DEC 2023	JUL-DEC 2022
<b>Exchange Revenue</b>			
Interest Income		45,357	17,115
Banks Peninsula Walking Festival 2022 Income		-	11,167
Banks Peninsula Walking Festival 2023 Income		4,421	-
Hut Fee Revenue		9,950	9,224
Te Ara Pātaka Lease Income		4,083	3,500
Walking Products		1,229	903
CCC Capital LTP Funding		1,350,000	-
CCC Operational Expenses LTP funding		100,000	-
Te Ahu Patiki Rates Rebate		169	-
Little River Rail Trail Trust - wind up funds		4,724	-
<b>Total Exchange Revenue</b>		<b>1,519,933</b>	<b>41,908</b>
<b>Non-exchange revenue</b>			
Donations		34,360	1,659
Donation - Governors Bay Community Transport Trust		-	15,000
Suky's Retirement Luncheon - contribution		-	652
<b>Total Non-exchange revenue</b>		<b>34,360</b>	<b>17,311</b>
<b>Total Revenue</b>		<b>1,554,293</b>	<b>59,219</b>
<b>Expenses</b>			
<b>Operating Expenditure</b>			
<b>Trust Management</b>			
Trust Management Operational Contract		15,929	23,134
Trust Administrator Contract		17,065	13,692
Te Ahu Pātiki - Management Expenses		-	1,576
<b>Total Trust Management</b>		<b>32,994</b>	<b>38,402</b>
<b>Operating Costs</b>			
Administration Costs		14,262	11,646
Banks Peninsula Walking Festival		1,884	7,340
Depreciation & Amortisation		4,054	3,446
Hut Operating and Maintenance Costs		17,995	15,672
Minor Administrative Projects		6,298	2,134
Suky's Retirement Luncheon - expenses		-	1,500
Walking Product Minor Update and Production Costs		1,426	4,176
Website Hosting and Minor Updates		950	1,025
<b>Total Operating Costs</b>		<b>46,870</b>	<b>46,940</b>
<b>Total Operating Expenditure</b>		<b>79,864</b>	<b>85,342</b>

The accompanying notes form part of these financial statements.

Statement of Comprehensive Revenue and Expenses



	NOTES	JUL-DEC 2023	JUL-DEC 2022
<b>Strategic grants and project expenditure</b>			
Grants (Commitments to Partners)		15,000	65,000
Grant - Whaka Ora Pest Project Coordinator		-	30,000
Te Ahu Patiki - Crowdfunding Donations to TAP Trust		-	144,427
Te Ahu Pātiki Operating Expenses		169	12,772
Orton Bradley Park Valley Track Relocation		-	15,200
<b>Total Strategic grants and project expenditure</b>		<b>15,169</b>	<b>267,399</b>
<b>Total Expenses</b>		<b>95,032</b>	<b>352,741</b>
<b>Surplus (Deficit)</b>		<b>1,459,261</b>	<b>(293,522)</b>
<b>Total Comprehensive Revenue and Expense before Adjustments</b>		<b>1,459,261</b>	<b>(293,522)</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>1,459,261</b>	<b>(293,522)</b>

The accompanying notes form part of these financial statements.



## Statement of Financial Position

### Rod Donald Banks Peninsula Trust As at 31 December 2023

	NOTES	31 DEC 2023	30 JUN 2023
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalent	3	183,221	119,812
Receivables from exchange transactions		2,615	315
Recoverables from non-exchange transactions		31,693	9,295
Current Investments	4	2,075,000	725,000
Inventories		4,890	6,170
<b>Total Current Assets</b>		<b>2,297,418</b>	<b>860,593</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		315,432	313,984
Intangible Assets		9,876	12,034
<b>Total Non-Current Assets</b>		<b>325,309</b>	<b>326,017</b>
<b>Total Assets</b>		<b>2,622,727</b>	<b>1,186,610</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables under exchange transactions		1,265	24,408
<b>Total Current Liabilities</b>		<b>1,265</b>	<b>24,408</b>
<b>Total Liabilities</b>		<b>1,265</b>	<b>24,408</b>
<b>Net Assets</b>		<b>2,621,462</b>	<b>1,162,201</b>
<b>Equity</b>			
Gifting		(1,481,087)	(1,481,087)
Accumulated Surplus/(Deficit)		4,102,549	2,643,289
<b>Total Equity</b>		<b>2,621,462</b>	<b>1,162,201</b>

The accompanying notes form part of these financial statements.



# Statement of Changes in Equity

Rod Donald Banks Peninsula Trust  
For the 6 months ended 31 December 2023

	JUL-DEC 2023	JUL-DEC 2022
<b>Trust Capital</b>		
Opening Balance	1,162,201	3,054,056
Comprehensive Revenue/(Deficit) for the Period	1,459,261	(293,522)
<b>Decreases</b>		
Gifting	-	1,497,022
<b>Total Decreases</b>	-	1,497,022
<b>Total Trust Capital</b>	<b>2,621,462</b>	<b>1,263,512</b>

The accompanying notes form part of these financial statements.



## Statement of Cashflows

### Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2023

	JUL-DEC 2023	JUL-DEC 2022
<b>Cashflows for the Period</b>		
<b>Cash Flows from Operating Activities</b>		
Receipts from Customers and Other Sources	1,437,316	166,547
Interest Received	5,020	17,280
Payments to Suppliers and Employees	386,062	(227,695)
Net GST Movements	2,273	10,327
<b>Total Cash Flows from Operating Activities</b>	<b>1,830,671</b>	<b>(33,541)</b>
<b>Cash Flows from Investing Activities</b>		
Payment for Intangibles & Assets	3,546	6,892
Payments for Investments	(1,760,768)	(69,116)
Sale of Assets Held for Sale	-	-
Proceeds from Investments	-	-
<b>Total Cash Flows from Investing Activities</b>	<b>(1,757,222)</b>	<b>(62,224)</b>
<b>Cash Movement</b>		
Net Inflow / (Outflow) of Cash	63,409	(484,072)
Opening Cash and Cash Equivalents	119,812	582,058
<b>Closing Cash and Cash Equivalents</b>	<b>183,221</b>	<b>97,986</b>
<b>Represented by</b>		
Bank Deposits	183,221	97,986

*The Statement of Cashflows is reported on a cash basis.*

*The accompanying notes form part of these financial statements.*



## Notes on the Financial Statements

### Rod Donald Banks Peninsula Trust For the 6 months ended 31 December 2023

#### 1. Statement of Compliance

These are the unaudited interim financial statements of the Rod Donald Banks Peninsula Trust ("the Trust"). The Trust was settled by the Christchurch City Council on 12 July 2010.

The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region.

The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pātaka O Rākaihautū – the storehouse that nourishes. In pursuit of this vision, the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula. On this basis, the Trust is classified as a not-for-profit public benefit entity for financial reporting purposes.

The interim financial statements for the six months ended 31 December 2023 have been prepared in accordance with PBE IAS 34 Interim Financial Reporting and New Zealand generally accepted accounting practice. They comply with the Tier 2 Not-for-profit PBE standards for periods beginning on or after 1 July 2014.

As the Trust has elected to report under Tier 2 PBE standards, it has applied disclosure concessions, where available. The criteria under which the Trust is eligible to report under Tier 2 PBE Standards are as follows:

- the Trust is not publicly accountable; and
- the Trust's total expenses for the period being reported are below the \$30 million threshold for Tier 1.

Where disclosure concessions have been applied by the Trust, these are discussed in the accounting policies affected.

The interim financial statements do not include all the information and disclosures required in the annual financial statements. As such, these should be read in conjunction with the Trust's annual financial statements as at 30 June 2023.

#### 2. Significant Accounting Policies

##### *Changes in accounting policies and disclosures*

There have been no significant changes in accounting policy since 1 July 2017 besides reclassifying the layout of the Statement of Comprehensive Revenue and Expense to align with the Annual report.

##### *Contingencies*

The Trust has no contingent liabilities as at 31 December 2023.

##### *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.

	JUL-DEC 2023	JUL-DEC 2022
<b>3. Cash and Cash Equivalents</b>		
<b>Bank of New Zealand</b>		
00 BNZ Account	3,724	8,045
26 BNZ account - BP Walking Fest	3,355	11,902
23 BNZ Account	94,933	43,646
25 BNZ Account	22,890	13,720
<b>Total Bank of New Zealand</b>	<b>124,902</b>	<b>77,312</b>





Notes on the Financial Statements



	JUL-DEC 2023	JUL-DEC 2022
<b>TSB</b>		
TSB Debit Card Society Cheque account	3,759	9,978
TSB Cheque a/c - Donations	45,637	8,592
TSB Society Cheque a/c - Investment Interest	8,923	2,104
<b>Total TSB</b>	<b>58,319</b>	<b>20,674</b>
<b>Total Cash and Cash Equivalents</b>	<b>183,221</b>	<b>97,986</b>
	JUL-DEC 2023	JUL-DEC 2022
<b>4. Current Investments</b>		
Heartland Term Deposits	757,500	215,000
Kiwibank Term Deposits	800,000	350,000
TSB Term Deposits	517,500	250,000
<b>Total Current Investments</b>	<b>2,075,000</b>	<b>815,000</b>



**Rod Donald Banks Peninsula Trust**  
**Te Pātaka o Rākaihautū**

**Statement of Intent**

**For the year**  
**1 July 2023 - 30 June 2024**  
**FY 2024**

**Item 13**

**Attachment D**

**Rod Donald Banks Peninsula Trust Contact Details**

Registered office Christchurch City Council, 53 Hereford Street, Christchurch  
Postal Address: P.O. Box 5, Little River, Banks Peninsula 7546  
Email: manager@roddonaldtrust.co.nz  
Phone 021 1593100  
Physical Address: c/o Sidekick, Level 3, 50 Victoria Street, Christchurch 8013

**Current Trustees**

Maureen McCloy 7 Victoria Park Road Cashmere Christchurch	Paul McNoe 2 Petworth Place Westmorland Christchurch 8025	Tyrone Fields 119 Somerfield Street Somerfield Christchurch 8024
Jennifer Chowanec 45 Rose Street Somerfield Christchurch 8024	Richard Suggate 16 Whero Avenue Diamond Harbour RD1 Lyttelton 8971	
Bryan Storey 36 Bay View Road Moncks Bay Christchurch 8081	Robert Frame 12 Doris Faigan Lane, Charteris Bay, R.D 1, Lyttelton 8971	

The list of Trustees is current as of 28 February 2023.

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## 1 Introduction

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

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

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

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

## 2 Objectives

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

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

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

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

## 3 Governance statement

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

### 3.1 Guiding Principles

The Trustees' decisions reflect the following values:

- Leading - the RDBPT is a trusted and credible body making unique and courageous decisions and instigating projects
- Linking - the RDBPT focusses on the big picture issues of Banks Peninsula and links people and projects supporting their passion for Banks Peninsula.
- Enhancing - the RDBPT works as an entrusted steward/guardian enhancing the historic work of previous generations
- Enduring - the funds and work of the Trust are to be used to create an enduring legacy for Banks Peninsula.



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

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

### 3.2 Responsibility to the Christchurch City Council

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

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

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

### 3.3 Subsidiary and Monitored Companies

The RDBPT has no investments in other companies.

### 3.4 Financial Results

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

### 3.5 Distributions

RDBPT developed an investment policy in 2012 based on the eventual distribution of its entire capital fund and signalled then that the rate and method of this distribution would depend on the opportunities arising that matched the objectives. The investment policy is available on the Trust's website.

The Trust will update its investment policy to take into account the Council's capital and operational grant funding signalled in the Long Term Plan commencing in FY24.

## 4 Nature and Scope of Activities

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

The RDBPT has crystallised its wide objectives into four strategic pillars; **Access, Biodiversity, Knowledge and Partnership**. These pillars are used as criteria to select and assess projects and underpin day-to-day work, and are set out in its Strategic Plan "**Striding Forward | Hikoi Whakamua 2020-2030**" available on its website.

The Trust held a Strategy Day in February 2023. The decisions at that meeting provide direction to this SOI. The Trust has a 2015 draft Walking and Cycling Strategy designed to more specifically guide its decision making on access projects. This strategy will now to be reviewed and finalised. The CCC Public Open Space

Strategy 2010-2040 provides a guiding framework for the this. The Trust anticipates working closely with the Council regarding the walking and biking framework for Banks Peninsula as the Public Open Space Strategy is reviewed and implemented.

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

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

Over the next three years RDBPT intends to continue carrying out activities of based on its four key pillars:

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

Information on the projects and social enterprises through which the Trust intends to deliver on its four pillars are given in Appendix C.

#### 4.1 Impacts of Covid-19

The Trust benefited from the increase in domestic tourism due to the border closures following Covid-19 with an increase in the use of its Rod Donald Hut. This increase has continued in the period since Covid-19 restrictions ended. However, revenue from the sale of walking publications dropped due to the lack of international visitors, and Covid-19 made running the Banks Peninsula Walking Festival more difficult and less profitable. Revenue from brochure sales and the festival is a small proportion of the Trust's income so the decline in revenue over this period was not material. The distribution and sale of brochures has increased in the period since Covid-19 restrictions ended, and the 2022 Banks Peninsula Walking Festival was run successfully in November, with well supported and sold-out walks, although some walks unfortunately having to be cancelled due to adverse weather.

The Trust considers that its work is even more important in the period since Covid-19 restrictions ended. The lockdown demonstrated the importance and popularity of walking for mental and physical health for the people of Christchurch. Similarly, the opportunities presented on Banks Peninsula, close to the large urban population of Christchurch, benefit people now more often choosing to recreate and explore close to home. The benefits of this proximity and associated low costs of access have been amplified by the increased cost of fuel and travel, and the increased cost of living currently being experienced in New Zealand and worldwide.

The work of the Trust provides more and enhanced opportunities for outdoor recreation on Banks Peninsula within easy distance of the urban city, and provides a drawcard to bring more domestic visitors and international visitors to the area. This is being recognised in work being led by ChristchurchNZ to develop a Destination Management Plan for Banks Peninsula, with natural amenity, the natural environment, outdoor recreation, and proximity to the large urban population of Christchurch and its airport and other transport links being a key focus of discussions to develop the Plan.

## 5 Meeting Council's Enduring Expectations

RDBPT intends to meet the Expectations set out by the Council in the following ways:

## 5.1 Supporting Council strategic directions

### 5.1.1 Community Outcomes and Strategic Framework

The linkages between the Christchurch City Council Community Outcomes and Strategic Framework and the Trust's four pillars were worked through with the Council in 2019 and captured in a "Synergies, Priorities and Gaps" analysis. In summary RDBPT supports the Framework as follows:

**Table 1 Linkages between Council's Strategic Framework and RDBPT projects supporting its four pillars**

Council Framework	Rod Donald Trust project
<b>Strong Communities</b>	<ul style="list-style-type: none"> <li>Running the Banks Peninsula Walking Festival</li> <li>Mapping and promoting all the walks on Banks Peninsula</li> <li>Working with all agencies and landowner that provide walking and cycling to co-ordinate access links</li> <li>Securing long term access on public tracks</li> <li>Providing low costs facilities such as tramping huts</li> <li>Encouraging families and young people to explore and develop skills on Banks Peninsula</li> <li>Valuing the voices of children and young people by encouraging them to experience the outdoors and better understand the environment</li> <li>Strengthening the identity of the area by creating iconic long distance walks including Te Ara Pātaka</li> <li>Encouraging widespread participation and support of indigenous biodiversity conservation, including pest control, through grant funding to partner organisations</li> <li>Participating in a multi-agency group to open more opportunities for biodiversity recovery through carbon income, with a focus on Banks Peninsula as an exemplar</li> </ul>
<b>Liveable City</b>	<ul style="list-style-type: none"> <li>Promoting outdoor recreation opportunities close to the city</li> <li>Creating outdoor recreation opportunities that connect with public transport, where possible</li> <li>Assisting rural centres by developing, improving and promoting walking opportunities from these centres resulting in economic and other benefits</li> <li>Encouraging equitable access by securing public access to tracks and new reserve areas so that the opportunity to enjoy these natural assets is available to all</li> <li>Working to improve waymarking and signage on tracks and trails making it easier for people to use them</li> </ul>
<b>Healthy Environment</b>	<ul style="list-style-type: none"> <li>Protecting water catchment areas through land purchase</li> <li>Supporting purchase of land for biodiversity reserves with full public access, including significant landscape features and a range of indigenous habitats</li> <li>Creating connection for people with landscape and responsibility for natural environment through improved public access combined with biodiversity and promoting knowledge in these areas</li> <li>Demonstrating sustainable use of resources through the Rod Donald Hut experience</li> <li>Promoting low footprint activities on Banks Peninsula for Christchurch residents and visitors</li> <li>Supporting Banks Peninsula Conservation Trust and Pest Free Banks Peninsula enabling more biodiversity to be protected and implementation of the Ecological Vision for Banks Peninsula</li> <li>Supporting Conservation Volunteers NZ Whaka Ora Pest project</li> <li>Encouraging widespread participation in support of indigenous biodiversity by private landowners</li> </ul>

<b>Prosperous economy</b>	<ul style="list-style-type: none"><li>• Providing a marketing tool, its website <a href="http://www.bpwalks.co.nz">www.bpwalks.co.nz</a>, used by organisations such as Christchurch NZ, Akaroa District Promotions and the Lyttelton Harbour Information Centre to attract visitors to the area</li><li>• Providing a range of safe, well documented family friendly and more challenging outdoor recreation on the doorstep of Christchurch, contributing a drawcard for new residents and visitors</li></ul>
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#### 5.1.2 Carbon neutral by 2030

The Trust signals its intention to be carbon neutral by 2030. It already:

- minimises travel through use of on-line meetings
- minimises travel through the use of car sharing
- encourages recreation close to home to help the public to minimise travel
- Educates people about the environment through real-life experiences, particularly at Rod Donald Hut
- Supports sequestration in biodiverse native forest.

In FY2024 the Trust intends to develop a plan with clear targets for reducing carbon in its own operations for implementation from FY2025.

#### 5.1.3 Value for Money

In its first 10 years the Trust has provided good value for money to Council and people of Christchurch, having almost the same equity in June 2021 as it at the end of first year of operation in June 2011 while achieving large gains for public access and biodiversity, promoting knowledge about the Peninsula and leveraging supportive partnerships pooling partner contributions for public benefit. The Trust intends to continue with these projects but notes that it is difficult to quantify the value of things such as enduring public access in financial terms.

#### 5.1.4 Health and Safety

The Trust maintains and regularly reviews its Health and Safety Plan, with updates being made as required. Health and Safety is a standing item on every Trust Board meeting agenda.

The Plan includes a provision to inform the Council of any events notified to Worksafe.

### 5.2 Accountability

The Trust welcomes the opportunity to present annually to the Council and/or the Banks Peninsula Community Board.

The Trust meets its statutory deadlines and will make efforts to report earlier where possible. The Trust publishes its Statement of Intent and Annual Report on its website.

As listed above in Section 5.1.1, the Trust's four pillars link to and support the Council's Strategic Framework, and in turn support the four well-beings in the LGA.

Transparency and no surprise are core governance principals.

All contractors engaged by the Trust are paid at rates above the minimum wage. The Trust has no employees.

### 5.3 Governance

The Trust complies with all relevant acts in running its business.

A 10 year asset plan is not considered necessary for the relatively low value assets owned by the Trust.

The Trust engages skilled locally based contractors wherever possible.

## 5.4 Trustee Appointments

The Trust regularly turns its attention to succession planning.

The Trust aims to appoint as diverse a board as possible, while maintaining a good diversity of skills. The Trust currently reports to Council on the skillset of its Trustees at the time of appointing new Trustees, but does not report on any diversity measures. The Trust will consider skill aspects as well as mana whenua representation, gender and age in making its next set of appointments, expected to be in FY2024. Discussions currently taking place regarding how best to engage mana whenua in governance and governance appointments will inform our approach.

New Trustees undergo an effective induction process.

## 5.5 Engagement and consultation

The Trust has worked with Christchurch Foundation and Lyttelton Port Company on the Te Ahu Pātiki land purchase, and signals its intention to strengthen its relationship with other CCOs in the coming year, including exploring opportunities for assistance or partnership in local carbon offset initiatives through its contribution to the Banks Peninsula Native Forest Climate Change group of partners.

The Trust will notify the Council of any property purchase or disposal while retaining the power to make its own sovereign decisions.

The Trust will seek approval from the Council if it intends to carry out activities outside of the Nature and Scope listed above.

The Trust will inform the Council External Governance manager of any submissions it makes.

The Trust's Risk Policy includes informing the Council of any issues or risks that might impact the Council.

## 5.6 Engagement with mana whenua

The Trust has worked with mana whenua to name the Te Ara Pātaka tramping network, to celebrate the opening of new public facilities and reserves such as Rod Donald Hut and Purple Peak Curry Reserve, and to develop a new shared governance arrangement for Te Ahu Pātiki.

The Trust believes it does apply the principles of Te Tiriti to its everyday practices, but will continue to learn and embrace these principles further, and work with the Council's Principal Advisor Treaty Relations to develop its relationships with mana whenua.

# 6 Performance targets and measures

## 6.1 Non-financial performance targets

This section lists the Trust's non-financial key performance indicators, and the goals from its 10-year Strategic Plan that the Trust intends to progress in the FY24 year.

See table below:

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



## 6.2 Financial performance targets

Financial forecasts are provided for the next three years.

- Capital and operational funding injections from the Christchurch City Council are assumed to take place as allocated in the Council's Long Term Plan. In FY24 this includes a capital grant from the Council of 1.35M, and in FY24, FY25 and FY26 this includes an operating grant from the Council of \$100,000 per annum.
- Operating costs include accountancy, insurance, audit fees, meeting costs, web hosting, strategic planning, minor projects such as advocacy or web development, professional fees not separately budgeted, and the cost of goods and services sold, including the Trust's social enterprises.
- Strategic grants and project expenditure in 2023-24 includes projected funding for Banks Peninsula Conservation Trust and progressing the projects listed in Appendix C.
- The Trustees will report financial results as set out below in the "information to be provided to Council" section.

### 6.2.1 Financial Forecasts

Financial Forecasts			
Rod Donald Banks Peninsula Trust			
Account	Budget 2024	Forecast 2025	Forecast 2026
<b>Income</b>			
Revenue	1,493,800	144,820	144,040
<b>Total Income</b>	<b>1,493,800</b>	<b>144,820</b>	<b>144,040</b>
<b>Other Income</b>			
Interest Income	67,268	64,050	57,158
<b>Total Other Income</b>	<b>67,268</b>	<b>64,050</b>	<b>57,158</b>
<b>Total Revenue</b>	<b>1,561,068</b>	<b>208,870</b>	<b>201,198</b>
<b>Expenses</b>			
Trust Management	114,857	117,564	119,928
Operating Costs	67,612	68,212	69,832
Strategic Grants and Project Expenditure	180,000	180,000	180,000
<b>Total Expenses</b>	<b>362,469</b>	<b>365,776</b>	<b>369,760</b>
<b>Net Profit</b>	<b>1,198,599</b>	<b>(156,906)</b>	<b>(168,562)</b>

6.2.2 Profit and Loss FY 2024

**Profit and Loss**

Rod Donald Banks Peninsula Trust - For the year ended 30 June 2024

Account	Jun-24	May-24	Apr-24	Mar-24	Feb-24	Jan-24	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	FY2024
<b>Income</b>													
Operational Income	0	0	0	0	0	0	0	0	0	0	0	100,000	100,000
Capital Funding	0	0	0	0	0	0	0	0	0	0	1,350,000	0	1,350,000
Banks Peninsula Walking Festival 2023	0	0	0	1,000	1,000	3,000	2,500	0	0	5,000	0	0	12,500
Hut Fee Revenue	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Donations	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Te Ara Pātaka Lease Income	583	583	583	583	583	583	583	583	583	583	583	583	7,000
Walking Products	175	175	175	175	175	175	175	175	175	175	175	175	2,100
<b>Total Income</b>	<b>2,608</b>	<b>2,608</b>	<b>2,608</b>	<b>3,608</b>	<b>3,608</b>	<b>5,608</b>	<b>5,108</b>	<b>2,608</b>	<b>2,608</b>	<b>7,608</b>	<b>1,352,608</b>	<b>102,608</b>	<b>1,493,800</b>
<b>Other Income</b>													
Interest Income	5,648	5,697	5,746	5,795	5,844	5,893	5,942	5,991	6,040	6,089	6,139	2,444	67,268
<b>Total Other Income</b>	<b>5,648</b>	<b>5,697</b>	<b>5,746</b>	<b>5,795</b>	<b>5,844</b>	<b>5,893</b>	<b>5,942</b>	<b>5,991</b>	<b>6,040</b>	<b>6,089</b>	<b>6,139</b>	<b>2,444</b>	<b>67,268</b>
<b>Total Revenue</b>	<b>8,256</b>	<b>8,305</b>	<b>8,354</b>	<b>9,403</b>	<b>9,452</b>	<b>11,501</b>	<b>11,050</b>	<b>8,599</b>	<b>8,648</b>	<b>13,697</b>	<b>1,358,747</b>	<b>105,052</b>	<b>1,561,068</b>
<b>Expenses</b>													
<b>Trust Management</b>													
Trust Management Operational Contract	7,086	7,086	7,086	7,086	7,086	7,086	7,086	7,086	7,086	6,948	6,948	6,947	84,617
Trust Administrator Contract	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	2,520	30,240
<b>Total Trust Management</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,606</b>	<b>9,468</b>	<b>9,468</b>	<b>9,467</b>	<b>114,857</b>
<b>Operating Costs</b>													
Administration Costs	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,440
Banks Peninsula Walking Festival	0	0	0	2,500	3,000	2,500	2,000	1,000	1,000	0	0	0	12,000
Hut Operating & Maintenance Costs	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Minor Administrative Projects	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Walking Product Minor Update & Production	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Website Hosting and Minor Updates	190	190	190	190	190	190	190	190	190	190	190	190	2,280

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Depreciation	574	574	574	574	574	574	574	574	574	574	574	574	6,892
<b>Total Operating Costs</b>	<b>4,634</b>	<b>4,634</b>	<b>4,634</b>	<b>7,134</b>	<b>7,634</b>	<b>7,134</b>	<b>6,634</b>	<b>5,634</b>	<b>5,634</b>	<b>4,634</b>	<b>4,634</b>	<b>4,634</b>	<b>67,612</b>
<b>Strategic Grants &amp; Project Expenditure</b>													
Grants (Commitment to Partners)	6,667	6,667	6,666	6,667	6,667	6,666	6,667	6,667	6,666	6,667	6,667	6,666	80,000
Project Expenditure	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
<b>Total Strategic Grants &amp; Project Expenditure</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>180,000</b>
<b>Total Expenses</b>	<b>29,241</b>	<b>29,241</b>	<b>29,240</b>	<b>31,741</b>	<b>32,241</b>	<b>31,740</b>	<b>31,241</b>	<b>30,241</b>	<b>30,240</b>	<b>29,103</b>	<b>29,103</b>	<b>29,101</b>	<b>362,469</b>
<b>Net Profit</b>	<b>(20,984)</b>	<b>(20,935)</b>	<b>(20,885)</b>	<b>(22,337)</b>	<b>(22,788)</b>	<b>(20,238)</b>	<b>(20,190)</b>	<b>(21,641)</b>	<b>(21,591)</b>	<b>(15,405)</b>	<b>1,329,645</b>	<b>75,952</b>	<b>1,198,599</b>

6.2.3 Profit and Loss FY 2025

**Profit and Loss**

Rod Donald Banks Peninsula Trust - For the year ended 30 June 2025

Account	Jun-25	May-25	Apr-25	Mar-25	Feb-25	Jan-25	Dec-24	Nov-24	Oct-24	Sep-24	Aug24	Jul-24	FY2025
<b>Income</b>													
Operational Income	0	0	0	0	0	0	0	0	0	0	0	100,000	100,000
Banks Peninsula Walking Festival 2024	0	0	0	1,000	1,000	3,000	2,500	0	0	5,000	0	0	12,500
Hut Fee Revenue	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Donations	175	175	175	175	175	175	175	175	175	175	175	175	2,100
Te Ara Pātaka Lease Income	583	583	583	583	583	583	583	583	583	583	583	583	7,000
Walking Products	185	185	185	185	185	185	185	185	185	185	185	185	2,220
<b>Total Income</b>	<b>2,693</b>	<b>2,693</b>	<b>2,693</b>	<b>3,693</b>	<b>3,693</b>	<b>5,693</b>	<b>5,193</b>	<b>2,693</b>	<b>2,693</b>	<b>7,693</b>	<b>2,693</b>	<b>102,693</b>	<b>144,820</b>
<b>Other Income</b>													
Interest Income	5,074	5,122	5,170	5,218	5,266	5,314	5,361	5,409	5,457	5,505	5,553	5,601	64,050
<b>Total Other Income</b>	<b>5,074</b>	<b>5,122</b>	<b>5,170</b>	<b>5,218</b>	<b>5,266</b>	<b>5,314</b>	<b>5,361</b>	<b>5,409</b>	<b>5,457</b>	<b>5,505</b>	<b>5,553</b>	<b>5,601</b>	<b>64,050</b>
<b>Total Revenue</b>	<b>7,767</b>	<b>7,815</b>	<b>7,863</b>	<b>8,911</b>	<b>8,959</b>	<b>11,007</b>	<b>10,554</b>	<b>8,102</b>	<b>8,150</b>	<b>13,198</b>	<b>8,246</b>	<b>108,294</b>	<b>208,870</b>
<b>Expenses</b>													
<b>Trust Management</b>													
Trust Management Operational Contract	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	7,227	86,724
Trust Administrator Contract	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	2,570	30,840
<b>Total Trust Management</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>9,797</b>	<b>117,564</b>
<b>Operating Costs</b>													
Administration Costs	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,440
Banks Peninsula Walking Festival	0	0	500	2,500	3,000	2,500	1,500	2,000	0	0	0	0	12,000
Hut Operating & Maintenance Costs	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Minor Administrative Projects	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Walking Product Minor Update & Production	550	550	550	550	550	550	550	550	550	550	550	550	6,600
Website Hosting and Minor Updates	190	190	190	190	190	190	190	190	190	190	190	190	2,280
Depreciation	574	574	574	574	574	574	574	574	574	574	574	574	6,892

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<b>Total Operating Costs</b>	<b>4,684</b>	<b>4,684</b>	<b>5,184</b>	<b>7,184</b>	<b>7,684</b>	<b>7,184</b>	<b>6,184</b>	<b>6,684</b>	<b>4,684</b>	<b>4,684</b>	<b>4,684</b>	<b>4,684</b>	<b>68,212</b>
<b>Strategic Grants &amp; Project Expenditure</b>													
Grants (Commitment to Partners)	6,666	6,667	6,667	6,666	6,667	6,667	6,666	6,667	6,667	6,666	6,667	6,667	80,000
Project Expenditure	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
<b>Total Strategic Grants &amp; Project Expenditure</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>180,000</b>
<b>Total Expenses</b>	<b>29,481</b>	<b>29,482</b>	<b>29,982</b>	<b>31,981</b>	<b>32,482</b>	<b>31,982</b>	<b>30,981</b>	<b>31,482</b>	<b>29,482</b>	<b>29,481</b>	<b>29,482</b>	<b>29,482</b>	<b>365,776</b>
<b>Net Profit</b>	<b>(21,713)</b>	<b>(21,666)</b>	<b>(22,118)</b>	<b>(23,069)</b>	<b>(23,522)</b>	<b>(20,974)</b>	<b>(20,426)</b>	<b>(23,379)</b>	<b>(21,331)</b>	<b>(16,282)</b>	<b>(21,235)</b>	<b>78,813</b>	<b>(156,906)</b>

6.2.4 Profit and Loss FY 2026

**Profit and Loss**

Rod Donald Banks Peninsula Trust - For the year ended 30 June 2026

Account	Jun-26	May-26	Apr-26	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Sep-25	Aug-25	Jul-25	FY2026
<b>Income</b>													
Operational Income	0	0	0	0	0	0	0	0	0	0	0	100,000	100,000
Banks Peninsula Walking Festival 2025	0	0	0	500	1,000	500	2,500	3,000	0	5,000	0	0	12,500
Hut Fee Revenue	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	21,000
Donations	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Te Ara Pātaka Lease Income	583	583	583	583	583	583	583	583	583	583	583	583	7,000
Walking Products	195	195	195	195	195	195	195	195	195	195	195	195	2,340
<b>Total Income</b>	<b>2,628</b>	<b>2,628</b>	<b>2,628</b>	<b>3,128</b>	<b>3,628</b>	<b>3,128</b>	<b>5,128</b>	<b>5,628</b>	<b>2,628</b>	<b>7,628</b>	<b>2,628</b>	<b>102,628</b>	<b>144,040</b>
<b>Other Income</b>													
Interest Income	4,500	4,548	4,596	4,644	4,691	4,739	4,787	4,835	4,883	4,931	4,978	5,026	57,158
<b>Total Other Income</b>	<b>4,500</b>	<b>4,548</b>	<b>4,596</b>	<b>4,644</b>	<b>4,691</b>	<b>4,739</b>	<b>4,787</b>	<b>4,835</b>	<b>4,883</b>	<b>4,931</b>	<b>4,978</b>	<b>5,026</b>	<b>57,158</b>
<b>Total Revenue</b>	<b>7,128</b>	<b>7,176</b>	<b>7,224</b>	<b>7,772</b>	<b>8,319</b>	<b>7,867</b>	<b>9,915</b>	<b>10,463</b>	<b>7,511</b>	<b>12,559</b>	<b>7,606</b>	<b>107,654</b>	<b>201,198</b>
<b>Expenses</b>													
<b>Trust Management</b>													
Trust Management Operational Contract	7,372	7,372	7,372	7,372	7,372	7,372	7,372	7,372	7,372	7,372	7,372	7,372	88,464
Trust Administrator Contract	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	2,622	31,464
<b>Total Trust Management</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>9,994</b>	<b>119,928</b>
<b>Operating Costs</b>													
Administration Costs	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	16,560
Banks Peninsula Walking Festival	0	0	1,000	3,000	3,000	2,000	1,000	2,000	0	0	0	0	12,000
Hut Operating & Maintenance Costs	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	22,200
Minor Administrative Projects	275	275	275	275	275	275	275	275	275	275	275	275	3,300
Walking Product Minor Update & Production Costs	550	550	550	550	550	550	550	550	550	550	550	550	6,600

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Website Hosting and Minor Updates	190	190	190	190	190	190	190	190	190	190	190	190	2,280
Depreciation	574	574	574	574	574	574	574	574	574	574	574	574	6,892
<b>Total Operating Costs</b>	<b>4,819</b>	<b>4,819</b>	<b>5,819</b>	<b>7,819</b>	<b>7,819</b>	<b>6,819</b>	<b>5,819</b>	<b>6,819</b>	<b>4,819</b>	<b>4,819</b>	<b>4,819</b>	<b>4,819</b>	<b>69,832</b>
<b>Strategic Grants &amp; Project Expenditure</b>													
Grants (Commitment to Partners)	6,667	6,667	6,666	6,667	6,667	6,666	6,667	6,667	6,666	6,667	6,667	6,666	80,000
Project Expenditure	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	100,000
<b>Total Strategic Grants &amp; Project Expenditure</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>15,000</b>	<b>15,000</b>	<b>14,999</b>	<b>180,000</b>
<b>Total Expenses</b>	<b>29,814</b>	<b>29,814</b>	<b>30,813</b>	<b>32,814</b>	<b>32,814</b>	<b>31,813</b>	<b>30,814</b>	<b>31,814</b>	<b>29,813</b>	<b>29,814</b>	<b>29,814</b>	<b>29,813</b>	<b>369,760</b>
<b>Net Profit</b>	<b>(22,685)</b>	<b>(22,637)</b>	<b>(23,588)</b>	<b>(25,041)</b>	<b>(24,494)</b>	<b>(23,945)</b>	<b>(20,898)</b>	<b>(21,350)</b>	<b>(22,301)</b>	<b>(17,254)</b>	<b>(22,207)</b>	<b>77,842</b>	<b>(168,562)</b>

## **7 General matters**

### **7.1 Information to be provided to the Christchurch City Council**

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

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

The RDBPT has an Information and Records Management Strategy meeting its obligations under the Public Records Act 2005.

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

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

### **7.2 Accounting policies**

The current accounting policies are consistent with NZ accounting standards and can be found in detail in the Trust's last annual report on its website.

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

### **7.3 Acquisition of shares in any company**

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

### **7.4 Ratio of consolidated Trust funds to total assets**

RDBPT's funds are equal its total assets.

### **7.5 Estimate of distributions of accumulated profits and capital reserves**

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

### **7.6 Commercial value of the investment**

The commercial value of the investment is equal to the net assets of the RDBPT. The current cash asset of the RDBPT (as of December 2022) is approximately \$946,634 including cash and investments. The value of its equity including property and intangible assets is \$1,276,098 (at December 2022). The commercial value will be reviewed on a 6-monthly basis when the financial reports for the RDBPT are prepared.

### **7.7 Activities for which compensation is sought from any local authority**

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

## Appendix A Trust objectives

The RDBPT is a Trust for charitable purposes.

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

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

The objectives of the RDBPT are:

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

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

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

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

## Appendix B Trust's area of interest

The map below shows the area formerly administered by Banks Peninsula District Council. The Trust's deed directs that its funds are to be used to achieve objectives within this area. Opportunities to potentially expand this area of interest to include the whole Banks Peninsula geological landform were discussed recently by Trustees and are intended to be further explored with Christchurch City Council in the first instance, including discussions regarding the benefits of this and what steps would be required for this to be achieved.



## Appendix C Project detail

The following are projects which are either in progress and will continue into FY2024 and beyond, or new projects to be implemented in FY2024.

### C.1 Te Ahu Pātiki Conservation Park

The Te Ahu Pātiki Conservation Park came about as the result of a land acquisition and fundraising campaign undertaken by the Trust. On 1<sup>st</sup> July 2021 this resulted in the Trust becoming the owner of approximately 500ha of land, including the summits of Mt Herbert and Mt Bradley, the two highest summits in the Christchurch City territorial area. This has allowed for the creation of a public conservation park protecting biodiversity and with full public access.

During 2021-22 the Trust achieved protection of the land in perpetuity and its native biodiversity by way of a QEII conservation covenant and secured non-motorised public access on all tracks on the land by way of an easement with the Walking Access Commission, both registered on the land title. The Trust formed a close partnership with Te Hapū o Ngāti Wheke, who hold mana whenua over the area and the neighbouring property Orton Bradley Park. The partnership set up a new Te Ahu Pātiki Charitable Trust to own, govern and manage the land. The land, and all remaining donations and grants, were transferred to this new Trust in September 2022.

The Rod Donald Trust may continue to be involved by way supporting particular projects on the property at the request of the Te Ahu Pātiki Trust, and with its work to support the Te Ara Pātaka walkway which passes through Te Ahu Pātiki. It is intended that an agreement will be signed between the four parties involved in Te Ara Pātaka – the Christchurch City Council, the Department of Conservation, the new Te Ahu Pātiki Trust, and the Rod Donald Trust. The Rod Donald Trust appoints two members to the Te Ahu Pātiki Trust Board.

### C.2 Te Ara Pātaka (Summit Walkway)

This is a multi-day tramp connecting Lyttelton and Akaroa craters via the summit ridgelines of Banks Peninsula, with a network of tracks linking to valleys below. The tramp was formally opened in 2016 and is proving popular, including with many families and youth groups from Christchurch. Overnight accommodation is provided at the Rod Donald Hut and the Sign of the Packhorse Hut.

Ongoing work includes securing an easement from the new Te Ahu Pātiki park to the Sign of the Packhorse Hut across neighbouring land as well as the maintenance of tracks not covered by DOC or the Council. A new track from Orton Bradley Park to the Mount Herbert Saddle has created improved year-round access from Orton Bradley Park. Standardisation, minimisation or the removal of seasonal closures for lambing is a high priority, and track improvements and signage improvements will be areas of particular focus.

The Trust seeks to extend Te Ara Pātaka to Akaroa. Options to do so will be the subject of reporting and consideration by the Trust. One option is to extend the track to Wainui with a water taxi to Akaroa and/or around the Southern Bays. Other routes on the Akaroa side of the Harbour are also being considered, and decisions on the preferred route will be made in FY2024. Connections to Little River and synergies with the High Bare project are to be explored, including the use of unformed legal road to link Te Ara Pātaka to High Bare when public access across the High Bare land and on to Little River has been secured.

The Trust has recently agreed a new Memorandum of Understanding with the Department of Conservation regarding Te Ara Pātaka, and a new four way agreement is being developed to document the complexities of a network of tracks which crosses multiple land ownerships which is jointly marketed by DOC and the Trust.



### C.3 Managing and maintaining existing assets

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

#### C.3.1 Rod Donald Hut

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

Major maintenance on the Hut is carried out on an annual basis. In FY24 this will include maintenance of water systems, toilet facilities and work to improve the interior and deck of the Hut. Consideration will also be given in FY24 to whether accommodation provision could be extended to provide a small number of tent camping sites for walkers, and whether a short nature walk suitable for families could be created allowing passive education of Banks Peninsula biodiversity.

#### C.3.2 Walking information products

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

Work over the three-year timeframe may include a new brochure for Wairewa, particularly if the High Bare project and associated linkages to Te Ara Pātaka are successfully developed.

#### C.3.3 Banks Peninsula Walking Festival

The Banks Peninsula Walking Festival is a community collaboration led by the Trust and Little River/Wairewa Community Trust. It has been run annually in November since 2013 and built up a strong reputation and following. The Festival aims to cover its costs through grants and ticket sales. Grant funding has been provided by the Christchurch City Council and Selwyn District Council. The main cost is the Festival Co-ordinator, a position contracted through the Trust. The Trust has recently committed to running the Festival for a further three years, this longer timeframe allowing for better planning, and greater certainty of resources.

### C.4 Supporting Head to Head walkway in in Whakaraupō Lyttelton Harbour

The Trust participates in the Head to Head Working Party, a sub-committee of the Banks Peninsula Community Board. The Trust's primary role is finding access routes to connect existing Head to Head walkway sections where there is currently no public access available, subject to the agreement of the Working Party in which it participates. It does not anticipate purchasing land to facilitate the Head to Head walkway, but may negotiate easements or make use of formed and unformed legal roads. The Trust is currently working towards being able to progress an easement across Living Springs, and has investigated other opportunities on the south side of Lyttelton Harbour which could be pursued. The Trust will look to formalise its relationship around the Head to Head walkway with an MOU or other appropriate agreement with Council. The Trust has made an offer of partnership in this area to the Banks Peninsula Community Board, and intends to play a full role in the Head to Head Working Party subject to appropriate partnership arrangements being agreed.

### C.5 Supporting Banks Peninsula Ecological Vision

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

The Trust has an ongoing grant commitment to the Banks Peninsula Conservation Trust running through to March 2024 to support its Volunteer and Habitat Protection programmes, in support of the Ecological Vision.

#### **C.5.1 Banks Peninsula Pest Free 2050**

The Trust along with Department of Conservation, Banks Peninsula Conservation Trust, Christchurch City Council and others have signed the Banks Peninsula Pest-Free Memorandum of Understanding, incorporating the government's NZ Predator Free programme. The Trust has supported this initiative to date with grants for the now near-complete feral goat eradication programme, a grant enabling trialling of a new feral pig eradication methodology, and an interim Pest Free co-ordinator position managed by Banks Peninsula Conservation Trust, but further funding has not been allocated or forecast. The Trust will keep a watching brief on progress and will consider allocation of funding and funding mechanisms to support future initiatives to control pests on Banks Peninsula, including control and eradication of feral pigs, feral deer and feral goats.

#### **C.6 Building knowledge of carbon sequestration income to support native biodiversity**

The Trust is involved in the Banks Peninsula Native Forest Climate Change Group, an informal group of representatives of various organisations developing knowledge about carbon sequestration using native biodiversity. A particular consideration is how income derived via the ETS system may be used to assist with leveraging more native regeneration across Banks Peninsula along with supporting Banks Peninsula Conservation Trust and landowners involved with conservation activities. Members of this collaborative group include representatives from DOC, CCC, ECAN, QEII National Trust, BPCT, Manaaki Whenua/Landcare Research, Federated Farmers, Hinewai Reserve, Lucas and Associates landscape planners, Carbon Crop and High Bare Peak Ltd.

#### **C.7 Developing new walking/biking opportunities around Little River**

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

##### **C.7.1 High Bare**

This large block of land near Little River has been acquired by a group of owners who have formed a Company, High Bare Peak Limited - a privately held company which was created to acquire and restore the land. The land will be managed in a way that allows it to regenerate naturally with native bush and the intention is to covenant the land, or parts of it, for protection under the QEII Trust. The invasive species on this land, the public conservation land beside the Little River Rail Trail, and another adjacent large block of land bordering Lake Forsyth (also planned for covenanting under QEII) are being managed under one overarching conservation project. This project will not actively plant native species, as there are local seed sources nearby. Continually removing the invasive species creates space for the native plants to grow into, and the less noxious exotic species may be left temporarily as nursery plants.

The owners of the land have approached the Trust regarding creation of public access, recognising that this is a particular strength of the Trust and an opportunity to work in partnership. There have been a number of site visits, most recently in December 2022 when some Trustees and the Trust Manager explored the land including walking to the High Bare summit. Access opportunities include the opportunity for off-road access from the Little River township to the Little River Hotel, access from Morrisons Road, Council Hill Road and SH75, a short walk parallel with the highway, a shorter family-friendly loop track, a longer loop track not including the peak, a loop walk including the peak, and access opportunities to link with Te Ara Pātaka along the ridgeline from the High Bare summit using unformed legal road.

The owners of the High Bare Peak land are keen to pursue opportunities for public access, potential for camping or hut accommodation, and the creation of public access over parts of the land. They are clear in their intention to partner with the Trust in doing so. The opportunity to link with Te Ara Pātaka allows for

side tracks to and from Little River to be created as part of a wider network, and could potentially link Little River with Lyttelton and Akaroa as Te Ara Pātaka is further developed and completed.

It is the Trusts' intention to pursue this access and biodiversity project as a high priority in FY2024.

#### **C.7.2 Little River Rail Trail**

The Little River Rail Trail links the City's Major Cycle Routes with Little River across land administered by the Christchurch City Council, the Selwyn District Council, the Department of Conservation, and Environment Canterbury. These agencies also maintain and upgrade the Rail Trail as necessary. The Rod Donald Trust (RDT) has been approached by the Trustees of the Little River Rail Trail Trust (LRRTT) with a view to the LRRTT being formally wound up, and the assets and responsibilities of the LRRTT being transferred to the RDT. The RDT has agreed in principle to do so, subject to certain conditions. The transfer of the promotional and coordinating responsibilities associated with the Little River Rail Trail to the RDT, with appropriate agreements put in place with the landowning agencies, would allow for the current arrangements to continue under the administration of RDT. The Little River Rail Trail is an important recreational access route from the City to Banks Peninsula, and links with other recreational opportunities being considered in the Little River area. Decisions regarding the future geographical scope of the Trust's responsibilities, may influence the role the Trust takes with respect to the Rail Trail.

It is the Trust's intention to finalise matters relating to the transfer of the Little River Rail Trail in FY2024.

#### **C.8 Partnering with the Summit Road Society**

The Summit Road Society is developing the John Jameson lookout as a viewpoint and highly accessible entranceway to its Ōhinetahi Reserve and network of associated tracks. The Trust intends to support this project through track improvements when the Summit Road Society is ready, and has acted as agent in procuring funding to do so.

#### **C.9 Building stronger relationships with Council and others**

The Trust sees the need for an ongoing entity to advocate for Banks Peninsula tracks and trails, support agencies, develop an associated volunteer network, and to ensure that Banks Peninsula's role as a walking and biking destination for residents and visitors grows with high quality and well-maintained tracks, and enhanced biodiversity and is seeking ongoing funding from the Council so that it can continue to fulfil this role.

The Trust is working to build a stronger relationship with the Council through shared projects, including:

- working with Council staff to improve the signage, waymarking and maintenance of peri-urban tracks around Akaroa, Diamond Harbour and the Lyttelton settlements to match the Trust's popular brochure series.
- working with Strategic Planning staff to improve walking linkage planning through the Council's current Public Open Space and Biodiversity strategies, and making use of some unformed legal roads where appropriate.
- Working with ChristchurchNZ as it develops the Banks Peninsula Destination Management Plan.

The Trust has formalised its relationship with Department of Conservation through a shared MOU, and this is a living document that is added to as new projects develop. It has also developed an MOU with the Te Pātaka o Rākaihautū/Banks Peninsula GeoPark Trust and with Stuff Limited.

The Trust has recently acted as agent in procuring funding for the Geopark Trust to install interpretation signage in Governors Bay, and will work with the Geopark Trust when it is ready to do so.

# Te Kaha Project Delivery Limited

Unaudited half year report to 31 December 2023

Item 13

Attachment E

<b>Registered Office</b>	53 Hereford Street Christchurch
<b>Directors</b>	Barry Bragg Richard Peebles Stephen Reindler Gill Cox Jane Huria
<b>Chief Executive</b>	David Kennedy
<b>Bankers</b>	Bank of New Zealand
<b>Auditors</b>	Audit New Zealand on behalf of the Auditor General Christchurch

## Te Kaha Project Delivery Limited

Statement of Comprehensive Revenue and Expenses  
For the six months ended 31 December 2023

	Notes	Actual Dec-23	Actual Dec-22
<b>Revenue</b>			
Grants - Governance & Early Works		318,991	151,481
<b>Total revenue</b>		<b>318,991</b>	<b>151,481</b>
<b>Expenses</b>			
Consultants Fees		10,767	20,871
Audit fee		-	2,844
Insurance		10,500	-
Corporate Subscriptions		-	185
Catering		371	-
Staff Travel		7,122	617
Promotions		17	17
Freight And Courier Costs, Transport		-	45
Service Contracts (Director Fees)	5(b)	115,027	126,902
Sundry expenses		188	-
Service Contracts (Chief Executive)		175,000	-
<b>Governance total expenses</b>		<b>318,991</b>	<b>151,481</b>
Surplus / (deficit) before tax		-	-
Tax expenses		-	-
Surplus / (deficit) after tax		-	-
<b>Total comprehensive revenue and expense</b>		<b>-</b>	<b>-</b>

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

## Te Kaha Project Delivery Limited

Statement of Movement in Equity  
For the period ended 31 December 2023

	Notes	Actual Dec-23	Actual Dec-22
Opening equity 1 July 2022		-	(2)
Accumulated Profit/(Losses)		-	2
Closing equity 30 June 2023		<u>(0)</u>	<u>(0)</u>
Share capital		-	-
Accumulated Profit/ (Losses)		-	-
Closing equity 31 December 2023		<u><u>(0)</u></u>	<u><u>(0)</u></u>

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





## Te Kaha Project Delivery Limited

### Statement of Financial Position

As at 31 December 2023

	Notes	Actual 31-Dec-23	Actual 31-Dec-22
<b><u>Current assets</u></b>			
Bank		-	-
Receivables		-	154,449
Total current assets		-	154,449
<b>Total assets</b>		<b>-</b>	<b>154,449</b>
<b><u>Current Liabilities</u></b>			
Payables		-	154,449
Total current Liabilities		-	154,449
<b>Total liabilities</b>		<b>-</b>	<b>154,449</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b><u>Equity</u></b>			
Share capital		-	-
Accumulated losses		(0)	(0)
<b>Total equity</b>		<b>-</b>	<b>-</b>

  
Director  
23 February 2023

  
Director  
26 February 2023

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

## Te Kaha Project Delivery Limited

### Statement of Cash flows

For the period ended 31 December 2023

	Notes	Actual 31-Dec-23	Actual 31-Dec-22
<b><u>Cash flows from operating</u></b>			
Receipts from grants		473,440	69,974
Payments to suppliers		(473,440)	(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.

## Te Kaha Project Delivery Limited

### Statement of Service Performance

For the Six months ended 31 December 2023

#### Performance Measures/Targets

Objective and Strategy	Performance Measure 2023/24	Performance December 23
Reporting to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	Ongoing.
Project Execution Plan (PEP) developed, and alignment maintained	The PEP is executed for the D&C Phase and compliance with PEP maintained.	PEP completed and approved by Te Kaha Board.
Procurement and Contract Management	100% compliance with relevant legislation, the Council procurement policies, and codes of practice.	Compliance maintained.
Management of Project Programme	D&C - report against programme 85% probability position.	Programme reporting included in monthly Board papers.
Provision of information to support the Council's Formal Assurance (CFA) points	Aligned with CFA points.	CFA reporting undertaken as required.
Stage Gate reviews completed	D&C Recommendation Stage Gate review completed	Reviews completed as required.
Te Kaha is delivered on or below budget	Proactively govern the project delivery to minimise the use of the project contingencies and to stay within the approved total project budget.	Project budget reporting and monitoring included in monthly Board papers.
Capital expenditure decisions optimise capital budget and long-term whole-of-life costs (i.e. being the measure of resilience). Operational costs and other matters duly considered	Consult with Venues Ōtautahi to ensure the Capital and whole-of-life costs are optimised. Operational implications considered.	Ongoing consultation with Venues Ōtautahi and Council's Facilities and Asset Planning Team.
Support any efforts by Council or VŌ to identify opportunities for third party contributions, including other funding partners and sponsors	Third party funding opportunities supported.	Support provided as required.

Objective and Strategy	Performance Measure 2023/24	Performance December 23
Critical environmental hazards are managed effectively	Assurance programme of BESIX Watpac that critical environmental controls are effective.	Monthly and quarterly sustainability reporting from BESIX Watpac including measurement against specific targets.
Clear sustainability standards developed for the project D&C phase.	Approve the BESIX Watpac Sustainability Performance Plan at the end of detailed design. Report against agreed project sustainability outcomes.	Awaiting final Draft Plan.
Health, safety and wellness Charter and Assurance Programme is implemented to ensure all involved directly or indirectly with the project are kept safe and well	Monitor BESIX Watpac performance. Te Kaha Project Delivery Limited Assurance Programme is executed.	Assurance programme and monitoring ongoing.
Critical Safety hazards are managed effectively.	For all work, the programme of BESIX Watpac critical risk inspections carried out on schedule and report that the critical controls are in place and are effective. Te Kaha Project Delivery Limited assurance inspections are carried out. CCC Health and Safety Team undertake regular audits and report to the Board.	BESIX Watpac report monthly to the Project Group and the Board. CCC provide regular Health and Safety audits.
Baseline lag indicators are monitored to ensure safety for all	No serious harm incidents during the D&C phase.	Proactive reviews of BESIX Watpac's Health and Safety process undertaken by Project Team and CCC Health & Safety Team.
	TRIFR less than 10.0 per 1,000,000 hours worked on the project.	Lead and Lag indicators reported on monthly. Targets have been met. TRIFR - Whole of Project to date: 4.21/YTD to end of Dec 2023: 4.90.
Wellbeing hazards are managed effectively	BESIX Watpac has a series of Wellbeing initiatives which they report on monthly.	Regular inspections completed.

Objective and Strategy	Performance Measure 2023/24	Performance December 23
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.	Reporting obligations met.
Te Kaha Neighbours	Meet quarterly with the neighbour community group to consult on the project effects	Neighbourhood community meetings held quarterly, in the Transitional Cathedral.
Community	Regular updates provided, within agreed timeframes, to all significant stakeholders in the project.	Newsletters, website updates and community meetings provided in a proactive and timely manner.
Cultural connection	Support Venues Ōtautahi work to build connection with name through implementation of communications and community engagement strategy.	Ongoing, including consultation with mana whenua.
Project managed to budget, time and quality	Council approval of recommended D&C contract. Project managed to budget, time and quality.	Programme and budget managed by Project Team, and reported on monthly to the Board.
Christchurch City Council and Venues Ōtautahi signs off on the design as being fit for operator’s purpose	Venues Ōtautahi maintains oversight throughout D&C phase to ensure alignment.	Venues Ōtautahi provided with all relevant information.
Te Kaha reflects the cultural narrative of our city	Engage with Ngāi Tūāhuriri to ensure cultural narrative incorporated into design.	Ngai Tuahuriri engaged to provide Cultural Narrative for Te Kaha and Te Kaharoa.
Project risk register is up to date and risks are actively managed (including financial, delivery and reputational risks)	Risks are proactively managed to meet project budget, optimise whole of life costs, deliver on time and deliver the detailed design specification..	Monthly Risk Workshops held by Project Team and Register updated and reported to the Board.
Where commercially viable local procurement of services and products	D&C phase services and products procured locally.	BESIX Watpac actively sourcing local services and products, and report regularly.

### Financial Information

SOI	Actual Six Month to 31 December 2023	SOI Budget Six Month to 31 December 2023	Variance	Budget FY 2024
FY2023/24 Operating Cost	318,991	183,585	135,406	367,170

Actual operating costs is higher than budget for the six months ended 31 December 2023. This is largely due to the actual costs included the Chief Executive officer's fees (half-year \$175,000), then removing these fees from the actual costs would likely result in the actual costs being lower than the SOI budget.

Chief Executive officer fees were not accounted for in the SOI Governance budget, but rather in the budget for the SOI Project.

This disclosure was advised by Audit New Zealand in financial year 2023.

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.

## Te Kaha Project Delivery Limited

### 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 2023.

#### 3 Commitments for expenditure

There were no commitments for expenditure that were not otherwise accrued at 31 December 2023.

#### 4 Contingent liabilities and contingent assets

There were no contingent assets or contingent liabilities as at 31 December 2023.



## 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.

## 5 Related-party transactions

### (b) Key Management Personnel

Key management personnel includes the Directors and the Chief Executive Officer.

The Company paid Directors fees of \$115,000 in the six months to 31 December 2023 (2022: \$126,902), the variance due to timing of expenditure.

	Actual Six Months to 31 December 2023	Actual Six Months to 31 December 2022
Director fees		
Bragg, Barry Mr	35,000	39,375
Peebles, Richard Mr	20,000	18,667
Reindler, Steven Mr	20,000	22,500
Cox, Wynton Gill	20,000	22,500
Huria, Jane Christine	20,000	23,861
<b>Total fees paid to directors</b>	<b>115,000</b>	<b>126,902</b>

	Actual Six Months to 31 December 2023	Actual Six Months to 31 December 2022
Chief Executive fees		
David Kennedy (Chief Executive Officer)	175,000	-
<b>Total fees paid to CE</b>	<b>175,000</b>	<b>-</b>

and disclosed a payment of \$175,000 to Chief Executive Officer during the six months to 31 December 2023. This disclosure was advised by Audit New Zealand in the financial year 2023.



## 14. Resolution to Exclude the Public

*Section 48, Local Government Official Information and Meetings Act 1987.*

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

### Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE REVIEWED FOR POTENTIAL RELEASE
15.	PUBLIC EXCLUDED FINANCE AND PERFORMANCE COMMITTEE MINUTES - 28 FEBRUARY 2024			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
16.	VISIBILITY OF CAPITAL PROJECT BUDGET CHANGES: FEBRUARY 2024	S7(2)(H)	COMMERCIAL ACTIVITIES	A QUARTERLY SUMMARY OF CHANGE REQUESTS IS PROVIDED THIS MONTH IN AN ACCOMPANYING PUBLIC EXCLUDED REPORT AS IT CONTAINS INFORMATION ON SPECIFIC PROJECTS BEING TENDERED IN THE OPEN MARKET AND ACCORDINGLY IT MAY PUT COUNCIL IN A DISADVANTAGED POSITION.	THIS REPORT CAN BE RELEASED TO THE PUBLIC ONCE ALL COMMERCIAL NEGOTIATIONS AND CONTRACTS HAVE BEEN CONCLUDED, AND SUBJECT TO THE APPROVAL OF THE HEAD OF PROCUREMENT AND CONTRACTS
17.	CENTRAL PLAINS WATER TRUST - APPOINTMENT / RE-APPOINTMENT OF TRUSTEES	S7(2)(A)	PROTECTION OF PRIVACY OF NATURAL PERSONS	TO PROTECT THE REPUTATIONS OF THE CANDIDATES.	AS SOON AS THE DECISION IS MADE AND THE CANDIDATES ARE INFORMED OF THE JOINT COUNCIL'S DECISIONS.

## 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