



Finance and Performance Committee

AGENDA

Notice of Meeting:

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

Date: Wednesday 26 June 2024
Time: 9.30 am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

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

20 June 2024

Principal Advisor

Bede Carran

General Manager Finance, Risk & Performance / CFO

Tel: 941 8999

David Corlett

Democratic Services Advisor

941 5421

david.corlett@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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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 mākinakina ki uta

Kia mātaratara ki tai

E hī ake ana te atakura

He tio, he huka, he hau hū

Tihei mauri ora

1. Apologies Ngā Whakapāha

An apology for absence was received from Mayor Mauger.

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, 29 May 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 29 May 2024
Time: 9.32 am
Venue: Council Chambers, Civic Offices,
53 Hereford Street, Christchurch

Present

Chairperson
Members

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

Principal Advisor

Bede Carran
General Manager Finance, Risk &
Performance / CFO
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David Corlett
Democratic Services Advisor
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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 the Mayor, Deputy Mayor and all Councillors

The agenda was dealt with in the following order.

1. Apologies Ngā Whakapāha

Part C

Committee Resolved FPCO/2024/00030

That the apologies received from The Mayor and Councillors Donovan and Gough for lateness, and from Councillor Coker for absence, be accepted.

Deputy Mayor/Councillor Moore

Carried

2. Declarations of Interest Ngā Whakapuaki Aronga

Part B

Councillors Henstock and McLellan declared an interest in Item 10 – ChristchurchNZ Holdings Ltd – Quarter 3 2023/24 Performance Report.

Councillor Fields declared an interest in Item 11 – Council-controlled organisations reports – Rod Donald Banks Peninsula Trust Annual Report 2022/23.

Deputy Mayor Cotter and Councillor Peters declared an interest in Item 11 – Council-controlled organisations reports – Central Plains Water Trust Draft Statement of Intent 2024/25.

Councillor Fields declared an interest in Public Excluded Item 16 in relation to the Rod Donald Trust.

Councillors MacDonald and Templeton declared an interest in relation to Public Excluded Item 17 Three Waters Maintenance Contract.

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

Part C

Committee Resolved FPCO/2024/00031

That the minutes of the Finance and Performance Committee meeting held on Wednesday, 17 April 2024 be confirmed.

Councillor Fields/Councillor Peters

Carried

4. Public Forum Te Huinga Whānui

Part B

There were no public forum presentations.

5. Deputations by Appointment Ngā Huinga Whakaritenga

Part B

There were no deputations by appointment.

6. Presentation of Petitions Ngā Pākikitanga

Part B

There was no presentation of petitions.

The Mayor joined the meeting at 9.50am during consideration of Item 7.

7. Key Organisational Performance Results - April 2024

Committee Resolved FPCO/2024/00032

Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the information in the Key Organisational Performance Results - April 2024 Report.

Councillor Peters/Councillor MacDonald

Carried

Councillor Templeton joined the meeting at 9.54am during consideration of Item 8.

Councillor Harrison-Hunt joined the meeting in person at 9.54am during consideration of Item 8.

8. Financial Performance Report - April 2024

Committee Resolved FPCO/2024/00033

Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the information in the Financial Performance Report - April 2024 Report.

Mayor/Deputy Mayor

Carried

Councillor Fields left the meeting at 10.12am and returned at 10.14am during consideration of Item 9.

9. Capital Programme Performance Report April 2024

Committee Resolved FPCO/2024/00034

Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the information in the Capital Programme Performance Report April 2024 Report.

Deputy Mayor/Councillor Scandrett

Carried

Deputy Mayor Cotter left the meeting at 10.28am and returned at 10.31am during consideration of Item 10.

Councillor Gough joined the meeting at 10.45am during consideration of Item 10.

Councillors Henstock and McLellan declared an interest in Item 10 – ChristchurchNZ Holdings Ltd – Quarter 3 2023/24 Performance Report and did not participate in discussion or voting.

10. ChristchurchNZ Holdings Ltd - Quarter 3 2023/24 Performance Report

Committee Resolved FPCO/2024/00035

Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Receives ChristchurchNZ Holdings Ltd's Quarter 3 2023/24 Performance Report.

Mayor/Councillor Templeton

Carried

Attachments

- A ChristchurchNZ Holdings Ltd - Presentation to Council

Councillor Donovan joined the meeting via audio/visual link at 10.50am during consideration of Item 11.

Councillor Fields declared an interest in Item 11 – Council-controlled organisations reports – Rod Donald Banks Peninsula Trust Annual Report 2022/23, and did not participate in discussion or voting.

Deputy Mayor Cotter and Councillor Peters declared an interest in Item 11 – Council-controlled organisations reports – Central Plains Water Trust Draft Statement of Intent 2024/25, and did not participate in discussion or voting.

11. Council-controlled organisations reports - Rod Donald Banks Peninsula Trust Annual Report 2022/23, Central Plains Water Trust Draft Statement of Intent 2024/25 and Civic Financial Services Final Statement of Intent 2024

Committee Resolved FPCO/2024/00036

Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the following Council-controlled organisation reports:
 - a) Rod Donald Banks Peninsula Trust Annual Report 2022/23;
 - b) Central Plains Water Trust draft Statement of Intent 2024/25; and
 - c) Civic Financial Services Statement of Intent 2024.

Councillor MacDonald/Mayor

Carried

Councillor Henstock left the meeting at 10.48am and returned at 11.01am during consideration of Item 12.

Councillor Moore left the meeting at 10.51am and returned at 10.53am during consideration of Item 12.

12. CWTP Insurance Update

Committee Resolved FPCO/2024/00037

Officer Recommendations accepted without change

Part C

That the Finance and Performance Committee:

1. Receives the information in the CWTP Insurance Update Report.

Mayor/Councillor Johanson

Carried

Attachments

- A CWTP Insurance Update - Presentation to Council

13. Resolution to Exclude the Public Te whakataunga kaupare hunga tūmatanui

Committee Resolved FPCO/2024/00038

Part C

That at 11.05am the resolution to exclude the public set out on pages 168 to 169 of the agenda be adopted.

Mayor/Councillor Scandrett

Carried

The public were re-admitted to the meeting at 12.01pm.

Karakia Whakamutunga: Given by the Mayor, Deputy Mayor and all Councillors

Meeting concluded at 12.02pm.

CONFIRMED THIS 26TH DAY OF JUNE 2024

**COUNCILLOR SAM MACDONALD
CHAIRPERSON**

7. Key Organisational Performance Results - May 2024

Reference Te Tohutoro: 24/874051
Responsible Officer(s) Te Pou Matua: Peter Ryan, Head of Corporate Planning & Performance
Accountable ELT: Bede Carran, General Manager Finance, Risk & Performance / Chief Member Pouwhakarae: Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 To provide Council with an overview of key service, project, and budget performance in the delivery of the 2021-31 Long Term Plan (and Annual Plan 2023/24).

2. Officer Recommendations Ngā Tūtohu

- That the Finance and Performance Committee:
1. Receives the information in the Key Organisational Performance Results - May 2024 Report.

3. Background/Context Te Horopaki

- 3.1 This is a regular report focused on a suite of the ‘vital few’ organisational performance targets, and forms a key component of the Performance Framework and its reporting.

4. Considerations Ngā Whai Whakaaro

- 4.1 The key organisational performance targets include:
- Service delivery (levels of service)
 - Capital projects (both planning and delivery)
 - Finance (opex and capex)
- 4.2 Organisational performance forecasts, as at 31 May 2024, for year three of the LTP 2021-31 (financial year to 30 June 2024).

Organisational Performance Summary	Target	Forecast / change	Result against Target
Service Delivery			
Deliver Community Levels of Service to target	≥ 85%	80.8% ▼	✗
Capital projects (planning and delivery)			
Delivery complete’ milestones (whole of life)			
Deliver Key projects	≥ 85%	87% ▼	✓
Deliver Non-Key projects	≥ 85%	82% ↔	✗
Capital programme planning			
FY25 funding budgets allocated by 1 st March 2024	≥ 90%	93% ↔	✓
FY26 & 27 funding budgets drawn down by 1 st May 2024	≥ 90%	86% ▲	✗
Finance			
Operational budgets are actively managed within approved opex budget	100%	100% ↔	✓
Deliver overall capital programme to approved budget	=/-10%	-2.2% ▲	✓

- 4.3 **Community level of service delivery** is forecast at **80.8%**, against Executive Leadership Team’s (ELT) target of 85%, shows decline from April, forecasting further below the YE post-

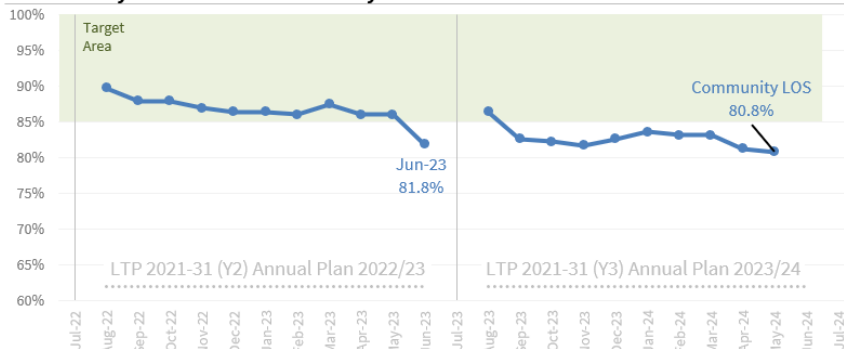
audit result for 2022/23 (81.9%). Given reporting trends in previous years it is likely that Community LOS performance will end below 80% for year-end.

- 4.4 **Key project milestone delivery** is forecast at **87%**, a decline (9%) from April but remains forecast to meet the ELT target of 85%.
- 4.5 **Non-Key project delivery** remains stable with no change from April, forecast at **82%** remaining just below ELT's target of 85%.
- 4.6 **Capital planning** performance results show one target met, the other not met.
 - Funding programme budgets allocated for FY2025 by 1st March 2024 remains reported at **93% – ELTs target of 90% has been met.**
 - Budget drawdowns for FY2026 and 2027 by 1st May 2024 is reported at **86%**, an improvement of 4% from April. This means the **ELTs target of 90% has not been met** for the year.
- 4.7 For detailed project-specific information refer to the Capital Programme Performance Report.
- 4.8 **Operational budget** is forecasting a **surplus of \$12.6m** (after carry-forwards). For detailed information refer to the Financial Performance Report.
- 4.9 Delivery of the **overall approved capital programme budget** is now at **-2.2%** (rounded figure), still on track against a target of between 0% and -10%. More information is available in the Capital Programme Performance Report.

5. Service Delivery

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

Community Level of Service Delivery



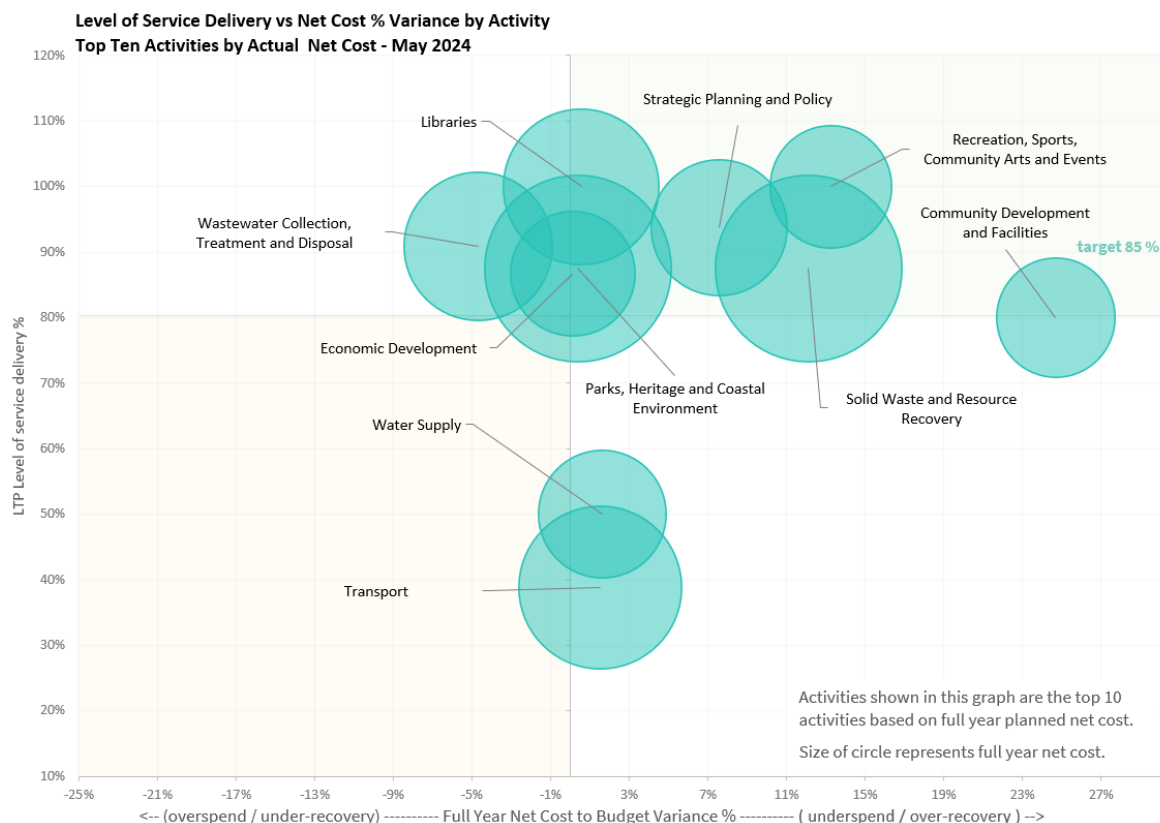
2023/24	# LOS	R/A/G/B
✖ 80.8%	213	28/13/172/0
▼ -0.4%		

R - Red: Will not meet target
A - Amber: Requires remedial action
G - Green: Will meet target
B - Black: Not reported

- 5.1 Community levels of service (LOS) is forecast at **80.8%** delivery against the performance target of **85%**, a small decline of 0.5% (nett one LOS) from April.
- 5.2 Service delivery forecasts for activities range from 38.9% to 100% achievement. In summary, key forecast Levels of Service (LOS) exceptions for the May period include:
 - 5.2.1 Transport & Waste Management activities have eleven exceptions related to road and footpath condition, cycleways, including resident satisfaction, deaths or serious injury crashes, Christchurch being a walk friendly city, transport mode-share.
 - 5.2.2 Water Supply and Wastewater activities combined have nine exceptions related to water supply compliance, wastewater and water supply reliability, responsiveness to faults and call outs, including resident satisfaction, medium and high hazard commercial connections, and water loss and average water consumption.

- 5.2.3 Building Consenting activity has four exceptions related to building consents and code of compliance certificates processing timeframes including resident satisfaction and Building Warrant of Fitness Audits.
- 5.2.4 Planning & Consents activity has two exceptions related to notified and non-notified resource management applications processed within statutory timeframes.
- 5.2.5 Regulatory Compliance & Licensing activity has three exceptions; investigations of dangerous building reports, food control plan verification visits and response to complaints in relation to excessive noise.
- 5.2.6 Citizens and Community activities have six exceptions related to Citizen & Customer Services (2); Parks (3), Community Support & Partnerships (1), which mostly relate to the latest annual Resident Satisfaction Survey results.
- 5.2.7 Public Information and Participation activity has one exception related to providing advice and support, also related to the latest annual Resident Satisfaction Survey results.
- 5.2.8 Corporate Planning & Performance service has two exceptions related to the implementation of the Long-term Plan programme & maintaining the integrity of Performance Framework.
- 5.2.9 Economic Development has two new exceptions relating to building innovation and entrepreneurial strength and developing Christchurch as an attractive destination.
- 5.3 Forecast actuals, comments, and remedial actions from managers for these LOS exceptions are available in **Attachment A**.
- 5.4 In support of these exceptions, and in response to councillor questions about customer service request information related to LOS exceptions, reporting to Finance and Performance Committee now includes the improved summary “Ticket Report” information presently being rolled out to all Community Boards (**Attachment B**). This summary report is supported with more detailed local information provided to Community Boards, including a map-based view which is available to Councillors and Community Board members via their Community Board Advisor (due to privacy reasons).

5.5 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 - May 2024

	Net Cost * (Opex)					Community Levels of Service	
Activities	Forecast \$000	Full Year Plan \$000	Carry Fwd \$000	after C/Fwd \$000	% Variance after C/Fwd	% Delivery	Total #
Water Supply	18,987	19,298	0	311	2%	50%	16
Wastewater Collection, Treatment and Disposal	25,721	24,570	0	-1,151	-5%	91%	11
Stormwater Drainage	11,490	10,547	0	-942	-9%	100%	10
Flood Protection and Control Works	6,204	5,757	0	-447	-8%	100%	5
Strategic Planning and Policy	21,581	23,344	-84	1,847	8%	94%	16
Economic Development	18,081	18,100	0	19	0%	87%	15
Transport	31,033	31,514	375	107	0%	39%	18
Solid Waste and Resource Recovery	41,070	46,732	800	4,862	10%	88%	8
Regulatory and Compliance	-3,636	-5,135	0	-1,499	-29%	68%	28
Parks, Heritage and Coastal Environment	40,867	41,023	156	0	0%	88%	24
Housing	-9,536	-9,375	0	162	2%	100%	5
Governance	11,932	12,144	0	212	2%	100%	5
Citizens and Customer Services	6,735	6,798	0	62	1%	75%	8
Civil Defence Emergency Management	1,315	1,315	0	0	0%	100%	4
Community Development and Facilities	16,530	21,946	5,309	107	0%	80%	5
Christchurch Art Gallery	6,964	6,981	0	17	0%	100%	6
Canterbury and Akaroa Museums	9,078	9,085	0	7	0%	100%	5
Libraries	28,364	28,525	0	161	1%	100%	10
Recreation, Sports, Community Arts and Events	17,456	20,124	0	2,668	13%	100%	9
Performance Management and Reporting						60%	5
Net Cost	300,238	313,294	6,556	6,501	2%	80.8%	213

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

** Negative variance means overspend or under-recovery



Capital Projects - Delivery and Planning

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

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

- 5.6 **Key project milestone delivery** is forecast at **87%** (20 out of 23 projects), a decline of 9% since April. This forecast now meets ELTs target of 85%, with three projects currently forecast to not meet delivery milestones.
- 5.7 **Non-Key project milestone delivery** is forecast at **82%**, no change from April, remaining below ELT's target of **85%**.

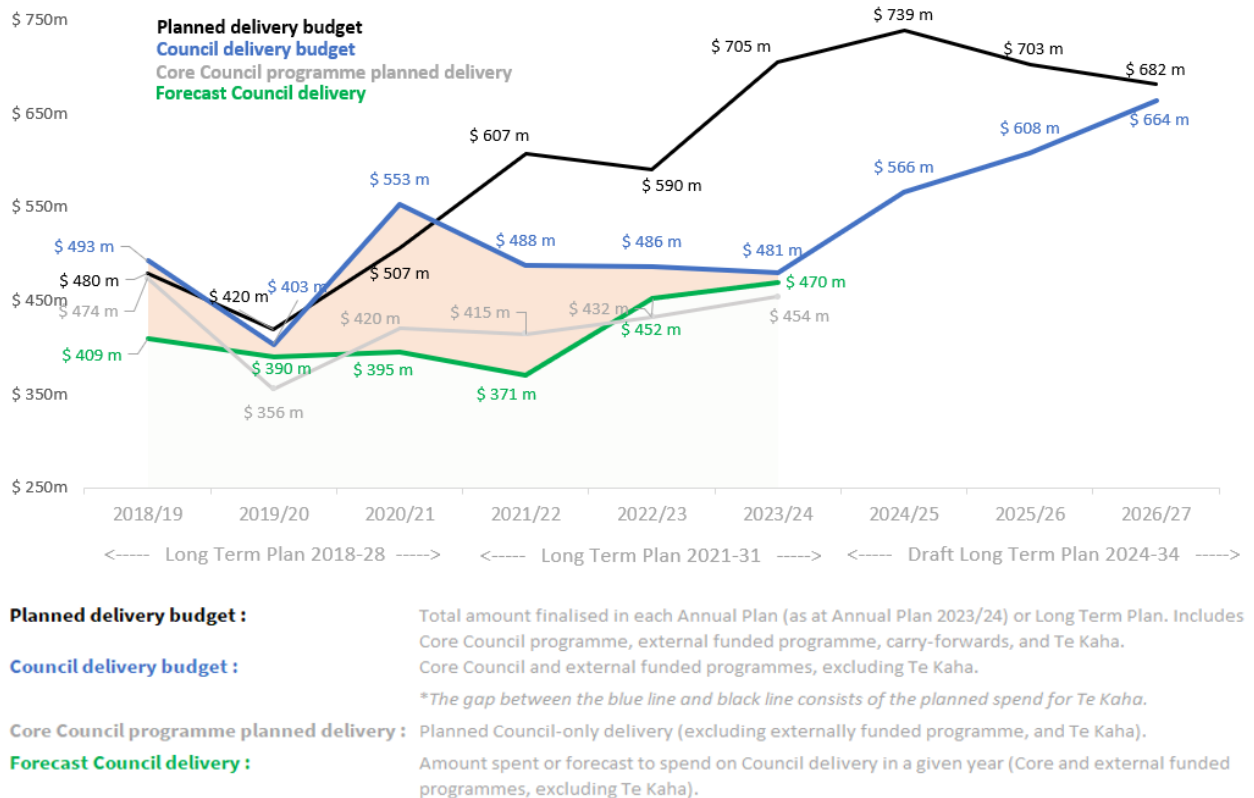
5.8

	2023/24	# PRJ	R/A/G/B	2022/23	2021/22	2020/21	TARGET	
Key Capital projects	✓ 87.0% ▼ 9.0%	23	3/0/20/0	100.0%	73.5%	76.7%	≥85%	
Non-Key Capital projects	✗ 82.0% ↔ 0.0%	816	132/7/673/4	84.0%	84.5%	64.7%	≥85%	

For further information and underlying project delivery detail, refer to the detailed Capital Programme Performance Report.

- 5.9 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 preceding 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 2023 report which relates to late FY23 financial adjustments on Te Kaha, and a budget increase within the Parks programme.
- 5.10 The view below now also includes future years planned expenditure for 2024/25, 2025/26 and 2026/27, as per the adopted draft Long-term Plan 2024-34 capital programme.
- 5.11 The extended black line is the full planned delivery budget including spend for Te Kaha.
- 5.12 The extended blue line shows the full Council planned delivery budget (excluding spend for Te Kaha, and before any confirmed carry-forwards).
- 5.13 The extended blue line (Council planned delivery budget, excluding spend for Te Kaha) shows a considerable lift in Council planned delivery:
- from a consistent \$488m to \$496m planned budget for the three years 2021-24,
 - to between \$566m to \$664m planned budget for the future three years (2024-27).
- 5.14 It is accepted these future planned delivery budgets for capital meet Council's expectations as being both deliverable and affordable.

- 5.15 Looking at current forecast performance for 2023/24 (year three of the LTP 2021) the revised total programme budget set for CCC to deliver (as of May) is **\$481m** (blue line). To the end May 2024 the total forecast capital delivery has shown steady improvement, forecasting at **\$470m** (green line), which equates to 97.8% forecast delivery.



- 5.16 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.
- 5.17 Council delivery for 2022/23 and forecast delivery for 2023/24 show a distinctive lift from that seen the previous four years. This higher level of delivery (approx. \$450m per annum) has informed the development of the draft LTP 2024-34. However, delivery currently programmed into the draft LTP for 2024/25 to 2026/27 shows a very significant increase over historical delivery patterns.
- 5.18 The ELT performance goal for capital delivery is based on all delivery CCC is accountable for (excluding Te Kaha), regardless of funding source.
- 5.19 Figures align with the Financial and Capital Programme Performance reports.

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

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

- 5.20 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.



7

- 5.21 **Capital planning** performance shows funding programme budgets allocated for FY2025 by 1st March 2024 remains reported at **93%** – **ELTs target of 90% has been met.**
- 5.22 Budget drawdowns for FY2026 and 2027 by 1st May 2024 is reported at **86%**, an improvement of 4% from April. This means the **ELTs target of 90% has not been met for the year.**

6. Finance

- 6.1 The organisation reports a forecast **operational surplus of \$12.6m** (after carry-forwards). For underpinning information refer to the Financial Performance Report.
- 6.2 **Overall capital programme budget expenditure** forecast is at **-2.2%** (rounded). This remains on track to meet ELTs target (between 0% to -10%). More detailed information is available in the Capital Programme Performance Report.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	LOS Exceptions Commentary	24/1017025	22
B 	Community Board Reports May 2024 - summary Ticket Report	24/1009698	33

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

Document Name – Location / File Link
Not applicable

Signatories Ngā Kaiwaitohu

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Approved By	Peter Ryan - Head of Corporate Planning & Performance Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer

Level of Service Exceptions

Deliver ‘Community’ Levels of Service to target

- ✖ Levels of service which will fail to meet target
- Level of Service which require intervention to meet target
- Level of service which have not been reported

Communities & Citizens

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Citizens & Customer Services						
CICS Citizen & Customer Services	✖	LTP/AP22: 2.6.4.1 Citizen and Customer expectations for service response are delivered in a timely manner	Telephone enquiries have an average speed to answer of no more than 120 seconds	May average speed to answer achieved with calls answered within 108 seconds. YTD: 132 seconds	A total of interactions were presented this month - 26,676 phone channel interactions. % calls answered in less than 2 minutes = 72.3%. % calls answered between 2 - 5 minutes = 15.3%. % calls answered above 5 minutes = 12.4%We have continued to focus our efforts on reducing the year-to-date ASA. Significant inroads have been made in recruitment and multi-skilling; however, we are now forecasting a year end result of 135 seconds. Despite meeting our ASA target for the last 6 months, the post peak season call volume has not been enough to lift year end average	In preparation for 2024/2025 several actions have been completed or are in progress; Detailed review of resourcing requirements informing - ongoing recruitment needs and the engagement of temporary staff through our peak workload months of June, July, and August. Continued focus of multiskilling across all interaction channels. Commissioning of a health check of our Genesys (workflow and planning) system. Areas of focus include assessment of the functionality within the platform to ensure it is being used effectively and a review of the original system configuration with the upgrade to Genesys cloud
CICS Citizen & Customer Services	✖	LTP/AP23: 2.6.7.2 Citizen and Customer expectations for service response are delivered in a timely manner	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	68% satisfaction (email) (2023-2024 Residents Survey Result)	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	Detailed review and analysis of the feedback provided by our residents will inform next steps
CICO Community Support & Partnerships	●	LTP/AP23: 2.2.6.8 Requests for service regarding graffiti are responded to within 2 working days	At least 95% of requests responded to within 2 working days	88% for May, 94% YTD	Focus on response time in June	

Economic Development

	Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Economic Development					
●	LTP/AP23: 5.1.5.1 Build innovation and entrepreneurial strength	100 employees/ employment opportunities that have been attracted to the city	(ChristchurchNZ Quarter 3 Results, July 2023-Mar 2024)	We have a strong pipeline in place, but there is uncertainty over our ability to meet this measure due to external commercial decisions influencing the timing of key projects being announced	We continue to pursue new opportunities and support our existing pipeline through collaboration and assistance
●	LTP/AP23: 5.3.5.3 Develop Christchurch as an attractive destination	100 screen enquiries	YTD 39 enquiries (ChristchurchNZ Quarter 3 Results, July 2023-Mar 2024)	The Writers' strike has significantly impacted this measure, resulting in decreased enquiries throughout NZ. An MoU has recently been signed with the University of Canterbury to research screen prospects in India which should lead to more enquiries	

Internal Activities

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Performance Management & Reporting						
FIPP Corporate Planning & Performance	●	LTP/AP23: 13.1.1 Implement the Long Term Plan and Annual Plan programme plan	Critical path milestone due dates in programme plans are met	In general terms the revised project plan remains on track to achieve milestones leading to adoption on 25 June. However, the constricted timeframes caused by late adoption of the draft, combined with a record number of submissions and exceptionally high demands on a relatively small pool of staff, have stretched resources as we go into supply of final documents for Audit NZ. Audit NZ has also confirmed that a 'hot review' will occur in Wellington (which compresses the timeframe) and that there will be a strong focus on the CCHL dividend and supporting documentation	Very high levels of demand will continue to be placed on a small number of staff between now and adoption. Those demands include: <ul style="list-style-type: none">· over 110 proposed amendments received by today's deadline, many of which will require rapid costing / legal advice· requirements to quickly turn around a full suite of management and significant assumptions signoffs for ARMC· requirements to quickly turn around a full suite of LTP documents to Audit NZ by the end of this week (7 June)· continuing to respond to a high number of Q&As / actions There is also an urgent focus on obtaining documentation from CCHL (and potentially subsidiaries) that meet Audit NZ requirements around the approval and effects of the increased dividend	After almost two weeks of Council guidance workshops, documents are flowing to Audit NZ 4-7 June. A meeting was held today (4 June) with Audit NZ to finalise logistics. The Finance team are focused on ensuring that CCHL documentation will meet the Audit NZ requirements. At the time of writing the three key risks (very high demand on staff to service amendments/questions, fit for purpose documentation from CCHL on the increased dividend, and a high number of amendments to be considered upon adoption) drive the overall project status to amber. These risks and their mitigations may alter over coming days.
FIPP Corporate Planning & Performance	●	LTP/AP23: 13.1.2.2 Implement and evolve CCC performance framework	Performance Framework in place	There are two main risks to the Framework. One is the SAP are making global changes to the PDP software, but a formal IT project is in place to maintain system functionality. The second risk is that ELT will need to provide a clear set of organisational priorities in time for loading in the system and for managers to work with staff to translate the goals into meaningful local actions	A small set of 'vital few' performance goals (in line with previous years) will be submitted to ELT as a report for decision, in order to ensure that managers and staff have clarity and an adequate window to translate these goals into meaningful local actions for PDPs.	

Parks, Heritage & Coastal Environment

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Parks & Foreshore						
CIPA Parks	⊗	LTP/AP23: 6.0.3 Overall customer satisfaction with the presentation of the City's Community Parks	Community Parks presentation: resident satisfaction >=60 %	54% satisfaction (2023-2024 Residents Survey Result)	Post July 1 delivery of maintenance services to the community parks will be through in house teams which should bring improved performance to these areas	
CIPA Parks	●	LTP/AP23: 6.3.7.4 Provide community participation opportunities across the parks network-participation	Volunteer hours - maintain or grow compared to previous year	Total of 45273.75	While at the moment it is not certain whether we will meet target for this year, there are a lot of planting days scheduled for June. There also may be some underreporting that has taken place	Sending reminders to all those who enter hours to ensure that their hours for the year are all fully entered, and assisting anyone who has not yet had a chance to enter their hours
CIPA Parks	⊗	LTP/AP22: 6.8.1.6 Overall Regional Sports Organisation satisfaction with the standard of the city's Council provided sports surfaces	Satisfaction >=75%	50% satisfaction (2023-2024 Residents Survey Result)	Additional focus and resourcing will be used to address this area post July1, 2024 when the new in house maintenance delivery occurs. Sports fields will receive maintenance via our Sports Specialist Team e.g. same team that delivers Hagley Oval and Stadia	

Regulatory & Compliance

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Building Regulation						
SPBC Building Consenting Unit	⊗	LTP/AP22: 9.1.1 Grant Building Consents within 20 days working days	The minimum is to issue 95% of building consents within 19 working days from the date of acceptance	84% of consents have been issued within 19 days for the month of May 2024. 68% of consents have been issued within 19 days for the financial year to date	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	Continued use of external contractors and overtime arrangements for staff
SPBC Building Consenting Unit	⊗	LTP/AP23: 9.1.4 Ensure % satisfaction with building consents process	79% satisfaction	Customer satisfaction for May is: 71%. Customer satisfaction for the Year to Date is: 77%	It is likely that the full year result will fall slightly short of this target, however, we have a number of initiatives in progress to improve our customer satisfaction score moving forward	The main initiative is a customer experience project that aims to improve the end-to-end experience for applicants
SPBC Building Consenting Unit	⊗	LTP/AP22: 9.1.7 Grant Code Compliance Certificates within 20 working days	Issue minimum 95% of Code Compliance Certificates within 19 working days from the date of acceptance	79% of Code Compliance Certificates were issues within 19 days for the month of May 202469% Code Compliance Certificates were issued within 19 days for the YTD	Due to the continued high volume of consents, the issuing of code compliance certificates is not meeting the target for the year to date, however response times have vastly improved in the past few months. This is primarily attributed to the effectiveness of newly implemented centralisation of processes and enhanced online services	Continue to utilise the improved processes that have seen the increase in code compliance processing. Additional support, in the form of two temporary staff members, has been approved for four months to help handle the workload and improve response rates

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
SPBC Building Consenting Unit	✗	LTP/AP23: 9.1.9 Audit Building Warrant of Fitness to ensure public safety and confidence	Audit 20% of building stock	64 Audits were carried out in May 2024. 714 Audits have been carried out year to date	The year-to-date figure of 714 Audits represents 66% of the target of 1088 buildings. It is anticipated that the target will not be achieved this financial year	A number of process improvements have been made this financial year together with additional staff being employed and trained. Although there has been a significant increase in audits undertaken this financial compared to previous years it is unlikely that the target will be met. Remedial actions include continuing with the process improvements that have been made

Resource Consenting

Resource Consenting						
SPPC Planning & Consents	⊗	LTP/AP22: 9.2.1 % of non-notified resource management applications processed within statutory timeframes	99% within statutory timeframes	93% of non-notified applications were processed within the statutory timeframe in May. In the year to date, 94% of non-notified applications were processed within the statutory timeframe	The percentage of non-notified applications being processed within the statutory timeframe (93%) is below the target of 99% due to the high volume of resource consent applications and complexity of applications	Efficiencies have been identified and implemented in the year to date. Additional capacity has been provided for processing of applications and decision-making through use of consultants and commissioners
SPPC Planning & Consents	⊗	LTP/AP23: 9.2.18 % of notified resource management applications processed within statutory timeframes	99% within statutory timeframes	1 notified application was processed in May, which was within the statutory timeframe. 81% of notified applications have been processed within statutory timeframes in the year to date	The percentage of notified applications processed within the statutory timeframe is below the target of 99% due to the high volume of resource consent applications and complexity of applications	Efficiencies have been identified and implemented in the year to date. Additional capacity has been provided for processing of applications and decision-making through use of consultants and commissioners
Regulatory Compliance & Licensing						
SPRC Regulatory Compliance	⊗	LTP/AP23: 9.0.3.1 Protect community safety through the timely and effective response to complaints about public safety	100% of all investigations of dangerous building reports are initiated, and identified hazards secured, within 24 hours, 7 days a week	95.58% of the 68 dangerous building reports that were reported 65 (YTD) were responded to within the required timeframe. 20 of the jobs reported met the threshold of Dangerous		
SPRC Regulatory Compliance	⊗	LTP/AP22: 9.0.5 Food premises are safe and healthy for the public	98% of scheduled Food Control Plan verification visits are conducted	63% of verifications have been completed. 1065 verifications have been carried out - 616 are remaining	The team will continue to prioritise this work with a focus on what plans can be put in place to prevent this occurring in future years, which could involve engaging a contractor to assist in clearing the backlog so the team can achieve this level of service next year	
SPRC Regulatory Compliance	⊗	LTP/AP22: 9.0.8 The community is not subjected to inappropriate noise levels	90% of complaints in relation to excessive noise are responded to within one hour	96.3% of the 626 calls received were attended to within the one-hour level of service (YTD 83.3)		

Solid Waste & Resource Recovery

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Solid Waste & Resource Recovery						
INTR Transport & Waste Management	⊗	LTP/AP23: 8.0.3 Customer satisfaction with kerbside collection service	At least 85% customers satisfied with Council's kerbside collection service for each year	84% satisfaction (2023-2024 Residents Survey Result)	Staff are continuing to process tkts & general queries. Collections when bins presented correctly still remain high	continuing with staff training and looking at most effective ways to manage workflow

Strategic Planning & Policy

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Public Information & Participation						
COCE Communications & Engagement	⊗	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	Percentage of residents who feel they can participate in and contribute to Council decision-making: 30% (Previous year result 29%, plus 1%)	As part of our commitment to continuous improvement, we have made some changes to the survey we send out to submitters, to get more detailed information on how people experience the process, and where there may be room for improvements. We have also included steps within our own internal processes to seek direct feedback from elected members on their views of a project's key stakeholders and affected residents		

Transport

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Transport						
INTR Transport & Waste Management	⊗	LTP/AP22: 10.0.2 Increase the share of non-car modes in daily trips	>=37% of trips undertaken by non-car modes	32.5% of trips undertaken by non-car mode	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	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, bus passengers' numbers, 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

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
						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
INTR Transport & Waste Management	⊗	LTP/AP22: 10.0.6.1 Reduce the number of death and serious injury crashes on the local road network	<=96 crashes	116 crashes 9 deaths 107 serious injuries All measures are on CCC controlled roads, based on Waka Kotahi Crash Analysis System (CAS) report (for period 1 April 2023 to 31 March 2024)	This is the end of year result, so unless there are some late reporting incidents the Level of Service has not met the target. Council has seen 116 DSIs in the year, which means we are some way off the target. This remains lower than any of the years 2011-2019, but higher than 2021-2023. Staff continue to develop and deliver intervention programmes to increase safety outcomes on the network, with a particular focus on vulnerable users	Remedial actions are 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
INTR Transport & Waste Management	⊗	LTP/AP23: 10.4.4 Improve user satisfaction of public transport facilities (number and quality of shelters and quality of bus stop)	>=73% resident satisfaction	69% satisfaction (2023-2024 Residents Survey Result)	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	We will continue with the services provided and look at ways of improving where we can
INTR Transport & Waste Management	⊗	LTP/AP23: 10.5.2 Improve the perception that Christchurch is a cycling friendly city	>=67% resident satisfaction	65% satisfaction (2023-2024 Residents Survey Result)	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)	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 tools with NZTA to assist in providing robust modelling data to support cycle projects 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, to enhance the potential for Transport Agency Funding Assistance
INTR Transport & Waste Management	●	LTP/AP23: 10.5.3 More people are choosing to travel by cycling	>=13,500 average daily cyclist detections	Avg Count for May 2024 = 11,895	Overall avg count for this financial year so far is 12,312 (11 months). Avg count for May 2024 = 11,895 is lower than May 2023 similar to 2022. The rolling 12-month average from 1-April-2023	Progress the surviving cycle-related CERF projects to completion. Seek alternative funding opportunities to support cycling

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
					to 31 May-2024 = 12,187 (plateauing slightly but still 750 higher than the same time last year)	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 tools with NZTA to assist in providing robust modelling data to support cycle projects 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, to enhance the potential for Transport Agency Funding Assistance
INTR Transport & Waste Management	✗	LTP/AP22: 10.5.41 Increase access within 15 minutes to key destination types by walking	>=49% of residential land holdings with a 15-minute walking access	45% within 15-minute walking access of key destinations	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. The updated figures for FY24 show little overall change from FY23 (FY23: 44.7% vs FY24: 44.8%. Within 15 minutes walking time (1km), the following percentage of households have access to services [FY23 figures for comparison]: - Parks and open spaces: 99% [98%] - Education: 75% [74%] - Healthcare: [64%] 63% - Employment hubs: 47% [46%] - Supermarkets: 35% [34%]	The GIS map showing the number of available services within 15 minutes can be found here . While this is a Transport Level of Service, the influence that the Transport Network can have on the numbers is limited - it will be far more affected by changes in land use. For example, a new supermarket or GP surgery in an area with moderate service is likely to have a more profound on the outcome than a new road or cycleway. We anticipate that the growth in residential properties in the Central City is the most likely cause of change in the next few years. However, this Level of Service is likely to be slow to respond to interventions, as any changes (such as a new school or supermarket) will only affect a limited number of properties. Staff can 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 or set up businesses
INTR Transport & Waste Management	✗	LTP/AP23: 16.0.3 Improve resident satisfaction with road condition	>=30% resident satisfaction	27% satisfaction (2023-2024 Residents Survey Result)	We only have a limited to influence this measure, as we regularly receive CSR's regarding 3 Waters poor workmanship, private residential building works, and service providers poor workmanship. 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	

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
INTR Transport & Waste Management	●	LTP/AP22: 16.0.8 Maintain the condition of footpaths	>=82% footpaths rated 1,2 or 3	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'	We are developing technology and processes to collect consistent condition data and appropriate assessment methodologies of this data for the remaining 60% of our footpaths over the coming financial year. The achievements from FY22/23 will be applied for FY23/24, indicating 92.72% of assessed footpath network being rated 1-3, based on the 40% WSP footpath assessment (indicative of the balance of our footpath network). More pressure will be brought to bear on the AI technology still under development and application to provide full assessment of our footpath stock NLT FY24/25	Continue to work alongside HEB (WSP algorithm), Higgins (LONRIX algorithm), and University Canterbury (academic algorithm calculation in alignment with the WSP assessment) in the development of a robust and automated footpath condition assessment tool. These three algorithm-based assessments will be assessed against the WSP achievement report in Bromley for comparison of similarity of results (consistency and repeatability - i.e. confidence in assessment and results). Rapid Response Footpath Crews (RRFC) have been formed to deliver improvements to footpath conditions wherever observed to be in a poor state
INTR Transport & Waste Management	⊗	LTP/AP22: 16.0.9 Improve resident satisfaction with footpath condition	>=42% resident satisfaction	36% satisfaction (2023-2024 Residents Survey Result)	We only have a limited to influence this measure, as we regularly receive CSR's regarding 3 Waters poor workmanship, private residential building works, and service providers poor workmanship. 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 have investigated footpaths that were raised on the latest survey, conducted a workshop with a Community Board and programmed footpath renewals for this FY that meet both resident and Councils requirements	
INTR Transport & Waste Management	⊗	LTP/AP22: 16.0.10 Maintain the perception that Christchurch is a walking friendly city	>=85% resident satisfaction	74% satisfaction (2023-2024 Residents Survey Result)	74% satisfaction is an increase of 3% on 2023 results showing positive trend towards achieving target satisfaction of 85%	* Footpath crew established to address footpath defects * Footpath improvement programme has been included in the draft LTP - accompanied by the development of a prioritisation method based on walking access to key activities such as education, shopping, health, PT, volume of demand and feasibility
INTR Transport & Waste Management	⊗	LTP/AP23: 16.0.13 Respond to customer service requests within appropriate timeframes	>=80% customer service requests are completed, or inspected and programmed within timeframes	67% currently reported	There is a challenge with maintaining BAU and increasing levels of tickets to respond to. A number of wrong contractor and external supplier tickets are difficult to resolve	There is a continued focus on the resolution of tickets and the team are working with the Continuous Improvement Team to ensure reporting is functioning appropriately

Wastewater Collection, Treatment & Disposal

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Wastewater Collection, Treatment & Disposal						
INWW Three Waters		● LTP/AP23: 11.0.1.1 Median time (in hours) from notification to arrival on-site for urgent faults on rural wastewater networks	<= 2	May 1 hour 43 minutes	Despite ongoing utilisation of maintenance contract mechanisms based on month end results throughout the year it is uncertain whether will achieve target at year end	

Water Supply

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
Water Supply						
INWW Three Waters		⊗ LTP/AP22: 12.0.1.14 The proportion of residents satisfied with Council responsiveness to water supply problems	>= 65%	64% are satisfied	Continue with improvements being made within our water supply network, including equipment upgrades, as well as planned improvement in communications to the community	
INWW Three Waters		● LTP/AP22: 12.0.2.2 Proportion of High Hazard commercial connections with compliant backflow prevention device tested within the last year	>=100%	No way of reporting on this currently.	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	
INWW Three Waters		● LTP/AP23: 12.0.2.9 Water supplied is compliant with the DWQA Rules in the Distribution System (Bacteria compliance)	Compliant	The system needs to be compliant across the 12 months and was not compliant during FY22/23		Currently, 100% of Christchurch distribution zones are chlorinated
INWW Three Waters		⊗ LTP/AP22: 12.0.2.10 Water supplied is compliant with the DWQA Rules in the Treatment System (Protozoal compliance)	Compliant	Water supplied is not protozoal compliant with the DWQA Rules in the treatment system for Christchurch City	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	Class 1 sampling is underway. Other treatment options are under consideration and will be part of the discussions to be held under the LTP
INWW Three Waters		⊗ LTP/AP23: 12.0.2.19 Proportion of residents satisfied with quality of Council water supplies	>= 50%	48% are satisfied.		Continue with improvements being made within our water supply network, including equipment upgrades, as well as planned improvement in communications to the community.

Unit		Level of service	Target 2023/24	Forecast Actual	Manager Comment	Manager Remedial Actions
INWW Three Waters	●	LTP/AP22: 12.0.2.20 Proportion of Medium Hazard commercial connections >38mm diameter with compliant backflow prevention device tested within the last year	>=100%	No way of reporting on this currently.	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	
INWW Three Waters	●	LTP/AP22: 12.0.6 Percentage of real water loss from Council's water supply reticulated network	<= 25%	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.		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
INWW Three Waters	⊗	LTP/AP22: 12.0.7 Average consumption of drinking water in litres per resident per day	<= 210	270 litres per resident per day average use for the month, with the year to date of 282	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	Operations will work with the Service Excellence Team to support initiatives around reducing water consumption

Ticket Report

01 05 2024 - 31 05 2024

Filter by Ward

Coastal-Burwood-Linwood

Filter by month

2024 (Year) + May (Month)

3123

Reported Tickets last month

90.36%

Resolved within SLA

Status as of Report Date

Closed/Resolved

75.54%

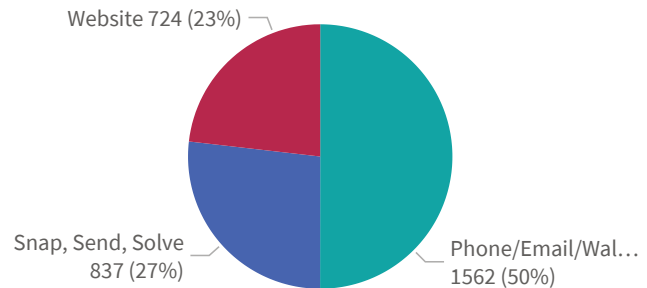
Open

22.83%

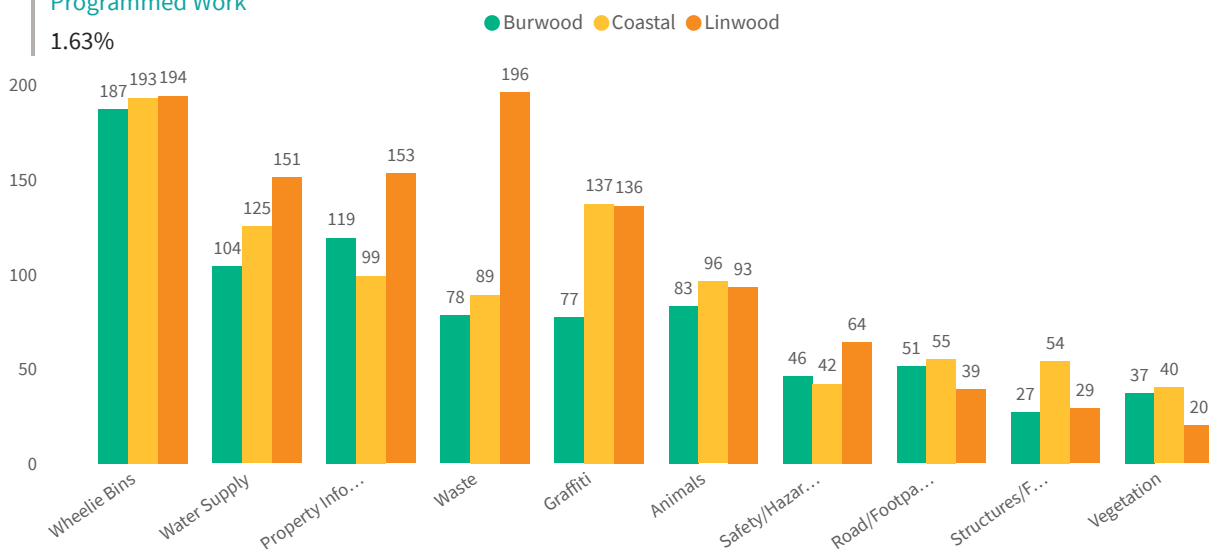
Programmed Work

1.63%

Channels



Top 10 Incident Categories



Top 10 Object Categories

# Tickets	ObjectCategory	+/- Previous Month
313	Litter	-99
235	Damaged Bin	8
178	Bin Not Collected	-41
164	Water Leak	-9
144	Residential LIM	27
129	Graffiti - Utility box, pole, railway	-20
127	Residential Property Files	27
101	Graffiti - Other	34
96	Graffiti - Fence, building or structure	-24
88	Water Supply	33

Report date:

04 Jun 2024

Ticket Report

01 05 2024 - 31 05 2024

Filter by Ward

Fendalton-Waimairi-Harewood

Filter by month

2024 (Year) + May (Month)

2403

Reported Tickets last month

90.84%

Resolved within SLA

Status as of Report Date

Closed/Resolved

66.38%

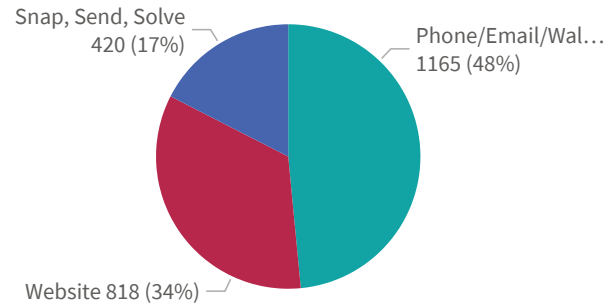
Open

30.55%

Programmed Work

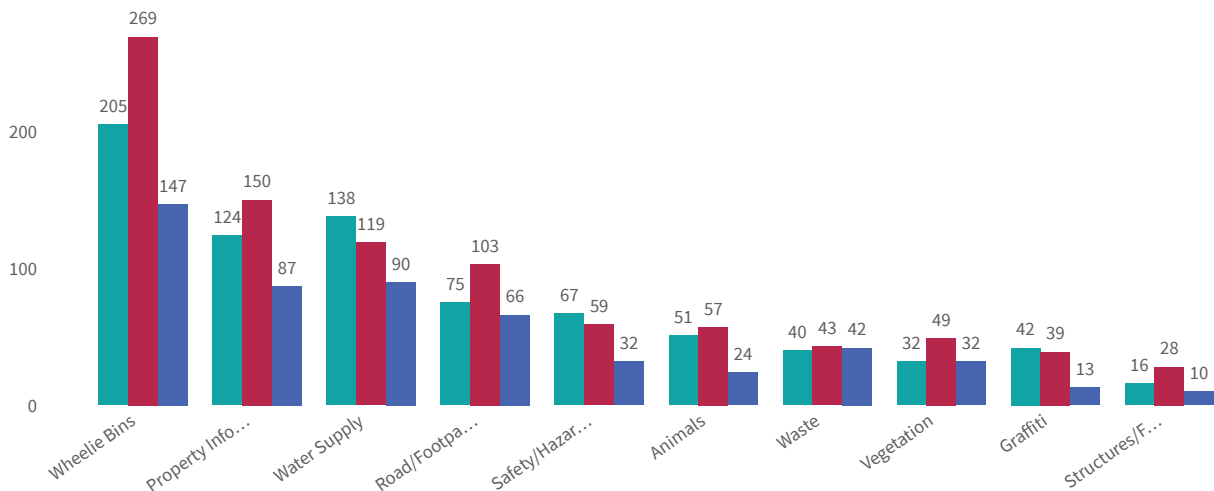
3.08%

Channels



Top 10 Incident Categories

Fendalton Harewood Waimairi



Top 10 Object Categories

# Tickets	ObjectCategory	+/- Previous Month
272	Damaged Bin	51
193	Bin Not Collected	50
145	Residential Property Files	-22
134	Water Leak	-27
127	Residential LIM	34
103	Litter	-21
99	Sweeping	-1
69	Trees	-48
64	Meter box	12
60	Footpath	19

Report date:

04 Jun 2024

Ticket Report

01 05 2024 - 31 05 2024

Filter by Ward

Halswell-Hornby-Riccarton

Filter by month

2024 (Year) + May (Month)

2492

Reported Tickets last month

90.89%

Resolved within SLA

Status as of Report Date

Closed/Resolved

68.14%

Open

29.17%

Programmed Work

2.69%

Channels

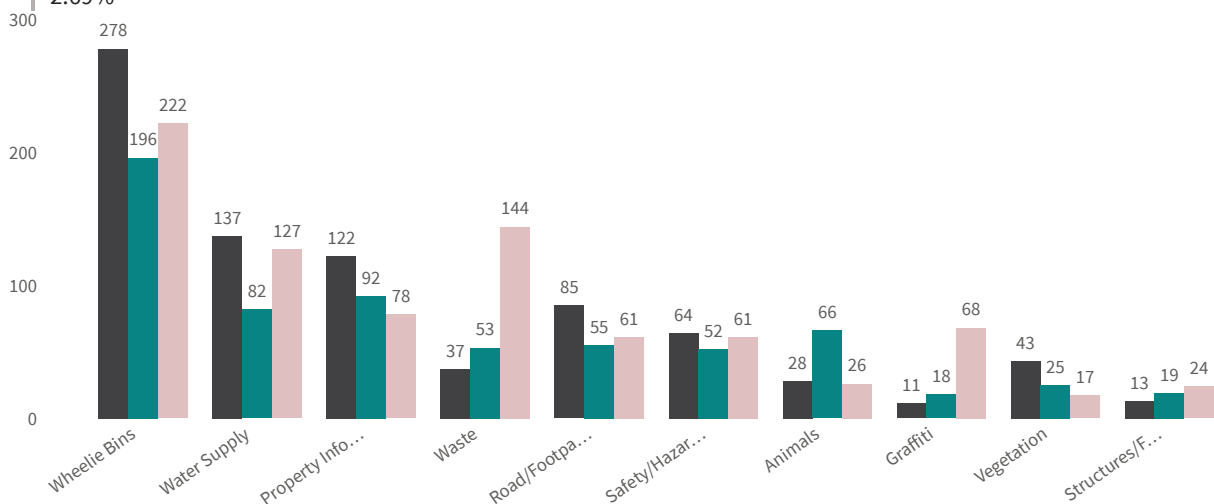
Snap, Send, Solve
557 (22%)

Phone/Email/Walk...
1171 (47%)

Website 764 (31%)

Top 10 Incident Categories

● Halswell ● Hornby ● Riccarton



Top 10 Object Categories

# Tickets	ObjectCategory	+/- Previous Month
243	Bin Not Collected	73
243	Damaged Bin	46
194	Litter	-33
145	Water Leak	-16
109	Residential LIM	-23
88	Missing Bin	40
81	Residential Property Files	-18
76	New Residential Water Connection	34
63	New Service	7
56	Water Supply	0

Report date:
04 Jun 2024

Ticket Report

01 05 2024 - 31 05 2024

Filter by Ward

Papanui-Innes-Central

Filter by month

2024 (Year) + May (Month)

4537

Reported Tickets last month

89.51%

Resolved within SLA

Status as of Report Date

Closed/Resolved

77.50%

Open

20.04%

Programmed Work

2.47%

Channels

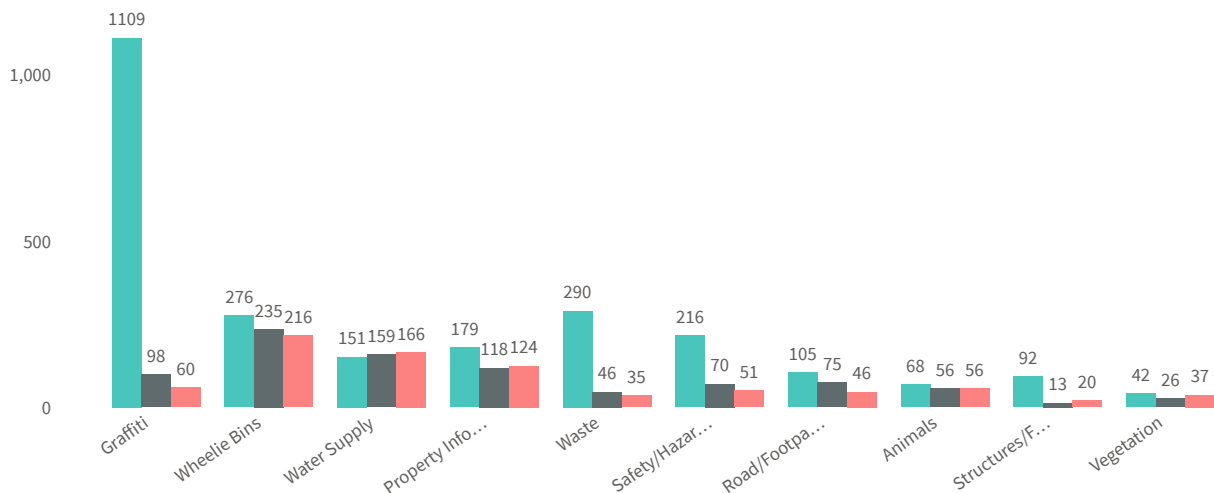
Website 987 (22%)

Snap, Send, Solve
1848 (41%)

Phone/Email/Walk-in
1702 (38%)

Top 10 Incident Categories

Central Innes Papanui



Top 10 Object Categories

# Tickets	ObjectCategory	+/- Previous Month
504	Graffiti - Utility box, pole, railway	142
460	Graffiti - Fence, building or structure	17
332	Litter	-30
243	Damaged Bin	25
238	Water Leak	-49
217	Bin Not Collected	-46
158	Residential Property Files	9
150	Graffiti - Other	59
135	Residential LIM	-27
106	Meter box	55

Report date:

04 Jun 2024

Ticket Report

01 05 2024 - 31 05 2024

Filter by Ward

Spreydon-Cashmere-Heathcote

Filter by month

2024 (Year) + May (Month)

3720

Reported Tickets last month

90.03%

Resolved within SLA

Status as of Report Date

Closed/Resolved

75.38%

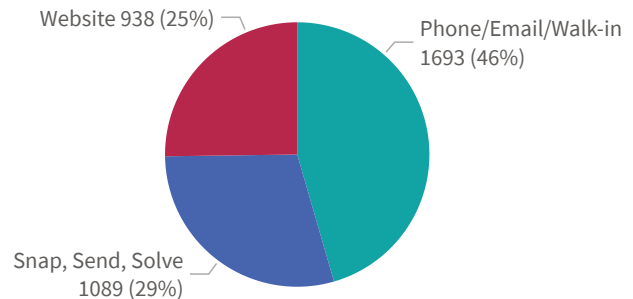
Open

22.26%

Programmed Work

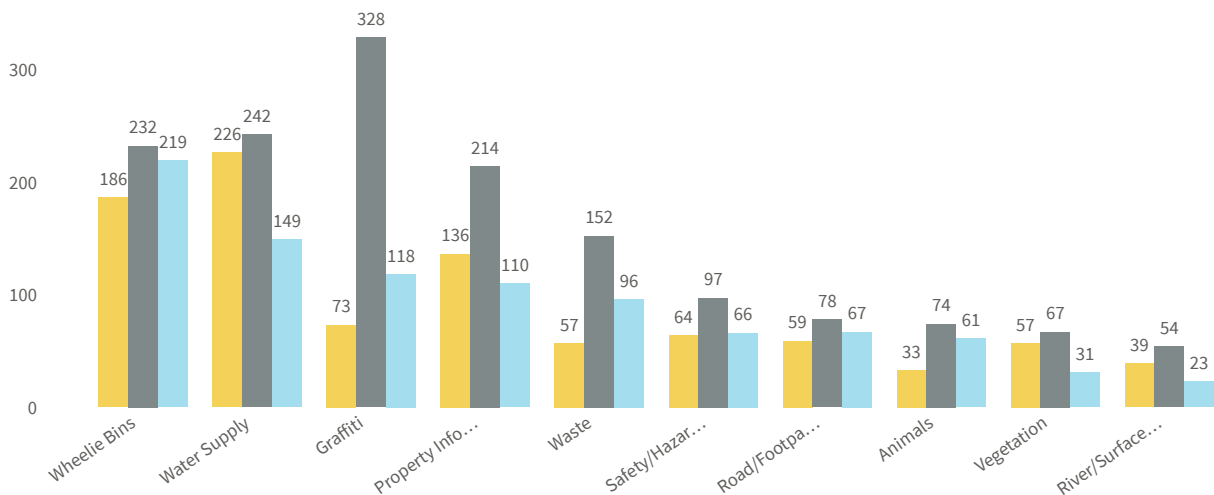
2.37%

Channels



Top 10 Incident Categories

Cashmere Heathcote Spreydon



Top 10 Object Categories

# Tickets	ObjectCategory	+/- Previous Month
344	Water Leak	-97
262	Litter	-28
253	Damaged Bin	-8
206	Residential Property Files	21
202	Graffiti - Utility box, pole, railway	52
201	Bin Not Collected	-33
137	Graffiti - Fence, building or structure	-48
127	Graffiti - Other	63
120	Water Supply	20
107	Residential LIM	-21

Report date:

04 Jun 2024

Ticket Report

01 05 2024 - 31 05 2024

Filter by Ward

Banks Peninsula

Filter by month

2024 (Year) + May (Month)

451

Reported Tickets last month

78.05%

Resolved within SLA

Status as of Report Date

Closed/Resolved

61.86%

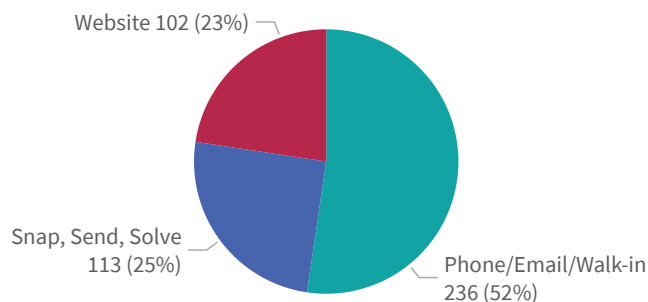
Open

36.59%

Programmed Work

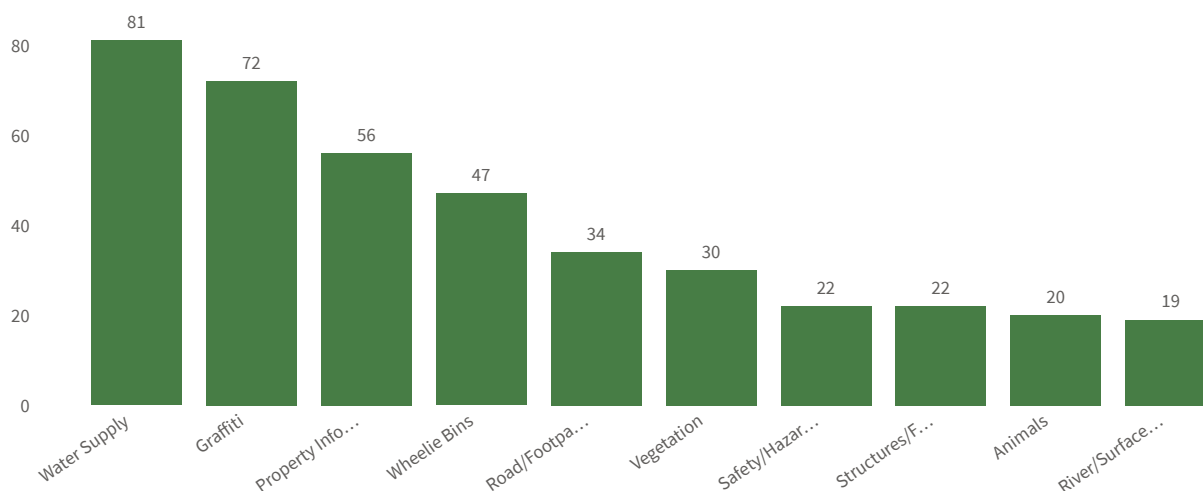
1.55%

Channels



Top 10 Incident Categories

● Banks Peninsula



Top 10 Object Categories

# Tickets	ObjectCategory	+/- Previous Month
48	Water Leak	-27
33	Damaged Bin	-10
33	Residential Property Files	-9
29	Graffiti - Fence, building or structure	17
23	Graffiti - Other	17
21	Water Supply	3
19	Residential LIM	-2
18	Blockage/Water Not Draining	12
17	Building Maintenance	-4
15	Garden/Landscaped Area	2

Report date:

04 Jun 2024

8. Financial Performance Report - May 2024

Reference Te Tohutoro: 24/984221

Responsible Officer(s) Te Pou Matua: Russell Holden, Head of Finance

Accountable ELT Bede Carran, General Manager Finance, Risk & Performance / Chief Member Pouwhakarae: Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is for the Finance and Performance Committee to be updated on Council's financial performance to 31 May 2024 including the current year forecast, and to receive current treasury compliance 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. Receives the information in the Financial Performance Report - May 2024 Report.

3. Brief Summary

- 3.1 The year-to-date operational surplus of \$34.5m is \$21.0m greater than budgeted. This is primarily due to; reduced personnel costs - due to staff vacancies, improved waste management revenues, decreased landfill costs, increased rates penalties, higher subvention receipts and improved recreation and sports revenues due to higher participation. A surplus of \$12.6 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 \$18.3 million. This comprises a forecast under spend of \$10.6 million on the core/external funded programme and a forecast under spend of \$7.7 million on Te Kaha.
- 3.3 All treasury risk positions are within policy limits.

4. Operating Forecast

- 4.1 The current forecast surplus, before carry-forwards, is \$19.9 million, arising from; rates income, pool revenues, Water Reform additional funding, savings in personnel costs, improved waste management operations, and increased subvention receipts. These are partially offset by reductions in Digital staff capitalisation, higher net interest cost and additional three waters operational and maintenance costs.
- 4.2 The current significant carry-forward requests, being signalled, that reduce the forecast surplus from \$19.9 million to \$12.6 million are:
 - 4.2.1 Water Reform \$2.8m - Request to carry forward these funds as 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 per the original agreement,
 - 4.2.2 Port Hills red zone funding \$1.0m – remaining unspent budget,

- 4.2.3 Closed Landfill Aftercare costs \$0.75m –unspent waste management landfill aftercare budget,
- 4.2.4 EQ repair programme \$0.88m –remaining EQ repair programme budgets for the Pages Road demolition, Yaldhurst Memorial Hall repair, Opawa Childrens Library and Upper Riccarton War Memorial Library,
- 4.2.5 Christchurch Red Zones \$0.26m - prioritise the spending of Better Off funding as opposed to spending the carry forward,
- 4.2.6 Edgeware Pool grant \$3m - to raise sufficient funds to demonstrate the capability to build and operate the pool (this will be funded from borrowings and so it is not included in the forecast surplus noted in paragraph 4.2 above),
- 4.2.7 Metro Community Partnership fund \$0.8m - will be phased over next 24 months with annual payment made at differing times depending on when the contract started,
- 4.2.8 Orion compliance project \$ 0.37m - Request to carry forward the remaining budget for this project as it will not be completed until early next FY to meet our compliance and expectation from Orion.
- 4.3 The \$12.6 million forecast year end surplus, after carry-forwards, is an improvement of \$1.6 million from that reported last month. The material improvement is largely due to improved organics processing costs and improved Rec & Sports revenues, partially offset by increased Three Waters and Digital costs,
- 4.4 During recent LTP workshops, Councillor direction in relation to the additional \$7.4 million of subvention receipts received this year, (which are part of the forecast surplus), is to utilise these to reduce borrowing requirements. This has a positive impact on future debt servicing costs.

5. Operational Expenditure and Revenue

- 5.1 This covers day to day spend on staffing, operations and maintenance, and revenues to fund the operational spend.
- 5.2 Operational revenue exceeds expenditure as it includes rates revenue for capital renewals and debt repayment. This ‘capital’ revenue is referred to below as ‘Funds not available for Opex’ and is removed to show the year to date and forecast operational 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	(958.0)	(939.4)	18.6	(1,014.7)	(994.1)	20.6	(0.4)	20.2
Expenditure	683.8	687.7	3.9	757.9	760.7	2.8	10.5	(7.7)
Funds not available for Opex	239.7	238.2	(1.5)	236.9	233.4	(3.5)	(3.6)	0.1
Operating (Surplus)/Deficit	(34.5)	(13.5)	21.0	(19.9)	-	19.9	7.3	12.6

- 5.3 Brief summaries of revenue and expenditure variances are highlighted below.
- 5.4 Revenues are \$18.6 million ahead of budget year to date and are forecast to be \$20.6 million higher at year end. Key drivers of actual and forecast variances to budget include:

Variance	YTD	Year end forecast (after c/f)
Subvention receipts from Council controlled organisations	7.4m	7.4m
Waste operations (primarily Burwood landfill & Ecocentral)	4.9m	5.6m
Consenting revenues (reducing consents backlogs)	2.0m	1.7m

Recreation & Sports Centres increased participation	2.9m	2.4m
Rating base growth	1.2m	1.2m
Rates penalties	1.3m	1.9m
Rates valuation objections (prior year)	(0.3m)	(0.3m)
Transwaste dividends	(0.5m)	(0.6m)
Transport revenues (NZTA Opex Subsidy)	(2.4m)	-
Total	16.5	19.3

- 5.5 Expenditure is \$3.9 million lower than budget year to date but forecast to be \$7.7 million over budget at year end after carry forwards. The reason for the forecast deterioration in the last quarter is that some operational expenditure such as Plan Change 14 (PC 14) and operational expenditure funded from Better Off Funding is more heavily weighted towards the end of the financial year than was budgeted. The year-to-date variance is primarily driven by lower personnel costs largely due to higher than expected staff vacancies.

Key drivers of actual and forecast variances to budget include:

Variance	YTD	Forecast (after c/f)
Staff Costs (net saving from vacancies unfilled for longer than expected)	7.1m	6.3m
Grant payments (delays in projects and budget phasing variances)	0.8m	0.2m
Transport operating and maintenance costs	0.8m	0.4m
Professional advice expenditure	1.6m	(2.1m)
Waste operating costs (lower recycling processing fees, lower residual waste disposal fees and lower organics processing costs)	2.1m	0.0m
District Planning professional advice costs accelerating & additional costs incurred clearing consent backlog (partially offset by additional revenues)	(0.6m)	(2.3m)
Three Waters maintenance & operating costs (additional reactive maintenance)	(5.5m)	(3.2m)
Digital capitalisation budget allocation (note 5.6)	(3.6m)	(3.6m)
Digital P/O receipting delays resulting in FY-23 costs in FY-24, and increases in software licence renewal costs greater than budget.	(2.9m)	(3.2m)
Total	(0.2m)	(7.5m)

- 5.6 In the 23/24 Annual Plan preparation, a change in the budgeting process had an unintended consequence in respect of Digital costs. Depreciation charges for Digital should have been treated as operational costs (opex) which are funded by rates, what occurred was that they were incorrectly capitalised in the budget and therefore not rated to be recovered. This has been corrected in the LTP 2024-34.
- 5.7 Funds not available for Opex; items included in this category contributing to the variance are Housing and Dogs opex (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	373.7	413.1	39.4		428.6	454.1	25.5		12.1	13.4
External Funded Programme	40.7	24.3	(16.4)		44.3	26.5	(17.8)		(15.0)	(2.8)
Less unidentified Carry Forwards	0.0	0.0	0.0		(2.9)	0.0	2.9		13.3	(10.4)
Core/External Funded Programme	414.4	437.4	23.0	●	470.0	480.6	10.6	●	10.4	0.2
Te Kaha	180.7	192.0	11.3		216.5	224.2	7.7		7.7	-
Total Capital Programme	592.2	629.4	34.3	●	686.5	704.8	18.3	●	18.1	0.2
Revenues and Funding	(292.2)	(275.3)	16.7		(307.3)	(317.1)	(9.9)		(15.2)	5.3
Borrowing required	290.3	340.6	50.3	●	394.8	403.4	8.6	●	2.9	5.7

Capital Expenditure

- 6.2 Gross capital expenditure of \$592.2 million has been incurred against a year-to-date budget of \$629.4 million.
- 6.3 Overall, total capital expenditure of \$686.5 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 \$704.8 million. Of the \$18.3 million variance, the majority is forecast to be requested 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 \$16.7 million higher than budget year to date, due to Council having received higher development contribution revenues (\$33M compared with a \$21.2M budgeted) and higher proceeds from land sales (\$6.9M) offset by lower NZTA capital subsidies.
- 6.6 Capital revenues and funding are forecast to be \$9.9 million lower than budget, before carry-forwards which comprise delays in NZTA capital subsidies, which are yet to be calculated. The revenue not recovered in the current financial year is expected to be received in FY-25. The lower revenue is 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):

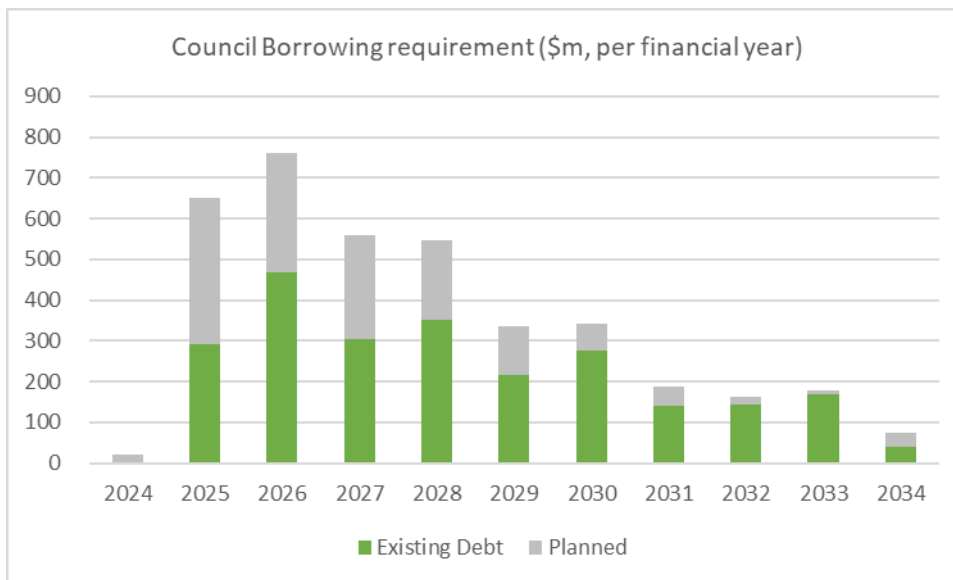
	<i>Jun-23 Actual</i>	<i>Current</i>	<i>Jun-24 Projected</i>	<i>Full Year Change</i>
Gross Borrowing	2,242.5	2,542.2	2,581.5	339.0
Advances to Related Parties	805.5	838.3	838.2	32.6
Net Debt (excl. Cash)	1,437.0	1,703.9	1,743.4	306.4

7.3 Advances are primarily to Christchurch City Holdings Ltd (currently \$681.2 million, which has increased by \$24 million year to date) and to the Local Government Funding Agency (LGFA) an increase of \$8.6 million (a term of borrowing is that Council leaves 2.5% of its total borrowings with LGFA).

7.4 Net Debt (excluding cash balances) is estimated to increase by \$306.4 million over the full financial year, 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

Signatories Ngā Kaiwaitohu

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

Item 8

9. Capital Programme Performance Report May 2024

Reference Te Tohutoro: 24/440278

Responsible Officer(s) Te Pou Matua: Richard Wesley, Acting Head of Programme Management Office

Accountable ELT Member Pouwhakarae: Brent Smith, Acting General Manager City Infrastructure

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to present to the Finance and Performance Committee meeting the monthly Capital Programme Performance Report for May 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. Receives the information in the Capital Programme Performance Report May 2024 Report.

3. Background/Context Te Horopaki

- 3.1 With one month of FY24 remaining, the overall capital programme has a year-end forecast of \$698.2m (99% of budget) based on Project Management forecasts.
- 3.2 The year-end forecast for CCC Capital (excl. Te Kaha) as reported by Project Managers is \$481.7m (100% of budget). This is within 3% of the PMO year-end forecast, which remains at \$470m this month. The PMO forecast is based on programme-level analysis including current levels of expenditure, historical performance, and the overall outlook. As this report is finalised on 10th June, indications are that the PMO Forecast is conservative, based on the high May expenditure and some late forecast changes.
- 3.3 The full Capital Programme Performance Report for April is provided as Attachment A. It contains the Watchlist report as Appendix 1.
- 3.4 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 24/441144 (Title: Capital Programme Performance Report - May 2024 Final)	24/989093	47

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

Document Name – Location / File Link
Not applicable

Signatories Ngā Kaiwaitohu

Authors	Lauren Barry - Senior PMO Analyst Richard Wesley - Acting Head of Programme Management Office Greer Hill - Administrator Officer
Approved By	Brent Smith - Acting General Manager City Infrastructure

Capital Programme Performance Report

May 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.

862 Matatiki Hornby Centre has been removed from the Watchlist Report this month, with the facility now open to the public.



*Inside the foyer of the new Court Theatre building, where construction continues to progress well (photo late March 2024).
See Watchlist for the latest project update (64048 - Performing Arts Precinct - Court Theatre Building).*

Data refreshed 7 June 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 overall capital programme has a forecast year-end result of 99% of budget based on Project Management forecasts. Expenditure in May was the highest for the year to date; key spends included Watchlist projects in construction, road resurfacing programmes, and some significant payments and purchases (see area commentary). Te Kaha is now approximately half way through construction phase. The latest video update is available at [Te Kaha May update \(youtube.com\)](#).

Month Highlight

The **Puari ki Pū-harakeke-nui Northern Line cycleway** has now unofficially opened, following completion of the Section 2 works. This provides a continuous 7.5km shared path from the Central City to Belfast. Section 2 works have been completed ahead of schedule and within budget. Some KiwiRail signalling works remain (see Watchlist). The official opening will take place in August.



Year Budget

\$705.3M

Year Forecast

\$698.2M

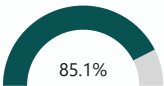
Forecast Result

99%

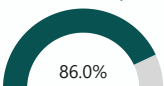
Year Actuals

\$600.2M

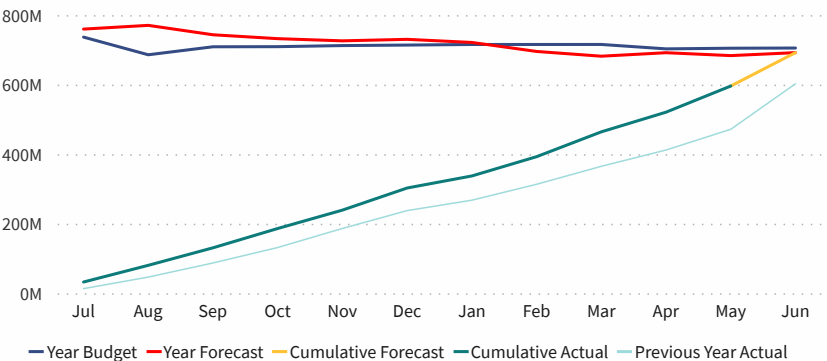
% Budget Spent



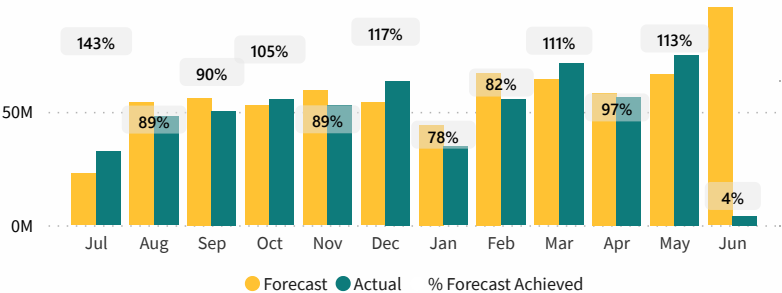
% Forecast Spent



Monthly Financial Time Line



Monthly Cashflow Actuals vs. Forecast



Year Budget by Reporting Area



Te Kaha Three Waters Transport Parks, Heritage & Foreshore RSE ŌARC Digital Waste Management Other

CCC Capital

Excludes Te Kaha Canterbury Multi Use Arena

PMO Forecast - CCC Capital

Each month the Project Management Office (PMO) provides a FY24 year-end forecast for CCC Capital based on programme analysis, including year to date actuals, historical trends, and the current outlook.

The PMO Forecast remains at **\$470m** this month for the year-end result, as reported in the Finance report. This is within 3% of current consolidated Project Management forecasts.

Programme Risk Review

Significant risks common to the capital programme are outlined below. Risks that are specific to a single reporting area or individual project are included in subsequent sections.

Cost pressures: Some projects are requiring significant additional budget to meet revised cost estimates, due to high inflation and cost escalation. The impacts of this are reducing now that the draft LTP has been approved.
Mitigation: Via contract management, change control, contingencies and the LTP process.
Current impact: **Moderate**

Forecasting accuracy: There have been some improvements in this area in recent months. For CCC Capital, consolidated Project Management forecasts have been largely stable since February, and expenditure has also been well aligned with month start forecasts since this time.
Mitigation: Continued review and scrutiny of all forecasts to improve accuracy and predictability.
Current impact: **Moderate**

Year Budget

\$481.1M

Year Forecast

\$481.7M

Forecast Result

100%

Year Actuals

\$419.3M

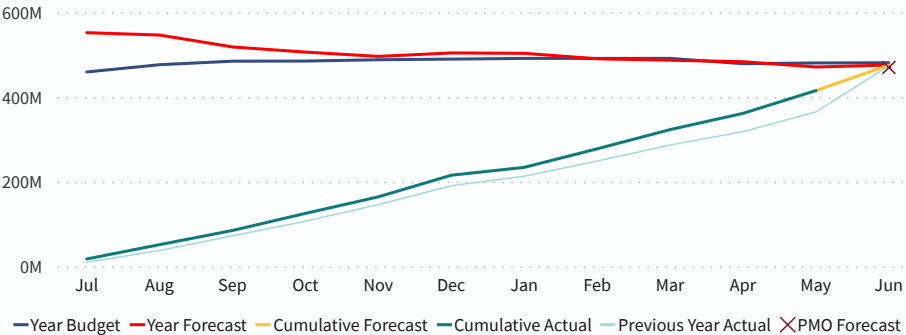
% Budget Spent

87.2%

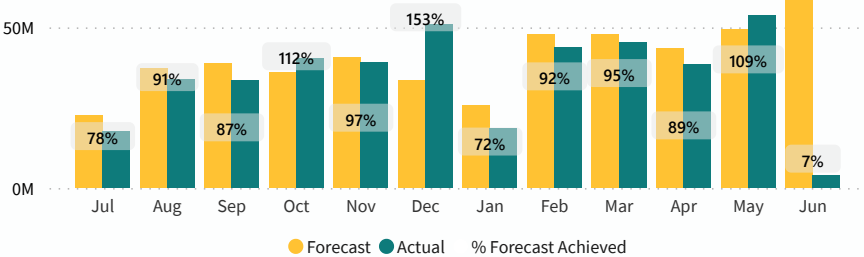
% Forecast Spent

87.0%

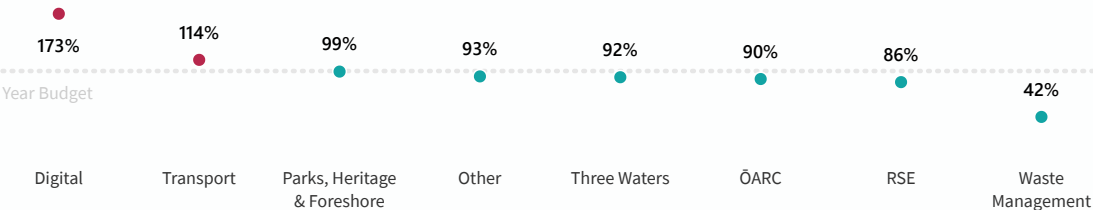
Monthly Financial Time Line

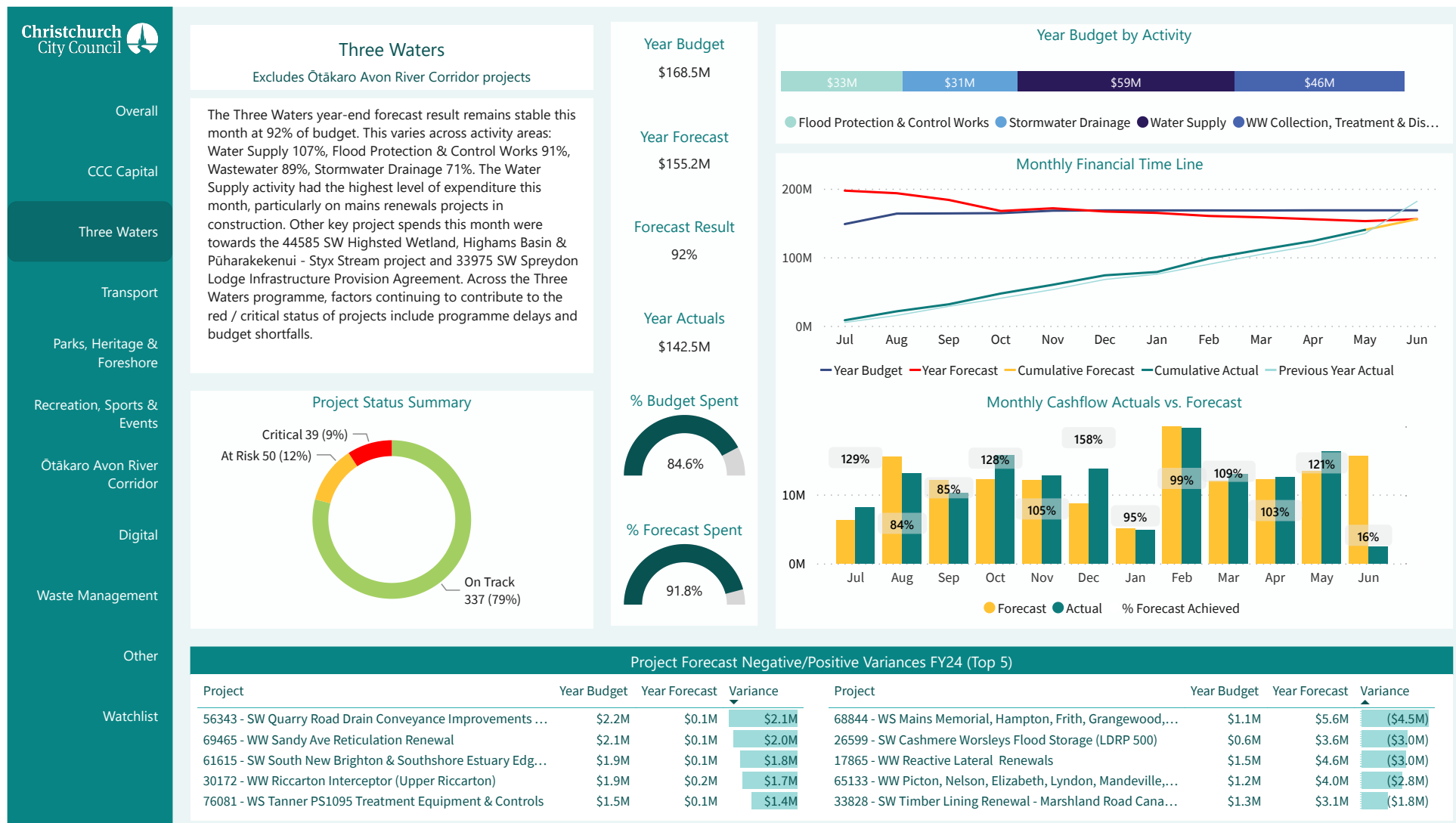


Monthly Cashflow Actuals vs. Forecast



Forecast Result by Area





Overall

CCC Capital

Three Waters

Transport

Parks, Heritage &
Foreshore

Recreation, Sports &
Events

Ōtākaro Avon River
Corridor

Digital

Waste Management

Other

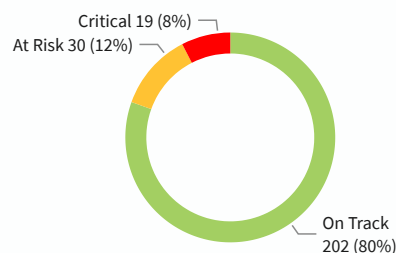
Watchlist

Transport

Excludes Waste and Ōtākaro Avon River Corridor projects

The Transport programme has a forecast year-end result of 114% of budget, and expenditure continues to track ahead of the prior year. Another major milestone has been achieved in the Major Cycle Route (MCR) programme this month, with the unofficial opening of the Northern Line. Key project spends in May were for several of the MCR's, road resurfacing, and Minor Road Safety Improvements. A change request is in progress to address the funding required for the FY24 Weather Events Remediation. This is being managed within existing budgets (no new funding required). Across the Transport programme, factors continuing to contribute to the red / critical status of projects include budget shortfalls, KiwiRail interdependencies, and some programme delays.

Project Status Summary



Year Budget

\$127.7M

Year Forecast

\$145.9M

Forecast Result

114%

Year Actuals

\$123.0M

% Budget Spent

96.3%

% Forecast Spent

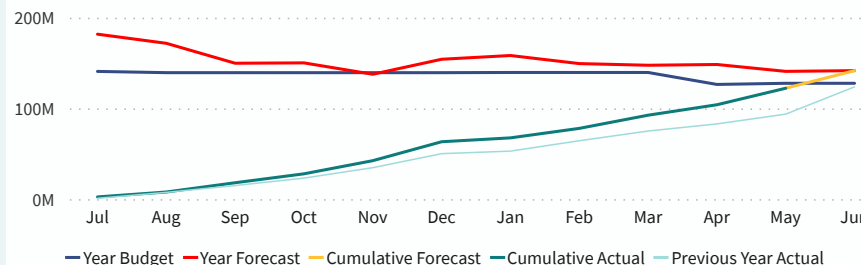
84.4%

Year Budget by Activity

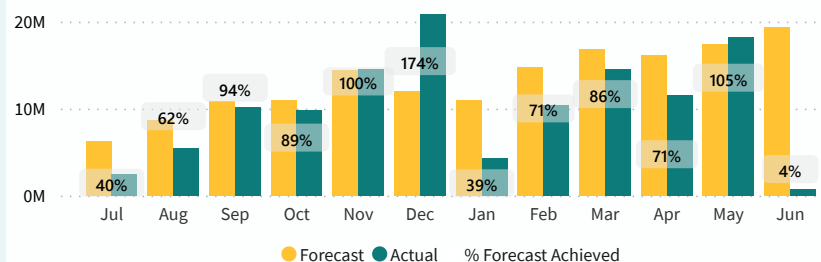


● Transport Access ● Transport Environment ● Transport Safety

Monthly Financial Time Line

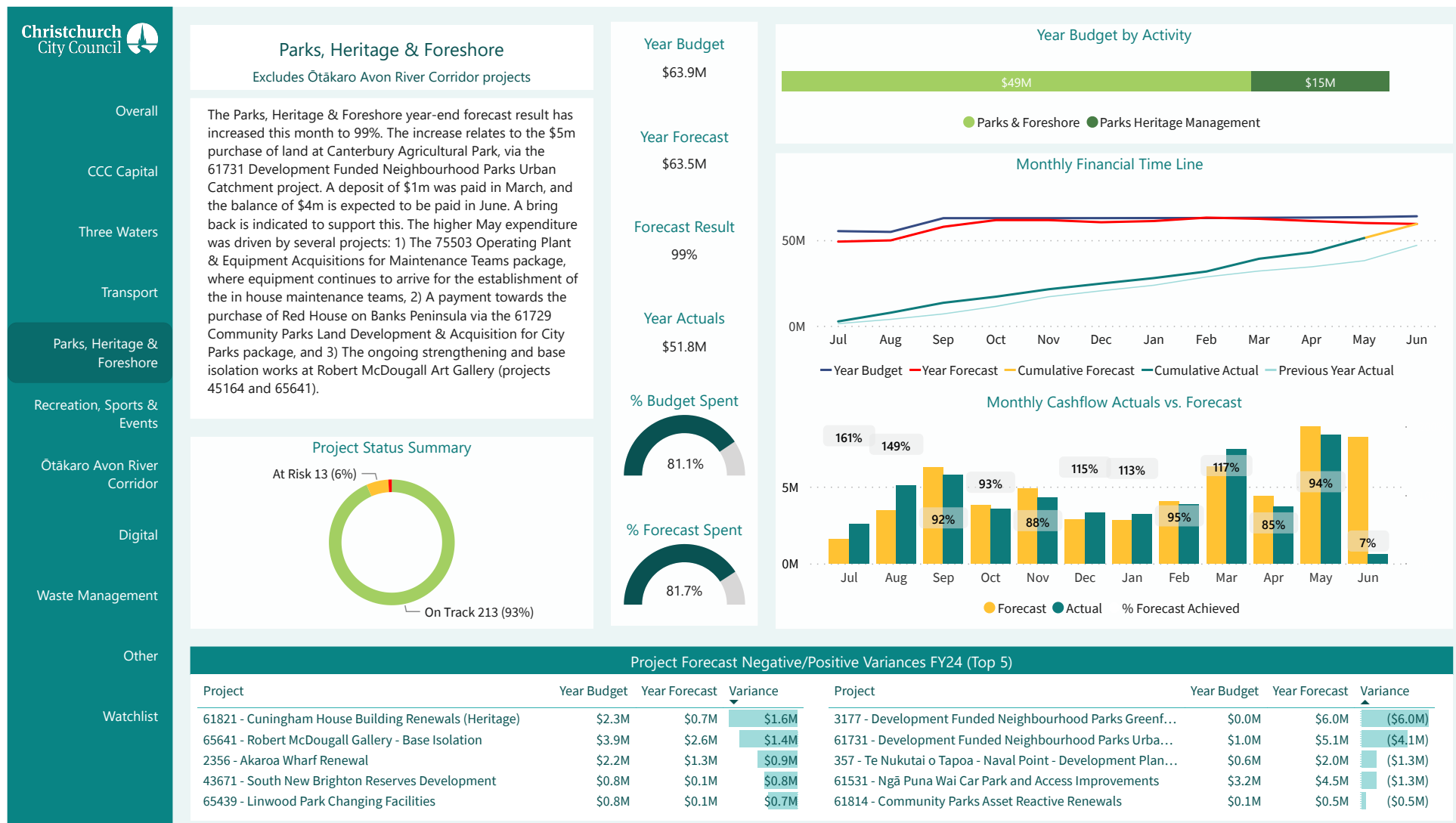


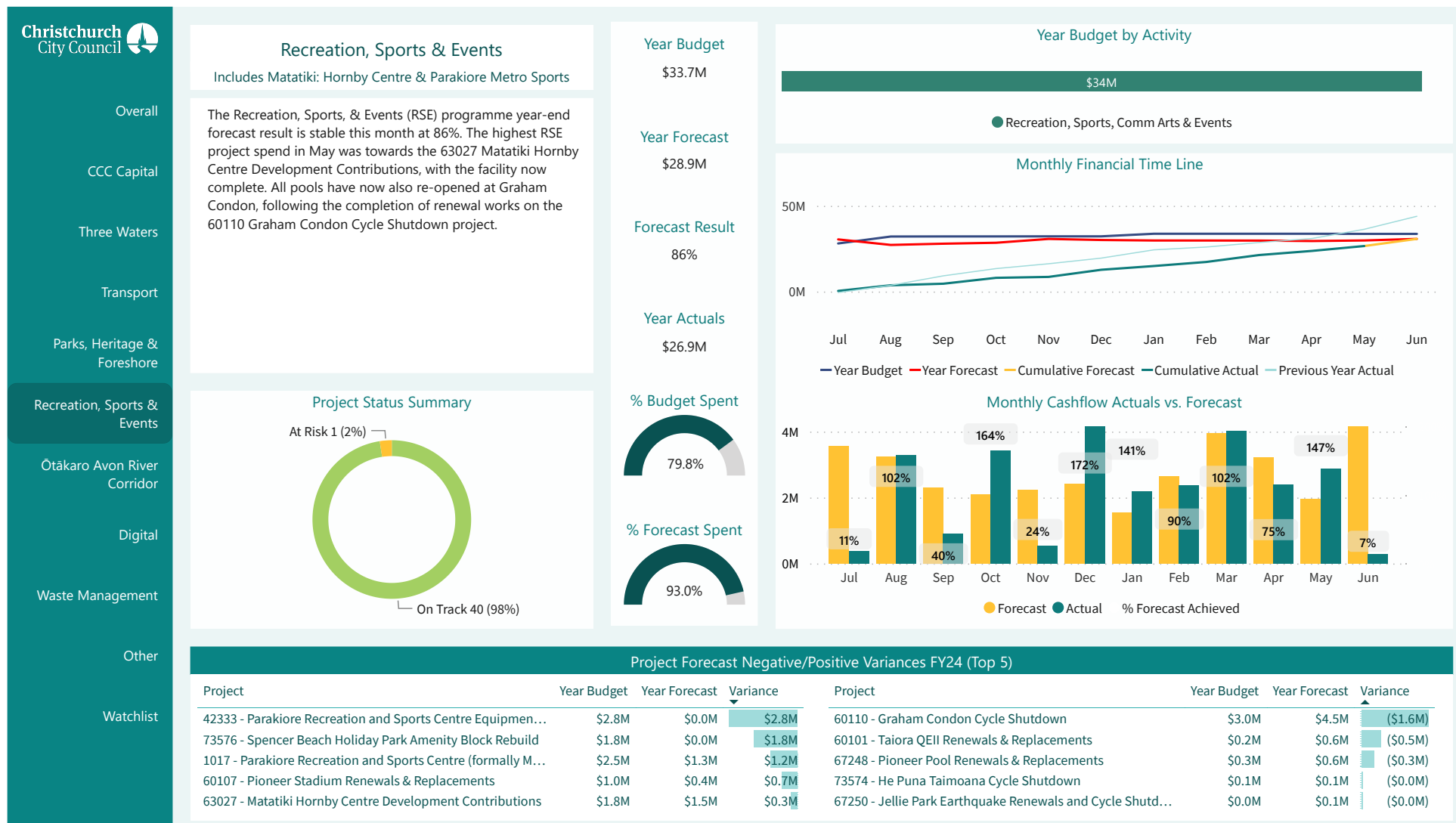
Monthly Cashflow Actuals vs. Forecast

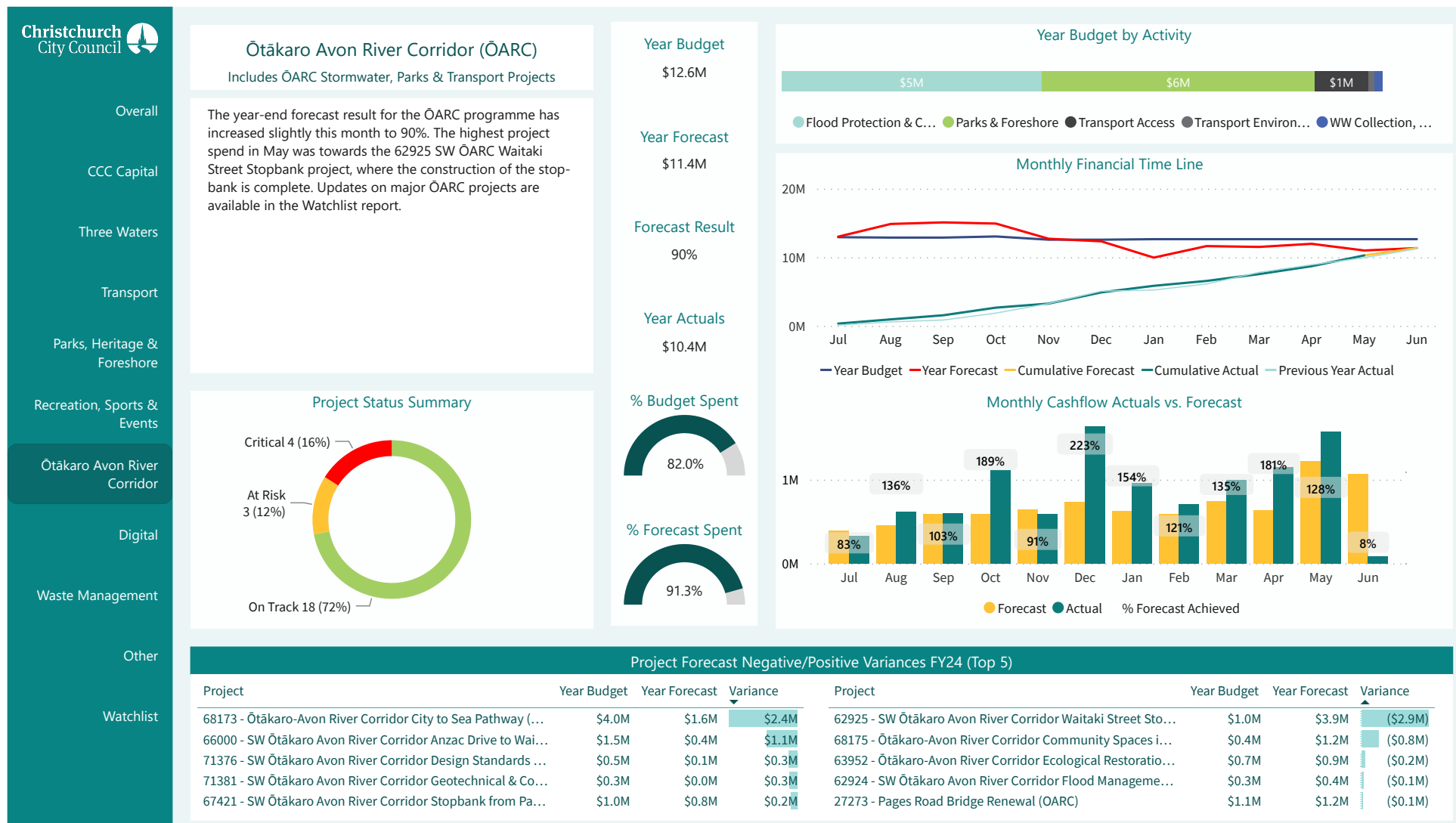


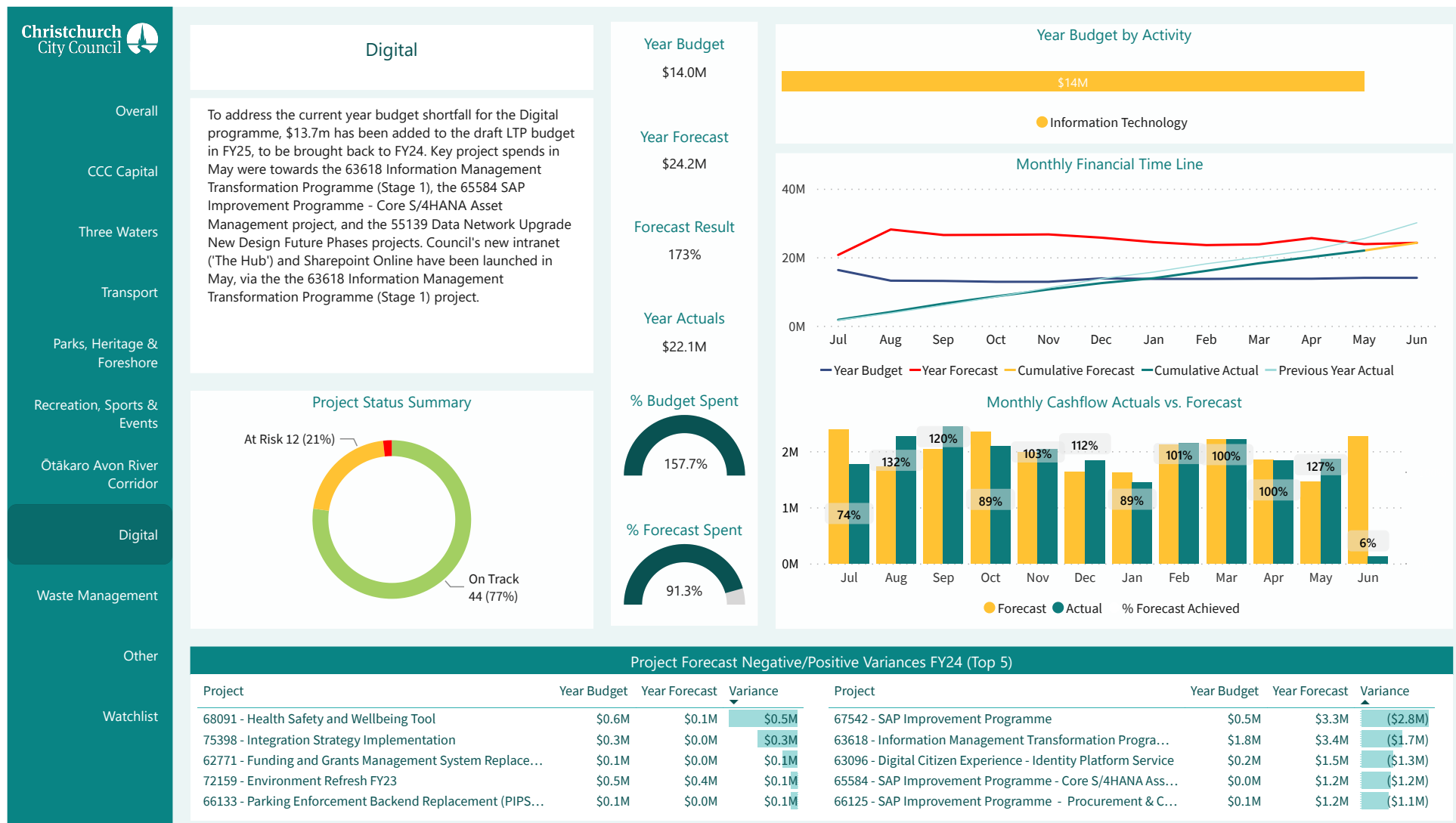
Project Forecast Negative/Positive Variances FY24 (Top 5)

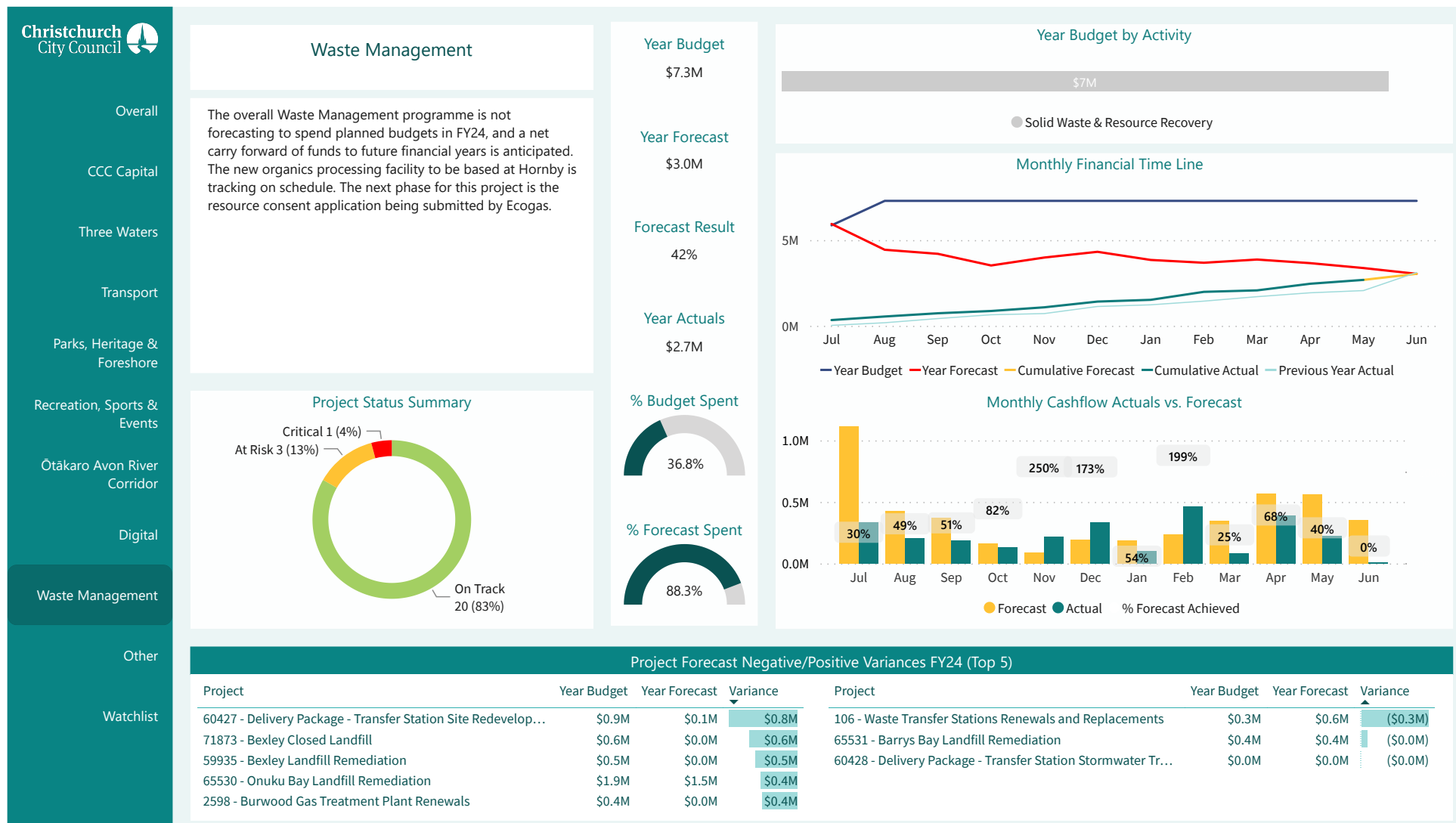
Project	Year Budget	Year Forecast	Variance	Project	Year Budget	Year Forecast	Variance
37102 - Delivery Package - Bridge Renewals	\$2.6M	\$0.9M	(\$1.7M)	23101 - Major Cycleway - Nor'West Arc Route (Section 3) U...	\$2.3M	\$8.7M	(\$6.5M)
42010 - Mairehau Road Corridor Improvement (Burwood t...	\$1.5M	\$0.1M	(\$1.5M)	71306 - Coastal Pathway & Moncks Bay - Council Funded	\$1.4M	\$6.6M	(\$5.2M)
37117 - Delivery Package - Retaining Walls Renewals	\$2.3M	\$0.9M	(\$1.3M)	47023 - Major Cycleway - Northern Line Route (Section 2) T...	\$2.3M	\$6.7M	(\$4.4M)
72779 - Transport Choices 2022 - Linwood Bus Stop Impro...	\$1.9M	\$0.6M	(\$1.3M)	924 - Halswell Junction Road Extension	\$3.6M	\$7.8M	(\$4.2M)
59738 - Programme - Capital Regeneration Acceleration Fu...	\$1.3M	\$0.0M	(\$1.3M)	50462 - Delivery Package - Minor Road Safety Improvements	\$0.6M	\$4.4M	(\$3.8M)

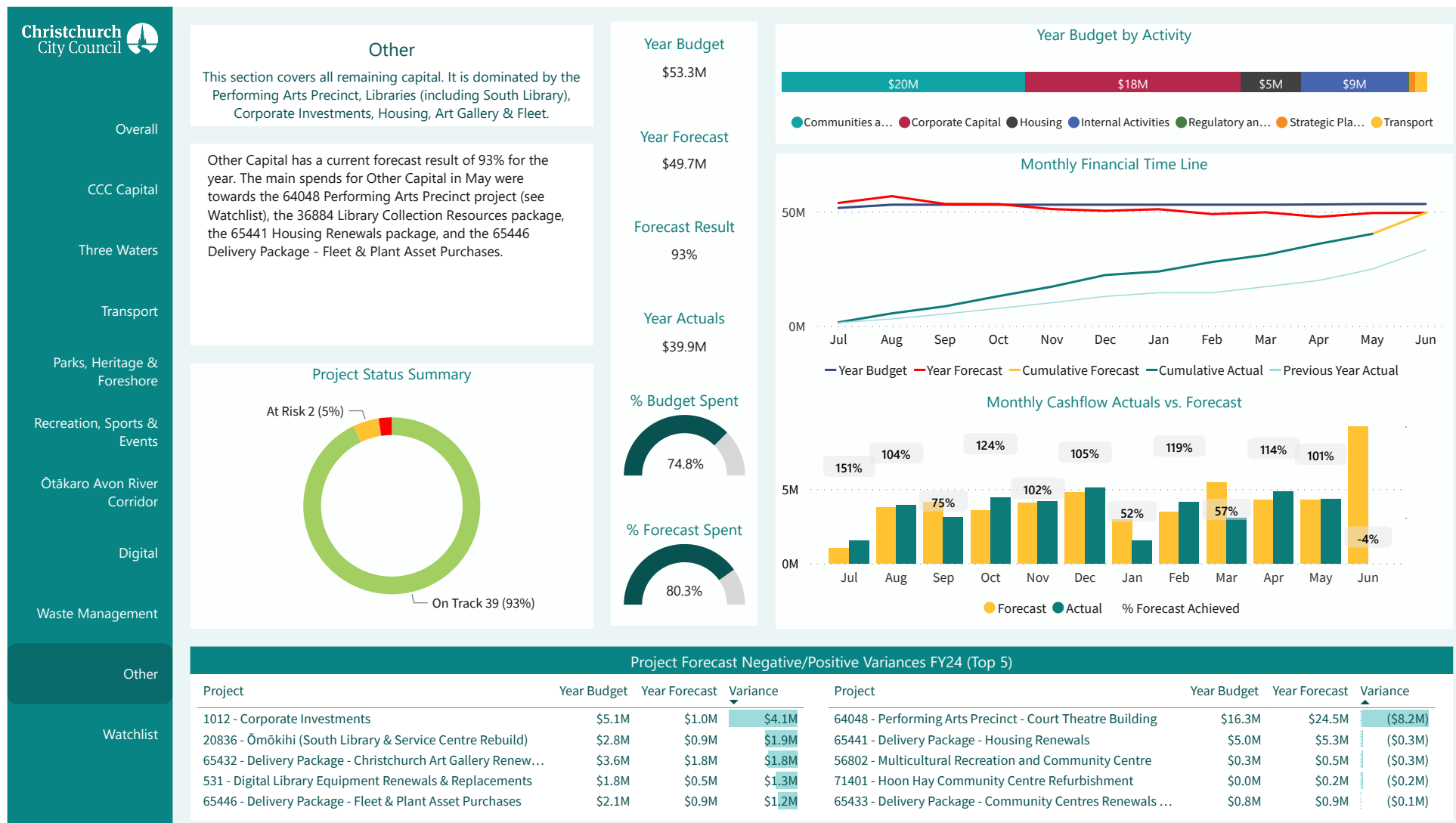












Appendix 1

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)	On Track
64048 - Performing Arts Precinct - Court Theatre Building	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)	At Risk
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	At Risk
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	At Risk
18396 - Te Kaha Surrounding Streets	At Risk
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 Drive to Waitaki Street Stopbank (OARC)	On Track
67421 - SW Ōtākaro Avon River Corridor Stopbank from Pages Road to Bridge Street (OARC)	On Track
20836 - Ōmōkihi (South Library & Service Centre Rebuild)	On Track

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>



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.

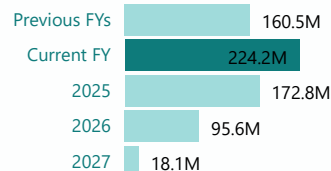
Primary Ward

Central

Group of Activities

Corporate Capital

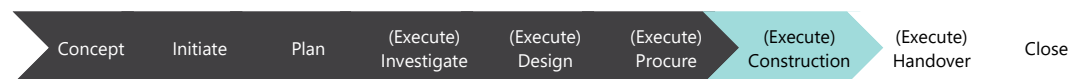
Year Budget (to 2031)



Video update: [Te Kaha May update \(youtube.com\)](https://www.youtube.com/watch?v=TeKahaMayupdate)



Project Phase



Overall Status Commentary

Work is progressing very well on site and is on programme for the Contract Completion Date of 20 April 2026. The erection of the structural steel framed roof to the Level 4 Coaches and Media rooms has been completed and 14 radial truss columns and the first Radial Diaphragm Module (RDM) to support the roof have now been erected beside the South Stand. The installation of precast concrete wall panels at ground and first floor levels and seating units (plats) to which the seating will be fixed, continue on the West, South and East Stands. The first-fix Services installation (mechanical, hydraulics and fire) and intumescent (fire protection) painting to structural steelwork are well advanced on the ground floor and Level 1 of the West and South Stands, together with the installation of steel wall framing and gibraltar board wall linings and painting to the concrete walls and columns. The aluminium shopfront glazing to the Level 1 Function Room is almost completed.

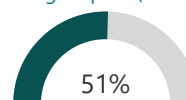
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$671.1M	\$671.1M	\$341.3M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$224.2M	\$216.5M	\$180.9M	\$7.7M

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
April 2026	April 2026	



CPMS

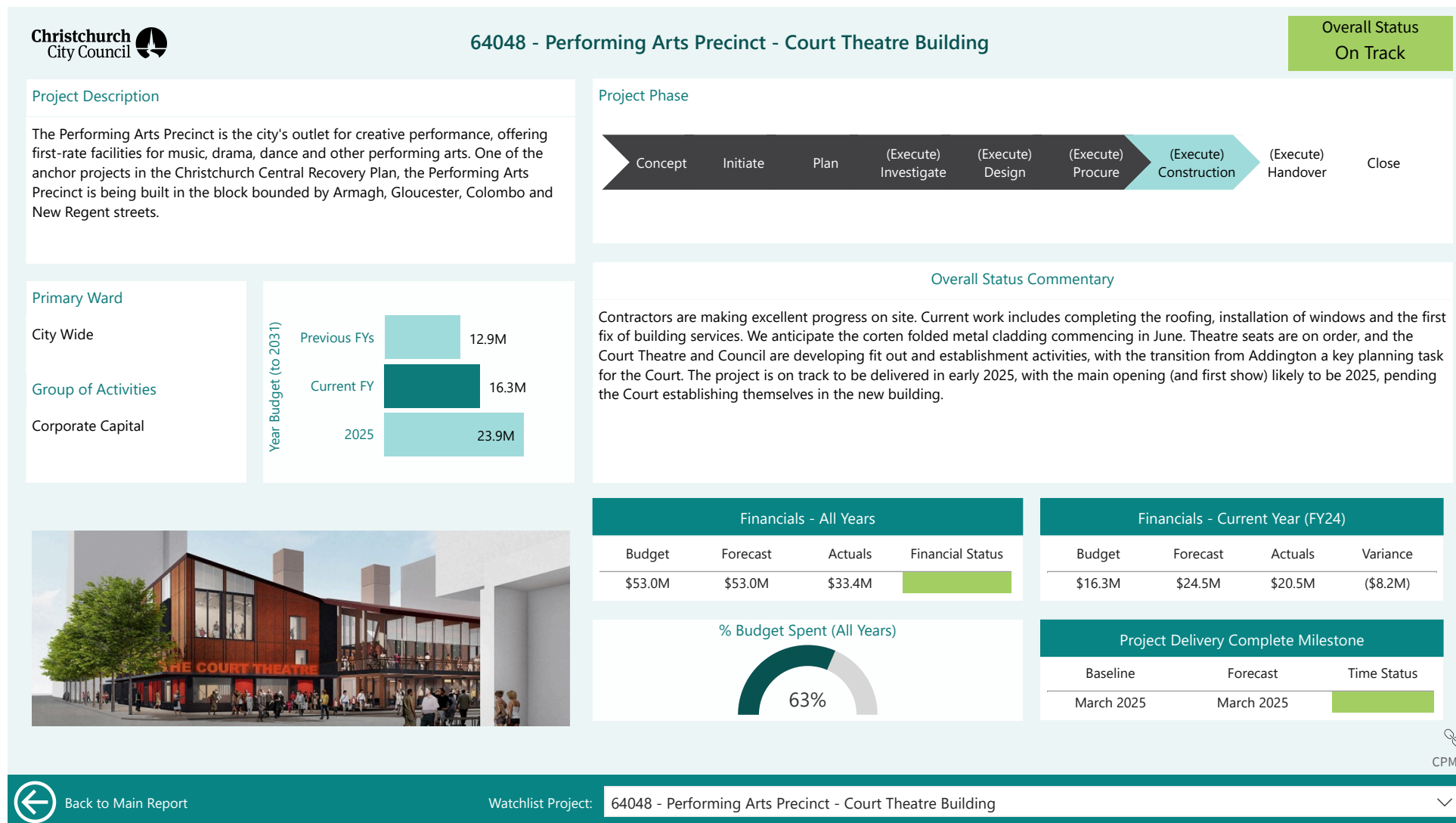


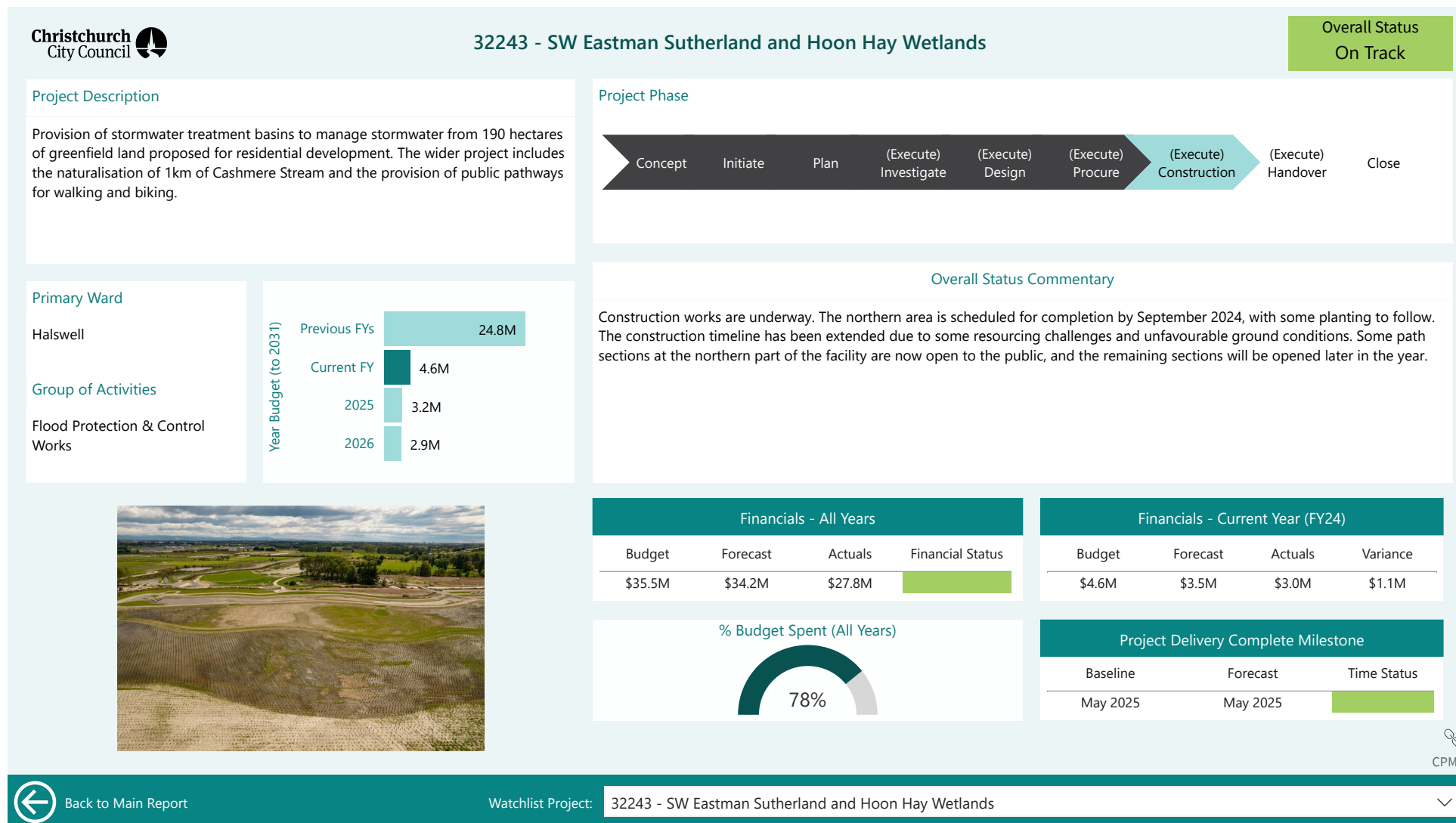
Back to Main Report

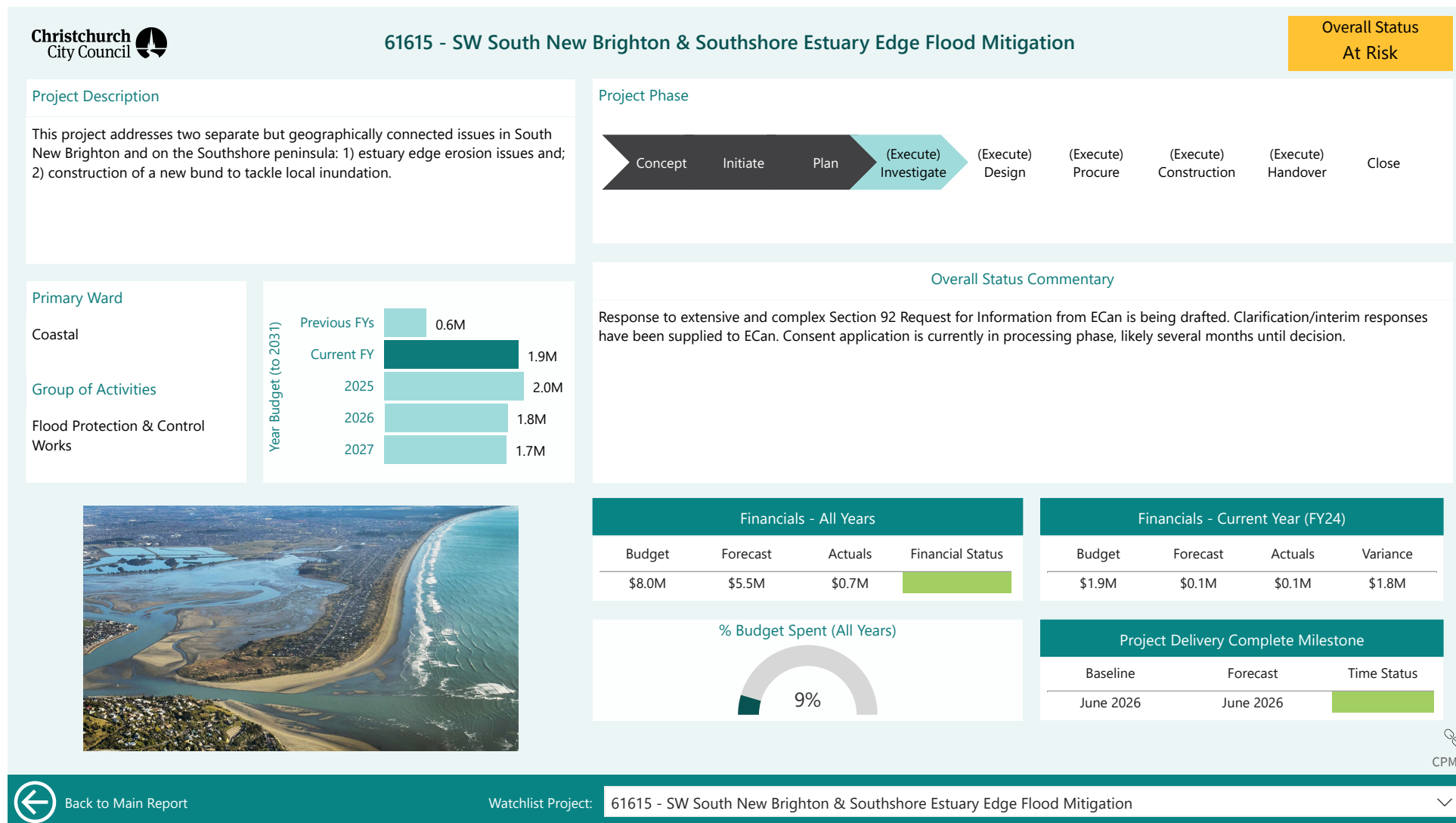
Watchlist Project: 1026 - Te Kaha Canterbury Multi Use Arena (CMUA)



<div> <div>Christchurch</div> <div>City Council</div>  </div>	<div>1017 - Parakiore Recreation and Sports Centre (formally Metro Sport Facility)</div>				<div>Overall Status</div> <div>On Track</div>																
<div>Project Description</div>	<div> <div>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.</div> </div>					<div>Project Phase</div> <div> <div>Concept</div> <div>Initiate</div> <div>Plan</div> <div>(Execute) Investigate</div> <div>(Execute) Design</div> <div>(Execute) Procure</div> <div>(Execute) Construction</div> <div>(Execute) Handover</div> <div>Close</div> </div>															
<div>Primary Ward</div> <div>Central</div> <div>Group of Activities</div> <div>Communities and Citizens</div>	<div> <div>Year Budget (to 2031)</div> <table> <tr> <td>Previous FYs</td><td>148.9M</td></tr> <tr> <td>Current FY</td><td>2.5M</td></tr> <tr> <td>2025</td><td>0.1M</td></tr> </table> </div>					Previous FYs	148.9M	Current FY	2.5M	2025	0.1M	<div>Overall Status Commentary</div> <div> <div>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 24 May 2024 following discussions with CPB Contractors, Rau Paenga provided an updated construction completion date of July 2025. Once the construction has been completed, the building will be fitted out by the Council.</div> </div>									
Previous FYs	148.9M																				
Current FY	2.5M																				
2025	0.1M																				
																					
			<div>Financials - All Years</div> <table> <tr> <th>Budget</th><th>Forecast</th><th>Actuals</th><th>Financial Status</th></tr> <tr> <td>\$151.5M</td><td>\$151.5M</td><td>\$150.1M</td><td></td></tr> </table>	Budget	Forecast	Actuals	Financial Status	\$151.5M	\$151.5M	\$150.1M			<div>Financials - Current Year (FY24)</div> <table> <tr> <th>Budget</th><th>Forecast</th><th>Actuals</th><th>Variance</th></tr> <tr> <td>\$2.5M</td><td>\$1.3M</td><td>\$1.3M</td><td>\$1.2M</td></tr> </table>	Budget	Forecast	Actuals	Variance	\$2.5M	\$1.3M	\$1.3M	\$1.2M
Budget	Forecast	Actuals	Financial Status																		
\$151.5M	\$151.5M	\$150.1M																			
Budget	Forecast	Actuals	Variance																		
\$2.5M	\$1.3M	\$1.3M	\$1.2M																		
			<div>% Budget Spent (All Years)</div> <div>99%</div>		<div>Project Delivery Complete Milestone</div> <table> <tr> <th>Baseline</th><th>Forecast</th><th>Time Status</th></tr> <tr> <td>October 2025</td><td>October 2025</td><td></td></tr> </table>	Baseline	Forecast	Time Status	October 2025	October 2025											
Baseline	Forecast	Time Status																			
October 2025	October 2025																				
<div>Back to Main Report</div>	<div>Watchlist Project:</div>	<div>1017 - Parakiore Recreation and Sports Centre (formally Metro Sport Facility)</div>																			







Christchurch
City Council

71306 - Coastal Pathway & Moncks Bay - Council Funded

Overall Status
On Track

Project Description

To deliver a shared cycle/pedestrian pathway in Moncks Bay. Note: Shovel Ready budget of \$15.8m for the Coastal Pathway & Moncks Bay has been largely expended, with the remaining ~\$300k to be spent on the works at Redcliffs Village which will commence soon. The remaining works on this project are Council funded (project ID 71306).

Primary Ward

Heathcote

Group of Activities

Transport

Year Budget (to 2031)

Previous FYs

0.5M

Current FY

1.4M

2025

5.7M

Project Phase

Concept

Initiate

Plan

(Execute)
Investigate

(Execute)
Design

(Execute)
Procure

(Execute)
Construction

(Execute)
Handover

Close

Overall Status Commentary

The detailed design for the Redcliffs Village safety improvements has been completed and works are expected to start on site in June/July. These are the final construction works for the project.

Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$7.6M	\$7.6M	\$6.7M	

% Budget Spent (All Years)

88%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.4M	\$6.6M	\$6.1M	(\$5.2M)


Project Delivery Complete Milestone

Baseline	Forecast	Time Status
July 2024	July 2024	

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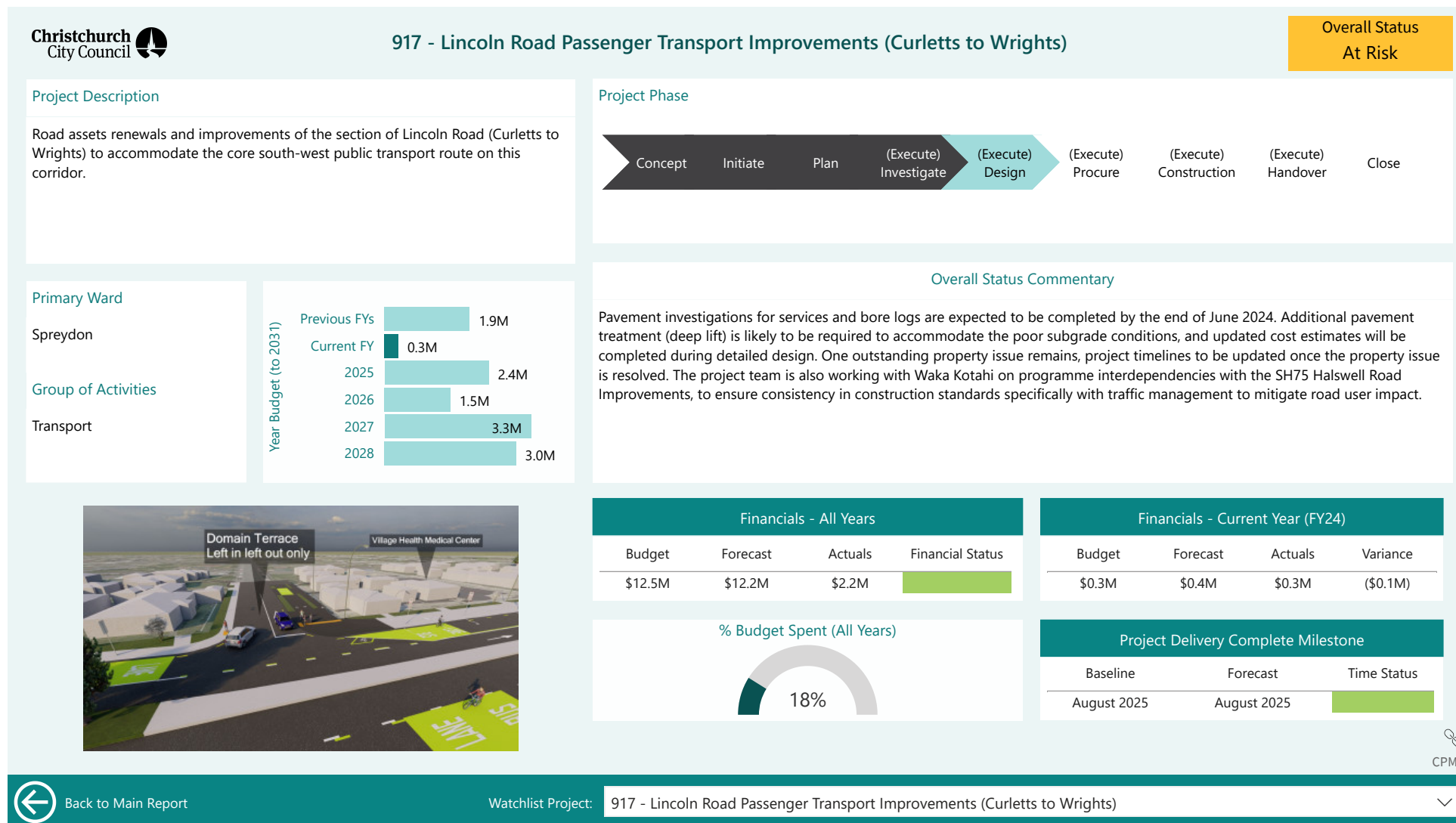
Watchlist Project: 71306 - Coastal Pathway & Moncks Bay - Council Funded

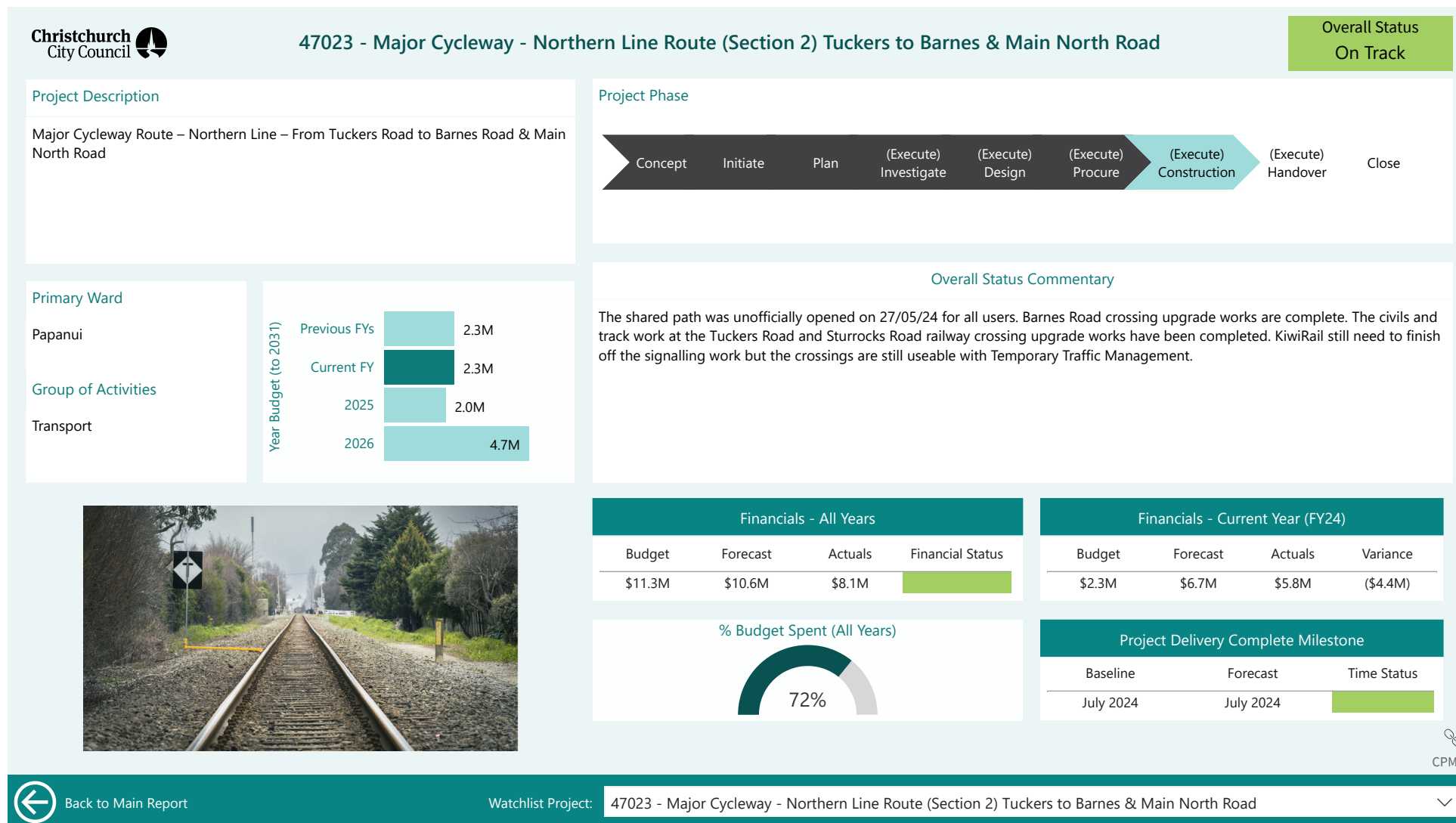
CPMS



Item No.: 9

Page 64







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

Overall Status
At Risk

Project Description

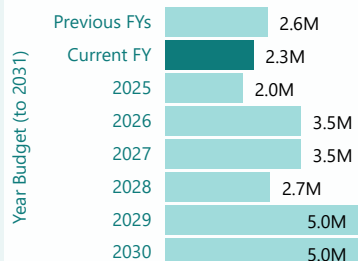
This Major Cycleway Route connects Papanui to Cashmere via an orbital route.

Primary Ward

Fendalton

Group of Activities

Transport



Project Phase



Overall Status Commentary

Detailed Design is complete. Section 3A (University to Aorangi Road) started construction 11 September 2023, due to be complete 22 July 2024. Section 3B (Aorangi Road to Wairakei Rd). Notice of Motion was passed on the 15 May 2024 by Council to continue with current design. Cost estimates for sections 3B and 3C (Wairakei Rd to Harewood Road) are being reviewed, including working with the contractor to gain certainty of construction requirements. Ground investigation works have been completed and the data is currently being analysed. Once this is completed results will be incorporated into the planning for the project including updated financial information.

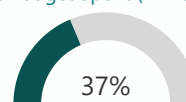
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$26.6M	\$27.1M	\$9.9M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.3M	\$8.7M	\$7.3M	(\$6.5M)

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
May 2025	April 2025	

Project data refreshed 10 June 2024

CPMS



Back to Main Report

Watchlist Project:

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





26608 - Major Cycleway - South Express Route (Section 1) Hei Hei to Jones

Overall Status
Critical

Project Description

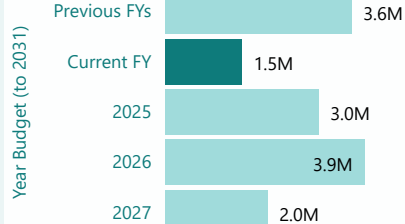
Major Cycleway Route project linking Templeton township and Hei Hei/Hornby.

Primary Ward

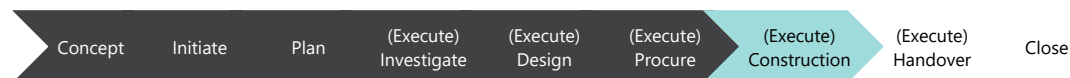
Hornby

Group of Activities

Transport



Project Phase



Overall Status Commentary

The section of cycleway included in the Halswell Junction Road Extension project has incurred delays due to a service clash, and a resolution is being sought. The bulk of this Major Cycle Route (MCR) has been completed being sections 2 and 3. Kyle Park works are expected to commence soon. The Templeton works are anticipated to be ready for tender early in 2025. There is a KiwiRail component to the MCR at Parker Street, however the project does not include a full intersection upgrade.

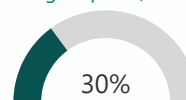
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$14.1M	\$15.9M	\$4.2M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.5M	\$0.6M	\$0.6M	\$0.9M

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2025	July 2025	

Project data refreshed 10 June 2024

CPMS



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Watchlist Project:

26608 - Major Cycleway - South Express Route (Section 1) Hei Hei to Jones





18396 - Te Kaha Surrounding Streets

Overall Status
At Risk

Project Description

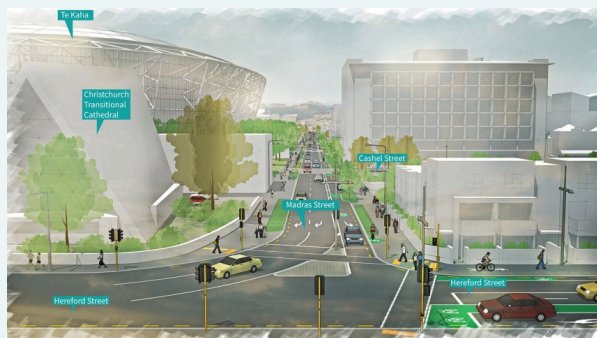
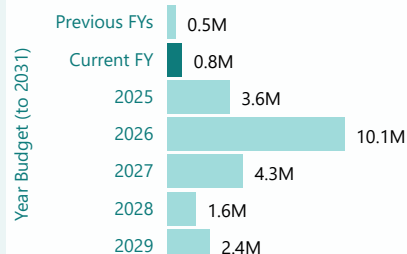
This project is for a suite of upgrades to the streets surrounding Te Kaha, in preparation for increased activity once the arena opens. Upgrades include widening of footpaths, slower speed limits, landscaping, pedestrian crossings, parking changes and changing the travel direction of some streets. The project includes significant upgrades to Lichfield St between Manchester St and Madras St, to

Primary Ward

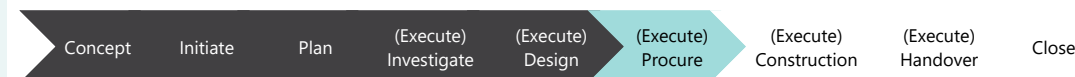
Central

Group of Activities

Transport



Project Phase



Overall Status Commentary

The project was tendered at the end of January 2024, and a preferred tenderer has been identified. Construction programme and schedule preparations are being developed in coordination with the programme for Te Kaha to ensure the impact to the surrounding neighbourhood is minimised as well as ensuring the programmes are deconflicted. Critical 3W's work on site is expected to commence in July 2024 to ensure that work can be completed in time for the opening of Te Kaha. NZ Transport Agency Waka Kotahi has deferred making a decision regarding potential subsidy until the National Land Transport Programme (NLTP) is finalised in September 2024. This has resulted in the roading component of the project being tagged as at risk. Work with the preferred contractor will identify possible programme changes and options will be reported back to Council before any roading work is started.

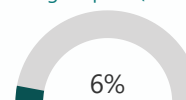
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$23.4M	\$23.4M	\$1.4M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$0.8M	\$1.0M	\$0.9M	(\$0.1M)

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
March 2026	March 2026	

Project data refreshed 10 June 2024

CPMS



Back to Main Report

Watchlist Project: 18396 - Te Kaha Surrounding Streets





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

Overall Status
At Risk

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.

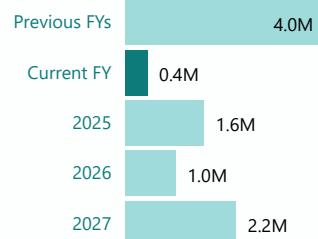
Primary Ward

Papanui

Group of Activities

Transport

Year Budget (to 2031)



Project Phase



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 eastern half of the route are complete, and construction is not programmed to begin until later in 2024. The total budget for all three sections is \$22.7M, expenditure to date has only been charged to Section 1. Although the financial status is green, there is a risk this will change when the investigations for the whole route are complete and the cost estimate is updated. Recent indications estimate the project to cost between \$27 million - \$34 million. This is reflected in the documented risks.

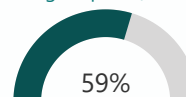
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$9.2M	\$9.2M	\$5.4M	On Track

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$0.4M	\$1.8M	\$1.5M	(\$1.4M)

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2027	June 2026	On Track

Project data refreshed 10 June 2024

CPMS



Back to Main Report

Watchlist Project:

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





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.

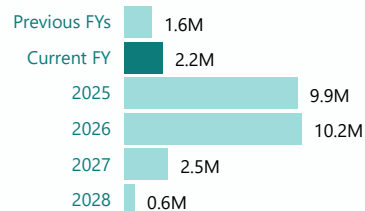
Primary Ward

Banks Peninsula

Group of Activities

Parks, Heritage and Coastal Environment

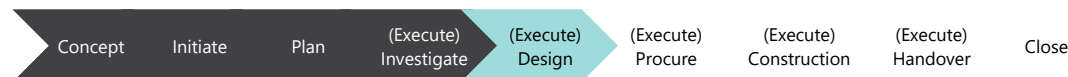
Year Budget (to 2031)



2356 - Akaroa Wharf Renewal

Overall Status
At Risk

Project Phase



Overall Status Commentary

Lead Designer is developing wharf design to the point that it can be tendered as a design-build package. To support the rebuild of the wharf, Drummonds Jetty & Daly's Wharf redevelopments design have been finalised and are out to market, as an open market tender. The future of the connection between the privately-owned buildings adjoining the Akaroa wharf is an issue currently being worked through, hence the project overall status being report as Amber. The draft LTP has allowed for additional funding for this project, so finances are no longer being reported as at-risk.

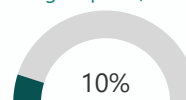
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$27.0M	\$27.0M	\$2.7M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.2M	\$1.3M	\$1.1M	\$0.9M

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
December 2026	December 2026	

CPMS



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Watchlist Project: 2356 - Akaroa Wharf Renewal



[← Back to Main Report](#)

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 (to 2031)

Previous FYs	0.6M
Current FY	0.6M
2025	1.5M
2026	1.6M
2027	1.4M

Overall Status Commentary

Response to extensive and complex Section 92 Request for Information is being drafted. Clarification/interim responses have been supplied to ECan. Consent application is currently in processing phase, likely several months until decision.

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)

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)

<div> <div>Christchurch City Council</div>  </div>	<div>68173 - Ōtākaro-Avon River Corridor City to Sea Pathway (OARC)</div>	<div>Overall Status</div> <div>On Track</div>																					
<div>Project Description</div> <div>Development of the City to Sea Pathway, an 11km path connecting New Brighton and adjacent communities with the city and providing recreational opportunities for walking and cycling.</div>	<div>Project Phase</div> <div> <div>Concept</div> <div>Initiate</div> <div>Plan</div> <div>(Execute) Investigate</div> <div>(Execute) Design</div> <div>(Execute) Procure</div> <div>(Execute) Construction</div> <div>(Execute) Handover</div> <div>Close</div> </div>																						
<div>Primary Ward</div> <div>City Wide</div> <div>Group of Activities</div> <div>Parks, Heritage and Coastal Environment</div>	<div>Overall Status Commentary</div> <div> <div>City to Sea West construction contract likely to be formally awarded next week, with a start on site later this month and Practical Completion expected around Christmas. Joint Community Board meeting (Waipapa Papanui-Innes-Central and Waitai Coastal-Burwood-Linwood) held mid-May, at which the road crossings were approved, with final report going up to Council on the 5th of June. Lighting recommendations received from consultant team and award of contract being worked through. Dallington Bridge (4th bridge) Resource Consent lodged, and Section 92 queries being responded to. City to Sea (East) and Wainoni to Waitaki design continuing, with construction anticipated to start Summer 24/25.</div> </div>																						
<div>  </div>	<div> <div> <div>Financials - All Years</div> <table> <tr> <th>Budget</th><th>Forecast</th><th>Actuals</th><th>Financial Status</th></tr> <tr> <td>\$28.0M</td><td>\$25.5M</td><td>\$2.6M</td><td></td></tr> </table> </div> <div> <div>Financials - Current Year (FY24)</div> <table> <tr> <th>Budget</th><th>Forecast</th><th>Actuals</th><th>Variance</th></tr> <tr> <td>\$4.0M</td><td>\$1.6M</td><td>\$1.4M</td><td>\$2.4M</td></tr> </table> </div> <div> <div>Project Delivery Complete Milestone</div> <table> <tr> <th>Baseline</th><th>Forecast</th><th>Time Status</th></tr> <tr> <td>June 2027</td><td>June 2027</td><td></td></tr> </table> </div> </div>	Budget	Forecast	Actuals	Financial Status	\$28.0M	\$25.5M	\$2.6M		Budget	Forecast	Actuals	Variance	\$4.0M	\$1.6M	\$1.4M	\$2.4M	Baseline	Forecast	Time Status	June 2027	June 2027	
Budget	Forecast	Actuals	Financial Status																				
\$28.0M	\$25.5M	\$2.6M																					
Budget	Forecast	Actuals	Variance																				
\$4.0M	\$1.6M	\$1.4M	\$2.4M																				
Baseline	Forecast	Time Status																					
June 2027	June 2027																						
<div> <div>←</div> <div>Back to Main Report</div> </div>	<div> <div>Watchlist Project:</div> <div>68173 - Ōtākaro-Avon River Corridor City to Sea Pathway (OARC)</div> </div>																						





27273 - Pages Road Bridge Renewal (OARC)

Overall Status
Critical

Project Description

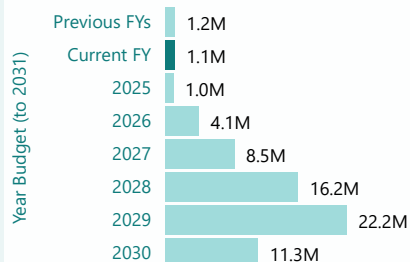
To construct a resilient replacement of the Pages Road bridge in New Brighton, including improvements to the approach roads. The design is being developed with an awareness of its potential as an important emergency evacuation route.

Primary Ward

Coastal

Group of Activities

Transport



Project Phase



Overall Status Commentary

The draft LTP has allowed for significant additional budget for this project. The project proposal includes roading renewals of 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. The project scope required to meet the project objectives has indicative high level cost estimate of \$80M (in today's dollars incl. contingency) which represents a shortfall against current budget. Costs will be refined as the project progresses. The final Hearings Panel meeting was conducted on 17th May. Hearings panel recommendation council decision meeting has been pencilled in for August/September. The overall status for the project remains red due to the ongoing project risks, including Waka Kotahi NZTA funding and consenting times. The project has submitted an application to the Government's Fast-Track Consenting scheme.

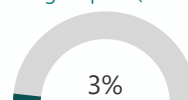
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$65.7M	\$80.2M	\$2.3M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.1M	\$1.2M	\$1.1M	(\$0.1M)

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2028	September 2029	

CPMS

Back to Main Report

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



66000 - SW Ōtākaro Avon River Corridor Anzac Drive to Waitaki Street Stopbank (OARC)

Overall Status
On Track

Project Description

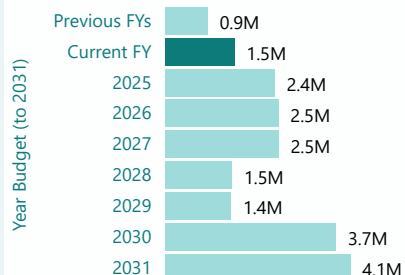
The project aims to design and construct a stopbank between Wainoni Bridge and Waitaki Street Stopbank Realignment Project. Priority has been given to the replacement of the temporary stopbank with a new long-term stopbank.

Primary Ward

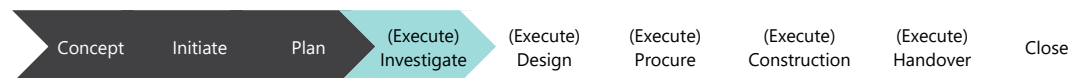
Coastal

Group of Activities

Flood Protection & Control Works



Project Phase



Overall Status Commentary

Preliminary design is progressing well. This month we have been focussing on co-ordination with the City to Sea team, including agreement that the path will run on top of the stopbank. We are preparing to submit our consent applications in August, so are collating the reporting needed for this. We are working on a scoping document with the designer of the stormwater treatment device, and are aiming to commence preliminary design for this next month.

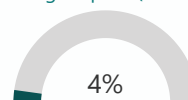
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$30.7M	\$29.1M	\$1.3M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.5M	\$0.4M	\$0.4M	\$1.1M

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2027	June 2027	

CPMS



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Watchlist Project:

66000 - SW Ōtākaro Avon River Corridor Anzac Drive to Waitaki Street Stopbank (OARC)



Christchurch City Council

67421 - SW Ōtākaro Avon River Corridor Stopbank from Pages Road to Bridge Street (OARC)

Overall Status
On Track

Project Description

The project aims to design and construct sections of stopbank and stormwater facility in the area between Pages Road and Bridge Street.

Primary Ward

Coastal

Group of Activities

Flood Protection & Control Works

Year Budget (to 2031)

Previous FYs

Current FY

2025

2026

2027

2028

2029

2030

2031

2.0M

1.0M

0.2M

0.7M


3.0M

4.2M

3.3M

2.6M

4.4M



Project Phase

Concept

Initiate

Plan

(Execute) Investigate

(Execute) Design

(Execute) Procure

(Execute) Construction

(Execute) Handover

Close

Overall Status Commentary

The project has moved to preliminary design with the new agreed stopbank configuration. We are working on whether the pumpstation needs to be built at the same time as the stopbank or can be postponed until sea level rise has progressed. We are continuing to assess the requirement to upgrade the swale along ANZAC drive, and are pleased that a way through the groundwater consent take issue has been found with ECan (as this was a major constraint for the swale). On our collaboration with the Pages Road Bridge Renewal project, we have determined it is best to tie the stopbank into the existing bridge abutment. This reduces the co-dependence of the projects. We continue to work with the Parks team on their tidal wetland plans for this area.

Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$32.7M	\$32.7M	\$2.8M	

% Budget Spent (All Years)

9%

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$1.0M	\$0.8M	\$0.8M	\$0.2M

Project Delivery Complete Milestone

Baseline	Forecast	Time Status
June 2027	June 2027	

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Watchlist Project: 67421 - SW Ōtākaro Avon River Corridor Stopbank from Pages Road to Bridge Street (OARC)



20836 - Ōmōkihi (South Library & Service Centre Rebuild)

Overall Status
On Track

Project Description

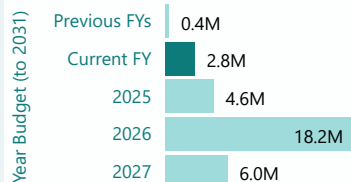
The South Library and Service Centre building was badly damaged in the 2010/2011 earthquakes. Temporary strengthening has made the facility safe to occupy, but a rebuild is planned to future-proof the facility. The new building will remain on the same site, and have approximately the same floor area 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.

Primary Ward

Cashmere

Group of Activities

Communities and Citizens



Project Phase



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. Additional funding has been allowed for within the draft LTP to support this. Project is now in the Developed Design phase, with engagement of a main contractor scheduled for late 2024.

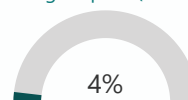
Financials - All Years

Budget	Forecast	Actuals	Financial Status
\$32.0M	\$32.0M	\$1.2M	

Financials - Current Year (FY24)

Budget	Forecast	Actuals	Variance
\$2.8M	\$0.9M	\$0.8M	\$1.9M

% Budget Spent (All Years)



Project Delivery Complete Milestone

Baseline	Forecast	Time Status
January 2027	January 2027	

CPMS



Back to Main Report

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



10. Council-controlled organisations - Sundry Reports

Reference Te Tohutoro: 24/847967

Responsible Officer(s) Te Pou Matua: Linda Gibb, Performance Advisor, Finance

Accountable ELT Bede Carran, General Manager Finance, Risk & Performance / Chief Member Pouwhakarae: Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

1.1 This report presents the following documents:

- Quarter 3 2023/24 Performance Report for Te Kaha Project Development Ltd;
- Final Statements of Intent (SOIs) for 2024/25 for the following Council-controlled organisations (CCOs) - Te Kaha Project Development Ltd, Civic Building Ltd, Riccarton Bush Trust and Rod Donald Banks Peninsula Trust; and
- Annual Report for the financial year ending 31 December 2023 for Civic Financial Services Ltd and an update on the Council's RiskPool liability.

1.2 This report has been written following receiving the documents in May 2024.

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives the Quarter 3 2023/24 Performance Report for Te Kaha Project Development Ltd;
2. Receives the final Statements of Intent 2024/25 for Council-controlled organisations:
 - Civic Building Ltd;
 - Te Kaha Project Development Ltd;
 - Riccarton Bush Trust;
 - Rod Donald Banks Peninsula Trust; and
3. Receives the Annual Report 2023 for Civic Financial Services Ltd.

3. Background/Context Te Horopaki

- 3.1 **Quarterly reports** - section 66 of the Local Government Act 2002 (LGA) requires that where a Council shareholder has requested a quarterly report, it must be delivered to shareholders within two months after the end of the quarter and must include the information required by the Statement of Intent. Te Kaha Project Development Ltd's Quarter 3 performance report was received on 31 May 2024 which meets the LGA requirements (refer **Attachment A**).
- 3.2 **Statements of Intent** - schedule 8, part 1 of the LGA provides that a CCO board must consider comments on the draft SOI that are made by shareholders on or before 1 May (clause 2) and that the board must deliver the completed SOI to the shareholders before the commencement of the financial year to which it relates (clause 3).
- 3.3 The final SOIs for Civic Building Ltd, Te Kaha Project Development Ltd, Riccarton Bush Trust and Rod Donald Banks Peninsula Trust were received before the due date of 30 June, refer **Attachments A-D** to this report.

- 3.4 The final SOIs for ChristchurchNZ Holdings Ltd, Christchurch City Holdings Ltd, Venues Ōtautahi and Transwaste have not yet been received. The due date for them to be provided is 30 June. They will be reported to the Finance and Performance Committee's 24 July meeting.
- 3.5 **Annual Report** – Civic Financial Services' (Civic) balance date is 31 December. The Annual Report was received on 29 May 2024 from Civic (refer **Attachment F**).

Te Kaha Project Delivery Quarter 3 Performance Report

- 3.6 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 Vertical Capital Delivery Team which reports to the Council monthly.

Financial targets

	Actual \$000	SOI target \$000	Variance \$000	Last year \$000	Variance \$000
Revenue / Expenses	213	248	-35	151	+62

- 3.7 The variances against target and the same 9 month period last year reflect the timing of directors' fees being paid. Final outturn for the year to 30 June 2024 is expected to be in line with the SOI targets.
- 3.8 Note that Te Kaha's Quarter 3 report records the full year budget at \$367,170. This is the internal budget, not the SOI target. As such, it includes a carry forward of directors' fees that were due to be paid in the last financial year but were carried forward.
- 3.9 **Non-financial performance targets** have been met or are in progress to be met by financial year end, or are ongoing.

Final Statements of Intent

- 3.10 The final SOIs for the CCOs will be published on the company/Trust website as well as on the Council's website, in accordance with section 64(9) of the LGA.
- 3.11 There were no shareholder comments made on any of the four draft SOIs. However the Riccarton Bush Trust and Rod Donald Banks Peninsula Trust have both made changes in the final SOI, discussed below.
- 3.12 The draft SOIs for Civic Building Ltd and Te Kaha Project Delivery Ltd have been finalised with no changes.

Riccarton Bush Trust

- 3.13 The final SOI addresses two matters that Council staff have been engaging with the Trust on (and which was advised to the Finance and Performance Committee meeting on 17 April when the draft SOI was considered), as follows:
- reflect how the Trust's objectives align to the Council's strategic framework and community outcomes set out in the draft LTP; and
 - reframe the performance target for Stage 1 of the Bush Enhancement Project from "commencing stage 1..." to an outcome-related target. This has been reframed into three measures – (i) the tender process of Stage 1 is completed; (ii) the 'Buy a Board' campaign has been successful and (iii) plans completed for the fire and irrigation systems.
- 3.14 In addition, the Trust has updated the interim target of its goal to 'commit to meeting the goal of becoming net carbon neutral by 2030'. Its draft SOI proposed the measure of "work with Council staff to identify what is required to enable this outcome". The final SOI reflects

progress and now provides “development of a plan with clear targets for reducing carbon in the Trust’s operations for implementation by year end”.

Rod Donald Banks Peninsula Trust

3.15 The following table shows the draft and final financial forecasts for each of the three SOI years:

Net profit	2024/25 \$000	2025/26 \$000	2026/27 \$000
Final SOI	(355)	(801)	537
Draft SOI	(331)	(777)	561
Change	-24	-24	-24

3.16 Net profit forecasts have reduced in each SOI year by around \$24,000 from two factors:

- inclusion of non-cash depreciation of, on average \$8,000 in each year which had been omitted from the draft SOI; and
- audit fees are likely to be higher than the Trust provided for in its draft SOI. Over the past few months the Trust has been engaging with AuditNZ to test the reasonableness of significant increases in its audit fees in the past two years and expectations of future fee levels. In 2022, the Trust’s audit fees were around \$10,000, rising to \$15,000 in 2022 and \$25,000 in 2023. AuditNZ has advised the fees in 2024 will be \$27,000.

Council staff note that this level of audit fees was not anticipated when the Trust presented its case for, and was granted Council operating funding of \$100,000 per annum in the 2021-31 LTP. As a result, the Trust will have less discretionary income available to meet its strategic goals.

Annual Report 2023 - Civic Financial Services

3.17 The Council has a 12.6% ownership stake in Civic. There are 73 other local authority shareholders.

3.18 Civic’s main business is the administration of superannuation schemes for local government employees of which investment funds total around \$0.56 billion. These funds are managed by private sector investment specialists. Civic is also running off old insurance schemes that are no longer viable.

3.19 Civic is not a CCO. It is exempted under section 6(4)(f) of the LGA due to its previous insurance activities that brought it under the Municipal Insurance Act 1960 (now repealed).

3.20 Civic’s performance for the year against its SOI forecasts and the prior year is shown in the following table:

	Actual 2023 \$000	SOI target 2023 \$000	Prior year 2022 \$000
Total revenue	3,533	2,577	3,171
Total Expenditure	3,094	2,430	3,029
Surplus before tax	439	147	142
Superannuation funds under management	559,000	Not projected	496,000

3.21 The increased profit over both SOI targets and the prior year of just under \$300,000 reflects higher interest on loans made to the insurance schemes that Civic is administering, of \$348,000. The loans were paid off in their entirety as at 31 December following a call on Riskpool members in late 2023.

3.22 Civic recently advised that it would further reduce administration fees for members of its superannuation products. In 2020 fees were 0.5% and with the 2024 reduction they will be

0.33%. The fee reductions are funded by returns that would otherwise be distributed to shareholders (as opposed to offsetting cost savings).

Non-financial performance targets







3.23 The SOI records two performance targets as follows:

- to provide superannuation services to at least 90% of local authorities; and
- to continue to be an efficient and effective administration manager for LAPP, Riskpool, CLP and CPP.

3.24 Civic does not report its performance against the SOI non-financial targets in the Annual Report. If it was a CCO it would be required to report against the targets (clause 67(2)(b) of the LGA – the annual report must include the information required by the SOI).

3.25 Staff consider the most important measure of success is performance against the market. This matter has been raised with Civic previously but it has neither engaged with the Council on the request nor included a benchmarking measure.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Te Kaha Project Delivery Ltd - Quarter 3 2023/24 Performance Report	24/1056599	85
B 	Civic Building Ltd - Final Statement of Intent 2024/25	24/692571	92
C 	Te Kaha Project Delivery Ltd - Final Statement of Intent 2024/25	24/1045647	104
D 	Riccarton Bush Trust - Final Statement of Intent 2024/25	24/1056251	133
E 	Rod Donald Banks Peninsula Trust - Final Statement of Intent 2024/25	24/1056315	149
F 	Civic Financial Services - Annual Report 2023	24/1056646	172

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

Document Name – Location / File Link
Not applicable

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer

TE KAHA PROJECT DELIVERY LIMITED



Q3 FY2024 PERFORMANCE REPORT

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FINANCIAL PERFORMANCE	4
PERFORMANCE MEASURES / TARGETS	4

This report is prepared under section 66 of the LGA (as requested by the shareholder).

Item 10

Attachment A

CHIEF EXECUTIVE'S REPORT

This is the third quarterly report for Te Kaha Project Delivery Limited for FY2024.

- Work is progressing very well on site and is on programme for the Contract Completion Date of 20 April 2026.
- On the West Stand, the Level Three precast concrete “Double Tee” floors and reinforced concrete toppings are being installed and the top of the steel is currently at Level Four, which houses the coaches and media facilities.
- The erection of structural steelwork to the East Stand also continues, and six radial truss columns to support the roof have now been erected beside the South Stand.
- The installation of precast concrete wall panels at ground level and seating units (plats) to which the seating will be fixed, continue on the West, South and East Stands, with the plats to the South Stand being almost completed. The pouring of the concrete ground floor slabs to the East Stand also continues.
- The first-fix Services installation (mechanical, hydraulics and fire) and intumescent (fire protection) painting to structural steelwork are well advanced on the ground floor and Level One of the West Stand and on the ground floor of the South Stand.
- On the ground floor of the West Stand, the installation of steel wall framing and Gibraltar board wall linings continues, as well as painting to the concrete walls and columns.
- External Three Waters infrastructure connections to the site have been completed and footpath crossings have been completed along Madras Street.
- The final staged Consent application (Architectural and Façade) was lodged on 25 February 2024.
- The Project Team continue to engage with the Ngāi Tūāhuriri appointed artist on the design, and liaising with stakeholders, including regular quarterly meetings with the local community (to inform them on progress and receive feedback on any issues).

The major milestones forecast for the next quarter include continuation of the following:

- Structural steel erection to the West, South and East Stands including the steel framed roof to the Level 4 Coaches' and Media rooms.
- Fabrication and erection of the radial truss columns and the Radial Diaphragm Modules (RDMs) to support the roof.
- Installation of precast concrete wall panels at ground and first floor levels and seating units (plats) to the West, South and East Stands, and the first-fix Services installation and intumescent painting to structural steelwork to the West and South Stands.
- Installation of steel wall framing and Gibraltar board wall linings, and painting to the concrete walls and columns.
- Installation of the aluminium shopfront glazing to the Level 1 Function Room
- Engaging with the Ngāi Tūāhuriri appointed artist on the design, and liaising with stakeholders, including regular quarterly meetings with the local community.

David Kennedy

Chief Executive, Te Kaha Project Delivery Limited

FINANCIAL PERFORMANCE

The governance costs for the Te Kaha Project Delivery Limited up to the third quarter of FY2024 financial year were \$213,482 excl GST compared to the \$367,170 budget for FY2024.

PERFORMANCE MEASURES / TARGETS

<i>Objective and Strategy</i>	<i>2023/2024</i>	<i>Progress as at 31 March 2024</i>
Governance		
Reporting to Shareholder	Meet all Local Government Act (LGA) and Council reporting deadlines.	Ongoing
Project Management, Control and Assurance Targets		
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 and Crown approvals obtained.

Financial		
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 opportunities to identify opportunities for third party contributions, including other funding partners and sponsors	Third party funding opportunities supported.	Support provided as required.
Kaitiakitanga, Sustainability and the Environment		
Clear environmental standards 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 from BESIX Watpac.
Health, Safety and Wellbeing		
Health, safety and wellbeing 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.	<p>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.</p> <p>Te Kaha Project Delivery Limited assurance inspections are carried out.</p> <p>CCC Health and Safety Team undertake regular audits and report to the Board.</p>	<p>BESIX Watpac report monthly to the Project Group and the Board. CCC provide regular Health and Safety audits.</p> <p>Proactive reviews of BESIX Watpac's Health and Safety process undertaken by Project Team and CCC Health & Safety Team.</p>
Baseline lag indicators are monitored to ensure safety for all	<p>No serious harm incidents during the D&C phase.</p> <p>TRIFR less than 10.0 per 1,000,000 hours worked on the project.</p>	<p>No serious harm incidents have occurred to date.</p> <p>Lead and Lag indicators reported on monthly. Targets have been met. TRIFR - Whole of Project to date: 4.73/YTD to end of Mar 2024: 6.26.</p>
Wellbeing hazards are managed effectively	BESIX Watpac has a series of Wellbeing initiatives which they report on monthly.	Regular inspections completed.
Shareholder Relationships		
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.
Stakeholder Engagement		
Te Kaha Neighbours	Meet quarterly with the neighbour community group to consult on the project effects	<p>Neighbourhood community meetings held quarterly, in the Transitional Cathedral.</p> <p>Any issues advised by neighbours (e.g. dust, noise etc) raised with BESIX Watpac.</p>
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 Delivery Targets		
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 monthly to the Board.
Christchurch City Council and Venues Ōtautahi signs off the design elements 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.	Ngāi Tūāhuriri engaged to provide Cultural Narrative for Te Kaha and Te Kaharoa.
Risk Management		
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.
Regional Impact		
Where commercially viable local procurement of services and products	D&C phase services and products procured locally.	<p>BESIX Watpac actively sourcing local services and products, and report regularly.</p> <p>BESIX Watpac's latest monthly report shows that 75% (target 70%) of consultants, subcontractors and supporting businesses engaged by them for the Te Kaha project are local (South Island) firms. To date 94% (target 80%) of workers inducted to work on site are local (South Island), with 8.1% (target 7%) of working hours to date are by Māori/ Pasifika.</p>



CIVIC BUILDING LIMITED

STATEMENT OF INTENT 2025 – 27

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1.0 INTRODUCTION

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

This SOI includes acknowledgement of the matters raised in the enduring Statement of Expectation issued to the Directors of Civic Building Limited (CBL) by the Christchurch City Council (Shareholder or Council) in December 2023 as they apply to the company.

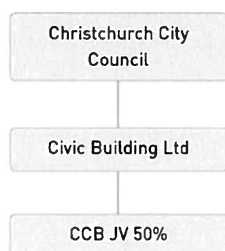
The SOI specifies for CBL and the Civic Building Unincorporated Joint Venture (CCB JV), the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the group may be judged in relation to its objectives, amongst other requirements. It covers the three financial years ending 30 June 2025, 2026 and 2027.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between CBL and its Shareholder.

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

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

The group structure is:



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

2.0 DIRECTORY

Address:	Civic Building Limited PO Box 73015 Christchurch 8154
Registered Office:	53 Hereford Street Christchurch 8011
Board:	Councillor James Gough (Chairperson) Councillor Sam MacDonald Councillor Jake McLellan

3.0 VISION

The CBL objectives are:

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

4.0 NATURE AND SCOPE OF ACTIVITIES

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

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

5.0 GOVERNANCE

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

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

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

Appointments to the Board are confirmed by Council resolution.

6.0 PERFORMANCE TARGETS

6.1 Financial Performance Targets

The financial performance targets for CBL are as follows:

	2024/25 \$000	2025/26 \$000	2025/27 \$000
Revenue			
Interest - Finance Lease	2,831	2,693	2,545
Interest - Other	219	129	171
Other income	1,320	1,388	1,408
	4,370	4,210	4,124
Expenses			
Finance costs	3,158	2,803	2,669
Other expenses	802	826	846
	3,960	3,629	3,515
 (Loss)/profit before income tax	 410	 581	 609
Income tax (income)	(39)	85	210
 (Loss)/profit for period	 449	 496	 399

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

Ratio of Shareholder Funds to Total Assets

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

2024/25	2025/26	2025/27
-6.9%	-4.5%	-2.2%

Capital Structure

The forecast capital structure for the next three years is:

	2024/25 \$000	2025/26 \$000	2025/27 \$000
Uncalled Capital	10,000	10,000	10,001
RPS Shares	4,968	4,968	4,685
Borrowings from Council	47,608	47,608	44,891
Finance Lease asset	38,079	35,324	32,328
Total Assets	48,496	48,344	45,128

6.2 Operational Performance Targets

In addition to the above financial performance measures, CBL will use the following measures to assess its operational performance in the 2025 financial year:

Objective and Strategy	Performance Measure
Meet the financial targets contained within this SOL.	Review of corporate financials in comparison to budget.
Manage the investment in a commercially astute and prudent manner.	Review of asset performance following the investing of capex and opex.

6.3 Environmental Performance Target

In addition to the above financial performance measures, CBL will use the following measures to assess its environmental performance in the 2025 financial year:

Performance Target	Performance Measure
Consistently maintaining and enhancing a high standard in terms of environmental and energy sustainability.	Any plant or system that helps reduce energy consumption is maintained and kept to a high standard of operation - All plant related to this target remains operational 90 % of the time unless there is a specific issue requiring further attention (lighting controls / rain water tanks / solar panels)

6.4 Social Performance Target

In addition to the above financial performance measures, CBL will use the following measures to assess its social performance in the 2025 financial year:

Performance Target	Performance Measure
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>To maintain the implementation of all pertinent recommendations from the accessibility audit conducted in the fiscal year 2022.</p>

7.0 DISTRIBUTIONS

During the year to 30 June 2025 CBL will make no distribution to the Shareholder.

8.0 INFORMATION TO BE REPORTED TO THE SHAREHOLDER

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

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

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

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

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

9.0 ACQUISITION / DIVESTMENT POLICY

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

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

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

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

10.0 COMPENSATION SOUGHT FROM LOCAL AUTHORITY

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

Currently, no such activities are undertaken.

11.0 ESTIMATE OF COMMERCIAL VALUE

The Shareholder has recorded the value of its investment in Civic Building Ltd in its accounts at 30 June 2023 as \$91.5 million and this is considered an appropriate estimation of the commercial value of CBL.

12.0 ROLE IN THE COUNCIL GROUP AND REGIONAL ECONOMY

Commercial Relationships within the Council Group

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

Appendix A Statement of Significant Accounting Policies

Reporting Entity

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

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

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

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

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

Basis of financial statement preparation

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

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

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

Judgement, estimates and assumptions

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

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

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

a. Joint Operations

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

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

b. Financial Assets

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

c. Trade and other receivables

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

d. Cash and cash equivalents

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

e. Investment Property

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

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

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

f. Share capital

(i) Ordinary share capital

Ordinary shares are classified as equity.

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

(ii) Preference share capital

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

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

g. Interest-bearing borrowings

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

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

h. Provisions

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

i. Leases

(i) Finance leases

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

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

(ii) Operating leases

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

j. Revenue

Revenue is measured at the fair value of consideration received.

(i) Interest income

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

(ii) Finance lease income

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

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

(iii) Operating lease income

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

(iv) Insurance proceeds

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

k. Financing costs

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

l. Income tax

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

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

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

m. Trade and Other Payables

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

n. Goods and Services Tax

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

ITEM D - 2

TE KAHA PROJECT DELIVERY LIMITED



FY25-27

STATEMENT OF INTENT

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2

HE MIHI

E ngā mana, E ngā reo, E ngā mātā waka o ngā hau e whā

E mihi ana, e mihi ana, e mihi ana

Ngāi Tahu, kei te mihi. Ngā Mana Whenua, e mihi ana.

Nā rātou te whenua i tiaki ai. Nā rātou ngā tikanga i kawē ai.

Ki ta matou whanau ki te Kaunihera o Ōtautahi: Christchurch City Council

Tēnā koutou e rangatira ma

Nau mai ki tēnei kōrero rautaki.

The whakataukī rings loud and true and speaks to the importance of all of us in this mahi.

He waka kōtuia e kore e wāwāhi

A waka correctly bound will never break apart.

FOREWORD

Te Kaha is the last of the 16 Anchor Projects considered necessary to regenerate the city centre of Christchurch following the catastrophic sequence of major earthquakes that devastated the city in 2010 and 2011.

Te Kaha is important for the hearts and minds of the community and a place of pride, whanaungatanga, unity, belonging and cohesion for all. It will also be fundamental to bringing additional investment and economic growth to the region, promoting Canterbury as an attractive place to work, study, live and visit, and accelerating levels of investment and relocation of businesses to the Christchurch Central City Business District.

A jointly funded project between Government and the Christchurch City Council, the successful delivery of the project will be through partnerships built on trust, collaboration, and engagement. Te Kaha Project Delivery Limited, the entity created to deliver the project, feels it is a great privilege to be responsible, on behalf of the community, to deliver this important symbol for our city, in partnership with Venues Ōtautahi and the Christchurch City Council.

In July 2022, the Christchurch City Council approved the recommendation from the Te Kaha Project Delivery Limited Board to enter into the Design & Construct contract with BESIX Watpac and to delegate project delivery and commissioning by April-2026 for up to a total project cost of \$683m.

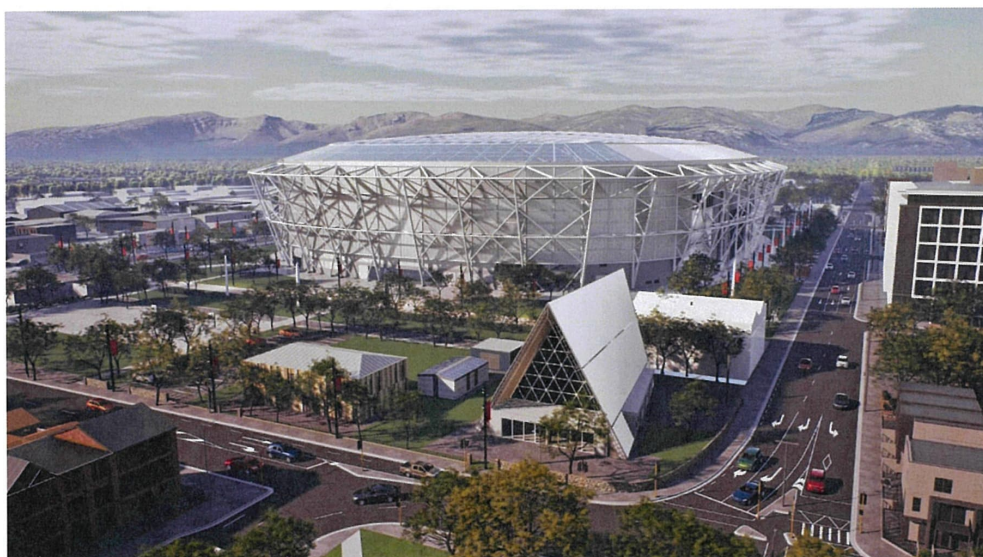
This Statement of Intent covers our responsibility to proactively govern the delivery of Te Kaha while also supporting Christchurch City Council fundraising for and Venues Ōtautahi commercialisation of Te Kaha.

Ngā Mihi,



Barry Bragg

Chair, Te Kaha Project Delivery Limited



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4

INTRODUCTION

Te Kaha Project Delivery Limited is the Council's delivery company responsible for the delivery of the Te Kaha project.

Te Kaha Project Delivery Limited is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002 and a public benefit entity for tax purposes. The company is fully owned by the Council. It was registered and began operations in FY20/21.

This Statement of Intent (SOI) is prepared by Te Kaha Project Delivery Limited in accordance with Section 64(1) of the Local Government Act 2002 and in response to the Christchurch City Council's (COUNCIL) Letter of Expectations.

This SOI specifies the planned activities and intentions of Te Kaha Project Delivery Limited for the Design and Construct (D&C) phase. It includes information on key deliverables, financial information, and performance measures and targets to enable organisational accountability and transparency.

The SOI is a public and legally required document which is reviewed and agreed annually with the Company's sole Shareholder, the Christchurch City Council (Council).

This Statement of Intent (SOI) is considered in two respects:

1. It is a document that is tactical rather than strategic. The strategic decision is one that has been made by Council – to build Te Kaha, a Multi-Use Arena for the people of Canterbury and indeed the community of New Zealand. The strategic objectives set out in the SOI have been set by Council.
2. Being tactical, the SOI has a defined deliverable within a defined period. The SOI is therefore written to cover the period until the completion of the project by April 2026 and the decommissioning of the Project Delivery Company – anticipated to be during the 2026 calendar year. This SOI therefore covers a 3-year period, and it will be presented for approval each year during that period.

Inherent in the above is the Te Kaha Project Delivery Limited will have fulfilled its governance role with the commissioning of the arena, and the formal handing over to the Council and to the Operator, Venues Ōtautahi Limited (VŌ), a further strategic decision already taken by Council.

NATURE AND SCOPE OF OPERATIONS

The Te Kaha Project Delivery Limited is responsible for the governance of the delivery of the Project from planning, design, execution, monitoring and control through to practical completion. It will actively identify, quantify and mitigate risks in a timely manner to the Council as the accountable agency for the delivery of the Project, including (without limitation) financial risk, delivery risk and reputational risk. It will also support the Council and Venues Ōtautahi to maximise opportunities to obtain third party contributions to the Project, including sponsorships.

The Te Kaha Project Delivery Limited will be wound up following completion of the Project and the subsequent evaluations of the process, with the ongoing benefits and risks of ownership and operations transferring to the Council and/or Venues Ōtautahi (the Te Kaha Operator).

PURPOSE

The **purpose** of Te Kaha Project Delivery Limited is accordingly very straight forward –

‘To govern the delivery of Te Kaha, being a multi-use arena, to meet the target specification, approved budget and by April 2026 to enable Venues Ōtautahi to operate Te Kaha to deliver the strategic objectives for the Canterbury region as defined by Council.’



VISION

The **vision** of Te Kaha Project Delivery Limited, while driven by **purpose**, is somewhat more aspirational, albeit limited by cost ceilings and physical specification requirements established by Council.

The vision of Te Kaha Project Delivery Limited is – ‘to build a multi-use arena, the envy of other regions that provides a stage for Venues Ōtautahi to host events delivering for our community and visitor’s experiences they want again and again’.

‘To build a world class multi-use arena that is a place of pride, whanaungatanga, unity, belonging and cohesion for all’

Achievement of this vision will ensure the Strategic Objectives set by Council as defined in the Te Kaha Investment Case are delivered:

- Additional investment and economic growth to the region;
- Promotion of Christchurch as an attractive place to work, study, live and visit;
- Providing Christchurch with more major entertainment venues accessible to families and other residents; and
- Accelerated levels of investment and relocation of businesses in the CBD.

It will also provide the people in our region a facility that puts our community and region on the international stage.

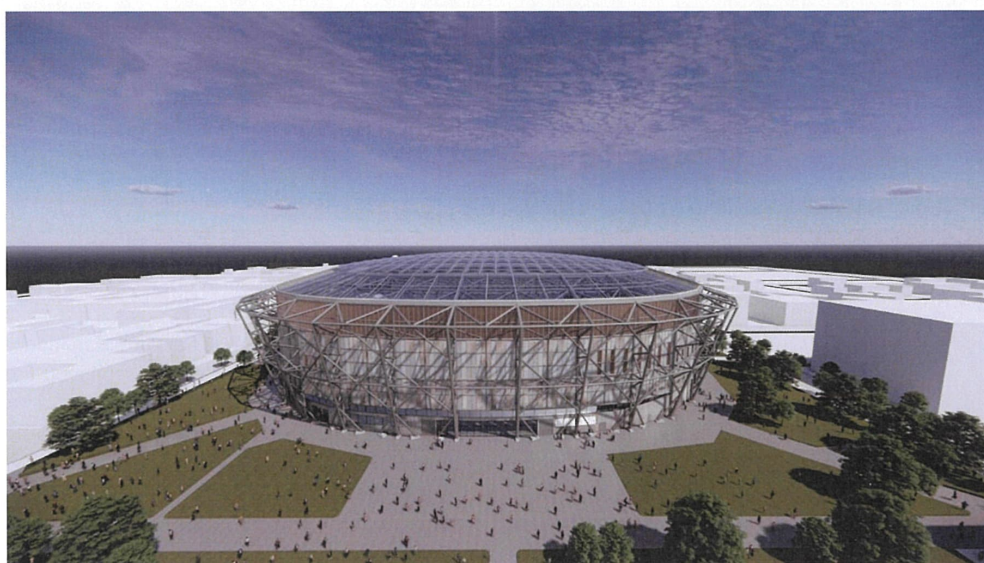
To achieve this, it is critical that Te Kaha Project Delivery Limited work closely with Christchurch City Council and Venues Ōtautahi to ensure Te Kaha delivers on the investment case in terms of short and long term operational effectiveness and efficiency. This means the Te Kaha Project Delivery Limited must consult with Venues Ōtautahi on the “whole-of-life” cost approach balancing capital costs, operating costs, and periodic refurbishment costs.

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PARTNERSHIP

An important **principle** recognised within this Statement of Intent is the three-way partnership – Christchurch City Council, Te Kaha Project Delivery Limited and Venues Ōtautahi to deliver the project. This partnership must be effective and underpinned by trust, commitment, cooperation, understanding and shared values. Anything less will see an outcome falling short of the aspirations that all three partners have for Te Kaha. This will deliver an inherently Canterbury venue and experience that is the pride and delight of all.



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GOALS

To achieve its **purpose** Te Kaha Project Delivery Limited will:

- Deliver Te Kaha by the target delivery date of April 2026;
- Ensure that the total operational and capital project cost does not exceed budget;
- Meet contracted delegations, NZ legislation and regulations and NZ Construction Industry best practice;
- Adopt/exceed NZ Construction Industry best practice standards for health, safety, and wellbeing of all involved in the project;
- Deliver a sustainable approach to the design and construction of Te Kaha;
- Ensure that the arena recognises and reflects the inherent connection with Ngāi Tūāhuriri as mana whenua; and
- Respect the names gifted being Te Kaha for the arena and Te Kaharoa for the whenua surrounding and within the arena.

To achieve its **vision** Te Kaha Project Delivery Ltd will:

- Build an arena that has the following parameters;
 - 25,000 permanent seats; 5,000 temporary seats, to attract national and international content
 - Covered arena – that allows for year-round events
 - Is truly multi and flexible in its use – i.e. it is not predominantly a sports field but is an indoor arena suitable for use for a broad range of entertainment events, social events, seminars, and meetings; and a stage for a variety of turf-based sports
 - Acoustic quality – a key to providing a viable facility. It must host premium events on a regular basis and must be designed to manage the acoustic quality
 - Designed and built to be consistent with a modern sustainable building
- Provide an uplifting experience: for those participating; for those bringing events to the arena; and for those attending for recreation, enjoyment, and business;
- Appropriately balance the capital cost of initial construction, the cost of operations, and the cost of refurbishments over the life of the arena;
- Ensure Te Kaha is resilient both to physical events, and to changing market demands over its planned useful life; and
- Ensure Te Kaha is accessible to all in the region – addressing both access for those with disabilities, and ease of access for all in terms of transport, equipment, and elective media.

If the goals for the project are achieved, Te Kaha Project Delivery Limited will deliver the strategic outcomes the Council has had in making the decision to build the arena:

- Create a legacy asset that instils a sense of pride and ownership amongst Cantabrians;
- Stimulate the region's economy, including attracting domestic and international visitors;
- Enable the region to attend a range of major events across the calendar year, including concerts and other entertainment activities, community and business events, and sporting events;
- Increase the vibrancy of the central city business district, and support the connection of Ōtautahi Christchurch with its surrounding region;
- Provide confidence to the investment markets to invest further in the central city business district; and
- Enhance the region's social, cultural, entertainment and sporting reputation and identity.

APPROACH

Core to the achievement of our purpose and objectives is our charter, which drives our way of working both internally and externally with partners.

We are ambassadors for Council and the Te Kaha Project and our united purpose is to deliver a uniquely local venue and experience that is the pride and delight of the people of Canterbury.

Te Kaha Project Delivery Limited commits to upholding the intent of Te Tiriti o Waitangi (The Treaty of Waitangi). Te Kaha Project Delivery Limited acknowledge Ngāi Tūāhuriri as mana whenua and will commit to working with Ngāi Tūāhuriri and other local stakeholders in the project delivery and in building the narrative and symbols at, surrounding and leading to Te Kaha.

To enable us to achieve our vision and purpose, as a team, we commit to the following:

Kia atawhai ki te iwi – wellbeing

- *We will look out for and after each other and celebrate/enjoy the successes.*

Kia pono te korero – connectedness and communication

- *We will be present, open, straight-talking, and respectful.*

Kia kotahi te hoe o te waka – stakeholder alignment

- *We will understand stakeholder expectations and build confidence through compelling narratives.*

Whakamana tangata – enabling action

- *We will provide effective leadership, get the right people in the room, and make decisions.*

Kia aukaha, kia toitū te mahi – excellence and sustainability

- *We will blend innovation and creativity with the facts, evidence, and data to deliver lasting excellence and sustainability.*



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PRINCIPLES

The below **principles** remain core to the design of Te Kaha. All decisions considered will be underpinned and tested against these core principles:

- Commercial Viability/Competitive Advantage - Commercial viability is a core venue design fundamental. In the best interests of the city, the venue must be competitive in the National and Australasian markets and able to attract and retain multi-faceted and large-scale events. The Te Kaha design must also consider the future of events and future-proof Te Kaha to be competitive and ahead of the game for the future.
- Operational Functionality - operational functionality underpins the guest and client experience and the commercial viability of the venue. If guests or clients have a poor experience attending or hosting an event, they will be unlikely to return, hence having a detrimental impact on the success of the venue. Key design principles should maintain fundamental ease of access to amenities and smooth and easy venue ingress and egress.
- Guest Experience - albeit the guest experience is an outcome of operational functionality including access to amenities, ease of movement and ingress and egress flow, the quality of the acoustics, comfort of the surrounds and quality, variety and consistency of the corporate and retail food and beverage offering it is fundamental to the success of the venue.
- Multi-Use - to maximise the opportunity for the city to be competitive in attracting a high volume of top-quality events in a range of genres, the venue must be genuinely a multi-use venue. A genuinely multi-use arena is a competitive point of difference for the city and future-proofs the venue both from a diversity of revenue stream perspective but also from a future of events perspective.
- As an example, E-sports is the fastest growing sport in the world with each major tournament netting millions. E-sport organisers are seeking 25,000 – 30,000 capacity closed roof venues and demand internationally is greater than supply. With most tournaments running for three days and most players and guests being visitors to the host city and country, this is a significant opportunity for Christchurch and the venue.
- Sustainability – to pursue and demonstrate a sustainable approach to the design and construction of Te Kaha and ongoing operation.
- Accessibility and Inclusivity – assuring and enabling the same experience for all members of the community is a core design feature of Te Kaha. All aspects of design will be underpinned by the consideration of enabling and enhancing the experience of all visitors and users of the venue.



KEY PROJECT ACTIONS

To achieve the **goals, vision** and **purpose** as set out in this SOI, the Company will take the following **key actions**:

1. Governance

- Clearly define, and agree with Council, the delegation's hierarchy as between Council, Te Kaha Project Delivery Limited Board and Project Organisation.
- Provide expert advice to Christchurch City Council as principal to the Design & Construct Contract ("D&C") with BESIX Watpac.
- Identify and mitigate or manage works connected with the PCSA and D&C phases of the project, including reporting regularly to the Council on the management of all significant works and significant project risks.
- Develop and manage processes to provide assurance the project is progressing according to plan and ensure regular reporting by project management to the Te Kaha Project Delivery Limited Board; and from the Te Kaha Project Delivery Limited Board to Council in relation to progress against the overall project plan and budget.
- Convene processes to use external project auditors; probity auditors; and peer reviewers as necessary to provide an agreed level of independence to the Council.
- Contribute to the Council strategic framework outcomes of liveable city, resilient communities, healthy environment, and prosperous economy.

2. Creating Something Special

- Ensure time and effort is given to challenging the design and the construction team to identify opportunities to create something special for the people of Canterbury, for promoters of events and sporting users, for competitors, for entertainers, and for community and business users.

3. Project Management

- Prepare a detailed project plan that identifies activities; timelines; and financial budgets from the inception of the project to completion of the project.

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- Provide oversight of all contracts, expenditure, and progress during the PCSA and the D&C phases of the project.
- Ensure compliance with all legislation, Council procurement policies and costs of practice of public sector entities during the project.
- Ensure compliance with the Council request to exercise restraint in respect of executive remuneration and pay our people a fair wage, with a commitment from Te Kaha Project Delivery Limited and PCSA/D&C contractors to at least the living wage for all staff (i.e. including fixed-term staff).
- Provide local procurement opportunities where practical and commercially feasible for local stakeholders including mana whenua.
- Consult with Venues Ōtautahi and key stakeholders during the D&C stage to ensure the design specifications will deliver the **goals** set out in this Statement of Intent.
- Ensure the project is delivered within the approved budget; within the agreed timelines; and to a quality that meets the **goals** set out in this Statement of Intent. Future deviations are considered likely, and these are communicated to Council at the earliest opportunity.

4. Financial Management

- Ensure the project is properly costed with appropriate allowance for both cost escalation over the life of the project, and contingencies for variations during the life of the project.
- Ensure in establishing the initial capital expenditure (as evidenced by PCSA and D&C in aggregate) whole-of-life costs (both operating and refurbishment) are considered to minimise the total costs of the project.
- Ensure the project remains within the initial budget agreed with Council. Where there is risk the budget will be exceeded, disclose and discuss this with Council prior to any approval for such additional expectation is given.
- Ensure Te Kaha Project Delivery Limited overheads and administration costs are appropriately budgeted and agreed with Council and are managed within that budget.
- Work with the design engineers and construction management to identify areas where costs may be saved on the project programme (without compromising other outcomes set for the project).
- Support efforts by Council or Venues Ōtautahi to identify and bring opportunities for third party contributions to the funding of the project. This to include possible public and private sector funding parties and sponsors.

5. Sustainability and the Environment

- Establish clear standards in respect of the various dimensions of sustainability that are to be achieved: during the project design and delivery phases and to enable Venues Ōtautahi to achieve during the operating life of the arena. Demonstrate that we are delivering to those sustainability standards.

6. Health, Safety and Wellbeing

- Establish a Wellbeing and Safety Charter and Assurance Programme to ensure the wellbeing and safety of everyone working and visiting Te Kaha.
- Undertake the Assurance Programme to hold BESIX Watpac to account, to effectively manage the wellbeing and safety of everyone that working and visiting Te Kaha.
- Ensure Te Kaha Project Delivery Limited understands all of the critical hazards/critical controls and seeks assurance from BESIX Watpac that all controls are effective.

7. Shareholder Relationships

- Prepare and agree with Council a programme of regular reporting and dialogue which ensures as Project Owner (and partner) they are fully informed in a timely manner, on all major issues, project progress against plan, project rules and opportunities for further enhancement.

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- Nurture a respectful and open relationship in the best interests of the City and continue to develop a close and collaborative partnership.
- Keep the Council fully informed of all material matters and operate on a “no surprises” basis.

8. Stakeholder Engagement

- Consult with the Crown to ensure all of the requirements of the Funding Agreement have been or are being met.
- Partner with Venues Ōtautahi to ensure that it is fully informed with all aspects of the project delivery and support Venues Ōtautahi on the commercialisation of Te Kaha.
- Consult with Ngāi Tūāhuru to establish an appropriate way to recognize Te Kaha and Te Kaharoa being the names gifted respectively for the arena and for the whenua surrounding.
- Liaise with the St Paul’s Trinity Pacific Presbyterian Church to establish an appropriate way to recognize their history on the site.
- Consult with neighbours adjoining Te Kaha to ensure the effects of the project delivery are minimized.
- Provide regular briefings to the community about the progress being made toward completion of Te Kaha.
- Support Venues Ōtautahi to deliver an integrated community and stakeholder connection with Te Kaha.

9. Future-proof

- Consult with Venues Ōtautahi on future-proofing Te Kaha to ensure it is fit for purpose for a changing event landscape.

10. Regional Impact

- Where possible and underpinned by commercial viability, procure project services and products from the Canterbury region.
- Deliver Te Kaha to enable Venues Ōtautahi to provide long-term direct economic contribution to the region.

PERFORMANCE MEASURES/TARGETS

For each of the **key actions** the following are the **measures/targets** for each year of the project (i.e. 2021 to 2025).

Objective and Strategy	Performance Measure			
		2024/2025	2025/2026	2026/2027
Governance				
Reporting to Shareholder		Meet all Local Government Act (LGA) and Council reporting deadlines.	Meet all Local Government Act (LGA) and Council reporting deadlines.	Meet all Local Government Act (LGA) and Council reporting deadlines.
Project Management, Control and Assurance Targets				
Project Execution Plan (PEP) developed, and alignment maintained		The PEP executed for the D&C Phase and compliance with PEP maintained.	Compliance with PEP maintained.	Compliance with PEP maintained.
Procurement and Contract Management		100% compliance with relevant legislation, the Council procurement policies, and codes of practice.	100% compliance with relevant legislation, the Council procurement policies, and codes of practice.	100% compliance with relevant legislation, the Council procurement policies, and codes of practice.
Management of Project Programme		D&C - report against programme 85% probability position.	D&C - report against programme 85% probability position.	D&C - report against programme 85% probability position. Delivery by end of April-2026.
Provision of information to support the Council's Formal Assurance (CFA) points		Aligned with CFA points.	Aligned with CFA points.	Aligned with CFA points.
Stage Gate reviews completed		D&C Recommendation Stage Gate review completed	Stage Gate reviews completed and recommendations addressed.	Stage Gate review completed and recommendations addressed.

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Financial				
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.	Proactively govern the project delivery to minimise the use of the project contingencies and to stay within the approved total project budget.	Proactively govern the project delivery to minimise the use of the project contingencies and to stay within the approved total project budget.
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 and Christchurch City Council to ensure the Capital and Whole-of-Life costs are optimised. Year on year operational Costs are considered.	Consult with Venues Ōtautahi and Christchurch City Council to ensure the Capital and Whole-of-Life costs are optimised. Year on year operational Costs are considered.	Consult with Venues Ōtautahi and Christchurch City Council to ensure the Capital and Whole-of-Life costs are optimised. Year on year operational Costs are considered.
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.	Third party funding opportunities supported.	Third party funding opportunities supported.
Kaitiakitanga, Sustainability and the Environment				
Critical environmental hazards are managed effectively		Assurance programme of BESIX Watpac that critical environmental controls are effective.	Assurance programme of BESIX Watpac that critical environmental controls are effective.	Assurance programme of BESIX Watpac that critical environmental controls are effective.
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.	D&C Contract sustainability outcomes delivered.	D&C Contract sustainability outcomes delivered.

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Health, Safety and Wellbeing				
Health, Safety and Wellbeing 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.	Monitor BESIX Watpac performance. Te Kaha Project Delivery Limited Assurance Programme is executed.	Monitor BESIX Watpac performance. Te Kaha Project Delivery Limited Assurance Programme is executed.
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.	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.	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.
Baseline lag indicators are monitored to ensure safety for all		No serious harm incidents during the D&C phase.	No serious harm incidents during the D&C phases.	No serious harm incidents during the D&C phases.
		TRIFR less than 10.0 per 1,000,000 hours worked on the project.	TRIFR less than 10.0 per 1,000,000 hours worked on the project.	TRIFR less than 10.0 per 1,000,000 hours worked on the project.

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Wellbeing hazards are managed effectively	BESIX Watpac has a series of Wellbeing initiatives which they report on monthly.	BESIX Watpac has a series of Wellbeing initiatives which they report on monthly.	BESIX Watpac has a series of Wellbeing initiatives which they report on monthly.	BESIX Watpac has a series of Wellbeing initiatives which they report on monthly.
Shareholder Relationships				
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.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a “no surprises” basis.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a “no surprises” basis.
Stakeholder Engagement				
Te Kaha Neighbours		Meet quarterly with the neighbour community group to minimise project effects.	Meet quarterly with the neighbour community group to minimise project effects.	Meet quarterly with the neighbour community group to minimise project effects.
Community		Regular updates provided, within agreed timeframes, to all significant stakeholders in the project.	Regular factual updates provided, within agreed timeframes, to all significant stakeholders in the project.	Regular factual updates provided, within agreed timeframes, to all significant stakeholders in the project.
Cultural connection		Support Venues Ōtautahi work to build connection with name through implementation of communications and community engagement strategy.	Support Venues Ōtautahi work to build connection with name through implementation of communications and community engagement strategy.	Support Venues Ōtautahi work to build connection with name through implementation of communications and community engagement strategy.

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Project Delivery Target				
Project managed to budget, time and quality		Council approval of recommended D&C contract. Project managed to budget, time and quality.	Project managed to budget, time and quality.	Project managed to budget, time and quality.
Christchurch City Council and Venues Ōtautahi signs off the design elements as being fit for purpose, for operational areas each entity is responsible for		Venues Ōtautahi maintains oversight throughout D&C phase to ensure alignment.	Venues Ōtautahi maintains oversight throughout D&C phase to ensure alignment.	Venue aligned with venue design fundamentals.
Te Kaha reflects the cultural narrative of our city		Engage with Ngāi Tūāhuriri to ensure cultural narrative incorporated into design.	Deliver agreed cultural narrative actions.	Deliver agreed cultural narrative actions.
Risk Management				
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.	Risks are proactively managed to meet project budget, optimise whole of life costs, deliver on time and deliver the detailed design specification.	Risks are proactively managed to meet project budget, optimise whole of life costs, deliver on time and deliver the detailed design specification.
Regional Impact				
Where commercially viable local procurement of services and products		D&C phase services and products procured locally.	D&C phase services and products procured locally.	D&C and commissioning phase services and products procured locally.

GOVERNANCE

The Te Kaha Project Delivery Limited Board of Directors is responsible for the oversight and performance of Te Kaha Project Delivery Limited and ensuring decisions are made in the interests of Council and the people of Ōtautahi-Christchurch and the Canterbury region.

The Board recommends Te Kaha Project Delivery Limited's SOI to the Shareholder and is accountable for delivering the purpose, vision, objectives and strategies set out in this SOI, complying with its constitution, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Board is committed to the high standard of corporate compliance in guiding the company's activities and providing expert governance and financial control of the delivery of the project. The Board guides and monitors the business and affairs of Te Kaha Project Delivery Limited. It draws on relevant corporate governance best practice principles to assist and contribute to the performance of the company. All directors are required to comply with a formal Code of Conduct which is based on the New Zealand Institute of Directors' Code of Proper Practice for Directors.

BOARD COMPOSITION

The Board of Directors comprises up to five directors, all appointed by the Council. Director appointments are for the period determined by the Council as shareholder.

REPORTING

The company is governed by Local Government Act 2002 which requires, among other things:

- Statement of Intent annually;
- Half-year reporting against SOI performance targets;
- Quarterly reporting has been sought by the shareholder against SOI performance targets; and
- SOI Letter of Expectations, and periodic accountability reports and project reports are published on the website.

STATEMENT OF INTENT

Each year Te Kaha Project Delivery Limited will deliver its draft SOI for the following year to the shareholder. It will be in the form required by Clause 9(1) of Schedule 8 and Section 64 (1) of the Local Government Act 2002 and will be delivered by 1 March each year.

The Board, when developing its SOI and work programme, will consider the Letter of Expectations issued by its shareholder.

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

As referenced above, this SOI is written to cover the period until the completion of the project being April 2026 and the decommissioning of the Project Delivery Company – anticipated to be during the 2026 calendar year. This SOI therefore covers a 4-year period.

QUARTERLY REPORTING AGAINST SOI PERFORMANCE TARGETS

By 31 October and 30 April each year, Te Kaha Project Delivery Limited will provide the Shareholder with a quarterly report. The quarterly report will include Te Kaha Project Delivery Limited's commentary on operations for the relevant quarter and a comparison of the company's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.

HALF-YEAR AND FULL-YEAR REPORTING

Te Kaha Project Delivery Limited will provide the Shareholder with a half-year report by the end of February each year, complying with Section 66 of the Local Government Act 2002.

By the end of September each year, Te Kaha Project Delivery Limited will provide to the Shareholder an Annual Report on the organisation's operations during the year. This will include audited financial statements prepared in accordance with New Zealand Generally Accepted Accounting Practice and that also comply with Public Benefit Entity Standards.

The Annual Report shall also contain an Auditor's Report on both those financial statements and the performance targets and other measures by which performance was judged in relation to that organisation's objectives.



SHAREHOLDER MEETINGS

The Board may hold an Annual General Meeting (AGM) between 30 September and 30 November each year to present the Annual Report to the Shareholder. If no AGM is held then the shareholder will pass the required resolutions.

BRIEFINGS

Te Kaha Project Delivery Limited will also attend and participate in Council meetings, workshops and briefings as requested by the company or Council. This may include:

- Briefings sought by the company;
- Briefings sought by the Council; and
- Attendance at Council and/or committee meetings.

“NO SURPRISES” APPROACH

Council expects a high level of engagement between the Board and Council and expects the Board to:

- Seek Council approval before making decisions that may materially affect the project outcomes and key deliverables, or which may breach the target delivery costs or the target delivery date agreements;
- Provide the Council with sufficient information and time to enable it to make a decision on any matter which falls outside of the scope of the Board's authority;
- Inform the Council well in advance of any significant matter relating to the project, whether positive or negative on a "no-surprises" basis;
- Advise Council in advance of any significant issues that may be discussed in the public arena or which may have a reputational impact on the Crown or the Council;
- Promptly inform Council of any imminent media coverage of any matters on which the Council and/or Crown may be asked to make a media or public statement;
- Provide Council with accurate and timely advice as required, including performance reports highlighting the status of the project, including the management of key risks, programme progress and identifying upcoming required decisions;
- Provide Council with all required information promptly, on request, to allow the Council to fulfil its obligations under its Funding Agreement with the Crown; and
- Provide the Council with sufficient information and time to enable it to consult the Crown in relation to the project, as Council determines is appropriate.

PUBLICATION OF REPORTS

The SOI, Letter of Expectations, periodic accountability reports and project reports are published on the website.

SUMMARY OF FINANCIAL INFORMATION

The total project costs for the Te Kaha Project are detailed below:

Total Project Budget **\$683,165,830**

Total Governance Budget

Project Budget to 1 July 2024 \$1,203,234

FY2024/25 \$330,000

FY2025/26 \$321,000

FY2026/27 \$231,645

Total Governance Budget **\$2,085,879**

Note: All figures are GST exclusive.

COMPENSATION FROM COUNCIL

Te Kaha Project Delivery Limited expects to receive funding from the Council as per the total project budget approved in July 2022.

The activity undertaken in exchange for the compensation is set out in the first four years of the Christchurch City Council's Long-Term Plan, as per the levels of service and the outcomes in this Statement of Intent (SOI).

Te Kaha Project Delivery Limited will support the Christchurch City Council and Venues Ōtautahi to secure third party funding.

ACCOUNTING POLICIES

The financial statements are prepared in accordance with the PBE Standards Reduced Disclosure Regime for a Tier 2 entity. The company's current accounting policies will be consistent with New Zealand International Public-Sector Accounting Standards, generally accepted accounting practice (NZ GAAP) and in accordance with the Companies Act 1993 and the Financial Reporting Act 1993 and any amendments to them.

CONTACT DETAILS

Contact details for the Chair and Directors are as follows:

Address: 53 Hereford Street
Christchurch 8013

Registered Office: 53 Hereford Street
Christchurch 8013

Directors: Barry Bragg (Chair)
Steven Reindler
Gill Cox
Richard Peebles
Jane Huria

Chief Executive David Kennedy

Website: <https://Council.govt.nz/the-Council/future-projects/major-facilities/canterbury-arena>



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CMUA Project Delivery Limited
Statement of Financial Performance

	Notes	Plan 2025	Plan 2026	Plan 2027
Revenue				
Grants - Governance & Early Works	1(a)	330,000	321,000	231,645
Total revenue		330,000	321,000	231,645
Expenses	1(b)			
Consultants Fees		45,000	28,500	145
Insurance		20,000	25,000	15,000
Corporate Subscriptions		-	-	-
Catering		2,500	2,500	1,000
Board Travel		15,000	17,500	12,500
Service Contracts (Director Fees)	3	240,000	240,000	200,000
Sundry expenses		7,500	7,500	3,000
Total expenses		330,000	321,000	231,645
Surplus / (deficit) before tax		-	-	-
Tax expenses		-	-	-
Surplus / (deficit) after tax		-	-	-
Other comprehensive revenue and expense				

CMUA Project Delivery Limited
Statement of Movement in Equity

	Notes	Plan 2025	Plan 2026	Plan 2027
Opening equity 1 July		-	-	-
Share Capital		-	-	-
Closing equity 30 June		-	-	-
		-	-	-
Share capital		-	-	-
Accumulated Profit/ (Losses)		-	-	-
		-	-	-
Closing equity 30 June		-	-	-
		-	-	-

CMUA Project Delivery Limited
Statement of Financial Position

	Notes	Plan 2025	Plan 2026	Plan 2027
<u>Current assets</u>				
Bank	4,5	-	-	-
Receivables		-	-	-
Total current assets		-	-	-
<u>Non-current assets</u>				
<u>Current Liabilities</u>				
Payables		-	-	-
Total current Liabilities		-	-	-
Total liabilities		-	-	-
Net Assets		-	-	-
<u>Equity</u>				
Accumulated profits/losses		-	-	-
Total equity		-	-	-

CMUA Project Delivery Limited
Statement of Cash Flows

	Notes	Plan 2025	Plan 2026	Plan 2027
<u>Cash flows from operating</u>	4			
Receipts from grants		330,000	321,000	231,645
Payments to employees				
Payments to suppliers		(330,000)	(321,000)	(231,645)
Total cash flows from operating		-	-	-
<u>Cash flows from investing</u>				
Total cash flows from investing		-	-	-
<u>Cash flows from Financing</u>	5			
Total cash flows from Financing		-	-	-
Net cash flows		-	-	-
Opening bank		-	-	-
Closing bank		-	-	-

CMUA Project Delivery Limited
Notes to the Financial Statements

	Plan 2025	Plan 2026	Plan 2027
1(a) - Revenue			
Grants - Governance & Early Works	330,000	321,000	231,645
Total Revenue	330,000	321,000	231,645

	Plan 2025	Plan 2026	Plan 2027
1(b) - Expenses			
Director fees	240,000	240,000	200,000
Consultancy fees	45,000	28,500	145
Insurance	20,000	25,000	15,000
Board Travel	15,000	17,500	12,500
Other expenses	10,000	10,000	4,000
Total expenses	330,000	321,000	231,645

	Plan 2025	Plan 2026	Plan 2027
2 - Fees paid to auditors			
Audit fee	-	-	-
Total fees paid to auditors	-	-	-

	Plan 2025	Plan 2026	Plan 2027
3 - Fees paid to directors			
Bragg, Barry Mr (Chair)	72,000	72,000	60,000
Peebles, Richard Mr	42,000	42,000	35,000
Reindler, Steven Mr	42,000	42,000	35,000
Cox, Wynton Gill	42,000	42,000	35,000
Huria, Jane Christine	42,000	42,000	35,000
Total fees paid to directors	240,000	240,000	200,000

	Plan 2025	Plan 2026	Plan 2027
4- Operating Cash flow reconciliation			
Surplus / (deficit) after tax	-	-	-
Increase / decrease in employee entitlements	-	-	-
Total cash flows from operating	-	-	-

5 - Financing cash flow reconciliation

Movement in finance liabilities
Increase / decrease in non-cash items

Total cash flows from Financing

Plan 2025	Plan 2026	Plan 2027
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>



RICCARTON HOUSE & BUSH
PŪTARINGAMOTU



RICCARTON BUSH TRUST

**Statement of Intent
for the year ending
30 June 2025**

1. Introduction

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

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

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

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

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

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

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

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

2. Our Vision

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

3. Value Statement

Heritage conservation of the Pūtarīngamotu Riccarton Bush property is the primary consideration.

4. Management Goals

- | | |
|---------------|--|
| Goal 1 | Protect and enhance the indigenous flora, fauna and ecology of Pūtarīngamotu Riccarton Bush; including mahinga kai and taonga species. |
| Goal 2 | Protect and conserve Riccarton House and Deans Cottage and their Grounds. |
| Goal 3 | Encourage public interest, use and participation and promote the natural and cultural heritage values of the site. |

5. Nature and Scope of Activities

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

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

Much of Riccarton House is refurbished in 1900s Victorian style and guided Heritage Tours are available twice daily and by request.

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

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

6. Governance

The Riccarton Bush Trust Board currently comprises eight members. The Christchurch City Council appoints five members, and the other three members are appointed by the Deans family (x 2) and the Canterbury Branch of the Royal Society NZ (x 1). There is currently a vacancy for a Trust Appointed member and this has been offered to Ngai Tūāhuriri.

The functions of the Board are to:

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

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

- Bush and Grounds
- House and Promotions
- Finance

7. Ratio of Shareholders' funds to total assets:

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

The forecast capital structure for the next three years is:

	2024/25 \$M	2025/26 \$M	2026/27 \$M
Equity	16.865	16.593	16.319
Debt	Nil	Nil	Nil

8. Supporting Council's Strategic Direction

Community Outcomes	Riccarton Bush Trust Activities
Collaborative Confident City	<ul style="list-style-type: none"> • Providing optimised access to an experience that supports wellbeing in multiple ways – enjoying physical activity, connecting with others, moments of wonder and enjoying the little things, mindfulness, and learning new things. • Improving accessibility for all people, including people with mobility restrictions and parents with very young children to the rich cultural, heritage and environmental experience that the Pūtarīngamotu Riccarton Bush site can offer. • Supporting Riccarton Pest Free Project • Developing strong relationships with Education Providers throughout Christchurch.
Green Liveable City	<ul style="list-style-type: none"> • Promotion and protection of native species. • Restoration and protection of physical heritage. • Increasing accessibility to a natural floodplain forest area and its plants, bird and insect life, in a central location within the city. • Reducing emissions through more efficient processes and practices. • Providing a 'seed bank' that is a valuable seed source for many local regeneration projects and local conservation focussed organisations.
Cultural Powerhouse City	<ul style="list-style-type: none"> • Unlocking the cultural and heritage potential of our whenua, Pūtarīngamotu / Riccarton Bush, and in doing so, improving wellbeing by enabling participation in a heritage, culture and environmental experience in the outdoors and building understanding and knowledge of Ngāi Tūāhuriri and their history in the area.

	<ul style="list-style-type: none"> An enhanced awareness of the Ngāi Tūāhuriri and Deans family history, legacy and connection to the area through purposeful, meaningful and engaging storytelling. Active participation in city wide events such as Kidsfest and Heritage Festival The Trust continues to hold a vacancy on the Board for Ngāi Tūāhuriri representation.
Thriving Prosperous City	Attracting visitors from throughout New Zealand and further afield

9. Performance Targets

(a) Financial performance Targets

	2024/25 \$ (000)	2025/26 \$ (000)	2026/27 \$ (000)
Revenue	732	754	777
Capital Grant - Christchurch City Council	53	28	28
Total Revenue	785	781	804
Operating Expenses	724	748	773
Net Surplus/(deficit) before depreciation	61	33	31
Depreciation	304	304	304
Net Surplus/(deficit) after depreciation	(244)	(271)	(274)

(b) Non- Financial Performance Targets

1. Monitor Health and Safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015	
Performance Measure	<ul style="list-style-type: none"> Health and Safety meetings are held monthly. Target results for all Trust activities, of: <ul style="list-style-type: none"> Serious Harm incidents = 0 Accident ≤ 1 Near Misses ≤ 3
2. Monitoring and management of rodent activity in Riccarton Bush	
Performance Measure	6 monthly monitoring and effective management through baiting and trapping results in little or no increase in activity.

3. Bush Enhancements – Replace Board Walk and Improved Interpretation	
Performance Measure	<ul style="list-style-type: none"> The tender process for Stage 1 is completed. The “Buy a Board” campaign has been successful Plans will be completed for the fire and irrigation systems.
4. Encourage public interest, use and participation and promote the natural and cultural heritage values of the site.	
Performance Measure	<p>Inform the public and relevant interest groups about on-going activities of the Trust.</p> <p>Include in the 6-monthly and annual reporting to Council information on numbers of participants across the variety of Riccarton House and Bush offerings and provide comparisons over time as that information is compiled.</p>
5. Commit to meeting the goal of becoming net carbon neutral by 2030	
Performance Measure	Develop a plan with clear targets for reducing carbon in the Trust’s operations for implementation by year end.

10. Information to be provided to the Council

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

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

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

The Annual report will outline the Trust’s objectives and performance in terms of: Financial and non-Financial targets.

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

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

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

11. Compensation sought from local authority

For the next three financial years the Trust is seeking funding from the Council in accordance with the Riccarton Bush Amendment Act 2012 to assist with the operation and management of the Riccarton Bush. The 2022 Valuation increased the insured value of Riccarton House from 9M to 21M. This has not been budgeted for and projected increases in income and tightening of the budget will not cover the increased insurance costs.

The operational levy proposed below are increased from last SOI to reflect the increased insurance levy.

	2024/25	2025/26	2026/27
CCC Operational Levy	\$495,127	\$509,981	\$528,585

Capital grants are also sought from the Council in the sums shown below:

	2024/25	2025/26	2026/27
CCC Capital grants	\$52,500	\$27,500	\$27,500

For financial year 2024/25 Capital grants are also sought from the Council to assist with the funding of the following projects:

- Bush Enhancements (New Boardwalk and path upgrade and improved interpretation)
- Bush and Grounds Interpretation
- New Furniture and Fittings
- New antiques and furnishings
- Kitchen & Restaurant (Plant & Equipment)
- New Computers and Technology
- Floor Surfaces and coverings

12. General Information

Distributions:

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

Acquisition or Disposal of Shares or Assets:

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

Commercial Value:

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

13. Prospective Financial Statements

Riccarton Bush Trust
Prospective statement of comprehensive revenue and expense

	2025 Plan \$	2026 Plan \$	2027 Plan \$
Revenue from operations	169,650	174,740	178,234
Capital grant - Christchurch City Council	52,500	27,500	27,500
Other revenue	562,777	578,959	598,475
	<u>784,927</u>	<u>781,198</u>	<u>804,209</u>
Employee benefits expense	362,940	374,858	384,487
Depreciation and impairment	304,497	304,497	304,497
Other expenses	361,268	373,279	388,950
	<u>1,028,705</u>	<u>1,052,635</u>	<u>1,077,934</u>
Net surplus/(deficit) for the year	<u><u>(243,778)</u></u>	<u><u>(271,436)</u></u>	<u><u>(273,725)</u></u>
Property, plant and equipment revaluation gain/(loss)	-	-	-
Total comprehensive revenue and expense	<u><u>(243,778)</u></u>	<u><u>(271,436)</u></u>	<u><u>(273,725)</u></u>

Riccarton Bush Trust
Prospective statement of changes in net assets/equity

	2025 Plan \$	2026 Plan \$	2027 Plan \$
Balance at 1 July	17,108,328	16,864,550	16,593,114
Reserves			
Revaluation reserves			
Accumulated comprehensive revenue and expense			
Surplus (Deficit)	(243,778)	(271,436)	(273,725)
Balance at 30 June	<u>16,864,550</u>	<u>16,593,114</u>	<u>16,319,389</u>

Riccarton Bush Trust
Prospective statement of financial position

	2025 Plan \$	2026 Plan \$	2027 Plan \$
Current assets			
Cash and cash equivalents	366,908	370,716	371,607
Receivables from non-exchange transactions	8,627	8,886	9,063
Receivables from exchange transactions	25,073	25,825	26,342
Inventories	1,725	1,777	1,813
Total current assets	402,333	407,203	408,824
Non-current assets			
Property, plant and equipment	16,515,157	16,252,090	15,975,093
Total non-current assets	16,515,157	16,252,090	15,975,093
Total assets	16,917,490	16,659,293	16,383,917
Current liabilities			
Payables under exchange transactions	24,318	25,048	25,549
Finance lease liability	2,201	2,689	2,786
Provisions	26,053	26,835	27,371
Total current liabilities	52,572	54,571	55,706
Non-current liabilities			
Finance lease liability	367	11,608	8,822
Total non-current liabilities	367	11,608	8,822
Total liabilities	52,939	66,179	64,528
Net assets	16,864,550	16,593,114	16,319,389
Equity			
Reserves	16,074,167	16,074,167	16,074,167
Accumulated comprehensive revenue and expense	790,382	518,946	245,221
Total equity	16,864,550	16,593,114	16,319,389

Riccarton Bush Trust
Prospective statement of cash flows

	2025 Plan \$	2026 Plan \$	2027 Plan \$
Cash flows from operating activities			
Receipts from customers	170,802	176,047	179,819
Donations and sundry revenue	58,358	59,449	60,256
Contributions from Christchurch City Council	547,627	537,481	556,086
Interest revenue	9,000	9,270	9,455
Payments to employees and suppliers	(723,363)	(747,502)	(773,276)
Net cash inflow from operating activities	<u>62,425</u>	<u>34,745</u>	<u>32,340</u>
Cash flows from investing activities			
Purchase of fixed assets	(52,500)	(27,500)	(27,500)
Net cash outflow from investing activities	<u>(52,500)</u>	<u>(27,500)</u>	<u>(27,500)</u>
Cash flows from financing activities			
Repayment of loans	(3,401)	(3,437)	(3,949)
Net cash outflow from financing activities	<u>(3,401)</u>	<u>(3,437)</u>	<u>(3,949)</u>
Net inflow (outflow) of cash	6,524	3,808	891
Opening bank and short term investments	360,384	366,908	370,716
Represented by:			
Bank and short-term deposits	<u>366,908</u>	<u>370,716</u>	<u>371,607</u>

Riccarton Bush Trust

Notes to the prospective financial statements

Statement of significant accounting policies

a. Reporting entity

The Trust operates under the Riccarton Bush Act 1914 and is a Council Controlled Organisation under the Local Government Act 2002. The Trust manages property in Riccarton. The property consists of Riccarton House and grounds, Deans Cottage, a residential house and Riccarton Bush.

The major source of revenue is from an operating levy and grant received annually from the Council, and from other grants, donations and rents & commission from use of the properties.

The primary purpose of the Trust is to:

- protect and enhance the indigenous flora, fauna and ecology of Riccarton Bush;
- conserve Deans Cottage, Riccarton House and their grounds with Riccarton Bush and the Deans family history;
- and encourage public use and participation of the reserve and to inform visitors about the natural, Maori and colonial heritage of Christchurch.

On this basis, the Trust is considered a public benefit entity for purposes of financial reporting.

The prospective financial statements of the Trust are for years ending 30 June 2025 to 30 June 2027. The prospective financial statements were approved for issue by the Board of Trustees on 28 February 2024.

b. Basis of preparation

It is a requirement of the Local Government Act 2002 for council-controlled organisations that are not trading to present prospective financial statements for the financial year to which the statement of intent relates.

The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice. These statements comply with the Tier 2 Public Benefit Entity Standards (PBE Standards).

The prospective financial statements have been prepared on the basis of best estimate assumptions of future events which the Trust expects to take place. The Trust has considered factors that may lead to a material difference between information in the prospective financial statements and actual results.

The financial information is prospective. Actual results are likely to vary from the information presented and variations may be material.

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

c. Revenue

Grants/Levies

Grants received from the Council are the primary source of funding to the Trust and are restricted for the purpose of the Trust meeting its objectives as specified in the Riccarton Bush Act. The Trust also receives Government assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grant received in advance, and recognised as revenue when conditions of the grant are satisfied.

Other Revenue

Revenue is measured at the fair value of consideration received.

Interest revenue is recognised using the effective interest method.

Revenue may be derived from either exchange or non-exchange transactions.

d. Property, plant and equipment

Land, site improvements and buildings are shown at fair value, based on periodic valuations by an external independent valuer less subsequent depreciation and impairment.

All other property, plant and equipment are shown at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Work in progress

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Trust and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the surplus or deficit. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with

the item will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the surplus or deficit during the financial period in which they are incurred.

Depreciation

Land and antique furniture are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.

The useful lives of major classes of assets are as follows:

- | | |
|--------------------------|-----------|
| • Buildings | 5-100 yrs |
| • Furniture and fittings | 10 yrs |
| • Plant and equipment | 3-30 yrs |
| • Land improvements | 5-100 yrs |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Revaluations

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. All other asset classes are carried at depreciated historical cost less accumulated impairment.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue, but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue.

e. Trade and other receivables

Trade and other receivables are stated at their expected realised value after writing off any known bad debts and making an expected credit loss allowance which may prove irrecoverable in subsequent accounting periods.

f. Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

g. Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Trust will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

h. Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term deposits with original maturities of 3 months or less.

i. Impairment

Assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Land and buildings are also reviewed for impairment at least every three years as part of the revaluation process.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined on a depreciated replacement cost basis.

Cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. These assets are adjusted based on age profile calculations of expected credit losses.

j. Creditors and other payables

Short-term creditors and other payables are recorded at their face value which represents amortised cost.

k. Provisions

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

l. Employee entitlements

Provision is made in respect of the Trust's liability for the short-term employee entitlements.

Liabilities for annual leave and time off in lieu are accrued at the full amount owing at the pay period ending immediately prior to the balance sheet date.

Provisions made in respect of employee benefits which are not expected to be settled within 12 month are measured as the present value of the estimated future cash outflows to be made by the Trust in respect of services provided up to balance date.

m. Income tax

Charities Services (formerly Charities Commission) Department has confirmed that the Riccarton Bush Trust has charitable status for tax purposes therefore the Trust is not liable for income tax.

n. Goods and Services Tax

The financial statements are prepared exclusive of GST with the exception of receivables and payables that are shown inclusive of GST. Where GST is not recoverable as an input tax it is recognised as part of the related asset or expense.



Rod Donald Banks Peninsula Trust
Te Pātaka o Rākaihautū

Statement of Intent

For the year
1 July 2024 - 30 June 2025
FY 2025

Item 10

Attachment E

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 027 294 5219
Physical Address: c/o Sidekick, 34 Allen Street, Christchurch Central City, Christchurch 8013

Current Trustees as of 1 July 2024

Richard Suggate – Co-chair
Jennifer Chowaniec – Co-chair
Tyrone Fields
Maureen McCloy
Paul McNoe
Duncan Bright
Francesca Brown
Anna Cameron
Piper Pengelly

Special Trust Advisor: Kamala Hayman

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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
- Acting 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. This was updated in 2013, and again in 2024 to take into account the Council's capital and operational grant funding signalled in the Long Term Plan commencing in FY24. Our Investment and Capital Expenditure policy is available on the Trust's website.

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 January 2024. 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 and its purpose will now be reviewed. The CCC Public Open Space Strategy 2010-2040 provides a guiding framework for this. The Trust also contributed to the preparation of

the Te Pātaka o Rākaihautū Banks Peninsula Destination Management Plan and the Walking and Cycling strategy will contribute towards its implementation. 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.

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 Council's Draft Strategic Framework as follows below:

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

Council Framework	Rod Donald Trust projects
Be an inclusive and equitable city which puts people at the centre of developing our city and district, prioritising wellbeing, accessibility and connection.	<ul style="list-style-type: none">• Providing a range of safe, well documented family friendly and more challenging outdoor recreation experiences that benefit the physical and mental wellbeing of today's residents and future generations• These are low cost activities and many tracks can be accessed without need to use private vehicles• Providing low costs facilities such as tramping huts• Encouraging families and young people to explore and develop skills on Banks Peninsula. We are starting to create an educational nature trail for children near Rod Donald Hut• Valuing the voices of children and young people by encouraging them to experience the outdoors and better understand the environment• Running the Banks Peninsula Walking Festival• Providing mapping, and promoting all the walks on Banks Peninsula• Working with all agencies and landowner that provide walking and cycling to co-ordinate access links
Champion Ōtautahi–Christchurch and	<ul style="list-style-type: none">• Providing recreation opportunities that enable Ōtautahi Christchurch residents and organisations to showcase arguably the city's greatest asset -

collaborate to build our role as a leading New Zealand city.	<p>the landscapes, biodiversity and communities of Banks Peninsula</p> <ul style="list-style-type: none"> • Strengthening the identity of Ōtautahi-Christchurch by creating iconic long distance walks including Te Ara Pātaka • Taking over the role of coordination and promotion of the Little River Rail Trail from the Little River Rail Trail Trust • Confirming where cycling is allowed on Te Ara Pātaka and liaising with landowners about cycling being allowed in the future about parts where currently not allowed
Build trust and confidence in the Council through meaningful communication, listening to and working with residents	<ul style="list-style-type: none"> • Through the Trust's collaborative relationship with Christchurch City Council, we help build confidence in the Council through the meaningful communication we have with our audience about the positive walking, biking, biodiversity and knowledge initiatives that result from Christchurch City Council being involved
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, waterbodies and tree canopy	<ul style="list-style-type: none"> • Creating outdoor recreation opportunities that connect with public transport, where possible • Protecting water catchment areas through land purchase • Supporting purchase of land for biodiversity reserves with full public access, including significant landscape features and a range of indigenous habitats • Creating connection for people with landscape and responsibility for natural environment through improved public access combined with biodiversity and promoting knowledge in these areas • Demonstrating sustainable use of resources through the Rod Donald Hut experience • Promoting low footprint activities on Banks Peninsula for Christchurch residents and visitors • 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 • Encouraging widespread participation and support of indigenous biodiversity conservation, including pest control, through grant funding to partner organisations • Supporting Conservation Volunteers NZ Whaka Ora Pest project • Encouraging widespread participation in support of indigenous biodiversity by private landowners • 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
Manage ratepayers' money wisely, delivering quality core services to the whole community and addressing the issues that are important to our residents.	<ul style="list-style-type: none"> • Trust has provided good value for money to Council and people of Christchurch while achieving large gains for public access and biodiversity, promoting knowledge about Banks Peninsula and leveraging supportive partnerships
Actively balance the needs of today's residents with the needs of future generations, with the aim of leaving no one behind	<ul style="list-style-type: none"> • Promoting outdoor recreation opportunities close to the city • Managing the Little River Rail Trail linking the city to Banks Peninsula • 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 • Working to improve way marking and signage on tracks and trails making it

	<ul style="list-style-type: none"> easier for people to use them Securing long term improved public walking and biking access
Economic Ambition	<ul style="list-style-type: none"> Walking and biking experiences we provide time and space for play. This enhances residents and visitor wellbeing and harmony, helping lead to a balanced life
City Narrative	<ul style="list-style-type: none"> Recreation opportunities we create enable a regenerative economy. Carefully located and built trails are good for people, the planet and the economy. They spark creativity and play in our community and help ensure our city is liveable. We collaborate with partners to value and share knowledge
Destination Management Plan (Te Pātaka o Rākaihautū Banks Peninsula)	<ul style="list-style-type: none"> Developing walkways and cycleways such as extensions to Te Ara Pātaka, assisting with Head to Head Walkway, Little River Rail Trail and working towards the long-term aspiration for a Christchurch to Akaroa walkway Walkways and cycleways enable biodiversity as a tourism drawcard Offering low carbon impact ways for visitors to enjoy and learn about the unique landscapes, biodiversity and community of Banks Peninsula through recreation during all four seasons Exploring ideas to connect existing reserves into multi-day guided or self-guided itineraries that tell the natural and cultural stories of the place Providing a marketing tool, its website www.bpwalks.co.nz, used by organisations such as Christchurch NZ, Akaroa District Promotions and the Lyttelton Harbour Information Centre to attract visitors to the area Assisting rural centres by developing, improving and promoting walking opportunities from these centres resulting in economic and other benefits

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 the use of electric vehicles where possible
- encourages recreation close to home (on Banks Peninsula rather than further afield)
- educates people about the environment through real-life experiences, particularly at Rod Donald Hut
- supports sequestration in biodiverse native forest.

In FY2024 the Trust undertook a basic assessment of its current carbon footprint using the Ministry of Business, Innovation and Employment's 'Climate Action Toolbox', with the intention of using this as a baseline to monitor its emissions. The Trust is continuing to take advice on appropriate measures.

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 principles.

All contractors and employees engaged by the Trust are paid at rates above the minimum wage.

5.3 Governance

The Trust complies with all relevant acts in running its business.

The Trust will comply with recent changes introduced through the Charities Amendment Act 2023.

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 considers skill aspects as well as mana whenua representation, gender and age when making appointments, with a Trustee recruitment process in 2024 resulting in four new members of the Board being appointed from 1 July 2024. These are Duncan Bright, Francesca Brown, Anna Cameron and Piper Pengelly, with Kamala Hayman being appointed as a Special Trust Advisor until 31 December 2024. The Trust will then either co-opt Kamala or recommend her for appointment as Trustee from 1 January 2025, as Richard Suggate has indicated he will retire from the Board on 31 December 2024.

New Trustees undergo an effective induction process, with a Trustee Induction Workshop taking place in June 2024.

5.5 Engagement and consultation

The Trust 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 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.

The Trust has now included 'bicultural understanding' as a regular agenda item at Board meetings, and a bicultural workshop with an external trainer is being scheduled to assist in gauging where the Trust is at in its journey, identify gaps and build understanding.

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 FY25 year.

See table below:

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

Indicator 5	<i>Provide tangible support for and work with a range of partners</i>
	Working in partnership with others to achieve greater outcomes than we could individually.
	Relationships with key stakeholders are formalised with appropriate agreements and delivering as agreed.
	Ngai Tahu's role as kaitiaki is acknowledged and supported through productive partnerships with Papatipu Rūnanga on Te Pātaka o Rākaihautū
	A mutually supportive partnership with Christchurch City Council recognising the Trust as an effective delivery vessel.

6.2 Financial performance targets

Financial forecasts are provided for the next three years.

- Capital and operational funding injections from the Christchurch City Council were allocated in the Council's Long Term Plan beginning in FY24. Ongoing operational funding of \$100,000 per annum will continue in FY25, FY26 and FY27. A capital grant from the Council of 1.35M is itemised in the LTP for FY27.
- Operating costs include employment and contractor costs where not otherwise included, 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 2024-25 includes projected funding for Banks Peninsula Conservation Trust and progressing the projects listed in Appendix C.
- Project expenditure cost estimations are based on the midpoint cost between the high and low capital expenditure costs listed in the Trust's 'Striding Forward/Hikoi Whakamua 2020-2030 Implementation Plan' dated 3 March 2020, which was developed as a result of the CCC/RDT Joint Working Party.
- 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 2025	Forecast 2026	Forecast 2027
Income			
Revenue	155,280	157,349	1,509,501
Total Income	155,280	157,349	1,509,501
Other Income			
Interest Income	93,851	88,892	61,808
Total Other Income	93,851	88,892	61,808
Total Revenue	249,131	246,241	1,571,309
Expenses			
Trust Management	155,829	162,028	168,474
Operating Costs	116,850	118,638	121,251
Strategic Grants and Project Expenditure	331,250	766,417	744,044
Total Expenses	603,929	1,047,083	1,033,769
Net Profit	(354,798)	(800,842)	537,540

6.2.2 Profit and Loss FY 2025

Profit and Loss

Rod Donald Banks Peninsula Trust - For the year
ended 30 June 2025

Account	FY 2025
Income	
Operational Income	100,000
Capital Funding	0
Banks Peninsula Walking Festival	12,500
Hut Fee Revenue	22,700
Donations	10,000
Te Ara Pātaka Lease Income	8,050
Walking Products	2,030
Total Income	155,280
Other Income	
Interest Income	93,851
Total Other Income	93,851
Total Revenue	249,131
Expenses	
Trust Management	
Trust Management Salary	120,000
Manager Travel Allowance	3,429
Trust Administrator Contract	32,400
Total Trust Management	155,829
Operating Costs	
Administration Costs	55,378
Banks Peninsula Walking Festival	12,000
Hut Operating & Maintenance Costs	24,115
Te Ara Pātaka Maintenance costs	10,000
Minor Administrative Projects	2,419
Walking Product Minor Update & Production Costs	1,426
Website Hosting and Minor Updates	2,620
Depreciation	8,892
Total Operating Costs	116,850
Strategic Grants & Project Expenditure	
Grants (Commitment to Partners)	89,550
Project Expenditure	241,700
Total Strategic Grants & Project Expenditure	331,250
Total Expenses	603,929
Net Profit	(354,798)

6.2.3 Profit and Loss FY 2026

Profit and Loss

Rod Donald Banks Peninsula Trust - For the year
ended 30 June 2026

Account	FY2026
Income	
Operational Income	100,000
Banks Peninsula Walking Festival	13,125
Hut Fee Revenue	23,381
Donations	10,500
Te Ara Pātaka Lease Income	8,211
Walking Products	2,132
Total Income	157,349
Other Income	
Interest Income	88,892
Total Other Income	88,892
Total Revenue	246,241
Expenses	
Trust Management	
Trust Management Salary	124,800
Manager Travel Allowance	3,532
Trust Administrator Contract	33,696
Total Trust Management	162,028
Operating Costs	
Administration Costs	56,831
Banks Peninsula Walking Festival	12,360
Hut Operating & Maintenance Costs	24,597
Te Ara Pātaka Maintenance costs	10,300
Minor Administrative Projects	2,491
Walking Product Minor Update & Production Costs	1,468
Website Hosting and Minor Updates	2,699
Depreciation	7,892
Total Operating Costs	118,638
Strategic Grants & Project Expenditure	
Grants (Commitment to Partners)	89,550
Project Expenditure	676,867
Total Strategic Grants & Project Expenditure	766,417
Total Expenses	1,047,083
Net Profit	(800,842)

6.2.4 Profit and Loss FY 2027

Profit and Loss

Rod Donald Banks Peninsula Trust - For the year
ended 30 June 2027

Account	FY2027
Income	
Operational Income	100,000
Capital funding - CCC LTP	1,350,000
Banks Peninsula Walking Festival	13,781
Hut Fee Revenue	24,082
Donations	11,025
Te Ara Pātaka Lease Income	8,375
Walking Products	2,238
Total Income	1,509,501
Other Income	
Interest Income	61,808
Total Other Income	61,808
Total Revenue	1,571,309
Expenses	
Trust Management	
Trust Management Salary	129,792
Manager Travel Allowance	3,638
Trust Administrator Contract	35,044
Total Trust Management	168,474
Operating Costs	
Administration Costs	58,572
Banks Peninsula Walking Festival	12,731
Hut Operating & Maintenance Costs	25,089
Te Ara Pātaka Maintenance costs	10,609
Minor Administrative Projects	2,566
Walking Product Minor Update & Production Costs	1,512
Website Hosting and Minor Updates	2,780
Depreciation	7,392
Total Operating Costs	121,251
Strategic Grants & Project Expenditure	
Grants (Commitment to Partners)	90,177
Project Expenditure	653,867
Total Strategic Grants & Project Expenditure	744,044
Total Expenses	1,033,769
Net Profit	537,540

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.

Newsletters are provided to the Council when produced. Trust information and projects are recorded on our website, with social media being another medium for providing information.

The RDBPT will provide its annual report 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 2023) is approximately \$2,297,418 including cash and investments. The value of its equity including property and intangible assets is \$2,622,727 (at December 2023). 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 currently 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), although the Trust has now requested the Council consider extending this area to include the entire Banks Peninsula landform within the Christchurch City Council territory. A map of the existing Banks Peninsula boundary area is included as Appendix B to this Statement of Intent, along with map showing the requested boundary adjustments.

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 Banks Peninsula area and throughout Canterbury to demonstrate research relating to the objects, and to encourage the public to become involved with or to generally promote the aims and purposes of the Trust to the community;
- (k) to carry out any other charitable purpose which is capable of being carried out in connection with the Objects or may directly, or indirectly, advance the Objects;
- (l) to raise money and to seek, accept and receive gifts, donations, grants, endowments, legacies and bequests of money or in kind for the Objects; and
- (m) to do all such other acts and things that are incidental or conducive to the attainment of the Objects.

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

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

Appendix 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 primarily within this area.



Appendix C Project detail

The following are projects which are either in progress and will continue into FY2025 and beyond, or new projects to be implemented in FY2025.

C.1 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 negotiating an easement from the new Te Ahu Pātiki park to the Sign of the Packhorse Hut across neighbouring land as well as the maintenance or upgrade of tracks not covered by DOC the Council, or Te Ahu Pātiki Trust. 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 total 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. The Trust aims to begin exploration of this in 2024, with the hope to finalise a preferred route in FY2025. Connections to Little River and synergies with the High Bare/Te Whenua Ora 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 five way agreement to also include the Christchurch City Council, Te Ahu Pātiki Trust and Orton Bradley Park 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.2 Te Ahu Pātiki Conservation Park

Te Ahu Pātiki Conservation Park came about as the result of a land acquisition and fundraising campaign undertaken by the Trust, who became the owner of the 500ha block on 1st July 2021. This allowed for the creation of a public conservation park protecting biodiversity and with full public access. 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 of supporting particular projects on the property at the request of 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 five parties involved in Te Ara Pātaka surrounding track maintenance and responsibilities – the Christchurch City Council, the Department of Conservation, the new Te Ahu Pātiki Trust, Orton Bradley Park and the Rod Donald Trust. The Rod Donald Trust appoints two members to Te Ahu Pātiki Trust Board.

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 FY25 this will include replacing and extending the main deck, repair to rotten weatherboards, replacing the solar water pump batteries and updating some of the older mattresses. Consideration will also be given in FY25 to whether accommodation provision could be extended to provide a small number of tent camping sites for walkers.

A plan to construct a short 1km nature walk suitable for families has been agreed, and work began on this in April 2024. Stage one of the project is due to be completed late in 2024 to enable the track to be opened that summer, with further work on developing concepts around interpretation then planned to enable greater educational opportunities relating to 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/Te Whenua Ora 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 assisted by the Little River/Wairewa Community Trust. It has been run annually in November since 2013 and built up a strong reputation and following. Due to uncertain weather conditions that has often threatened the financial viability of a November Festival the decision has now been made to hold the event annually from the last weekend in February to the second weekend in March starting in 2024.

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 to assist the Council in 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. Landowners and community organisations are key parties to getting new sections of the route completed. The Trust will engage with them and the Council where its experience as an enabler of access can best be utilised.

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 had 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. Continuing support has now been agreed for a further five year period until March 2029, with a

more broad based funding agreement currently being drafted to enable the Banks Peninsula Conservation Trust to use the grant for its priorities.

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, grants to the Feral Pig Control Committee for eradication work and an interim Pest Free co-ordinator position managed by Banks Peninsula Conservation Trust. Further funding has not been allocated or forecast but the Trust will keep a watching brief on progress and will consider allocation of funding and funding mechanisms to support future innovative 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 has provided ongoing support to 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 additional walking and biking opportunities including an off-road connection to Te Ara Pātaka from Little River.

C.7.1 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.

Rod Donald Trust (RDT) was approached in 2022 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 RDT. RDT agreed in principle to do so, subject to certain conditions, all of which have now been met and the 'Deed of Winding Up' document signed by both parties. Responsibility of all assets and intellectual property has now been handed over to RDT, who are now overseeing general administration of the Rail Trail, including coordination and promotion. Current agreements with the landowning agencies will be updated. Communication and marketing options for the trail will be considered going forward.

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 long-term role the Trust takes with respect to the Rail Trail. The Trust's primary initial focus for improvement and upgrade will be on the section from Motukarara to Little River. We hope to start preparing a strategic plan in association with papatipu rūnanga and the governing agencies to guide the Trust's work.

C.7.2 High Bare/Te Whenua Ora

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 (HBPL) - 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 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. 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, and access opportunities to link with Te Ara Pātaka along the ridgeline from the High Bare summit using unformed legal road.

RDT have agreed to make a financial commitment to scope out and mark a basic poled route through HBP land to the ridge, on the condition that this ultimately be developed to become a public access walking route. This route can then be used as an access point to connect High Bare via paper roads and easements to the Te Ara Pātaka track network. 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 Trust's intention to explore this access and biodiversity project as a high priority in FY2024.

C.8 Partnering with the Summit Road Society

The Summit Road Society has completed the John Jameson lookout, providing 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, and has already acted as agent in procuring funding to do so. The Trust has also agreed to provide further funding to the Summit Road Society for this work.

C.9 Building stronger relationships with Council and others

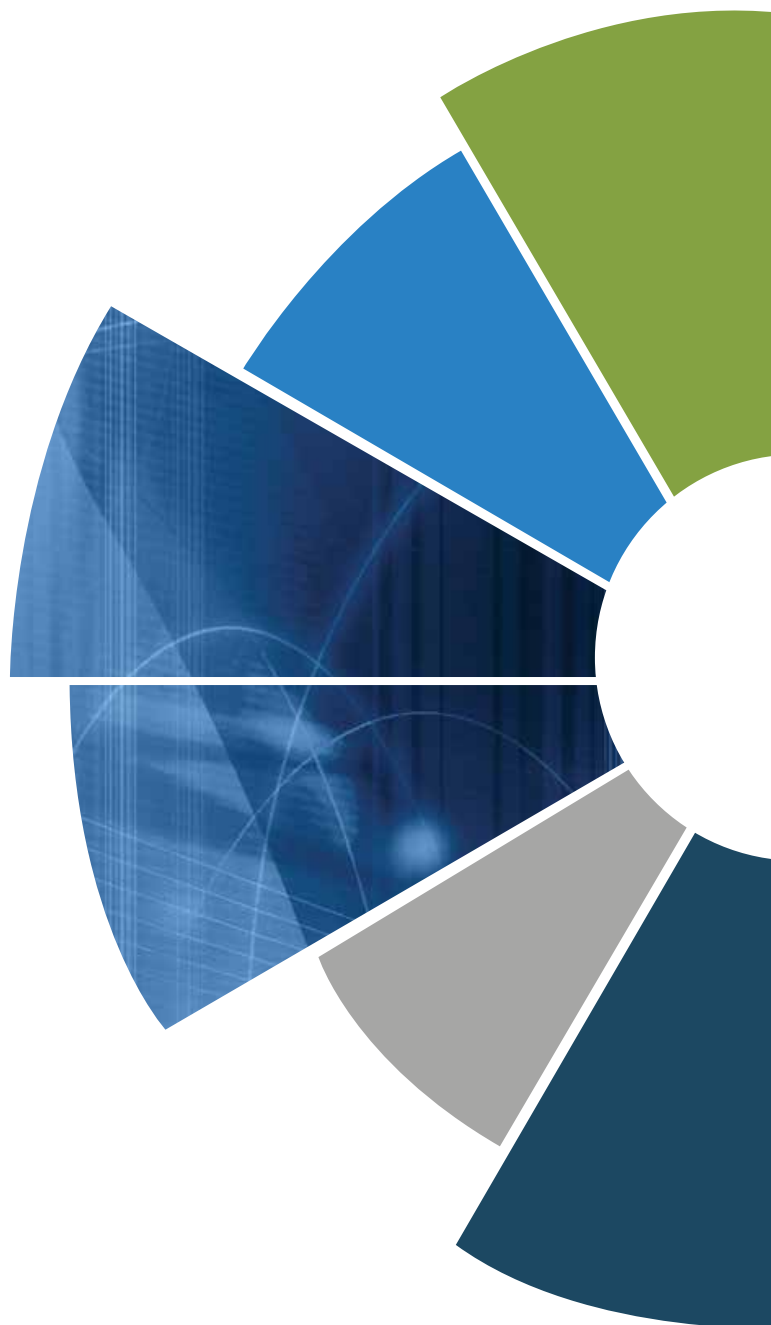
The Trust sees the need for an ongoing entity to advocate for Banks Peninsula tracks and trails, support agencies, develop an associated volunteer network, and to ensure that Banks Peninsula's role as a walking and biking destination for residents and visitors grows with high quality and well-maintained 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 implements 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.

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.



Item 10
Attachment F

ANNUAL REPORT 2023

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Civic Financial Services Limited

DIRECTORS' REPORT

ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR TO 31 DECEMBER 2023

Your Directors have pleasure in submitting the 63rd Annual Report of the affairs of the Company (formerly New Zealand Local Government Insurance Corporation Ltd trading as Civic Assurance) for the year ended 31 December 2023, which is to be presented at the Annual General Meeting of Members in June 2024.

Directors operate under a Charter which outlines the specific role and responsibilities of the Board. Each Director must be assessed as being fit and proper in accordance with Civic's Fit and Proper Policy and at least two Directors must be independent, being neither a member or an employee of a local authority. The Directors are all subject to Civic's Code of Ethics. The Board has a Risk and Audit Committee which is governed by its own Charter and is responsible for maintaining the Board's risk management processes and policies, including ensuring compliance with regulatory and legal standards. .

1. PERFORMANCE

Civic's before-tax profit in 2023 was \$439,242.

This compares favourably to the budgeted before-tax surplus of \$147,868 as set out in the 2023 Statement of Intent.

This increased profit is primarily due to receiving higher than anticipated investment income over the year and a slight underspend in administration expenses also contributing.

2. OPERATIONS

Administration Services

Fees in 2023 from providing services to LAPP, Riskpool, the SuperEasy Superannuation Scheme and the SuperEasy KiwiSaver Superannuation Scheme were \$2,919,375 (2022: \$2,904,682).

Investment Revenue

Income from investments was \$613,757 (2022: \$266,148).

Sponsorship and Support for the Sector

Civic continues as a sponsor of Taituarā – Local Government Professionals Aotearoa (previously known as SOLGM – Society of Local Government Managers) events both at a regional and national level.

3. ASSOCIATED ENTITIES

Local Government Superannuation Trustee Limited

Local Government Superannuation Trustee Limited (LGST) is a 100% subsidiary of Civic and is the trustee to the Local Government Superannuation Scheme (SuperEasy Employer

Scheme) and SuperEasy KiwiSaver Superannuation Scheme. Both Schemes are administered by Civic and are registered with the Financial Markets Authority. Director appointments to LGST are made by Local Government New Zealand (two), Civic (one), Council of Trade Unions (one), Taituarā (one) and one, who must be a Licensed Independent Trustee, by the LGST Board.

The Schemes feature low member charges and simple administration for councils. The Schemes offer an 'Automatic Fund', in which each member's risk exposure is gradually and automatically switched from growth assets to income assets as the member gets older. The SuperEasy website is www.supereasy.co.nz.

The Schemes have a combined membership of over 11,500, with funds under management as at December 2023 of \$559 million (December 2022 \$496 million). Of the councils that have a preferred provider for KiwiSaver, 70 out of 73 (95%) have appointed Civic. The investments of the funds are managed by Harbour Asset Management Limited and ANZ New Zealand Investments Limited.

LAPP Disaster Fund

LAPP is a charitable trust that was set up by LGNZ and Civic in 1993 to assist with the reinstatement of lost or damaged local government underground infrastructure. LAPP's membership is 23. LAPP's website is: www.lappfund.co.nz. Civic is the administration and fund manager for LAPP.

LAPP is currently managing Marlborough District Council's claim that resulted from the severe flood damage that hit the Marlborough region in July 2021 and claims from Hastings District Council and Wairoa District Council as a result of damage from Cyclone Gabrielle in February 2023. At the time of writing it is unknown how much these claims will be, but they will be well within LAPP's ability to pay, providing the benefit of full cover for all of the flood damaged assets registered with LAPP.

Civic Annual Report 2023

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Civic Financial Services Limited

DIRECTORS' REPORT

Riskpool / Civic Liability Pool (CLP)

Riskpool provides public liability and professional indemnity cover for councils and has done so since 1997. Riskpool is a mutual liability fund governed by a trust deed and can call on its member councils for financial support. CLP is similar to Riskpool but has no facility for calls. With reducing council support for Riskpool, it became increasingly difficult to offer competitively priced cover and risk management services. Consequently Riskpool/CLP decided to cease providing cover from 1 July 2017 and is now in run-off mode. Riskpool made a call on members in 2023 and is currently working through some claims that involve both weathertight and non-weathertight issues (mixed defect claims) before Riskpool is able to be wound up.

Local Government Mutual Funds Trustee Limited (LGMFT) is the trustee of Riskpool and CLP. Civic is the Fund Manager and Scheme Manager for Riskpool and Administration Manager for CLP.

Civic had entered into arm's length, secured loan facility agreements on commercial terms with LGMFT to enable Riskpool to manage its cashflows. These loan facilities were repaid in full in 2023 following the Riskpool call on members.

4. DIRECTORS

As at 31 December 2023 there were five Civic directors: Marty Grenfell, Nicola Mills, Ken Morris, Basil Morrison, and Craig Stevenson.

John Melville and Jo Miller retired as directors with effect from 16 June 2023. Marty Grenfell and Ken Morris were appointed directors on 16 June 2023.

Director attendances at Board meetings held in 2023:

Marty Grenfell	2 / 2
John Melville	4 / 4
Jo Miller	0 / 4
Nicola Mills	6 / 6
Ken Morris	1 / 2
Basil Morrison	6 / 6
Craig Stevenson	6 / 6

Section 139 of the Companies Act 1993

All Civic directors are directors of LGMFT except Basil Morrison who resigned from LGMFT in March 2019 to ensure that one Civic director was independent of LGMFT.

There are no other notices required under section 139 of the Companies Act 1993 except for Directors' remuneration. Changes to the Directors' fee pool are approved by shareholders at an AGM. The Board determines the allocation per Director based on the duties of the individual Director. The Director fees for subsidiary companies are set by the Civic Board.

For the year ended 31 December 2023, Directors' remuneration was:

Marty Grenfell	\$9,182
John Melville	\$15,137
Jo Miller	\$7,568
Nicola Mills	\$25,126
Ken Morris	\$9,182
Basil Morrison	\$16,751
Craig Stevenson	\$25,933
	\$108,879

In addition, the following Directors received fees in relation to their directorships of Riskpool or LGST:

Marty Grenfell	(Riskpool)	\$12,685
John Melville	(Riskpool)	\$7,671
Jo Miller	(Riskpool & LGST)	\$7,314
Nicola Mills	(Riskpool)	\$10,155
Ken Morris	(Riskpool)	\$6,342
Basil Morrison	(LGST)	\$14,215
Craig Stevenson	(Riskpool)	\$10,155
		\$68,537

Civic Financial Services Limited

DIRECTORS' REPORT

Interests Register

Directors' interests are tabled at the beginning of each Board meeting. Directorship and other disclosures as at 31 December 2023 were:

Marty Grenfell	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Chief Executive of Tauranga City Council; Director of Bay of Plenty Local Authority Shared Services (BoPLASS); Trustee of Te Manawataki o Te Papa Settlement Charitable Trust.
Nicola Mills	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to agreement for finance with LGMFT; Board Member of Sport Waitakere; Acting Group Chief Financial Officer at Auckland Council.
Ken Morris	Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Deputy Chief Executive/Group Manager Business Support Waipa District Council; Chair of Co-Lab (Waikato Local Authority Shared Services) Insurance Advisory Group; Participant in Aon Local Government Strategy Reference Group; Treasurer, Waipa Community Trust; Shareholder / Director Morris Manapouri Investments Limited and Groovy Food Catering Co. Ltd; Trustee, The Harry and Pauline Morris Family Trust; Chair, Village Lake Apartments Body Corporate (Hanmer Springs).
Basil Morrison	Chair of Local Government Superannuation Trustee Ltd; Basil J Morrison & Associates Ltd; Member of SuperEasy KiwiSaver Superannuation Scheme; Trustee of Civic Property Pool; Trustee of the Martha Trust; Chair of the Martha Trust; Trustee of Hauraki Railtrail Charitable Trust; Deputy Chair Hauraki Rail Trail; Waitangi Tribunal Member; Independent Hearings Commissioner for Auckland Council; Honorary Consul for Uganda; Thames-Coromandel District Council Hearings Panel; Waikato Regional Council Hearings Commissioner; Waikato District Council Hearings Commissioner; NZ Freshwater Commissioner; Accredited Commissioner – RMA.

Craig Stevenson Trustee of Civic Property Pool; Director of Local Government Mutual Funds Trustee Ltd; a party to an agreement for finance with the LGMFT; Member of Local Government Superannuation Scheme and SuperEasy KiwiSaver Superannuation Scheme; Trustee of Ratanui Trust; Market Director Local Government of WSP New Zealand Ltd.

The Company provides Directors and officers with, and pays the premiums for, Directors' and Officers' liability insurance to the full extent allowed for in accordance with the requirements of the Companies Act 1993. The renewal of the Company's Directors' and Officers' liability insurance was entered in the Interests Register pursuant to sections 162 and 163 of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions or deliberate and reckless acts or omissions by the Directors. The cover includes indemnity of costs and expenses incurred in defending an action that falls within the scope of the indemnity.

Use of Information

Directors, individually or collectively, may obtain independent professional advice relating to any matters concerning the Company's business or in relation to the discharge of the Director's responsibilities. Subject to approval of the Chair the Company will reimburse the Director(s) some or all of the reasonable costs of the advice. During the reporting period, no Director has sought leave to obtain such advice.

Loans to Directors

No loans or advances have been made to Directors, their spouses or dependants, or to related parties during the year.

5. EMPLOYEE REMUNERATION

Detailed below is the number of employees who received remuneration of \$100,000 or more in their capacity as employees during the year ended 31 December 2023.

Remuneration	Number of Employees
\$100,000 – \$110,000	1
\$160,000 – \$170,000	1
\$260,000 – \$270,000	1

The above remuneration includes Company contributions to employees' superannuation (KiwiSaver and other), medical insurances and discretionary bonus payments.

Civic Financial Services Limited

DIRECTORS' REPORT

6. AUDIT AND RISK MANAGEMENT

Pursuant to Section 15 of the Public Audit Act 2001 the Company's auditor is the Auditor General who has appointed Hamish Anton using the staff and resources of Deloitte Limited to carry out the audit on his behalf.

The Risk and Audit Committee comprises the full Board. Nicola Mills was appointed Chair of this committee on 17 June 2022. The Committee met five times in 2023: the Auditor attended two of those meetings and at one of those meetings proceedings took place without management present.

7. DONATIONS

No donations have been made during the year by any Company in the Group (2022: \$0).

8. STAFF

The Directors sincerely thank the staff - Charlie Howe, Glenn Watkin, Ian Brown, Racheal Harold, Ivy Liang, Lisa Lummis, Jen McGahan and Wendy Riley - for their work and support during the year.



Craig Stevenson, Chair
March 2024

Civic Financial Services Limited

DIRECTORY

DIRECTORS

Craig Stevenson (Chair)

Marty Grenfell

Nicola Mills

Ken Morris

Basil Morrison CNZM JP

EXECUTIVE OFFICERS

Chief Executive : Charlie Howe

Chief Financial Officer : Glenn Watkin

COMPANY REGISTRATION NO: 13271

AUDITORS

The Auditor General, who has appointed Hamish Anton, Deloitte Limited to carry out the audit on his behalf

BANKERS

ANZ Banking Group (New Zealand) Limited

LEGAL ADVISERS

Dentons Kensington Swan

REGISTERED OFFICE

Level 7, Civic Chambers, 116 Lambton Quay, Wellington 6011

POSTAL ADDRESS

Civic Financial Services Ltd, PO Box 5521, Wellington 6140

OTHER CONTACT DETAILS

Telephone: (04) 978 1250

Email: admin@civicfs.co.nz

Website: www.civicfs.co.nz

The Company is a participant in the Insurance & Financial Services Ombudsman Scheme (Inc)
Participant Number 2000427



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF CIVIC FINANCIAL SERVICES LIMITED'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Civic Financial Services Limited and its subsidiaries (the 'Group'). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte Limited, to carry out the audit of the consolidated financial statements of the Group on his behalf.

OPINION

We have audited the consolidated financial statements of the Group on pages 10 to 32, that comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the consolidated financial statements that include accounting policies and other explanatory information.

In our opinion, the consolidated financial statements of the Group:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our audit was completed on 22 March 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information and we explain our independence.

BASIS FOR OUR OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.



INDEPENDENT AUDITOR'S REPORT

In preparing the financial statements, the Board of Directors is responsible, on behalf of the company, for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Companies Act 1993.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.



INDEPENDENT AUDITOR'S REPORT

INDEPENDENCE

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Hamish Anton
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Accounts

Item 10

Attachment F

Civic Financial Services Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
REVENUE			
Administration Fees	17	2,919,375	2,904,682
Interest Income	4	613,757	266,148
Other Income		135	487
Total Revenue		3,533,267	3,171,317
EXPENDITURE			
Audit Fee	14		
Statutory Audit of the Financial Statements		58,519	52,367
Other Fees Paid to Auditors for Assurance Services		30,346	28,750
Other Fees Paid to Auditors for Entities Administered by Civic		75,779	72,049
Depreciation	7	18,996	20,101
Amortisation	7	68,664	68,859
Directors' Remuneration	3	108,879	100,764
Other Expenses	6	1,674,727	1,702,942
Employee Remuneration		1,022,057	954,251
Superannuation Subsidies		36,058	29,001
Total Expenditure		3,094,025	3,029,085
Surplus Before Taxation		439,242	142,232
Taxation Expense	10	123,554	1,165,613
TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY	15	315,688	(1,023,381)

This statement is to be read in conjunction with the notes on pages 14 to 32.

Civic Financial Services Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
SHAREHOLDERS' EQUITY			
Issued and Paid-Up Ordinary Shares			
Ordinary Shares fully paid up	15	10,763,506	10,763,506
Retained Earnings	15	(288,799)	(604,487)
TOTAL EQUITY		10,474,707	10,159,019
Represented By:			
CURRENT ASSETS			
Cash and Cash Equivalents		2,789,339	522,056
Term Deposits		6,366,929	4,556,993
Accrued Interest Receivable		65,256	61,354
Sundry Debtors and Prepayments	12	589,339	494,001
Loan Receivable	13	-	3,799,963
Total Current Assets		9,810,863	9,434,367
NON CURRENT ASSETS			
Property, Plant and Equipment	7	28,722	42,730
Intangible Assets (Software)	7	23,162	91,826
Deferred Tax Asset	10	919,639	1,043,193
Total Non Current Assets		971,523	1,177,749
TOTAL ASSETS		10,782,386	10,612,116
CURRENT LIABILITIES			
Sundry Creditors and Accrued Charges	12	193,955	325,568
Accrued Holiday Pay		93,314	87,863
CLP / Riskpool Admin Fee Reserve		20,410	39,666
Total Current Liabilities		307,679	453,097
TOTAL LIABILITIES		307,679	453,097
EXCESS OF ASSETS OVER LIABILITIES		10,474,707	10,159,019

For and on behalf of the Directors



NICOLA MILLS Director 22 March 2024



KEN MORRIS Director 22 March 2024

This statement is to be read in conjunction with the notes on pages 14 to 32.

Civic Financial Services Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
OPENING EQUITY		10,159,019	11,182,400
Total Comprehensive Surplus / (Deficit) Net of Tax		315,688	(1,023,381)
Dividend Payment		-	-
Ordinary Shares issued during the year	15	-	-
CLOSING EQUITY		10,474,707	10,159,019

This statement is to be read in conjunction with the notes on pages 14 to 32.

Civic Financial Services Limited

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			
Administration Fees Received		2,807,633	3,006,916
Other Income		135	487
		2,807,768	3,007,403
Cash was applied to:			
Payments to Suppliers and Employees		3,134,691	2,919,194
		3,134,691	2,919,194
Net Cash Flow (used in) / from Operating Activities	11	(326,923)	88,209
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Investment Income		198,764	74,063
Loan Interest Received		752,394	-
Term Deposits		4,860,561	1,864,564
Loans Repaid from Related Parties		6,582,230	501,500
		12,393,949	2,440,127
Cash was applied to:			
Term Deposits		6,670,497	506,993
Purchase of Property, Plant and Equipment		5,678	18,637
Loans Issued to Related Parties		3,123,568	1,816,013
		9,799,743	2,341,643
Net Cash Flow from Investing Activities		2,594,206	98,484
Net Increase in Cash Held		2,267,283	186,693
Opening Cash Balance as at 1 January		522,056	335,363
Closing Cash Balance as at 31 December		2,789,339	522,056
Being:			
Cash and Cash Equivalents		2,789,339	522,056

This statement is to be read in conjunction with the notes on pages 14 to 32.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1 REPORTING ENTITY

The reporting entity is Civic Financial Services Ltd (the "Company"). The Group comprises the Company and its subsidiaries listed in note 2 (b). The Group provides financial services principally for New Zealand local government.

Statement of Compliance

The financial statements have been prepared in keeping with the requirements of the Companies Act 1993, and the Financial Reporting Act 2013, which include the requirement to comply with New Zealand general accepted accounting practice (NZ GAAP). The Group is a Tier 2 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 2 Public Sector Public Benefit Entity (PBE) Standards.

NOTE 2 STATEMENT OF ACCOUNTING POLICIES

General Accounting Policies

The measurement and reporting of profits on a historical cost basis have been followed by the Group, except for specific policies as described below. The reporting currency is New Zealand dollars.

Critical Judgements and Estimates in Applying the Accounting Policies

In the application of the PBE Standards the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. These are based on historical experience and other various factors and are reviewed on an ongoing basis.

The Directors believe that, as at the date of these financial statements, there are no significant sources of estimation uncertainty that have not been disclosed in these notes. The most significant judgements, estimates and assumptions made in the preparation of these financial statements are in respect of the recognition of the deferred tax asset (Note 10).

Particular Accounting Policies

The following particular accounting policies which materially affect the measurement of surplus and financial position have been applied. Further particular accounting policies are contained in the relevant notes to the financial statements.

(a) Consolidation of Subsidiaries

The Group financial statements incorporate the financial statements of the Company and its subsidiaries. All inter-company transactions, balances and unrealised profits are eliminated on consolidation.

(b) Investment in Subsidiaries

At 31 December 2023 the Company had three wholly owned subsidiaries which are all incorporated in New Zealand. Two of these, Local Government Superannuation Trustee Limited and SuperEasy Limited with balance dates of 31 December and Local Government Mutual Funds Trustee Limited (LGMFTL) with its balance date of 30 June did not have any significant assets, liabilities, revenue or expenses during the years ended 31 December 2022 and 31 December 2023.

LGMFTL is the trustee of New Zealand Mutual Liability Riskpool ("Riskpool") and Civic Liability Pool ("CLP"). The Company provides administrative services to Riskpool and CLP.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 2 STATEMENT OF ACCOUNTING POLICIES CONTINUED

(c) Administration Fees

Administration fees are recognised at the agreed amounts based on time and expenses incurred. Administration fees collected during the year that will be utilised in future periods are held within the administration fee reserve on the Statement of Financial Position, until the point in time where administration services have been provided.

(d) Employee Benefits and Directors' Remuneration

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

(e) Basis of Measuring Other Income and Expenses

Income and expenses are accounted for on an accruals basis. All revenue is exchange revenue.

(f) Interest Income

Interest income is recognised using the effective interest method.

(g) Changes in Accounting Policies

There have been no material changes in the accounting policies during the year. All policies have been applied on a basis consistent with those used in the prior year.

NOTE 3 KEY MANAGEMENT PERSONNEL

The compensation of the Directors and executives, being the key management personnel of the Group, is set out below.

	2023	2022	2023	2022
	Number		\$	\$
Short term employee benefits				
Executive Management Personnel	3	4	527,933	569,107
Directors	7	5	108,879	100,764
			636,812	669,871

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4 FINANCIAL INSTRUMENTS

Accounting Policies:

i) Classification and Measurement

Financial instruments are transacted on a commercial basis to derive an interest yield / cost with the terms and conditions having due regard to the nature of the transaction and the risks involved. Financial instruments are recognised and accounted for on a settlement date basis.

Loans and Receivables

Other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate.

Cash and Cash Equivalents

Cash and cash equivalents are measured at amortised cost using the effective interest rate.

Financial Liabilities

Financial liabilities include Sundry Creditors and Accrued Charges. Financial liabilities are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, liabilities are measured at amortised cost.

ii) Offsetting Financial Instruments

Financial assets and liabilities are not offset as there is no legally enforceable right to set-off.

iii) Asset Quality

Impairment of Financial Assets

Financial assets measured at amortised cost are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such condition exists, the asset's recoverable amount is estimated and provision is made for the difference between the carrying amount and the recoverable amount.

As at the date of these Financial Statements, no such evidence of impairment exists.

iv) Fair Value of Financial Instruments

Fair value measurements recognised in the Statement of Financial Position

Financial instruments are categorised into 3 levels:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

v) Derivatives

The Group do not use any derivative financial instruments.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

(1) Income Relating to Financial Assets

	2023 \$	2022 \$
Loans		
Interest Received – Loans	411,093	152,081
Cash and Cash Equivalents		
Interest Received – Short Term Deposits	202,664	114,067
Total Interest Income	613,757	266,148

(2) Financial Assets and Liabilities

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their market value, which for these assets and liabilities is also considered to be fair value.

The Subordinated Debt is measured at amortised cost which is considered to be fair value.

All fixed interest investments were managed around a 90 day duration and carry a minimum Standard and Poors credit rating of "A" or equivalent.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

(2) Financial Assets and Liabilities continued

Carrying value of Financial Assets and Financial Liabilities

	2023 \$	2022 \$
Financial Asset: Amortised Cost		
Sundry Debtors	520,111	416,660
Loans	-	3,799,963
Cash and Cash Equivalents	2,789,339	522,056
Term Deposits	6,366,929	4,556,993
Total Financial Assets: Amortised Cost	9,676,379	9,295,672
Financial Liability: Amortised Cost		
Sundry Creditors and Accrued Charges	193,955	325,568
Total Financial Liabilities: Amortised Cost	193,955	325,568

(3) Financial Risk – Structure and Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern. The Group's overall strategy is reviewed annually and remains unchanged.

Financial instruments which potentially subject the Group to a concentration of credit risk consist principally of cash, debtors and interest bearing deposits. The Group has no debt liability instruments.

The Group does not require collateral or other security to support financial instruments with credit risk. As such, no collateral exists for any of the investments held by the Group. The maximum credit risk exposure is the carrying amount of the individual debtor and investment balances.

The Group has placed interest bearing deposits and funds to be managed with financial institutions and limits its amount of credit exposure to any one such institution.

(a) Market Risk

All financial assets and liabilities are New Zealand Dollar based and are recorded at amortised cost, therefore changes in interest rates and foreign currency values do not impact on their carrying value.

(b) Carrying Amount and Fair Value

The carrying amounts of all financial assets and liabilities are considered to be equivalent to their fair value.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

(3) Financial Risk – Structure and Management continued

(c) Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulties in raising funds at short notice to meet commitments associated with financial instruments. Management of liquidity risk is designed to ensure that the Group has the ability to meet financial obligations as they fall due.

The following tables include an analysis of the contractual undiscounted cash flows relating to the Group's financial assets and liabilities categorised by the maturity dates.

Maturity Analysis as at 31 December 2023						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash and Cash Equivalents	0% to 5.50%	2,789,339	-	-	-	2,789,339
Term Deposits and Accrued Interest	5.35% to 6.15%	6,432,185	-	-	-	6,432,185
Other Receivables	n/a	520,111	-	-	-	520,111
Loans	n/a	-	-	-	-	-
Total Financial Assets		9,741,635	-	-	-	9,741,635
Liabilities						
Sundry Creditors and Accrued Expenses	n/a	193,955	-	-	-	193,955
Total Financial Liabilities		193,955	-	-	-	193,955
Maturity Analysis as at 31 December 2022						
	Interest Rate Spread %	Within 6 months \$	6 to 12 months \$	1 to 2 years \$	2 to 5 years \$	Total \$
Assets						
Cash and Cash Equivalents	0% to 2.85%	522,056	-	-	-	522,056
Term Deposits and Accrued Interest	2.5% to 5.05%	4,618,347	-	-	-	4,618,347
Other Receivables	n/a	416,660	-	-	-	416,660
Loans	3.47% to 6.53%	3,799,963	-	-	-	3,799,963
Total Financial Assets		9,357,026	-	-	-	9,357,026
Liabilities						
Sundry Creditors and Accrued Expenses	n/a	325,568	-	-	-	325,568
Total Financial Liabilities		325,568	-	-	-	325,568

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 4 FINANCIAL INSTRUMENTS CONTINUED

(3) Financial Risk – Structure and Management continued

(d) Credit Risk

All investments are in the form of cash held at registered banks and loans. The registered banks have a credit rating of "A" or better. Loans are with Riskpool (refer to Note 13).

(i) Exposure to Credit Risk

	2023 \$	2022 \$
Cash and Cash Equivalents	2,789,339	522,056
Term Deposits and Accrued Interest	6,432,185	4,618,347
Other Receivables	520,111	416,660
Loans	-	3,799,963
Total	9,741,635	9,357,026

(ii) Concentration of Credit Exposure

95% of the Company's credit exposure is in the form of cash and term deposits held with registered banks and loans to Riskpool (2022: 96%).

NOTE 5 OPERATING LEASE COMMITMENTS

	2023 \$	2022 \$
Operating Lease Expense Commitments:		
not later than one year	72,717	71,733
later than one year but not later than five years	44,406	115,482
later than five years	-	-
	117,123	187,215

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 6 OTHER EXPENSES

	2023 \$	2022 \$
Compliance Costs	179,298	176,876
Consultants	50,991	134,789
Legal Fees	88,773	58,142
Other Expenses	1,355,664	1,333,136
Total	1,674,727	1,702,942

NOTE 7 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Accounting Policy:

Assets are depreciated on a straight line basis at rates calculated to allocate the assets' cost, in equal instalments over their estimated useful lives which are assessed and regularly reviewed.

Depreciation Rates	
Office Furniture and Equipment	up to 17 years
Intangibles – Software	2.5 years

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 7 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS CONTINUED

	2023 \$	2022 \$
(a) Property, Plant and Equipment		
Office Furniture and Equipment – cost	184,520	175,510
Plus Additions	5,783	16,789
Less Disposals	(2,447)	(7,779)
Closing Value – cost	187,856	184,520
Office Furniture and Equipment – Accumulated Depreciation	(141,790)	(129,213)
Less Depreciation Charge	(18,996)	(20,101)
Less Disposals	1,652	7,524
Closing Accumulated Depreciation	(159,134)	(141,790)
Net Book Value	28,722	42,730

The Total Comprehensive Surplus After Tax in the Statement of Comprehensive Income includes losses on disposal of fixed assets of \$690 (2022: \$255).

	2023 \$	2022 \$
(b) Intangible Assets		
Software – cost	436,911	435,064
Plus Additions	-	1,847
Less Disposals	-	-
Closing Value – cost	436,911	436,911
Software – Accumulated Amortisation	(345,085)	(276,226)
Less Amortisation Charge	(68,664)	(68,859)
Less Disposals	-	-
Closing Accumulated Amortisation	(413,749)	(345,085)
Net Book Value	23,162	91,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 8 ANALYSIS OF FINANCIAL ASSETS NOT IMPAIRED

There are no financial assets that are impaired or past due at balance date (2022: \$nil).

NOTE 9 CONTINGENT LIABILITIES

There are no contingent liabilities (2022: \$nil).

NOTE 10 TAXATION

Accounting Policies:

i) Current Tax

The current income tax expense charged against the profit for the year is the estimated liability in respect of the taxable profit. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for the current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable). Tax assets are offset only when there is a legally enforceable right to set off the recognised amounts, and an intention to settle on a net basis.

ii) Deferred Tax

The liability method of accounting for deferred taxation is applied on a comprehensive balance sheet basis in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base of those items.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Statement of Comprehensive Income.

Significant judgements, estimates and assumptions are made in respect of the recognition of the deferred tax asset. It is recognised that the deferred tax asset will be utilised over 10 years. The Entity expects to remain profitable and have a steady income stream over the medium to long term, matching its low margin long dated products.

iii) Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority the GST is recognised as part of the cost of the acquisition of the assets or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 10 TAXATION CONTINUED

(a) Income tax recognised in the Statement of Comprehensive Income

	2023 \$	2022 \$
Tax expense comprises:		
Current tax expense	123,640	40,265
Adjustments recognised in the current year in relation to the current tax of prior years	(86)	86
Deferred tax relating to temporary differences	-	1,125,262
Total tax expense	123,554	1,165,613
Attributable to:		
Continuing operations	123,554	1,165,613
	123,554	1,165,613

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2023 \$	2022 \$
Surplus before tax	439,242	142,232
Income tax calculated at 28%	122,988	39,825
Tax effect of permanent differences	652	440
Derecognition of tax losses	-	1,125,262
Prior Period Adjustment	(86)	86
Income Tax Expense	123,554	1,165,613

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 10 TAXATION CONTINUED

(b) Current tax assets and liabilities

	2023 \$	2022 \$
Tax refund receivable	-	-
	-	-

(c) Deferred tax balances

	2023 \$	2022 \$
Deferred tax assets comprise:		
Temporary differences and tax losses	919,513	1,042,939
	919,513	1,042,939
Deferred tax liabilities comprise:		
Temporary differences	126	255
	126	255
Net Deferred Tax balance	919,639	1,043,193

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 10 TAXATION CONTINUED

(c) **Deferred tax balances continued**

Gross taxable and deductible temporary differences for the Group arise from the following:

		Opening Balance \$	Charged to Income \$	Charged to Equity \$	Prior Period Adjustment \$	Closing Balance \$
2023	Property and equipment	914	(767)	-	304	451
		914	(767)	-	304	451
	Employee entitlements	80,236	4,307	-	-	84,543
	Losses carried forward	3,644,544	(445,108)	-	-	3,199,436
		3,724,780	(440,799)	-	-	3,283,979
	Attributable to:					
	Continuing operations	3,725,695	(441,566)	-	304	3,284,433
	Total	3,725,695	(441,566)	-	304	3,284,433
	Tax effect at 28%	1,043,193	(123,639)	-	85	919,639
2022	Property and equipment	2,269	(1,051)	-	(304)	914
		2,269	(1,051)	-	(304)	914
	Employee entitlements	84,452	(4,216)	-	-	80,236
	Losses carried forward	7,801,875	(4,157,331)	-	-	3,644,544
		7,886,328	(4,161,547)	-	-	3,724,781
	Attributable to:					
	Continuing operations	7,888,597	(4,162,598)	-	(304)	3,725,695
	Total	7,888,597	(4,162,598)	-	(304)	3,725,695
	Tax effect at 28%	2,208,806	(1,165,527)	-	(85)	1,043,193

The deferred tax asset relating to tax losses carried forward has been recognised to the extent that the financial forecasts anticipate the Group maintaining sufficient profitability in future financial years to utilise these losses. The deferred tax asset is reviewed regularly and at balance date against forecast profits. The Directors believe that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilised. The deferred tax asset does not include unrecognised tax losses of \$4,161,783 (2022: \$4,091,540) and unrecognised deferred tax asset effect at 28% of \$1,165,299 (2022: \$1,145,631).

(d) **Imputation Credit Account**

	2023 \$	2022 \$
Closing Balance	1,593,490	1,593,490

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES

Accounting Policy:

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Income. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to, the taxation authority is classified as operating cash flow.

The following are definitions of the terms used in the Statement of Cash Flows:

- Bank comprises cash on hand and demand deposits.
- Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of Cash and which are subject to insignificant risk of changes in value.
- Cash flows are inflows and outflows of cash and cash equivalents.
- Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities.
- Investing activities are the acquisition and disposal of long-term assets.
- Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 11 RECONCILIATION OF COMPREHENSIVE INCOME AFTER TAX WITH CASH FLOW FROM OPERATING ACTIVITIES CONTINUED

	2023 \$	2022 \$
Total Comprehensive Surplus / (Deficit)	315,688	(1,023,381)
Add/(less) non cash items		
Loan Interest	341,298	(152,079)
Depreciation	18,996	20,101
Amortisation	68,664	68,859
Movement in CLP/ Riskpool Admin Fee Reserve	(19,256)	(19,256)
Movement in Deferred Tax Asset	123,554	1,165,613
	533,256	1,083,238
Add/(less) movements in other working capital items		
Sundry Debtors, Prepayments and Accrued Interest	(99,236)	115,442
Sundry Creditors and Accrued Charges	(126,163)	(87,913)
	(225,399)	27,529
Add/(Less) Items Classified as Investing Activity	(950,468)	(73,809)
Add/(Less) Items Classified as Financing Activity	-	74,632
Net Cash Flow (used in) / from Operating Activities	(326,923)	88,209

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 12 SUNDRY DEBTORS AND CREDITORS

(a) Sundry Debtors and Prepayments

	2023 \$	2022 \$
Sundry Debtors	520,111	416,658
Prepayments	69,228	77,343
Sundry Debtors and Prepayments	589,339	494,001

(b) Sundry Creditors and Accrued Charges

	2023 \$	2022 \$
Sundry Creditors and Accrued Charges	193,627	322,630
GST Payable	328	2,938
Sundry Creditors and Accrued Charges	193,955	325,568

NOTE 13 LOANS

Loan Receivable

Local Government Mutual Funds Trustee Limited is the trustee of Riskpool and Civic Liability Pool (CLP). The Company provides administrative services to Riskpool and CLP.

Related Party Loans Receivable

	2023 \$	2022 \$
Riskpool	-	3,799,963
Total Related Party Loans Receivable	-	3,799,963

During the financial year, three secured loan agreements existed between Civic and LGMFT on behalf of Riskpool, whereby Civic loaned LGMFT up to \$2,250,000 under each of two separate loans and up to \$2,500,000 under the third loan, all at commercial interest rates to assist with Riskpool's cashflow. The loan outstanding at 31 December 2023 is \$nil (2022: \$3,779,963). The interest rate was based on the BKBM plus a margin. Interest received by the Company relating to the loans for the year to 31 December 2023 was \$411,093 (2022: \$152,081).

The Company and Local Government Mutual Funds Trustee Limited on behalf of CLP have an agreement whereby the Company funds any claims payable for CLP under the Trust Deed, without charge to the Trust, which will be reimbursed by CLP in respect of any such claim payments when CLP receives the applicable reinsurance payments on the claims. The loan outstanding at 31 December 2023 is \$nil (2022: \$nil).

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 14 AUDIT FEES

A breakdown of the fees paid to the auditors is below:

	2023 \$	2022 \$
Statutory Audit of the Financial Statements		
Civic Financial Services	58,519	52,367
Civic Liability Pool	-	18,085
Local Government Superannuation Trustee	75,779	53,964
Total Statutory Audit of the Financial Statements	134,298	124,416
Other Fees Paid to Auditors for Assurance Services	30,346	28,750
Total Fees Paid to the Auditors	164,645	153,166

NOTE 15 SHAREHOLDERS' EQUITY

The Share Capital of the Group comprises solely authorised and issued ordinary shares with each share ranking equally in votes, dividends and surpluses. In 2022 there were no shares issued. There were no shares issued during 2023.

	2023 \$	2022 \$
Retained Earnings		
Opening Balance (Deficit)	(604,487)	418,894
Net Surplus After Taxation	315,688	(1,023,381)
Dividend Payment	-	-
Closing balance	(288,799)	(604,487)
Shareholders Capital		
Opening Balance	10,763,506	10,763,506
Ordinary Shares issued during the year	-	-
Closing balance	10,763,506	10,763,506
Number of Ordinary Shares Fully Paid	11,249,364	11,249,364

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 16 EQUITY RETAINED FOR FINANCIAL SOUNDNESS

All shareholder equity is retained to ensure the financial soundness of the Group with cash being retained for cash flow purposes.

NOTE 17 RELATED PARTIES

The Company provided administration services to related parties during the year to NZ Local Authority Protection Programme (LAPP), NZ Mutual Liability Riskpool (Riskpool), Local Government Superannuation Trustee (Trustee of the Local Government Superannuation Scheme (LGSS) and SuperEasy KiwiSaver Superannuation Scheme (SKSS) and Civic Property Pool (CPP). There were no related party transactions with CPP in either of the last two years.

The income derived from the administration services as well as year end accounts receivable are detailed in the table below. Refer to Note 13 for the terms and information relating to loans with related parties.

Administration Fees

	2023 \$	2022 \$
LGSS & SKSS	2,423,319	2,425,046
LAPP	310,000	305,000
Riskpool	166,800	155,380
Civic Liability Pool	19,256	19,256
Administration Fees from Related Parties	2,919,375	2,904,682

Accounts Receivable

	2023 \$	2022 \$
LGSS & SKSS	431,340	416,355
LAPP	89,125	-
Accounts Receivable from Related Parties	520,465	416,355

Civic Financial Services Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 18 SUBSEQUENT EVENTS

There have been no material events subsequent to 31 December 2023 that require adjustment to or disclosure in the financial statements (2022: nil).

NOTE 19 CAPITAL COMMITMENTS

The Company has no capital commitments at balance date (2022: \$nil).

NOTE 20 GOING CONCERN

The financial statements have been prepared on a going concern basis.

Item 10

Attachment F

Item 10

Attachment F

Attachment F

11. Venues Ōtautahi - Quarter 3 2024/25 Performance Report

Reference Te Tohutoro: 24/610398

Responsible Officer(s) Te Pou Matua: Linda Gibb, Performance Advisor, Finance Group

Accountable ELT Bede Carran, General Manager Finance, Risk & Performance / Chief Member Pouwhakarae: Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to present Venues Ōtautahi's (VŌ's) performance report for the year to date to 31 March 2024, Quarter 3.
- 1.2 This report has been written as a result of receiving VŌ's Quarter 3 performance report on 29 May 2024 (refer **Attachment A**).

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives Venues Ōtautahi's Quarter 3 2023/24 Performance Report.

3. Background/Context Te Horopaki

- 3.1 VŌ's primary activities are the attraction, planning and delivery of events and management of assets at the Council-owned Town Hall and Wolfbrook Arena and at managed venues – Air Force Museum, Hagley Oval Pavilion and Apollo Projects Stadium. It operates commercially but relies on Council funding support to assist it to meet the significant fixed costs associated with asset ownership and management. In 2023/24 Council's operating grant to VO is \$3.25 million (note this includes \$0.2 million to service remaining historical debt). For completeness, it is noted that VO also receives a subvention payment of \$2.785 million and a capital grant of \$2.5 million for specific purposes.
- 3.2 VŌ is also charged with development and execution of commercial, event attraction and technology and data strategies for Te Kaha. These pre-opening costs are being met by VŌ for now (\$4.7 million over five years) and will be recouped when Te Kaha is operational.
- 3.3 Section 66 of the Local Government Act 2002 requires VŌ to deliver a quarterly report to shareholders within two months after the end of the quarter and to include the information required by the Statement of Intent. VŌ's Quarter 3 report meets these requirements.

4. Considerations Ngā Whai Whakaaro

- 4.1 The following table compares the number of events held and attendances for the year to date with the SOI target and the same nine month period last year.

	Actual YTD Q3	Budget YTD Q3	Variance YTD Q3	Prior year YTD Q3	Variance YTD Q3
Number of events	282	270	12	330	-48
Number of guests	462,000	450,000	+12,000	501,000	-39,000

Financial Performance

- 4.2 The following table presents VŌ's operating performance for the nine months to 31 March 2024, compared with its SOI target and Quarter 3 performance in the previous year (2022/23).



	Actual YTD Q3 \$000	Budget YTD Q3 \$000	Variance YTD Q3 \$000	Prior year YTD Q3 \$000	Variance YTD Q3 \$000
EBITDA	(1,382)	(1,177)	-205	1,182	-2,564

- 4.3 **Against SOI target**, the EBITDA deficit is higher by \$205,000 which reflects higher uncontrollable overhead costs of around \$600,000, offset by increased net food and beverage income of \$500,000 including from SailGP. The unexpected cancellation of a major concert event (Blink182) has also negatively impacted VŌ's financial performance.
- 4.4 VŌ has previously advised that the cost of insurance has increased by 54%, utilities by 20% and living wage by 10% and it advises these cost pressures continue. In addition, there has been inflationary pressure on the costs for maintaining facilities.
- 4.5 The number of events held and attendances were both slightly ahead of target (5% and 3% respectively). The relationship between EBITDA and event numbers is not linear - some events are higher yielding than others – in particular ticketed and business events which generally attract VŌ's food and beverage offering.
- 4.6 **Against the prior year**, EBITDA is lower by \$2.56 million, arising principally from a reduction in the Council's operating grant of \$800,000 (due to repayment of historical debt of around \$12 million), lower net catering income by \$400,000 due to fewer ticketed events (Q3 2024: 64 v Q3 2023: 105), uncontrollable overhead and facilities' maintenance cost pressures of approximately \$1 million and Te Kaha pre-opening costs are \$300,000 higher than in the prior year reflecting the acceleration of work as the development of the arena progresses.
- 4.7 **Expectations for financial year end (June 2024)** – VŌ has advised that they expect to meet its full year target for event numbers, exceed the number of guests to its venues by 100,000 (+20%) but fall short of its EBITDA SOI target by circa \$300,000 (18%), summarised in the table below:

	EBITDA \$000	Event Numbers	Number of guests
Full year SOI target	(1,668)	372	450,000
Estimated actual outturn)	(1,970)	376	550,000

- 4.8 The increased deficit largely reflects the on-going pressure of the uncontrollable costs VŌ has faced this year, coupled with the impact of the cancelled major concert event Blink182.
- 4.9 Venue utilisation is between 60-65% for VŌ's two owned venues – Town Hall and Wolfbrook Arena. Around 20% of available time is reserved for repairs and maintenance.
- 4.10 The diversity of events during the quarter across all venues included sport, entertainment, lifestyle, business, education and community.
- 4.11 **Non-financial performance targets**, have all been met within reason.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A  	Venues Ōtautahi - Quarter 3 2023/24 Performance Report	24/1001387	212

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

Document Name – Location / File Link
Not applicable

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Russell Holden - Head of Finance Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer

PERFORMANCE REPORT

FOR THE NINE MONTHS TO
31 MARCH 2024



VENUES
ŌTAUTAHĪ

Item 11

Attachment A





Item 11

Attachment A

CONTENTS

01	CHIEF EXECUTIVE REPORT	4
02	FINANCIAL PERFORMANCE	6
03	OPERATIONAL PERFORMANCE TARGETS	8

01 CHIEF EXECUTIVE REPORT

Venues Ōtautahi has ended the third quarter of the financial year positively with 282 events delivered and over 462,000 guests welcomed to the venues. The desire for the community to come together to share wonderful experiences in their venues continues to be heartening to see, despite the incredible pressure on the discretionary dollar and the volatility of the current economic climate.

The event forecast for the remainder of the year is also looking positive with Apollo Projects Stadium, Wolfbrook Arena and the Christchurch Town Hall continuing to see good rates of utilisation and a diverse range of event types. On this basis, with guest numbers already surpassing the annual target, Venues Ōtautahi is expecting to deliver 376 events and welcome around 550,000 guests to the venues by end June 2024, both ahead of targets set at the commencement of the financial year.

Operating income is \$1.5m ahead of budget to end March 2024 highlighting the impact of a strong March particularly but generally a strong start to the year. This is pleasing to see however with this positive variance attributed predominantly to an unbudgeted Sail GP event, this level of positive variance is unlikely to continue with the company continuing to experience the impacts of a challenging economic environment and looking forward there being no guarantee this particular event will return.

Notable events in the quarter included the delivery of all food and beverage for Sail GP, a sold-out Black Caps versus Australia test match at Hagley Oval, the Foo Fighters, two sold-out One NZ Warriors matches, and the first of the Crusaders home matches for the season at Apollo Projects Stadium, a number of diverse events at Christchurch Town Hall including Russell Howard, NZ Trauma Conference 2024 and Kevin McLeod as well as a range of notable performances and events at Wolfbrook Arena including a sold out Matchbox 20, Queens of the Stone Age, and the Canterbury Home Show.

The diversity and volume of events across the venue portfolio is testament to the quality and flexibility of Ōtautahi, Christchurch's venue infrastructure and with Te Kaha only two years away a wonderful platform to build on as our city becomes New Zealand's event capital.

EBITDA to end March 2024 however, despite operating income being well ahead remains behind budget, due to the continued 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 Venues Ōtautahi operating revenues.

Celebrating and sourcing local has continued to underpin Venues Ōtautahi's approach to all procurement. 81% of food across the venue portfolio continues year to date has been sourced from the Canterbury region and 73% of all contractors and service providers. This is a direct contribution of over \$1.26m to local suppliers and producers of food and beverage year to date and \$8.77m to other local contractors and service providers to Venues Ōtautahi.

The estimated regional economic impact of visitors attending events held across the portfolio of Venues Ōtautahi venues is \$19.42m year to date. Taking into consideration the additional \$1.26m of direct economic contribution of Venues Ōtautahi procuring food and beverage from Canterbury and the \$8.77m of direct contribution to all suppliers and contractors from the region, this is estimated at \$29.4m of contribution to the local economy to 31 March 2024.

Sustainability remains a critical focus of Venues Ōtautahi in the 2024 financial year with social, environmental, and business sustainability a core pillar of Venues Ōtautahi's strategic framework.

The sustainability strategy and roadmap as well as the baseline carbon footprint for the business was established at the end of FY22/23 and the execution of the strategy commenced in earnest at the commencement of FY23/24. With a particular focus on waste, electricity, fuel, refrigerants, and water several key initiatives to achieve the Venues Ōtautahi target of carbon neutrality by 2030 have been progressed as well as establishing a reporting and monitoring platform to track the company's carbon reduction progress.

From a progress perspective, in addition to the focus on food and beverage packaging change, the execution of the waste management strategy with respect to waste collection and disposal across all Venues Ōtautahi venues has been accelerated, takeaway coffee cups have been removed from the Christchurch Town Hall, the installation of water meters to measure and ultimately reduce water usage is well underway and from a social sustainability perspective 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 50% 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 40 events hosted in the venues so far this year by local community groups or individuals attracting a community discount valued at over \$136k, the company is well ahead 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 78.13 and guest NPS at 58.44 this is a good foundation to continue to build upon.

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 are all core aspects to the commercial success of the venue. For this reason, 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

28 May 2024

Date

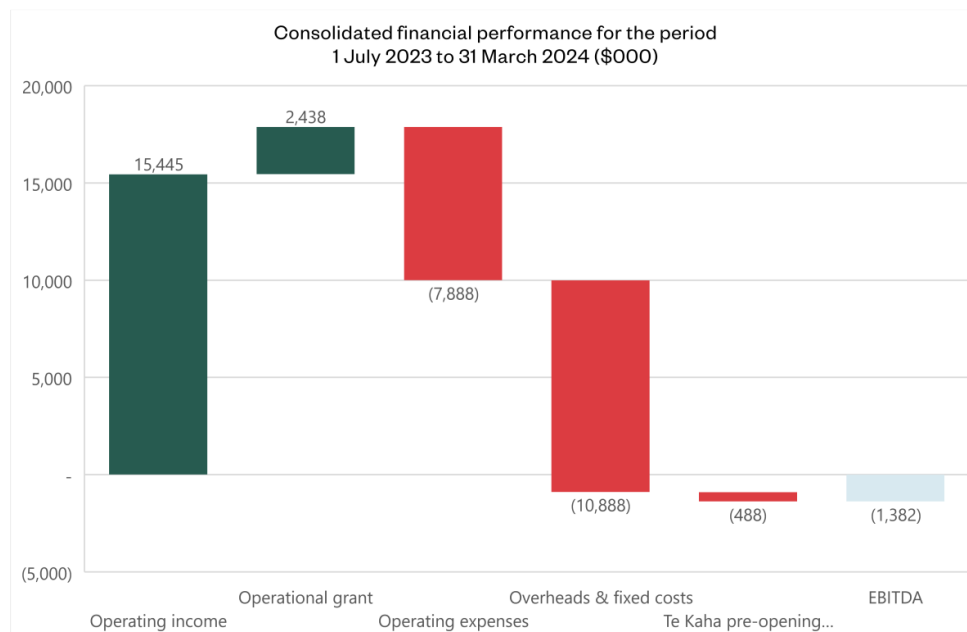
02 FINANCIAL PERFORMANCE

The consolidated operating income is \$15.4m to March 2024, which is a positive variance of \$1.5m against target with 282 events held compared to a budget of 269 events across all venues for the nine months to date. A breakdown of events across venues and event types is shown on page 7.

EBITDA is \$1.38m against a target deficit of \$1.18m for nine-month period. The negative variance is due to the increase in uncontrollable expenses including insurance, which could not be fully offset from the positive event returns for the year to date.

	9 months to 31 Mar 2024 Actual \$000	9 months to 31 Mar 2024 Target \$000	9 months to 31 Mar 2024 Variance \$000	30 June 2024 Target \$000
Operating income	15,445	13,983	1,462	18,273
Operational grant	2,438	2,438	-	3,250
Operating expenses	(7,888)	(6,639)	(1,249)	(8,568)
Overheads & fixed costs	(10,888)	(10,333)	(555)	(13,789)
Te Kaha pre-opening costs	(488)	(626)	138	(834)
EBITDA	(1,382)	(1,177)	(205)	(1,668)
Actual/forecasted subvention	2,785	2,485	300	2,485
Operating cash surplus/(deficit) excluding interest and depreciation	1,403	1,308	95	817

Below is a graphical representation of the actual performance to 31 March 2024 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 three months ended 31 March 2024

	Mar-24 YTD Actual \$000	Mar-24 YTD Budget \$000	YTD Act vs Bud Variance \$000	Mar-23 YTD Actual \$000	Full Year Budget \$000
Income					
Venue rental and event revenue	3,430	3,321	109	3,718	4,540
Food and beverage	8,333	7,527	806	8,865	9,884
Grant revenue received from Council	2,438	2,438	-	3,038	3,250
Other	3,682	3,135	547	3,423	3,849
	17,883	16,421	1,462	19,044	21,523
Less Expenditure					
Food and beverage	5,406	5,122	(284)	5,535	6,708
Events and hosting costs	4,739	4,077	(662)	4,546	5,317
Facilities	3,152	2,636	(516)	2,886	3,582
Administration and other	5,478	5,136	(342)	4,727	6,749
Te Kaha pre-opening costs	488	626	138	168	834
	19,263	17,597	(1,667)	17,862	23,191
EBITDA	(1,382)	(1,177)	(205)	1,182	(1,668)
Actual/forecasted subvention	2,785	2,485	300	12,000	2,485
Operating cash surplus/(deficit) excluding interest and depreciation	1,403	1,308	95	13,182	817



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

Venue	Total YTD	Budget YTD	Prior Year YTD
Air Force Museum of New Zealand	20	22	21
Wolfbrook Arena	33	41	39
Christchurch Town Hall	178	165	202
Hagley Oval Pavilion	36	32	45
Apollo Projects Stadium	14	10	19
Outside Venue	1	-	4
TOTAL	282	270	330

Event Type	Total YTD	Budget YTD	Prior Year YTD
MICE Events *	178	154	180
Ticketed Event	64	80	105
Community Event with Community Discount	40	36	45
TOTAL	282	270	330

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

03 OPERATIONAL PERFORMANCE TARGETS

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	PROGRESS AS AT 31 MARCH 2024
Economic Impact		
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 ¹	13 major events have been held in the nine months to date including Disney on Ice, The Chicks, Fast 5 and Matchbox Twenty at Wolfbrook Arena, Freestyle Kings, Foo Fighters and two Warriors matches at Apollo Projects Stadium and five international cricket matches at Hagley Oval.
Contribute direct economic benefit to the region ² through implementation of local procurement strategy where commercially viable	80% of food product lines procured from Canterbury.	On track with 81% of food product lines procured from Canterbury in the period.
Social and Cultural Impact		
Maximise attendance at Venues Ōtautahi venues	Guests to venues exceed 450,000 ³	Total attendance to 31 March 2024 across all venues was 462,422 or 103% 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	40 community groups have received the community rate in the first nine months of the financial year. This equates to \$136k of value for the nine months to date.
Client and Guest Experience		
Guest Net Promoter Score (NPS ⁴)	Achieve greater than 45 NPS ⁴ during the year	 <p>Promoters: 65.70% Passives: 27.03% Detractors: 7.27%</p>
Client Net Promoter Score (NPS ⁴)	Achieve greater than 45 NPS ⁴ during the year	 <p>Promoters: 84.38% Passives: 9.38% Detractors: 6.25%</p>

OBJECTIVE & STRATEGY	PERFORMANCE MEASURE	PROGRESS AS AT 31 MARCH 2024
Asset Care		
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 rephrasing 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.
Health, Safety and Wellbeing		
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 nine months to date involving critical risks for guests, staff, or third-party stakeholders.
Sustainability and Environment		
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 in the 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 Q1 FY24/25.
Governance		
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.

- 1 **Major Events are defined as follows:**
 - Arena: Event attendance > 5000
 - Apollo Projects Stadium: Ticketed events other than Super Rugby and NPC games
 - Hagley Oval: International cricket or large ticketed matches such as the Black Clash
- 2 **Region defined as:**
 - Christchurch/Canterbury – This can include National or International suppliers if their point of origin is Canterbury
- 3 **Visitor Numbers**
 - Include events such as concerts and sports (ticketed events), diners, conferences, expo's and trade shows (un-ticketed events).
 - Visitor numbers for expo's and trade shows are captured using a clicker system at the entry point to the venue.
- 4 **Net Promoter Score**
 - Any Net Promoter Score above 0 is 'good' and means that your audience is more loyal than not.
 - A score above 20 is considered 'favourable'.
 - Anything above 50 is excellent and means your organisation has considerably more satisfied customers than dissatisfied ones.
 - An NPS score above 80 is World Class and means customers love you and your company generates a lot of positive word-of-mouth referrals.

12. Christchurch City Holdings Ltd - Quarter 3 Performance Report

Reference Te Tohutoro: 24/610294

Responsible Officer(s) Te Pou Matua: Linda Gibb, Performance Advisor, Finance Group

Accountable ELT Member Pouwhakarae: Bede Carran, General Manager Finance, Risk & Performance / Chief Financial Officer

1. Purpose and Origin of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to present Christchurch City Holdings Ltd's (CCHL's) Quarter 3 performance report for year to date to 31 March 2024.
- 1.2 This report has been written having received CCHL's Quarter 3 'traffic lights' performance report on 31 May 2024 (refer **Attachment A**).

2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Receives Christchurch City Holdings Ltd's Quarter 3 2023/24 Performance Report.

3. Background/Context Te Horopaki

- 3.1 Section 66 of the Local Government Act 2002 requires CCHL to deliver a quarterly report to shareholders within two months after the end of the quarter and to include the information required by the Statement of Intent (SOI). CCHL's Quarter 3 report meets these requirements.

4. Considerations Ngā Whai Whakaaro

Net profit and dividends

- 4.1 CCHL is forecasting that all its subsidiaries are on target to meet SOI net profit after tax (NPAT) and dividend targets by year end with the following exceptions:
 - Lyttelton Port Company (LPC) continues to experience lower container volumes, bulk cargo and coal due to the global economic environment and difficulties in shipping through the Panama Canal and Red Sea. It is also reporting that it will not meet its \$12.5 million dividend target, but that it is an issue of timing of the distribution between financial years only. This is a matter for CCHL to manage within the group to support its dividend payment obligations to the Council.
 - From 1 April 2024 the Government has removed tax deductions for depreciation on commercial and industrial buildings. The effect is that the tax expense will be higher as there is no longer a tax deduction for depreciation which is a non-cash expense. Christchurch International Airport Ltd (CIAL) is expected to be particularly impacted, and to a lesser extent Orion and LPC.

Health and Safety


- 4.2 Against a zero target for events that could have resulted in serious injury to the public, Orion has recorded two events, neither of which resulted in serious harm. One involved contact with lines which triggered protection systems and de-energised the line. The second event was an electric shock in a home which is currently being investigated by the Electrical Workers Registration Board.

- 4.3 Against a target of zero reportable injuries/incidents, LPC has recorded four all of which were incidents, not injuries. They included falling objects from a crane, collision of a vessel with a ship-to-shore crane and the collapse of a building roof in extreme winds.

Climate change

- 4.4 Each of the subsidiary companies has developed Emissions Reductions Plans (ERPs). CCHL and CIAL are “mandated Climate Reporting Entities” and will publicly report climate risk exposures as required by Part 7A of the Financial Markets Conduct Act 2013.
- 4.5 Later in the year CCHL will update the Council on the implementation of the Group ERP. This will be in October after it has published its climate-related disclosures.
- 4.6 The traffic lights report advises all climate change SOI targets year to date across the CCHL group are on target to be met, with one exception. Orion advises that while it expects to have reduced emissions from its 2020 baseline footprint and from last year’s emissions total, it is unlikely to meet its 2023/24 target.

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A 	Christchurch City Holdings Quarter 3 2023/24 Traffic Lights Report	24/1016125	223

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

Document Name – Location / File Link
Not applicable

Signatories Ngā Kaiwaitohu

Author	Linda Gibb - Performance Monitoring Advisor CCO
Approved By	Russell Holden - Head of Finance Bede Carran - General Manager Finance, Risk & Performance / Chief Financial Officer



Christchurch
City Holdings
Limited

Report for Council

Date: 31 May 2024

To: Mary Richardson, Interim CEO, Christchurch City Council

From: Matthew Slater, Portfolio Manager

Subject: CCHL Quarterly Performance Against Sols – Q3 FY24

Background & Purpose

This report provides a summary of quarter-end performance against SOI targets for CCHL Group entities (including CCHL Parent) for the period ending 31 March 2024 (Q3 FY24).

The summary is in the form of a “dashboard” report for each entity.

Please note that:

- Dashboards should be published on the Council’s website within one month of the date of this report, in compliance with section 66(5) of the Local Government Act 2002.
- This report (ended 31 March 2024) is the Q3 FY24 report for all entities except Orion, whose 31 March balance date makes this their Q4 FY24 report.

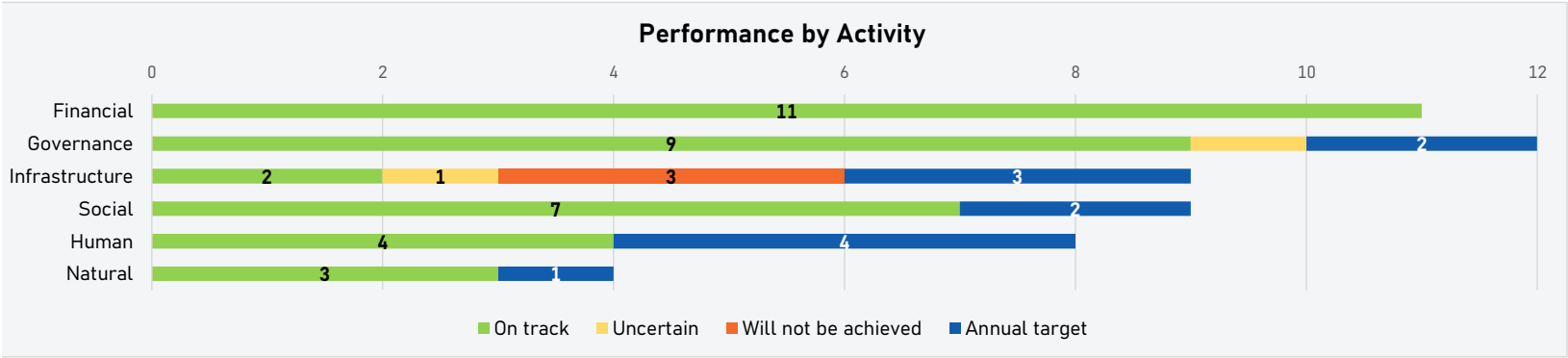
Recommendation

That the Q3 FY24 Quarterly Performance Against SOIs Report be received.



Matthew Slater
Portfolio Manager

CCHL Parent
Quarter Ended 31-Mar-24
Performance against Statement of Intent targets



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

Financial

SOI Measure	Target	Tracking	Comment on non-performance
Parent			
Dividends (\$m)	50.7		
Dividend yield (%)	1.9%		
Return on equity (%)	2.0%		
Return on assets (%)	1.3%		
Shareholders' funds/total assets (%)	67.0%		
Net Profit After Tax (\$m)	53.0		N.B. Parent NPAT on-track, but Group NPAT uncertain due to non-cash deferred tax costs due to legislative changes
Return on invested capital (%)	2.0%		
Net debt to EBITDA (times)	16.1		
Net debt/net debt plus equity (%)	32.0%		
Interest cover (times)	1.9		
Revenue growth (%)	123%		

Governance

SOI Measure	Target	Tracking	Comment on non-performance
Enable effective engagement between Council and CCHL board/management			
Provide key financial information, including key risks, to a standard which meet Council's expectations.			
Review quarterly reporting framework to ensure alignment with Council requirements, subsidiary engagement, and CCHL statutory obligations.			
Ensure regular and effective engagement between CCHL and subsidiary board/management.			
All subsidiaries provide six-monthly strategic update briefings to Council.			Some subsidiary updates deferred at Council's request
Annual Chairs Forum.			
CCHL Board values and approach communicated to CCHL Management.			
The board will undertake biennial board effectiveness/performance reviews.			This will be completed in FY25
Operating subsidiary Chair and CEO will meet with CCHL Board at least annually.			
Deliver the annual Letter of Expectations and Statement of Intent process to meet statutory obligations of the Local Government Act.			Completed
Complete a review of CCHL governance process and procedures, including implementation of the recommendations of the review.			Completed and recommendations being embedded into CCHL's processes/procedures
Report annually on board diversity of CCHL Group.			Due Q4

Infrastructure

SOI Measure	Target	Tracking	Comment on non-performance
CCHL will actively engage with and support Council in the development of its Value Strategy.			Not developed following Strategic Review
CCHL will develop a Detailed Business Case (DBC), which responds to Council's long-term requirements, and a high-level implementation plan to provide assurance on its ability to deliver on a new strategy.			Not developed following Strategic Review
CCHL will develop a stakeholder engagement plan to help guide any consultation and decision frameworks.			Not developed following Strategic Review
Investment Policy Statement.			
Annual investment pipeline.			
Develop and implement an enhanced risk management framework which captures all risks and opportunities across CCHL's portfolio of assets. Reporting on the framework and risk registers to ARMC and the Board (six monthly).			Paused due to governance changes
Assessment of Asset Resilience risks will expand beyond natural hazards to include consideration of broader risks to operational security, including cyber risks. Capital Investment decisions will take a whole-of-life approach.			
Assess the risk and impact of the effects of climate change on physical assets and the services they provide.			
CCHL will publish its first CCHL Group Climate Risk Report in FY24.			

Social

SOI Measure	Target	Tracking	Comment on non-performance
CCHL will lead group collaboration initiatives.			
CCHL will strengthen engagement with aligned stakeholders by developing and implementing a comprehensive Stakeholder Engagement Plan.			
CCHL will develop a set of Partnership Principles to inform its approach to seeking partnership opportunities.			
CCHL's partnership principles will underpin an approach to developing partnership arrangements with Iwi.			
CCHL will encourage Group companies to develop a partnership-based engagement strategy with iwi to realise their shared aspiration to honour Te Titiri o Waitangi and engagement with mana whenua to support improved Māori participation, career progression, leadership, and equitable success.			
CCHL will establish a cross-company leadership team (CCHL Group rōpū) to oversee the development of a programme of work designed to accelerate and embed Mātauranga Māori, Te Aō Māori, Tikanga Māori and Te Reo Māori in ways that are appropriate for each business.			
CCHL will develop and implement a strategic communications plan.			
CCHL will be relevant, accurate, consistent and timely when communicating with its stakeholders, partners and communities.			
CCHL will meet all its statutory reporting requirements.			

Human

SOI Measure	Target	Tracking	Comment on non-performance
CCHL will lead Group collaboration to develop and report on market leading capability development, diversity and inclusion, and talent management strategies and policies.			Comprehensive plan developed for FY24 with a range of Group wide initiatives underway
CCHL Group will maintain the living wage for all direct employees.			
CCHL Group will work towards implementing the living wage for all regular and ongoing suppliers.			
CCHL will review the impact of becoming a living wage employer to ensure the anticipated benefits are being realised.			
CCHL will capture and report key metrics (lead/lag indicators) for health and safety across the Group.			
CCHL will capture and report key metrics for wellbeing, including diversity and inclusion.			
CCHL will ensure subsidiaries report annually the highest and lowest remuneration in each company.			
Conduct an analysis of the drivers of the gender pay gap, tools and leavers (including action plans in place) to close the gap across the CCHL Group.			

Natural

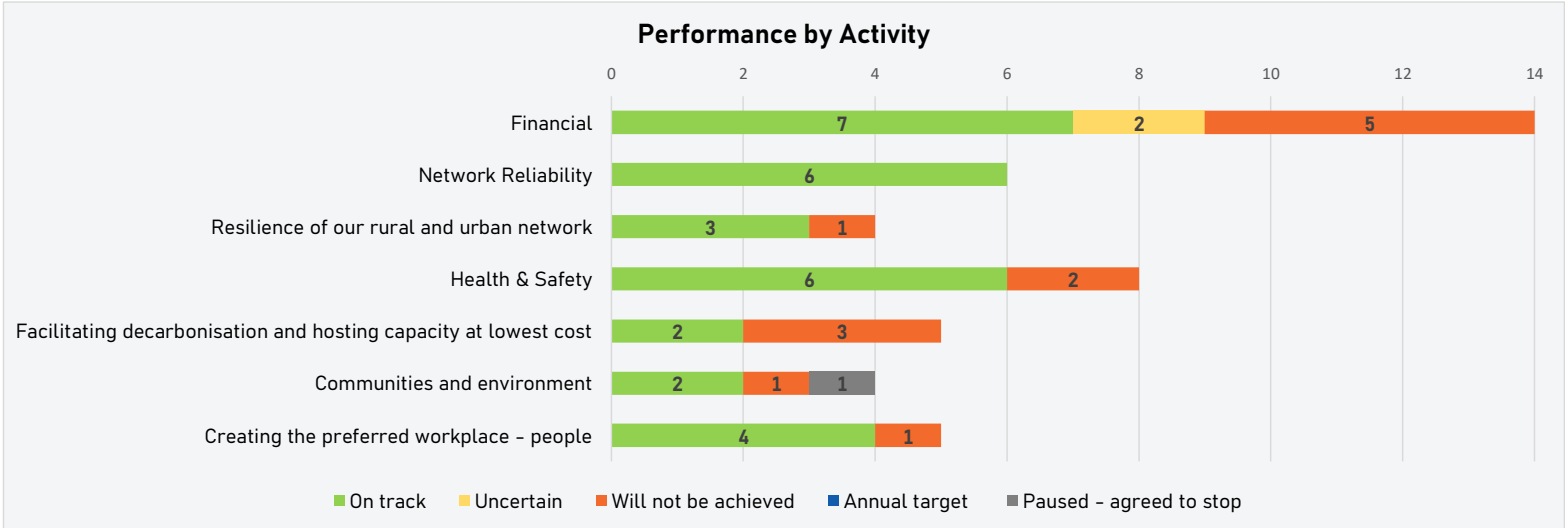
SOI Measure	Target	Tracking	Comment on non-performance
CCHL Group (and each subsidiary) will publish annual independently verified GHG emission inventory according to ISO 14064 best practice.			
CCHL Group (and each subsidiary) will commit to reduce emissions, ahead of, or in alignment with, science-based reduction targets to limit warming to 1.5 degrees.			
CCHL Group (and subsidiaries) will implement the recommendations of the Group GHG emissions reduction management plan to agreed timeline.			
Investigate and determine the most appropriate framework/s to measure baseline data and determine the most appropriate frameworks (SBTn, TNFD, or planetary boundaries).			

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Orion New Zealand Ltd

Quarter Ended31-Mar-24Q4 FY24 Provisional

Performance against Statement of Intent targets



On track	
Uncertain	
Will not be achieved	
Paused - agreed to stop	
Annual Target to be assessed at year-end	

Financial			
SOI Measure	Target	Tracking	Comment on non-performance
FFO over debt (%)	13.2		Our draft unaudited NPAT is \$12.8m, \$3.4m below full year budget. Of this, \$4.1m is an additional deferred tax expense due to the removal of tax depreciation on buildings.
Debt over RAB (%)	39.0		
Interest cover ratio (EBITDA / Interest) (times)	4.9x		
Profit after tax (\$m)	16.0		Without the additional deferred tax expense, our NPAT would have been \$0.7m above full year budget.
Dividends (\$m)	25.0		
Indexation increase in RAB (\$m)	56.0		
Total Shareholder Return (%)	9.4%		We are yet to process a revaluation of our distribution network which we expect will increase both assets and equity.
Supplementary performance measures			
Electricity delivery revenue (\$m)	237.0		
Earnings before interest and tax (\$m)	51.3		Red as lower-than-budgeted capital contributions which reduces EBIT but not profit.
Interest cover ratio (EBIT / Interest) (Covenant is >1.5x) (times)	2.0x		Red as lower-than-budgeted capital contributions which reduces EBIT but not profit.
Debt over (Debt + equity) (%)	41%		
Equity to total assets (%)	48%		
Return on equity (PAT / Average Equity) (%)	1.9%		Will be diluted with lower NPAT and asset revalued upwards.
Return on assets (PAT / Average Assets) (%)	1.0%		Will be diluted with lower NPAT and asset revalued upwards.

Network Reliability			
SOI Measure	Target	Tracking	Comment on non-performance
SAIDI -- planned	39.7		
SAIDI -- unplanned	84.7		
SAIDI -- total minutes per customer	124.4		
SAIFI -- planned	0.15		
SAIFI -- unplanned	1.0		
SAIFI -- total number of interruptions per customer	1.2		

Resilience of our rural and urban network			
SOI Measure	Target	Tracking	Comment on non-performance
Construction of Norwood Grid Exit Point	Complete		
Construction of Dunsandel to Norwood 66kV line	Complete		
Construction of Brookside to Norwood 66kV line FY25	Underway		
Milton zone substation and replacement of 66kV cables from Milton to Bromley	Complete		We are progressing with all civil works in Brougham Street now complete. We are slightly behind with completion expected end of June 2024, with the risk of the last section is under Kiwirail corridor. The team is working hard to mitigate this.

Health & Safety			
SOI Measure	Target	Tracking	Comment on non-performance
Events that did or could have resulted in serious injury to employees (notified events)	≤4		
Events that did or could have resulted in serious injury to service providers (notified events)	≤4		
Events that did or could have resulted in serious injury to the public, excluding car versus pole incidents	≤1		We did not meet our target due to two events that have had significant risk to the public during FY24. Neither resulted in serious harm.
Connetics			
Number of Health and Safety Interactions	100% to target		
Number of Senior Leadership Safety Observations	84.0		
Number of Board Safety Observations	12.0		
Orion			
Number of Board Safety Observations	10.0		Nine undertaken. Due to unforeseen circumstances two visits were postponed.
Number of Senior Leadership Safety Observations	90.0		

Facilitating decarbonisation and hosting capacity at lowest cost

SOI Measure	Target	Tracking	Comment on non-performance
Network Transformation			
RAB/Maximum System Coincident Demand	≤ Lower Quartile		For the year to March 2023, which is the latest year for which numbers for all EDBs are available, we placed 11th out of 29 EDBs (need to be 8th or better). This metric is about efficiency. Effectively we are looking to achieve this metric through delivering our strategy and focus areas - eg, through creating a more highly utilised network, developing smart systems or through optimal timing of asset renewals. Initiatives are in play to deliver on this.
Low Voltage network visibility %of transformers monitored across the LV network	9%		
Accuracy of operational/day ahead load forecast used for network peak demand management	>=80%		
Maximising Flexibility			
Market led flexible capacity: Number of sites we assess the feasibility of flexibility	4 zone substation sites		We completed 2 business cases (Lincoln & Halswell) and a high-level assessment of Norwood. Others identified but assessment not required at this stage.
Number of sites we take to tender for flexibility services	2 (including Lincoln)		A tender for Lincoln was issued in July. We are evaluating options for Halswell which will likely be tendered in FY25.

Being a force for good in the communities we serve enabling the net zero transition – communities and environment

SOI Measure	Target	Tracking	Comment on non-performance
Collaborative local energy planning			
Local future energy scenarios published	Complete		
Empowering our customers and communities			
Net Promoter Score	>40		Paused – agreed to stop
Reducing the environmental impact of our operations			
Group operational carbon emissions	2620		We are projecting to come in below FY20 and last year's emissions, but we will likely exceed our target due to heavy vehicle diesel, air travel and fugitive SF6 emissions.
Planting of native forest in partnership with Wairewa Rūnanga	45,000 seedlings planted		

Creating the preferred workplace – people

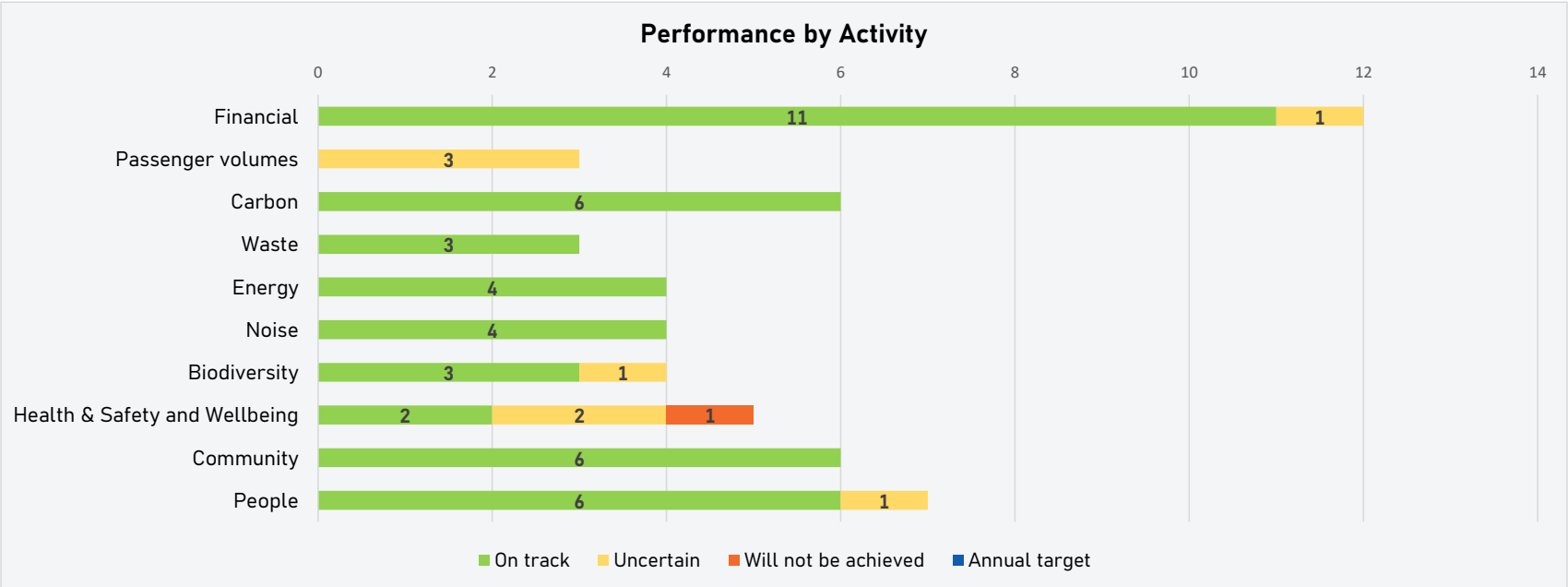
SOI Measure	Target	Tracking	Comment on non-performance
Engagement Score	> 65% positive		
Voluntary Turnover	< 16%		
Orion			
Improve gender balance at all levels (people leaders and staff)	35:40:25 (female: male: any gender)		Gender balance remains reasonably static with Q3 levels at 33.3%:58.0%:8.7%. Highly unlikely to meet FY24 target. Note: relatively small workforce numbers results in big shifts. Programmes underway to improve this.
Reduce gender pay gap (see page 10 for further details)	< 15.9%		
Connetics			
Reduce gender pay gap (see page 10 for further details)	Publish gender pay gap		

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Christchurch International Airport Ltd

Performance against Statement of Intent targets

Quarter Ended31-Mar-24



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

Financial			
SOI Measure	Target	Tracking	Comment on non-performance
Total Revenue (\$m)	219.4		Risk identified by Air NZ in respect to their A320/321 engines. Likely to impact capacity over summer.
EBITDAF (\$m)	130.7		
EBITF (\$m)	86		
NPAT (\$m)	41		Before non-cash impact of deferred tax changes.
EBITDAF / Revenue (\$m)	59.6%		
RoIC	4.3%		
Debt (\$m)	588		
Equity (\$m)	1,416.2		
Shareholder Funds/Total Assets %	64.3%		
Gearing (Debt/Debt + Equity) %	29.3%		
EBITDAF Interest Cover x	4.2		
Dividends	33		

Passenger volumes			
SOI Measure	Target	Tracking	Comment on non-performance
Domestic	5,031,405		Risk identified by Air NZ in respect to their A320/321 engines. Likely to impact capacity over summer.
International	1,414,070		
Total	6,445,475		

Carbon			
SOI Measure	Target	Tracking	Comment on non-performance
Maintain trend with our milestone emissions reduction goal of 84% reduction in Scope 1 & 2 by 2035 (using FY2015 carbon baseline)	yes/no		Currently well ahead of science based targets out to 2035 and trending down
Demonstrate continued responsibility and leadership in aviation transition	yes/no		CIAL is participating at global level in ACA steering group for further leadership in carbon reduction best practice. Locally working with Air New Zealand, Hydrogen Collective and ACI best practice
Renew ACA Level 4/4+ or above, and look for opportunities to demonstrate continued climate leadership	yes/no		CIAL has achieved ACA Level 5
Actively seek to influence airport Scope 3 emissions reductions	yes/no		Discussions underway with all airlines operating at CHC - refer to sustainability reports and work with NZ around electric aircraft, hydrogen and SAFs
Develop physical climate risk adaptation plan and timeline for investment	yes/no		Will form part of wider Airport Master Plan - which has been brought forward and will be completed in 2025
Continue project to prepare for public Climate Risk Disclosures in FY24	yes/no		On track to disclose in FY24 - voluntary disclosures made in FY23

Waste			
SOI Measure	Target	Tracking	Comment on non-performance
Continue to implement CIAL waste minimisation strategy	yes/no		In progress and ongoing
Create separated waste streams with known destinations	yes/no		In progress, with the initial focus being on diverting more organic streams
Undertake waste minimisation projects to reduce emissions and minimise waste	yes/no		Waste sortation project in place since March 2023

Energy			
SOI Measure	Target	Tracking	Comment on non-performance
Actively pursue energy transition from fossil fuel to clean energy sources	yes/no		Refer to sustainable and renewable energy activation including Kowhai Park
Expand understanding of the infrastructure requirements to cater for a renewable energy transition within aviation	yes/no		Part of Hydrogen consortium with view to trialling a hydrogen plane at Christchurch
Make an impact beyond Christchurch Airport terminal boundaries to create partnerships, and demonstrate leadership to encourage faster energy transition uptake	yes/no		Kowhai Park renewable energy precinct has progressed with developer to make final investment decision by June 2024
Continue to seek further energy efficiency projects, including completion of LED lighting upgrade	yes/no		Our Building Management System continues to find energy efficiency improvements and LED lighting upgrades are in progress.

Noise

SOI Measure	Target	Tracking	Comment on non-performance
Noise complaints are limited to 10 per 10,000 aircraft movements per annum	<=10		
Actively participate in the public consultation across Canterbury on how the latest noise contours are integrated into the Regional Policy Statement	yes/no		Models now approved by Ecan Expert Panel
Offers of acoustic mitigation to noise impacted properties currently eligible	yes/no		Business case developed for approval
Long term and ongoing program to protect CIAL from noise reverse sensitivity affects	yes/no		

Biodiversity

SOI Measure	Target	Tracking	Comment on non-performance
Understand our unique dryland habitat	yes/no		This work is ongoing as we collect the data to inform what our biodiversity footprint baseline looks like
Undertake Campus landscape planning to celebrate native species and include plant succession planning.	yes/no		Landscape planting and emphasis on natives is ongoing. A map of our CIAL area has been completed with a basic understanding of biodiversity footprint
Monitor and understand bird migration patterns to mitigate bird strike risk	yes/no		Ongoing, regular off-airport avifaunca surveys underway
Insert bird strike management areas in the regional and district planning framework	yes/no		CIAL is engaging but does not control process

Health & Safety and Wellbeing

SOI Measure	Target	Tracking	Comment on non-performance
Achieve 75% or more in our annual culture and engagement survey.	yes/no		The Health, Safety and Wellbeing score in the annual culture and engagement survey expected to fall in FY24
Delivery of bespoke safety leadership training to all people leaders	yes/no		Programme developed for 2024
Delivery of updated induction/refresher SMS training to all staff and relevant stakeholders	yes/no		Ongoing
Incremental increase in wellbeing and work/life balance in culture and engaement survey	yes/no		The wellbeing and work / life blend scores in the annual culture and engagement survey decreased slightly and will be a focus for activations in FY24
Creating a shared understanding of wellbeing and mental health protection framework	yes/no		Ongoing - but challenging to understand how to integrate mental health assessment into wider HSW frameworks

Community

SOI Measure	Target	Tracking	Comment on non-performance
Demonstrate support for the city, its image and activities. Provide promotional space at the airport to showcase events and activities across the region.	yes/no		Underway and evidenced by \$2.5m JV with City and Tourism NZ
Offer community groups and projects support through the Community Fund.	yes/no		Community Fund now back up and running - large number of donations made
Senior leaders participate in and address events and functions, sharing expertise and skills across the city, region and country in person, plus wider online.	yes/no		Leaders regulary in the community
Support local and national charities by hosting collections within the terminal, and active engagement by staff in charity events.	yes/no		Community Fund now back up and running
Respectfully engage with local communities, iwi mana whenua and stakeholders in respect of our project to explore the potential for a new airport in Central Otago.	yes/no		Plan well developed and ongoing
Engagement and communication with stakeholders led by the Chief Executive and GMs initiating and accepting invitations to meetings, speeches, panels, addresses and workshops, both in person and online as required	yes/no		Leaders regulary in the community

People

SOI Measure	Target	Tracking	Comment on non-performance
Identification of CIAL's future H30 talent requirements and pipeline of emerginq leaders developed	yes/no		
Improved retention of critical talent	yes/no		Retention of critical talen is a constant focus in continuing tight labour market but strategies have been successful in preventing turnover
Succession plans confirmed and pathways actioned	yes/no		
Improved Leadership measures in engagement survey	yes/no		Scores have slightly decreased but plans in place
Diversity metrics and targets to be developed	yes/no		Underway
D&I audit to be completed annually and continued delivery of training and workshops	yes/no		On track for FY24
Flexible work guidelines embedded, to become a normalized way of working	yes/no		Future of work introduced to CIAL's ESG framework and guidelines now in place and in operation

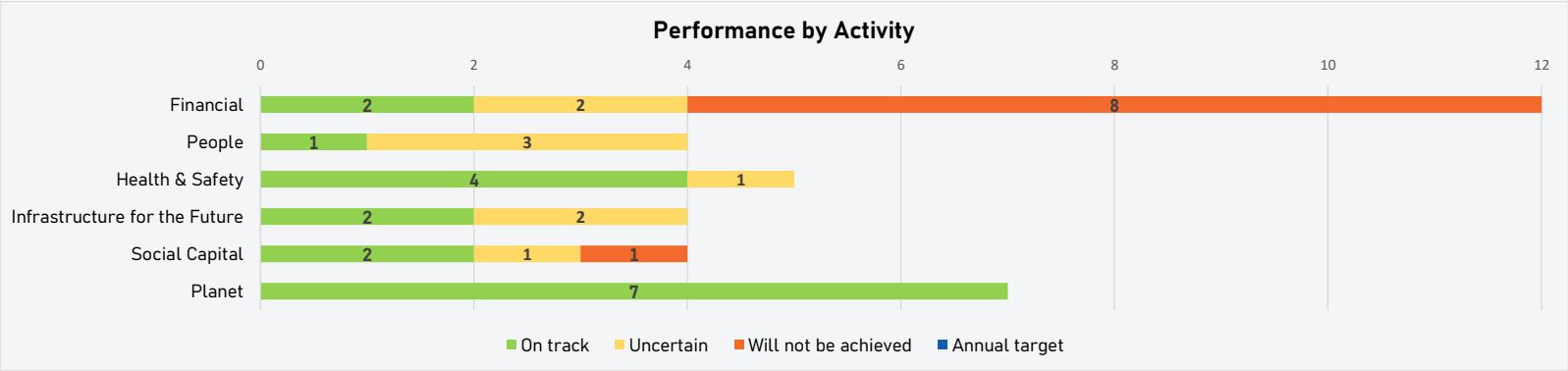
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Lyttelton Port Company Ltd

Performance against Statement of Intent targets

Quarter Ended

31-Mar-24



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

Financial			
SOI Measure	Target	Tracking	Comment on non-performance
Revenue (\$m)	206.0	145.6	Revenue tracking lower than budget
EBIT (\$m)	45.9	24.2	Revenue tracking lower than budget
EBITDA (\$m)	66.9	41.4	Revenue tracking lower than budget
Net Profit after Tax (\$m)	24.0	13.6	Revenue tracking lower than budget
Interest Cover Ratio	3.6	5.1	
Dividend proposed (\$m)	12.5	10.6	
Debt (\$m)	230.6	228.6	
Equity (\$m)	400.7	387.4	
Shareholder Funds to Total Assets	58.7%	55.5%	
Debt/Debt + Equity	36.5%	37.4%	Amber only against measure. Covenant is 45%
Average Equity	6.1%	3.5%	
Average Total Assets	3.5%	2.0%	Final FY23 Dividend of \$6.46m paid in Oct. Interim dividend of FY24 of \$4.167m paid in March.

People			
SOI Measure	Target	Tracking	Comment on non-performance
Leadership and talent development	Develop and deliver a leadership and talent framework		Development work continues on both the leadership and talent framework. The frontline leadership programme for the LCT has been delivered.
Gender balance male/female	85/15	87/13	
Engagement Pulse Survey conducted per financial year	<3		Annual engagment survey completed in March 24, measured by staff engagement index
Gender Pay Gap	10.2%		We have not established the result in this space. We are in the process of establishing reliable measurements and are aiming to have this in place by year end

Health & Safety			
SOI Measure	Target	Tracking	Comment on non-performance
Reportable injuries/incidents	0	4	Notifiable incidents - NOT injuries
Total Recordable Injury Frequency Rate	<2.0	1.55	
Lost-time injury frequency rate	<2.0	1.24	
Health and safety interaction per year	800	466	
Senior Leaders Critical Control Checks	500	334	

Infrastructure for the Future			
SOI Measure	Target	Tracking	Comment on non-performance
Programme delivery - percentage of programme delivered more than one week over operational requirement	>15%		Measure being developed
Asset Management Plans development and implementation	All critical assets under asset management plans with actions.		All critical assets have a Asset Management plan and actions applied to asset owners. AMP development is ongoing and we now have a clear plan for AMPs across the business, and we believe we will achieve 40% by the end of this financial year.
	50% of all assets under asset management plans.		
Programmes with full Sustainability Analysis and Plans	100%		Measure being developed

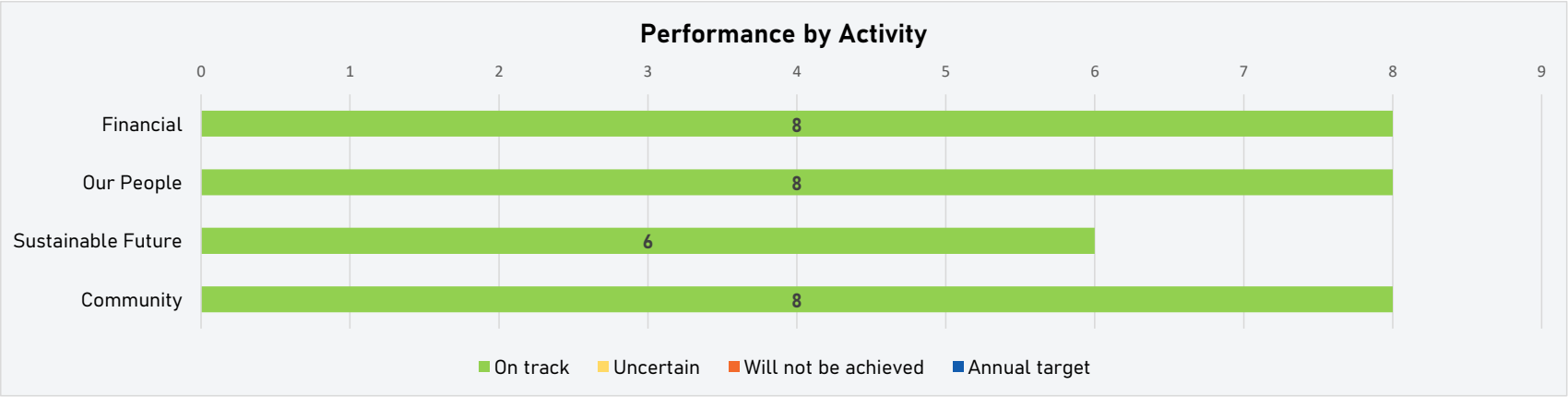
Social Capital			
SOI Measure	Target	Tracking	Comment on non-performance
Port Liaison Committee Meetings per year	<3		
MAG Meetings per year	<6		
Vessel Rate	45	44	
% of vessels served within x hours of scheduled window	75%	53.5%	

Planet			
SOI Measure	Target	Tracking	Comment on non-performance
Carbon Reduction	15% reduction in scope 1 and 2 operational emissions from baseline year 2018.		LPC has recently adopted SBTis, with which provides a forecast emissions reduction pathway for LPC to halve emissions by 2030 (from our FY18 baseline year) and achieve net-zero by 2050. This supercedes our previous targets, set before the development of our Emissions reduction plan. This new pathway recognises the lumpiness in reductions year on year due to the progressive replacement of assets. However, we are on track to meet this previous target.
	Develop Scope 3 strategy to identify upstream and downstream value chain emissions		Project led by Tonkin and Taylor almost complete. Preliminary scan of customer and supplier emissions to look at top emitters complete. Employee commuting emissions complete. Calculating FY23 ships' emissions is complex and ongoing.
Waste	Develop operational area specific waste targets to support increasing diversion from landfill.		On track. New contract signed with Waste Management. Tonkin and Taylor currently reviewing data collected in Q1 and developing circular economy plan.
Biodiversity Positive	Publish our biodiversity impacts and dependencies analysis		On track. We are the only NZ company that has committed to publishing our impacts and dependencies under the TNFD framework.
	Continue ecological enhancement work of 17ha Port Saddle site		
Responsible Sourcing	100% of operational product suppliers evaluated against the ethical procurement declaration.		
Reporting	Integrated reporting ongoing		

Enable Services Ltd

Performance against Statement of Intent targets

Quarter Ended 31-Mar-24



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

Growing a Strong Business / Financial

SOI Measure	Target	Tracking	Comment on non-performance
Gross telecommunications revenue (\$m)	113.6		
EBIT (\$m)	56.3		
NPAT (\$m)	31.0		
Shareholder's funds to total assets ratio	49.1%		
Return on invested capital % (EBIT / average equity)	15.0%		
Interest Cover x's (EBIT/Interest Expense)	4.3		
Net gearing % (Net debt / net debt plus equity)	43.8%		
Dividends (\$m)	20.0		

Our People

SOI Measure	Target	Tracking	Comment on non-performance
Maintain provision of the living wage for all Enable (direct) and primary contractor employees.	Maintain		Maintain
Develop and report on an action plan to close any identified gender pay gap.	Undefined		
Be an employer of choice. Continue to evolve our people strategy in terms of engagement; employee benefits; performance and development, recognition, and reward.	Undefined		
Ensure Enable fosters Diversity and Inclusion with our people being supported to bring their best selves to work.	Undefined		
Continue to deliver a best practice Health, Safety and Wellbeing model that ensures our people, partner organisations' people, customers, and community are kept safe and well as measured by Total Recordable Injuries (TRI) <=5 and no serious harm injuries incurred.	<=5 No TRI or serious injuries		<=5 / no serious injuries
Continue to report any incidents to CCHL that are notified to WorkSafe.	Undefined		
Grow and educate our Health and Safety champions to ensure the best practices are shared with and embedded within the wider staff base.	Undefined		
Continue to promote the Wellbeing Committee as point of contact and to actively drive strong uptake and engagement across our planned calendar of initiatives focused on the wellbeing of our staff.	Undefined		

Sustainable Future

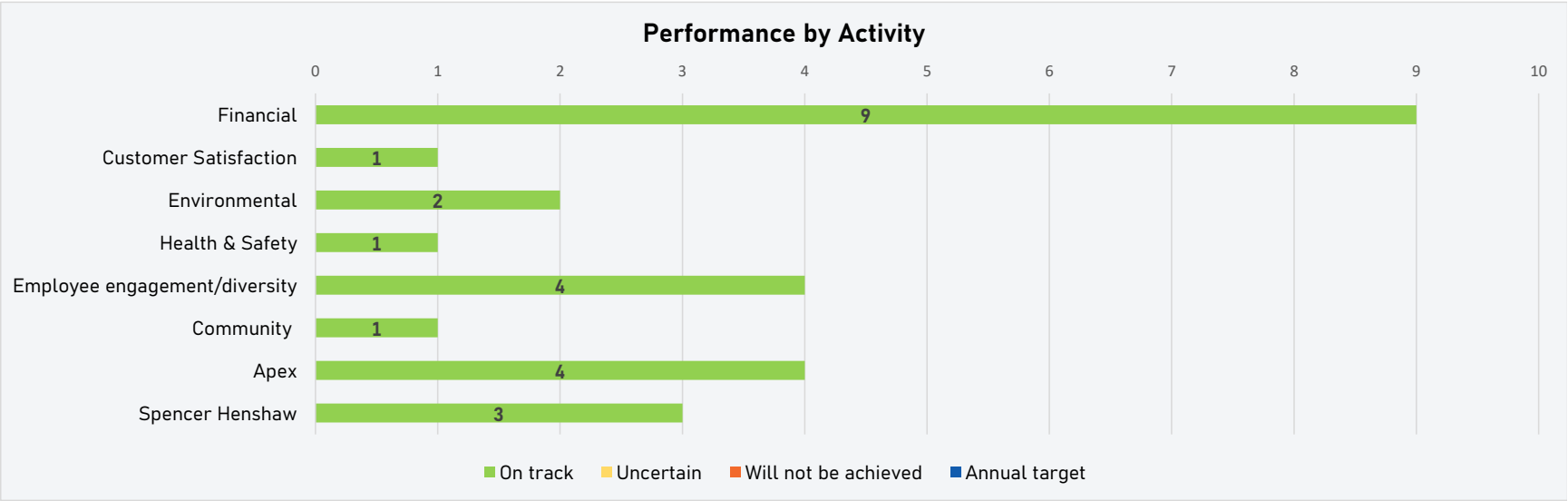
SOI Measure	Target	Tracking	Comment on non-performance
Strive to achieve and maintain B Corp certification to enforce Enable's commitment to ensuring our business supports a sustainable future and provide a measure of our overall performance			Achieve and maintain
Continue the focus on our scope 1 and 2 emissions reduction targets of 35% by FY25 and 62% by FY30, against the FY20 baseline, and strive to achieve net zero emissions by FY30 in line with the CCHL group.			
Complete our first climate risk assessment, and scenario analysis if required, in line with climate-related disclosure requirements, and support the development of the CCHL group climate statement.	Complete assessment		
Continue to develop an understanding of our handprint (positive environmental impact).	Undefined		
Continue to work with our key contractors to minimise network infrastructure waste, specifically: a. implement a reuse and recycling plan for first generation equipment as it is decommissioned.	Implement programme		Implement plan
Ensure our corporate landfill waste is below our FY22 benchmark, of 588.2 kg, by continuing to educate our people on waste minimisation.	FY22 benchmark		Corporate Landfill Waste <588.2kg

Community			
SOI Measure	Target	Tracking	Comment on non-performance
Taking central government's lead, work in partnership with Government, industry, and other potential stakeholders to identify and establish a sustainable programme that supports community access to engage with and leverage high-quality fibre	Undefined		
Continue to operate our Christchurch Free Wi-Fi service in key central locations to support maximum economic growth and visitor and community benefits.	Maintain		
Continue to support the largest local secondary schools to leverage the full potential of fibre broadband for better education outcomes by delivering Hyperfibre to them.	Maintain		Continues
Work closely within the CCHL Group and with other potential partners to unlock and realise new initiatives that can support the group to deliver greater value and returns to our community.	Undefined		
Maintain and identify new key strategic partnerships and sponsorships aimed at supporting a local environment of growth and innovation.	Maintain		Maintain
Engage directly with iwi and mana whenua to build knowledge and better understand Enable's relationship with the land and our community and enhanced cultural understanding and competency with our business.	Undefined		
Actively participate in He Huanui Māori CCHL and the CCO leadership team to accelerate initiatives aimed at promoting improved cultural capability across the Group and generating positive outcomes for Māori and our broader community.	Undefined		
Work with CCHL and other CCOs to develop a clear understanding of how we collectively work toward ensuring a stronger relationship with Māori, and all ethnicities that guides our Culture, practises and decisions in the future.	Undefined		

CityCare Ltd

Performance against Statement of Intent targets

Quarter Ended31-Mar-24



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

Financial (all are Group measures)			
SOI Measure	Target	Tracking	Comment on non-performance
Revenue (\$m)	607.0		Note that the amortisation arising from the Purchase Price Allocation (Acquisition of SH Group of Companies) was not included in FY24 SOI. Therefore financial performance is forecast on the basis that these accounting adjustments are excluded.
EBIT (\$m)	14.8		
NPAT (\$m)	8.8		
Interest Cover	5.2		
Debt / (Debt + Equity)	28.5%		
Shareholder Funds to Total Assets	44.5%		
ROE (Return on Equity)	10.9%		
ROA (Return on Assets)	4.6%		
ROIC (Return on Invested Capital)	9.9%		

Customer Satisfaction			
SOI Measure	Target	Tracking	Comment on non-performance
Positive Net Promotor Score (NPS) based on an annual customer survey.	yes/no		

Environmental			
SOI Measure	Target	Tracking	Comment on non-performance
100% of new (non-operational) passenger vehicles purchased or leased to be hybrid or EV (excludes vehicles procured through acquisitions) (subject to vehicle availability)			
Annual reduction of Company-wide greenhouse gas emissions normalised against annual turnover to reach 2030 goals			

Health & Safety			
SOI Measure	Target	Tracking	Comment on non-performance
Grow our health and safety culture through the utilisation of insights from the annual independent Concordia survey			Achieved

Employee engagement/diversity			
SOI Measure	Target	Tracking	Comment on non-performance
Incremental increase in the number of women in leadership roles			
Incremental increase in the number of Māori/Pasifika in leadership roles			
Increase in youth in the workforce measured by higher % of staff under 25 years			
More than 25 people in registered training annually			

Community			
SOI Measure	Target	Tracking	Comment on non-performance
Collaborate with community stakeholders to deliver community volunteering support as well as support for sustainability education.			

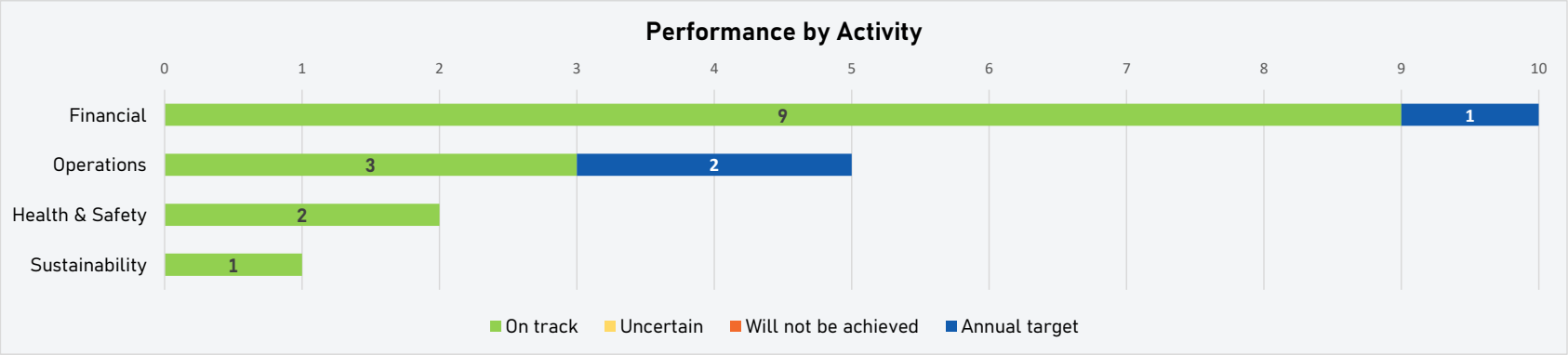
Apex			
SOI Measure	Target	Tracking	Comment on non-performance
Positive Net Promoter Score (NPS)	yes/no		Achieved
Identify two new products or technologies to bring to market			Achieved
<2 lost time injuries	<2		
<3 medical treatment injuries	<3		

Spencer Henshaw			
SOI Measure	Target	Tracking	Comment on non-performance
Grow our health and safety culture through benchmarking using Safe 365 as the foundation.			
Positive Net Promotor Score (NPS) based on an annual customer survey.			Measured against customer KPIs
Positive Employee Net Promotor Score (ENPS) based on an annual employee survey.			Achieved

EcoCentral Limited

Quarter Ended 31-Mar-24

Performance against Statement of Intent targets



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

Financial			
SOI Measure	Target	Tracking	Comment on non-performance
Revenue (\$m)	51.5		3rd quarter revenues above profit due chiefly to strong commodity prices and volumes for recycled materials from the EcoSort and also higher than forecast tonnes at the EcoDrops.
EBIT (\$m)	1.9		YTD EBIT enhanced by higher revenue across the main businesses.
NPAT (\$m)	1.2		YTD NPAT enhanced by higher revenue across the main businesses.
Equity (\$m)	13.2		Equity below budget due to increased dividend paid. Budgeted dividend was \$250K and actual dividend was \$5m
Debt (\$m)	Nil		No term debt
Shareholder Funds to Total Assets	28.9%		Due to a change in accounting treatment of the \$16.8M MRF Upgrade.
Return on Average Equity	9.7%		Ahead of target
Return on Assets	3.0%		Ahead of target as cash holdings drops post \$5m dividend payout Dec 2023
Interest Cover	6.5		
Dividends (\$m)	0.25		Ahead of target. ECL paid CCHL \$5m in December 2023

Operations			
SOI Measure	Target	Tracking	Comment on non-performance
EcoDrop -- Waste Minimisation, divert at least 60,000 tonnes from landfill	yes/no		
EcoSort - MRF upgrade project, Complete comissioning and project acceptance criteria sign-off	yes/no		Project reached practical completion in December 2022
EcoSort - Plastic & Fibre quality, >99.5% purity (Free from contamination)	>99.5%		Achieved
EcoShop - number of customer sales (pa)	130,000		On target to be achieved both on a quarterly and YTD annualised basis
EcoShop - tonnes diverted from landfill (pa)	6,500		

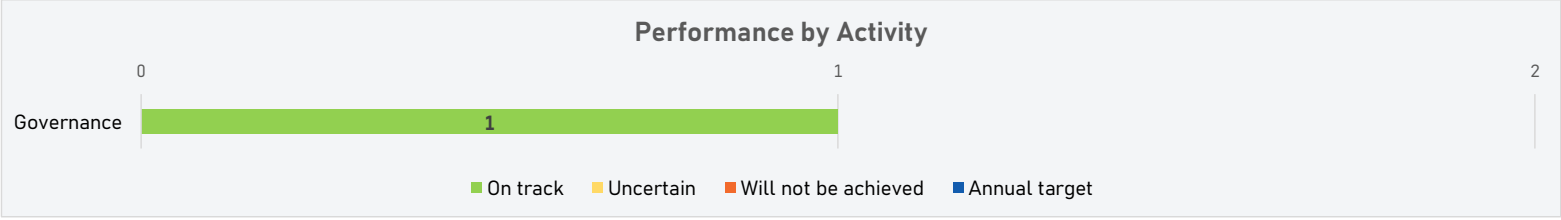
Health & Safety			
SOI Measure	Target	Tracking	Comment on non-performance
Safe work observations >150	>150		Number of observations has dropped over summer period due to resource constraints. Still on track to achieve target by year end
Remedy and close out corrective actions: >90% within 8 weeks of initiation	90%		Currently 99% close out rate

Sustainability			
SOI Measure	Target	Tracking	Comment on non-performance
Carbon Reduction Plan, annual reduction in ECL Carbon footprint from FY2022/23	yes/no		

Development Christchurch Limited

Quarter Ended31-Mar-24

Performance against Statement of Intent targets



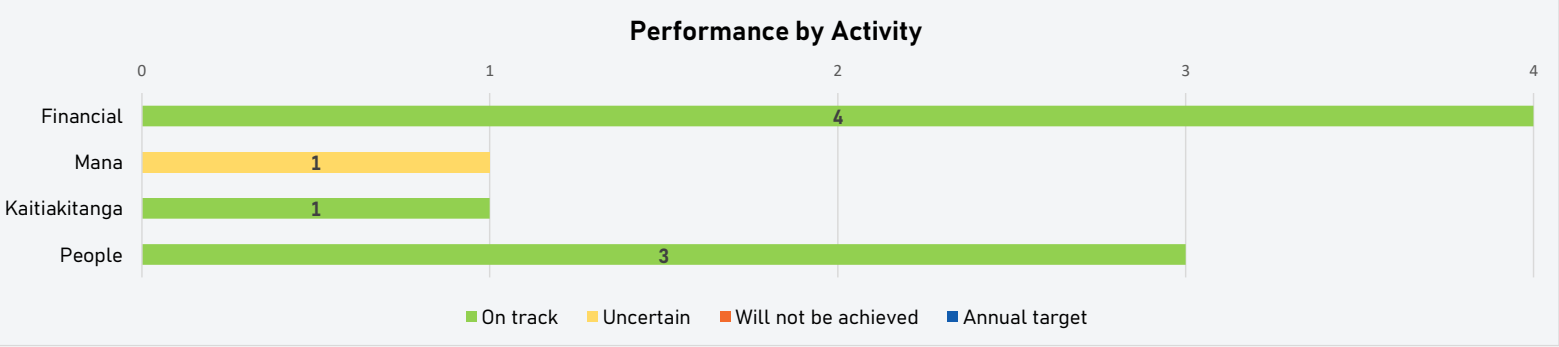
On track	<div></div>
Uncertain	<div></div>
Will not be achieved	<div></div>
Annual Target to be assessed at year-end	<div></div>

Governance	SOI Measure	Target	Tracking	Comment on non-performance
	DCL will work closely with CNZ to continue to dispose of land held for resale on commercial terms.	Yes	<div></div>	

RBL Property Limited

Performance against Statement of Intent targets

Quarter Ended 31-Mar-24



On track	
Uncertain	
Will not be achieved	
Annual Target to be assessed at year-end	

SOI Measure	Target	Tracking	Comment on non-performance
Net Profit After Tax (\$m)	0.255	0.598	
Total Assets (\$m)	19.34	20.13	
Equity (\$m)	19.28	19.74	
Shareholder Funds to Total Assets	99.7%	98.1%	

SOI Measure	Target	Tracking	Comment on non-performance
RBLPL will work with CCHL and in turn with CCC to establish the future for the Ferry Road site, and to then implement whatever is required to give effect to the desired outcome.	yes/no		CCC engaged with Ecan in respect to future utilisation of the site

SOI Measure	Target	Tracking	Comment on non-performance
Site maintained in compliance with consents and lease arrangements	yes/no		

SOI Measure	Target	Tracking	Comment on non-performance
Zero notifiable events	yes/no		
Fair terms and conditions for contractors	yes/no		
AIFR target of zero incidents per million work hours	yes/no		

13. Notice of Motion - Infrastructure Delivery Working Group

Reference Te Tohutoro: 24/1065831

Responsible Officer(s) Te
Pou Matua: Councillor Keown

Accountable ELT
Member Pouwhakarae: Mary Richardson, Interim Chief Executive

Pursuant to Standing Order 22 of the Christchurch City Council's Standing Orders, the following Notice of Motion was submitted by Councillor Keown.

1. Notice of Motion to the Finance and Performance Committee He Pānui Mōtini

That the Finance and Performance Committee:

1. Requests staff to provide advice in August 2024 on the establishment of an infrastructure delivery working group to review contracting and procurement processes to identify if there are opportunities to improve effectiveness and efficiencies. The advice should consider:
 - a. A potential Terms of Reference for a working group;
 - b. The capacity and cost of undertaking the work;
 - c. The Council's procurement rules;
 - d. New Zealand Government rules of procurement;
 - e. The Auditor-General's guidelines;
 - f. The Local Government Act 2002; and
 - g. Any other legal requirements for considerations.

Attachments Ngā Tāpirihanga

There are no attachments for this report.

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 - 29 MAY 2024			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
16.	CHRISTCHURCH CITY HOLDINGS LTD - STRATEGIC ISSUES REPORT AS AT JUNE 2024	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	TO PROTECT COMMERCIALLY SENSITIVE INFORMATION WHICH IF IT BECAME KNOWN IN THE MARKET COULD NEGATIVELY IMPACT ON CCHL'S PROFITABILITY.	AFTER THE ANNUAL REPORT FOR 2024 IS ISSUED (BY END OF SEPTEMBER 2024).
17.	VISIBILITY OF CAPITAL PROJECT BUDGET CHANGES: MAY 2024	S7(2)(H)	COMMERCIAL ACTIVITIES	THE REPORT 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

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