

Council Controlled Organisations

Council Controlled Organisations Christchurch City Holdings Ltd

www.cchl.co.nz

Christchurch City Holdings Ltd (CCHL) is the wholly-owned investment arm of Council, holding shares in various trading companies and monitoring them and their subsidiaries on the Council's behalf.

Subsidiary companies

- Orion New Zealand Ltd
- Christchurch International Airport Ltd
- Lyttelton Port Company Ltd
- Enable Services Ltd
- City Care Ltd
- Red Bus Ltd
- EcoCentral Ltd
- Development Christchurch Ltd

Nature and scope of activities

CCHL 's mission is to support the future growth of Christchurch by investing in key infrastructure assets that are commercially viable and environmentally and socially sustainable.

The company's core role is to monitor the Council's existing investments, which largely service the region's existing infrastructure needs.

The general objective of the CCHL investments is to deliver strong financial returns and dividends to the Council. CCHL seeks to encourage and facilitate the subsidiary and associated companies to increase shareholder value and regional prosperity through growth, investment and dividend payments.

Policies and objectives relating to ownership and control

This company was established to group the Council's interests in its trading activities under one umbrella, and to provide an interface between the Council and the commercial activities of its CCTOs.



Key performance targets

CCHL annually agrees its key financial and non-financial performance indicators with its shareholder the Council. These indicators are outlined in CCHL's Statement of Intent. CCHL monitors the performance of its subsidiaries against the performance targets that have been agreed.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from CCHL's Statement of Intent on the company's website.

Performance targets

- CCHL pays dividends and makes capital release payments that meet or exceed shareholder's expectations.
- Maintains an appropriate capital structure for the nature of its business.
- Periodically review the performance of subsidiary companies and other investments against external benchmarks, and assess the value of the investment in the individual companies in relation to their inherent business risk and community benefits.
- Subsidiary companies adopt strategies that contribute to regional growth.

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Net profit after tax	86.0	89.0	95.0
Ordinary dividend	48.3	45.1	51.0
Special dividends	143.2	-	-

Ratios

Shareholder's funds / total assets	40%	39%	40%
net debt / net debt plus equity	54%	56%	55%
Interest cover (EBIT / Interest)	2.7	2.6	2.6
Return on average equity	5.1%	5.4%	5.7%

Orion is an energy network management company in which Council has an 89.3% shareholding through CCHL. Orion owns the electrical contracting business Connetics Ltd. Connetics is a contracting service provider to utility network operators, local authorities, developers and commercial/industrial customers.

Subsidiary companies

Subsidiary companies

- Connetics Ltd

Nature and scope of activities

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

Policies and objectives relating to ownership and control

Orion is considered a regional strategic asset, operating in a commercial manner and in a way that benefits the region as a whole.

Through the Statement of Intent process, the Council establishes broad parameters reflecting the public nature of Orion without inhibiting proper commercial management.

Key performance targets

Orion annually agrees its key financial and non-financial performance indicators with its shareholder CCHL. These indicators are outlined in Orion's Statement of Intent.

The Council provides feedback to CCHL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Orion's Statement of Intent.

Performance targets

- Duration of supply interruptions in minutes per connected customer to not exceed 73 minutes (SAIDI).
- Number of supply interruptions per connected customer to not exceed 0.9 (SAIFI).

SAIDI and SAIFI measures are international industry standards which enable assessment of network performance.

The targets are consistent with the Commerce Commission's network reliability limits for Orion for the year, pursuant to Orion's customised price-quality path (CPP).

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Network delivery revenue	260.5	247.3	237.4
Profit after tax (\$ million)	50.4	42.8	33.5
Profit after tax to average equity (%)	7.5%	6.4%	5.1%
Fully imputed dividends (\$ million)	53.0	47.0	41.0
Debt to debt plus equity (%)	31.0%	32.0%	34.0%
Equity to total assets (%)	56.0%	55.0%	54.0%

Network reliability (urban)

SAIDI (duration of supply interruptions in minutes per year per connected customer)	73.0	73.0	73.0
SAIFI (number of supply interruptions per year per connected customer)	0.9	0.9	0.9

Lyttelton Port Company Ltd (LPC) operates under the Port Companies Act 1988. As a fully owned subsidiary of CCHL, it manages the Port assets, including land and facilities on a commercial basis.

Lyttelton Port is the South Island's largest port by volume and the third largest container port in NZ processing over 400,000 TEUs (20-foot equivalent units) of containerised cargo in FY17 (its highest annual volume). It provides a vital link in international trade routes and plays a key role in the global transport network.

Nature and scope of activities

LPC is involved in providing land, facilities, plant and labour for the receiving, delivery, stockpiling, stacking and shipping of a wide range of products; the ownership of land and facilities necessary to maintain LPC's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

Policies and objectives relating to ownership and control

LPC is considered a regional strategic asset and as such the Council's policy is for it to be operated in a commercial manner, but also in a way that benefits the region as a whole.

Through the Statement of Intent process, the Council agrees broad parameters within which LPC will operate, reflecting the importance of the port to the regional economy and the commercial nature of the business. .

Key performance targets

LPC annually agrees its key financial and non-financial performance indicators with its shareholder and these targets are reflected in its Statement of Intent.

The Council provides feedback to CCHL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from LPC's Statement of Intent on the company's website.

Performance targets

- Removal of trucks off the Rolleston-Christchurch route, from 30,000 in 2019 to 35,000 in 2021.
- Ship Rate (as measured by the Ministry of Transport) no less than 65.0 each year.
- To measurably improve safety performance with a reduction in significant incidents frequency rate (per 200,000 hours) to no more than 7.1 in 2019 to 5.6 in 2021.
- Electrical car charges available for use by the public rising from 1 to 2 by 2020.

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Revenue	128.0	133.0	143.0
Net profit after tax	11.0	12.0	11.5
Dividends	6.4	7.0	5.8
Ratios			
Interest cover ratio	8.0	4.0	3.0
Shareholders funds to total assets	73.0%	64.0%	64.0%
Other measures			
Crane rate	27	27	27
Ship rate	65	65	65
Coal load out rate (tonnes per day)	25,000	25,000	25,000

The company is jointly owned by CCHL (75%) and the Crown (25%). The primary activity of the company is to own and operate the Christchurch International Airport efficiently and on sound business principles.

Nature and scope of activities

CIAL operates the airport for the benefit of commercial and non-commercial aviation users, and in accordance with its aerodrome licence. The Airport is located 10 kilometres northwest of Christchurch city centre, on the western city development edge and is a critical piece of national and regional infrastructure. As the gateway for Christchurch and the South Island, the Airport is NZ's second largest airport based on passenger numbers and the busiest and most strategic air connection for South Island trade and tourism markets.

CIAL is responsible for the efficient and safe operation of the Airport, while aiming to provide the Airport's diversity of users with modern, appropriate and efficient facilities and services.

In addition to its primary business of serving the aviation industry and its customers, the company actively markets Christchurch, Canterbury and the South Island as a major destination for overseas visitors, and develops airport land for retail, commercial and freight logistics businesses.

Policies and objectives relating to ownership and control

CIAL is considered a regional strategic asset, and as such the Council wants it to be operated in a commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management.

Key performance targets

CIAL annually agrees its key financial and non-financial performance indicators with its shareholders CCHL and the Crown. These indicators are outlined in CIAL's Statement of Intent.

The Council provides feedback to CCHL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from CIAL's Statement of Intent on the company's website.

Performance Targets

- Year on year increases in domestic and international passengers through the airport.
- To continue to support events which attract visitors, enhance the image of Christchurch and are enjoyed by the community.
- Work with stakeholders to reduce, reuse and recycle to minimise impact on the environment.
- Achieve a lost time injury frequency rate (LTI / million hours worked) better than industry standards, with ultimate target of Nil.

Financial performance targets

	2019	2020	2021
	\$ million	\$ million	\$ million
Revenue	192.0	201.7	210.7
EBITDAF	123.8	133.3	140.3
Net Profit After Tax	49.7	52.0	56.0
Dividends	40.3	43.3	46.9
Ratios			
EBITDAF as % of Revenue	64.5%	66.1%	66.6%
Return on Average Equity	5.9%	6.1%	6.5%
Return on Average Total Assets	3.7%	3.8%	4.0%

City Care Ltd is a CCTO, 100 per cent owned by Council through CCHL.

Nature and scope of activities

CityCare Group is in the business of constructing, maintaining and managing infrastructure and property assets. The company's main service offerings are as follows:

- Citycare Water –construction and maintenance for water, wastewater and stormwater networks, with a focus on smarter management and optimisation of water sector infrastructure assets.
- Citycare Property – encompassing end-to-end construction and maintenance of public and private building and greenspace facilities.
- Citycare Civil – focusing on national construction and maintenance opportunities in roading, landscapes and subdivisions.

CityCare Group contracts with Auckland Council and Wellington City Council for the delivery of services in those regions.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. The company has an important role in the City as a contractor servicing assets of a public nature. Through the negotiation of an annual SOI, the Council establishes broad parameters for City Care's scope and nature of operations without inhibiting its commercial management.

Key performance targets

City Care annually agrees its key financial and non-financial performance indicators with its shareholder. These indicators are outlined in City Care's Statement of Intent on the Company's website.

The Council provides feedback to CCHL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from City Care's Statement of Intent.

Performance targets

- Maintain accreditation for ISO systems.
- Win one new 'significant' contract or client for the company (>\$5m).
- Measure greenhouse gas emissions to deliver a company-wide emission reduction of 5%.
- Achieve 5% reduction in TRIF (Total Recordable Incident Frequency) accident rates from the previous year.

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Revenue	299.2	313.5	328.6
Net Profit After Tax	4.8	5.9	7.5
Dividends	1.2	2.7	3.3
Ratios			
Return on Average Equity	8.2%	9.6%	11.5%
Shareholders funds to total assets	54.9%	58.1%	60.4%
Debt to debt plus equity	19.6%	13.0%	8.1%

Enable Services Ltd (ESL) is a CCTO, 100 per cent owned by CCHL and trades as Enable Networks.

Nature and scope of activities

ESL was established in February 2007 by CCHL to investigate the opportunity of developing a fibre optic network covering key public and private business locations throughout greater Christchurch. ESL participated in the Government's partner selection process and, in conjunction with Crown Infrastructure Partners, established ENL in May 2011. ESL was then awarded the Ultra-Fast Broadband contract to build and operate a fibre optic network for greater Christchurch.

The completed network will extend across greater Christchurch and to a number of towns in the Waimakariri and Selwyn Districts.

Associate companies

Enable Networks Limited (ENL).

Policies and objectives relating to ownership and control

ESL is considered a regional asset and as such the Council wants it to be operated in a commercial manner, but also in a way that benefits the region as a whole.

Through a Statement of Intent, the Council establishes broad parameters reflecting the public nature of this company without inhibiting proper commercial management.

Key performance targets

As a contractor in building and operating the UFB network in the greater Christchurch area and an investor in ENL (which owns that UFB network), Enable's objectives and achievement of performance outcomes cover a thirty year period and for which the following key strategies have been set:

- Build a world class ultra-fast broadband network at whole of life economic cost levels.
- Deliver operational excellence maximising the customer experience.
- Deliver appropriate investment returns by maximising uptake and achieving optimum operating efficiency levels.

ESL annually agrees its key financial and non-financial performance indicators with its shareholder. These indicators are outlined in ESL's Statement of Intent on the company's website.

The Council provides feedback to CCHL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Enable's Statement of Intent.

Performance targets

- At least 1,000 site audits and safety observations conducted annually.
- Publish a sustainability framework.
- Total recordable injuries frequency rate/million hours to not exceed 2.5, with zero serious harm injuries.

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Revenue	58.6	74.0	87.8
EBITDA	36.2	53.3	66.1
Net Profit/(Loss) After Tax	(0.8)	10.5	19.9

Other measures

Number of connections (cumulative)	104,000	130,000	150,000
Shareholders funds to total assets	37.0%	38.0%	12.0%

EcoCentral is a CCTO, 100 per cent owned by CCHL.

EcoCentral oversees the processing of household and commercial refuse and the automated sorting of recycling throughout the Canterbury region. The company works to reduce the amount of waste going to landfill and finds ways to ensure Christchurch is a leader in recycling.

Nature and scope of Activities

EcoCentral manages:

- EcoSort, a large facility that receives all the 'Yellow Bin' recycling from Christchurch and surrounding areas where it is automatically sorted, baled and sold as reclaimed material. Material is sold either domestically or internationally to be made into new products.
- EcoDrop comprises three transfer stations for managing the City's recycling and refuse for both domestic and commercial waste. Each station has a recycling centre, household hazardous waste drop off area and a refuse area for general waste, green waste and hardfill.
- EcoShop, on Blenheim Road; the retail outlet for the recycled goods rescued from the EcoDrop transfer stations, thereby diverting material from landfill.

Policies and objectives relating to ownership and control

The company has an important role in the city as a quality handler and processor of recycled material. Through the negotiation of a Statement of Intent, the Council, via its 100 per cent ownership of CCHL, establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

EcoCentral annually agrees its key financial and non-financial performance indicators with its shareholder. These indicators are outlined in EcoCentral's Statement of Intent.

The Council provides feedback to CCHL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from EcoCentral's Statement of Intent on the company's website.

Performance targets

- EcoShop – 142,000 customer sales per annum and at least 8,000 tonnes diverted from landfill.
- Total recordable incidents per 200,000 hours worked (TRIFR) <20
- EcoSort - 9% waste

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Revenue	35.3	35.5	35.7
Net profit after tax	0.7	0.6	0.6
Return on equity	7.9%	6.8%	5.9%
Shareholders funds to total assets	64.7%	65.7%	66.6%
Dividends	0.25	0.25	0.25
Other measures			
EcoSort - MRF plant efficiency %	75.0%	75.0%	75.0%
EcoSort - Waste %	9.0%	9.0%	9.0%
EcoShop - number of customer sales	0.142	0.142	0.142

Council Controlled Organisations

Red Bus Ltd

www.redbus.co.nz

Red Bus is a CCTO, 100 per cent owned by CCHL. It provides public passenger transport, freighting and ancillary services to domestic and commercial users, including the tourist market.

Red Bus operates urban and school bus routes within Christchurch city and tourism and coach services across the South Island.

The urban public transport services provided by Red Bus are predominantly operated under contract to ECan, the planner and regulator for Canterbury public transport.

Nature and scope of activities

Red Bus provides scheduled urban public passenger transport services in Christchurch. The Company also delivers a broad base of charter and coach services and operates some commercial urban services.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for this company without inhibiting proper commercial management.

Key performance targets

Red Bus annually agrees its key financial and non-financial performance indicators with its shareholder, CCHL. These indicators are outlined in Red Bus's Statement of Intent.

The Council provides feedback to CCHL on the proposed targets.



A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Red Bus' Statement of Intent on the company's website.

Performance targets

- Achieve at least 3.4 million passenger trips.
- Achieve at least 97% of service trips starting on time.
- At least 90% of the bus fleet has engines with Euro 2 or higher emission standards.
- Carbon footprint reduction of 280 tonnes per annum
- Fewer than 15 lost time injuries per million hours worked.

Financial performance targets

	2019 \$ million	2020 \$ million	2021 \$ million
Revenue	20.5	20.8	21.3
EBITDA	2.8	2.9	3.0
Net profit after tax	-	(0.01)	(0.02)

Ratio

Net debt as a % of equity	<20%	<20%	<20%
Shreholders funds to total assets	87.6	87.6	87.5

Other Measures

Minimum fleet utilisation in peak	85.0%	85.0%	85.0%
Percentage of service trips not run	<1%	<1%	<1%
Percentage of service trips starting on time	97.0%	97.0%	97.0%

Council Controlled Organisations
Development Christchurch Ltd

www.dcl.org.nz

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

Nature and scope of activities

DCL's core role is to provide the Council with the increased capacity and capability that arises from its commercial focus and commitment to engage effectively with developers, investors, businesses and other stakeholders. Outside this core activity, there is also a role to add capacity to Council by acting as delivery agent for some nominated capital works.

Policies and objectives relating to ownership and control

The Council, through CCHL, is the sole shareholder of this company. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for the company's operations without inhibiting proper commercial management.

Key performance targets

DCL annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in DCL's Statement of Intent.

The Council provides feedback to DCL on the proposed targets.



A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from DCL's Statement of intent on the company's website.

Performance targets

- Agree an aligned set of objectives with Regenerate Christchurch.
- Lead the revitalisation of New Brighton.
- Lead a Development Management process that seeks a development partner for Council land in the Peterborough Quarter within the Central City.
- Work with the Council to progress other development projects or disposal/development of surplus Council land which has the potential to deliver on the City's vision, provide value for money and require support from the Council.

Financial performance targets

	2019	2020	2021
	\$ million	\$ million	\$ million
Net profit after tax	0.01	0.66	0.84
Total Assets	17.80	13.70	9.26
Shareholder's funds to total assets	107%	122%	146%

Council Controlled Organisations

Vbase Ltd

www.vbase.co.nz

Vbase is a 100 per cent owned CCTO subsidiary of the Council operating under direct Council governance and management.

A review of Vbase's future ownership structure and operational requirements is being undertaken to achieve a viable and sustainable trading entity.

Nature and scope of activities

Vbase owns and/or operates the following venues:

- Horncastle Arena (owned and managed);
- AMI Stadium Addington (managed);
- Wigram Air Force Museum (managed); and
- Hagley Cricket Oval Pavilion (managed).

The repair of the Christchurch Town Hall commenced in July 2015 and is expected to re-open in 2019, with a dedicated space for the Christchurch Symphony Orchestra.

Policies and objectives relating to ownership and control

Through the negotiation of an annual SOI, the Council establishes broad parameters for the company's operations reflecting both the public benefits which the facilities provide without inhibiting proper commercial management.

Key performance targets

Vbase annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in Vbase's Statement of Intent

The Council provides feedback to Vbase on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Vbase's Statement of intent on the Council's website.



Performance targets

- Facilitate access to venues to local community and charitable organisations by providing venue discounts of \$200,000 in 2018/19 and \$100,000 in 2019/20 and 2020/21.
- At least 100 events delivered at Horncastle Arena.
- At least 50 events delivered at Air Force Museum.
- At least 50 event days are delivered at Hagley Oval Pavilion.
- Deliver at least 1 major event at AMI Stadium that is outside the standard Super 15 and provincial rugby fixtures.
- Visitors to venues exceed 500,000.
- Annual employee total recordable injury frequency rate, based on 200,000 hours worked, less than 12.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Earnings before interest, tax, depreciation and amortisation	(2,586)	(2,541)	(3,938)
Net profit / (deficit) after tax	(26,655)	(7,387)	(8,510)

Forecast capital structure

Equity	234,471	234,471	234,471
Debt	14,485	14,485	14,485
Total assets	201,148	192,999	183,538

Ratios

Shareholder's funds / total assets	73%	72%	71%
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Council Controlled Organisations Civic Building Ltd

Civic Building Ltd (CBL) is a CCTO, 100 per cent owned by the Council.

Nature and scope of activities

CBL owns a 50 per cent interest of the Christchurch Civic Building Joint Venture with Ngāi Tahu Property (CCC-JV) Limited. The joint venture owns the Civic building in Hereford Street.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters around the design and refurbishment milestones, and management of the financial targets.

Key performance targets

CBL annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in CBL's Statement of Intent.

The Council provides feedback to CBL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from CBL's Statement of intent on the Council's website.

Performance targets

- Ensure the Civic building is managed in accordance with the management agreement.
- Ensure the Civic building operates in a manner that preserves its 6 Green Star accreditation features.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Revenue	4,641	4,543	4,452
Expenses	4,986	4,558	4,643
Net profit / (deficit) after tax	(198)	41	(84)

Forecast capital structure

Finance lease asset	48,341	47,052	45,634
Borrowings from Council	53,888	52,388	51,388
Total assets	54,900	53,318	52,046

Ratios

Shareholder's funds / total assets	(18.5%)	(18.9%)	(19.6%)
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Tuam Ltd

Tuam is 100 per cent owned by the Council.

Nature and scope of activities

This company formerly owned the old civic building and related Tuam Street properties which were sold to the Crown in 2014.

Key performance targets

The company is exempt from being a Council Controlled Organisation under section 7 of the Local Government Act and is not required to prepare a Statement of Intent. As the company is non-trading no performance indicators have been set.

Council Controlled Organisations
ChristchurchNZ Holdings Ltd
www.christchurchnz.com

ChristchurchNZ Holdings Ltd (CNZL) is 100 per cent owned by Council. It is the holding company for the Council's investment in ChristchurchNZ and CRIS Ltd. ChristchurchNZ was established on 1 July 2017 from the amalgamation of Canterbury Development Corporation, Christchurch & Canterbury Convention Bureau and Christchurch & Canterbury Marketing Ltd.

Subsidiary and associate entities

CNZL's overall purpose is to grow the economy to the benefit of all. It does this by leading the development and promotion of the city profile, attracting visitors, migrants, students, new business and investment, and a business environment that supports successful and sustainable enterprise, encouraging creativity and innovation.

CNZ operates to optimise the economic and social opportunities that tourism, major events, city promotion and economic development can bring to Christchurch and Canterbury. CNZL is the sole shareholder of CRIS Limited which holds the assets and long term contractual arrangements for innovation assets in the region. New Zealand Food Innovation (SI) Limited is a joint venture between CRIS Ltd and Callaghan Innovation and forms part of a national network of Food Processing Pilot Plants.

CNZL is also a joint venture partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partners Limited, a regional vehicle funded by the Ministry of Business, Innovation and Employment to drive increased capability in small to medium entities.

Nature and scope of activities

CNZL, along with its partners, is responsible for developing, monitoring and implementing the Christchurch Economic Development Strategy, Christchurch Visitor Strategy, Christchurch Major Events Strategy and Christchurch Antarctic Gateway Strategy, and for developing the Christchurch City Narrative.

Policies and objectives relating to ownership and control

Through the negotiation of an annual SOI, the Council establishes broad parameters for CNZL without inhibiting proper commercial management.

Key Performance Targets

CNZL annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in CNZL's Statement of Intent.

The Council provides feedback to CNZL on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from CNZL's Statement of Intent on the company's website.

Performance targets

- Economic updates for the City and region including rebuild are produced and communicated to relevant audiences.
- Information is published on economic updates and key economic development achievements.
- Christchurch and Canterbury are profiled locally, nationally and globally.
- Enhance Christchurch as an exciting destination and gateway.
- Attract major events to Christchurch.
- Ensure at least 500 local businesses receive targeted support each year.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Council funding	11,619	11,619	11,619
Other funding	5,521	6,521	6,521
Shareholder's funds/total assets	79%	78%	80%

Council Controlled Organisations

Riccarton Bush Trust

www.riccartonhouse.co.nz

Riccarton Bush Trust manages a 6.4 hectare native bush remnant gifted to the people of Canterbury in 1914. The Trust manages Riccarton House and its 5.4 hectares of grounds including Deans Cottage, the first house built on the Canterbury Plains.

Riccarton Bush Trust was incorporated under a 1914 Act of Parliament, which was followed by a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012. These give the Riccarton Bush Trust the power to negotiate with the Council for funding which contributes towards the maintenance and operation of Riccarton Bush, Riccarton House and its grounds.

The Council appoints five of the eight members on the Trust Board.

Nature and scope of activities

The Trust maintains and operates Riccarton Bush, Riccarton House and its grounds.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters reflecting the public nature of the Trust's objectives. To continue to do this the Council maintains a controlling interest in this Trust.

Key performance targets

Riccarton Bush Trust annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in Riccarton Bush Trust's Statement of Intent.

The Council provides feedback to Riccarton Bush Trust on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Riccarton Bush Trust's Statement of Intent on its website.

Performance targets

- Upgrade interpretation panels to represent relationship with Ngāi Tuāhiriri.
- Monitor health and safety practices in accordance with adopted policy to meet the requirements of the Health and Safety at Work Act 2015. Target results for all Trust activities of:
Serious harm incidents = 0
Accident = 1
Near misses = 3

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Revenue	556	567	578
Expenses	556	567	578
Operating surplus / (deficit) before depreciation			

Forecast capital structure

Equity	11,810	11,671	11,535
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Council Controlled Organisations Rod Donald Banks Peninsula Trust

www.roddonaldtrust.co.nz

The Rod Donald Banks Peninsula Trust (RDBPT) is a charitable trust created by the Council in July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and exists for the benefit of the present and future inhabitants of Banks Peninsula and visitors to the region. The Trust's long term vision is to restore Banks Peninsula to its traditional status as Te Pātaka o Rākaihautū – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the Peninsula's natural environment.

Nature and scope of activities

The Trust recognises the community as being of critical importance to the achievement of its charitable objects and focuses its efforts on engaging with groups and projects which have similar aims. The Trust acts as a facilitator, conduit and connector to assist these groups and projects in the pursuit of common goals. The Trust's hallmark is entrepreneurship and practical achievement, values important to Rod Donald, and it uses its funds to assist individual groups and projects to achieve goals that they cannot otherwise achieve on their own.

Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters reflecting the public nature of the Trust's objectives. To continue to do this the Council maintains a controlling interest in this Trust.

Key performance targets

RDBPT annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in RDBPT's Statement of Intent.

The Council provides feedback to RDBPT on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Rod Donald Banks Peninsula Trust's Statement of Intent on its website.

Performance targets

- The Trust has determined four key pillars on which its projects will be based; Access, Biodiversity, Knowledge, and Partnership. The Trust must assess all potential projects brought to the Trust's attention against these four pillars to determine whether they should be added to the Trust's project list and action those that are deemed a high priority. The Trust also makes submissions to relevant policy documents in support of the pillars.
- Enable public walking and cycling access to support the objectives of the Trust's Walking strategy through continual review of potentially strategic property to secure long term public access, and through development of tracks on the grounds.
- Progress the Te Ara Pātaka project according to the Phase 1 project plan, including continued management of Rod Donald Hut.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Revenue	313	61	49
Operational expenditure	147	150	153
Committed grants	20	20	21
Minor projects	3	3	3
Capital grants and projects	292	715	515
Balance of Trust funds	2,045,233	1,218,145	575,135

Council Controlled Organisations Christchurch Agency for Energy Trust



Christchurch Agency for Energy Trust (CAfE) is a charitable trust established by the Council in July 2010. The primary purpose of the Trust is to promote energy efficiency initiatives and the use of renewable energy in Christchurch.

Nature and scope of activities

In order to pursue its charitable objects CAfE has committed to support the uptake of renewable energy and enhanced energy efficiency in rebuild projects.

It is currently providing the Christchurch Energy Grant Scheme, which aligns with the Council's Climate Smart and Sustainable Energy strategies. The scheme provides a grant for plant purchase and installation for renewable energy initiatives, district energy scheme, energy efficiency measures that go well beyond the building code minimum in new and/or renovated buildings and initiatives that result in the use of electricity instead of fossil fuels.

Policies and objectives relating to ownership and control

The Council is the settlor of CAfE. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for CAfE. It is anticipated that CAfE will distribute the balance of its funds in the 2018/19 financial year at which point it will be wound up.

Key performance targets

CAfE annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in CAfE's Statement of Intent.

The Council provides feedback to CAfE on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from CAfE's Statement of intent on the Council's website.

Performance targets

- Allocation of the remaining balance of incentive grants for initiatives within the central city through the Christchurch Energy Grants Scheme or other initiatives in line with the Trust Deed.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Revenue	1		
Expenditure (including grants payments)	88		
Deficit for year	(87)		
Awarded by unpaid Christchurch Energy Grant Scheme grants	-		
Balance of Trust funds	-		

Council Controlled Organisations
Transwaste Canterbury Ltd

www.transwastecanterbury.co.nz



Transwaste was incorporated in March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened in June 2005. Transwaste is a joint venture between local authorities in the region and Waste Management NZ Limited, with Council owning 38.9 per cent.

Nature and scope of activities

Transwaste is responsible for developing and operating a non-hazardous regional landfill, to at least the standard determined by regulatory authorities.

Transwaste enters into contractual arrangements to ensure provision of a haulage fleet for hauling solid waste. This must be done economically and efficiently, and in compliance with relevant consents.

Transwaste will, in due course, invest in alternatives to landfilling for solid waste disposal, should these alternatives be more environmentally sustainable and cost effective.

Policies and objectives relating to ownership and control

It is critical that waste management achieves not only commercial requirements, but also wider social and economic objectives. Therefore Council has a policy of maintaining, together with other local authorities in the region, an equal interest in residual waste disposal activities.

Key performance targets

Transwaste annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in Transwaste's Statement of Intent.

The Council provides feedback to Transwaste on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from Transwaste's Statement of intent.

Performance targets

- Nil established consent breaches.
- Landfill is available to waste transporters for more than 99% of normal annual transport access hours.
- BRRP is available to demolition contract transporters for more than 99% of normal annual transport access hours.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
<u>Kate Valley</u>			
Revenue	43,340		
Earnings before interest and tax	15,396		
Dividends	11,000	10,200	9,800
<u>Burwood Resource Recovery Park</u>			
Revenue	1,512		
EBIT	(262)		
Dividends	5,000	5,000	5,000
Ratios			
Shareholder's funds / total assets	61.4%	59.3%	56.6%

Council Controlled Organisations Central Plains Water Trust

www.cpw.org.nz



The Central Plains Water Trust (CPWT) was established by the Christchurch City and Selwyn District Councils (the Settlers) to facilitate sustainable development of central Canterbury's water resource.

Resource consents were issued by the Environment Court in July 2012 which allow water to be taken from the Rakaia and Waimakariri rivers for the Central Plains Water Enhancement Scheme operated by Central Plains Water Limited (CPWL).

Stage 1 of the Scheme has been completed. Stage 2 commenced in 2016 and is expected to be completed in September 2018.

Nature and scope of activities

To seek resource consents for the proposed Canterbury Plains Water Enhancement Scheme (now finalised and issued), and to hold these consents for the use of Central Plains Water Limited.

CPWT undertakes monitoring of CPWL's activities to ensure compliance with the resource consent conditions, operates a public complaints procedure, and administers the Environmental Management Fund that receives annual contributions from CPWL.

Policies and objectives relating to ownership and control

The Council recognises a major regional economic benefit in managing the water resource in the central Canterbury Plains, including significant employment creation. The Council, as a 50 per cent Settlor of the CPWT, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

Key performance targets

CPWT annually agrees its key financial and non-financial performance indicators with the Council. These indicators are outlined in CPWT's Statement of Intent.

The Council provides feedback to CPWT on the proposed targets.

A summary of the key performance and financial performance targets from the 2018/19 Statement of Intent is provided below. More detail can be obtained from CPWT's Statement of intent.

Performance targets

- Monitor the performance of CPWL in constructing, commissioning and operating the Scheme, and communicate the results to the public.
- Consult, and develop scheme recreational opportunities for the headrace canal and its margins and establish and support the Environmental Management Fund.

Financial performance targets

	2019	2020	2021
	\$000	\$000	\$000
Revenue	80	80	80
Expenditure (including grants payments)	80	80	80
Deficit for year	-	-	-

Council Controlled Organisations Gardens Event Trust

The Gardens Event Trust is a Charitable Trust established by the Council in December 2008.

The Trust has been dormant since 2014 and has no retained earnings.

The primary purpose of the Trust was to raise the community's awareness of the benefits of good horticultural, floricultural and landscape construction and design practices and encourage active participation in these practices across all cultures and age groups.

Nature and scope of activities

In order to pursue its Charitable Objects the Trust focused on the following activities:

- Fostering, promoting and increasing the knowledge of the public as to horticulture, floriculture, landscape construction, landscape design and cuisine.
- Providing support for schools of learning and establishing scholarships and prizes in areas of horticulture, floriculture, landscape design and construction.
- Promoting gardening as a leisure activity across all cultures, genders and age groups in New Zealand.
- Promoting and maintaining the health and safety of the public or any section of the public.

Key performance targets

As the Trust is dormant no performance targets have been set