

TE KAHA PROJECT DELIVERY LIMITED



FY23-25

STATEMENT OF INTENT

TABLE OF CONTENTS

HE MIHI	3
FOREWORD	4
INTRODUCTION	5
PURPOSE	6
VISION	6
PARTNERSHIP	7
GOALS	8
APPROACH	9
PRINCIPLES	10
KEY PROJECT ACTIONS	11
PERFORMANCE TARGETS	13
GOVERNANCE	17
BOARD COMPOSITION	18
REPORTING	18
STATEMENT OF INTENT	18
QUARTERLY REPORTING	18
HALF AND FULL YEAR REPORTING	18
SHAREHOLDER MEETNGS	19
BRIEFINGS	19
NO SURPRISES	19
PUBLICATION OF REPORTS	20
SUMMARY FINANCIAL INFORMATION	20
COMPENSATION SOUGHT	20
ACCOUNTING POLICIES	20
CONTACT DETAILS	21

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.

On the 27 January 2022, the Christchurch City Council approved the Te Kaha preliminary design recommendation. Early works for Te Kaha will commence from the end of March 2022, followed by developed design in April 2022 and the design and construct recommendation in mid-2022 to construct and commission Te Kaha by mid-2025.

Barry Bragg

Chair, Te Kaha Project Delivery Limited



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 duration of the project. It covers the Pre-Contract Services Agreement (PCSA) phase and signals intent 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 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 mid-2025 and the decommissioning of the Project Delivery Company – anticipated to be during the 2025 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 commission and deliver a multi-use arena to meet the target specification, target budget and by mid-2025 to enable Te Kaha and Venues Ōtautahi 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 venue users 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.

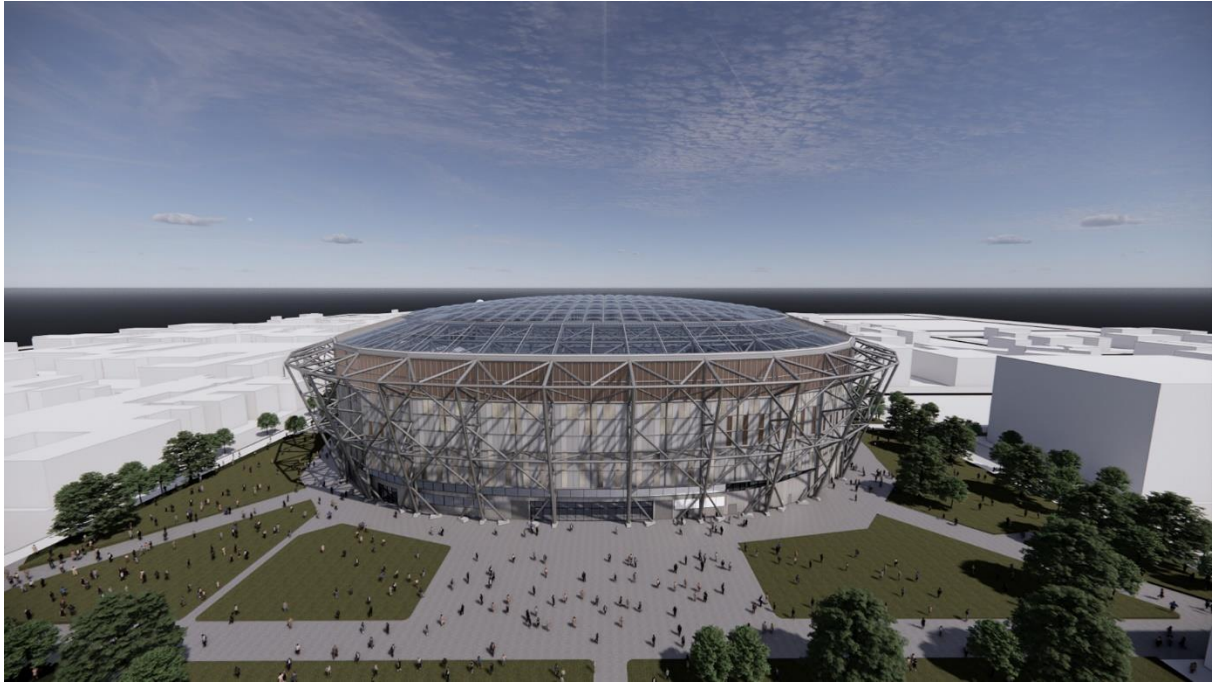
To achieve this, it is critical that Te Kaha Project Delivery Limited work closely with the appointed Operator (Venues Ōtautahi) to ensure the arena is built to meet operational effectiveness and efficiency, both currently and in terms of the foreseeable future. This means the Te Kaha Project Delivery Limited must adopt a “whole-of-life” cost approach balancing capital costs, operating costs, and periodic refurbishment costs.

The Te Kaha Project Delivery Limited Board and Council recognise this will be a significant challenge given the constraints of funding, and the physical environment of the arena.

PARTNERSHIP

An important **principle** recognised within this SOI is the three-way partnership – 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 the arena. This will deliver an inherently Canterbury venue and experience that is the pride and delight of all.



GOALS

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

- Deliver an arena by the target delivery date of mid 2025;
- 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 manawhenua; 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 Limited 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 4 Star Green Star rating

- 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 the arena is resilient both to physical events, and to changing market demands over its planned useful life; and
- Ensure the arena 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.*



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 venue design must also consider the future of events and future-proof the venue 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 3 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.



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 Council in relation to its entering into both the Pre Contract Services Agreement ("PCSA") and Design & Construct Contract ("D&C").
- 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 process 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.
- Evaluate identified 'value-add' opportunities against the project budget and on a cost benefit basis before adopting or recommending to Council for a budget revision.

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.
- 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 (ie including fixed-term staff).
- Provide local procurement opportunities where practical and commercially feasible for local stakeholders including manawhenua.
- Consult with the appointed arena Operator (Venues Ōtautahi) and key stakeholders during the PCSA stage to ensure the design specifications will deliver the **goals** set out in this SOI.
- 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 SOI. 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 framework with Council employees, contractors, sub-contractors, and advisors working on the project that ensure a commitment to achieving no serious harm incidents during both the PCSA and D&C phases of the project.
- The safety and well-being of all people connected to the venue and the project including the team, visitors and third-party stakeholders, is a paramount principle underpinning all decisions associated with the project.
- Ensure all critical hazards are identified and effective controls are implemented to eliminate or effectively manage those hazards.

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.
- 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

- Ensure all significant stakeholders in the project – the Crown (via Council); Venues Ōtautahi as the Operator, key regular users of the arena, manawhenua and the community regularly receive factual updates about the progress being made toward completion of ‘their’ arena.
- Develop an integrated communications plan that builds excitement and pride of ownership among the people of Canterbury.
- Work with Ngai Tūāhuriri 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 and within the arena.

9. Future-proof

- Future-proof the venue 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			
		2022/2023	2023/2024	2024/2025
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.
Creating Something Special				
Value-add opportunities identified, assessed, and harnessed		100% of value-add opportunities identified, assessed, and harnessed.	100% of value-add opportunities identified, assessed, and harnessed.	100% of value-add opportunities identified, assessed, and harnessed.
Future-proof				
Close engagement of Te Kaha Project Delivery Limited Board in design		Future-proof the venue within the project cost envelope, to ensure it is fit for purpose for a changing event landscape.		
Project Management, Control and Assurance Targets				
Project Management Plan (PMP) developed, and alignment maintained		Alignment with PMP maintained.	Alignment with PMP maintained.	Alignment with PMP 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.

Objective and Strategy	Performance Measure			
		2022/2023	2023/2024	2024/2025
Management of Project Programme		PCSA - report against programme and 50% probability and 85% probability position.	D&C – report against programme and 50% probability and 85% probability position.	D&C – report against programme and 50% probability and 85% probability position. Delivery by the mid- 2025.
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		Stage Gate reviews completed and recommendations addressed.	Stage Gate reviews completed and recommendations addressed.	Stage Gate reviews completed and recommendations addressed.
Financial				
Te Kaha is delivered on or below budget		PCSA contract within approved budget/ D&C contract within construction budget.	D&C contract within construction budget.	Project delivered within budget.
Capital expenditure decisions optimise capital budget and long-term whole-of-life costs (ie being the measure of resilience). Operational costs and other matters duly considered		Capital and whole-of-life costs optimised. Operational implications considered.	Capital and whole-of-life costs optimised. Operational implications considered.	Capital and whole-of-life costs optimised. Operational implications 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.

Objective and Strategy	Performance Measure			
		2022/2023	2023/2024	2024/2025
Kaitiakitanga, Sustainability and the Environment				
Clear sustainability standards developed for the project during the PCSA and D&C phases		Monitor project sustainability outcomes.	Monitor project sustainability outcomes.	Best practice sustainability building standards long term operational sustainability delivered, within the available project budget.
Health, Safety and Wellness				
Framework for health, safety and wellness is implemented to ensure all involved directly or indirectly with the project are kept safe and well		Health, safety, and wellness framework reviewed.	Health, safety, and wellness framework reviewed.	Health, safety, and wellness framework reviewed.
Critical hazards are managed effectively.		For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.
Baseline lag indicators are monitored to ensure safety for all		No serious harm incidents during both the PCSA and D&C phases.	No serious harm incidents during 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.
Shareholder Relationships				

Objective and Strategy	Performance Measure			
		2022/2023	2023/2024	2024/2025
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				
Council, Venues Ōtautahi and Key User		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.	Regular factual updates provided, within agreed timeframes, to all significant stakeholders in the project.
Engaging with the community taking into account its diversity and the need for inclusion of a wide variety of people with various needs.		Implement communications and community engagement strategy.	Review communications and community engagement strategy.	Review communications and community engagement strategy.
Cultural connection		Build connection with name through implementation of communications and community engagement strategy.	Build connection with name through implementation of communications and community engagement strategy.	Build connection with name through implementation of communications and community engagement strategy.
Project Delivery Target				

Objective and Strategy	Performance Measure			
		2022/2023	2023/2024	2024/2025
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.
Venues Ōtautahi signs off on the design as being fit for operator's purpose		Venues Ōtautahi maintains oversight throughout D&C phase to ensure alignment.	Venues Ōtautahi 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 Matapopore/ Ngāi Tūāhuriri to ensure cultural narrative incorporated into design.	Cultural narrative reflected in final venue.	Cultural narrative reflected in final venue.
Risk Management				
Project risk register is up to date and risks are actively managed (including financial, delivery and reputational risks)		Risks are actively managed.	Risks are actively managed.	Risks are actively managed.
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 but will not be for longer than four years.

REPORTING

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

- Statement of Intent annually;
- Half-year and full-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 mid-2025 and the decommissioning of the Project Delivery Company – anticipated to be during the 2025 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 governance costs for the Te Kaha Project Delivery Limited Company are detailed below. These form part of the overall total project cost.

Company Operational Cost

Total Operating Budget	\$1,604,879
Financial Year Forecasts:	
FY 2020/21	\$324,440
FY2021/22	\$290,439
FY2022/23	\$330,000
FY2023/24	\$330,000
FY2024/25	\$330,000

Note: All figures are GST exclusive.

The total Te Kaha project budget including contingency and project opening date will be recommended to Council as part of the Design and Construct contract recommendation by the Te Kaha Project Delivery Limited Board in mid-2022.

COMPENSATION FROM COUNCIL

Te Kaha Project Delivery Limited expects to receive funding from the Council for the financial year beginning 1 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.

Te Kaha Project Delivery Limited will support the Council in its efforts to seek additional income from some other local authorities but notes the primacy of the relationship between the Council and its neighbouring territorial local authorities and the Treasury, along with the Operator's commercial partners.

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

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

