



# Council controlled organisations



CCHL is the wholly owned investment arm of Council, holding shares in various trading companies and monitoring other trading companies 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

### Nature and scope of activities

CCHL's key purpose is to invest in and promote the establishment of key infrastructure, and this now extends to assisting the Council in the rebuild and redevelopment of Christchurch following the Canterbury earthquakes. CCHL invests in infrastructural assets such as the electricity distribution network, the airport, port, transport and high speed broadband.

Their strategic approach is to identify infrastructural needs that cannot be filled by the private sector or existing Council operations, then take a role in helping to meet those needs through joint ventures, public-private partnerships, establishing new entities or simply acting as a catalyst for others.

CCHL also encourages and, if necessary will facilitate, appropriate investment by its trading companies when significant upgrades are required to existing infrastructural assets – recent examples being the funding of Enable, the provision of some of the funding requirements for the construction of the new airport terminal and support for the strengthening of the Orion network.

### Policies and objectives relating to ownership and control

This company was established to group the Council's interest 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 agrees annually 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 throughout the year 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 2015/16 Statement of Intent is provided below. More detail can be obtained from CCHL's Statement of Intent.

#### Performance targets

- CCHL will cooperate with the Council in implementing its capital release programme.
- Maintain corporate governance procedures that are appropriate, documented and reflect best practice.
- Monitor subsidiary CCTOs' compliance with the Local Government Act's requirements to:
  - achieve the objectives of the shareholder as set out in their Statements of Intent;
  - be a good employer;
  - exhibit a sense of social and environmental responsibility; and
  - conduct their affairs in accordance with sound business practice.
- Monitor the capital structures of the subsidiary companies and their performance against external benchmarks.

#### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Net profit after tax	46.0	41.2	53.7
Ordinary dividend	46.0	38.1	37.1
Equity	1,447.0	1,250.0	917.0
Net debt	474.0	469.0	518.0
<b>Ratios</b>			
Shareholder's funds / total assets	75%	72%	63%
net debt / net debt plus equity	25%	27%	36%
Interest cover (EBIT / Interest)	2.5	2.5	2.7

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

- Connetics Ltd

**Nature and scope of activities**

Orion owns and operates one of the largest electricity distribution networks in New Zealand. The network covers 8,000 square kilometres in central Canterbury between the Waimakariri and Rakaia rivers and from the Canterbury coast to Arthur's Pass.

Orion's network delivers electricity to around 190,000 homes and businesses. This number has reduced from pre-earthquake levels because of earthquake related demolitions.

**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 agrees broad parameters within which Orion will operate, reflecting the public nature of Orion without inhibiting proper commercial management.

**Key performance targets**

Orion agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from Orion's Statement of Intent.

**Performance targets**

- Lay and commission a permanent 66kV high voltage underground feed from Transpower's Bromley grid exit point to the McFaddens, Dallington and Rawhiti Domain substations, then remove the temporary 66kV overhead lines installed after the February 2011 earthquake.
- Work with CERA and the Council to re-establish power and network resilience to the CBD according to agreed priorities and timeframes.
- Undertake a \$90 million share buy-back in the 2016 financial year to achieve a more efficient capital structure.
- Continue with the Orion engineering development programme and continue to develop the Connetics apprentice scheme.

**Financial performance targets**

	2016	2017	2018
Profit after tax (\$ million)	49.0	46.0	49.0
Profit after tax to average equity (%)	6.9%	6.9%	7.4%
Fully imputed dividends (\$ million)	48.0	45.0	45.0
Debt to debt plus equity (%)	29.0%	31.0%	33.0%
Equity to debt plus equity (%)	71.0	69.0	67.0
Equity to total assets (%)	58.0%	56.0%	55.0%

**Network reliability (urban)**

SAIDI (duration of supply interruptions in minutes per year)	31.0	27.0	24.0
SAIFI (number of supply interruptions per year per	0.8	0.8	0.7

LPC was established under the Port Companies Act 1988 operating the Port of Lyttelton. Through CCHL, the Council has 100% shareholding in the company.

LPC is New Zealand's third-largest deep-water port. 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 agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from LPC's Statement of Intent.

### Performance targets

- To measurably improve safety performance
  - to engage and empower our staff;
  - to improve the safety of our facilities and working environment; and
  - to develop our communications structure for effective issue escalation and resolution.
- Nil serious harm accidents.
- Total recordable injury frequency rate (per 200,000 hours) to improve over the next three financial years to 10.1, 8.1 and 6.5 respectively.
- Optimise the Port from an efficiency and productivity perspective, as well as planning for the transition to the Te Awaparahi Bay reclamation.

### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Revenue	114.0	120.0	130.0
EBITDA	26.0	28.7	35.4
NPAT	12.5	11.4	12.7
<b>Ratios</b>			
Interest cover ratio	N/A	N/A	12.3
ROE	2.3%	2.1%	2.3%
<b>Other measures</b>			
Crane rate (no. of containers moved onto to a ship in an hour)	25	28	28
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 Christchurch International Airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users and in accordance with the terms of the aerodrome licence which defines standards and conditions laid down by the Ministry of Transport.

### 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 company arranges for the design, provision and maintenance of runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation of New Zealand and other airport users. It also seeks to earn revenue by providing services and facilities meeting the needs of air travellers.

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 agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from CIAL's Statement of Intent.

### Performance Targets

- Actively market Christchurch, Canterbury and the South Island as a major destination and gateway for overseas visitors, in order to strengthen the position of Christchurch International Airport as the aviation and tourism hub to the South Island.
- Pursue initiatives to grow shareholder value and provide a sustainable revenue stream through maximising the investment in, and development of, the company's property holdings.
- Adopt an environmentally responsible attitude to the operation of the business (including land use, storm water runoff and noise management) and pursue a commitment to the sustainable management and development of the natural, physical and human resources utilised in the business.
- Achieve a Bird Strike incidence rate of 3<4/10,000 aircraft movements on a 12 month rolling average basis in line with level set for airports of a similar scale.
- Achieve a lost time injury frequency rate (LTI / million hours worked) better than industry standards, with ultimate target of Nil.

### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Total Revenue	169.7	176.6	184.9
EBITDAF	102.3	110.5	117.5
Net Profit After Tax	34.7	37.2	40.1
<b>Ratios</b>			
EBITDAF as % of Revenue	60.3%	62.6%	63.5%
Return on Average Equity	4.5%	4.7%	4.9%
Return on Average Total Assets	2.8%	2.9%	3.1%
<b>Dividends</b>	16.5	18.9	20.7



City Care is a CCTO, 100% owned by Council through CCHL.

### Nature and scope of activities

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

- Constructing and maintaining property buildings and facilities for central and local government and for private asset owners and developers.
- Maintaining parks infrastructure, predominately for local authorities.
- Constructing and maintaining road networks and associated civil assets for both central and local authorities and for private asset owners and developers.
- Constructing and maintaining water and wastewater infrastructure predominately for local authorities.

### 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 quality contractor. 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

City Care agrees annually its key financial and non-financial performance indicators with its shareholder, CCHL. These indicators are outlined in City Care'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 2015/16 Statement of Intent is provided below. More detail can be obtained from City Care's Statement of Intent.

### Performance targets

- Maintain current client satisfaction through annual survey.
- Win one new significant contract or acquisition.
- Maintain accreditation for ISO 14001 Environment Management, NZS 4801 Health and Safety Management and ISO 9001 Quality Management.
- Achieve 5% reduction in TRIF (Total Recordable Incident Frequency) accident rates.

### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Revenue	350.1	362.8	391.7
Net Profit After Tax	8.8	9.7	11.5
Equity	56.1	58.6	64.8
<b>Dividends</b>			
Ordinary dividends	4.6	4.6	5.3
Special dividends	2.5	2.5	-
<b>Ratios</b>			
Return on Average Equity	16.0%	16.9%	18.6%
Shareholder Funds/Total Assets	50.7%	50.3%	51.4%
Debt to Debt plus Equity	27.3%	28.2%	26.6%

This company is a CCTO, 100% owned by CCHL and trades as Enable Networks.

### Nature and scope of activities

ESL commenced operations in January 2007 to deliver open access high-speed fibre optic networks to metropolitan Christchurch changing its name in October 2011.

In May 2011, the Crown awarded ESL the UFB contract covering 180,000 businesses and homes in Christchurch and the surrounding areas. This once-in-50-year infrastructure initiative will see an investment in partnership with the Crown of some \$440 million over 10 years and will contribute significantly to economic growth in Christchurch.

### Associate companies

Enable Networks Limited (ENL)

### Policies and objectives relating to ownership and control

ESL is considered a regionally important 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 agrees annually its key financial and non-financial performance indicators with its shareholder, CCHL. These indicators are outlined in ESL'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 2015/16 Statement of Intent is provided below. More detail can be obtained from Enable's Statement of Intent.

### Performance targets

- Promote the uptake of UFB services in the greater Christchurch area to drive business and economic growth and gain lifestyle improvement for residents, with 100% of schools passed by June 2016 and 19% of residential and business premises connected to the network.
- Achieve environmentally friendly design standards, with ducting and optical fibre to be underground for 70% or more of the city.
- Lost time injuries per million hours to improve over the next three years to 3.0, 2.6 and 2.2 respectively, with zero serious harm injuries.

### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Operating Revenue	80.0	65.2	67.8
Cost of Sales – Network Build	(70.9)	(55.6)	(58.2)
Net Revenue after Cost of Sales	5.8	5.8	5.9
EBITDA	0.5	1.1	1.4
Net Profit/(Loss) After Tax	(11.5)	(9.6)	(7.4)

### Other measures

Number of premises passed (brownfield)(cumulative)	84,533	104,330	124,125
Number of connections (cumulative)	23,514	36,636	52,224



EcoCentral is a CCTO, 100% owned by CCHL.

EcoCentral oversees the processing of refuse and recycling collections of waste from households and commercial premises 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 Christchurch'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, is 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 ownership of CCHL, establishes broad parameters for this company without inhibiting proper commercial management.

### Key performance targets

EcoCentral agrees annually its key financial and non-financial performance indicators with its shareholder, CCHL. 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 2015/16 Statement of Intent is provided below. More detail can be obtained from EcoCentral's Statement of Intent.

### Performance targets

- EcoDrop - 7,000 tonnes recovered for re-sale
- EcoDrop - improve traffic flow design & signage to speed up exit waiting times to less than 5 minutes at peak weekend times
- EcoSort - 85% MRF plant availability
- EcoSort - 9% waste
- EcoShop - 160,000 customer sales per annum
- Lost time injuries per 200,000 hours worked less than 10

### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Sales	36.5	36.9	37.3
Net profit after tax	0.8	1.0	1.2
Return on equity	12.3%	14.1%	15.0%
<b>Dividends</b>	0.3	0.3	0.3



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

Red Bus operates a large passenger transport business in Canterbury with approximately 230 employees and 132 buses. 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 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 agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from Red Bus' Statement of Intent.

### Performance targets

- Fewer than 15 lost time injuries per million hours worked (equivalent to 7 LTIs annually).
- At least 85% of the bus fleet has engines with Euro 2 or higher emission standards.
- Fewer than three substantiated complaints per 100,000 customers.
- Achieve at least 82% in mystery shopper survey.

### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Revenue	18.5	19.0	19.5
EBITDA	2.7	2.9	3.0
Net profit after tax	0.4	0.5	0.4

### Ratio

Net debt as a % of equity	<20%	<20%	<20%
---------------------------	------	------	------

### Other Measures

Number of urban passengers	At least 3.5 million
Minimum fleet utilisation in peak	At least 85%
Percentage of service trips not run	<1%
Percentage of service trips starting on time	At least 97%

Vbase is a 100% subsidiary of the Council. Vbase owns, manages and operates a portfolio of venues in Christchurch.

### Nature and scope of activities

While the 2011 earthquakes have led to the demolition and or closure of three out of four Vbase owned venues, the company has secured various management agreements post earthquake to operate alternative/temporary sporting, event space and convention venues. The current list of Vbase venues are:

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

### Policies and objectives relating to ownership and control

Through the Statement of Intent, the Council establishes broad parameters reflecting the public benefits which the Vbase operations facilitate.

### Key performance targets

Vbase agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from Vbase's Statement of intent.

### Performance targets

- Facilitate access to venues to local community and charitable organisations by providing venue discounts of \$300,000.
- At least 90 events delivered at Horncastle Arena.
- Deliver at least 1 major event at AMI Stadium that is outside the standard Super 15 and provincial rugby fixtures.
- At least 30 event days are delivered at Hagley Oval Pavilion.
- At least 50 events are delivered at ilex function room.

### Financial performance targets

	2016 \$000	2017 \$000	2018 \$000
Earnings before interest, tax, depreciation and amortisation	(2,541)	(1,844)	(1,453)
Net profit / (deficit) after tax	(1,907)	4,310	12,599
<b>Forecast capital structure</b>			
Equity	170,700	157,406	133,085
Debt	15,485	1,000	1,000
Total assets	225,841	199,686	179,134
<b>Ratios</b>			
Shareholder's funds / total assets	76%	79%	74%

## Council Controlled Organisations Civic Building Ltd

CBL is a CCTO, 100% owned by the Council.

### Nature and scope of activities

CBL owns a 50% interest of the CCBJV with NTPL. 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 for the management and investment in the building.

### Key performance targets

CBL agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from CBL's Statement of intent.

### 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

	2016	2017	2018
	\$000	\$000	\$000
Revenue	5,191	5,226	5,186
Expenses	6,616	6,651	6,686
Net loss after tax	(973)	(972)	(1,022)

### Forecast capital structure

Finance lease asset	50,701	49,980	49,189
Borrowings from Council	58,888	58,888	58,888
Total assets	61,711	60,902	59,189

### Ratios

Shareholder's funds / total assets	(12.9%)	(14.6%)	(16.6%)
------------------------------------	---------	---------	---------

## Tuam Ltd

Tuam is a CCTO, 100% 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 CCDU during 2014. Tuam is reviewing its long-term strategies which will be consistent with Council's strategies and plans.

### Policies and objectives relating to ownership and control

Through a Statement of Intent, the Council established broad parameters reflecting the public nature of this company without inhibiting commercial management. To continue to do this the Council maintains a controlling interest in this company.

### Key performance targets

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

The Council provides feedback to Tuam on the proposed targets.

A summary of the key performance and financial performance targets from the 2015/16 Statement of Intent is provided below. More detail can be obtained from Tuam's Statement of intent.

### Performance target

- Capital distributions to Council will be maximised.

### Financial performance targets

	2016 \$000	2017 \$000	2018 \$000
Revenue	246	196	196
Expenses	69	44	32
Net profit after tax	155	123	132

### Forecast capital structure

Debt	-	-	-
Total assets	20,630	20,740	20,868

### Ratios

Shareholder's funds / total assets	99.%	99.%	99.%
------------------------------------	------	------	------

Council Controlled Organisations  
**Canterbury Development Corporation Holdings Ltd**  
[www.cdc.org.nz](http://www.cdc.org.nz)

CDCH is 100% owned by Council. It was incorporated on 4 May 2012 as CCC Four Limited and on 1 July 2012 it acquired full ownership of CDC.

CDC was set up as a limited liability trust company by Council on 5 December 1983. In 2003 the CDC Trust was settled by Council as CDC Limited shareholder. This charitable trust was subsequently found to be invalid by the High Court so ownership of CDC was transferred to CDCH.

### Subsidiary and associate entities

As part of delivering against its objective to develop the economy, CDC has been instrumental in the establishment of a number of entities and is the sole shareholder of CRIS Limited. New Zealand Food Innovation (SI) Limited is a fully owned subsidiary of CRIS Limited and forms part of a National Network that attracts significant funding from the MBIE.

CDC is also a Joint Venture (JV) partner with the Canterbury Employers' Chamber of Commerce in Canterbury Regional Business Partner Limited, a regional vehicle funded by the MBIE to drive increased capability in the small to medium entity sector; and the Canterbury Business Recovery Group Ltd, founded following the 2010 and 2011 earthquakes to support small businesses through their recovery from events subsequent to the earthquakes.

### Nature and scope of activities

- CDC provides economic development leadership for Christchurch.
- CDC maintains Centres of Expertise in Economic Research, Workforce and Infrastructure.
- CDC initiates and/or implements priority economic development projects identified through the Canterbury Economic Development Strategy (CEDS).
- CDC leads the CRIS.
- CDC facilitates the development of key sectors and specific high growth potential businesses within these sectors to achieve national and local government growth agendas.
- CDC works to optimise the long term benefits of the significant investment in the city rebuild.

### Policies and objectives relating to ownership and control

The Council is the sole shareholder of CDCH. CDCH has an important role in the City by being responsible for the development and stewardship of the CEDS. Through the

negotiation of an annual Statement of Intent, the Council establishes broad parameters for CDCH without inhibiting proper commercial management.

### Key Performance Targets

CDCH agrees annually its key financial and non-financial performance indicators with the Council. The Council provides feedback to CDCH on the proposed targets.

A summary of the key performance and financial performance targets from the 2015/16 Statement of Intent is provided below. More detail can be obtained from CDCH's Statement of intent.

#### Performance targets

- CEDS is re-endorsed by Council and key partner agencies as the guiding document for all economic development activity in Christchurch.
- Economic updates for the City and region including rebuild are produced and communicated to relevant audiences.
- Provide practical support to targeted organisations to ensure their presence in the region and ability to catalyse long term economic growth e.g. Connected Canterbury, International Education Leadership Forum, Precision Agriculture Association (NZ), Food South, Greater Christchurch Schools Network, Canterbury Software Cluster, ICT Graduate School.
- Business Mentoring Services are provided to local business and organisations.
- CDC remains a member of the national Commercialisation Partner Network and delivers against the MBIE funding contract to deliver targeted support of the Regional Innovation System

#### Financial performance targets

	2016 \$ million	2017 \$ million	2018 \$ million
Council funding	4.46	4.44	4.35
Other funding	3.52	2.36	2.44
Shareholder's funds/total assets	80%	79%	78%



## Council Controlled Organisations

### Riccarton Bush Trust

[www.riccartonhouse.co.nz](http://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.

Incorporated under a 1914 Act of Parliament, a series of amendments, the most recent being the Riccarton Bush Amendment Act 2012 give the Riccarton Bush Trust the power to levy 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 agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from Riccarton Bush Trust's Statement of Intent.

#### Performance targets

- Final Management Plan for Riccarton House and Bush as required by the Riccarton Bush Amendment Act 2012 adopted by March 2016.
- Minimise the number of feral pigeon in Riccarton Bush and monitor and eradicate rats from Riccarton Bush as necessary.
- Undertake a Sunday Funday in November 2015 to foster local school participation in Riccarton Bush Trust.

#### Financial performance targets

	2016	2017	2018
	\$000	\$000	\$000
Revenue	510	510	516
Expenses	510	510	516
Operating surplus / (deficit) before depreciation	-	-	-

#### Forecast capital structure

Equity	12,086	11,959	11,831
--------	--------	--------	--------

## The World Buskers' Festival Trust

[www.worldbuskersfestival.com](http://www.worldbuskersfestival.com)

The World Buskers' Festival Trust is a charitable trust established by the Council on 1 July 2010. The primary purpose of the Trust is to hold an annual international buskers festival in Christchurch and apply surplus funds generated by the festival towards promoting street theatre as a performing art in New Zealand.

### Nature and scope of activities

The Trust is established for charitable objectives that include the following:

- Holding an annual buskers festival in Christchurch.
- Fostering the growth of street theatre as a performing art in New Zealand.
- Encouraging the participation of the wider community as audiences and performers in street theatre as a recreational activity.
- Increasing the importance of street theatre as part of our cultural community.
- Furthering the objects and activities of the Trust.
- Generating capital and income to further the aims and objects of the Trust.
- Working in conjunction with other groups, bodies and organisations having aims and objects in common with the Trust.

### 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

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

The Council provides feedback to WBFT on the proposed targets.

A summary of the key performance and financial performance targets from the 2015/16 Statement of Intent is provided below. More detail can be obtained from WBFT's Statement of intent.

### Performance targets

- 75% of shows are free to attend. Entry to indoor shows is by donation with a suggested minimum donation.
- Create a Buskers Roadshow of the Canterbury region to offer more opportunity for people to experience the festival.
- 250,000 people attend the festival.
- 10% of artists deliver community based workshops, talks or educational programmes.
- A minimum of 20% of performers are from New Zealand.

### Financial performance targets

	2016 \$000	2017 \$000	2018 \$000
Revenue			
Cash	1,430	1,385	1,340
Contra	470	465	460
	<hr/> 1,900	<hr/> 1,850	<hr/> 1,800
Expenses			
Cash	1,428	1,380	1,332
Contra	470	465	460
	<hr/> 1,898	<hr/> 1,845	<hr/> 1,792
Surplus	2	5	8

Council Controlled Organisations  
**Rod Donald Banks Peninsula Trust**  
[www.roddonaldtrust.co.nz](http://www.roddonaldtrust.co.nz)

The Rod Donald Banks Peninsula Trust is a charitable trust and was created by the Council on 12 July 2010. The Trust was established to honour the memory of Rod Donald and his commitment to Banks Peninsula and the Trust exists for the benefit of the present and future inhabitants of the Banks Peninsula and visitors to the region. The Trust's long term vision is to restore the Banks Peninsula to its traditional status as Te Pataka o Rakaihautu – the storehouse that nourishes. In pursuit of this vision the Trust promotes the sustainable management and conservation of the natural environment of the Banks Peninsula.

### 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 their 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

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

The Council provides feedback to RDBT on the proposed targets.

A summary of the key performance and financial performance targets from the 2015/16 Statement of Intent is provided below. More detail can be obtained from Rod Donald Bank Peninsula Trust's Statement of intent.

### Performance targets

- Progress the Spine of the Lizard project according to Phase 1 of the project plan.
- Open and manage the Rod Donald Hut.
- Keep the RDBPT's map, brochure and web products updated with changes and new walks in the new reserves.

### Financial performance targets

	2016	2017	2018
	\$000	\$000	\$000
Revenue	104	220	77
Operational expenditure	82	83	85
Committed grants	31	-	-
Minor projects	31	32	32
Capital grants and projects	346	346	346
<b>Balance of Trust funds</b>	<b>2,506</b>	<b>2,265</b>	<b>1,879</b>

## Christchurch Agency for Energy Trust

CAfE is a charitable trust established by the Council on 13 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 supporting the uptake of renewable energy and enhanced energy-efficiency in rebuild projects. It is currently undertaking:

- The provision of the Christchurch Energy Grant Scheme, which aligns with the Climate Smart and Sustainable Energy Strategies of Council. The scheme provides a grant for plant purchase and installation for renewable energy initiatives, district energy scheme and energy efficiency measures that go well beyond the building code minimum in new and/or renovated buildings. To be eligible projects must be located in the Central City and have a combined floor area greater than 1,000m<sup>2</sup>.
- The provision of Energy First grants in conjunction with the Energy Efficiency and Conservation Authority (EECA). These are provided within the existing EECA and Council Target Sustainability programmes. CAfE provides additional project funding where the EECA national programme does not currently support a grant.

### Policies and objectives relating to ownership and control

The Council is the settlor of CAfE. It has no plans to relinquish control of CAfE as it plays a role in the City's energy efficiency and sustainability objectives. Through the negotiation of an annual Statement of Intent, the Council establishes broad parameters for CAfE.

### Key performance targets

CAfE agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from CAfE's Statement of intent.

#### Performance targets

- Allocation of the remaining balance of Trust funds for initiatives within the central city through the Christchurch Energy Grants Scheme.

#### Financial performance targets

	2016 \$000	2017 \$000	2018 \$000
Revenue	56	21	2
Expenditure (including grants payments)	299	1,215	700
Deficit for year	(243)	(1,194)	(698)
<b>Awarded by unpaid Christchurch Energy Grant Scheme grants</b>	1,870	680	-
<b>Balance of Trust funds</b>	1,893	698	-

## Council Controlled Organisations Transwaste Canterbury Ltd



Transwaste was incorporated on 31 March 1999 with the principal purposes of selecting, consenting, developing, owning and operating a non-hazardous regional landfill in Canterbury. The landfill was opened on 8 June 2005. Transwaste is a joint venture between local authorities in the region and Transpacific Industries Group (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 agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from Tuam's Statement of intent.

### Performance targets

- Greater than 90% of landfill gas captured at Kate Valley in accordance with the regulations to the Climate Change Response Act 2002.
- No transfer station is unable to receive waste during its normal operating hours due to Transwaste's failure to supply containers.
- Kate Valley landfill is available to waste transporters for more than 99% of normal annual transport access hours.
- Total recordable injury frequency rate for the last 12 months is maintained for improved (actual for 2014 was zero).

### Financial performance targets

	2016	2017	2018
	\$000	\$000	\$000
<u>Kate Valley</u>			
Revenue	53,628		
Earnings before interest and tax	23,255		
Dividends	16,100	16,300	15,600
<u>Burwood Resource Recovery Park</u>			
Revenue	17,053		
EBIT	11,481		
<b>Ratios</b>			
Shareholder's funds / total assets	56%	60%	64%

## Council Controlled Organisations Central Plains Water Trust

[www.cpw.org.nz](http://www.cpw.org.nz)



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

Trustees of the CPWT were appointed by the two Councils to reflect a broad range of skills and experience in areas such as governance, agriculture, engineering, commerce and resource management. Some Trustee appointments were made following recommendations from the Parliamentary Commissioner for the Environment and Te Runanga O Ngāi Tahu.

The resource consent process has taken over 11 years with the 'take' consents for the Rakaia and Waimakariri Rivers having been lodged in 2001. Since this date there has been a lengthy hearing and appeal mediation process resulting in the Rakaia consent being extended by 10 years to 35 years which now makes it consistent with the Waimakariri term.

Central Plains Water Limited (CPWL), with assistance from the Trust, has successfully negotiated and settled with all appellants and a final memorandum was filed in the Environment Court so that it could issue the final consents. As part of the settlement process the Trust agreed to an agreement made with Ngāi Tahu for additional Ngāi Tahu representation on the Trust Board, and the settler councils have now endorsed this.

The final resource consents were issued by the Environment Court on 25 July 2012.

In April 2014, a significant milestone was achieved with the commencement of the construction of Stage 1 of the CPWL Scheme. Following this, the Trust's priority is now focused on reviewing the funding arrangements to continue in assisting CPWL in the construction of the scheme and monitor CPWL's activities especially compliance with the Water Use Agreements.

### Nature and scope of activities

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

### 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, through its involvement with the CPWT, hopes to mitigate the adverse effects of any proposed scheme on its own water supply.

### Key performance targets

CPWT agrees annually 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 2015/16 Statement of Intent is provided below. More detail can be obtained from Tuam's Statement of intent.

#### Performance targets

- Develop methods to effectively monitor the performance of CPWL in constructing, commissioning and operating the Scheme and communicate the results to the public. In doing this the existing memorandum of understanding will be revised and the existing website of CPWT revised to enable reporting of the outcomes of the monitoring.
- Establish a committee to support the Environmental Management Fund included in the resource consent conditions.

#### Financial performance targets

The expenditure of CPWT is reimbursed by CPWL under an agreement dated 6 May 2004.

It is anticipated that by 30 June 2015 that all CPWT's commitments will be extinguished and according there will be no cash held or debt owing to CPWT.



## Council Controlled Organisations Canterbury Economic Development Co. Ltd

Canterbury Economic Development Co. Ltd (CED Co) was formed in October 2008 by the ten Canterbury local and regional authorities. The core purpose and mission of the company is to act as a promoter for transformational economic development projects that will benefit Canterbury and to utilise the Canterbury Regional Economic Development Strategy (CREDS) to co-ordinate strategic economic development initiatives.

### Nature and scope of activities

CED Co will act as a liaison with Central Government regarding economic development on behalf of the councils and community of Canterbury. Its objectives are:

- To receive, review and select the most appropriate projects for funding application for the Regional Strategy Fund.
- Act as the clearing house of correspondence between projects and the Ministry of Economic Development (MED) and NZTE.
- Provide feedback regarding project proposals.
- Communicate shifts and changes in MED/NZTE policy to the regional economic development role players.
- Provide a governance and leadership entity to stimulate collaborative efforts to transform the Canterbury economy.
- Drive the review of the CREDS.
- Stimulate regional collaboration.
- Support medium to long term strategic planning to lift regional economic development outcomes – such as increased competitiveness.

### Policies and objectives relating to ownership and control

Participating Councils have been formally asked to provide their opinions on how best to use the Company going forward. In addition discussions will be held at upcoming Council Chief Executives forums on the possibility of utilising the Company as a possible shared service mechanism for the Canterbury area.

### Key performance targets

The Council will continue to be involved in setting the future targets for the Company.

