



ANNUAL REPORT

1 July 2018 – 30 June 2019

Kia whakahaumanutia te whenua,
ngā tāngata me te tāone

*Let the land, the people
and the city be rejuvenated*

Regenerate Christchurch is an independent organisation funded by the Crown and the Christchurch City Council. Regenerate Christchurch focusses on catalysing and accelerating activities, investment, interventions and outcomes to achieve additional benefits that would not otherwise have occurred, or which would have taken longer to deliver.

CONTENTS

SECTION ONE: ABOUT US

WHAT WE DO	6
CHAIR AND CHIEF EXECUTIVE'S REPORT	7
HIGHLIGHTS	8
PURPOSE, OBJECTIVES AND FUNCTIONS	10
OUR PRIORITIES	11

SECTION TWO: OUR WORK

WHAT WE ARE WORKING ON	14
REGENERATE CHRISTCHURCH FINANCIAL SUMMARY	19

SECTION THREE: ORGANISATION & GOVERNANCE

ORGANISATIONAL HEALTH AND CAPABILITY	22
GOVERNANCE	24
THE BOARD	26
DISCLOSURES OF INTERESTS BY BOARD MEMBERS	28

SECTION FOUR: PERFORMANCE & FINANCIALS

STATEMENT OF RESPONSIBILITY	32
STATEMENT OF SERVICE PERFORMANCE	34
HOW DID WE MEASURE UP?	38
INDEPENDENT AUDITOR'S REPORT	41
ANNUAL FINANCIAL STATEMENTS	44

SECTION ONE:

ABOUT US

WHAT WE DO	6
CHAIR AND CHIEF EXECUTIVE'S REPORT	7
HIGHLIGHTS	8
PURPOSE, OBJECTIVES AND FUNCTIONS	10
OUR PRIORITIES	11

WHAT WE DO



IMAGE CAPTION

Student taking selfie with kapa haka group.

Regenerate Christchurch, jointly funded by the Crown and Christchurch City Council, was established under the Greater Christchurch Regeneration Act 2016 (the Act) to lead regeneration, engage and advocate effectively with communities and stakeholders, work collaboratively with others and provide independent advice to decisionmakers.

The scope of our work is broad, from extended, geographically-focused areas to the provision of key strategic advice on achieving regeneration outcomes.

Over time, our focus has adapted to reflect Christchurch's evolving needs. We identify opportunities to maximise the benefits of the significant private and public investment that has been made in Christchurch. While the Act under which we operate has unique powers, we cannot work in isolation and we collaborate to ensure visible, cohesive leadership across an aligned public sector.

CHAIR AND CHIEF EXECUTIVE'S REPORT



Dr Thérèse Arseneau
Board Chair



Ivan Iafeta
Chief Executive

The 2018-2019 year was one in which significant milestones in Regenerate Christchurch's work programme were achieved and the impacts of earlier work materialised.

The most significant work programme milestone, in terms of project scale and scope, was the public notification (November 2018) and subsequent submission to the Minister for Greater Christchurch Regeneration (March 2019) of the draft regeneration plan for the Ōtākaro Avon River Corridor.

It was the culmination of extensive work by Regenerate Christchurch, community organisations and individuals with a passionate interest in the area's development; and collaboration with our statutory partners – Christchurch City Council, Environment Canterbury, Te Rūnanga o Ngāi Tahu and Te Ngāi Tūāhuriri Rūnanga, the Department of the Prime Minister and Cabinet, and Ōtākaro Limited.

Determining the best uses of 602 hectares of earthquake-damaged land is complex. It requires a long-term view which can be challenged by the tendency to measure progress against what is physically happening on the ground. Development of this area will happen progressively over the next 30 years and beyond, reflecting the collaborative and enduring nature of regeneration.

Regenerate Christchurch also developed an independent report on regeneration momentum in the central city, which said progress had been made but challenges still existed; and recommended strategies to

address them. The Christchurch City Council responded with the cross-agency Central City Action Plan, which aims to encourage people back to the central city.

During the 2018-2019 year, the \$16 million rebuild of Redcliffs School began. This was enabled by the Minister for Greater Christchurch Regeneration's earlier decision to accept Regenerate Christchurch's recommendation that Section 71 of the Greater Christchurch Regeneration Act 2016 be used to enable the school to re-locate to Redcliffs Park. The school was forced to operate away from its original site following the February 2011 earthquake because of rock fall risk.

We look forward to continuing to create an exciting future for Christchurch, in partnership with the private sector and broader public sector. We all have a role to play.

We would like to acknowledge former Board Chair Sue Sheldon, and former Board members Richard Holden, Humphry Rolleston and Ross Butler, whose terms ended during the 2018-2019 year. Their commitment to the organisation's purpose, objectives and functions was unwavering, and a critical component of the progress we have made during the past 12 months.

HIGHLIGHTS

2018

Regenerate Christchurch establishes and opens the Southshore and South New Brighton Coastal Futures Community Hub at 82 Estuary Road, providing the community with information about development of the regeneration strategy.

JUL 2018

A Regeneration Strategy for Cathedral Square, in the form of strategic guidance and leadership advice, is provided to the Minister for Greater Christchurch Regeneration and Christchurch City Council. This advice focuses on mitigating short to medium term risks and challenges present to the Cathedral Square and surrounding area.

Formal engagement with section 29 parties to seek views and refine the draft Ōtākaro Avon River Corridor Regeneration Plan commences, as required under Section 33(2) of the Act.

The draft Outlines for the partial revocation of the Christchurch Central Recovery Plan and the Land Use Recovery Plan were submitted to the Minister for Greater Christchurch Regeneration.

SEP 2018

The draft Ōtākaro Avon River Corridor Regeneration Plan is publicly notified.

The Southshore and South New Brighton Technical Baseline Report "Information about the Area" is published.

NOV 2018

AUG 2018

Public feedback on the Refined Shortlist "Research and Engagement Report" for the Ōtākaro Avon River Corridor is finalised and published.

Regenerate Christchurch provides its views and recommendations on the finalised proposal from the Christchurch City Council for the Yaldhurst Recreation and Sports Facility to Minister Nanaia Mahuta, as required under section 66 (4) (a) of the Greater Christchurch Regeneration Act (the Act).

OCT 2018

Section 29 parties' feedback on the draft Ōtākaro Avon River Corridor is received.

Regenerate Christchurch provides views and recommendations to the Christchurch City Council on the draft proposal to exercise powers under section 71 of the Act for the Residential Unit Overlay in the Christchurch District Plan.

DEC 2018

Minister Mahuta approves the proposal to enable development of the Yaldhurst Recreation and Sports Facility.

2019

The draft Ōtākaro Avon River Corridor Regeneration Plan and the proposed partial revocation of the Christchurch Central Recovery Plan are submitted to the Minister for Greater Christchurch Regeneration.

Advice regarding Southshore and South New Brighton is provided to the Minister for Greater Christchurch Regeneration and Christchurch City Council.

MAR 2019

Based on earlier advice from Regenerate Christchurch, Christchurch City Council decides to assume leadership of the Southshore and South New Brighton project.

MAY 2019

APR 2019

Advice regarding the leadership and governance of the Ōtākaro Avon River Corridor Regeneration Area is provided to the Minister and Christchurch City Council.

An updated assessment of Christchurch's regeneration and strategic advice is provided to the Minister and Christchurch City Council.

JUN 2019

Southshore and South New Brighton information transfer to Council is completed. Further advice on governance and ownership of the Ōtākaro Avon River Corridor Regeneration Area is provided to the Minister and Christchurch City Council.



IMAGE CAPTION

Artists impressions of the Ōtākaro Avon River Corridor Regeneration Area.

PURPOSE, OBJECTIVES AND FUNCTIONS

Regenerate Christchurch’s purpose, objectives and functions are set out in the Greater Christchurch Regeneration Act 2016.

Purpose

- To support a vibrant, thriving Christchurch that has economic, social and lifestyle opportunities for residents, businesses, visitors and developers.

Objectives

- To lead regeneration in the area of Christchurch district that falls within greater Christchurch
- To engage and advocate effectively with communities, stakeholders, and decision makers to achieve its purpose
- To collaboratively work with others in achieving regeneration

Functions

- to develop visions, strategies, and Regeneration Plans to assist in achieving regeneration:
- to make recommendations and to provide advice to the Minister on the development, revocation, and amendment of Plans under sections 28 to 39 and 49 to 59 and the exercise of powers under section 71
- to facilitate increased investment:
- to provide advice to Ōtākaro Limited, Development Christchurch Limited (DCL), and others on the regeneration outcomes being sought:
- to comment on regeneration outcomes and interventions, and the contribution of Ōtākaro Limited and Development Christchurch Limited
- to provide independent advice on regeneration activities to Christchurch City Council and to the Minister.

OUR PRIORITIES

Regeneration Advice

Provide advice on opportunities to support successful regeneration that could be enabled through the powers under the Act, and provide advice to the Minister and Council on any unique functions that only Regenerate Christchurch must undertake under the Act.

- Undertake the necessary data gathering, research and analysis to enable “type appropriate” regeneration project delivery and advice.
- Provision of specific advice to the Minister and Council on interventions to unlock regeneration opportunities and when directed to do so, seek to overcome barriers to regeneration by optimising the use of the Act.
- Respond to any requests for regeneration planning advice from other agencies or entities, including the development of section 71 proposals and regeneration planning advice as requested by other agencies or entities.

Collaboration and Engagement

Collaborate and engage our community, stakeholders and partners towards a better Christchurch above all other interests.

- Establish appropriate engagement mechanisms for engaging with our community, stakeholders and partners specifically to support delivery of the work programme.
- Engage with other agencies, both at a management and governance level, to ensure meaningful collaboration.
- The Board will actively seek to meet regularly with the Minister and Council to enable Regenerate Christchurch to make informed decisions in carrying out its work programme priorities.

Preparing for Transition

Plan, prepare for, and commence implementation of, an orderly and well managed transition.

- Build a genuinely agile operating model and prepare the organisation for transition within agreed limitations.
- Commence organisational transition planning in 2019-20, undertaking necessary preparation and knowledge building for the local agencies that are identified as responsible for ongoing regeneration leadership.
- Actively transition project lessons, knowledge and expertise, as well as assets and responsibilities to local entities (as confirmed), to build capability and capacity as a result of those lessons.

SECTION TWO:

OUR WORK

WHAT WE ARE WORKING ON	14
OUTPUT CLASS ONE: REGENERATION ADVICE	14
OUTPUT CLASS TWO: COLLABORATION AND ENGAGEMENT	16
OUTPUT CLASS THREE: TRANSITION	17
REGENERATE CHRISTCHURCH FINANCIAL SUMMARY	19

WHAT WE ARE WORKING ON

This Statement of Performance Expectations sets out the three output classes that Regenerate Christchurch will deliver in the 2019–2020 financial year. Regenerate Christchurch is a special-purpose statutory entity established on 8 April 2016 pursuant to the Greater Christchurch Regeneration Act 2016 (the Act). It is governed by the Board of Regenerate Christchurch and funded by the Christchurch City Council (Council) and the Crown.

OUTPUT CLASS ONE REGENERATION ADVICE

This output class will provide advice on opportunities to support successful regeneration that could be enabled through the powers under the Act, and provide advice to the Minister and Council on any unique functions that only Regenerate Christchurch must undertake under the Act.

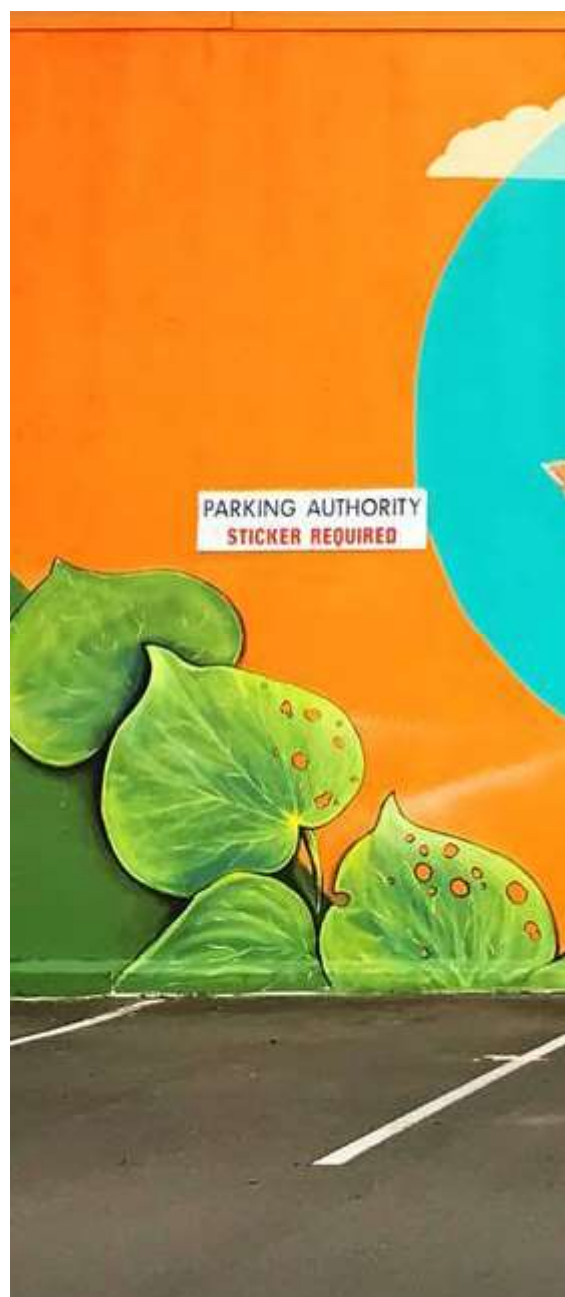


IMAGE CAPTION

Street art by Erika Pearce.



2

OUTPUT CLASS TWO **COLLABORATION AND ENGAGEMENT**

This output class will collaborate and engage our community, stakeholders and partners towards a better Christchurch above all other interests.



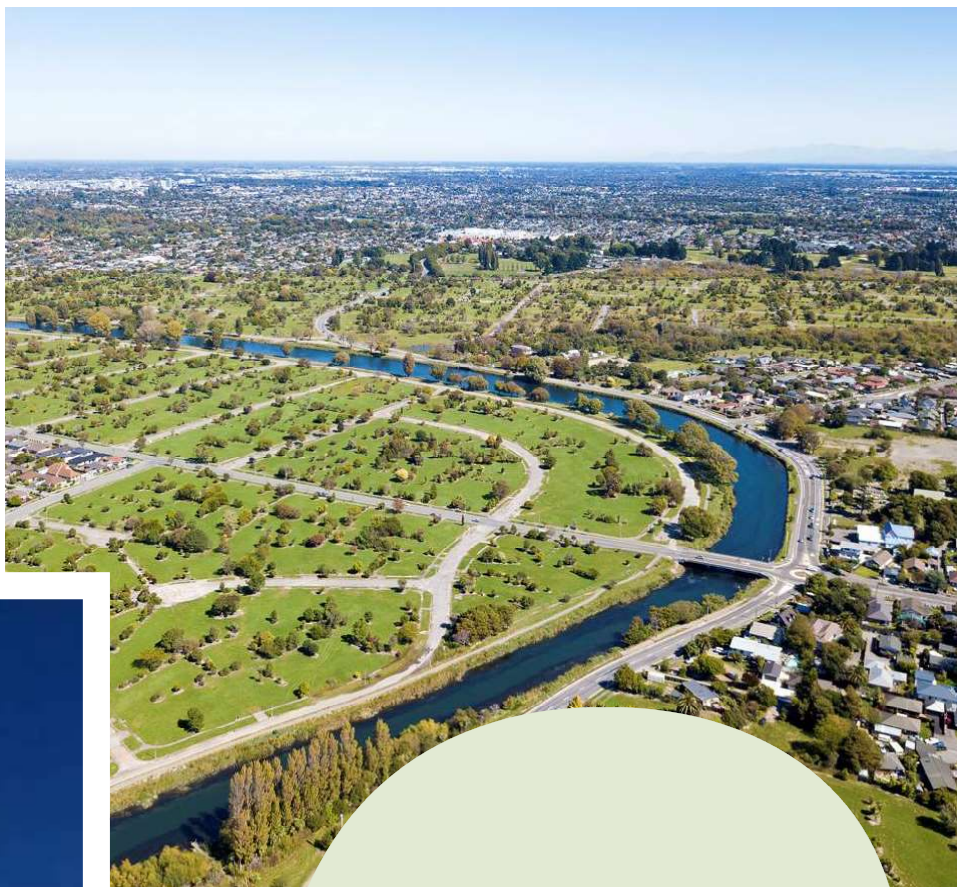


IMAGE CAPTION

Ōtākaro Avon River Corridor.



IMAGE CAPTION

SALT District.



**OUTPUT CLASS THREE
TRANSITION**

This output class will plan, prepare for, and commence implementation of, an orderly and well managed transition.



IMAGE CAPTION

Organic Matters
street art.

REGENERATE CHRISTCHURCH FINANCIAL SUMMARY

OUTPUT CLASS	YTD 2018/19 ACTUAL	YTD 2018/19 BUDGET	VARIANCE
--------------	-----------------------	-----------------------	----------

1. Leading the Regeneration of Christchurch

Revenue			
Crown	851,764	1,305,252	453,488
Council	851,764	1,305,252	453,488
Total Revenue	\$1,703,528	\$2,610,504	\$906,976
Expenditure			
Leading the Regeneration of Christchurch	617,910	1,106,087	488,177
Staff Costs (Direct and Indirect)	685,685	1,073,908	388,223
Corporate costs & Depreciation	399,933	430,509	30,576
Total Expenditure	\$1,703,528	\$2,610,504	\$906,976
Subtotal	-	-	-

2. Delivering Regeneration in Christchurch

Revenue			
Crown	3,091,517	3,418,475	326,958
Council	3,091,517	3,418,475	326,958
Total Revenue	\$6,183,034	\$6,836,950	\$653,916
Expenditure			
Ōtākaro Avon River Corridor	1,861,892	1,494,165	-367,727
Southshore and South New Brighton	463,685	594,736	131,051
Delivery of Regeneration Planning Initiatives	-	807,958	807,958
Staff Costs (Direct and Indirect)	2,436,400	2,812,581	376,182
Corporate costs & Depreciation	1,421,057	1,127,510	-293,547
Total Expenditure	\$6,183,034	\$6,836,950	\$653,916
Subtotal	-	-	-

3. Facilitating the Regeneration of Christchurch

Revenue			
Crown	96,679	252,813	156,134
Council	96,679	252,813	156,134
Total Revenue	\$193,358	\$505,626	\$312,268
Expenditure			
Statutory Response Function	70,136	214,237	144,101
Staff Costs (Direct and Indirect)	77,828	208,004	130,176
Corporate costs & Depreciation	45,394	83,384	37,991
Total Expenditure	\$193,358	\$505,626	\$312,267
Subtotal	-	-	-
Total Expenditure	\$8,079,920	\$9,953,080	\$1,873,160

* The 2018/19 Budget column differs from the 2018/19 Statement of Performance Expectations as the budget amounts have been updated to allocate budgeted expenditure to ensure consistency with the 2018/19 Actual column.

SECTION THREE:

ORGANISATION & GOVERNANCE

ORGANISATIONAL HEALTH AND CAPABILITY	22
GOVERNANCE	24
THE BOARD	26
DISCLOSURES OF INTERESTS BY BOARD MEMBERS	28

ORGANISATIONAL HEALTH AND CAPABILITY

Values and Behaviours

We have a culture that supports the delivery of our work. We expect our staff to be bold, brave, and creative, to support each other, to be agile and flexible, and to do things efficiently.

We have established:

- Regular one-on-one check-ins for all staff
- A flat organisational structure allowing for effective and efficient decision making and enhanced collaboration
- Comprehensive role descriptions resulting in greater role clarity and accountability for our team members
- a commitment to continuous improvement
- an organisational structure and approach to our work that allows staff to contribute to multidisciplinary teams and develop their skills
- a People and Capability Strategy to support a high-performance culture.

Health and Safety

Regenerate Christchurch places the health, safety and wellbeing of its people as one of its highest priorities and is committed to ensuring zero harm to staff, contractors and visitors. We aim to be a wellbeing leader and have a health and safety framework in place that meets the requirements of the Health and Safety at Work Act 2015. We take a best-practice approach to wellbeing, health and safety and not one that is simply compliance focused.

We achieve this by:

- deliberate and effective leadership through the Board and management modelling the behaviours expected from staff and contractors
- continual implementation of a robust health and safety framework and monitoring adherence to the framework and taking corrective actions if required
- allocating necessary resources to ensure compliance with regulatory obligations while demonstrating good health and safety practices
- reviewing policies to ensure leadership is accountable for monitoring all staff, especially during periods of high work intensity, to ensure adequate rest periods are taken and teams and individuals can perform at their best.

Organisational Capability

We completed a significant review of our organisational capability requirements during the financial year which resulted in a change to our organisational structure to better position the organisation to deliver on our work requirements. As a publicly funded organisation that will continue to evolve and adapt. We need to ensure staff have a broad mix of skills, experiences and perspectives. We regularly review the capability of our people so necessary skill sets are aligned with our work programme and to ensure value for money is being achieved.

Risk and Fraud Management

We are committed to proactively and consistently managing risk, and recognise that risk management is critical to the success of Regenerate Christchurch.

We have a risk policy that provides clear mitigations to minimise the impact of a risk event occurring and the effect this might have on Regenerate Christchurch.

Good Employer

Regenerate Christchurch is committed to being a good employer and providing a safe, fair and respectful working environment. Consistent with clause 37 of Schedule 5 of the Greater Christchurch Regeneration Act 2016, Regenerate Christchurch:

- Carries out reviews of operational personnel policies in place to ensure we are meeting the Human Rights Commission's seven key elements of being a good employer
- Has embedded these principles in our overall People and Capability strategy to ensure they are "lived and breathed" by our organisation
- Has established an employment and remuneration committee to carry out annual reviews of Regenerate Christchurch's Good Employer policy
- Has made its personnel policy available (including the recruitment and selection policy which details our commitment to the principles of equal employment) to all staff and is included in the "Welcome Induction Handbook" distributed to all new starters
- Offers an attractive place to work by ensuring the Board and management support an inclusive workplace.

GOVERNANCE

Board structure

The Greater Christchurch Regeneration Act 2016 requires that Regenerate Christchurch is overseen by an independent board. The Board is comprised of five members: three appointed by the Christchurch City Council (Council) and two appointed by the Minister for Greater Christchurch Regeneration (Minister), one of which is a person nominated by Te Rūnanga o Ngāi Tahu. The current Board was appointed on 1 July 2019 and consists of Dr Thérèse Arseneau (Chair), Jen Crawford and Bill Dwyer appointed by the Council, and Hilary Walton and Manaia Cunningham (Te Rūnanga o Ngāi Tahu) appointed by the Minister.

Funding

We are funded by Christchurch City Council (Council) and the Crown, who contribute up to \$5million (\$4million from the Crown and \$1million from the Council for the 2019-2020 financial year.

Roles and responsibilities

The Board is responsible for the exercise of the functions and powers of Regenerate Christchurch under the Greater Christchurch Regeneration Act 2016 and the organisation's overall strategic direction. This is achieved by:

- agreeing to regeneration priorities, monitoring progress against strategic outcomes and approving the Statement of Intent
- overseeing financial processes and systems of control, reviewing any significant forecast expenditure and approving the Statement of Performance Expectations
- evaluating the principal risks we face and ensuring adequate risk mitigations.

The Board Charter sets out how the Board governs Regenerate Christchurch within the framework of the Act.

The Board has delegated to the Chief Executive the day-to-day management, operation and administration of Regenerate Christchurch.

Indemnities and insurance

Regenerate Christchurch has the following liability insurances in place: public, employer, statutory, defence cost, association, professional indemnity, directors and officers liability, employment disputes, criminal defence costs, internet liability, and crime and cyber.

Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions. No allegations or claims have been made against Regenerate Christchurch during the financial year for the liability or costs of any member, office holder, or employee. No indemnity has been provided by Regenerate Christchurch during the financial year to any member, office holder, or employee.

Board Committees

The following committees support the Board:

Risk, Audit and Finance Committee

Provides assurance and assistance to the Board on the governance of finance, the internal control environment, external accountability and risk management. This committee also monitors the liquidity and cashflow requirements of Regenerate Christchurch to meet any operational budget requirements.

Employment and Remuneration Committee

Providing advice and assistance to the Board on the appointment, performance and remuneration of the Chief Executive, organisational human resource matters, overseeing the induction and professional development of Board members, and coordinating Board performance review processes.

THE BOARD

2018 – 2019

Sue Sheldon FCA CFInstD was Chair of Regenerate Christchurch from February 2018 to 30 June 2019. She is a Director of Real Journeys and FibreTech Holdings and an independent Board Member of The Salvation Army New Zealand, Fiji, Tonga and Samoa. Sue is also the independent Chair of the Audit and Risk Committee of the Auckland Council. Sue has an extensive governance background including as Chair of Chorus and Freightways, deputy Chair of the Reserve Bank of New Zealand and a director of a number of large entities. She was made a Companion of the New Zealand Order of Merit for services to business in 2007 and is a Life Member of Chartered Accountants Australia and New Zealand.

Richard Holden was a board member from 19 April 2016 to 30 June 2019, has a 40-year financial services background and has served on the Board of the Lotteries Commission and as Chair of Milestone Joint Venture Partnership. He is a Certified Financial Planner (CFP) and Chartered Life Underwriter (CLU). He brings to the board considerable experience in investment analysis, risk management and senior governance processes. Locally, Richard has been extensively involved in sports administration in rugby union and masters rowing.

Bill Dwyer was a board member from 1 July 2016 to 26 February 2019 is the Chair of Development Christchurch Limited (DCL), the Council's development and investment agency. He is a commercial and corporate lawyer educated at the University of Canterbury and is an alumni patron of the UC Foundation. He is a former director of Christchurch City Holdings Limited (CCHL).

Humphry Rolleston was a board member from 1 July 2016 to 31 May 2019. He has served as a director of a number of private, public and state-owned enterprises operating throughout New Zealand. He is currently a director of various companies, including Property for Industry and Infratil Limited. He is also director and founder of Asset Management Limited, which invests in small local businesses operating in the tourism, manufacturing, security and technology sectors. Humphry is a Fellow of the New Zealand Institute of Directors and the New Zealand Institute of Management.

Ross Butler was a board member from 1 July 2016 to 18 December 2018. He has previously served as Chair of Ōtākaro Limited, the Crown company responsible for the delivery of Crown-led anchor projects and precincts in Christchurch, and Chair of Government-owned insurer Southern Response. Ross was the first Chair of the Code Committee

(Financial Advisers Act) in the wake of finance company failures and is also Chair of Mercer New Zealand and Mercer Investments Australia Pty Ltd, the Australian arm of New York listed global services group Marsh & McLennan.

Jen Crawford ChMinstD has been a Board member since 1 July 2016. She is a lawyer with 20 years of national and international experience in project consenting and planning. She is a Director of Ngāi Tahu Seafood Limited and member of a governance group for the Canterbury Schools rebuild programme. Past roles include UC Foundation Trustee and Chair of the Arts Centre of Christchurch Trust Board.

Manaia Cunningham (Ngāti Irakehu, Ngāi Tahu, Ngāti Mutunga) has been a Board member since July 2016. He is a qualified teacher now employed by Te Rūnanga o Kōkourārata, the Māori settlement at Port Levy on Banks Peninsula. Manaia has a range of leadership skills and valuable experience gained in previous community roles and has a long-standing involvement with Te Rūnanga o Ngāi Tahu. Manaia currently sits on the Banks Peninsula Zone Committee. He was previously employed as the Ngāi Tahu strategic advisor at Environment Canterbury (ECan).

PAST BOARD MEMBERS (L-R): SUE SHELDON, RICHARD HOLDEN, HUMPHRY ROLLESTON AND ROSS BUTLER

Page 26: Past board members serving between 2018-2019

Page 27: Current board members serving as at 1 July 2019



As at 1 July 2019

Dr Thérèse Arseneau is the Chair of Regenerate Christchurch. She has extensive governance experience and currently chairs the boards of ChristchurchNZ, Ara Institute of Canterbury and the Christchurch Symphony Orchestra; and is a Director of J Ballantyne and Company Ltd. Past governance roles include as a Director and Chair of Enterprise North Canterbury, Deputy Chair of the Family Help Trust and Director of the Social Sciences and Humanities Research Council of Canada.

Bill Dwyer is the Chair of Development Christchurch Limited (DCL), the Council's development and investment agency. He is a commercial and corporate lawyer educated at the University of Canterbury and is an alumni patron of the UC Foundation. He is a former director of Christchurch City Holdings Limited (CCHL).

Jen Crawford ChMinstD has been a Board member since 1 July 2016. She is a lawyer with 20 years of national and international experience in project consenting and planning. She is the Independent Chair of Ashton Wheelans Chartered Accountants, a Director of Ngāi Tahu Seafood Limited and member of a governance group for the Canterbury Schools rebuild programme. Past roles include UC Foundation Trustee and Chair of the Arts Centre of Christchurch Trust Board.

Hilary Walton is the Manager Enterprise Business Systems at Airways and leads the strategy for IT operations and digital business transformation. She has a background in organisational psychology, risk management and security. Her international experience includes work with the MI5 intelligence agency and the 2012 Olympic Games and Paralympic Games in London.

Manaia Cunningham (Ngāti Irakehu, Ngāi Tahu, Ngāti Mutunga) has been a Board member since July 2016. He is a qualified teacher now employed by Te Rūnanga o Koukourārata, the Māori settlement at Port Levy on Banks Peninsula. Manaia has a range of leadership skills and valuable experience gained in previous community roles and has a long-standing involvement with Te Rūnanga o Ngāi Tahu. Manaia currently sits on the Banks Peninsula Zone Committee. He was previously employed as the Ngāi Tahu strategic advisor at Environment Canterbury (ECan).

CURRENT BOARD MEMBERS (L-R): DR THÉRÈSE ARSENEAU, BILL DWYER, JEN CRAWFORD, HILARY WALTON AND MANAIA CUNNINGHAM



DISCLOSURES OF INTERESTS BY BOARD MEMBERS

The Board maintains and regularly updates an interests' register to ensure conflicts of interest (both real and perceived) are recorded and managed as required by Schedule 5 of the Act.

Interests for Board members as at 30 June 2019¹ are set out below.

As at 30 June 2019

Sue Sheldon

Director
Real Journeys Limited

Director and Shareholder
Fibretech Holdings Limited

Independent Chair
Audit and Risk Committee
– Auckland Council

Director
Salvation Army

Richard Holden

Director
Milestone Financial Services Ltd

Managing Director
Milestone Financial Services
(Canterbury) Ltd

Director
Nedloh Trustee Ltd

Director/Shareholder
Waekura Ltd

Manaia Cunningham

Secretary
Te Rūnanga o Kōkourārata

Member
Banks Peninsula Zone Committee

Bill Dwyer

Chair
Development Christchurch Ltd

Director
Lyttleton Port Company Ltd

Trustee
Ohinetahi Charitable Trust

Humphry Rolleston

Chairman
ANZCRO Pty Ltd (Tourism)

Chairman/Owner
Spaceships Ltd (Tourism)

Chairman/Shareholder
Children's Bay Holdings Ltd
(Akaroa, Farming within City Area)

Trustee
180 Degrees Trust
(Education in Christchurch)

Director/Shareholder
Infratil Ltd (listed infrastructure investor)

Director/Shareholder
Property for Industry
(listed industrial property investor)

Chairman
Save a Watt Ltd, Stray Ltd

Chairman
Matrix Security Ltd

Chairman
McRaes Global Ltd

Director
Free Phone Fiji Ltd

Trustee
The Christchurch Cathedral
Music and Education Trust

Chair
The Christchurch Foundation

Ross Butler

Chairman
Mercer New Zealand

Chairman
Mercer Investments Australia

Member
Code Committee
– Financial Markets Authority

Director
Hockey New Zealand Major Events Limited

Jen Crawford

Consultant
Anderson Lloyd
(through Jen Crawford Limited)

East Lake Trust
A partner of Anderson Lloyd, David Goodman is a Trustee. Anderson Lloyd has provided advice to the trust on a pro bono basis*

Director
Ngāi Tahu Seafood Limited

Director
Ngāi Tahu Seafood Products Limited

Director
Ngāi Tahu Seafood Resources Limited

Director
Ngāi Tahu Aquaculture Services Limited

Co-opted Trustee
Burnside Primary School

Interests as at 1 July 2019 are set out below.

As at 1 July 2019

Dr Thérèse Arseneau

Chair
ChristchurchNZ

Chair
ChristchurchNZ Holdings

Director
J Ballantyne Ltd

Chair
Christchurch Symphony Orchestra

Chair
Ara Institute of Canterbury

Bill Dwyer

Chair
Development Christchurch Ltd

Director
Lyttleton Port Company Ltd

Trustee
Ohinetahi Charitable Trust

Jen Crawford

Consultant
Anderson Lloyd
(through Jen Crawford Limited)

East Lake Trust
A partner of Anderson Lloyd, David Goodman is a Trustee. Anderson Lloyd has provided advice to the trust on a pro bono basis*

Director
Ngāi Tahu Seafood Limited

Director
Ngāi Tahu Seafood Products Limited

Director
Ngāi Tahu Seafood Resources Limited

Director
Ngāi Tahu Aquaculture Services Limited

Co-opted Trustee
Burnside Primary School

Independent Chair
Ashton Wheelans Ltd

Hilary Walton

Airways Corporation, Employee

Behaviour Centric Group,
Owner/Director

Manaia Cunningham

Deputy Chair
Te Rūnanga o Kōkōrāra

Member
Banks Peninsula Zone Committee

¹ Noting that the tenure of Bill Dwyer, Humphry Rolleston and Ross Butler ended prior to 30 June 2019 (refer pages 26–27 for detailed Board terms).

* In accordance with clause 27 of Schedule 5 of the Act, Jen Crawford sought and was granted permission to act on all Board matters relating to the East Lake Trust.

SECTION FOUR:

PERFORMANCE & FINANCIALS

STATEMENT OF RESPONSIBILITY	32
STATEMENT OF SERVICE PERFORMANCE	34
HOW DID WE MEASURE UP?	38
LEADING THE REGENERATION OF CHRISTCHURCH	38
DELIVERING REGENERATION IN CHRISTCHURCH	39
FACILITATING THE REGENERATION OF CHRISTCHURCH	40
INDEPENDENT AUDITOR'S REPORT	41
STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	44
STATEMENT OF FINANCIAL POSITION	45
STATEMENT OF CHANGES IN EQUITY	46
STATEMENT OF CASH FLOWS	47
NOTES TO THE FINANCIAL STATEMENTS	48
1 REPORTING ENTITY	48
2 STATEMENT OF ACCOUNTING POLICIES	48
3 EMPLOYEE REMUNERATION	52
4 PROPERTY, PLANT AND EQUIPMENT	54
5 FINANCIAL INSTRUMENTS	55
6 EMPLOYEE ENTITLEMENTS	55
7 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET	55
8 AUDIT FEES	56
9 IT SUPPORT SERVICES	56
10 CONTINGENT ASSETS AND LIABILITIES	56
11 SUBSEQUENT EVENTS	56
12 CAPITAL COMMITMENTS	56
13 RELATED PARTIES	57
14 KEY MANAGEMENT PERSONNEL REMUNERATION	57
15 EVENTS AFTER REPORTING DATE	58
16 STATEMENT OF PERFORMANCE EXPECTATIONS	58

STATEMENT OF RESPONSIBILITY

FOR THE PERIOD ENDED 30 JUNE 2019

We are responsible for the preparation of these financial statements and statement of performance, and for the judgements made in them.

We are responsible for any end-of-year performance information provided by Regenerate Christchurch under Part 2 of Schedule 5 of the Greater Christchurch Regeneration Act 2016.

We have the responsibility for internal controls to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, these financial statements and statement of performance fairly reflect the financial position and operations of Regenerate Christchurch for the period ended 30 June 2019.

Approved

For and on behalf of the Board
of Regenerate Christchurch



Dr. Thérèse Arseneau

Chair

Date 26/9/19



Jen Crawford

Board Member

Date 26/9/19

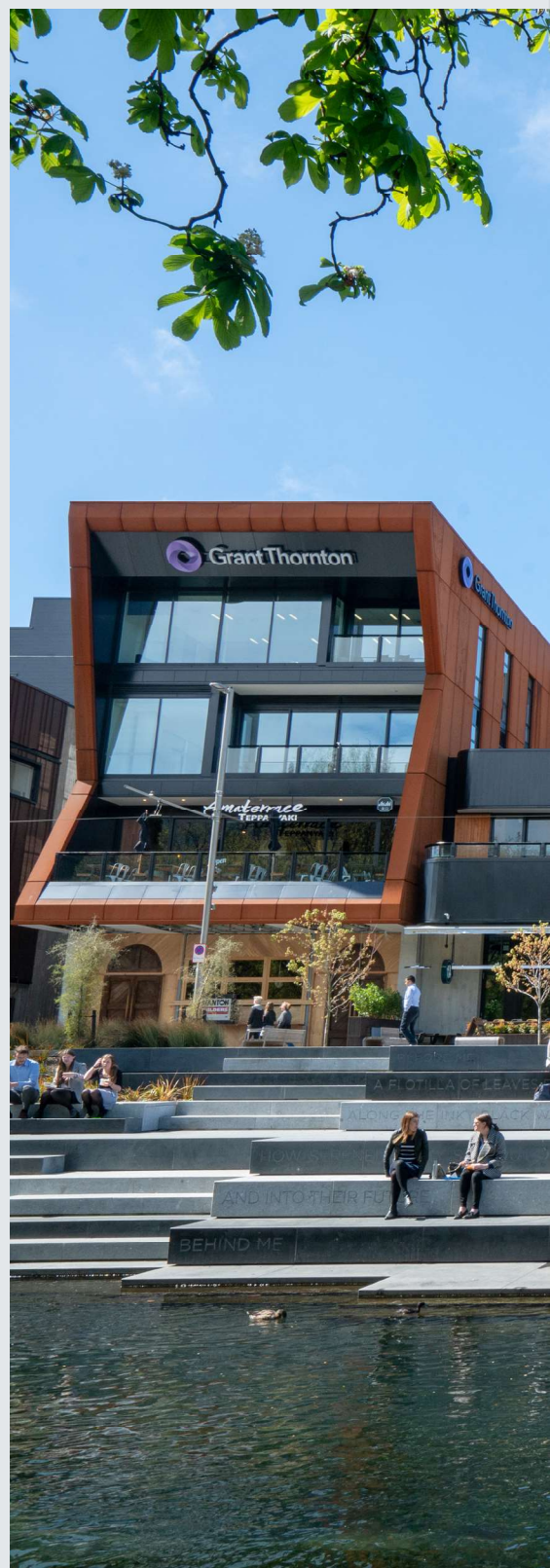


IMAGE CAPTION

The Terrace,
Central Christchurch



STATEMENT OF SERVICE PERFORMANCE

We are required to measure our performance against the targets listed in the 2017–21 Statement of Intent and the 2018–19 Statement of Performance Expectations.

2017-21 STATEMENT OF INTENT – PERFORMANCE MEASURES

MEASURE	TARGET 2018/19	ACTUAL 2018/19	
		Result	Commentary

Ōtākaro/Avon River Corridor Regeneration Area

Draft Regeneration Plan submitted to Minister (that supports the regeneration of Christchurch and is developed in accordance with the approved Outline)	Finalised on time and within budget	Met	The draft Regeneration Plan for the Ōtākaro Avon River Corridor Regeneration Area was completed under budget and was submitted to the Minister for her approval in March 2019.
---	-------------------------------------	-----	--

Southshore and South New Brighton

Regeneration strategy developed	Completed on time and within budget	Partially Met	During the development of the Regeneration Strategy advice was provided to the Minister and to Christchurch City Council recommending the uncoupling of climate change from legacy earthquake issues and for Council to complete an options analysis. Options were considered and in May 2019 the Council agreed to take over leadership of the project.
---------------------------------	-------------------------------------	---------------	--

Central City

Evaluation of progress and provision of advice on what is required to increase momentum and support regeneration	Advice and Recommendations	Met	Regenerate Christchurch provided advice to the Minister for Greater Christchurch Regeneration and the Christchurch City Council which included an assessment of the current performance of the central city, along with a series of recommendations for the Crown and Christchurch City Council to consider in responding to the current issues, challenges and opportunities – subsequently leading to the development of the cross agency Central City Action Plan led by the Christchurch City Council.
Regeneration Strategy for Cathedral Square and Surrounds	Completed on time and within budget	Met	The Cathedral Square and Surrounds Regeneration Strategy was provided to the Minister and Council in September 2018. This advice focused on mitigating short to medium term risks and challenges present to the Cathedral Square and surrounding area.

Actual performance results for the 2018–19 Statement of Performance Expectations are provided within the ‘How did we measure up?’ section on pages 38–40.

2017-21 STATEMENT OF INTENT – PERFORMANCE MEASURES

MEASURE	TARGET 2018/19	ACTUAL 2018/19	
		Result	Commentary

New Brighton

Evaluation of progress and provision of advice on what is required to support the regeneration of New Brighton.	Advice and Recommendations	Met	The revitalisation of New Brighton is being led by Development Christchurch Limited. Regenerate Christchurch's involvement is limited to occasional urban design advice/support only.
---	----------------------------	-----	---

Other Regeneration opportunities

Identification and prioritisation of opportunities to utilise the planning tools under the Act	Advice	Met	Regenerate Christchurch developed a taxonomy for prioritisation; and readily engaged with the private sector and others to assess whether the legislation could assist with regeneration.
Provision of views, recommendations and advice on planning instruments developed under the Act	Advice and Recommendations	Met	Regenerate Christchurch delivers against this target as required.

Effective Engagement and Collaboration

Engagement tactics demonstrate reach and activation across communities of place, identity/affiliation and practice	Maintain or Improve an average of 1218 comments and submissions through the Engage website for engagements from July 2018 to June 2019	Met	During the financial year, there was one major engagement period (5 weeks in November and December) for the draft OARC plan, during which Regenerate Christchurch received 2120 written comments. Following advice from Regenerate Christchurch to the Minister and Council, a second large-scale engagement period anticipated to take place during the financial year did not eventuate due to the Christchurch City Council assuming leadership of the Southshore South New Brighton project.
--	--	-----	--

2017-21 STATEMENT OF INTENT – PERFORMANCE MEASURES

MEASURE	TARGET 2018/19	ACTUAL 2018/19	
		Result	Commentary

Effective Engagement and Collaboration (CONTINUED)

Greater Christchurch residents are actively engaged with Regenerate Christchurch and the regeneration process:

– Level of interaction with Regenerate Christchurch digital engagement platform	Maintain or Improve 3500 site visits per month	Partially Met	An average of 1,896 engagement site visits per month (total for the year 22,755). During the financial year, there was one major engagement period (5 weeks during November-December), during which there were 5,418 visits to the engagement site.
– Level of engagement with Regenerate Christchurch social media presence	Maintain or Improve 4936 engagements per month on Facebook, 667 interactions per month on Instagram.	Partially Met	An average of 2869 engagements per month on Facebook, and 272 interactions per month on Instagram. Following advice from Regenerate Christchurch to the Minister and Council, a second large-scale engagement period anticipated to take place during the financial year did not eventuate due to the Christchurch City Council assuming leadership of the Southshore South New Brighton project.
– Percentage of subscribers who open the Regenerate Christchurch newsletter	Maintain or Improve 52.8%	N/A	Mass communication through the newsletter function was not required during the financial year. Instead, Regenerate Christchurch communicated directly with stakeholders of interest.
– Awareness of Regenerate Christchurch increases	Improve from 76%	N/A	Regenerate Christchurch determined that, in anticipation of the transition to local regeneration leadership, the awareness measurement utilised for the previous Annual Report was not as relevant for this document.
Regeneration partners are satisfied with the quality of engagement with Regenerate Christchurch in contributing towards regeneration activities	Satisfied or Very Satisfied (based on annual survey of regeneration partners)	Met	Three regeneration partners were very satisfied, and five regeneration partners satisfied with the quality of engagement in 2018-19. The comparative result for 2017-18 was: Partially met.

2017-21 STATEMENT OF INTENT – PERFORMANCE MEASURES

MEASURE	TARGET 2018/19	ACTUAL 2018/19	
		Result	Commentary

Quality of Advice provided to the Minister and Council

Minister and the Council are satisfied with the overall timeliness and quality of advice on regeneration activities provided by Regenerate Christchurch including advice on the progress of regeneration and additional interventions	Satisfied or Very satisfied (based on annual survey)	Met	Both the Minister and Council were satisfied with the overall timeliness and quality of advice. The comparative result for 2017-18 was: Council – Met; Minister – Not met.
Minister is satisfied with the advice and recommendations provided by Regenerate Christchurch on the development, revocation, and amendments of Plans (as that term is defined in the Act) and the exercise of powers under section 71	Satisfied or Very satisfied (based on annual survey)	Met	The Minister was very satisfied with the advice and recommendations on the development, revocation, and amendments of Plans and the exercise of powers under section 71. The comparative result for 2017-18 was: Not met.

HOW DID WE MEASURE UP?

LEADING THE REGENERATION OF CHRISTCHURCH

2018/19 STATEMENT OF PERFORMANCE EXPECTATIONS – PERFORMANCE TARGETS

2018/19	ACHIEVED?	RESULT
Further central city deliverables scoped and agreed with shareholders following delivery of initial advice.	Partially Met	Regenerate Christchurch has been advocating for consistent and coherent outcomes to measure progress of the Central City Action Plan (CCAP). As a member of the CCAP steering group Regenerate Christchurch has been contributing to the collective residential work being undertaken, particularly between the Council, Ōtākaro Limited and Regenerate Christchurch.
Deliver further central city work programme.	Met	Regenerate Christchurch is contributing to further inter-agency scoping of the activity required to assist the private and public sectors to deliver central city homes and to increase the number of residents in Christchurch, specifically within the Four Avenues over the next 3-5 years. The work to date has focused on understanding the current environment, recognising road-blocks and identifying opportunities through inter-agency, institutional and private sector engagement.
The Delivery Strategy (Regeneration Strategy) for Cathedral Square will be finalised by the end of Q1 2018/19. This will set out the delivery pathway for the design strategy (vision).	Met	A Regeneration Strategy in the form of strategic guidance and leadership advice was provided to the Minister and Council on 28 September 2018. This advice focused on mitigating short to medium term risks and challenges present to the Cathedral Square and surrounding area.
Provide a recommendation on the Cathedral construction management area allowed in Cathedral Square.	Met	Regenerate Christchurch engaged with the Cathedral Joint Venture on the development of the Cathedral reinstatement. The Cathedral Joint Venture acknowledged its responsibility for a final decision on the construction management area. Ongoing collaboration with Christ Church Cathedral Reinstatement Limited (CCRL) continues on a case by case basis in relation to advice on the development of the Cathedral Reinstatement.
Complete an enhanced framework for identifying and assessing proposals by understanding their capacity to augment regeneration. (The framework will consider the fact that the GCR Act tools expire in 2021).	Partially Met	Regenerate Christchurch Board members met with the Minister and Mayor of the Christchurch City Council in January, February and then again in early April regarding the Forward Work Programme. This resulted in an updated Statement of Intent 2019/2021 and Statement of Performance Expectations 2019/2020 being developed with revised priorities and expectations.
Use the enhanced framework to undertake an initial assessment of potential regeneration activities, subject to stakeholder feedback.	N/A	No longer relevant due to revised Minister and Council priorities and expectations communicated in March 2019.
Deliver further work programme relating to the enhanced framework.	N/A	No longer relevant due to revised Minister and Council priorities and expectations communicated in March 2019.

DELIVERING REGENERATION IN CHRISTCHURCH

2018/19 STATEMENT OF PERFORMANCE EXPECTATIONS – PERFORMANCE TARGETS

2018/19	ACHIEVED?	RESULT
---------	-----------	--------

Ōtākaro Avon River Corridor

Draft Regeneration Plan provided to parties specified in Section 29(1) of the GCR Act to seek their views.	Met	Formal engagement with Section 29 parties to seek their views on, and refine the draft Regeneration Plan, in advance of public notification was formally initiated in September 2018.
Draft Regeneration Plan publicly notified.	Met	The draft Regeneration Plan was publicly notified on 14 November 2018 and concluded on 19 December 2018.
Finalised draft Regeneration Plan submitted to the Minister for consideration by the end of Quarter 3 2018/19.	Met	The finalised draft Regeneration Plan was submitted to the Minister for consideration on 8 March 2019.

Southshore and South New Brighton

Deliver the regeneration strategy to the Crown, Christchurch City Council and Environment Canterbury for consideration.	Not Met	During the development of the Regeneration Strategy advice was provided to the Minister and to Christchurch City Council recommending the uncoupling of climate change from legacy earthquake issues and advice for Council to complete an options analysis. Options were considered and in May 2019 the Council agreed to take over leadership of the project.
---	---------	---

Delivery of Regeneration Planning Initiatives

Outputs will be activities or projects determined after identification and assessment under Output Class One. This may include preparation of Regeneration Plans or proposals for the use of Section 71 of the GCR Act. They will be subject to Regenerate Christchurch Board approval.	Met	Regenerate Christchurch has been regularly engaging with business, and community groups to better understand their experiences with progressing projects with the public sector's support. This insight is helping to identify systemic bottlenecks that are blocking regeneration progress. Regenerate Christchurch continues to actively respond to initiatives to find solutions to unlock regeneration outcomes both in the central city and wider Christchurch.
---	-----	--

FACILITATING THE REGENERATION OF CHRISTCHURCH

2018/19 STATEMENT OF PERFORMANCE EXPECTATIONS – PERFORMANCE TARGETS

2018/19	ACHIEVED?	RESULT
---------	-----------	--------

Yaldhurst Recreation and Sports Facility

Regenerate Christchurch provides its views on the finalised proposal to the Minister as soon as practicable after receiving the finalised proposal from Christchurch City Council (under Section 66 of the Greater Christchurch Regeneration Act 2016).	Met	In August Regenerate Christchurch provided its views on the finalised proposal for Yaldhurst Recreation and Sports Facility to Minister Mahuta as required under Section 66(4)(a) of the GCR Act.
---	-----	---

Timely responses to any new regeneration initiatives by proponents

Outputs for this work package are determined on a case by case basis, as required	Met	<p>Views were provided to Christchurch City Council as the proponent for the exercise of powers under Section 71 of the GCR Act to amend the Christchurch District Plan to clarify the policy regarding development in the Residential Unit Overlay area within the High Flood Hazard Management Area in Southshore, South New Brighton, New Brighton, and Redcliffs.</p> <p>Additionally, progress is underway to assess the potential use of powers under the GCR Act (section 71) to enable Hagley Cricket Oval to meet direction in the Christchurch Central Recovery Plan.</p>
---	-----	---

INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of Regenerate Christchurch's financial statements
and performance information for the year ended 30 June 2019

The AuditorGeneral is the auditor of Regenerate Christchurch (the entity). The AuditorGeneral has appointed me, Andy Burns, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, of the entity on his behalf.

Opinion

We have audited:

- the financial statements of the entity on pages 44 to 58, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the entity on page 19 and pages 34 to 40.

In our opinion:

- the financial statements of the entity on pages 44 to 58:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information on page 19 and pages 34 to 40:
 - presents fairly, in all material respects, the entity's performance for the year ended 30 June 2019, including:
 - for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 26 September 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

We have fulfilled our responsibilities in accordance with the AuditorGeneral's Auditing Standards.

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

Responsibilities of the Board for the financial statements and the performance information

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

In preparing the financial statements and the performance information, the Board is responsible on behalf of the entity for assessing the entity's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the entity, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Greater Christchurch Regeneration Act 2016.

Responsibilities of the auditor for the audit of the financial statements and the performance information

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

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

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the entity's statement of performance expectations.

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

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the entity's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 2 to 18 and 20 to 33, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the entity in accordance with the independence requirements of the AuditorGeneral's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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



Andy Burns

Audit New Zealand

On behalf of the AuditorGeneral
Christchurch, New Zealand

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

FOR THE PERIOD ENDED 30 JUNE 2019

	NOTE	2019 ACTUAL	2019 BUDGET	2018 ACTUAL
Income				
Funding – Crown		5,072,000	5,072,000	4,000,000
Funding – Council		4,000,000	4,000,000	4,000,000
Interest received		23,570	29,076	89,835
Other revenue		–	–	130,000
		9,095,570	9,101,076	8,219,835
Expenses				
Operating expenses		(3,874,402)	(4,935,472)	(4,944,338)
Employee expenditure	3	(3,222,030)	(4,094,493)	(3,916,667)
Board remuneration	3	(220,142)	(250,000)	(237,934)
Accommodation expenditure		(245,040)	(237,342)	(239,426)
Other expenses		(280,203)	(328,481)	(361,426)
Reimbursement of funding		(130,000)	–	–
Depreciation and amortisation		(108,103)	(107,292)	(119,499)
		(8,079,920)	(9,953,080)	(9,819,290)
Total comprehensive revenue and expense		\$1,015,650	\$(852,004)	\$(1,599,455)

This statement is to be read in conjunction with the notes to the financial statements on pages 48-58.

Explanations of major variances against budget are provided in note 7.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	NOTE	2019 ACTUAL	2019 BUDGET	2018 ACTUAL
Equity				
		2,036,766	206,498	1,021,116
Represented by:				
Current assets				
Cash at bank		2,322,164	577,778	1,579,126
GST refund due		105,275	–	214,468
Accounts Receivable		1,048		
		2,428,487	577,778	1,793,594
Non-current assets				
Property, plant and equipment	4	221,404	214,278	327,350
		221,404	214,278	327,350
Total assets		\$2,649,891	\$792,056	\$2,120,944
Current liabilities				
Accounts payable	5	467,772	523,542	825,150
Employee entitlements	6	145,353	62,016	274,678
		613,125	585,558	1,099,828
Total liabilities		\$613,125	\$585,558	\$1,099,828
Net assets		\$2,036,766	\$206,498	\$1,021,116

This statement is to be read in conjunction with the notes to the financial statements on pages 48–58.

Explanations of major variances against budget are provided in note 7.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
2019			
Balance at 1 July 2018	–	1,021,116	1,021,116
Total comprehensive revenue and expense for the period	–	1,015,650	1,015,650
Balance at 30 June 2019	–	\$2,036,766	\$2,036,766
2018			
Balance at 1 July 2017	–	2,620,571	2,620,571
Total comprehensive revenue and expense for the period	–	(1,599,455)	(1,599,455)
Balance at 30 June 2018	–	\$1,021,116	\$1,021,116

This statement is to be read in conjunction with the notes to the financial statements on pages 48-58.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2019

	2019 ACTUAL	2019 BUDGET	2018 ACTUAL
Operating activities			
Cash was provided from:			
Funding received from controlling entities	9,072,000	9,072,000	8,000,000
Other revenue	23,570	29,076	219,835
Net movement in GST	83,642	237,318	–
	9,179,212	9,338,394	8,219,835
Cash was applied to:			
Payments to suppliers	5,082,663	6,198,969	5,674,173
Payments to employees	3,351,354	4,094,493	3,916,667
Net movement in GST	–	–	211,815
	8,434,017	10,293,462	9,802,655
Net cash inflow (outflow) from operating activities	\$745,195	\$(955,068)	\$(1,582,820)
Investing activities			
Cash was applied to:			
Assets purchased	2,158	–	43,336
	2,158	–	43,336
Net cash inflow (outflow) from investing activities	(2,158)	–	(43,336)
Net increase (decrease) in cash held	743,037	(955,068)	(1,626,156)
Add opening cash brought forward	1,579,126	1,532,846	3,205,282
Ending cash carried forward	\$2,322,164	\$577,778	\$1,579,126
Cash balances in the statement of financial position			
Cash and cash equivalents	2,322,164	577,778	1,579,126
Ending cash carried forward	\$2,322,164	\$577,778	\$1,579,126

This statement is to be read in conjunction with the notes to the financial statements on pages 48-58.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

1 REPORTING ENTITY

Regenerate Christchurch is a body corporate established under the Greater Christchurch Regeneration Act 2016 on 8 April 2016 to lead regeneration, engage and advocate effectively with communities and stakeholders, and provide independent advice to decisionmakers. Regenerate Christchurch's obligations under the Act continue until the Act expires in June 2021.

Regenerate Christchurch's purpose is to support a vibrant, thriving Christchurch that has economic, social and cultural wellbeing and resilience for communities, through urban renewal and development, restoration and enhancement.

It is jointly owned by the Christchurch City Council (Council) and the New Zealand Government (Crown).

Sections 19 to 24 of the Crown Entities Act 2004 apply to Regenerate Christchurch (as if Regenerate Christchurch were a Crown entity) subject to certain modifications as detailed in Greater Christchurch Regeneration Act 2016.

Section 49 of the Public Finance Act 1989 applies to Regenerate Christchurch as if Regenerate Christchurch were a Crown entity.

2 STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a going-concern basis, and the accounting policies have been applied consistently throughout the year. Further information on the future of Regenerate Christchurch is contained under Note 15 on page 58.

Statement of compliance

These financial statements of Regenerate Christchurch have been prepared in accordance with the requirements of the Greater Christchurch Regeneration Act 2016, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

For the purposes of complying with NZ GAAP, Regenerate Christchurch is a public benefit entity (PBE). Regenerate Christchurch has elected to report in accordance with Tier 2 PBE Standards on the basis that it meets the defined criteria.

Measurement base

These financial statements have been prepared on a historical cost basis, except where identified in specific accounting policies below.

Presentation currency and rounding

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

Changes in accounting policy

There have been no changes in accounting policies. Accounting policies have been applied consistently throughout the period.

Summary of significant accounting policies

Budget figures

The budget figures are derived from the statement of performance expectations for the period ended 30 June 2019 as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

Good and services tax (GST)

Items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Income tax

Under s135 of the Greater Christchurch Regeneration Act, income derived by Regenerate Christchurch is exempt income for the purposes of the Income Tax Act 2007. Therefore, no provision for tax has been made in these financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Regenerate Christchurch and the revenue can be reliably measured, regardless of when the Payment is being made.

Revenue from non-exchange transactions:

Revenue from non-exchange transactions is measured at the fair value of the assets (cash) transferred over to Regenerate Christchurch at the time of transfer.

Funding from controlling entities:

Regenerate Christchurch is primarily funded by the Crown and Council. The funding is restricted in its use for the purpose of Regenerate Christchurch meeting its objectives as specified in the statement of intent. To the extent that there are conditions attached to the funding that would give rise to a liability to repay the funding amount if Regenerate Christchurch's objectives are not met, a deferred revenue liability is Recognised. Revenue is then recognised only once Regenerate Christchurch has satisfied these conditions.

Revenue from exchange transactions:

Interest income

Interest income is recognised using the effective interest method.

Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. Lease incentives received are recognised in surplus or deficit over the lease term as an integral part of the total lease expense.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

Trade and other receivables

Short-term debtors and other receivables are recorded at their face value, less any provision for impairment.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: leasehold improvements, office equipment and computer equipment. All asset classes are measured at cost, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Regenerate Christchurch and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Regenerate Christchurch and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

Asset Class	Useful life
Building fit-out	1 – 4 years
Furniture & fittings	1 – 10 years
Office Equipment	1.5 – 6 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter. The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Payables

Short-term payables are recorded at the amount payable.

Short-term employee entitlements.

Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date expected to be settled within 12 months, and sick leave.

Superannuation schemes

Defined contribution schemes Employer contributions to Kiwi-Saver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Equity

Equity is measured as the difference between total assets and total liabilities.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into at balance date. Information on non-cancellable capital and operating lease commitments are reported in the capital commitments note.

Critical accounting estimates and assumptions

In preparing the forecast financial statements, Regenerate Christchurch has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimating useful lives and residual values of property, plant, and equipment

At each balance date, the useful lives and residual values of property, plant, and equipment are reviewed.

Assessing the appropriateness of useful life and residual value estimates of property, plant, and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by Regenerate Christchurch, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. Regenerate Christchurch minimises the risk of this estimation uncertainty by: physical inspection of assets; asset replacement programs; review of second hand market prices for similar assets; and analysis of prior asset sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

3 EMPLOYEE REMUNERATION

	2019	2018
Breakdown of employee expenditure		
Recruitment and other staff related expenditure	123,670	43,429
Salaries and wages	3,057,970	3,721,524
Defined contribution plan employer contributions	91,736	111,633
Increase/(decrease) in employee entitlements	(51,346)	40,081
	\$3,222,030	\$3,916,667

Employee remuneration exceeding \$100,000

\$100,000 – \$109,999	1	1
\$110,000 – \$119,999	–	1
\$120,000 – \$129,999	2	4
\$130,000 – \$139,999	2	2
\$140,000 – \$149,999	2	1
\$150,000 – \$159,999	1	–
\$160,000 – \$169,999	–	–
\$170,000 – \$179,999	–	–
\$180,000 – \$189,999	–	–
\$190,000 – \$199,999	1	1
\$200,000 – \$209,999	–	2
\$210,000 – \$219,999	–	1
\$220,000 – \$229,999	1	2
\$230,000 – \$239,999	1	–
\$240,000 – \$289,999	–	–
\$290,000 – \$300,000	1	1
	12	16

	2019	2018
Total board member remuneration		
Sue Sheldon	69,625	26,833
Andre Lovatt	–	31,101
Ross Butler	14,088	30,000
William Dwyer	18,929	30,000
Jen Crawford	30,000	30,000
Richard Holden	30,000	30,000
Manaia Cunningham	30,000	30,000
Humphry Rolleston	27,500	30,000
Total board member remuneration	\$220,142	\$237,934

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

4 PROPERTY, PLANT AND EQUIPMENT

	BUILDING FIT-OUT	FURNITURE & FITTINGS	OFFICE EQUIPMENT	TOTAL
--	---------------------	-------------------------	---------------------	-------

Cost

At 30 June 2018	311,427	92,543	124,663	528,633
Additions	–	–	2,158	2,158
At 30 June 2019	\$311,427	\$92,543	\$126,821	\$530,791

Depreciation and impairment

At 30 June 2018	(110,737)	(12,389)	(78,157)	(201,283)
Depreciation	(66,674)	(7,787)	(33,643)	(108,103)
Disposals	–	–	–	–
At 30 June 2019	\$(177,411)	\$(20,176)	\$(111,800)	\$(309,387)
Carrying amount	\$134,016	\$72,367	\$15,021	\$221,404

Cost

At 30 June 2017	306,880	79,397	99,020	485,297
Additions	4,547	13,146	25,643	43,336
At 30 June 2018	\$311,427	\$92,543	\$124,663	\$528,633

Depreciation and impairment

At 30 June 2017	(44,063)	(4,602)	(33,120)	(81,785)
Depreciation	(66,674)	(7,787)	(45,037)	(119,498)
Disposals	–	–	–	–
At 30 June 2018	\$(110,737)	\$(12,389)	\$(78,157)	\$(201,283)
Carrying amount	\$200,690	\$80,154	\$46,506	\$327,350

5 FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2019	2018
Loans and receivables		
Cash at bank	2,322,164	1,579,126
Total loans and receivables	\$2,322,164	\$1,579,126

Financial liabilities measured at amortised cost

Accounts payable	467,722	825,150
Total financial liabilities measured at amortised cost	\$467,722	\$825,150

6 EMPLOYEE ENTITLEMENTS

	2019	2018
Annual leave	70,888	122,234
Accrued salaries and wages	74,465	152,444
	\$145,353	\$274,678

7 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variances from Regenerate Christchurch budgeted figures in the statement of performance expectations are as follows:

The full year budget for Regenerate Christchurch per the 2018/19 Statement of Performance Expectations was \$9,953,080 with actual expenditure being \$8,079,920, which reflects a \$1,873,160 underspend to 30 June 2019. As a result of ongoing engagement with the Minister and the Christchurch City Council in respect of the forward scope of work the organisation has been unable to initiate planned initiatives or recruit for vacant roles since December 2018. The underspend against output class categories and salaries is a direct reflection of the uncertainty and the inability to progress regeneration initiatives as planned and budgeted.

Regenerate Christchurch will carry the surplus forward into the 2019/20 financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

8 AUDIT FEES

	2019	2018
Fees to Audit New Zealand	\$25,740	\$25,369

The fees paid to Audit New Zealand were for the audit of the annual report for the 12-month period ended 30 June 2019. The audit fee is included within other expenses in the Statement of comprehensive revenue and expenses.

9 IT SUPPORT SERVICES

	2019	2018
IT support services	\$222,902	\$312,096

The IT support services are included within other expenses in the Statement of comprehensive revenue and expense.

10 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities at year end (30 June 2018: \$Nil).

11 SUBSEQUENT EVENTS

There were no significant events subsequent to balance date (30 June 2018: \$Nil).

12 CAPITAL COMMITMENTS

Regenerate Christchurch leases premises in the normal course of its business. The premise lease commenced on 8 November 2016 with a final expiry date of 30 June 2021 being the legislative disestablishment date of Regenerate Christchurch. There are no restrictions placed on Regenerate Christchurch by its leasing arrangement.

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

	2019	2018
Within one year	203,338	203,338
After one year but not more than five years	203,338	406,676
More than five years	–	–
	\$406,676	\$610,014

13 RELATED PARTIES

Regenerate Christchurch is a body corporate owned by the Crown and Christchurch City Council.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship; and on terms and conditions no more or less favourable than those it is reasonable to expect Regenerate Christchurch would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies are not disclosed as related party transactions when they are on normal terms and conditions consistent with the normal operating arrangements between government agencies.

Related party transactions required to be disclosed

Regenerate Christchurch entered into transactions with other Crown-related entities and local authorities on non-commercial terms to fill a number of employee roles with seconded staff. For the period ended 30 June 2019, Regenerate Christchurch provided the full-time equivalent of 0.6 employees for a period of eight weeks at no charge, at a value of approximately \$12,900. In the period ended 30 June 2018 Regenerate Christchurch received the full-time equivalent of 0.20 employees at no charge, at a value of approximately \$24,000.

In the period ended 30 June 2018 Regenerate Christchurch received \$130,000 from Environment Canterbury in relation to the Southshore and South New Brighton Regeneration Strategy. In the period ended 30 June 2019 following advice to the Minister and Christchurch City Council it was agreed that leadership for this work would transition to the Christchurch City Council. Environment Canterbury's funding contribution was therefore refunded.

14 KEY MANAGEMENT PERSONNEL REMUNERATION

	2019	2018
Board members	220,142	237,934
Leadership team	1,399,602	1,396,319
	\$1,619,744	\$1,634,253
Full-time equivalents		
Leadership team	5.42	6.00
	5.42	6.00

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

15 EVENTS AFTER REPORTING DATE

On 23 September 2019 the Global Settlement Agreement between Christchurch City Council and the Crown was finalised. Under this Agreement the parties have confirmed arrangements for the transition back to local leadership for regeneration in Christchurch, including reducing the functions of Regenerate Christchurch.

The intention is for the majority of the functions of Regenerate Christchurch to have been transferred or delegated by 30 June 2020, with the transition of any remaining functions being completed by the time the Greater Christchurch Regeneration Act 2016 is repealed. Regenerate Christchurch will prepare a Transition Plan, in partnership with the Council, as soon as possible after the signing of this agreement.

16 STATEMENT OF PERFORMANCE EXPECTATIONS

Under sections 51 and 59 of schedule 5 of the Greater Christchurch Regeneration Act 2016 (the Act) a Statement of Intent (SOI) and Statement of Performance Expectations (SPE) are required to be prepared no later than 2 months before the start of the financial year for the SPE and before the start of the first financial year for the SOI. The 2019 Letter of Expectations, which informs the preparation of the SOI and SPE, was received from the Minister on the 24th May 2019. This delayed receipt impeded the Board's ability to prepare the 2019-2021 SOI and 2019/2020 SPE prior to the beginning of the 2019/2020 financial year. The finalised SOI was provided on 23 August 2019 and the SPE will be delivered as soon as practicable.

Published in September 2019 by:

Regenerate Christchurch
Christchurch, New Zealand.

Presented to the House of Representatives
pursuant to Schedule 5, Part 2, clause 62(3) of the
Greater Christchurch Regeneration Act 2016.



This work is licensed under the Creative Commons Attribution 4.0 International licence. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to Regenerate Christchurch and abide by the other licence terms. To view a copy of this licence, visit: <https://creativecommons.org/licenses/by/4.0>

Citation

Regenerate Christchurch (2019). Regenerate Christchurch Statement of Intent 2019 – 2021.
Christchurch: Regenerate Christchurch

ISSNs

ISSN 2537-6632 (Print)

ISSN 2537-6586 (Online)

Copyright ©

