

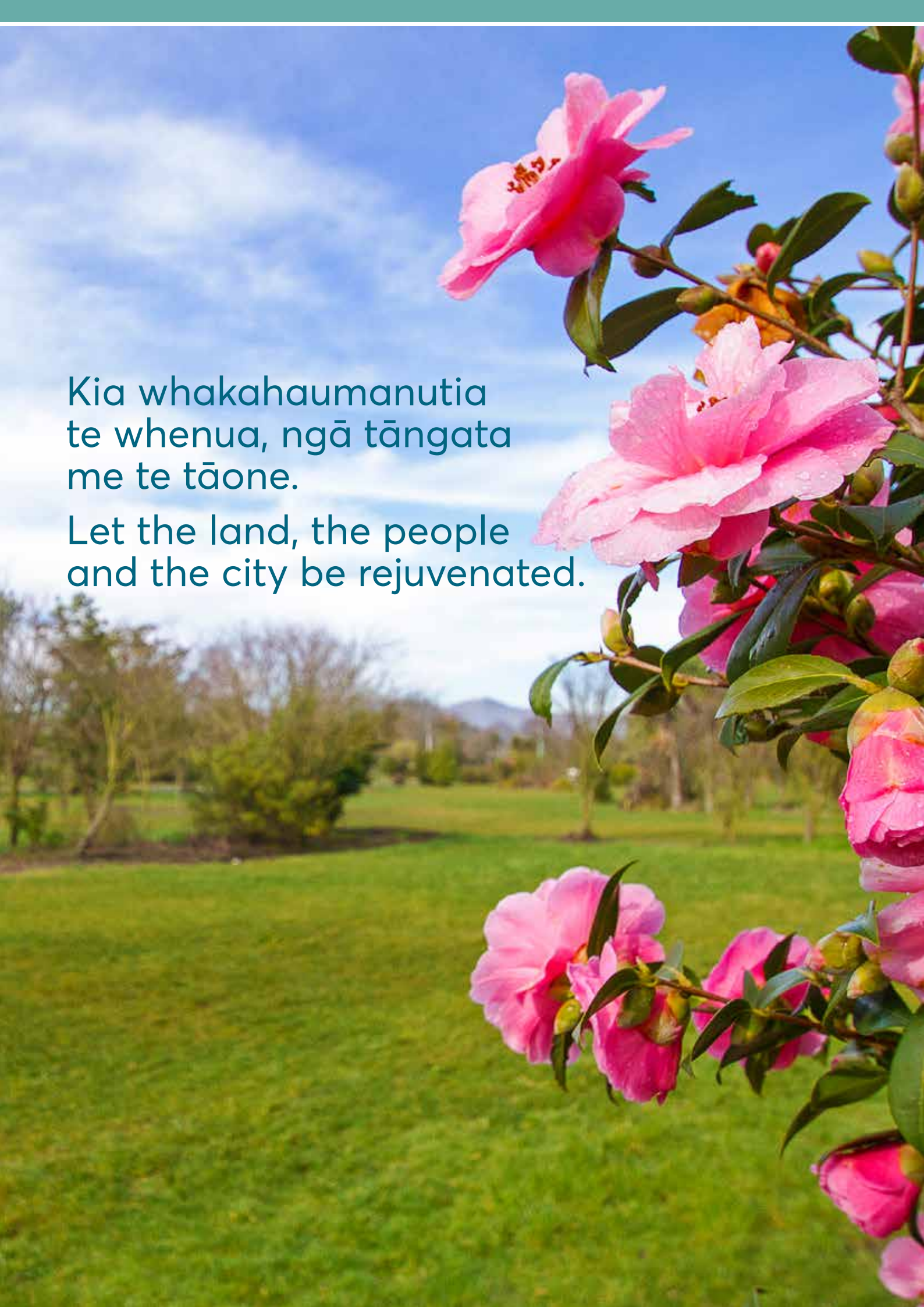
# Regenerate Christchurch

ANNUAL REPORT 2016-2017



REGENERATE  
CHRISTCHURCH  
TE KŌWATAWATA





Kia whakahaumanutia  
te whenua, ngā tāngata  
me te tāone.

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

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# What we do

**Regenerate Christchurch was established in April 2016 to lead Christchurch from recovery to regeneration.**

We have a dedicated focus on achieving enduring regeneration outcomes that will transform Christchurch and attract investment.

Together with our partners we will unlock the full potential of Christchurch to create a vibrant city that has opportunities for people to grow, connect and thrive. We will do this through the development of regeneration plans, strong leadership and advice.

We work with our partners and communities to ensure that our priorities reflect their needs and will deliver the regeneration outcomes sought.



# Chair and Chief Executive's Report

**This is Regenerate Christchurch's first Annual Report. It covers the period from 18 April 2016 to 30 June 2017.**

An important focus for the first six months of this period was ensuring we had key processes, systems and people in place. The organisation is performing well and a strong foundation has been laid for Regenerate Christchurch to make a real difference.

We have developed relationships with our regeneration partners, the private sector and the community. Our approach is to put people and communities at the centre of everything we do. We believe that we are in the unique position of being able to bring these parties together so that collectively, we can work towards the regeneration outcomes that Christchurch needs to grow and thrive.

Three priority areas have been identified - the Ōtākaro Avon River Corridor Regeneration Area, Cathedral Square and Surrounds, and Southshore and South Brighton. The areas are complex but we believe Regenerate Christchurch can make a lasting and tangible difference to them.

**Our approach is to put people and communities at the centre of everything we do.**

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We have also provided advice to Development Christchurch Limited to support its regeneration work in New Brighton.

Ensuring that Christchurch realises the benefit of the unique and expedited planning process in the Greater

Christchurch Regeneration Act 2016 is a key focus for the organisation. Two regeneration plans are currently in development - the Cranford Regeneration Plan of which Christchurch City Council is the proponent and the Ōtākaro Avon River Corridor Regeneration Plan. We have committed to starting work on the development of a third regeneration plan within the next 12 months.

Regenerate Christchurch has met all but one of its Statement of Intent performance measures and targets for this year with provision in place for the unmet measure to be surveyed in the next financial year. Some notable achievements include approval of the Outline for the Ōtākaro Avon River Corridor Regeneration Plan and the satisfaction of regeneration partners with Regenerate Christchurch's collaboration and engagement.

We would like to thank the Board and staff of Regenerate Christchurch for a very productive first year. We believe we are tracking well in our mission to create a vibrant city for all to enjoy.



**André Lovatt** CHAIR  
25 September 2017



**Ivan Iafeta** CHIEF EXECUTIVE  
25 September 2017

# Highlights

## April → December 2016

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**Organisation establishment completed** - key people, systems and processes in place.

**Collated and published** a large range of technical information for the Ōtākaro Avon River Corridor.

**Released our first Statement of Intent** setting out our planned activities for 2016/2017.

**Held a major workshop** for community groups to help co-create our engagement approach, as well as engaging with numerous organisations, groups and networks.

**Supported Development Christchurch Limited** in New Brighton, contributed staff to a community hub and engaged with key stakeholders in the local community.

## January → April 2017

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**Engaged on the draft Outline** for the Ōtākaro Avon River corridor then released the approved Outline for the Ōtākaro Avon River Corridor.

**Held a major Community Day** about the Ōtākaro Avon River corridor and began engagement on a vision and objectives for the Ōtākaro Avon River Corridor.

**Launched a land information viewer.**

**Established a Community Reference Group** and Technical and Community Advisory Group for the Ōtākaro Avon River Corridor.

**Carried out market research** and early engagement for the central city.

**Set up a Central City Reference Group** and began preparing a draft strategy for the central city.



## May → June 2017

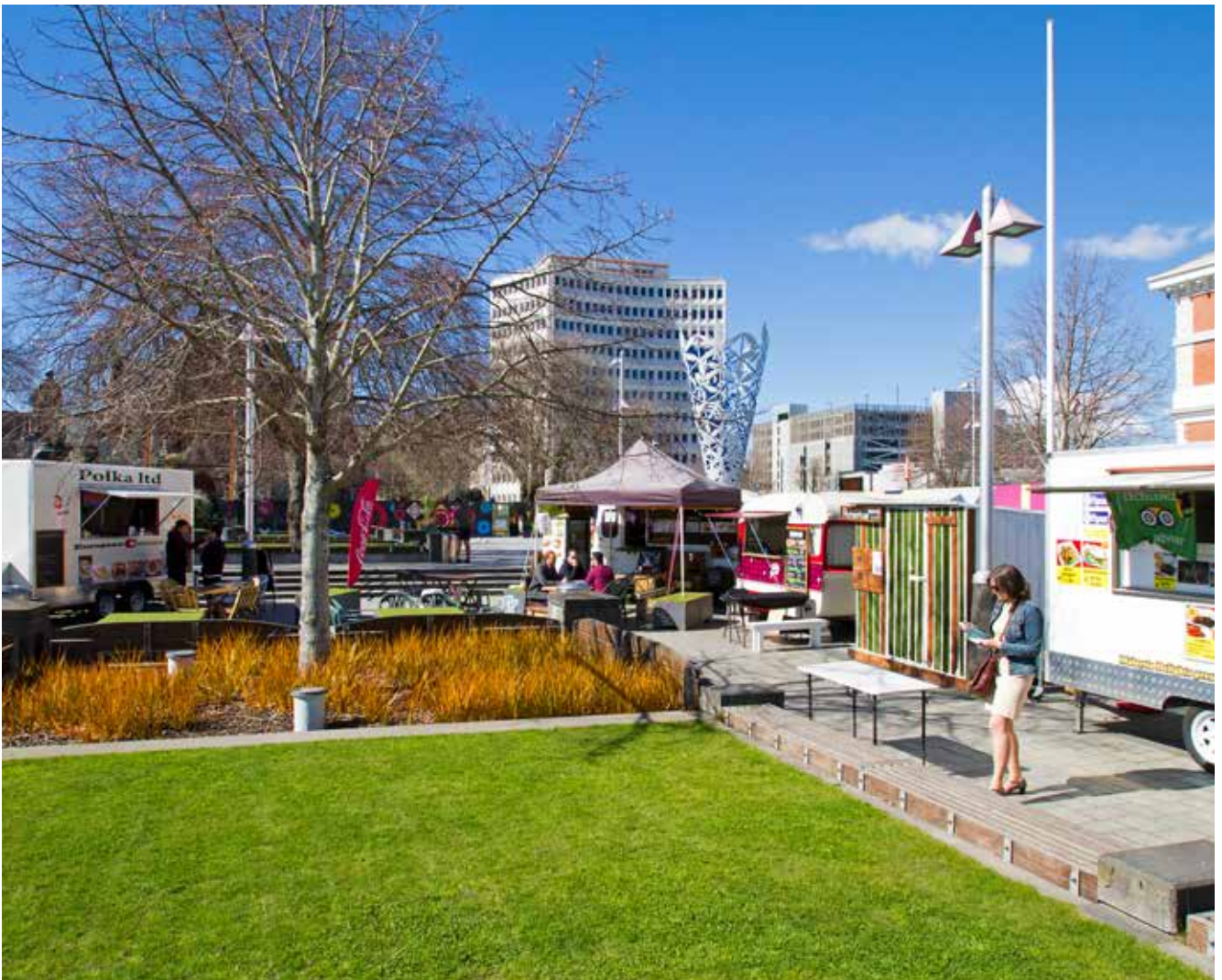
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**Developed and proposed a draft concept for Cathedral Square** and the surrounding area.

**Ran two Christchurch Conversations events** featuring national and international thought leaders to help inspire bold thinking for the red zone.

**Hosted a Design Jam** so young designers could help shape regeneration planning.

**Confirmed a vision and objectives** for the Ōtākaro Avon River Corridor Regeneration Area.



# Objectives

**Regenerate Christchurch's statutory objectives are set out in the Greater Christchurch Regeneration Act 2016.**

These statutory objectives are supported by organisational objectives aimed at unlocking, creating and enhancing future regeneration opportunities.





# Our priorities

## Ōtākaro Avon River Corridor Regeneration Area

Developing a regeneration plan for the Ōtākaro Avon River Corridor Regeneration Area. The Plan will identify and enable short, medium and long-term uses of land within the Area that will make a positive and timely contribution to the social, economic, cultural and environmental wellbeing and resilience of communities.

## Cathedral Square and Surrounds

Developing a strategy for the regeneration of Cathedral Square and Surrounds.

## New Brighton

Providing advice on regeneration outcomes and interventions, and the contributions of Development Christchurch Limited. Developing a strategy for the wider New Brighton area.

## Southshore and South New Brighton

Leading a collaborative process to develop an agreed response to the significant opportunities and overlapping issues created by the Southshore residential red zone, sea level rise, existing hazards and loss of community resilience for Southshore and South New Brighton.

## Unlocking opportunities for regeneration

Ensuring Christchurch realises the benefit of planning processes under the Greater Christchurch Regeneration Act 2016. Working with our partners and communities we will continue to drive regeneration activities and outcomes that will make an enduring contribution to the future of the city.

# What we are working on

## Residential Red Zone

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**Determining the long-term use of residential red zone land. Only Regenerate Christchurch can be a proponent of a regeneration plan that includes residential red zone land.**

## ŌTĀKARO AVON RIVER CORRIDOR REGENERATION AREA

### Why is Regenerate Christchurch involved?

Regenerate Christchurch has prioritised this work due to the significant opportunities and benefits the Ōtākaro Avon River Corridor Regeneration Area will provide to greater Christchurch.

The future of the Area and the contribution it could make to the city's regeneration is an important issue for the people and communities of greater Christchurch. The regeneration of this area provides opportunities to:

- › enhance the connection between the central city and New Brighton, reinforcing the importance of New Brighton as a destination
- › improve the health of the Ōtākaro Avon River
- › avoid and mitigate natural hazards
- › positively influence the future of eastern Christchurch.

### What did we achieve?

- › The outline for the Ōtākaro Avon River Corridor Regeneration Plan was approved in March 2017.
- › Held a large public engagement event to support the development of an overarching vision and objectives for the Area's regeneration, with 85 per cent of people finding the information very useful or extremely useful.
- › Undertook community research to create a record of information and observations from former and current residents, immediate neighbours and the wider community.
- › Received survey responses from more than 1200 Christchurch residents on which community needs are most important to them.
- › Established a technical and community advisory group and a community reference group to support the development of the draft Plan and provide us with advice.
- › Published the overarching vision and objectives for the Area, after considering public and stakeholder feedback.
- › Progressed or completed a range of technical assessments including heritage, stormwater, flood risk, geotechnical, transport and cultural assessments.
- › Worked on feasibility reports for a range of potential uses, including residential development opportunities and flatwater facilities.
- › Held a workshop to develop Integrated Assessment Criteria.
- › Held speaker events to encourage discussion and bold thinking on the future use of the Area.

### What's next?

Work to identify, evaluate and assess a range of potential land uses and activities will be progressed and a shortlist of potential options (combinations of uses and activities) will be published for public feedback. Following analysis of feedback the shortlist will be refined. The refined shortlist of land use options will be exhibited at a major public event.

A preliminary draft Regeneration Plan will be developed together with a programme business case.

We will continue to monitor and report on our progress.



## SOUTHSHORE AND SOUTH NEW BRIGHTON

### Why is Regenerate Christchurch involved?

There are significant opportunities and overlapping issues created by the Southshore residential red zone, sea level rise, existing hazards and loss of community resilience for Southshore and South New Brighton.

In addition, the natural coastal environment in this area is highly valued by residents and visitors. The Avon Heathcote Estuary/Ihutai is an important international wetland supporting a wealth of indigenous and migrant species.

Regenerate Christchurch is leading a collaborative process to develop a regeneration strategy for this area.

The regeneration strategy will focus on short, medium and long term responses to adapt to the effects of climate change and sea-level rise, alongside the social and economic needs of the community.

### What did we achieve?

We started a collaborative process with Christchurch City Council, Environment Canterbury, Ngāi Tahu and the community to respond to the opportunities and issues affecting this area including sea level rise, existing hazards and enhancing community resilience.

#### What's next?

Development of a regeneration strategy for Southshore and South New Brighton.



## BROOKLANDS AND PORT HILLS

### Why is Regenerate Christchurch involved?

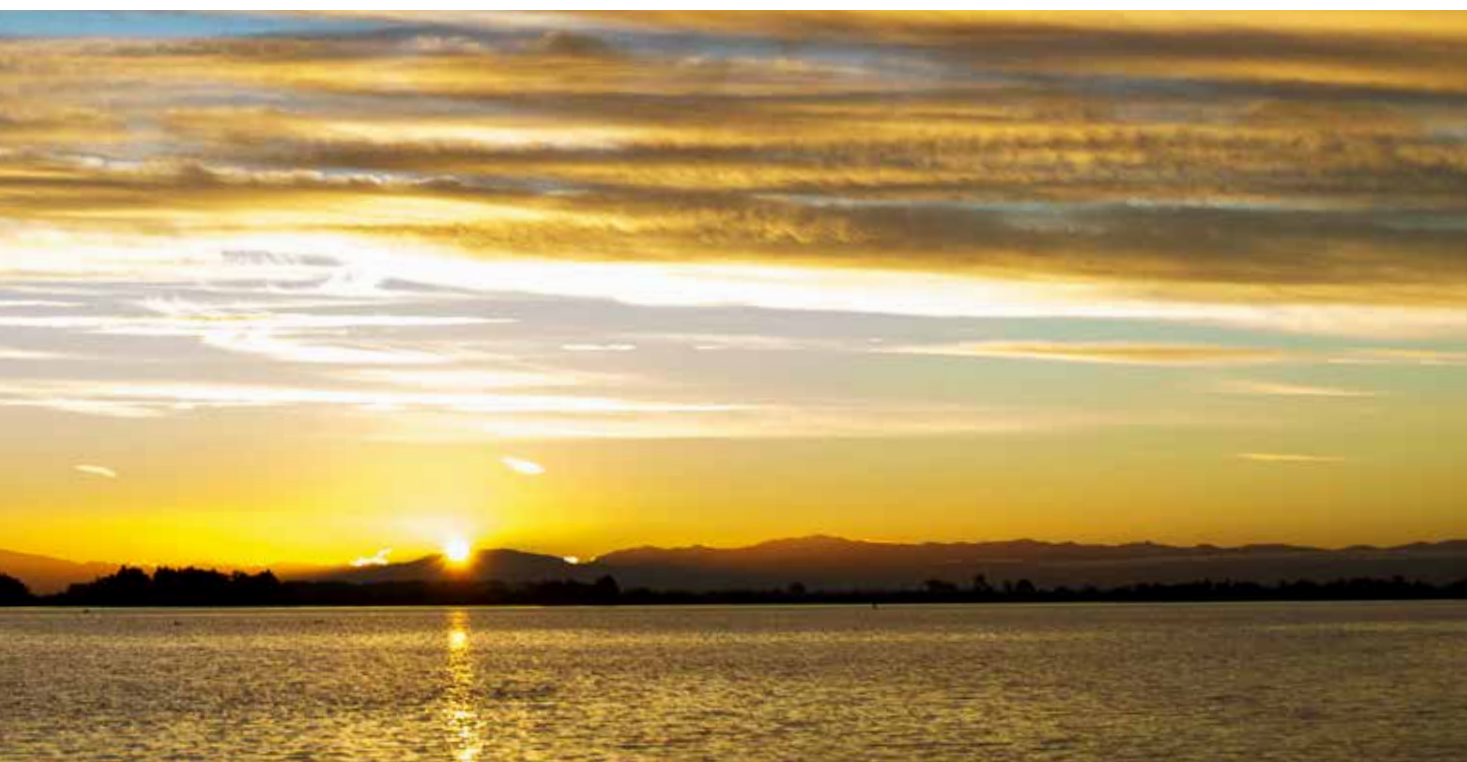
The future of the residential red zones in these areas and the regeneration contribution that each area could make is an important issue for greater Christchurch.

### What did we achieve?

At this stage, Regenerate Christchurch's initial priorities are the Ōtākaro Avon River Corridor Regeneration Area and Southshore and South New Brighton. We intend to start regeneration planning work in these areas in the 2018/2019 financial year.

## RESIDENTIAL RED ZONE - REVENUES AND EXPENSES

	2016/17 budget	2016/17 actual
<b>Revenue</b>		
Crown	830,149	952,551
Council	830,149	952,551
<b>Total Revenue</b>	<b>1,660,298</b>	<b>1,905,101</b>
Expenses	1,660,298	1,905,101
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>



## Regeneration Planning

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**Evaluating what is required to increase momentum and support the regeneration of the central city and New Brighton, while also identifying other areas in Christchurch that could benefit from regeneration activities.**

**Supporting Development Christchurch Limited with its development of an investment strategy and assisting the Christchurch City Council and Department of the Prime Minister and Cabinet with monitoring and reporting on regeneration.**

### CENTRAL CITY

#### Why is Regenerate Christchurch involved?

A well-formed and vibrant city centre produces economic and social benefits by bringing people together for business, cultural or social activities.

We have identified Cathedral Square and surrounds as an area of the city that has not seen the same level of activity or private investment as other parts of the city.

#### What did we achieve?

- › Identified an initial priority area within the central city being the Cathedral Square and surrounds.
- › Started a regeneration strategy for Cathedral Square and surrounds in January 2017. Based on initial feedback, research and input from other initiatives like 'Share an Idea', we developed a draft concept for the area. The public will be able to provide feedback on the draft concept in July and August 2017.
- › Began preparing economic, transport and residential housing assessments alongside a business case to support the development of the strategy. The strategy will identify problems and a pragmatic, solution-focused pathway for the regeneration of the area.
- › Established and regularly met with a reference group established to support the development of the strategy. The reference group is made up of a range of people representing different stakeholders.
- › Undertook market research to obtain a greater understanding of what people think about the central city, and what they want to see happen.
- › Worked with property owners within the focus area to understand their views on the challenges and opportunities for the area.
- › Engaged other key stakeholder groups to share an overview of the strategy and its aims.
- › Investigated initiatives to bring people to the Square and surrounds in the short-term.
- › Worked with the Council to determine and progress options for dealing with sites negatively affecting the central city's regeneration.

#### What's next?

We will confirm our strategy for the regeneration of Cathedral Square and surrounds.

We will also continue to evaluate progress and provide advice on what is required to increase momentum and support regeneration in other parts of the central city.



## NEW BRIGHTON

### Why is Regenerate Christchurch involved?

New Brighton's coastal location, surfing beach and sand dunes make it an appealing destination for people to visit. Currently New Brighton suffers from urban decline.

The regeneration of New Brighton will strengthen the economic and social wellbeing of the local community, and provide a place to enjoy the beach and surrounds. Improving the local amenities and public realm will stimulate and generate investment in the area.

### What did we achieve?

- › Assessed existing and planned measures for the regeneration of New Brighton and provided advice, feedback and comments on regeneration outcomes sought, the Hot Salt Water Pools Project and the New Brighton Master Plan.
- › Provided advice to Development Christchurch Limited on possible approaches and options for regeneration planning in New Brighton's commercial core, including the use of tools under the Greater Christchurch Regeneration Act 2016.
- › Provided feedback to Development Christchurch Limited ahead of the public release of draft concepts for the New Brighton playground, pools and their approach to the wider New Brighton implementation strategy.

### What's next?

We will provide advice to Development Christchurch Limited on its implementation plan for the New Brighton commercial core and continue work on the development of a strategy for the wider New Brighton area.

We will continue to provide advice on regeneration outcomes, interventions, and the contributions of Development Christchurch Limited, while monitoring and reporting on progress.

## OTHER REGENERATION ACTIVITIES

### Why is Regenerate Christchurch involved?

Regenerate Christchurch is focused on ensuring that Christchurch realises the benefit of the unique and expedited planning processes under the Greater Christchurch Regeneration Act 2016.

### What did we achieve?

We provided comments, advice and recommendations on Christchurch City Council's draft Cranford Regeneration Plan and the Outline developed for that Plan.

We worked closely with regeneration partners and key stakeholders to identify and support other regeneration opportunities and to build a shared understanding of regeneration processes under the Greater Christchurch Regeneration Act 2016.

### What's next?

- › Providing Regenerate Christchurch's recommendation to the Minister on the draft Cranford Regeneration Plan.
- › Developing a framework to support the identification and prioritisation of other regeneration opportunities.
- › Ongoing advice on identifying and prioritising opportunities to use the planning tools under the Greater Christchurch Regeneration Act 2016.
- › Initiating a regeneration plan for an identified area or opportunity.
- › Views, advice and recommendations on planning instruments developed by others under the Greater Christchurch Regeneration Act 2016.
- › Input into the Council's and the Department of the Prime Minister and Cabinet's annual reporting and monitoring process.

## REGENERATION PLANNING - REVENUES AND EXPENSES

	2016/17 budget	2016/17 actual
<b>Revenue</b>		
Crown	854,705	620,498
Council	854,705	620,498
<b>Total Revenue</b>	<b>1,709,410</b>	<b>1,240,996</b>
Expenses	1,709,410	1,240,996
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>





# Organisational health and capability

## Values and behaviours

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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 our staff
- › a peer recognition programme to embed expected behaviours
- › a performance management framework that ensures that personal development plans are in place for all staff
- › a commitment to continuous improvement.

## Health and safety

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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 will be a wellbeing leader and have a health and safety framework in place that meets all of 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 will achieve this by:

- › deliberate and effective leadership by having both the Board and management model the behaviours expected from staff and contractors
- › continual implementation of a robust health and safety framework 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
- › implementing a wellbeing program.
- › 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

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We completed most of our planned recruitment in the 2016-2017 financial year. As an 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. We are committed to achieving high levels of staff engagement and ensuring staff clearly understand how performance is measured and recognised.

## Risk and fraud management

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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

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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:

- › carries out quarterly reviews of its operational personnel policy to ensure we are meeting the Human Rights Commission's seven key elements of being a good employer
- › conducts bi-annual workshops for all people working for us to attend and provide feedback
- › undertakes staff engagement surveys every six months
- › has established an employment and remuneration committee to carry out annual reviews of Regenerate Christchurch's Good Employer policy
- › makes its personnel policy available (including the recruitment and selection policy which details our commitment to the principles of equal employment) to all staff via both the intranet and the "Welcome Induction Handbook" distributed to all new starters
- › offers an attractive place to work by ensuring the Board and management support a diverse workplace, inclusive culture and equal opportunities.

# Governance

## Board structure

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Regenerate Christchurch is governed by legislation through the Greater Christchurch Regeneration Act 2016. It is overseen by a seven-member Board. Three members are appointed by the Christchurch City Council, four appointed by the Minister supporting Greater Christchurch Regeneration, one of which is a person nominated by Te Rūnanga o Ngāi Tahu. In addition the Board has an intern Board member.

## Funding

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We are funded by Christchurch City Council and the Crown, who each contribute \$4 million per annum.

## Board Committees

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The following committees support the Board.

**RISK, AUDIT AND FINANCE COMMITTEE** - to provide 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.



## Roles and responsibilities

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The Board are 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 has a charter setting out how the Board intends to govern 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

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Regenerate Christchurch has the following liability insurances in place: public, employer, statutory, defence cost, association, crime and cyber. Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions. No claims have been made by 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.



# The Board



**André Lovatt** is Chair of Regenerate Christchurch. He is also the Chief Executive of the Arts Centre of Christchurch, overseeing the restoration of New Zealand's largest collection of heritage buildings. His efforts at the Arts Centre earned him a Sir Peter Blake Leadership Award.

After graduating from the University of Canterbury with a Masters in Engineering in 1998, André worked at Powell Fenwick Consultants in Christchurch before joining Arup, a global engineering consultancy specialising in major construction projects. Lovatt gained an MBA degree from the National University of Singapore before returning to Christchurch in 2012 to manage the \$290 million, seven-year long restoration of the Arts Centre.



**Ross Butler** is Chair of Ōtākaro Limited, the Crown company responsible for the key 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.



**Bill Dwyer** is Chair of Development Christchurch, the Council's urban development agency. Bill is a commercial and corporate lawyer educated at the University of Canterbury and an alumni patron of the UC Foundation. He has been a director of Christchurch City Holdings Limited (CCHL), which is Christchurch City Council's commercial arm, since 2005. Bill is also serving as Interim Director for the CCHL-owned Lyttelton Port Company board. He previously served as general counsel for Solid Energy.



**Humphry Rolleston** 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.



**Richard Holden** has a 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 senior governance processes. Locally, Richard has been extensively involved in sports administration in Rugby union and masters rowing.



**Jen Crawford** has 20 years' national and international legal experience in project consenting and planning. She has considerable expertise in due diligence and transactional work, infrastructure projects, urban redevelopment and agribusiness. Jen has worked in leading law firms in New Zealand and the United Kingdom.

Jen has been recognised for her governance work (including as the former Chair of the Arts Centre Trust Board until the end of 2016) as a finalist in the 2015 Women of Influence Awards, received a Local Hero Medal in the 2017 New Zealander of the Year Awards, and has been twice recognised in the NZ Lawyer Hotlist (2014 and 2016).



**Manaia Cunningham** (Ngāti Irakehu, Ngāi Tahu, Ngāti Mutunga) 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 and the Biological Husbandry Unit Organics Trust. He has previously been a strategic advisor to Environment Canterbury (ECan).



**Hilary Walton** is Resilience and Continuity Manager at Airways, New Zealand. She is a risk management and security culture specialist and a business psychologist. Hilary is serving on the board as part of the Christchurch City Holdings Limited intern directorship programme. Hilary has worked in the United Kingdom for the Olympic Delivery Authority (ODA), responsible for the Information Security, Risk Management and Assurance, and Security Culture and Awareness Programmes.

# Disclosure 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. The table below sets out current interests as at 30 June 2017.

## **André Lovatt**

Director - Christchurch International Airport Ltd  
Chief Executive - The Arts Centre of Christchurch Trust

## **Bill Dwyer**

Chair - Development Christchurch Ltd  
Director - Lyttelton Port Company Ltd  
Director - Coconut Culture Ltd

## **Richard Holden**

Director - Milestone Financial Services Ltd  
Managing Director - Milestone Financial Services (Canterbury) Ltd  
Managing Director - Milestone Financial Planning (Canterbury) Ltd  
Director - Nedloh Trustee Ltd  
Director/Shareholder - Waekura Ltd

## **Jen Crawford**

Consultant - Anderson Lloyd. A partner of Anderson Lloyd, David Goodman, chairs the East Lake Trust and Anderson Lloyd has provided advice to the Trust on a pro bono basis.<sup>1</sup>

## **Manaia Cunningham**

Secretary - Te Rūnanga o Koukourārata  
Technical Advisory Group Member - Lyttelton Port Company Ltd  
Member - Banks Peninsula Zone Committee  
Member - Biological Husbandry Unit Organics Trust

## **Humphry Rolleston**

Chair - ANZCRO Pty Ltd  
Chair/owner - Spaceships Ltd  
Chair/shareholder - Children's Bay Holdings Ltd  
Trustee - The Cathedral Grammar School  
Trustee - 180 Degrees Trust  
Director/shareholder - Infratil Ltd  
Director/shareholder - Property for Industry  
Chair - Save a Watt Ltd  
Chair - Stray Ltd  
Chair - Matrix Security  
Chair - McRaes Global Ltd  
Director - Free Phone Fiji Ltd  
Trustee - The Christchurch Cathedral Music and Education Trust

## **Ross Butler**

Chair - Ōtākaro Limited  
Chair - Southern Response  
Chair - Mercer New Zealand  
Chair - Mercer Investments Australia  
Member - Code Committee, Financial Markets Authority

<sup>1</sup> 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.





CITY TOUR

178

ROLICKIN'S  
DESSERT &  
CAFE  
NEW KINGS BLDG  
open 7 days  
11am to 10pm

THE CHRISTCHURCH  
GONDOLA  
SUNSHINE BY THE SEA

CHRISTCHURCH TRAM



# Statement of responsibility for the period ended 30 June 2017

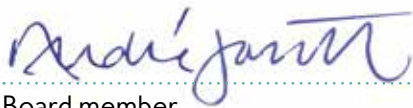
Under the Greater Christchurch Regeneration Act 2016, the Board is responsible for the preparation of Regenerate Christchurch's Annual Report, which includes financial statements, a statement of performance, and for the judgements made in them.

The Board of Regenerate Christchurch has responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting for the organisation.

In the Board's opinion, the financial statements and statement of performance included in this Annual Report fairly reflect the financial position and operations of Regenerate Christchurch for the period ended 30 June 2017.

## Approved

For and on behalf of the Board of Regenerate Christchurch



Board member

25 September 2017

Date



Board member

25 September 2017

Date

# Statement of performance

We are required to measure our performance against the targets listed in the 2016-20 Statement of Intent and the 2016-17 Statement of Performance Expectations.

Actual performance results for the 2016-20 Statement of Intent performance measures are noted on the next page.

Actual performance results for the 2016/17 Statement of Performance Expectations are provided within the 'How did we measure up?' sections on the following pages.

MAPS, SKETCHES, NOTES

NOLLI MAPS - ENGAGEMENT  
WORKSHOPS  
PRE-QUAKE -  
NOLLI MAPS CSaS

CROSS AGENCY MANAGERS  
WORKSHOP 04.04.17

RED ZONE MAPPING  
SKETCHES - BUTTER PAPER

## 2016-20 STATEMENT OF INTENT PERFORMANCE MEASURES

				2016/17 actual
Strategic Objective	Measure	Target 2016 - 2017	Result	Commentary
<b>Decisions on the long-term use and regeneration of RRZ land</b>	Regeneration Plan(s) developed for the Ōtākaro Avon River Corridor.	Three-year target Regeneration Plan(s) prepared and submitted for the Ōtākaro Avon River Corridor	Under way	Draft Plan under development.
<b>Effective collaboration and engagement</b>	Satisfaction of regeneration partners with Regenerate Christchurch's collaboration and engagement.	Satisfied or very satisfied	Met	
	Christchurch residents understand and support the role of Regenerate Christchurch.	75%	Not met	Not surveyed. The 2017-21 Statement of Intent includes measures designed to measure effective collaboration and engagement.
<b>Providing advice to the Minister on planning instruments</b>	Minister satisfied with the quality and timeliness of advice provided by Regenerate Christchurch on planning instruments.	Satisfied or very satisfied	Met	
<b>Providing advice to the Council and Minister on regeneration</b>	Minister and the Council satisfied with the quality and timeliness of advice provided by Regenerate Christchurch on progress of regeneration, and whether any additional interventions are required.	Satisfied or very satisfied	Met	
<b>Establish full set of performance measures</b>	Full set of performance measures developed following confirmation of final work programme.	Achieved	Met	A full set of performance measures was developed following the finalisation of the long-term work programme and included in the 2017-21 Statement of Intent.



## How did we measure up?

### 2016/17 STATEMENT OF PERFORMANCE EXPECTATIONS - PERFORMANCE TARGETS

#### ŌTĀKARO AVON RIVER CORRIDOR REGENERATION AREA

2016/17	Achieved?	Result
<b>Existing RRZ information collated and published</b>	Met	Published on website
<b>Geographic Information System technical viewer launched for RRZ land</b>	Met	Published on website
<b>Workshops and meetings with key stakeholders to develop engagement approach</b>	Met	Engagement approach confirmed and included in Outline
<b>Visioning and research event</b>	Met	Held on 25 March 2017
<b>Overarching vision, values objectives developed</b>	Met	Draft published in May 2016
<b>Constraints and opportunities research and assessment work commenced</b>	Met	Range of technical studies and land use assessment reports commenced
<b>Constraints and opportunities assessment work completed</b>	Met	Range of technical studies and land use assessment reports drafted
<b>Flatwater sports facility assessment work commenced</b>	Met	Technical feasibility study and indicative business case commenced
<b>Indicative business case for a flat-water sports facility completed</b>	Partially met	Technical feasibility study and indicative business case mostly completed
<b>Infrastructure, flood management and storm water assessment work commenced</b>	Met	Work commenced, with Christchurch City Council involved in design process
<b>Infrastructure, flood management and storm water assessment work completed</b>	Met	Compiled data and information, and reviewed previous studies undertaken for completeness and suitability. Commissioned further work on storm water treatment. Incorporated information into plan development
<b>Short-list of potential land uses and activities developed.</b>	Partially met	Short-list in development and ongoing development in line with work programme
<b>Draft outline released for comment</b>	Met	Released on 16th December
<b>Outline submitted to Minister for approval</b>	Met	Submitted on 23 March 2017 Approved on 29 March 2017
<b>Commence development of draft Regeneration Plan</b>	Met	Regeneration Plan in development

## OTHER RRZ AREAS – BROOKLANDS, SOUTHSHORE AND PORT HILLS

2016/17	Achieved?	Result
<b>Work with Council to develop an agreed approach for regeneration in Southshore/South New Brighton</b>	Met	Council resolution on agreed approach on 21 June 2017
<b>Confirm approach to regeneration for Southshore/South New Brighton</b>	Met	Agreed approach confirmed and project team established
<b>Confirm programme for of strategies and/or regeneration plans for Brooklands and Port Hills</b>	Met	Programme set out in 2017-21 Statement of Intent

## CENTRAL CITY

2016/17	Achieved?	Result
<b>Initial priority area identified and project plan developed</b>	Met	Identified Cathedral Square and surrounds as a key priority area
<b>Development of a regeneration strategy for Cathedral Square and surrounds commenced</b>	Met	Strategy in development
<b>Reference group to support strategy development established</b>	Met	Reference group established in March 2017
<b>Early initiatives identified and implementation commenced</b>	Not met	Planning under way and activities due to commence in October 2017
<b>Regeneration strategy for Cathedral Square and surrounds confirmed</b>	Not met	Regeneration strategy now due for completion October 2017

## NEW BRIGHTON

2016/17	Achieved?	Result
<b>Work with Development Christchurch Limited (DCL) to assess existing and planned measures</b>	Met	Assessment completed and advice provided
<b>Advice provided to DCL on hot pools and masterplan</b>	Met	Advice provided in December 2016
<b>Work with DCL to develop an agreed approach for regeneration planning in New Brighton</b>	Met	Advice provided to DCL on regeneration activities and interventions including the provision of design advice
<b>Confirm approach to regeneration planning for New Brighton</b>	Not met	Work to confirm the approach is under way with a focus on the wider New Brighton area



## OTHER REGENERATION ACTIVITIES

2016/17	Achieved?	Result
<b>Comments provided on draft for Cranford Regeneration Plan</b>	Met	Comments provided 21 November 2016
<b>Final outline for Cranford Regeneration Plan received, recommended for approval and approved by the Minister</b>	Met	Report dated 22 December 2016 to the Minister recommending the outline be approved
<b>Comments provided on Draft Cranford Regeneration Plan</b>	Met	Letter dated 16 March 2017 sent to the Christchurch City Council
<b>Draft Cranford Regeneration received and report provided to Minister</b>	Not met	This is due for completion in August 2017. The process has taken longer than anticipated due to the decision by the proponent to facilitate an additional public consultation phase
<b>Workshops with regeneration to develop a shared understanding of the Greater Christchurch Regeneration Act</b>	Met	Workshops held with regeneration partners in July 2016
<b>Workshops and meetings with stakeholders to build understanding of regeneration processes</b>	Met	Ongoing workshops held with Ōtākaro Ltd, Development Christchurch Limited and Christchurch City Council
<b>Work with regeneration partners identify and support other regeneration activities</b>	Met	A number of workshops and meetings held with regeneration partners to identify other regeneration activities
<b>Provide advice on Development Christchurch's investment strategy</b>	Not met	Advice on Development Christchurch Limited's investment strategy has not been undertaken yet
<b>Input into the Council and Department of the Prime Minister and Cabinet's annual reporting and monitoring processes</b>	Met	Input provided into the Christchurch City Council and the Department of Prime Minister and Cabinet's annual reporting and monitoring processes
<b>Community engagement on regeneration processes and planning to understanding and broad support for regeneration outcomes</b>	Met	Engagement and Communications Plans developed and implemented for each project

# Auditors' Report

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

## Independent Auditor's Report

### To the readers of Regenerate Christchurch's financial statements and performance information for the period ended 30 June 2017

The Auditor General is the auditor of Regenerate Christchurch (the entity). The Auditor General 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 36 to 48, that comprise the statement of financial position as at 30 June 2017, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the period ended on that date and the notes to the financial statements including a summary of significant accounting policies; and
- the performance information of the entity on pages 6 to 15 and 26 to 31.

In our opinion:

- The financial statements of the entity on pages 36 to 48:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2017; and
    - its financial performance and cash flows for the period; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- The performance information on pages 6 to 15 and 26 to 31:
  - Presents fairly, in all material respects, the entity's performance for the period ended 30 June 2017, 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 period; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the period.
  - Complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 25 September 2017. 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 Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 the Board is responsible on behalf of the entity for assessing the entity's ability to continue as a going concern. The 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 Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements 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 Auditor General'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 1 to 5 and 16 to 25, 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 Auditor General'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 Auditor General

Christchurch, New Zealand

# Annual financial statements

For the period ended 30 June 2017

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## Statement of comprehensive revenue and expense

For the period ended 30 June 2017

	Note	2017 Actual 15 months	2017 Actual 12 months	2017 Budget	2016 Actual 3 months
<b>Income</b>					
Funding - Crown		6,258,952	4,000,000	4,000,000	2,258,952
Funding - Council		4,000,000	4,000,000	4,000,000	-
Interest received		76,099	70,101	91,371	5,998
		<b>10,335,051</b>	<b>8,070,101</b>	<b>8,091,371</b>	<b>2,264,950</b>
<b>Expenses</b>					
Consulting expenses		(4,529,163)	(3,783,713)	(3,510,465)	(745,450)
Employee expenditure	4	(1,923,958)	(1,897,657)	(2,349,629)	(26,301)
Board remuneration	4	(282,389)	(230,000)	(230,000)	(52,389)
Accommodation expenditure		(102,092)	(85,492)	(60,515)	(16,600)
Other expenses		(795,094)	(691,980)	(453,635)	(103,114)
Depreciation and amortisation		(81,784)	(78,768)	(74,125)	(3,016)
		<b>(7,714,480)</b>	<b>(6,767,610)</b>	<b>(6,678,369)</b>	<b>(946,870)</b>
<b>Total comprehensive revenue and expense</b>		<b>2,620,571</b>	<b>1,302,491</b>	<b>1,413,002</b>	<b>1,318,080</b>

This statement is to be read in conjunction with the notes to the financial statements on pages 41 to 48.  
Explanations of major variances against budget are provided in note 8.

## Statement of financial position

As at 30 June 2017

	Note	2017 Actual	2017 Budget	2016 Actual
<b>Equity</b>		<b>\$2,620,571</b>	<b>\$2,766,648</b>	<b>\$1,318,080</b>
<b>Current assets</b>				
Cash at bank		3,205,282	2,985,062	1,799,665
GST refund due		22,832	109,542	-
		3,228,114	3,094,604	1,799,665
<b>Non-current assets</b>				
Property, plant and equipment	5	403,513	401,420	23,729
Intangibles		-	27,422	-
		403,513	428,842	23,729
<b>Total assets</b>		<b>\$3,631,627</b>	<b>\$3,523,446</b>	<b>\$1,823,394</b>
<b>Current liabilities</b>				
Accounts payable		801,869	756,798	427,451
Employee entitlements	6	209,187	-	-
GST payable		-	-	77,863
		1,011,056	756,798	505,314
<b>Total liabilities</b>		<b>\$1,011,056</b>	<b>\$756,798</b>	<b>\$505,314</b>
<b>Net assets</b>		<b>\$2,620,571</b>	<b>\$2,766,648</b>	<b>\$1,318,080</b>

This statement is to be read in conjunction with the notes to the financial statements on pages 41 to 48.  
Explanations of major variances against budget are provided in note 8.



## Statement of changes in equity

For the period ended 30 June 2017

	Share Capital	Retained Earnings	Total Equity
2017			
15 months			
Balance at 18 April 2016	-	-	-
Total comprehensive revenue and expense for the period	-	2,620,571	2,620,571
<b>Balance at 30 June 2017</b>	-	<b>\$2,620,571</b>	<b>\$2,620,571</b>
2017			
12 months			
Balance at 1 July 2016	-	1,318,080	1,318,080
Total comprehensive revenue and expense for the period	-	1,302,491	1,302,491
<b>Balance at 30 June 2017</b>	-	<b>\$2,620,571</b>	<b>\$2,620,571</b>
2016			
3 months			
Balance at 18 April 2016	-	-	-
Total comprehensive revenue and expense for the period	-	1,318,080	1,318,080
<b>Balance at 30 June 2016</b>	-	<b>\$1,318,080</b>	<b>\$1,318,080</b>

This statement is to be read in conjunction with the notes to the financial statements on pages 41 to 48.  
Explanations of major variances against budget are provided in note 8.

## Statement of cash flows

For the period ended 30 June 2017

	Note	2017 Actual 15 months	2017 Actual 12 months	2017 Budget	2016 Actual 3 months
Operating activities					
Cash was provided					
Funding received from controlling entities		10,258,952	8,000,000	8,000,000	2,258,952
Interest received		76,099	70,101	91,371	5,998
		<b>10,335,051</b>	<b>8,070,101</b>	<b>8,091,371</b>	<b>2,264,950</b>
Cash was applied to:					
Payments to suppliers		4,804,758	4,258,902	3,968,225	545,856
Payments to employees		1,923,958	1,897,657	2,349,629	26,301
Net movement in GST		(84,244)	49,373	144,448	(133,617)
		<b>6,644,472</b>	<b>6,205,932</b>	<b>6,462,302</b>	<b>438,540</b>
Net cash inflow (outflow) from operating activities		3,690,579	1,864,169	1,629,069	1,826,410
Investing activities					
Cash was applied to:					
Assets purchased		485,297	458,552	441,945	26,745
Purchase of intangible assets		-	-	1,727	-
		<b>485,297</b>	<b>458,552</b>	<b>443,672</b>	<b>26,745</b>
Net cash inflow (outflow) from investing activities		(485,297)	(458,552)	(443,672)	(26,745)
Net increase (decrease) in cash held		3,205,282	1,405,617	1,185,397	1,799,665
Add opening cash brought forward		-	1,799,665	1,799,665	-
<b>Ending cash carried forward</b>		<b>\$3,205,282</b>	<b>\$3,205,282</b>	<b>\$2,985,062</b>	<b>\$1,799,665</b>
Cash balances in balance sheet					
Cash and cash equivalents		3,205,282	3,205,282	2,985,062	1,799,665
<b>Ending cash carried forward</b>		<b>\$3,205,282</b>	<b>\$3,205,282</b>	<b>\$2,985,062</b>	<b>\$1,799,665</b>

This statement is to be read in conjunction with the notes to the financial statements on pages 41 to 48.

# Notes to the financial statements

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## 1 Reporting Entity

Regenerate Christchurch is a body corporate established under the Greater Christchurch Regeneration Act 2016 on 8 April 2016.

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 the 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.

### 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 PBE Standards RDR on the basis that it is publicly accountable and not large.

### 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

These are the first financial statements prepared by Regenerate Christchurch, therefore there have been no changes in accounting policy. Accounting policies have been applied consistently throughout the period.

### 3 Summary of Significant Accounting Policies

#### **Budget figures**

The budget figures are derived from Regenerate Christchurch's Statement of Performance Expectations for the period ended 30 June 2017. 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 2016, 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 its 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.

**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.

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, long service leave and retirement gratuities expected to be settled within 12 months, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

### **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.

### **Financial statement format**

These financial statements provide financial information in relation to both the 12 month period ended 30 June 2017 and the 3 month period ended 30 June 2016 in addition to that required under section 63(3) of the Greater Christchurch Regeneration Act 2016. This information was disclosed separately in order to provide an appropriate comparison to the information provided in the Statement of Performance Expectations for the period ended 30 June 2017.

### **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.

#### 4 Employee Remuneration

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>15 months</b>	<b>12 months</b>	<b>3 months</b>
Breakdown of employee expenditure:			
Recruitment and other staff related expenditure	218,078	191,777	26,301
Salaries and wages	1,580,271	1,580,271	-
Defined contribution plan employer contributions	43,456	43,456	-
Increase/(decrease) in employee entitlements	82,153	82,153	-
	<b>1,923,958</b>	<b>1,897,657</b>	<b>26,301</b>
Employee remuneration exceeding \$100,000:			
\$100,000 - \$109,999	-	-	-
\$110,000 - \$119,999	2	2	-
\$120,000 - \$129,999	1	1	-
\$130,000 - \$139,999	1	1	-
\$140,000 - \$300,000	1	1	-
	<b>5</b>	<b>5</b>	<b>-</b>
Total board member remuneration:			
Andre Lovatt	61,391	50,000	11,391
Ross Butler	36,833	30,000	6,833
William Dwyer	36,833	30,000	6,833
Jen Crawford	36,833	30,000	6,833
Richard Holden	36,833	30,000	6,833
Manaia Cunningham	36,833	30,000	6,833
Humphry Rolleston	36,833	30,000	6,833
<b>Total board member remuneration</b>	<b>282,389</b>	<b>230,000</b>	<b>52,389</b>

There have been no payments made to committee members appointed by the Board who are not Board members during the period.

## Notes to the financial statements continued

### 5 Property, Plant and Equipment

	Building fit-out	Furniture and fittings	Office equipment	Total
Cost				
At 18 April 2016	-	-	-	-
At 30 June 2016	-	-	26,745	26,745
Additions	306,880	79,397	72,275	458,552
<b>At 30 June 2017</b>	<b>\$306,880</b>	<b>\$79,397</b>	<b>\$99,020</b>	<b>\$485,297</b>
Depreciation and impairment				
At 18 April 2016	-	-	-	-
At 30 June 2016	-	-	(3,016)	(3,016)
Depreciation	(44,063)	(4,602)	(30,104)	(78,769)
Disposals	-	-	-	-
<b>At 30 June 2017</b>	<b>\$(44,063)</b>	<b>\$(4,602)</b>	<b>\$(33,120)</b>	<b>\$(81,785)</b>
<b>Carrying amount</b>	<b>\$262,817</b>	<b>\$74,795</b>	<b>\$65,900</b>	<b>\$403,512</b>

### 6 Employee Entitlements

	2017	2016
Annual leave	82,153	-
Accrued salaries and wages	127,034	-
	<b>\$209,187</b>	-

### 7 Financial Instruments

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

	2017	2016
Loans and receivables		
Cash at bank	3,205,282	1,799,665
<b>Total loans and receivables</b>	<b>3,205,282</b>	<b>1,799,665</b>
Financial liabilities measured at amortised cost		
Accounts payable	801,869	427,451
<b>Total financial liabilities measured at amortised cost</b>	<b>801,869</b>	<b>427,451</b>



## 8 Explanation of Major Variances against Budget

Explanations for major variances from Regenerate Christchurch budgeted figures in the Statement of Performance Expectations are as follows:

A number of roles within the organisation were yet to be filled at balance date. Employee expenditure for the year was therefore below the amount anticipated. In order to achieve the desired rate of progress for the organisation, these roles have been filled on a contractual basis, leading to higher consulting expenditure than budgeted in the Statement of Performance Expectations.

Intangible assets differ from that budgeted in order to align the treatment of branding with PBE IPSAS 31.

## 9 Variance from Statement of Performance Expectations

Actual figures in the Statement of comprehensive revenue and expense for the period ended 30 June 2016 differ from that published in the Statement of Performance Expectations 2016 - 2017.

This variance arises as expenditure incurred by the Department of the Prime Minister and Cabinet (DPMC) on behalf of Regenerate Christchurch in the establishment of this entity was recognised as expenditure with corresponding funding revenue in the Statement of Performance Expectations.

This expenditure is not recognised in the Statement of comprehensive revenue and expense for 30 June 2016 as part of these financial statements.

## 10 Audit fees

	2017 15 months	2017 12 months
<b>Fees to Audit New Zealand</b>	<b>25,000</b>	<b>25,000</b>

The fees paid to Audit New Zealand were for the audit of the annual report for the 15-month period ended 30 June 2017. The audit fee is included within other expenses in the Statement of comprehensive revenue and expenses.

## 11 IT Support Services

	2017 15 months	2017 12 months
<b>IT support services</b>	<b>256,488</b>	<b>212,321</b>

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

## Notes to the financial statements continued

### 12 Contingent Assets and Liabilities

There are no contingent assets or liabilities at year end (30 June 2016: \$Nil).

### 13 Subsequent Events

There were no significant events subsequent to balance date (30 June 2016: \$Nil).

### 14 Capital Commitments

There are no capital commitments at year end (30 June 2016: \$Nil).

### 15 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 2017, Regenerate Christchurch received the full-time equivalent of 0.48 employees at no charge, at a value of approximately \$42,000.

### 16 Key Management Remuneration

	2017 15 months	2017 12 months	2016 3 months
Board members	282,389	230,000	52,389
Leadership team	847,593	847,593	-
	<b>\$1,129,982</b>	<b>\$1,077,593</b>	<b>\$52,389</b>
Full-time equivalents			
Board members	1.37	1.10	0.27
Leadership team	3.73	3.73	-
	<b>5.10</b>	<b>4.83</b>	<b>0.27</b>

The full-time equivalent for Board members has been determined based on the frequency and length of Board meetings and the estimated time for Board members to prepare for meetings.

An analysis of Board member remuneration is provided in Note 3.

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