

Annual Report

For the year ended 30 June 2022



Turning spaces
into places for people.



Cover image: The banquet River Room at Te Pae Christchurch Convention Centre lit up for a celebratory event.

Double-page spread image: Te Pae Christchurch Convention Centre in readiness for a winter evening function.

The purpose of the company is to add value to Anchor Projects and Crown land in a manner that balances a desire to achieve good commercial outcomes against the Crown’s regeneration objectives and supports the Crown’s exit over time on favourable terms.

The company will assist the Crown’s transition to local leadership as part of the earthquake recovery.

The company will also undertake any role, and take any action, to assist the government with any projects, as agreed between the company and the Shareholding Ministers from time to time.

(In October 2022, Cabinet confirmed that the company would be repurposed into a Crown infrastructure delivery agency.)

CONTACT US

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“Ōtākaro delivers defined Anchor Projects and a land divestment programme that is consistent with the Christchurch Central Recovery Plan.”



The large sphere for one of the hydroslides was lowered into place at Parakiore Recreation and Sport Centre.

SCOPE

Ōtākaro is required to deliver defined Anchor Projects and a land divestment programme that is consistent with the Christchurch Central Recovery Plan. The overarching responsibilities of Ōtākaro include:

- Delivery of defined Anchor Projects by providing procurement, design management and construction management services on behalf of the Crown
- Providing programme governance, including risk, cost and schedule management
- Divestment of Crown-owned land in central Christchurch in a manner which balances a desire to achieve good commercial outcomes against the Crown’s regeneration objectives
- Managing the operational and ownership responsibilities of completed assets before sale or transfer
- Acting in a manner consistent with recovery plans and any regeneration plans
- Monitoring and funding some of the Canterbury Shovel Ready Projects
- Undertaking any role, and taking any action, to assist the government with any projects, as agreed between the Company and the Shareholding Ministers from time to time.

FUNCTIONS AND OPERATIONS

The company has six core teams. The Development team is focused on the delivery of Anchor Projects. The Te Pae Operations team has been focused on the commissioning and management of Te Pae. These functions are supported by the Finance and IT, Legal and Risk, People and Capability, and Communications and Stakeholder Engagement teams.

The company’s activities are guided by policies and procedures that ascribe to good corporate discipline, with clear links to the Ōtākaro purpose and to the company’s strategic objectives. In addition, the company’s values and behaviours support the delivery of its purpose and objectives.

ADAPTABILITY

The company was established with the understanding that it has a finite lifespan, subject to further determinations by the Crown. Accordingly, the company’s organisational structure reflects the need for adaptability. This means that the company must, in a planned manner, be able to adapt to the changing requirements of its programme and projects.

THE FUTURE

Ōtākaro was established for a limited period to deliver the projects it is responsible for and to divest surplus land. In October 2020 the Government amended the company’s constitution to enable Ōtākaro to have a broader role supporting other Government infrastructure investments.

Four months after the end of the 2022 financial year, Cabinet decided that Ōtākaro would be transformed into a Crown infrastructure delivery agency.

PART 2: Organisational health and capability

ÖTĀKARO VALUES AND BEHAVIOURS

Ötākaro continues to strengthen its organisational culture to guide all company activities. This culture is underpinned by specific, straightforward values and the behaviours expected of all personnel in undertaking their tasks.

The values are expressed as:

- Keep it simple
- Make it happen
- Do what is right
- Be agile.

By working with its personnel, specific behaviours have been defined to 'model' and to support the Ötākaro values.

These behaviours include:

- Acting with purpose and staying focused
- Doing things efficiently
- Communicating clearly, consistently and concisely
- Considering the audience
- People knowing and playing their part
- People doing what they say they will do
- Being innovative
- Doing things promptly, but properly
- Acting with integrity and respect
- Supporting one another
- Making the 'tough' calls when necessary
- Being professional and 'down to earth'
- Anticipating change.

HEALTH AND SAFETY

Ötākaro has no tolerance for anything that endangers the health, safety and wellbeing of people. As a Crown company operating in a construction environment, Ötākaro strives to be a leader of health and safety, and in ensuring compliance with the Health and Safety at Work Act 2015.

Ötākaro is committed to a culture that holds safety as a core part of the company's identity. The company does this through:

- The Board and Management modelling behaviours expected from the company's staff and its contractors

- Establishing best practice health and safety approaches in the field and in the office environment, monitoring adherence to these practices and taking immediate corrective actions if required
- Ensuring that the company, and those who are working for the company, meet all health, safety and environmental regulatory obligations.

CAPABILITY DEVELOPMENT

Ötākaro supports its staff to achieve the company's objectives and purpose by:

- Developing staff for their current roles, providing flexibility to move staff to other roles in the company, and preparing staff for their next career steps
- Regularly reviewing the capability of its people to align the available skills with the requirements of the project development lifecycles
- Achieving high levels of staff engagement
- Providing a safe environment for staff
- Delivering services required to achieve the company's objectives in a cost-effective manner
- Providing staff with reliable, secure and cost-effective technology
- Providing a sound financial and internal control environment.

ENSURING ÖTĀKARO IS A GOOD EMPLOYER

The successful delivery of the Anchor Projects, operational excellence and the Crown's central Christchurch land divestment objectives depend on the technical, commercial, financial and investment/divestment expertise of Ötākaro. It is important that the company attracts and retains skilled staff, is a good employer and offers an attractive place to work, with a culture that is valued by employees and supports the company to deliver on its strategic objectives and purpose.

Consistent with the State Services Commission Guidance on Employment Relations in the State Sector, Ötākaro employment policies aim to ensure that the company respects its equal-opportunity responsibilities.

ÖTĀKARO VALUES:

Keep it simple.

Make it happen.

Do what is right.

Be agile.



John Bridgman and Corinne Haines

Dear Shareholders

On a mild weekend in June, central Christchurch cafes and shops were abuzz as 5500 art enthusiasts attended the 2022 Christchurch Art Show.

A couple of weekends earlier, staff in a Cashel Mall men's fashion store were surprised by the rate that business shirts and ties were leaving their racks. They learned that about 1200 real estate agents were in town and wanting to look their best the following week at the Harcourts annual conference.

Both events were hosted at our new Te Pae Christchurch Convention Centre – the Government's single greatest contribution to the post-quake regeneration of our central city.

Ōtākaro was established to achieve regeneration and commercial outcomes, so it warms our hearts to see central city businesses, that have endured so much in the past decade, benefitting from the influx of locals and visitors attending events at our venue.

COVID-19

Even allowing for COVID-19 which has had a major impact on the events sector, Te Pae is likely to inject about \$60m of additional spending into the CBD each year. A virtually full calendar of events is planned for next year.

COVID-related gathering restrictions have highlighted how much we value catching up with people in person, so it's not surprising that there is such strong interest in staging events at Te Pae. For those unable to participate face-to-face, Te Pae has all the high-tech features to host hybrid events, where some people take part online.

Across the CBD, the Parakiore Recreation and Sport Centre was at a much earlier stage of construction than Te Pae when COVID-19 hit, so we have been more exposed to the labour, component and other challenges currently being faced by major construction projects in these extraordinary times. We have worked hard to keep the project progressing, with the exterior now well advanced and the interior fitout pushing ahead

THE NEXT 12 MONTHS

It was pleasing to get work underway on the final section of the South Frame, the last of our open space construction projects in Christchurch, late in the financial year.

The inner-city housing market remained strong during the year. Seventy-eight 'One Central' homes in the East Frame residential area were completed during the year and a further 73 were under construction at year end.


Some Super Lots on Manchester Street well suited to higher density development were taken to the market during the year. One was sold and, at year-end, negotiations for the sale of a second block were well advanced.

In the next 12 months we look forward to significantly progressing the construction of Parakiore, completing our other remaining Christchurch projects, and assisting the Government in the delivery of Crown infrastructure projects. We thank the Government for its ongoing support.

We also want to take this opportunity to thank our staff for their professionalism and commitment in what are very trying times for the major construction sector.

Corinne Haines – Chairperson
John Bridgman – CEO

103.7 mil



A total of \$103.7m of project and project management funding relating to the year ended 30 June 2022 was received from the Crown. This was received through a mixture of operating grants and share capital.


29.0 mil



Nine land sale transactions were settled during the year. Nine parcels totalling \$29.0m were recorded as sales of land inventory.


The tenth Super Lot for the East Frame Residential Development was sold to Fletcher Residential Ltd for \$2.9m.

143.2 mil




Total project and project management expenditure of \$143.2m was incurred for the year ended 30 June 2022. This is a decrease of \$8.24m on the prior year.

890.7 mil




Total assets are \$890.7m at 30 June 2022. This is an increase of \$105.7m from the prior year, due to the work in progress associated with capital projects.

32.5 mil



The net deficit was \$32.5m for the year. A key reason for this deficit was the recognition of an \$72.6m provision to transfer assets to Christchurch City Council at nil value.

489.2 mil



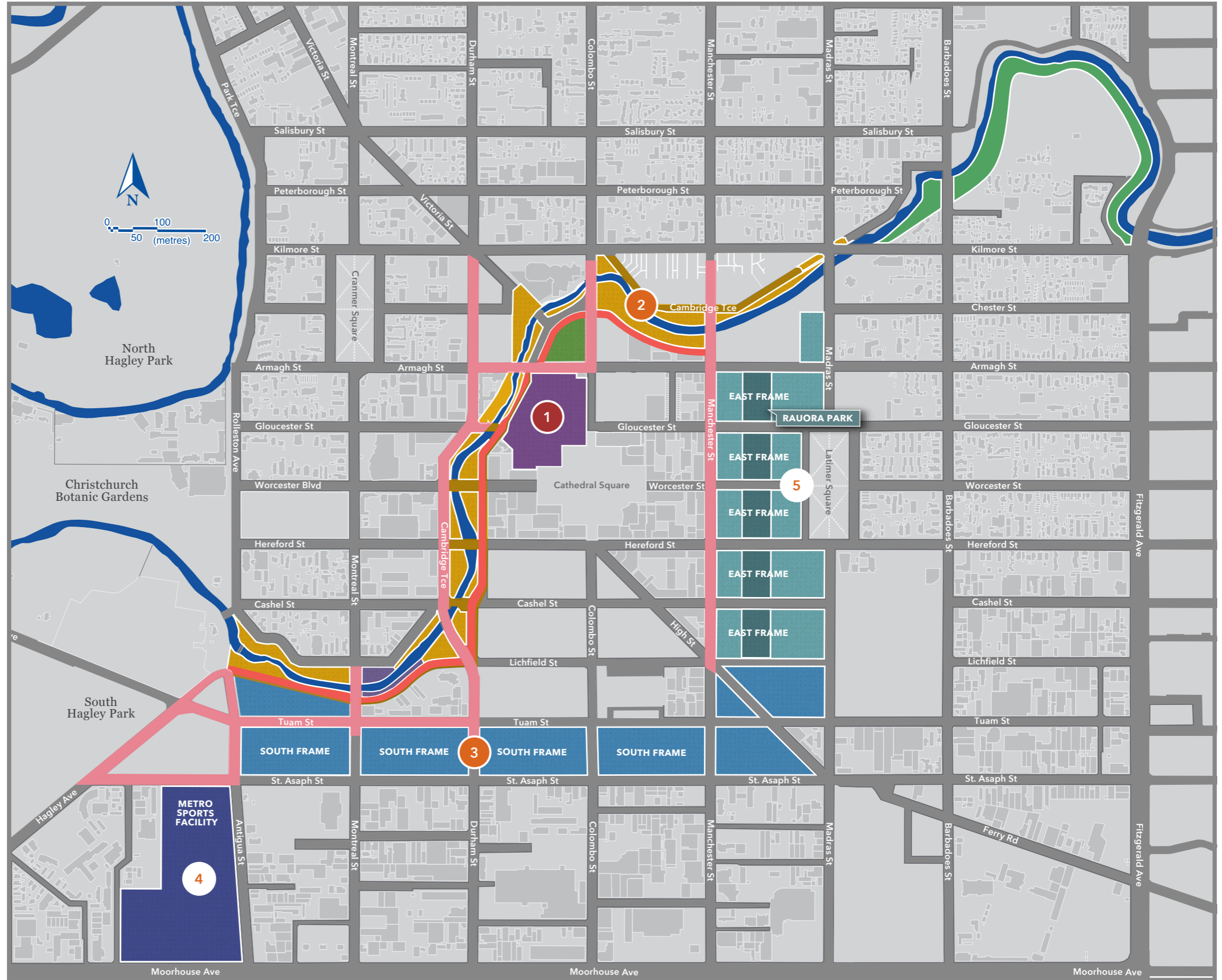
Total equity is \$489.2m at 30 June 2022. Additional share capital of \$64.3m was issued during the year to fund capital projects.

Anchor Project overview

1 July 2021 – 30 June 2022

- COMPLETED**
- 1 Te Pae Christchurch Convention Centre
- FINISHING SOON**
- 2 The South Frame
 - 3 Te Papa Ōtākaro / Avon River Precinct
- LONG TERM PROJECTS**
- 4 Parakiore Recreation and Sport Centre
 - 5 The East Frame - One Central

- Key**
- Completed
 - Finishing Soon
 - Long Term Projects





COMPLETED

Te Pae Christchurch Convention Centre

Central City
Anchor
Projects

Convention
Centre
Precinct

WHAT IS IT?

Te Pae Christchurch Convention Centre (Te Pae) is a world-class business and community events facility supported by the adjacent central city retail and hospitality sectors.

While it has capacity to host 2000-person events, more importantly it can accommodate simultaneous smaller events. The main auditorium can host 1400 people in a space that can be divided into two 700-person auditoria. The venue includes a 1000-person banquet hall and 24 flexible meeting rooms that can hold up to 1400 people. The 3300m² exhibition hall can accommodate up to 200 booths.

STATUS

Te Pae was officially opened in December 2021 but COVID-19-related gathering restrictions meant major events were unable to be held there until late April.

Thirty events, including conferences, banquets and expos were held between April and the 30 June year end. At least 150 events are planned for the 2023 business year, which will collectively bring more than 62,000 delegates and guests into the venue.

The Te Pae building sits on about two-thirds of the precinct. Hotels, developed by the Carter Group, will eventually be built on much of the remaining site. In December the balance of the precinct was landscaped as a temporary public space, including Conduit Square with a distinctive lighting feature, and a projection onto the eastern wall of Te Pae, that eventually will be obscured by a hotel.



FINISHING SOON

The South Frame

Central City
Anchor
Projects

The South
Frame

WHAT IS IT?

The South Frame was designed to create a more compact and vibrant southern side of the CBD. The network of laneways and gathering spaces breaks down the city blocks in the area, creating attractive places to meet, dine and relax.

At the heart of the South Frame is the Greenway, a planted pathway for pedestrians and cyclists, which will run the entire east-west length of the development from the SALT District to the Health Precinct. When complete, the Greenway will connect four gathering spaces that will be used for events and markets. Lanes branching off the Greenway provide access to Tuam and St Asaph Streets along with retail and hospitality businesses in the area.

STATUS

Work got underway on the final section of the South Frame, west of Montreal Street in May. The T-shaped development features the east-west Greenway branching off to the south, towards Parakiore, and north, toward the Health Precinct.

The work is likely to be completed early in 2023. In November the second last section of the Greenway, east of Colombo Street through Team Hutchinson Ford, was completed and opened to the public.



FINISHING SOON

Te Papa Ōtākaro/ Avon River Precinct

North Frame Pedestrian Bridge

Central City
Anchor
Projects

Te Papa
Ōtākaro/
Avon River
Precinct

WHAT IS IT?

The new 32-metre bridge, spanning the Ōtākaro/Avon River, is the final component in the Te Papa Ōtākaro/Avon River Precinct programme, the largest urban renewal works ever undertaken in New Zealand. The bridge is located at a natural crossing point at a bend in the river. It also supports future developments in the area by connecting popular city features like the band rotunda, and the future Ko Tāne Cultural Centre and Catholic Precinct.

STATUS

The bridge opened in November and quickly proved popular with cyclists, scooter riders, pedestrians and joggers. Light surface staining of the balustrade is being treated before the asset is transferred to the Council.



LONG TERM PROJECTS

Parakiore Recreation and Sport Centre

Central City
Anchor
Projects

Parakiore
Recreation
and Sport
Centre

WHAT IS IT?

Parakiore Recreation and Sport Centre (Parakiore) is intended to be the largest aquatic and indoor recreation and leisure venue of its kind in New Zealand.

It will be accessible to people of all ages, abilities and skill levels. At over 30,000m², the Parakiore aquatic area will include a 50-metre, 10-lane competition swimming pool, a separate diving pool, a large aquatic leisure area and five hydroslices.

It will also have fitness spaces, an indoor court area that is the size of nine netball courts, and three show courts for elite events that can be converted into a central court with 2,500 retractable seats. The facility will cater for the needs of the recreational, educational and high-performance sporting communities.

STATUS

Construction of Parakiore continued with most of the exterior and roof complete at year end, enabling the tower crane and the largest crawler crane to be removed from the site. The court side of the building was largely watertight by year end. Work on the internal fitout, and the installation of key features such as hydroslices, pools and court features progressed.

COVID-19 and associated delays, including labour shortages and component delivery delays, as well as adverse ground conditions, proved challenging during the year.

Construction is likely to be completed in June 2024, which will be followed by Christchurch City Council's commissioning period ahead of the opening.



LONG TERM PROJECTS

The East Frame

One Central



WHAT IS IT?

The East Frame residential area has been named One Central by Fletcher Living. It is a new housing area in the heart of the central city built around Rauora Park. The development provides a range of attractive options from studio apartments to three-bedroom townhouses. People living in the city will be well placed to support business and events which will help the CBD grow and thrive.

STATUS

By year end, 250 Fletcher Living (One Central) homes had been completed and sold in the East Frame. The most recent properties to settle were the final 24 units in the block bordered by Gloucester and Worcester Streets and Latimer Square. A further 73 homes were under construction including the first homes to be built on Manchester Street, between Worcester and Gloucester Streets, and on land directly across the Ōtākaro/Avon River from Margaret Mahy Family Playground.

As noted under Land Divestment, one East Frame Super Lot was sold to Williams Corporation for an apartment development during the year.

PART 6: Land divestment

Ōtākaro is required to divest land in a manner that “balances a desire to achieve good commercial outcomes against the Crown’s regeneration objectives”

The land divestment strategy will be realised by seeking opportunities where commercial value can be achieved and leveraging the strategic importance of land, where possible, to drive regeneration outcomes.

DIVESTMENTS IN 2022

- One East Frame Super Lot was sold to Williams Corporation, under an agreement with Fletcher Living to remove up to three Manchester Street-facing super lots from the Development Agreement for higher density housing. Williams Corporation will build apartments on the block, which is bordered by Worcester and Hereford Streets
- The 1029m² area of land at 142-144 Tuam Street was sold for a townhouse development.
- The sale of the 8145m² Madras Square, bordered by Armagh, Gloucester and Madras Streets, and the 876m² property at 173 Tuam Street were both completed during the year.

PART 7: Governance

ORGANISATION FORM

Incorporated under the Companies Act 1993, Ōtākaro is a Crown-owned company listed under Schedule 4A of the Public Finance Act 1989, and subject to the Crown Entities Act 2004, the Official Information Act 1982 and the Ombudsmen Act 1975.

Its shareholders are the Minister of Finance and the Minister for Land Information who each hold 50% of the share capital.

The Treasury monitors the company's commercial and financial performance.

MANAGEMENT OF THE COMPANY

The company's governance framework is designed to ensure that it is effectively managed and that statutory obligations are met. The governance framework ensures a clear understanding of the separate roles of Board and Management and demonstrates a shared commitment to the company's purpose.

The Board of Directors is responsible for the overall direction of Ōtākaro on behalf of Shareholding Ministers in the manner set out in the company's Constitution, Letter of Expectations, Statement of Intent and Board Code of Conduct.

The Board has delegated to the Chief Executive the company's day-to-day management, operation and administration, and the company has put in place a suite of policies that underpin its strategies and objectives. The Board operates in accordance with the relevant expectations set out in the Treasury's guide Owner's Expectations for Crown companies and entities monitored by the Treasury (including the Principles in the Securities Commission 'Corporate Governance in New Zealand: Principles and Guidelines'), and Cabinet Office Circular Investment Management and Asset Performance in the State Services (CO (19) 6), including the reporting, accountability and financial governance expectations.

BOARD OF DIRECTORS

The Board of Directors is committed to a high standard of corporate governance and regulatory compliance in guiding and monitoring the company's activities. The Board currently comprises five non-executive Directors appointed by the Shareholding Ministers, following Cabinet approval. Under the company's Constitution there must be no fewer than two and no more than five Directors.

Board Members



CORINNE HAINES
CNZM, Chairperson

Corinne Haines has more than 50 years' business experience and was at the helm of Trimble Navigation New Zealand Limited for nearly 20 years. She is currently CEO, City Missioner, at the Christchurch City Mission.

Corinne has a Bachelor of Commerce in Accounting and Economics. She is a fellow of Chartered Accountants Australia and New Zealand.

Christchurch born, Corinne has a passion for the city and the opportunities and lifestyle it provides for residents. She was awarded a special commendation at the 2014 Champion Canterbury Awards for her outstanding contribution to the Canterbury Community.

In 2015 she was a member of an Independent Panel which advised the Minister of Defence on the Defence White Paper 2015.

Corinne was named a Companion of the New Zealand Order of Merit for her services to business in the 2016 New Year's Honours.



PETER TOWNSEND
CNZM, Director

Peter is a former chief executive officer of The Canterbury Employers' Chamber of Commerce, a position he held for 21 years.

He is currently committed to governance roles, which are predominantly based in Christchurch.

He is an inaugural board member of Ōtākaro Limited and chairs the Audit and Risk Committee.

Peter is chair of Pegasus Health (Charitable) Limited and chair of Te Papa Hauora, The Health Precinct. He is also a board member of Warbirds over Wanaka Limited, and a member of the Royal New Zealand Air Force Museum Trust Board. He serves on the Callaghan Innovation Grants Committee.

He is a fellow of The Institute of Directors, a life member of The Otago University Students' Association, and a life member of The Canterbury Employers' Chamber of Commerce.

Peter is the Honorary Consul of Chile, for the South Island.

He has a BSc (Hons) and a Post Graduate Diploma of Business from Otago University. In 2014 Lincoln University awarded him an Honorary Doctorate of Commerce, in recognition of his services to the business community.

In 2013 Peter was made a Companion of The New Zealand Order of Merit.



MIRIAM DEAN
CNZM, KC, Director

Miriam Dean has 38 years of legal experience as a former partner of law firm Russell McVeagh and is a long-standing member of the independent bar. She was president of the New Zealand Bar Association from 2011 to 2012. She has conducted a number of inquiries and reviews, including chairing the Government's Electricity Price Review from 2018 to 2019 and Auckland Council's review of its council-controlled organisations in 2020.

With 25 years of governance experience, Miriam is the current chair of the Banking Ombudsman Scheme, as well as a director of Chorus Limited and the Real Estate Institute of New Zealand. Past directorships include chair of NZ on Air, director of Crown Infrastructure Partners Limited, deputy chair of Auckland Council Investments and a member of the Auckland Transition Authority.

Miriam facilitated and reported to the Government on discussions with engineers on options for the repair, restoration or replacement of Christ Church Cathedral in 2017. She is also chair and a member, respectively, of the Legal Advisory Board and the Advisory Committee of the Greater Christchurch Earthquake Claims Resolution Service.

Miriam was made a Companion of the New Zealand Order of Merit for services to business and law in 2013.



PAUL BLACKLER
Director

Paul Blackler is the New Zealand construction manager at Ryman Healthcare and has 38 years' experience in the construction industry.

He was deputy chairman of the Building Practitioners Board from 2005 to 2012. The Board played a key role in shaping the licensing system for building practitioners, and hears appeals against licensing decisions and complaints against Licensed Building Practitioners.

Paul has been actively involved in the post-quake regeneration of Christchurch. He joined Citycare in 2013 to manage the Building Construction division, before taking up the leadership of Citycare Civil in 2015.

He was Chairman of the Citycare JFC Joint Venture which has delivered many of the city's most significant civil projects and was a board member of SCIRT (Stronger Christchurch Infrastructure Rebuild Team) from mid-2017 to early 2019.



ROD CARR
Director

Dr Carr has extensive experience in both public and private sector governance and leadership. He served as chair and non-executive director of the Reserve Bank of New Zealand, having previously served as deputy governor and, for a time, acting governor of the Bank. Rod was the founding chair of the National Infrastructure Advisory Board and for over a decade was a non-executive director of the Canterbury Employers' Chamber of Commerce.

He led the University of Canterbury as vice chancellor for ten years before retiring in February 2019, having substantially completed the recovery from the earthquakes of 2010 and 2011.

Rod is currently the chair of the Climate Change Commission and a director of ASB Bank Limited, as well as a trustee of the Christchurch Earthquake Appeal Trust and of the Arts Centre of Christchurch.

Rod holds a PhD in insurance and risk management, an MA in applied economics and managerial science, an MBA in money and finance, and honours degrees in law and in economics.

BOARD COMMITTEES

The Board has an Audit and Risk Committee, which is comprised of three Directors, to assist the Board to meet its financial governance, risk management and accountability requirements and responsibilities. The Committee's Terms of Reference also cover the role of oversight of assurance.

Other ad hoc and standing committees may be formed from time to time.

INDEMNITIES AND INSURANCE

As permitted by the Ōtākaro Constitution, deeds of indemnity have been given to Directors, officers and employees involved in the management of the company. The company has professional indemnity, and directors' and officers' liability, insurance in place.

DISCLOSURE OF INTERESTS BY DIRECTORS

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 the Companies Act 1993. The following table sets out all interests or cessations of interests of the Directors recorded in the Interests Register during the year ended 30 June 2022.

The Senior Leadership Team



JOHN BRIDGMAN
Chief Executive Officer



KEITH BEAL
General Manager, Te Pae Operations



JOHN O'HAGAN
General Manager, Development



SUE SQUIRE
General Manager, People and Capability



ANDREW TREVELYAN
General Manager, Communications and Stakeholder Engagement



SARAH FIELDS
Acting General Manager, Legal and Risk



CURTIS MITCHELL
Chief Financial Officer

Board of Directors' Interests Register

Directors	Date of Disclosure	Organisation	Role	Financial Interest	Nature of Interest	
Corinne Haines (Chairperson) Last updated 5 June 2022 - affirmed 7 June 2022	5 June 2022	Christchurch City Mission	Chief Executive Officer	Salary	Fixed-term, part-time role.	
	8 March 2022	Christchurch Diocese Standing Committee	Member	N/A	Standing Committee is the governance body for the Anglican Church.	
	31 May 2019	Logistics Drive Investments Limited	Shareholder	Shares and shareholder advance	Ultimately rental income - but none at present.	
	31 May 2019	Motim Technologies Limited	Shareholder	Shares	Company is to be wound up - no future income.	
	4 September 2017	Beena Vision Asia Pacific Pty Limited	Director	N/A		
	1 August 2016 + 3 February 2022	Trimble Navigation New Zealand Limited	Employee	Salary	Employed as CEO of Trimble Navigation New Zealand Limited. All the listed entities are part of the Trimble Navigation Limited group, many of which are the result of acquisitions and are no longer trading and will ultimately be wound up.	
	1 August 2016	Manhattan Asia Pacific NZ Limited	Director	N/A		
	1 August 2016	Trimble Navigation Australia Pty Limited	Director	N/A		
	1 August 2016	Trimble Australia Solutions Pty Limited	Director	N/A		
	1 August 2016	Manhattan Asia Pacific Pty Limited	Director	N/A		
	1 August 2016	Spatial Dimension Pty Limited	Director	N/A		
	1 August 2016	LSI Robway Pty Limited	Director	N/A		
	1 August 2016	St Barnabas Fendalton Trust	Trustee	N/A		A trust set up to manage the fundraising for the repair and strengthening of the church after the 2011 earthquake.
	1 August 2016	St Barnabas Anglican Church - Fendalton	Vestry member	N/A		Vestry is the governance body of each parish within the Anglican church structure.

Directors	Date of Disclosure	Organisation	Role	Financial Interest	Nature of Interest
Paul Blackler Last updated 4 October 2021 - affirmed 7 June 2022	4 October 2021	The Youth Hub Trust	Trustee	N/A	A collective of co-located services and facilities, along with transitional housing, based in the heart of central Christchurch.
	5 October 2019	Blacklight NZ Limited	Director	N/A	Bespoke technical lighting, sound and video hire, servicing and custom manufacturing business of which my son is the sole shareholder.
	5 October 2019	Ryman Healthcare Limited	New Zealand Construction Manager	Salary	NZX listed, Ryman Healthcare builds, owns and operates retirement villages in New Zealand and Victoria, Australia.
	5 October 2019	New Zealand Institute of Building	Member	N/A	
	5 October 2019	Te Karaka Trust	Chairman/	N/A	Manages a fund for the benefit of The Girls' Brigade New Zealand Incorporated.
	5 October 2019	Shamaria Trust	Trustee	Beneficiary	Family Trust with property assets.
	5 October 2019	Avishai Trust	Trustee	Beneficiary	Family Trust with property assets.
	Dr. Rod Carr Last updated 4 April 2022 - affirmed 2 May 2022	4 April 2022	Williams Corporation	N/A	N/A
4 October 2019		JRC (NZ) Limited	Director and Shareholder	Shares (minimal holding)	
4 October 2019		Conner Operating Group Limited	Shareholder	Shares	Shareholder equity and advances.
4 October 2019		Waingawa Forest Corporation Limited	Director and Shareholder	Shares	Shareholder equity and advances.
4 October 2019		ASB Bank Limited	Director	Director's fees	
4 October 2019		The Professionals Club	Limited liability partner	Investor	
4 October 2019		Christchurch Arts Centre	Trustee	Nil	
4 October 2019		Canterbury Earthquake Appeal Trust	Trustee	Nil	
8 October 2019		Climate Change Commission	Chair	Fees	

Directors	Date of Disclosure	Organisation	Role	Financial Interest	Nature of Interest
Miriam Dean Last updated 26 January 2022 - affirmed 7 June 2022	20 May 2022	Gas Rulings Panel	Sole Member	Professional Fees	Ministerial appointment. Commencing 29 August 2022.
	1 November 2021	Chorus NZ Limited	Director	Director's Fees	
	28 January 2021	SEB Holdings Limited	Shareholder	Shares	Joint shareholding in small private company - ownership vehicle for an Auckland apartment
	6 August 2019	Ministry of Justice's Legal Aid Advisory Board	Chair	Professional Fees	
	7 May 2019	Department of Internal Affairs' External Advisory Committee	Member	Professional Fees	
	5 November 2018	Legal Advisory Group of the Greater Christchurch Earthquake Claims Resolution Service	Chair	Professional Fees	
	5 November 2018	Advisory Committee of the Greater Christchurch Earthquake Claims Resolution Service	Member	Professional Fees	
	28 September 2017	Real Estate Institute of New Zealand Incorporated	Director	Director's Fees	
	17 February 2016	Banking Ombudsman Scheme Limited	Chair	Director's Fees	Director and shareholder
Peter Townsend Last updated 26 January 2022 - affirmed 7 June 2022	4 December 2019	Warbirds over Wanaka Limited	Director	N/A	Inactive entity holding intellectual property.
	2 December 2019	Warbirds Over Wanaka Airshows Limited	(effective 1 December 2019)	N/A	
	2 December 2019	Warbirds Over Wanaka Community Trust	Director	N/A	

Directors	Date of Disclosure	Organisation	Role	Financial Interest	Nature of Interest
(continued) Peter Townsend Last updated 26 January 2022 - affirmed 7 June 2022	21 June 2019	Te Papa Hauora/ Health Precinct Advisory Council	Chairman (effective 1 July 2019)	Chairman's Honorarium	Te Papa Hauora/Health Precinct is an initiative involving the Canterbury District Health Board, the University of Otago, the University of Canterbury, Ara Institute of Canterbury and Matapopore Charitable Trust. Its purpose is to bring together intellectual and other resources to improve the effectiveness of the wider health ecosystem through an innovative and collaborative programme.
	31 May 2019	CECC Management Training Limited	Director	N/A	Inactive shell company.
	17 February 2016	Pegasus Health (Charitable) Limited	Director (Appointed Chairman 28.9.2018)	Director's Fees	From 2007. Pegasus Health is a PHO that provides primary and community-based healthcare for over 365,000 Cantabrians through membership of approximately 240 doctors and 280 practice nurses in 100 general practices. Operator and owner of the 24-Hour Surgery.
	17 February 2016	RNZAF Museum Trust Board	Board Member	N/A	From 2006. Oversees the running of the Air Force Museum of New Zealand which holds the national collection of the Royal New Zealand Air Force (RNZAF).
	17 February 2016	Callaghan Innovation Grants Committee	Member	Director's Fees	From 2013. The role of the Callaghan Grants Committee is to support the Callaghan Innovation Board (Government agency that helps businesses succeed through technology and R&D) in its decision-making on proposals received for government funding for business led research and development.
	17 February 2016	Honorary Consul of Chile to Christchurch	Honorary Consul	Service Fee	From 2000. Assisting Embassy of Chile in Wellington with services and communications to Chileans in the Canterbury region.

“The Board of Directors of Ōtākaro Limited has responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting for the Company.”

Statement of Responsibility

for the year ended 30 June 2022

Under the Crown Entities Act 2004 and the Public Finance Act 1989, the Board is responsible for the preparation of Ōtākaro Limited Annual Report, which includes the financial statements and performance information, and the judgements made therein. We are responsible for any end-of-year performance information provided by the Company under section 19A of the Public Finance Act 1989.

The Board of Directors of Ōtākaro Limited has responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting for the Company.

In the Board's opinion, these financial statements and performance information fairly reflect the financial position and performance of Ōtākaro Limited for the year ended 30 June 2022.

Signed on behalf of the Board



CORINNE HAINES
Chairperson

14 December 2022



PETER TOWNSEND
Director

14 December 2022

About this report

IN THIS SECTION

The notes to the financial statements include information which is considered relevant and material to assist the reader in understanding the financial performance and position of Ōtākaro Limited (Ōtākaro). Information is considered relevant or material if:

- The amount is significant because of its size or nature
- It is important to understanding the results of Ōtākaro
- It helps explain Ōtākaro's business.

Ōtākaro is a limited liability company incorporated in New Zealand under the Companies Act 1993 and is a Schedule 4A entity of the Public Finance Act 1989. Ōtākaro was established with limited life expectancy. In October 2022 Cabinet confirmed that the company will be repurposed into a Crown Infrastructure Delivery Agency with the purpose of delivering projects on behalf of other Crown agencies.

The original purpose of Ōtākaro is to add value to Anchor Projects and Crown Land in a manner that balances a desire to achieve good commercial outcomes against the Crown's regeneration objectives and support the Crown's exit over time on favourable terms. The company will assist the Crown's transition to local leadership as part of the earthquake recovery. The company will also undertake any role, and take any action, to assist the Government with any projects, as agreed between the company and the Shareholding Ministers from time to time.

Ōtākaro was incorporated on 17 February 2016 with two Shareholding Ministers and a Board of Directors.

Ōtākaro has designated itself as a public benefit entity (PBE) for the purposes of financial reporting under Public Sector PBE Standards (PBE Standards). Ōtākaro is a public authority and is exempt from the payment of income tax. Accordingly, no provision has been made for income tax in the financial statements.

These financial statements have been prepared:

- In accordance with the relevant requirements of the Public Finance Act 1989 and the Crown Entities Act 2004, which include the requirement to comply with NZ GAAP
- In accordance with GAAP and comply with Tier 1 PBE Standards
- On a GST-exclusive basis, except for receivables and payables which are presented on a GST-inclusive basis
- With no changes to accounting policies since the date of the 2021 financial statements
- On an historical cost basis modified by the revaluation of certain assets
- In New Zealand dollars rounded to the nearest one thousand, unless separately identified.

The financial statements of Ōtākaro are for the year ended 30 June 2022 and were approved by the Board of Directors on 14 December 2022.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, Ōtākaro 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 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:

- Useful lives and residual values of property and equipment (note 2A)
- Fair value of land and buildings (note 2A)
- Net realisable value of land and buildings held as inventory (note 2B)
- Provision for transfer of land assets (note 2D)
- Current portion of borrowing (note 3B)
- Capital work in progress (note 2C).

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying accounting policies:

- Recording of funding received in advance (note 1B)
- Classification of land and buildings (note 2A and Significant matters section)
- The capitalisation point for project costs (see Significant matters section)
- Classification of projects (see Significant Matters section)
- The capitalisation of additional costs related to COVID-19 (see Significant matters section).

Significant matters in the financial year

IN THIS SECTION

Significant matters which have had an impact on the Ōtākaro financial performance and position.

2022 ANCHOR PROJECT FUNDING (\$103.7m)



● Operating projects
 ● Capital projects

PROJECTS AND THEIR FUNDING

The Crown has committed to the continued support of Ōtākaro and the regeneration of Christchurch by agreeing to fund Ōtākaro for the completion of various Anchor Projects in Christchurch, as listed below. The graph above summarises funding received by project type.

Operating projects

These projects are considered operational in nature for any of the following reasons:

1. The project involves improving land not owned by Ōtākaro.
2. The project has not reached detailed design phase, so it does not yet generate an asset for Ōtākaro.
3. Construction has finished and Ōtākaro is maintaining the asset until it transfers.
4. The project work undertaken is remediating contaminated land and doesn't increase the value of the land.
5. The Project is at an initial investigative or business case stage for another entity.

Projects include Avon River Precinct, Te Pae Christchurch Convention Centre (hereafter referred to as Te Pae) business establishment, East Frame Residential, and Shovel Ready projects.

Ōtākaro is funded for these projects by the Crown with no conditions attached, therefore funding is recognised when received. The only exception are Shovel Ready projects, where revenue is recognised initially as a liability. For further details see note 1A.

Capital projects

Projects are capitalised once the developed design phase is complete. At this point the scope of the project is fully defined and cost estimates can be provided on an elemental basis. This will confirm that the project is within the approved funding limits. The Board then considers approval of the main works contract.

Te Pae, Parakiore Recreation and Sport Centre (Parakiore - formerly known as Metro Sports Facility) and South Frame are currently regarded as capital projects.

Capital projects are funded by an issue of shares to the Shareholding Ministers. Funds received by way of share issue are not recognised as revenue in the Statement of Comprehensive Revenue and Expense. They are recognised as capital contributions.

Project managed projects

In 2021 Ōtākaro was contracted by Treasury to manage the Stockton Mine – Acid Mine Drainage (AMD) Rehabilitation Project – Procurement Services. The project required Ōtākaro to undertake a full and thorough procurement process including carrying out a feasibility study on a short list of preferred options for AMD management at Stockton. Ōtākaro was also tasked as part of the project to make a recommendation to the Treasury, to be considered by Cabinet, for a potential long-term AMD rehabilitation method. After an initial scope of work the project was transferred back to Treasury for further consultation with Stakeholders. Ōtākaro's role ceased during this financial year and any funding unspent was returned to the Crown.

PROJECT ASSETS

When operating and capital projects were transferred to Ōtākaro, land and building assets were transferred with them. The classification of these assets in the Statement of Financial Position is based on the expected future use.

A Land Divestment Strategy was approved by the Board of Directors during the 2022 financial year. It determined the expected future use of land and buildings held by Ōtākaro. The classification of the land and buildings in these financial statements is prepared on the basis of the Land Divestment Strategy. For further details see note 2B.

Land and buildings associated with the projects have been classified as follows:

1. Land and buildings held as inventory – these are the land and buildings that have been designated by the Divestment Strategy as surplus land holdings. They have been classified as inventory because Ōtākaro will be selling surplus land holdings as part of its core business.
2. Land and buildings as part of property and equipment – these are either public realm land that is expected to transfer to another entity in the future, or that are being held for strategic purposes.

Project assets breakdown	2022 \$000	2021 \$000
Land and buildings held as inventory	34,177	50,837
Property and equipment		
– Land	69,793	54,452
– Buildings	347,800	3
– Work in progress	209,958	450,235
Total	661,728	555,527

TRANSFER OF PUBLIC REALM ASSETS

The Crown has an agreement with the Christchurch City Council to vest certain pieces of land owned by Ōtākaro at some time in the future. Ōtākaro is not a party to this agreement.

A Memorandum of Understanding was reached between the Christchurch City Council and Ōtākaro in the 2017 financial year as to how public realm land and assets created as part of certain Ōtākaro Anchor Projects will transfer from Ōtākaro to the Christchurch City Council. As a result of this agreement, there is a provision for the transfer of assets.

Included in the provision for the transfer of public realm assets are those assets that are known to be transferring to the Christchurch City Council in the future. These assets have either been recorded as land in the property and equipment class of assets or are recorded as capital work in progress.

COVID-19 PANDEMIC

Ōtākaro continues to be impacted by the various lockdowns and supplier disruptions related to the COVID-19 pandemic.

CONTRACT TYPES

Ōtākaro Limited has entered into three types of contracts that are subject to COVID-19 claims and each form of contract has been reviewed for COVID-19 cost impact:

- i) Construct Contracts (per NZS3910 form of contract) for Parakiore Recreation and Sport Centre, Avon River Precinct and South Frame
- ii) Design and Construct Contracts (per NZS3916 form of contract) for Te Pae
- iii) Contracts for professional services to support the Anchor Project delivery.

For the year ended 30 June 2022 Ōtākaro has paid and accrued COVID-19 related claims and expenses totalling \$17.3m (excluding GST) across its projects (2021: \$18.9m). These are based on assessments by the Engineer-to-contract on the relevant project, and for additional professional fees incurred due to the delay. The claims received and paid are contract variations for extension of time and costs caused by the change in law and per the terms of NZS3910 Conditions of contract for building and civil engineering construction and NZS3916 Conditions of contract for building and civil engineering – Design and construct, which are the standard forms of contract used in the New Zealand construction market. All claims paid and variations paid are capitalised the year they are incurred.

Notwithstanding, the full cost impact of COVID-19 is yet to be finally determined across Ōtākaro construction contracts and professional services. At this stage the expectation is that such costs will be able to be accommodated within the existing project budget. The claims on contracts and variations on professional services not yet received will represent costs incurred in Ōtākaro financial statements for 2022/23. Ōtākaro may incur further COVID-19 costs which are not able to be quantified at this stage.

The assessment of the impact of COVID-19 on Ōtākaro Statement of Financial Performance and Statement of Financial Position is set out below based on information available at the time of preparing the financial statements.

Financial statement area	Summary of COVID-19 impact	Note disclosing additional information
Capital work in progress	Additional costs directly attributable to the asset were incurred as a result of the ongoing COVID-19 pandemic. All of these costs up to 30 June 2022 have been capitalised to Capital work in progress per PBE IPSAS 17 Property, Plant and Equipment.	Note 2C

POST BALANCE DATE EVENTS

Ongoing Operations

Post balance date Cabinet confirmed that Ōtākaro will be repurposed, into a Crown Infrastructure Delivery Agency, to assist with the delivery of Crown infrastructure projects.

Term Loans

At balance date all borrowings were classified as a current liability as the final repayment date in the Vendor Finance agreement with Treasury was 30 June 2023. As at signing date Treasury are pursuing extension of the final repayment date on all loans to 30 June 2027.

Contingent Liability for Parakiore Recreation and Sports Centre

Post balance date, the contractor responsible for the building of Parakiore has alleged it is owed \$212.0m under the Main Works Construction contract. Its claims relate to a range of issues including Covid and associated delays, design and adverse ground conditions, and other sundry claims. Ōtākaro disputes the contractor's entitlement to this sum and disputes the basis of the claims, but in the interests of full disclosure has disclosed a contingent liability for the full amount in note 4D. At the date of approving the Annual Report, the parties are utilising dispute resolution provisions in the Main Works Construction contract to try to resolve some or all of the disputes.

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

For the year ended 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Income				
Project funding	1A	79,836	152,519	67,551
Operational funding	1B	12,950	13,282	13,660
Properties and facilities funding	1B	255	3,487	1,424
Other revenue	1C	3,339	650	2,419
Sales revenue	1D	1,956	6,127	-
Total revenue		98,336	176,065	85,054
Expenses				
Operating project expenses	1A	50,463	106,810	28,449
Operational expenses	1B	11,767	13,282	12,432
Properties and facilities expenses	1B	1,067	3,487	1,383
Provision for transfer of public realm assets and Parakiore	2D	72,563	168,315	80,097
Finance costs	1E	1,225	626	1,446
Other expenses	1F	4,902	13,608	71
Net (Gain)/Loss on other asset sales	1G	-	-	671
Total expenses		141,987	306,128	124,549
Land sales	2B	28,981	27,101	28,324
Cost of land sales	2B	(17,816)	(18,369)	(20,323)
Gain/(Loss) on land sales		11,165	8,732	8,001
Net surplus/(deficit) for the period		(32,486)	(121,331)	(31,494)
Other comprehensive revenue and expense for the year		73,697	-	-
Total comprehensive revenue and expense for the year		41,211	(121,331)	(31,494)

Explanation of major variances against budget are provided in note 4F.

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Note	Capital \$000	Revaluation Reserve \$000	Accumulated Surplus \$000	Total \$000
Opening balance 01 July 2020					
		453,649	-	(93,733)	359,916
Comprehensive income					
Net surplus/(deficit)		-	-	(31,494)	(31,494)
Other comprehensive revenue and expense		-	-	-	-
Total comprehensive revenue and expense		-	-	(31,494)	(31,494)
Owners' transactions					
Capital contribution - Crown		55,243	-	-	55,243
Closing balance 30 June 2021		508,892	-	(125,227)	383,665
Comprehensive income					
Net surplus/(deficit)		-	-	(32,486)	(32,486)
Other comprehensive revenue and expense		-	73,697	-	73,697
Total comprehensive revenue and expense		-	73,697	(32,486)	41,211
Owners' transactions					
Capital contribution - Crown		64,306	-	-	64,306
Closing balance 30 June 2022	3A	573,198	73,697	(157,713)	489,182

Explanation of major variances against budget are provided in note 4F.

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

Assets	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Current assets				
Cash and cash equivalents	3C	65,250	60,035	79,274
Short term deposits	3D	129,833	-	133,023
Trade and other receivables	3E	11,940	14,096	12,989
Current portion of land and building classified as inventory	2B	14,408	-	12,206
Prepayments	3F	176	500	340
Total current assets		221,606	74,631	237,832
Non-current assets				
Property and equipment	2A	436,891	50,947	54,656
Other receivables	3E	2,469	-	3,688
Capital work in progress	2C	209,958	635,777	450,235
Land classified as inventory	2B	19,769	38,267	38,630
Total non-current assets		669,087	724,991	547,209
Total assets		890,693	799,622	785,041
Liabilities				
Current liabilities				
Creditors and other payables	3G	21,665	9,206	10,466
Te Pae payable	3G	5,000	-	33,250
Employee entitlements	4C	1,082	-	930
Funding in advance	1B	89,739	-	125,900
Funds held on behalf of Crown to fund project managed projects	1A	16	-	988
Revenue in advance - Non-Crown	1A	6,184	8,065	1,951
Provisions	2D	88	-	60
Current portion of borrowings	3B	30,156	5,993	16,539
Total current liabilities		153,930	23,264	190,084
Non-current liabilities				
Term loan	3B	-	25,508	33,137
Provision for transfer of public realm assets and Parakiore	2D	247,582	334,762	178,155
Total non-current liabilities		247,582	360,270	211,292
Total liabilities		401,511	383,534	401,376
Net assets		489,182	416,088	383,665
Equity				
Contributed capital	3A	573,198	657,327	508,892
Accumulated surplus	3A	(198,923)	(119,747)	(93,733)
Distribution to the Crown		-	(161)	-
Revaluation reserve		73,697	-	-
Total comprehensive revenue and expense for the year		41,211	(121,331)	(31,494)
Total equity		489,182	416,088	383,665

Explanation of major variances against budget are provided in note 4F.

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Note	2022 Actual \$000	2022 Budget \$000	2021 Actual \$000
Cash flows from operating activities				
Crown and other revenue		62,663	58,659	208,296
Interest received		1,284	650	936
Sale of goods		28,981	29,154	28,324
Payments to suppliers and employees		(83,099)	(130,911)	(4,833)
Interest paid		(1,546)	-	(2,318)
Goods and services tax (net)		1,107	-	185
Net cash inflow/(outflow) from operating activities	3C	9,390	(42,448)	230,540
Cash flows from investing activities				
Sale of assets		-	-	5
Maturity of investments		173,056	130,000	117,246
Purchase of property and equipment		(19,764)	(50)	(167)
Purchase of capital work in progress		(49,836)	(208,748)	(126,850)
Purchase of investments		(169,866)	-	(192,646)
Net cash inflow/(outflow) from investing activities		(66,410)	(78,798)	(202,412)
Cash flows from financing activities				
Capital contribution – Crown		59,785	151,832	52,106
Distributions to the Crown		-	(161)	-
Loan repayment		(16,789)	(21,687)	(27,721)
Net cash inflow/(outflow) from financing activities		42,996	129,984	24,385
Net increase/(decrease) in cash and cash equivalents		(14,024)	8,738	52,513
Cash and cash equivalents at the beginning of the period		79,274	51,297	26,761
Cash and cash equivalents at the end of the period		65,250	60,035	79,274

Explanation of major variances against budget are provided in note 4F.

The accompanying notes form part of these financial statements

Section 1: Financial performance

IN THIS SECTION

This section provides additional information about items relating to financial performance and projects, including:

- Accounting policies, judgements and estimates that are relevant for understanding items related to financial performance and projects
- Analysis of the performance of Ōtākaro for the year by reference to the key areas of projects and operational activities.

1A – PROJECTS

Ōtākaro is funded by the Crown to deliver three types of projects:

- Projects that are operating in nature.
- Projects that are capital in nature.
- Projects managed, but not owned by Ōtākaro.

Refer to the *Significant Matters* section for a description of the projects.

Breakdown of project funding

	2022 \$000	2021 \$000
Operating projects' funding	79,504	67,238
Funding for project managed projects	332	313
Total projects funding	79,836	67,551

Breakdown of operating projects' funding

Project	2022 \$000	2021 \$000
An Accessible City	-	-
Avon River Precinct	-	-
Te Pae	7,059	7,451
Parakiore Recreation and Sport Centre	34,941	42,652
Performing Arts Precinct	-	-
Shovel Ready projects	35,439	13,083
Land Remediation	2,065	4,052
Total operating projects' funding	79,504	67,238

Projects - Operating

Funding for operating projects was received from the Crown during the financial year.

Crown funding is restricted in its use to the purpose set out in the relevant funding agreement to deliver specific projects.

There are no 'use or return' conditions attached to the funding. Therefore, it is recognised as revenue at the point of entitlement, which is considered to be the first day of the quarter for which the funds received relate.

The fair value of all revenue received from the Crown (including projects and operational funding) has been determined to be equivalent to the amounts due under the funding agreements.

The exception to this is Shovel Ready projects, which does have a 'use or return' condition attached to the funding. Therefore, it is recognised initially as a liability. Expenses related to Shovel Ready projects are paid for by Ōtākaro, on behalf of the Crown and these amounts reduce the liability. Please see note 1B for more detail.

Operating projects' funding for Parakiore Recreation and Sport Centre represents contributions to the project from the Christchurch City Council in accordance with the Cost Sharing Agreement.

1A – PROJECTS CONTINUED

Breakdown of operating projects' funding

Project	2022 \$000	2021 \$000
An Accessible City	3	79
Avon River Precinct	277	3,534
Te Pae	12,260	5,664
East Frame Residential	289	132
Shovel Ready projects	35,439	13,083
Land Remediation	1,839	5,515
Total operating projects' expenditure	50,107	28,007

Utilised as follows	2022 \$000	2021 \$000
Construction contractors	-	2,966
Project management	-	23
Quantity surveyor	72	131
Land remediation	1,839	5,514
Direct staff costs allocated to project	84	113
Shovel Ready Crown contribution	35,439	13,083
Other project expenses	12,673	6,177
Total operating projects' expenditure	50,107	28,007

For the year ended 30 June 2022, \$84k of direct staffing costs have been allocated to operating project expenditure (2021: \$113k). The funding for these direct staffing costs is provided through the Ōtākaro operating grant but are required to be allocated to the specific projects.

Projects – Capital

Projects that are considered capital in nature create assets for Ōtākaro and are funded by the issue of share capital. Funding received for these projects is not recognised as revenue. Total shares issued in relation to capital funded projects were \$59.6m (2021: \$52.1m). Total cost for the year on these projects was \$92.7m (2021: \$102.9m).

Build costs related to these projects are capitalised to work in progress (see note 2C) and once the projects are complete they will be recognised as property and equipment and will be depreciated.

Breakdown of capital projects' funding

Project	2022 \$000	2021 \$000
Te Pae	32,194	29,226
South Frame	1,053	1,052
Parakiore Recreation and Sport Centre	26,354	21,828
Total capital projects' funding	59,601	52,106

1A – PROJECTS CONTINUED

Breakdown of capital projects' expenditure

Project	2022 \$000	2021 \$000
Te Pae	32,149	45,997
Parakiore Recreation and Sport Centre	59,737	74,351
South Frame	817	2,610
Total capital projects' expenditure	92,703	122,958

Utilised as follows	2022 \$000	2021 \$000
Construction contractors	79,288	104,530
Project management	2,896	2,725
Architect	1,001	1,215
Direct staff costs allocated to projects	1,022	985
Specialist engineer	1,339	2,139
Other project expenses	7,157	11,364
Total capital projects' expenditure	92,703	122,958

For the year ended 30 June 2022, \$1.02m of direct staffing costs have been allocated to capital project expenditure and subsequently capitalised as work in progress (2021: \$985k).

More details are provided in note 2C regarding capital work in progress.

Project managed projects

All funding received from the Crown for project managed projects is initially recorded as a liability. Expenses related to project managed projects are paid for by Ōtākaro, on behalf of the Crown and these amounts reduce the liability.

Funding received and expenses incurred are not reflected in the Statement of Comprehensive Revenue and Expense. An amount is recorded as a liability to represent the unspent funding at 30 June 2022.

Breakdown of project managed project funding

Project	2022 \$000	2021 \$000
Stockton Mine	332	313
Total funding for project managed projects	332	313

Breakdown of project managed project expenditure

Project	2022 \$000	2021 \$000
Stockton Mine	357	442
Total expenditure for project managed projects	357	442

1A – PROJECTS CONTINUED

Utilised as follows	2022 \$000	2021 \$000
Consultancy	332	312
Other project expenses	-	1
Direct staff costs allocated to project	25	129
Total expenditure for project managed projects	357	442

For the year ended 30 June 2022, \$25k of direct staffing costs have been allocated to project managed projects expenditure (2021: \$129k). The funding for these direct staffing costs is provided through the Ōtākaro operating grant in line with the Funding Agreement but is required to be allocated to the specific projects. For this reason, the expenditure does not match the funding in the 2022 year.

	2022 \$000	2021 \$000
Prior year unspent funding	988	16
Funding received	1,454	1,285
Funding returned to Crown	(2,094)	-
Expenditure	(332)	(313)
Unspent funding for project managed projects	16	988

Represented by:	2022 \$000	2021 \$000
Funds held on behalf of Crown to fund project managed projects	16	988
Total unspent funding for project managed projects	16	988
Revenue in advance - non Crown	6,184	1,951
Total Revenue in advance from - non Crown sources	6,184	1,951

Revenue in advance - non-Crown

There is \$6.18m revenue in advance from non-Crown sources at balance date (2021: \$1.95m). This is primarily comprised of Te Pae sales revenue received in advance of \$5.95m (2021: \$760k).

1B – OPERATIONAL FUNDING

Operational funding from the Crown

An agreement between Ōtākaro and the Crown is in place for the Crown to fund the Company's operational expenditure.

That agreement sets out restrictions on the use of the funding and applies conditions to unspent money in any quarter.

Given the funding has conditions attached to it as detailed in the Funding Agreement, the revenue recognised is in line with the allowable expenditure incurred. Any unspent funding as at 30 June 2022 is recorded as funding received in advance (liability).

Breakdown of operational funding from the Crown

	2022 \$000	2021 \$000
Gross Operational funding received from the Crown	14,000	15,498
Funding recognised as Revenue during year	(12,950)	(13,660)
Operational funding received in advance (liability)	1,050	1,838

The funding in advance liability from 2021 was repaid to the Crown during 2022.

Breakdown of operational expenditure

Operational expenses	2022 \$000	2021 \$000
Fees paid to Audit NZ for audit of financial statements - 2022	112	109
Fees paid to Audit NZ for audit of financial statements - Prior Year	-	10
Depreciation	53	93
Personnel costs	7,730	8,187
Consultancy	495	548
Other operational expenses	3,377	3,485
Total operational expenses	11,767	12,432

For the year ended 30 June 2022, \$1.02m of direct staffing costs have been allocated to capital project expenditure and subsequently capitalised as work in progress (2021: \$985k). \$84k of direct staffing costs have been allocated to operating project expenditure (2021: \$113k) as this has reached a material level, due to increased staffing levels required for construction. \$25k of direct staffing costs have been allocated to project managed projects expenditure (2021: \$129k). The funding for these direct staffing costs is provided through the Ōtākaro operating grant in line with the Funding Agreement but is required to be allocated to the specific projects. For this reason, the operating expenditure does not match the operational funding in the 2022, 2021, 2020 and 2019 financial years.

Shovel Ready projects funding from the Crown

On behalf of the Crown, Ōtākaro oversee and administer funds for twelve of the Canterbury Shovel Ready Projects. The funding received for these projects has a 'use or return' condition attached to the funding. Therefore, it is recognised initially as a liability. Expenses related to Shovel Ready Projects are paid for by Ōtākaro, on behalf of the Crown and these amounts reduce the liability.

Breakdown of Shovel Ready projects funding from the Crown

	2022 \$000	2021 \$000
Opening balance	124,062	-
Gross Operational funding received from the Crown	67	137,145
Funding recognised as Revenue during year	(35,439)	(13,083)
Shovel Ready projects funding received in advance	88,690	124,062

Breakdown of Shovel Ready projects expenditure

Shovel Ready projects Expenses	2022 \$000	2021 \$000
Shovel Ready Crown Contribution	35,439	13,083
Total operational expenses	35,439	13,083

1B – OPERATIONAL FUNDING CONTINUED

Funding received in advance

Funding received in advance is made up of operational funding unspent of \$1.1m (2021: \$1.8m) and Shovel Ready projects funding unspent of \$88.7m (2021: \$124.1m). All funding in advance is recognised as current. Total funding unspent at 30 June 2022 is \$89.7m (2021: \$125.9m).

Operational property and facilities funding from the Crown

Funding for operational property and facilities is funded by the Crown.

All funding received and expenses incurred are recognised in the period in which they are received or incurred.

	2022 \$000	2021 \$000
Land holding costs	255	1,424
Total operational property and facilities funding	255	1,424

Utilised as follows	2022 \$000	2021 \$000
Repairs and maintenance	433	243
Rates	633	1,083
Other	1	57
Total operational property and facilities expenditure	1,067	1,383

Critical judgements in applying accounting policies

Ōtākaro considers all funding received from the Crown to be non-exchange transactions. That includes all funding recorded as revenue and funding received in advance and amounts recorded as payable to or receivables from the Crown.

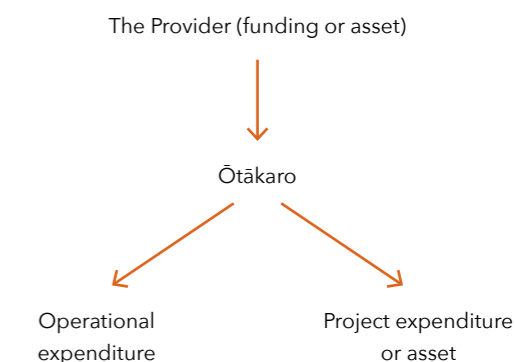
Additionally, any land that transfers to Ōtākaro from another entity at nil cost is a non-exchange transaction.

The split between exchange and non-exchange revenue is as follows:

	2022 \$000	2021 \$000
Non-exchange revenue	93,911	83,896
Exchange revenue	33,406	29,482
Total revenue	127,317	113,377

What is a non-exchange transaction?

This type of transaction is when the Provider does not receive a direct benefit in return for the funding or asset provided. The funding or asset received from the Provider is utilised to complete the various operational and capital funded projects. Ōtākaro considers this as an indirect benefit for the Provider, rather than a direct benefit.



Section 2: Assets and Liabilities

1C - OTHER REVENUE

Other revenue	2022 \$000	2021 \$000
Interest revenue from bank	2,134	995
Crown contribution to borrowings cost	870	1,261
Rental revenue from leased land and buildings	25	125
Other revenue	310	38
Total other revenue	3,339	2,419

Rental revenue

Lease receipts under an operating lease are recognised as revenue on a straight-line basis over the lease term.

These are in relation to car parking and building leases on land and buildings owned by Ōtākaro.

Interest revenues

Interest received on term deposits and balances held in the bank \$2.13m (2021: \$995k).

Crown contribution to borrowings cost

The Crown contribution to borrowings cost represents the portion of interest costs on term borrowings which will be met by the Crown on settlement of the associated mortgage \$870k (2021: \$1.3m).

Other Revenue

Other revenue is predominantly comprised of income received from the sale of excess building supplies.

1D - SALES REVENUE

Sales revenue	2022 \$000	2021 \$000
Te Pae	1,956	-
Total other revenue	1,956	-

Sales revenue has been recognised from December 2021 when Te Pae was substantially completed and began to hold events. Sales revenue received in advance of events is recognised as Revenue in advance – non-Crown (see note 1A for more details).

1E - FINANCE COSTS

Finance costs

Borrowing costs are expensed in the financial year in which they are incurred. They relate to the interest charged on the loans from the Crown.

1F - OTHER EXPENSES

Other expenses	2022 \$000	2021 \$000
Te Pae depreciation	469	-
Other expenses	53	71
Te Pae assets write-down on capitalisation of building	4,380	-
Total other expenses	4,902	71

Depreciation of buildings

For further details, see note 2A.

Donations

No donations have been made by Ōtākaro during the period.

1G - NET (GAIN)/LOSS ON OTHER ASSET SALES

During the financial year ended 30 June 2022 there were no other asset sales and therefore no net/gain(loss) to recognise (2021: last remaining portion of the Performing Arts Precinct land was sold for \$1 as the final part of the Global Settlement Agreement and a loss on sale of \$671k was recognised).

IN THIS SECTION

This section explains the types of assets Ōtākaro owns, as listed below, and how they have been valued.

- Property and equipment
- Land and buildings held as inventory
- Work-in-progress.

2A – PROPERTY AND EQUIPMENT

	Land \$000	Buildings \$000	Te Pae Fixtures & Fittings \$000	Te Pae Plant & equipment \$000	Office furniture & equipment \$000	Motor Vehicles \$000	Te Pae Artwork \$000	Total \$000
Net book value 01 July 2020	51,316	43	-	85	76	-	-	51,521
Additions	3,136	-	-	23	105	34	-	3,299
Disposals	-	-	-	-	-	-	-	-
Transfers - land and buildings held as inventory	-	-	-	-	-	-	-	-
Depreciation expense	-	(40)	-	(70)	(53)	(1)	-	(163)
Net revaluation	-	-	-	-	-	-	-	-
Net book value 30 June 2021	54,452	3	-	38	128	33	-	54,656
Cost or fair value	54,452	203	-	181	397	34	-	55,267
Less accumulated depreciation	-	(200)	-	(143)	(267)	(1)	-	(611)
Net book value 30 June 2021	54,452	3	-	38	129	33	-	54,656
Additions	4,520	288,062	1,134	17,571	37	-	875	312,197
Disposals	(3,136)	-	-	-	-	-	-	(3,136)
Transfers - land and buildings held as inventory	-	-	-	-	-	-	-	-
Depreciation expense	-	(3)	(14)	(445)	(55)	(4)	-	(521)
Net revaluation	13,957	59,739	-	-	-	-	-	73,697
Net book value 30 June 2022	69,793	347,800	1,120	17,164	111	29	875	436,891
Cost or fair value	69,793	348,003	1,134	17,752	431	34	875	438,022
Less accumulated depreciation	-	(203)	(14)	(588)	(320)	(5)	-	(1,131)
Net book value 30 June 2022	69,793	347,800	1,120	17,164	111	29	875	436,891

Total depreciation of \$521k (2021: \$163k) is made up of \$3k (2021: \$40k) for leasehold improvements and other buildings' depreciation (note 1F), \$14k (2021: \$nil) of depreciation for Te Pae fixtures and fittings, \$445k (2021: \$70k) of depreciation for Te Pae plant and equipment, \$55k (2021: \$53k) of depreciation for office equipment, and \$4k (2021: \$1k) of depreciation for motor vehicles (note 1B).

2A – PROPERTY AND EQUIPMENT CONTINUED

Recognition and measurement

Land and buildings are held on the Statement of Financial Position at their fair value at the date of revaluation, less any subsequent depreciation and impairment losses. All other property and equipment are stated at historic cost less accumulated depreciation and any accumulated impairment losses.

Additions

The cost of an item of property and equipment, together with costs incurred subsequent to the initial acquisition, are recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to Ōtākaro, and the cost of the item can be measured reliably.

In most instances, an item of property 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.

The costs of day-to-day servicing of property and equipment are expensed in the Statement of Comprehensive Revenue and Expenses as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the Statement of Comprehensive Revenue and Expenses.

Depreciation

Depreciation of property and equipment assets, other than land, is calculated on a straight-line basis. This allocates the cost or fair value amount of an asset, less any residual value, over its estimated remaining useful life.

The useful lives of the major classes of assets are:

- Buildings/building improvements 5 – 50 years;
- Furniture and equipment 2 – 4 years;
- Te Pae Furniture and fittings 2 – 25 years;
- Te Pae Plant and Equipment 1.5 – 20 years;
- Motor vehicles 8 years

The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each balance date.

Capital commitments

The value of committed contracts at balance date of \$83m (2021: \$134m) in relation to land and buildings for capital projects is made up of committed contracts for the South Frame, Parakiore Recreation and Sport Centre and the Te Pae projects.

Capital commitments per fixed asset class	2022 \$000	2021 \$000
Land improvements	1,963	1,880
Buildings	81,446	132,509
Total land held as inventory	83,409	134,389

Impairment of property and equipment

Items of property and equipment held at cost include computer hardware, office equipment, and furniture and fittings. These items will be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may exceed its value in use.

As at 30 June 2022, no events or changes in circumstances were identified to warrant an impairment review.

Fair value and revaluation of land and buildings

Land and building revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair values at the balance date.

Material land and building revaluation movements are accounted for on a class-of-asset basis.

Any material net revaluation results are recorded in Other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is recognised in the Statement of Comprehensive Revenue and Expense. In the financial year ended 30 June 2022 a gain on revaluation was recognised in other comprehensive income of \$73.7m (2021: \$nil). The revaluation was related to the Te Pae building and the land underlying Parakiore and Te Pae.

2A – PROPERTY AND EQUIPMENT CONTINUED

Key judgements and estimates

Estimating useful lives and residual values

Ōtākaro makes estimates of the remaining useful lives of assets. Assessing the appropriateness of useful life and residual value estimates of property 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, and expected disposal proceeds from the future sale of the asset.

An incorrect assessment will affect the depreciation expense and the carrying amount of the asset. Useful lives will be reviewed annually to minimise the estimation uncertainty.

Estimating the fair value of land and buildings

A full valuation of land and buildings was performed in 2016 to establish the transfer values of the assets from CERA to Ōtākaro Limited. In 2022, J. Prior of Colliers, a registered valuer, performed a full valuation for the purposes of determining whether land and buildings were held at fair value and inventory was impaired. This included consideration of any and all ongoing impacts of the COVID-19 pandemic. There were no indicators of impairment (2021: no indicators of impairment).

Land

Fair value, using market-based evidence, is based on the highest and best use of the land, with reference to comparable land values. This falls within level 1 of the fair value hierarchy.

Adjustments have been made to some land values for the following reasons:

- Where there is a designation against the land, arising from the District Plan, restricting its future use. The adjustment reflects the negative effect on the value of the land where an owner's control of their property is reduced. These adjustments ranged from 10% to 25%, depending on the specific restriction on use and other characteristics of the land;
- Where there is a public realm designation against the land, combined with significant shape restriction. The adjustment reflects the negative effect on the value of land. The adjustment is to reduce the fair value of the land to 33% of its unaffected value;

- Where the size of the section or block is considered to have an impact on the ability to sell the land. The adjustment reflects the negative effect on the value of land given the increased difficulty of selling. These adjustments ranged from 5% to 20%;
- Where the location of a piece of land is considered to have an impact on the land's desirability and value. The adjustment reflects the positive effect the location has on the value of the land. These adjustments ranged from 2.5% to 10%.

Buildings

Specialised buildings (for example, Te Pae) are valued using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions include:

- The valuation approach used in index valuation entails the actual cost of the project is adjusted with indices to determine the current replacement cost of the asset.
- The Valuer has used an inflation rate (CGPI Non-Residential Buildings) to inflate the actual construction contract price from project commencement to the date of valuation with the rate depending on the period. Initial cost that would have been incurred at the start of the project is inflated with the full inflation growth (31.5%) over the period.
- The replacement cost is derived from the total actual build cost with adjustments where appropriate for COVID-19 related costs, variations, and contingencies. 10% professional fees are also factored in.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, and future maintenance and replacement plans.
- Straight-line depreciation at zero percent has been applied in determining the depreciated replacement cost value of the asset.

2B – LAND HELD AS INVENTORY

Land classified as inventory are recorded at the lower of cost and net realisable value.

Ōtākaro owns land in Christchurch central business district that will be sold in the ordinary course of business.

Any material write-down from cost to net realisable value for the loss of service potential is recognised in the surplus/deficit of the Statement of Comprehensive Revenue and Expenses in the period of the write-down. The write-down of inventories during the year was \$nil (2021: nil).

Inventories that are acquired through non-exchange transactions are measured at fair value at the date of the acquisition.

Land held as inventory	2022 \$000	2021 \$000
Land	34,177	50,837
Total land held as inventory	34,177	50,837

Represented by:	2022 \$000	2021 \$000
Current assets	14,408	12,206
Non-current assets	19,769	38,630
Total land held as inventory	34,177	50,837

The decrease in the inventory balance relates to land sales that have occurred during the 2022 financial year.

All land held as inventory have loans from the Crown attached to them, except for a parcel of land attached to the Parakiore Recreation and Sport Centre. The total value of loans held in relation to land held as inventory is:

	2022 \$000	2021 \$000
Land	30,156	49,676
Total loans related to land held as inventory	30,156	49,676

Land sales and cost of land sales

The sales in the current year included six pieces of surplus land holdings, and Super Lots 10, 11 and 15 within the East Frame Residential Precinct. A profit on the historic sale of Super Lot 5 of \$1.09m (2021: \$nil) was also recognised.

2C – CAPITAL WORK IN PROGRESS

Capital work in progress is recognised at cost less any impairment and is not depreciated.

Specialised assets and capital works which are not yet completed make up the majority of the balance of work in progress.

For the year ended 30 June 2022 a combined total of \$17.3m of additional cost directly attributable to COVID-19 was capitalised across Te Pae and the Parakiore Recreation and Sport Centre (2021: \$18.9m).

A balance of \$306.8m for Te Pae was capitalised to property and equipment as at year end as the building was available for use. \$288.1m was attributed to Buildings, \$1.3m to Fixtures and fittings, \$17.8m to Plant and equipment and \$1.8m to Land. See note 2A for more details.

	2022 \$000	2021 \$000
South Frame	9,674	8,857
Te Pae	-	300,832
Parakiore Recreation and Sport Centre	200,284	140,546
Total capital work in progress	209,958	450,235

2D – PROVISIONS

A provision is recognised for future expenditure of uncertain amounts or timing when:

- There is a present obligation (whether legal or constructive) as a result of a past event;
- It is probable that an outflow of future economic benefits or service potential will be required to settle the obligation;
- A reliable estimate can be made of the value of the obligation.

Provisions are measured at the value of the expenditure expected to be required to settle the obligation.

Breakdown of provisions

Provisions classified as a current liability	2022 \$000	2021 \$000
Make-good property provision	54	60
Other provisions	34	-
Total Provisions classified as a current liability	88	60
Provisions classified as a non-current liability		
Provision for transfer of public realm assets	247,582	178,155
Total Provisions classified as a non-current liability	247,582	178,215

Make-good property provision

The provision for make-good property recognises that the two floors (previously two and a half floors) of an office building leased by Ōtākaro will need to be returned to its previous state when the lease concludes.

Other provisions

Other provisions comprise a provision for time in lieu for Te Pae staff.

Provision for transfer of public realm assets

The provision for the transfer of public realm assets recognises that certain pieces of land and capital work in progress will transfer to the Christchurch City Council in the future, as a result of the signing of a memorandum of understanding between Ōtākaro and the Christchurch City Council.

The timing of when parcels of land are transferred to the Christchurch City Council is variable and is subject to a number of factors. These include timeline variabilities due to subdivision and amalgamation processes, change in designation requirements and official title transfer timelines. As such, no estimate is made of timing in terms of current versus non-current. While Ōtākaro expects to transfer public realm land and assets to the Christchurch City Council in the coming year, the scale of this is not able to be reliably estimated and is disclosed as non-current.

Breakdown of provision for transfer of public realm assets

	2022 \$000	2021 \$000
Land		
- Public Realm	624	1,065
- Parakiore Recreation and Sport Centre	31,775	24,992
- An Accessible City	-	2,695
- South Frame	4,520	-
Capital work in progress	210,663	149,403
Total provision for transfer of public realm assets	247,582	178,155

The provision has not been discounted as the projects are to be divested in a finite timeframe following construction completion. The public realm assets are to transfer within two years and the provision offsets the carrying value of the assets to be transferred.

Reconciliation of provision for transfer of public realm assets liability to expenditure:

	2022 \$000	2021 \$000
Opening provision	178,155	98,058
Provision expensed during the year	72,563	80,097
Provision utilised during the year	(3,136)	-
Closing provision	247,582	178,155

Section 3: Managing funding

IN THIS SECTION

This section explains how Ōtākaro manages its capital structure and working capital and the various funding sources and provides information about:

1. Equity and shareholding
2. Cash management and debt
3. Receivables and payables.

3A – SHARE CAPITAL AND EQUITY

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and is currently classified into the following components:

- Contributed capital (less share repurchase)
- Accumulated surplus

All shares issued are ordinary shares, fully paid and have a face value of \$1 each. The total number of shares authorised as at 30 June 2022 is 573,197,150 (2021: 508,891,476).

Contributed capital is made up of multiple share issues during the year:

1. Capital funded projects of 59.6m shares for \$59.6m (2021: 52.1m shares for \$52.1m) (see note 1A).
2. Land transfers from Land Information New Zealand of 4.7m shares for \$4.7m (2021: 3.1m shares for \$3.1m).

Revaluation reserve

This reserve relates to the revaluation of the Te Pae building recognised on capitalisation, and fair value revaluations of the land underlying Te Pae and Parakiore.

Revaluation reserve consists of	2022 \$000	2021 \$000
Land	13,957	-
Buildings	59,739	-
Total revaluation reserves	73,697	-

Capital management

Ōtākaro is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives.

Ōtākaro has complied with the financial management requirements of the Crown Entities Act 2004 during the year.

Ōtākaro manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure that Ōtākaro effectively achieves its objectives and purpose, while remaining a going concern.

Breakdown of equity	2022 \$000	2021 \$000
Contributed capital		
Opening balance	508,892	453,649
Additional capital contributed	64,306	55,242
<i>Closing balance</i>	<i>573,198</i>	<i>508,892</i>
Accumulated surplus		
Opening balance	(125,227)	(93,733)
Surplus/(deficit) for the year	41,211	(31,494)
Recognition of revaluation reserve	(73,697)	-
<i>Closing balance</i>	<i>(157,713)</i>	<i>(125,227)</i>
Revaluation reserve		
Opening balance	-	-
Revaluation	73,697	-
<i>Closing balance</i>	<i>73,697</i>	<i>-</i>
Total equity	489,182	383,665

3B – BORROWINGS

Borrowings are initially recognised at the amount borrowed. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. All borrowing costs are expensed in the period incurred.

All borrowings are held with the Crown and are attached to land and buildings transferred to Ōtākaro.

Borrowings	2022 \$000	2021 \$000
Current portion	30,156	16,539
Non-current portion	-	33,137
Total borrowings	30,156	49,676

Key judgement and estimates

Ōtākaro makes estimates of the amount recorded as the current portion of borrowings. The loans are held with the Crown and have no regular repayments. The loans are repaid as and when the underlying asset is sold. At balance date all loans were considered to be a current liability as the final repayment date in the Vendor Finance Agreement was 30 June 2023. At signing date Treasury are pursuing extension of the final repayment date on all loans to 30 June 2027.

The current portion of borrowing is made up of either:

- The borrowing attached to those assets that have signed sale and purchase agreements in place as at 30 June 2022 and will be completed before 30 June 2023; or
- The borrowing attached to those assets that were included in the budget as expected to be sold before 30 June 2023.

3C – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash held in a bank trading account and short-term deposits (term deposits held for less than 3 months).

Balances are held with Westpac Bank, ASB Bank, Bank of New Zealand, and ANZ Bank all with credit ratings of AA-, assessed by reference to Standard and Poor's credit rating.

Reconciliation of net surplus/(deficit) to cash flows from operating activities

Reconciliation	2022 \$000	2021 \$000
Operating surplus/(deficit)	(32,486)	(31,494)
Add/(less) non-cash items		
Depreciation	521	163
Asset writedown	4,380	-
Inventory expenses	16,659	20,323
Interest payable	(1,907)	(2,191)
Vesting expense	69,427	80,097
Add/(less) movements in working capital items		
Accounts receivable	1,733	4,535
Prepayments	-	850
Accounts payable & accruals	(16,065)	36,397
Funding received in advance	(32,872)	121,860
Add/(less) items recorded as investing activities		
Net cash inflow/(outflow) from operations	9,390	230,540

3D – TERM DEPOSITS

Term deposits represent funds held in investments for a period of more than three months.

Term deposits are held with Westpac Bank, ASB Bank, Bank of New Zealand, and ANZ Bank all with a credit rating of AA-, assessed by reference to Standard and Poor's credit rating.

3E – TRADE RECEIVABLES

Short term receivables are recorded at the amounts due.

All receivables are with counterparties that have no defaults in the past with Ōtākaro.

All receivables greater than 30 days in age are considered to be overdue. At balance date, there were no overdue receivables (2021: no overdue receivables). As at 30 June 2022 no balances were considered impaired (2021: \$nil).

Current trade and other receivables	2022 \$000	2021 \$000
Trade receivables	1,333	4,508
GST receivable	550	1,862
Interest receivable from bank	1,016	300
Crown contribution to borrowings cost receivable	991	1,178
East Frame Residential sale receivable	5,636	4,949
Other receivables	2,414	192
Total current trade and other receivables	11,940	12,989

Trade receivables relate to amounts that are to be reimbursed to Ōtākaro under the terms of specific agreements.

Interest receivable

Interest receivable is the portion of interest accrued on term deposits.

Crown contribution to borrowings cost receivable

The Crown contribution to borrowings cost receivable is the portion of interest capitalised to term borrowings that will be met by the Crown upon repayment of loans. The current portion of interest receivable relates to the amount of interest that will be met by the Crown, due on the current portion of term borrowings.

East Frame residential sale receivable

This represents the sale proceeds due from the sale of Super Lot 10 and Super Lot 15. Both the land sales of Super Lot 10 and Super Lot 15 have been recognised as revenue in the Statement of Comprehensive Revenue and Expense this year.

The sale proceeds will be received upon completion of the proposed buildings as per the agreement between Ōtākaro and Fletcher Residential Limited.

Non-current other receivables	2022 \$000	2021 \$000
Crown contribution to borrowings cost receivable	2,469	3,688
Total non-current other receivables	2,469	3,688

3F – PREPAYMENTS

Prepayments substantially comprise prepaid insurance and software.

3G – TRADE PAYABLES

Short term payables are recorded at the amount payable.

Total trade payables are split between exchange and non-exchange transactions as outlined in the table below.

	2022 \$000	2021 \$000
Total payables under exchange transactions	21,660	10,462
Total payables under non-exchange transactions	5	4
Total trade payables	21,665	10,466
Payables under exchange transactions		
Creditors	1,391	3,212
Accrued expenses	20,059	7,013
Anchor project retentions	209	237
Total payables under exchange transactions	21,660	10,462
Payables under non-exchange transactions		
FBT payable	5	4
Total payables under non-exchange transactions	5	4

See note 1B for explanation of exchange and non-exchange transactions.

Te Pae payable

This recognises an obligation of \$5.0m (2021: \$33.25m) for the construction of the facility related to delays from COVID-19 and other estimated contractual allowances and claims. The balance of \$5m will be paid upon final completion of Te Pae.

3H – FINANCIAL INSTRUMENTS

Financial instrument categories

	2022 \$000	2021 \$000
Financial liabilities measured at amortised cost		
Payables (excl. deferred revenue and taxes payable)	1,601	3,449
Borrowing	30,156	49,676
Total financial liabilities measured at amortised cost	31,757	53,125
Loans and receivables		
Cash and cash equivalents	65,250	79,274
Receivables	14,409	16,677
Short term deposits	129,833	133,023
Total loans and receivables	209,492	228,974

Financial instrument risks

Credit risk

Credit risk is the risk that a third party will default on its obligation to Ōtākaro, causing it to incur loss. In the normal course of business, Ōtākaro is exposed to credit risk from cash with banks and receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the Statement of Financial Position.

Ōtākaro mitigates this by holding cash and term deposits with multiple high-quality financial institutions.

Ōtākaro holds a payment security with Fletcher Building Limited, guaranteeing payment of the fixed price portion of Super Lot 10 and Super Lot 15 in the event of non-payment by Fletcher Residential Limited.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Any borrowings issued at variable interest rates exposes Ōtākaro to cash flow interest rate risk.

Ōtākaro has borrowings with two distinct elements, fixed and variable rates. The variable portion is linked to the 90-day bank bill rate. The fixed portion is linked to a fixed margin, as determined by the Crown. This limits the exposure to interest rate movements.

Sensitivity analysis

At 30 June 2022, if the 90-day bank bill rate had been 50 basis points higher or lower, with all other variables held constant, the surplus for the year would have been \$205k (2021: \$296k) lower or higher. This movement would be attributable to increased or decreased interest expense on the Crown loans.

At 30 June 2022, if the bank interest rates had been 50 basis points higher or lower, with all other variables held constant, the surplus for the year would have been \$670k (2021: \$453k) higher or lower. This movement would be attributable to increased or decreased interest revenue received on term deposits.

Liquidity risk

Liquidity risk is the risk that Ōtākaro will encounter difficulty raising liquid funds to meet commitments as they fall due.

The majority of funding is received from the Crown and all borrowing is held with the Crown. Borrowings are repaid when associated assets are sold. The final repayment date is June 2023 and is recognised as a current liability. At signing date Treasury are pursuing extension of the final repayment date on all loans to 30 June 2027. The current cash on hand is also sufficient to cover the current liabilities. As a result, Ōtākaro has minimal liquidity risk.

Ōtākaro manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Section 4: Other

IN THIS SECTION

This section includes the remaining information relating to the Ōtākaro financial statements which is required to comply with financial reporting standards.

4A – OPERATING LEASE COMMITMENTS

Operating lease payments

Operating lease payments made during the year totalled \$1.06m (2021: \$971k), relating to computer and premises leases.

Operating lease commitments

Operating leases are leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items.

Lease commitments and receipts have been estimated based on the assumption that Ōtākaro has a limited life, not exceeding seven years.

Operating leases as lessee

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

	2022 \$000	2021 \$000
Not later than one year	599	943
Later than one year and not later than five years	752	1,196
Later than five years	-	-

A significant portion of the total non-cancellable operating lease expense relates to the lease of two floors of an office building. The lease on the two floors expires in September 2024. There is no option to purchase the asset at the end of the lease term.

4B – RELATED PARTIES

Ōtākaro is owned by the Crown.

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 that are reasonable to expect Ōtākaro would have adopted in dealing with the party at arm's length in the same circumstances.

In conducting its activities, Ōtākaro is required to pay various taxes and levies (such as GST, PAYE, and rates) to the Crown and entities related to the Crown. The payment of these taxes is based on the standard terms and conditions that apply to all taxpayers.

Ōtākaro enters into transactions with government departments, Crown entities and state-owned enterprises (e.g. New Zealand Post) and other government-related bodies (e.g. Air New Zealand and local councils). These transactions occur within normal supplier or client relationships on terms and conditions no more or less favourable than those that it is reasonable to expect Ōtākaro would have adopted if dealing with those entities at arm's length in the same circumstances. These have not been disclosed as related party transactions and are not individually or collectively significant.

4C – EMPLOYEE ENTITLEMENTS AND BENEFITS

Employee entitlements

Provision is made for benefits owing to employees in respect of wages and salaries and annual leave. Provisions are recognised when it is probable they will be settled and can be measured reliably. They are carried at the remuneration rate expected to apply at the time of settlement.

Short-term employee entitlements are expected to be settled within 12 months after the end of the year in which the employee provides the related service. They are measured based on accrued entitlements at current rates of pay.

A liability and an expense are recognised for bonuses where there is a contractual obligation, and a reliable estimate of the obligation can be made.

Employee benefits

Operational personnel costs include salaries and wages of Ōtākaro employees and payments to contractors that were temporarily filling a position on the organisational chart of Ōtākaro. In addition, employer's contributions to KiwiSaver and a grant provided for staff wellbeing are included.

Personnel costs capitalised to projects represents staffing costs that have been funded through the Ōtākaro operating grant but are required to be allocated to specific projects. Refer to note 1B for further explanation.

	2022 \$000	2021 \$000
Operational personnel costs	7,762	8,224
Personnel costs attributed to projects	1,131	1,227
Total employee benefits	8,893	9,451

Defined contribution schemes

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed as incurred. Total contributions in 2022 were \$324k (2021: \$218k).

4D – CONTINGENCIES

As at 30 June 2022 Ōtākaro has no contingent assets (2021: \$Nil).

Contingent liabilities

Some land owned by Ōtākaro has been identified as containing potential contaminants that will need to be remediated in the future. The quantum of the remediation work required is not fully known. As work progresses the full quantum and cost to remediate will become more certain. This is consistent with what was noted in the 2021 Annual Report.

The Crown has allocated funding to remediate land. Ōtākaro can draw down on this funding as remediation projects progress.

In relation to some construction projects underway the company is a party to various claims and disputes. All claims received are under legal assessment and are unquantified at present as the amounts of any potential liability cannot be measured with sufficient reliability.

Parakiore Recreation and Sport Centre

There is an ongoing contractor dispute related to Parakiore. The maximum amount payable in this dispute that is currently being assessed under the dispute provisions of the Main Works construction contract is \$212.0m. See post balance date events on page 37 for more information.

4E – CHANGES IN FINANCIAL REPORTING STANDARDS

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to Ōtākaro are:

- PBE IFRS 17 Insurance Contracts - establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts for public benefit entities. It will be effective for annual periods beginning on or after 1 January 2023.
- Amendments to PBE IFRS 17 Insurance Contracts – to simplify implementation of PBE IFRS 17, key amendments were made for public benefit entities. It will be effective for annual periods beginning on or after 1 January 2023.
- PBE IPSAS 41 Financial Instruments – establishes requirements for the recognition and measurement of financial instruments by Tier 1 and Tier 2 public benefit entities. It will be effective for annual periods beginning on or after 1 January 2022.

The timing of Ōtākaro adopting these standards will be guided by the Treasury's decision on when the Financial Statements of Government will adopt them. Ōtākaro has not yet assessed the effects of the new standards.

4F – EXPLANATIONS FOR VARIANCE TO BUDGET

All variances identified are in \$000s.

Statement of comprehensive revenue and expense

Project funding (\$72,683)

Project funding is lower than the budget due to changes to the timing of project cash flows for various projects and is also impacted from COVID-19 delays and various delays and sundry disputes. This has resulted in less funding being requested during the year, in addition to utilising overfunding from the prior period.

Sales revenue (\$4,171)

Te Pae opening was delayed; accordingly, less sales revenue was generated than anticipated.

Operating project expenses (\$56,347)

Operating project expenses is lower than budget due to the delayed progress on Shovel Ready projects.

Provision for transfer of public realm assets (\$95,752)

Provision for Transfer of Public Realm Assets is lower than budget due to less work being completed than expected on Parakiore Recreation and Sport Centre.

Other expenses (\$8,706)

Te Pae opening was delayed; accordingly, less depreciation was recorded than anticipated.

Other comprehensive revenue and expense (\$73,697)

Capitalisation and revaluation of Te Pae has resulted in a significant gain being recognised that was not budgeted.

Statement of financial position

Cash and cash equivalents \$5,214

Short term deposits \$129,833

Delayed progress on Shovel Ready projects when compared to budget has resulted in higher cash holdings at year end than anticipated as payments are on a work complete basis to the project funding recipients.

Property and equipment (\$385,944)

Te Pae building, Balance of Precinct land, and fixed assets have been capitalised as at year end which was not included in the budget.

Work in progress (\$425,819)

Te Pae building, Te Pae Balance of Precinct land, and fixed assets have been capitalised as at year end which was not included in the budget. It was also expected that further work would have been completed on Parakiore Recreation and Sport Centre by 30 June 2022 which generates a greater variance to budget.

Funding in advance \$89,739

Delayed progress on Shovel Ready projects, when compared to budget, has resulted in higher funding held in advance at year end than anticipated.

Provision for transfer of public realm assets and Parakiore (\$87,180)

Provision for Transfer of Public Realm Assets and Parakiore is lower than budget due to less work being completed than expected on Parakiore.

Contributed capital (\$84,130)

Funding for capital projects is lower than the budget due to changes to the timing of project cash flows for various projects. This has resulted in less funding being requested during the year, in addition to utilising overfunding from the prior period.

Remuneration report

Ōtākaro is committed to fair, responsible, and equitable remuneration and ensuring a clear relationship between performance and remuneration.

DIRECTORS' FEES

Directors' remuneration is paid in the form of directors' fees.

Currently directors' annual fees of Ōtākaro are:

Board	Chairperson	Member
Board of Directors	\$70,000	\$35,000

Directors are also entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs and professional development relevant to their Board roles, up to a collective \$15k (2021: \$15k).

Remuneration paid to the five non-executive directors (2021: five) of Ōtākaro during the period ended 30 June 2022 is:

Director name	Board fees \$000
Corinne Haines (Chairperson)	70
Miriam Dean	35
Peter Townsend	35
Rod Carr	35
Paul Blackler	35
Total	210

Directors are remunerated in accordance with Crown Company Director Fees Methodology.

No Board members received compensation or other benefits in relation to cessation (2021: \$Nil).

KEY MANAGEMENT PERSONNEL REMUNERATION

Total remuneration paid or payable to members of key management personnel for the year ended 30 June 2022 is \$2.7m (2021: \$2.7m). This includes the Chief Executive, his direct reports and board members. This equates to seven FTEs (2021: eight) and five board members (2021: five).

CHIEF EXECUTIVE'S REMUNERATION

Total remuneration paid or payable to the Chief Executive John Bridgman for the year ended 30 June 2022 is \$670k (2021: \$639k). This includes salary, benefits and short-term incentives, as outlined below:

	2022 \$000	2021 \$000
Salary	535	509
Benefits*	20	19
Short term incentives	115	111
Total remuneration	670	639

*Benefits include Kiwisaver and a grant for staff wellbeing.

CHIEF EXECUTIVE'S PAY FOR PERFORMANCE

Short term incentives paid to the Chief Executive John Bridgman for the year ended 30 June 2022 totalled \$115k (2021: \$111k). The short term incentive is 50% based on key company KPI's set out in the SPE and 50% based on business KPI's. Performance is assessed by the Board of Directors.

CHIEF EXECUTIVE'S - DIRECTOR'S INTEREST DISCLOSURE

During this financial year, John Bridgman was a Director of Waka Kotahi and Kāinga Ora. John's attendance at meetings of those two entities were in John's personal time with all fees earned on those directorships being retained by him. Any actual or perceived conflicts of interest are managed by the Board.

Reporting Against Appropriation

PROFESSIONAL INSURANCES

Ōtākaro has taken out directors' and officers' insurance, and professional indemnity insurance during the financial year in respect of the liability or costs of Board members and employees.

EMPLOYEE REMUNERATION RANGE

The number of employees of Ōtākaro (not including Directors) who during the year ended 30 June 2022 received cash remuneration and other benefits (including KiwiSaver contributions, relocation allowances and bonuses) exceeding \$100,000 is included in the table below.

Two employees received cessation payments for the year that totalled \$61k (2021: Three employees received \$84k).

Employee remuneration range for staff employed for the year ended 30 June 2022

\$000s	# of Staff 2022	# of Staff 2021
100-109	2	5
110-119	2	1
120-129	7	5
140-149	2	2
150-159	3	6
160-169	1	3
170-179	3	1
180-189	2	3
190-199	3	3
200-209	2	-
210-219	1	-
220-229	-	1
230-239	1	1
240-249	2	2
250-259	1	-
330-339	-	1
360-369	1	1
370-379	-	1
400-409	1	-
630-639	-	1
660-669	1	-
Total	35	37

IN THIS SECTION

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by Ōtākaro for the year ended 30 June 2022.

A summary of the appropriations funded through Vote Finance is provided in the table below for 2021/22.

Non-Departmental Output Expense	What is intended to be achieved with the appropriation	Actual 2021/22 \$000	Budget Appropriation 2021/22 \$000
Non-Departmental Other Expenses			
<i>Christchurch Bus Interchange and Associated Transport Infrastructure - Operating</i>	This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Bus Interchange and associated transport infrastructure.	-	100
<i>Te Pae - Operating</i>	This category is limited to the Crown's contribution to the development, operations and divestment of Te Pae.	7,059	17,400
<i>Christchurch Stadium - Operating</i>	This category is limited to the Crown's contribution to the development, operations and divestment of the Christchurch Stadium.	-	165
<i>Financial Impact of Valuations</i>	This category is limited to expenses incurred as a result of the Crown's decisions affecting valuations.	-	100
<i>Leasing Anchor Project Land</i>	This category is limited to the financial impact of granting concessionary leases over anchor project land.	-	100
<i>Parakiore Recreation and Sport Centre - Operating</i>	This category is limited to the Crown's contribution to the development, operations and divestment of Parakiore Recreation and Sport Centre.	-	120,000
<i>Pre-Development Holding Costs - Operating</i>	This category is limited to the Crown's contribution to the maintenance, operation and ownership of anchor project land and assets prior to commencement of developments.	255	4,000
<i>Procurement of Land and Assets - Operating</i>	This category is limited to the Crown's contribution to the purchase, acquisition and clearance of land and assets for anchor project development.	2,065	12,000
<i>Public Space - Operating</i>	This category is limited to the Crown's contribution to the development, operations and divestment of the Crown owned public space.	-	11,000
<i>Sale of Land</i>	This category is limited to the financial impact from the divestment of land and transaction costs incurred in the preparation for sale and the sale of land.	-	100
Non-Departmental Capital Expenditure			
<i>Christchurch Bus Interchange and Associated Transport Infrastructure - Capital</i>	This category is limited to the Crown's contribution to the capital development of the Christchurch Bus Interchange and associated transport infrastructure and to providing equity or loan capital to Ōtākaro Limited for that purpose.	-	100
<i>Te Pae - Capital</i>	This category is limited to the Crown's contribution to the capital development of Te Pae and to providing equity or loan capital to Ōtākaro Limited for that purpose.	26,594	17,000
<i>Land and Asset Acquisition - Capital</i>	This category is limited to the Crown's contribution to the cost of land and assets to be acquired for anchor project development and to providing equity or loan capital to Ōtākaro Limited for that purpose.	-	100
<i>Metro Sports Facility - Capital</i>	This category is limited to the Crown's contribution to the capital development of Metro Sports Facility and to providing equity or loan capital to Ōtākaro Limited for that purpose.	23,227	60,000
<i>Public Space - Capital</i>	This category is limited to the capital development of the Crown owned public space and to providing equity or loan capital to Ōtākaro Limited for that purpose.	1,053	5,000
Greater Christchurch Anchor Projects MCA (M31) (A40)	The single overarching purpose of this appropriation is to support the recovery of Christchurch by contributing operating and capital funding for anchor projects covered by the Christchurch Central Recovery Plan.	60,253	247,165

HOW PERFORMANCE WILL BE ASSESSED AND END OF YEAR REPORTING REQUIREMENTS

Performance Measures	Standard for 2021/22	Performance for 2021 /22	Standard for 2020/21	Performance for 2020 /21
Non- Departmental Other Expenses				
Christchurch Bus Interchange and Associated Transport Infrastructure - Operating				
During operating hours, the Bus Interchange is not closed from operations greater than two hours at any one point in time during the year.	Not Applicable*	Not Applicable *	Not Applicable*	Not Applicable *
All 'An Accessible City' projects are on time and on budget.	Achieved	Achieved	Achieved	Achieved
Te Pae - Operating				
Te Pae is progressed on time and on budget.	Achieved	Not Achieved**	Achieved	Not Achieved**
Christchurch Stadium - Operating				
The project will be progressed in line with Government decisions and agreed project timelines.	Achieved	Not Applicable ***	Achieved	Not Applicable***
Parakiore Recreation and Sport Centre (formerly Metro Sports Facility) - Operating				
Parakiore Recreation and Sport Centre is progressed on time and on budget.	Achieved	Not Achieved**	Achieved	Not Achieved**
Pre-Development Holding Costs - Operating				
All cleared/remediated land is held in a state ready for development or ultimate sale.	Achieved	Achieved	Achieved	Achieved
Procurement of Land and Assets - Operating				
Land is acquired and remediated to a level and in a timeframe needed to meet all Anchor Project performance targets and all land divestment targets as per Ōtākaro's Land Divestment Strategy.	Achieved	Achieved	Achieved	Achieved
Public Space - Operating				
All public space projects are developed, operated, and divested in keeping with Anchor Project performance targets and Ōtākaro's Land Divestment Strategy.	Achieved	Achieved	Achieved	Achieved
Non-Departmental Capital Expenditure				
Christchurch Bus Interchange and Associated Transport Infrastructure - Capital				
Expenditure is in line with the agreed project timelines.	Achieved	Achieved	Achieved	Achieved
Te Pae - Capital				
Te Pae is progressed on time and on budget	Achieved	Not Achieved**	Achieved	Not Achieved**
Land and Asset Acquisition - Capital				
Land is acquired in a timeframe needed to meet all Anchor Project performance targets and all land divestment targets as per Ōtākaro's Land Divestment Strategy.	Achieved	Achieved	Achieved	Achieved
Parakiore Recreation and Sport Centre - Capital				
Parakiore Recreation and Sport Centre is progressed on time and on budget.	Achieved	Not Achieved**	Achieved	Not Achieved**
Public Space - Capital				
All public space projects are developed, operated, and divested in keeping with Anchor Project performance targets and Ōtākaro's Land Divestment Strategy.	Achieved	Achieved	Achieved	Achieved

* The Christchurch Bus Exchange was sold to the Christchurch City Council within the 2019/20 financial year (30 September 2019).

** The timelines for Te Pae and the Parakiore Recreation and Sport Centre continued to be impacted by the ongoing effects of the COVID-19 pandemic and various claims and sundry disputes. However, Te Pae continues to perform within the allocated total project budget. Parakiore continues to have budget challenges due to the claims and disputes – refer to page 37 for further details.

*** Management of the Christchurch Stadium has been assigned to the Christchurch City Council in the 2020/21 financial year.

Statement of the Cost of Outputs

IN THIS SECTION

The Crown Entities Act 2004 required that Ōtākaro's performance reporting complies with generally accepted accounting practice in New Zealand (GAAP) and that they disclose actual revenue and expenses incurred, compared to budget, for each output class.

Ōtākaro has three output classes, as disclosed below.

	Actual 2021/22 \$000	Budget 2021/22 \$000
Delivery of anchor projects (capital and operational)		
Revenue	137,040	213,339
Expenditure	140,971	217,451
Divestment of Crown land while balancing good commercial outcomes with the Crown's regeneration objectives		
Revenue	28,981	27,101
Expenditure	17,816	18,369
Monitoring 12 Ōtākaro assigned funding agreements IRG Shovel Ready Projects		
Revenue	35,439	92,157
Expenditure	35,439	92,157

Statement of performance

IN THIS SECTION

This section describes our performance against the measures and targets set out in our original Statement of Performance Expectations 2021/22.

Ōtākaro is funded through a mix of Crown funding and third-party revenue. Crown funding is provided through an appropriation in Vote Finance:

- Management of Anchor Projects by Ōtākaro Limited.

This section provides summary information on our activities under the appropriation, and then a fuller statement of the performance achieved, organised under the strategic goals set out in the Statement of Intent 2021–2025 and the 2022 Statement of Performance Expectations.

	Actual 2022 Costs (\$000)	Actual 2022 Revenue (\$000)	Budget 2022 Costs (\$000)	Budget 2022 Revenue (\$000)	Actual 2021 Costs (\$000)	Actual 2021 Revenue (\$000)
Management of Anchor Projects	12,887	14,255	13,282	13,282	13,815	16,922

**Of the total appropriation of \$20.0m, we have spent \$12.9m against this appropriation during the year. The actual 2022 revenue of \$14.3m is the income received by Ōtākaro and equals the Government's actual expenses incurred in relation to the appropriation.*

MANAGEMENT OF ANCHOR PROJECTS BY ŌTĀKARO LIMITED

This appropriation is intended to achieve continuation of Christchurch earthquake recovery of the Anchor Projects Programme and divestment of Crown-owned land in Christchurch and is limited to the Crown's contribution to Ōtākaro operating and financing expenses.

Ōtākaro will manage and administer the Anchor Projects Programme and divestment of Crown-owned land in Christchurch in accordance with the Company's purpose as set out in its Constitution and its Statement of Intent.

The overarching responsibilities of Ōtākaro include:

- Delivery of defined Anchor Projects by providing procurement, design management and construction management services on behalf of the Crown
- Providing programme governance, including risk, cost, and schedule management
- Divestment of Crown owned land in central Christchurch in a manner which balances a desire to achieve good commercial outcomes against the Crown's regeneration objectives
- Managing the operations and ownership responsibilities of completed assets
- Acting in a manner consistent with recovery plans and any regeneration plans.

These responsibilities are reflected in the strategic objective contained in the Statement of Intent as follows:

The purpose of the Company is to add value to Anchor Projects and Crown Land in a manner that balances a desire to achieve good commercial outcomes against the Crown's regeneration objectives and supports the Crown's exit over time on favourable terms.

The detailed performance reporting against the appropriation and strategic objective is per the content in the original Statement of Performance Expectations which is reported below. Ōtākaro performance against some measures, particularly with regard to Project Delivery, has been impacted by various claims, sundry disputes, and the ongoing COVID-19 pandemic.

	Standard for 2021/22	Performance for 2021/22
Ōtākaro will manage and administer the Anchor Projects Programme and divestment of Crown-owned land in Christchurch in accordance with the company's purpose as set out in its Constitution and its Statement of Intent.	Achieved.	Achieved. Refer to pages 65 to 71 for more details on this achievement.

2022 PERFORMANCE REPORTING

The performance targets of Ōtākaro for the 2022 financial year relate to the construction programme, health, safety and wellness, land divestment and establishment of market credibility. An additional target was added in the amended 2022 Statement of Performance Expectations relating to monitoring of Ōtākaro approved shovel ready projects.

CONSTRUCTION PROGRAMME

Outcome: Delivery of defined Anchor Projects

Add value to Crown Anchor Projects by delivering the projects safely, on budget, to schedule and to the desired quality.

For all defined Crown Anchor Projects:

- cumulative working days' variance, when comparing forecast practical completion to the opening financial year baseline practical completion, is less than 10 days delayed;*
- current estimated costs at completion are below or equal to the current approved budget.*

Anchor Project	Baseline practical completion date as at 1 July 2018	Baseline practical completion date as at 1 July 2019	Baseline practical completion date as at 30 June 2020	Baseline practical completion date as at 30 June 2021	Forecast practical completion date as at 30 June 2022	Cumulative working days' variance - compared to 1 July 2021 baseline practical completion date	Current estimated costs at completion compared to budget as at 1 July 2018	Current estimated costs at completion compared to budget as at 30 June 2019	Current estimated costs at completion compared to budget as at 30 June 2020	Current estimated costs at completion compared to budget as at 30 June 2021	Current estimated costs at completion compared to budget as at 30 June 2022
Te Pae	February 2020	June 2020	February 2021	October 2021	September 2022*	229 Days	3.48%	3.38%	1.80%	0.77%	2.57%
Parakiore Recreation and Sport Centre	October 2021	November 2021	July 2022	February 2023	April 2024*	299 Days	(25.59%)	0.04%	(0.47%)	(2.70%)	(2.94%)
Te Papa Ōtākaro / Avon River Precinct	December 2019	February 2020	February 2021	July 2021	March 2023	416 Days	0.79%	1.01%	0.32%	0.23%	0.16%
East Frame Public Realm	February 2018	February 2018	February 2018	February 2018	February 2018	0 Days	(0.09%)	(0.06%)	0.03%	0.03%	0.03%
East Frame Residential Precinct	July 2024	January 2025	January 2025	January 2025	December 2025	215 Days	10.69%	14.00%	18.79%	16.24%	18.07%
An Accessible City	April 2019	November 2019	November 2019	November 2019	November 2019	0 Days	(10.11%)	0.26%	(0.00%)	0.00%	0.01%
South Frame	October 2021	April 2021	April 2021	April 2021**	February 2023**	452 Days	2.28%	2.28%	5.90%	5.62%	4.26%

Baseline practical completion date is the date at which the asset is available for use (i.e., not the contractual practical completion); but does not include the close-out period where defects can be addressed. When assessing the estimated costs at completion compared to budget, a positive variance indicates that the estimated costs at completion are less than the budget. Working days for the purpose of the above table does not include weekends or the period 27 to 31 December 2021.

** The contractual impacts of COVID-19 on Practical Completion for Parakiore and Te Pae precludes an assessment of Cumulative Working Days' delay.*

*** Due to changes in availability of land under the EPIC building, the South Frame project scope has been significantly adjusted rendering progress reporting against the current baseline as meaningless. The project will be re-baselined at the beginning of the next financial year.*

CONSTRUCTION PROGRAMME CONTINUED

As shown in the table above the forecast completion date of Te Pae, Parakiore Recreation and Sports Centre, Avon River Precinct (North Frame Pedestrian Bridge component only) and East Frame Residential is now later than expected at the start of the financial year.

There are a number of variances across the projects. Those considered to be at a material level are discussed below. Overall, the variances are due to levels of uncertainty looking forward, particularly when considering risk profiles for the various projects. These are monitored monthly by project teams and managed accordingly.

c) Forecast cost accuracy (forecast costs vs actual cost incurred) between 90% and 110% YTD

The forecast cost accuracy for the year was 92%.

d) Work undertaken on defined Anchor Projects is to the desired quality, as established during the project planning phase.

As with each Anchor Project contracted engineers and architects confirm monthly the completeness and quality of the work completed in the preceding month.

Te Pae

Te Pae is forecast to be delivered within the current budget. The building was substantially completed in December 2021 and was open for business under a Certificate of Public Use. The forecast completion milestone date relates to the contractor receiving Practical Completion. Due to disruptions from COVID-19 in early 2022 and having to coordinate defecting and completing compliance related works with the operating business the forecast Practical Completion date is now September 2022.

Parakiore Recreation and Sport Centre

Parakiore Recreation and Sport Centre is forecast to be delivered over budget, primarily because of additional work and delay costs. Construction is expected to be completed in June 2024. This is due to COVID-19 disruptions, contractor performance, and various claims and sundry disputes. The reported completion date in the above table excludes the post practical completion commissioning to be undertaken by the Christchurch City Council.

Avon River Precinct

The baseline practical completion date for Avon River Precinct has moved from July 2021 to March 2023. The North Frame Pedestrian Bridge was opened to the public under a Certificate of Public Use on 9 November 2021 but there is a defect with the finish of the balustrade that requires resolution by the contractor which will delay the issuing of Practical Completion until it is resolved.

East Frame Residential

The construction activities have been impacted by supply chain and resource constraints due to COVID-19 pushing the overall completion date to December 2025.

South Frame

The completion of the demolition works by a third party required to accommodate construction of the Laneway in Block 103 and hand the site to Ōtākaro was delayed. However, construction of the laneway is now well advanced and Practical Completion is expected in February 2023.

HEALTH, SAFETY AND WELLNESS

a) For projects with active critical risks, monthly critical risk task observations will be undertaken, with 90% of findings adequately addressed within the agreed timeframes.

	2022	2021
Percentage of audit findings adequately addressed within timeframes agreed at the time of the inspection	100.0%	97.37%

b) TRIFR of less than 2.7 per 200,000 hours worked across the project portfolio. Where the TRIFR rate for a project or operational site is above 4 for two months in a row, Ōtākaro will undertake an audit of that contractors health and safety management system within a month.

As at 30 June 2022 the TRIFR is 0.77 per 200,000 man hours. No operational projects had a TRIFR rate above 4 during the year ended 30 June 2022.

c) Zero events assessed by Worksafe NZ during the financial year on Ōtākaro sites;

There was one notifiable event during the year relating to Te Pae as defined in the Health and Safety at Work Act 2015 (2021: two notifiable events). Worksafe was notified of the event and has advised it will not be investigating further.

d) 90% of Incident Cause Analysis Method (ICAM) investigations' actions adequately addressed within timeframes agreed.

	2022	2021
Percentage of ICAM investigations corrective and preventative actions adequately addresses within timeframes agreed	100.0%	97.30%

CREDIBILITY, TRUST AND CONFIDENCE

Outcome: Ōtākaro is committed to thorough delivery, through good, open communication with internal and external stakeholders and with our communities.

a) *Maintain results from six-monthly public research surveys compared to April 2020.*

With most anchor projects completed or well advanced, the public profile of Ōtākaro has diminished in the last two years. Consequently, in the October 2021 public survey, familiarity, confidence, and credibility scores dropped back from a high in April 2020 to around the April 2019 levels.

Since April 2019, the research has been in the form of an independent telephone survey of 400 local adults. The survey sample matched the population in terms of age, gender and location, and the margin of error was +/- five per cent. Researchers also noted that 'regeneration fatigue' continued to impact public perceptions in Christchurch, as did COVID 19-related delays to projects.

The six-monthly public surveys have now been discontinued and will be replaced by key stakeholder research.

	Confidence	Credibility	Familiarity
April 2019	72%	53%	33%
April 2020	77%	63%	38%
April 2021	74%	57%	35%
October 2021	69%	55%	32%

b) *A heightened social media profile (target: an additional 1,500 'likes', 1.5 posts per week) and consistent engagement (target: 10% engagement with posts).*

c) *Regular communication outputs, including videos (target: 25) and other updates, news media releases (target: 10) and events, and e-newsletters (target: 6).*

Ōtākaro achieved most of its communication objectives for the year.

Performance measure	2022 target	2022 result	2021 target	2021 result
Additional Facebook 'likes'	1,500	737	1,000	3,323
Average posts per week	1.5	1.3	2	1.7
Engagement with posts	10%	15%	10%	14%
Videos	25	29	35	42
News media releases	10	7	15	10
E-newsletters	6	5	8	7
Events	-	3	-	9

d) *A 5% improvement in local public awareness and appreciation of Te Pae Christchurch Convention Centre (from six-monthly public surveys).*

	Awareness	Appreciation
April 2020	85%	32%
October 2021	81%	31%

COVID-19-related delays to the opening of Te Pae affected public awareness and appreciation.

The six-monthly public surveys have now been discontinued and will be replaced by key stakeholder research.

LAND DIVESTMENT

Outcome: Divestment of Crown land while achieving good commercial outcomes against the Crown's recovery and any regeneration plans.

a) *Sales meet forecasted targets for the financial year, as per the Board approved Budget (9 parcels of land are forecast to be divested in the 2022 financial year);*

b) *Land Divestment Strategy is reviewed six-monthly to reflect changes in market conditions; and*

c) *Land Divestment Strategy is revised and approved annually to include updated market valuations.*

Nine sites were designated for divestment in the 2022 financial year under the Land Divestment Strategy. In total, nine sites were sold; seven of these were allocated for divestment during the 2022 financial year and two were divested ahead of expectation. A further four sites are currently under contract. Most of the sites were divested in Q3 of the 2022 financial year which reflected the condition of the economy at the time. It is anticipated that market activity will be suppressed in the near term due to the worsening of macro-economic conditions.

As part of the Land Divestment process, the strategy has been reviewed six-monthly against market conditions, and revised and approved annually based on market valuations. An updated market valuation was completed in June 2022.

HEALTH, WELLBEING AND DEVELOPMENT

Outcome: Health, wellbeing, and development of all Ōtākaro employees. Ōtākaro is committed to zero harm in the workplace and will support staff to achieve the Company's objectives and purpose.

To achieve this outcome, Ōtākaro will strive for:

- a) *All employees to actively participate in health, safety, and wellbeing initiatives.*

Ōtākaro runs an annual Wellbeing calendar which ensures we have events scheduled at least monthly. Activities include educational sessions, summer and winter wellness packs, and team activities which encourage social interaction and support specific events such as Mental Health Awareness Week.

- b) *All Ōtākaro employees have active learning and development plans in place by 30 June 2022.*

47 out of 49 employees had active learning and development plans throughout the year. The exception was two staff members transitioning from parental leave.

TRANSFER TO LOCAL LEADERSHIP

Outcome: Ōtākaro will assist the Crown's transition to local leadership as part of the earthquake recovery.

Ōtākaro assists with the transition to local leadership by completing public realm and transport projects in the central business district and transferring ownership of them to the Christchurch City Council. The Ōtākaro delivered realm and transport projects are: The Avon River Precinct, East Frame Public Realm (Rauora Park), South Frame and An Accessible City.

As at 30 June 2022 Ōtākaro had completed and transferred ownership of 25 of 30 portions of public realm assets across to the Christchurch City Council. The public realm assets and transport projects are settled and transferred for no consideration.

FINANCIAL PERFORMANCE AND CAPITAL MANAGEMENT

Outcome: Ōtākaro will ensure good financial performance and effective capital management in achieving its outcomes.

Each government agency is issued an Investor confidence rating (ICR) by the Treasury on a scale of A to E. Ōtākaro's rating is A. This rating signals a high level of investment management capability and performance, and trust in the agency delivering investments successfully. The Treasury review the rating tri-annually.

DEMONSTRATING GOOD COMMERCIAL OUTCOMES AGAINST CROWN REGENERATION OBJECTIVES

Outcome: Ōtākaro will balance commercial outcomes against the Crown's regeneration objectives

Ōtākaro is to add value to Anchor Projects and Crown land in a manner that balances a desire to achieve good commercial outcomes against the Crown's regeneration objectives and supports the Crown's exit over time on favourable terms.

A key demonstration of how this balance is achieved is during the divestment of Crown -owned land in central Christchurch. Each divestment is considered on a case-by-case basis taking into account a variety of independent factors, such as the market conditions at the time of sale, the surrounding amenities, the preferred development timeline, and the site feasibilities. Each site is assessed and marketed based on its own specific merits and challenges with the balancing and divestment criteria being weighted appropriately based on each site.

As an example, in October 2021 Ōtākaro successfully completed the sale of Madras Square to a Mike Greer Group and Pebbles Group joint venture. The 8,145m² site borders Gloucester, Madras and Armagh Streets. The joint venture intends to build 90 new homes as well as commercial spaces on the central city Christchurch land. The new homes range from two-bedroom townhouses through to three-bedroom townhouses and apartments. The sale will deliver both positive regenerative and commercial outcomes. The regenerative outcome will be achieved through the significant boost to central city resident numbers, and the retail and hospitality businesses that will help service the East Frame residential community. The commercial outcome was achieved by considering the nine highly competitive bids that were received for the site.

In a challenging and changing market over the last six years the company has divested 43 properties (\$105.6m combined gross sales value) and has 13 remaining to divest, four of which are currently under contract.



Artist's impressions of Madras Square



Artist's impressions of Madras Square

SHOVEL READY MONITORING ROLE

Outcome: Diligent monitoring of Ōtākaro approved Shovel Ready projects

Ōtākaro is committed to monitoring the Company's 12 assigned funding agreements for Shovel Ready projects in Canterbury. Ōtākaro monitors the operational and service performance for build partners as described in this section. The build partners' responsibility is for operational and service performance of the construction; Ōtākaro's role is to monitor performance to ensure that contractually agreed service levels are being met.

a) *As at the end of FY21/22 at least 80% (10 of 12) of approved Ōtākaro Shovel Ready projects have commenced construction.*

	2022	2021
Percentage of Ōtākaro Shovel Ready projects with funding agreements that have commenced construction	100.00% (12 of 12)	83.33% (10 of 12)

Independent Auditor's report

To the readers of Ōtākaro Limited's financial statements and statement of performance for the year ended 30 June 2022

The Auditor-General is the auditor of Ōtākaro Limited (the company). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the statement of performance, including the performance information for appropriations, of the company on his behalf.

OPINION

We have audited:

- the financial statements of the company on pages 32 to 62, that comprise the statement of financial position as at 30 June 2022, 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 statement of performance of the company on pages 63 to 74.

In our opinion:

- the financial statements of the company on pages 32 to 62:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; and
 - its financial performance and cash flows for the year then ended.
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- the statement of performance on pages 63 to 74:
 - presents fairly, in all material respects, the company's performance for the year ended 30 June 2022, 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.
- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 14 December 2022. 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 of Directors and our responsibilities relating to the financial statements and the statement of performance, 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 OF DIRECTORS FOR THE FINANCIAL STATEMENTS AND THE STATEMENT OF PERFORMANCE

The Board of Directors is responsible on behalf of the company for preparing the financial statements and the statement of performance that are fairly presented and comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as they determine is necessary to enable them to prepare the financial statements and the statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the statement of performance, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors 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 company, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE STATEMENT OF PERFORMANCE

Our objectives are to obtain reasonable assurance about whether the financial statements and the statement of performance, 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 statement of performance.

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

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

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 statement of performance, 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 company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported statement of performance within the company's framework for reporting its performance.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company'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 statement of performance 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 company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the statement of performance, including the disclosures, and whether the financial statements and the statement of performance represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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 of Directors is responsible for the other information. The other information comprises the information included on pages 2, 4 to 31 and 78 but does not include the financial statements and the statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and the statement of performance 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 statement of performance, 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 statement of performance 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 company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International 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 company.



JULIAN TAN
Audit New Zealand

On behalf of the Auditor-General
Christchurch, New Zealand

Statutory information and other disclosures

Shareholders

Associate Minister of Finance
(Hon Megan Woods)

Minister for Land Information
(Hon Damien O'Connor)

Registered office and contact address

Level 8, Anthony Harper Tower
62 Worcester Boulevard
Christchurch 8013
New Zealand

Auditor

The Auditor-General pursuant to section 14 of the Public Audit Act 2001. Julian Tan of Audit New Zealand was appointed to perform the audit on behalf of the Auditor-General.

Solicitors

Chapman Tripp
Duncan Cotterill
Greenwood Roche
MinterEllisonRuddWatts

Bankers

Westpac Banking Corporation
ASB Bank Limited
Bank of New Zealand Limited
ANZ Bank Limited

Senior Management

John Bridgman
Chief Executive Officer

Keith Beal
General Manager, Te Pae Operations

Sarah Fields
Acting General Manager, Legal and Risk

Curtis Mitchell
Chief Financial Officer

John O'Hagan
General Manager, Development

Sue Squire
General Manager, People and Capability

Andrew Trevelyan
General Manager, Communication and Engagement

Directors' interests

Pursuant to sections 140 and 211(1)(e) of the Companies Act 1993, the general disclosures of interest made during the year ending 30 June 2022 by Directors of Ōtākaro Limited are included on pages 26 to 29 of the annual report.

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Ōtākaro Limited
Building places for people